



Entity List 50% Affiliates Rule: GPU Server Buyer Checks

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The question buyers actually ask

When a GPU server quote comes from an unfamiliar brand, procurement wants two answers: is this vendor on a US restricted-party list, and if not, is it owned by a company that is? The second question is harder, and from November 10, 2026 it may carry legal weight under the US Export Administration Regulations (EAR).

Below: the Entity List, the Bureau of Industry and Security (BIS) "Affiliates Rule" and its 50 percent ownership test, its status as of October 28, 2026, and a screening workflow for OEM, ODM and reseller chains. For the vendor-specific case that prompted many of these questions, see our [Kaytus, Inspur and Aivres Entity List status analysis](#).

Not legal advice. This is an engineering and procurement reference, not legal advice. Export-control outcomes depend on facts, item classification and jurisdiction. Get qualified export-control counsel before acting on any specific transaction.

Status on October 28, 2026: read this first

- **The rule:** BIS published the Affiliates Rule as an interim final rule effective September 29, 2025 ([90 FR 47201](#)).
- **The stay:** a final rule, [90 FR 50857](#) (published November 12, 2025), says: "Effective November 10, 2025, the amendments to 15 CFR parts 732, 734, 736, 744, and 748 in the interim final rule published at 90 FR 47201 ... are stayed until November 9, 2026." Its summary adds: "The suspension is set to end November 9, 2026, absent a future extension." The eCFR carries the text of [§ 744.11\(a\)\(1\)](#) with the note "paragraph (a)(1) was stayed, effective until Nov. 9, 2026" (eCFR Title 15, up to date as of October 27, 2026).

- **In force today (October 28, 2026):** the 50 percent ownership extension is **not** in force. Only entities named on the Entity List (and addresses listed on it) carry Entity List license requirements. Ordinary red-flag diligence still applies.
- **On November 10, 2026:** the same rule provides a second phase, "effective November 10, 2026 and extending indefinitely", in which "the changes included in the Affiliates Rule that are removed in the first stage will be added back into the EAR". Amendatory instructions 3, 6, 9, 12, 14, 16, 18, 20, 22, 24, 27 and 29 are dated to that day. Reinstatement needs no new rulemaking; only a new BIS Federal Register document can stop it.
- **The announced extension:** on September 23, 2026 Treasury Secretary Scott Bessent said the US-China arrangement would be extended two months to January 10, 2027 ([CNBC](#); [Pillsbury](#) and [Miller Canfield](#) give the same date; [Crowell & Moring](#) dates it September 24). [Export Compliance Daily](#) reported that an unnamed US official said the suspension would be extended with the truce. That is an announcement, not law.
- **What is missing:** a Federal Register document. On October 28, 2026 we queried the [Federal Register API for BIS documents](#). The newest was a temporary denial order renewal dated October 27, 2026. No document extended the stay, and the [public inspection](#) list (filings for the October 29 and 30 issues) held nothing from BIS. [Pillsbury](#) (October 22, 2026): "BIS has not published a Federal Register notice changing the November 10, 2026 reimposition date" and "Absent further action, the Affiliates Rule automatically returns to the EAR on November 10, 2026." [Miller Canfield](#) (October 1, 2026) reached the same conclusion.

So two outcomes are possible, and procurement should plan for both:

Scenario	Trigger	Effect for buyers
Extension published	BIS Federal Register document before Nov 10	New cliff date, announced as Jan 10, 2027. The rule stays on the books (Crowell)
No notice	Nothing published by Nov 9	50% ownership test applies from Nov 10, 2026
Repeal or replacement	A new rule	Read the new text; nothing of this kind was found as of Oct 28

The workflow below holds up under all three.

Entity List basics and the Consolidated Screening List

The Entity List (Supplement No. 4 to Part 744) names parties BIS believes act, or risk acting, against US national security or foreign policy interests; each entry sets its own license requirement and review policy ([90 FR 47201](#)). Under [§ 744.11\(a\)](#), a license is required to export, reexport or transfer (in-country) an item subject to the EAR when a listed entity is "a party to the transaction as described in [§ 748.5\(c\)](#) through (f)". Those paragraphs define the purchaser, intermediate consignee, ultimate consignee and end-user ([§ 748.5](#)).

Direction matters: the Entity List restricts **sending items to** a listed party, not buying from one. A server buyer's exposure is in flows back toward the vendor (RMAs, spares, depot repair) and in the vendor's ability to source US-origin parts.

The [Consolidated Screening List](#) (CSL) combines "multiple export screening lists of the Departments of Commerce, State, and Treasury". It includes the Entity List, MEU List, Denied Persons List and OFAC's SDN and CMIC lists. It "may be used as an aid" to screening; on a match, "additional due diligence should be conducted before proceeding", and the official Federal Register publication governs. Fuzzy search returns match scores, and the data refreshes daily at 5:00 AM Eastern.

Two practical access paths:

- **Bulk files, no key:** [consolidated.json](#), plus CSV and TSV versions linked from the CSL page.
- **Search API:** documented on the [trade.gov developer portal](#). In our test on October 28, 2026, a request without a subscription key returned HTTP 401 ("missing subscription key").

What a CSL check returns today (measured October 28, 2026)

We downloaded consolidated.json on October 28, 2026 and ran exact substring matches over names and aliases. These counts are our own measurement and will change:

Query	Hits	What came back
(all entries)	26,186	19,484 SDN; 3,419 Entity List; 70 MEU; 68 CMIC; others
"inspur"	8	Inspur Group (Entity List, CSL start date 2023-03-06, "Presumption of denial"; also CMIC); five Inspur subsidiaries plus Inspur Taiwan (CSL start date 2025-03-25, "Policy of denial")
"nettrix"	1	Nettrix Information Industry, Entity List since 2025-03-25
"sugon"	2	Sugon (Entity List, 2019); Dawning Information Industry (CMIC)
"kaytus", "aivres"	0	No entries

BIS added the Inspur subsidiaries in March 2025 "for their contributions to Inspur's development of supercomputers for military end use" ([90 FR 14046](#)). The zero rows show the limit of name screening: a list lookup finds only published names, not who owns an unlisted company, which is exactly what the Affiliates Rule tests.

The September 2025 Affiliates Rule

The interim final rule says that "any entity that is at least 50 percent owned by one or more entities on the Entity List will itself automatically be subject to Entity List restrictions" ([90 FR 47201](#)). The key mechanics:

- **Counting:** ownership counts "directly or indirectly, individually or in the aggregate". It applies to owners on the Entity List or MEU List, to certain SDNs, and to unlisted entities that are themselves restricted because of their ownership. Restriction therefore flows down a chain of 50%-owned subsidiaries.
- **Most-restrictive rule:** if several listed owners have different license requirements, the strictest one applies.

- **Red Flag 29:** if you know a foreign entity has listed owners but cannot determine the percentage, you must resolve the red flag, get a license or identify a license exception before proceeding.
- **Strict liability:** the requirements apply without "knowledge". Knowledge affects penalties, not whether a violation occurred.
- **Minority stakes:** significant minority ownership, overlapping board members and other "indicia of control" are a red flag of diversion risk that calls for more due diligence.
- **Supplement No. 8 to Part 744:** guidelines modelled on OFAC's 2014 ownership guidance.
- **Transition license:** the IFR's temporary general license for non-listed affiliates expired on November 28, 2025. The suspension rule's text never mentions a general license ([90 FR 50857](#)). We found none published as of October 28, 2026.

The stay also covers the IFR's part 734 (foreign direct product) changes, and [Pillsbury](#) advises checking whether foreign-made items built with US technology could become subject to the EAR. The Inspur CSL entries cite § 734.9(e)(2).

What changes on November 10, 2026 if the stay lapses

Question	Under the stay (through Nov 9, 2026)	If reimposed (from Nov 10, 2026)
Is an unlisted 60%-owned subsidiary of a listed firm restricted?	Not by ownership alone; red flags still apply	Yes, same restrictions as the listed parent
Does name screening suffice?	Mostly, plus normal red-flag diligence	No. You need an ownership trace
Unknown ownership percentage with a known listed owner	Diligence issue	Red Flag 29: resolve, license, or license exception before shipping
Who must do the work	Exporter/reexporter/transferor	Same, now with an affirmative duty to find ownership percentages

OFAC 50 Percent Rule contrast

BIS designed its standard "to be consistent with longstanding Department of the Treasury practice" ([90 FR 47201](#)). The consequences still differ:

- **OFAC (SDN):** blocking; US persons generally cannot deal with blocked persons. The rule "speaks only to ownership": a controlled but less than 50%-owned entity "is not considered automatically blocked", though OFAC may designate it later ([OFAC FAQ 398](#)).
- **BIS (Entity List):** a license requirement for items subject to the EAR when the restricted party is a party to the transaction. Control-type ties are a red flag, not a bright line.

For a server buyer, an SDN-owned vendor stops the deal. An Entity-List-owned vendor is usually a support, supply and resale problem.

How restrictions reach OEM and ODM chains

GPU servers pass through several legal entities. Our [AI server OEM comparison](#) and the piece on [who designs NVIDIA server hardware](#) cover the layering. Each layer is a separate screening target:

1. **Brand / contracting entity:** the name on the quote and invoice. It is often a regional subsidiary, not the group parent.
2. **ODM / manufacturer:** the company that builds the board or chassis, often under another brand.
3. **Integrator / reseller:** may stock, configure and ship.
4. **RMA and depot entities:** where failed parts physically go. Shipping a part abroad to a restricted depot is an export with that party as consignee.
5. **Parents and intermediate holding companies:** these are where the 50% test bites.

A restricted vendor may also struggle to obtain US-origin GPUs, CPUs and NICs, so your spares and warranty depend on its licensing position. Distributors are not immune. On October 8, 2025, BIS added Arrow China Electronics Trading Co., Ltd. and Arrow Electronics (Hong Kong) Co., Ltd. in a 29-entry rule tied to UAV component diversion ([90 FR 48193](#)). BIS removed Arrow China Electronics Trading and six aliases effective November 10, 2025 ([90 FR 50858](#)). It removed two Arrow Hong Kong addresses effective August 21, 2026 (published August 24; [91 FR 54658](#)). On October 28, 2026 the CSL file still listed Arrow Electronics (Hong Kong) Co., Ltd. with a presumption of denial. A one-time onboarding screen would have missed this.

Our Federal Register API query of all BIS rules found no Entity List additions published from October 10, 2025 to October 28, 2026, only removals and revisions (November 12, 2025; August 24, 2026). The eCFR text of Supplement No. 4 agrees: its newest 2026 entry citation is 91 FR 54659. This quiet period coincides with the trade truce.

A screening workflow

1. **Collect legal names.** For every party in the chain, record the full legal entity name, registration number, country and addresses: contracting entity, manufacturer, shipper, RMA depot, financing lessor.
2. **Screen names.** Run each name and its known aliases against the CSL, using fuzzy search or the bulk file. Treat every near-match as an open item until you have checked it against the Federal Register entry.
3. **Trace ownership.** Ask for an ownership chart down to ultimate beneficial owners. Compute ownership tier by tier, and aggregate stakes held by different listed owners. Screen every owner at every tier.
4. **Apply the 50% test and the red flags.** Flag aggregate listed ownership of 50% or more. Separately flag significant minority stakes, shared directors and recent renames.
5. **Record the result.** Keep the date, list version, matches reviewed and reasoning. Pillsbury recommends updating KYC questionnaires, escalation procedures and recordkeeping ([Pillsbury](#)).
6. **Rescreen.** Repeat on every order, at each RMA shipment, and whenever the Federal Register publishes Entity List changes. Make November 10, 2026 a mandatory rescreen date.

A minimal bulk-file screen for engineers looks like this. It is a triage aid, not a compliance tool:

```
import json, sys
csl = json.load(open("consolidated.json"))["results"]
for term in (t.lower() for t in sys.argv[1:]):
    for e in csl:
        names = [e["name"] or "" + (e.get("alt_names") or [])
        if any(term in n.lower() for n in names):
            print(term, "|", e["source"], "|", e["name"], "|", e.get("start_date"), "|",
            e.get("license_policy"))
```

Questions to put to suppliers

- What is the full legal name of the selling entity, the manufacturing entity, and every RMA/repair location?
- Provide an ownership chart to ultimate owners, with percentages, including holding companies.
- Is any entity in that chart on the Entity List, MEU List or SDN List? Does any of them, alone or combined, hold 50% or more?
- Provide ECCN and license-exception data for the configured system and its GPUs, NICs and software. Our [NVIDIA GPU export restrictions](#) guide covers the classifications.
- Will you notify us within a fixed number of days of any listing or ownership change?
- If your supply of US-origin components is restricted, how will warranty, spares and firmware support continue?

Contract clauses

Pillsbury suggests reviewing ownership representations, change-of-ownership notice, termination rights and delivery terms affected by shipment holds ([Pillsbury](#)). For GPU servers:

- **Reps and notice:** no party in the seller's supply or service chain is listed or 50%+ owned by listed parties, repeated at each delivery, with prompt notice of any change.
- **Termination and refund:** the buyer can terminate without penalty if the seller or a key affiliate becomes restricted, with a refund of undelivered amounts.
- **Delivery-risk allocation:** shipment holds caused by the seller's restricted status are excluded from force majeure.
- **Warranty continuity:** an alternative RMA path through an unrestricted entity, advance spares on site, and escrow or a license for firmware and BMC images.

Worked scenario: a rebranded server

Illustrative and hypothetical; the company names are invented. A buyer gets a quote from "Brand S Pte. Ltd." (Singapore), which is not on the CSL. The supplier's ownership chart shows:

- Brand S is 100% owned by "Holdco H (HK)".
- Holdco H is owned 35% by "Parent P" (Entity List), 20% by "Parent Q" (Entity List) and 45% by an unlisted fund.

Derived arithmetic: listed ownership of Holdco H = 35% + 20% = 55%. That is at least 50% in aggregate, so H would be restricted under the Affiliates Rule. Brand S is 100% owned by a restricted entity, so S would be restricted too. Its CSL result (zero hits) does not change this.

Effect by date:

- **Before the stay ends:** S is not restricted by ownership, though 55% listed ownership is a significant red flag.
- **From November 10, 2026, if not extended:** shipping a failed GPU baseboard to S's depot abroad makes S the ultimate consignee, under the strictest of P's and Q's entries. If that entry covers "all items subject to the EAR" with a policy of denial (as Inspur's do), even an EAR99 part could need a license. The same applies to spares S sources from US suppliers.
- **Practical outcome:** an RMA path through an unrestricted entity, more on-site spares, or another vendor.

Change one input: if P held 40% and Q held 0%, listed ownership is 40%, below the bright line but still a "significant minority ownership" red flag.

FAQ

Does an Entity-List-linked vendor matter for a private cluster we run in the US? Buying from it is not itself the controlled export, but RMA shipments abroad, spares, reexports and resale can trigger licensing, and support continuity is a commercial risk.

Is Aivres or Kaytus on the Entity List? Neither appeared in the CSL on October 28, 2026. Whether either would be restricted under the Affiliates Rule depends on ownership. That is the question to resolve before November 10, 2026.

Where do I watch for the extension? Check on November 9 and 10, 2026: the [Federal Register](#) and its [public inspection desk](#) for BIS documents, then the eCFR note on [§ 744.11](#). Press reports of an extension are not a substitute for the published notice.

If you need a supplier ownership review folded into a GPU server procurement, GPU Smith can help: gpusmith.com/contact.

Sources

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Source links

Links cited in this article, in order of first appearance. Full addresses are provided for readers using extracted text.

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