INDUSTRY GUIDELINE IN COMPLIANCE TO DIRECTIVE OF STRATEGIC TRADE CONTROLLER NO.1/2025 (ADVANCED ARTIFICIAL INTELLIGENCE CHIPS)

PURPOSE OF THE GUIDELINE

This guide is to assist any person who intends to undertake activities of export, transit and transhipment of Advanced Artifical Intelligence (AI) Chips that are listed in the Directive of the Strategic Trade Controller No.1/2025 (Directive).

3 EASY STEPS TO COMPLY

STEP 1: IDENTIFY YOUR PRODUCT

a. Check if your product is an **'**Advanced AI Chip' based on the **Annex I** of the Directive.

b. Please fill in the AI Chip Assessment (AICA) Form as attached in **Annex II**, IF:

   (i) the product meets the specification under Annex I; OR

   (ii) the product cannot be ascertained if it meets the specification.

c. If your product does not meet the specification, then it is not a controlled item under the Directive. Therefore, normal exportation process applies.

Note/Tips: Use the manufacturer's technical specs and Export Control Classification Number (ECCN) as a reference, if any.

STEP 2: COMPLETE THE AICA FORM

The complete AICA form (Annex II) should be emailed to admin.sts@miti.gov.my at least 30 days in advance prior to the activities of export, transit and transhipment.

STEP 3: DETERMINATION BY THE STRATEGIC TRADE SECRETARIAT (STS)

STS will evaluate and inform the applicant via email whether or not a permit is required.

For more information, you may refer to the list of Frequently Asked Questions (FAQ) in **Annex III**.

CONTACT FOR ASSISTANCE

Strategic Trade Secretariat
Ministry of Investment, Trade and Industry (MITI)
Email: admin.sts@miti.gov.my

ANNEX I

LIST OF ADVANCED AI CHIPS (UNLISTED ITEMS) UNDER SECTION 12 OF THE STRATEGIC TRADE ACT 2010 [*ACT 708*]
DIRECTIVE OF THE STRATEGIC TRADE CONTROLLER NO.1/2025

CATEGORY CODE	DESCRIPTIONS	NOTE
CATEGORY 3		
3U090	a. Integrated circuits (IC) having one or more digital processing units having either of the following: a.1 A 'total processing performance' of 4800 or more, or a.2 A 'total processing performance' of 1600 or more and a 'performance density' of 5.92 or more. b. Integrated circuits having one or more digital processing units having either of the following: b.1 A 'total processing performance' of 2400 or more and less than 4800 and a 'performance density' of 1.6 or more and less than 5.92, or b.2 A 'total processing performance' of 1600 or more and a 'performance density' of 3.2 or more and less than	Note 1*:* Integrated circuits specified by *3U090* include graphical processing units (GPUs), tensor processing units (TPUs), neural processors, in-memory processors, vision processors, text processors, coprocessors/accelerators, adaptive processors, field-programmable logic devices (FPLDs), and application-specific integrated circuits (ASICs). Examples of integrated circuits are in the Note to 3A001.a of the Strategic Trade (Strategic Items) List 2025. Note 2: *3U090* does not apply/control to items that are not designed or marketed for use in datacenters and do not have a 'total processing performance' of 4800 or more. Technical Notes: 1. 'Total processing performance' ('TPP') is 2x 'MacTOPS' x 'bit length of the operation', aggregated over all processing units on the integrated circuit. a. For purposes of *3U090*, 'MacTOPS' is the theoretical peak number of Tera (1012) operations per second for multiply-accumulate computation (D=AxB+C). b. The 2 in the 'TPP' formula is based on industry convention of counting one

CATEGORY CODE	DESCRIPTIONS	NOTE
	5.92.	multiply accumulate computation, D=AxB+C, as 2 operations for purpose of datasheets. Therefore, 2 x MacTOPS may correspond to the reported TOPS or FLOPS on a datasheet. c. For purposes of *3U090*, 'bit length of the operation' for a multiply-accumulate computation is the largest bit-length of the inputs to the multiply operation. d. Aggregate the TPPs for each processing unit on the integrated circuit to arrive at a total. 'TPP' = TPP1 + TPP2 + ... + TPPn (where n is the number or processing units on the integrated circuit). 2. The rate of 'MacTOPS' is to be calculated at its maximum value theoretically possible. The rate of 'MacTOPS' is assumed to be the highest value the manufacturer claims in annual or brochure for the integrated circuit. For example, the 'TPP' threshold of 4800 can be met with 600 tera integer operations (or 2 x 300 'MacTOPS') at 8 bits or 300 tera FLOPS (or 2 x 150 'MacTOPS') at 16 bits. If the IC is designed for MAC computation with multiple bit lengths that achieve different 'TPP' values, the highest 'TPP' value should be evaluated against parameters in *3U090*. 3. For integrated circuits specified by *3U090* that provide processing of both sparse and dense matrices, the 'TPP' values are the values for processing of dense matrices (e.g., without sparsity). 4. 'Performance density' is 'TPP' divided by 'applicable die area'. For purposes of *3U090*, 'applicable die area' is measured in millimeters squared and includes all die area

CATEGORY CODE	DESCRIPTIONS	NOTE
		of logic dies manufactured with a process node that uses a non-planar transistor architecture.
3A001	u. Any commodity described in 3A001 of the Strategic Trade (Strategic Items) List 2025 that meets or exceeds the performance parameters in 3U090.	
CATEGORY 4		
4U090	a. Computers, "electronic assemblies," and "components" containing integrated circuits, any of which meets or exceeds the limit in *3U090.a* or *3U090.b*.	Technical Note: For purposes of *4U090.a* and *4U090.b* computers include "digital computers," "hybrid computers," and analog computers.
4A003	u. Commodities specified in 4A003 of the Strategic Trade (Strategic Items) List 2025 that also meet or exceed the performance parameters in *4U090*.	
4A004	u. Commodities that are described in 4A004 of the Strategic Trade (Strategic Items) List 2025 and that also meet or exceed the performance parameters in *4U090*.	
4A005	u. Commodities that are specified in 4A005 of the Strategic Trade (Strategic Items) List 2025 that also	

CATEGORY CODE	DESCRIPTIONS	NOTE
	meet or exceed the performance parameters in *4U090*.	
CATEGORY 5		
5A002	u. Commodities that are described in 5A002.a or 5A002.b or 5A002.c or 5A002.d or 5A002.e, and that also meet or exceed the performance parameters in *3U090* or *4U090*;	
5A004	u. Other commodities that are described in 5A004.a or 5A004.b, and that also meet or exceed the performance parameters in *3U090* or *4U090*	
5U992	u. Commodities classified as mass market encryption commodities in accordance with Note 3: Cryptography Note, Category 5, Part 2 of the Strategic Trade (Strategic Items) List 2025, and that also meet or exceed the performance parameters in *3U090* or *4U090*.	

ANNEX III

FREQUENTLY ASKED QUESTIONS

1. **What is the purpose of the Directive of the Strategic Trade Controller No.1/2025 Advanced AI Chips?**

   To impose control over advanced AI chips with potential military or WMD applications by invoking Section 12 STA 2010 (Catch-All Control).

2. **What are considered "Advanced AI Chips" under this Directive?**

   Those Advanced AI Chips under the category codes and parameters as specified in Annex I.

3. **Do I need a permit for all AI chips?**

   Only if the AI Chips meets the technical parameters as specified in Annex I. STS will notify the requirement for permit application upon completing assessment on the notification by the company/individual.

4. **What happens if my shipment goes through a Free Industrial Zone (FIZ) or Free Commercial Zone (FCZ)?**

   The Directive applies to all activities of export, transit and transhipment including in FIZ and FCZ.

5. **What happens if I fail to comply?**

   Any person involved in such transactions for export, transhipment or bringing in transit of the Advanced AI Chips must ensure timely notification and obtain the necessary approvals/permit. Failure to comply with subsection 12(1) of the STA 2010 is an offence. Penalties can be imposed based on intent as follows:

   Unlisted Items: Other than Arms or Related Material

Circumstances	Individual Penalty	Corporate Penalty
Intentional or with knowledge	Up to 10 years' imprisonment or RM10 million fine or both	Up to RM20 million fine
Unintentional or without knowledge	Up to 5 years' imprisonment or RM5 million fine or both	Up to RM10 million fine

6. **Can I apply for a blanket approval for multiple shipments?**

   Companies with the Internal Compliance Program (ICP) may apply permits for multiple shipments. However, determination will be made on a case-by-case basis.

7. **How long will this Directive remain in force?**

   The Directive takes effect immediately on 14 July 2025 and will remain in force until further notice.

8. **What are the due processes should companies undertake before submitting the AI Chips Assessment (AICA) Form?**

   Screen for red flags:
   - Examples of high-risk situations;
   - Large transactions from/with newly established or unknown companies;
   - Goods shipped to Free Industrial Zone (FIZ) or Free Commercial Zone (FCZ) with unclear onward destinations;
   - Shell companies as buyers; and
   - Unusually high number of chips for a data center without clear purpose.

   Tip: Use KYC (Know Your Customer) verifications.