

116TH CONGRESS
2D SESSION

H. R. 7007

To initiate negotiations for a bilateral agreement on compensation between the United States and the People’s Republic of China relating to the spread of the virus responsible for COVID–19, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

MAY 22, 2020

Mrs. WAGNER introduced the following bill; which was referred to the Committee on Foreign Affairs, and in addition to the Committees on Oversight and Reform, the Judiciary, Financial Services, Energy and Commerce, Armed Services, and Ways and Means, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To initiate negotiations for a bilateral agreement on compensation between the United States and the People’s Republic of China relating to the spread of the virus responsible for COVID–19, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

4 (a) SHORT TITLE.—This Act may be cited as the
5 “Compensation for Americans Act of 2020”.

1 (b) TABLE OF CONTENTS.—The table of contents for
 2 this Act is as follows:

- Sec. 1. Short title; table of contents.
- Sec. 2. Definitions.
- Sec. 3. Findings.
- Sec. 4. Sense of Congress.
- Sec. 5. Statement of policy.
- Sec. 6. Coronavirus compensation fund.
- Sec. 7. Bilateral agreement on compensation between the United States and
 China.
- Sec. 8. Authorization to freeze Chinese assets.
- Sec. 9. Encouraging developing nations to seek compensation from China.
- Sec. 10. Suspension of requests made by Chinese entities to acquire United
 States entities under certain circumstances.
- Sec. 11. Prohibition on procurement of certain products from a covered foreign
 entity, including products intended to be included in the Strategic National Stockpile.
- Sec. 12. Report on integrity of the United States supply chain.
- Sec. 13. Restriction on Federal funds to propose, finalize, implement, or enforce
 any rule that reconsiders or amends certain Bureau of Industry and Security rules.
- Sec. 14. Authorization of sanctions.
- Sec. 15. Export controls on certain telecommunication equipment.
- Sec. 16. Visa ban on researchers affiliated with the PLA.
- Sec. 17. Prohibition on investment of TSP I fund in China.
- Sec. 18. Protecting pharmaceutical access for Americans.
- Sec. 19. Removal of China’s designation as a developing country in international
 bodies.
- Sec. 20. Protecting America from cyberattacks.
- Sec. 21. Ensuring transparency for Chinese listings on U.S. Exchanges.

3 **SEC. 2. DEFINITIONS.**

4 In this Act:

5 (1) CHINA.—The term “China” means the Peo-
 6 ple’s Republic of China.

7 (2) COMPENSATION FUND.—The term “com-
 8 pensation fund” means the Coronavirus Compensa-
 9 tion Fund.

10 (3) WHO.—The term “WHO” means the
 11 World Health Organization.

1 **SEC. 3. FINDINGS.**

2 Congress finds the following:

3 (1) In the early weeks of the spread of the virus
4 responsible for COVID–19, the Government of
5 China systematically suppressed, misrepresented,
6 and falsified information concerning such spread.

7 (2) The first reported instance of such virus
8 may have occurred on November 17, 2019, in
9 Wuhan, China. The Government of China did not
10 notify the WHO that it had detected an unknown
11 respiratory illness until December 31, 2020.

12 (3) The Government of China violated inter-
13 national law by covering up the origins and spread
14 of such virus.

15 (4) Articles 6 and 7 of the International Health
16 Regulations of 2005 require notification to the
17 WHO within 24 hours of an assessment of events
18 that may constitute a public health emergency of
19 international concern.

20 (5) The International Health Regulations re-
21 quire the WHO to be notified of “all relevant public
22 health information” regarding public health events
23 of international concern, and for information to be
24 shared in a “timely, accurate, and sufficiently de-
25 tailed manner”.

1 (6) The Government of China failed to share
2 information with the WHO, and embarked on a
3 campaign to silence doctors, scientists, and whistle-
4 blowers in an attempt to mislead the Chinese people
5 and the international community concerning the
6 spread of such virus.

7 (7) On December 27, 2020, samples of the
8 virus found in hospitals in Wuhan, China, were ana-
9 lyzed and determined to be a novel coronavirus.

10 (8) The Government of China did not share
11 with the WHO such determination concerning the
12 novel coronavirus.

13 (9) On January 3, 2020, the Government of
14 China ordered Chinese scientists working to se-
15 quence the genome of such virus to surrender or de-
16 stroy their samples and the Government of China
17 did not publicly share the genetic sequence until
18 January 12, 2020.

19 (10) In early January, the Government of
20 China jailed eight medical professionals who sought
21 to share information relating to such virus.

22 (11) A Chinese ophthalmologist, Dr. Li
23 Wenliang, tried to warn the medical community of
24 such virus. The Government of China forced Dr. Li
25 to sign a letter stating that he made “false state-

1 ments” concerning such virus. Dr. Li later became
2 infected with such virus and died on February 7,
3 2020.

4 (12) The Government of China insisted that no
5 evidence existed concerning the spread of such virus
6 through person-to-person transmission, and allowed
7 Chinese citizens to travel unimpeded, including dur-
8 ing the Lunar New Year, when travelers numbered
9 in the hundreds of millions.

10 (13) On December 31, 2020, the Government
11 of Taiwan noted the possibility that such virus could
12 spread through person-to-person transmission. Offi-
13 cials of the WHO sent to China did not announce
14 that such virus could spread through person-to-per-
15 son transmission until January 22, 2020.

16 (14) The Government of China continues to
17 neutralize or eliminate actors who threaten to expose
18 the Government of China’s culpability in the spread
19 of such virus.

20 (15) Wuhan Central Hospital reprimanded Dr.
21 Ai Fen for sharing a picture of a patient report la-
22 beled “SARS Coronavirus”. In an interview pub-
23 lished in the Chinese magazine Ren Wu on March
24 10, 2020, Doctor Ai said “This incident has shown
25 that everyone needs to have their own thoughts be-

1 cause someone has to step up to speak the truth.”.
2 Dr. Ai has been missing since March 29, 2020, and
3 it is believed the Government of China is involved in
4 his disappearance.

5 (16) The repeated violations of the Inter-
6 national Health Regulations by the Government of
7 China caused the spread of such virus first in
8 Wuhan, China, and then worldwide.

9 (17) As of May 18, 2020, such spread affected
10 188 countries worldwide, resulting in millions of con-
11 firmed cases and more than 317,000 deaths.

12 (18) As of May 18, 2020, 496,509 Americans
13 were infected by such virus and 89,874 of those peo-
14 ple died.

15 (19) On May 15, 2020, the Asia Development
16 bank estimated that such spread will cost the global
17 economy between \$5.8 trillion and \$8.8 trillion in
18 2020.

19 (20) The International Labor Organization esti-
20 mated that the spread of such virus caused a 10.5
21 percent drop in working hours globally, which is
22 equivalent to 305 million full-time jobs.

23 (21) As of April 2020, the Bureau of Labor
24 Statistics reported 26.5 million Americans lost their
25 jobs.

1 (22) More than 38.6 million Americans filed
2 unemployment claims over an eight-week period end-
3 ing on May 16, 2020, bringing the total of unem-
4 ployed Americans to more than 40 million.

5 (23) The real unemployment rate is estimated
6 to be between 22.8 percent and 25 percent.

7 (24) On April 24, 2020, the Congressional
8 Budget Office predicted that the United States
9 Gross Domestic Product would fall 12 percent in the
10 second quarter of 2020, equivalent to a decline at
11 annual rate of 40 percent.

12 (25) To mitigate the economic impact of such
13 spread and bolster response efforts, Congress appro-
14 priated nearly \$3 trillion in emergency spending.

15 (26) In April 2020, the Congressional Budget
16 Office nearly quadrupled its Fiscal Year 2020 Fed-
17 eral budget deficit projection from \$1 trillion in Jan-
18 uary 2020 to \$3.7 trillion.

19 (27) If China had acted in accordance with its
20 international obligations just three weeks earlier, the
21 number of early coronavirus cases may have been 95
22 percent lower.

23 **SEC. 4. SENSE OF CONGRESS.**

24 It is the sense of Congress that—

1 (1) in February 2020, the United States cor-
2 rectly designated Chinese state-owned media outlets
3 as foreign missions;

4 (2) the Secretary of State should limit to 100
5 or fewer people the total number of Chinese citizens
6 who may work for a Chinese state-owned media out-
7 let in the United States;

8 (3) such limitation may encourage China to
9 allow American journalists and other foreign inde-
10 pendent reporters to live and report in China with-
11 out threat or harassment by China; and

12 (4) United States entities should avoid sup-
13 porting or spreading propaganda from China by re-
14 viewing the policies of such entities relating to media
15 advertisements created by China or advertising in
16 media outlets owned or operated by China.

17 **SEC. 5. STATEMENT OF POLICY.**

18 It is the policy of the United States to seek com-
19 pensation from China for intentionally concealing and dis-
20 torting information concerning the spread of the virus re-
21 sponsible for COVID–19 resulting in—

22 (1) the avoidable loss of life, health, or property
23 of citizens of the United States; and

24 (2) the damage to the national economy of the
25 United States.

1 **SEC. 6. CORONAVIRUS COMPENSATION FUND.**

2 (a) ESTABLISHMENT.—There is established in the
3 Treasury a compensation fund to be known as the
4 Coronavirus Compensation Fund.

5 (b) DEPOSIT OF FUNDS.—There shall be deposited
6 into the compensation fund—

7 (1) the amount agreed upon, if any, between
8 China and the United States relating to the bilateral
9 agreement on compensation initiated under section
10 7(a) of this Act; and

11 (2) the amount, if any, collected from the freez-
12 ing of assets belonging to China under section 8.

13 **SEC. 7. BILATERAL AGREEMENT ON COMPENSATION BE-**
14 **TWEEN THE UNITED STATES AND CHINA.**

15 (a) NEGOTIATIONS.—

16 (1) IN GENERAL.—Not later than 30 days after
17 the date of the enactment of this Act, the Secretary
18 of State shall enter into negotiations with China
19 concerning a bilateral agreement on compensation.

20 (2) MATTERS INCLUDED.—The initiation of ne-
21 gotiations required under paragraph (1) shall relate
22 to—

23 (A) the efforts of China to intentionally
24 distort and conceal information concerning the
25 spread of the virus responsible for COVID-19;
26 and

1 (B) the avoidable loss of life, health, or
2 property of citizens of the United States and
3 the damage to the national economy of the
4 United States caused by the actions of China
5 described in subparagraph (A).

6 (b) DEPOSIT OF FUNDS.—Any money received relat-
7 ing to negotiations initiated under paragraph (1) shall be
8 deposited into the compensation fund established under
9 section 6(a).

10 **SEC. 8. AUTHORIZATION TO FREEZE CHINESE ASSETS.**

11 (a) IN GENERAL.—The President shall use his au-
12 thorities under the International Emergency Economic
13 Powers Act to freeze or block any Chinese asset subject
14 to the jurisdiction of the United States in order to reach
15 a bilateral agreement on compensation with China. With
16 the consent of China under the bilateral agreement on
17 compensation, the President may deposit all or some of
18 these frozen funds into the compensation fund established
19 under section 6(a).

20 (b) PUBLIC REPOSITORY OF CERTAIN ASSETS.—

21 (1) IN GENERAL.—Not later than 30 days after
22 the date of the enactment of this Act, the Secretary
23 of Treasury shall publish online a public repository
24 described in paragraph (2).

1 (2) MATTERS INCLUDED.—The public reposi-
2 tory described in this paragraph shall include infor-
3 mation relating to the following:

4 (A) Chinese state-owned entities in the
5 United States.

6 (B) Chinese entities financed, directed, or
7 controlled by the Government of China or the
8 Chinese Communist Party.

9 (C) United States entities financed, di-
10 rected, or controlled by the Government of
11 China or the Chinese Communist Party.

12 (3) SELF-REPORT.—

13 (A) IN GENERAL.—Subject to subpara-
14 graph (B), not later than 60 days after the date
15 of the enactment of this Act, a United States
16 entity employed by a Chinese entity, including
17 a firm in the United States financial, con-
18 sulting, or legal industries, shall self-report to
19 the Secretary of Treasury and be added to the
20 public repository described in paragraph (2).

21 (B) EXCEPTION.—Notwithstanding any
22 other provision of law, if a public report under
23 subparagraph (A) would disclose confidential
24 proprietary information, including business or
25 trade secrets, the information shall be provided

1 to the Committee on Foreign Affairs of the
2 House of Representatives and the Committee
3 on Foreign Relations of the Senate in a classi-
4 fied repository and shall not be subject to pub-
5 lic disclosure.

6 (C) REMOVAL FROM PUBLIC REPOSI-
7 TORY.—Not later than 30 days after a United
8 State entity reports to the Secretary of Treas-
9 ury that all contracts or agreements with a Chi-
10 nese entity have terminated, the Secretary of
11 Treasury shall remove all information relating
12 to the United States entity from the public re-
13 pository.

14 (e) DEPOSIT OF FUNDS.—Notwithstanding any other
15 provision of law, and requiring the consent of China, the
16 President may deposit all or some of the assets frozen pur-
17 suant to subsection (a) into the compensation fund estab-
18 lished under section 6(a).

19 **SEC. 9. ENCOURAGING DEVELOPING NATIONS TO SEEK**
20 **COMPENSATION FROM CHINA.**

21 (a) IN GENERAL.—Not earlier than 60 days after the
22 date that the Secretary of State enters into negotiations
23 with China concerning a bilateral agreement on compensa-
24 tion pursuant to section 7, if China did not enter into,
25 or abide by, a contract or agreement relating to such nego-

1 tiations, the Secretary of State shall submit to the appro-
2 priate congressional committees a report described in sub-
3 section (b).

4 (b) REPORT.—The report described in this subsection
5 shall include information concerning strategies to encour-
6 age and support developing countries that are facing a se-
7 vere health and economic crisis due to China’s actions dur-
8 ing the spread of the virus responsible for COVID–19 and
9 indebted to China to freeze, repossess, and seize Chinese
10 assets and holdings in each such country, renege on loans
11 or debt, and expropriate ports in order to fund response
12 efforts to the spread of the virus responsible for COVID–
13 19 if China does not provide compensation to such devel-
14 oping countries.

15 (c) DEFINITIONS.—In this section:

16 (1) APPROPRIATE CONGRESSIONAL COMMIT-
17 TEES.—The term “appropriate congressional com-
18 mittees” means—

19 (A) the Committee on Foreign Affairs of
20 the House of Representatives; and

21 (B) the Committee on Foreign Relations of
22 the Senate.

23 (2) CHINESE ASSETS AND HOLDINGS.—The
24 term “Chinese assets and holdings” means the fol-
25 lowing entities in a developing country—

- 1 (A) Chinese state-owned entities;
- 2 (B) Chinese entities financed, directed, or
3 controlled by China or the Chinese Communist
4 Party; or
- 5 (C) entities organized under the laws of a
6 developing country that are financed, directed,
7 or controlled by China or the Chinese Com-
8 munist Party.

9 **SEC. 10. SUSPENSION OF REQUESTS MADE BY CHINESE EN-**
10 **TITIES TO ACQUIRE UNITED STATES ENTI-**
11 **TIES UNDER CERTAIN CIRCUMSTANCES.**

12 (a) IN GENERAL.—Not earlier than 60 days after the
13 date that the Secretary of State enters into negotiations
14 with China concerning a bilateral agreement on compensa-
15 tion pursuant to section 7, the President shall suspend re-
16 view of requests made by a Chinese entity to acquire a
17 United States entity to the Committee on Foreign Invest-
18 ment in the United States.

19 (b) APPLICATION.—Subsection (a) shall only apply if
20 China did not enter into, or abide by, a contract or agree-
21 ment relating to such negotiations pursuant to section 7,
22 and such suspension shall be lifted if such contract or
23 agreement is established.

1 **SEC. 11. PROHIBITION ON PROCUREMENT OF CERTAIN**
2 **PRODUCTS FROM A COVERED FOREIGN ENTI-**
3 **TY, INCLUDING PRODUCTS INTENDED TO BE**
4 **INCLUDED IN THE STRATEGIC NATIONAL**
5 **STOCKPILE.**

6 (a) PROHIBITION ON USE OF FEDERAL FUNDS FOR
7 FOREIGN PROCUREMENT.—No Federal funds may be
8 used to procure by contract, subcontract, grant, coopera-
9 tive agreement, or otherwise any product sourced, manu-
10 factured, or assembled in whole or in part by a covered
11 foreign entity that poses a supply chain risk to the na-
12 tional security of the United States, including products
13 identified in the report required under subsection (b).

14 (b) REPORT.—

15 (1) IN GENERAL.—Not later than 60 days after
16 the date of the enactment of this Act, the President
17 shall submit to the appropriate congressional com-
18 mittees a report concerning supply chain risks and
19 vulnerabilities posed by a covered foreign entity to
20 the national security, including health security, of
21 the United States, and methods to mitigate such
22 risks and vulnerabilities.

23 (2) MATTERS INCLUDED.—The report required
24 under paragraph (1) shall include information relat-
25 ing to such business sectors:

26 (A) Pharmaceutical.

1 (B) Medical.

2 (C) Rare earth material.

3 (D) Cybersecurity.

4 (E) Information security.

5 (F) Communication technology, including
6 fifth generation technology.

7 (G) Electronics.

8 (c) WAIVER.—The President may waive the prohibi-
9 tions under this section with respect to a product if the
10 President determines and reports to the appropriate con-
11 gressional committees that such waiver is in the national
12 security interests of the United States.

13 (d) TERMINATION.—The President may terminate
14 the prohibition with respect to a product if the President
15 determines and reports to the appropriate congressional
16 committees not less than 15 days before such termination
17 takes effect that China—

18 (1) acknowledges intentionally distorting and
19 concealing information concerning the spread of the
20 virus responsible for COVID–19; and

21 (2) provides compensation to the United States
22 for actions described in paragraph (1), which
23 caused—

24 (A) avoidable loss of life, health, or prop-
25 erty of citizens of the United States; and

1 (B) damage to the national economy of the
2 United States.

3 (e) DEFINITIONS.—In this section:

4 (1) APPROPRIATE CONGRESSIONAL COMMIT-
5 TEES.—The term “appropriate congressional com-
6 mittees” means—

7 (A) the Committee on Foreign Affairs of
8 the House of Representatives;

9 (B) the Committee on Energy and Com-
10 merce of the House of Representatives;

11 (C) the Committee on Homeland Security
12 of the House of Representatives;

13 (D) the Committee on Armed Services of
14 the House of Representatives;

15 (E) the Committee on Veterans’ Affairs of
16 the House of Representatives;

17 (F) the Committee on Ways and Means of
18 the House of Representatives;

19 (G) the Committee on Foreign Relations of
20 the Senate;

21 (H) the Committee on Health, Education,
22 Labor, and Pensions of the Senate;

23 (I) the Committee on Homeland Security
24 and Governmental Affairs of the Senate;

1 (J) the Committee on Armed Services of
2 the Senate; and

3 (K) the Committee on Veterans' Affairs of
4 the Senate.

5 (2) COVERED FOREIGN ENTITY.—The term
6 “covered foreign entity” means any entity domiciled
7 in China or subject to influence or control by China
8 or the Communist Party of China, as determined by
9 the Secretary of State.

10 **SEC. 12. REPORT ON INTEGRITY OF THE UNITED STATES**

11 **SUPPLY CHAIN.**

12 (a) IN GENERAL.—Not later than 60 days after the
13 date of the enactment of this Act, the Secretary of Com-
14 merce shall submit to the appropriate congressional com-
15 mittees a report concerning strategies to incentivize, re-
16 quire, or compensate United States persons for relocating
17 or repatriating United States business activities and as-
18 sets from China to the United States.

19 (b) MATTERS INCLUDED.—The report required
20 under subsection (a) shall include information relating to
21 the following business sectors:

22 (1) Pharmaceutical.

23 (2) Medical.

24 (3) Electronics.

1 (4) Information and communications tech-
2 nology.

3 (5) Science.

4 (6) Defense industries.

5 (c) DEFINITIONS.—In this section:

6 (1) APPROPRIATE CONGRESSIONAL COMMIT-
7 TEES.—The term “appropriate congressional com-
8 mittees” means—

9 (A) the Committee on Foreign Affairs of
10 the House of Representatives;

11 (B) the Committee on Energy and Com-
12 merce of the House of Representatives;

13 (C) the Committee on Financial Services of
14 the House of Representatives;

15 (D) the Committee on Foreign Relations of
16 the Senate;

17 (E) the Committee on Commerce, Science,
18 and Transportation of the Senate; and

19 (F) the Committee on Finance of the Sen-
20 ate.

21 (2) PERSON.—The term “person” means—

22 (A) a natural person;

23 (B) a corporation, business association,
24 partnership, society, trust, financial institution,
25 insurer, underwriter, guarantor, and any other

1 business organization, any other nongovern-
2 mental entity, organization, or group, or any
3 government or agency thereof; and

4 (C) any successor to any entity described
5 in subparagraph (B).

6 (3) UNITED STATES PERSON.—The term
7 “United States person” means—

8 (A) any individual who is a citizen or na-
9 tional of the United States or who is an indi-
10 vidual described in subparagraph (B) of section
11 274B(a)(3) of the Immigration and Nationality
12 Act (8 U.S.C. 1324b(a)(3)); or

13 (B) a corporation or other legal entity
14 which is organized under the laws of the United
15 States, any State or territory thereof, or the
16 District of Columbia.

17 **SEC. 13. RESTRICTION ON FEDERAL FUNDS TO PROPOSE,**
18 **FINALIZE, IMPLEMENT, OR ENFORCE ANY**
19 **RULE THAT RECONSIDERS OR AMENDS CER-**
20 **TAIN BUREAU OF INDUSTRY AND SECURITY**
21 **RULES.**

22 No Federal funds may be used to propose, finalize,
23 implement, or enforce any rule that reconsiders or amends
24 Bureau of Industry and Security’s—

1 (1) rule dated April 28, 2020, and titled,
2 “Elimination of License Exception Civil End Users
3 (CIV)” (85 Fed. Reg. 23470); or

4 (2) rule dated April 28, 2020, and titled, “Ex-
5 pansion of Export, Reexport, and Transfer (in-Coun-
6 try) Controls for Military End Use or Military End
7 Users in the People’s Republic of China, Russia, or
8 Venezuela” (85 Fed. Reg. 23459).

9 **SEC. 14. AUTHORIZATION OF SANCTIONS.**

10 (a) IN GENERAL.—The President shall impose the
11 sanctions described in subsection (b) with respect to a for-
12 eign person the President determines, based on credible
13 evidence, is one of the following:

14 (1) A government official, or a senior associate
15 of such an official, of China.

16 (2) A Chinese manufacturer or supplier, or a
17 corporate officer of, or a principal shareholder with
18 controlling interests in, such a manufacturer or sup-
19 plier, in the following industries:

20 (A) Artificial intelligence.

21 (B) Genetic engineering technologies.

22 (C) Semiconductors.

23 (D) Lithium battery manufacturing.

24 (E) High-capacity computing.

25 (F) Quantum computing.

1 (G) Medical equipment.

2 (H) Pharmaceuticals.

3 (I) Robotics.

4 (J) Biotechnology.

5 (3) An individual, corporate officer, or principal
6 shareholder with controlling interests in a medical
7 equipment supplier or pharmaceutical manufacturer
8 entity that profited from the global response to the
9 spread of the virus responsible for COVID–19.

10 (4) A citizen of China who the President deter-
11 mines to—

12 (A) be responsible for or complicit in, or to
13 have engaged in, the misappropriation, receipt,
14 or use of intellectual property stolen from
15 United States persons if that misappropriation,
16 receipt, or use is reasonably likely to result in,
17 or has materially contributed to, a significant
18 threat to the national security, foreign policy, or
19 economy of the United States;

20 (B) have materially assisted, sponsored, or
21 provided financial, material, or technological
22 support for, or goods or services to or in sup-
23 port of—

24 (i) any activity described in subpara-
25 graph (A); or

1 (ii) any person the property and inter-
2 ests in property of which are blocked pur-
3 suant to subsection (b)(1);

4 (C) be owned or controlled by, or to have
5 acted or purported to act for or on behalf of,
6 directly or indirectly, any person the property
7 and interests in property of which are blocked
8 pursuant to subsection (b)(1);

9 (D) have attempted to engage in any of
10 the activity described in subparagraph (A), (B),
11 or (C); or

12 (E) be a corporate officer of, or a principal
13 shareholder with controlling interests in, an en-
14 tity described in any of subparagraph (A), (B),
15 (C), or (D).

16 (5) A Chinese state-owned entity or a Chinese
17 entity financed, directed, or controlled by the Gov-
18 ernment of China or the Chinese Communist Party,
19 that the President determines to, on or after the
20 date of the enactment of this Act—

21 (A) be responsible for or complicit in, or to
22 have engaged in, censorship, surveillance, or
23 any other similar or related activity through
24 means of telecommunications, including the
25 internet;

1 (B) have materially assisted, sponsored, or
2 provided financial, material, or technological
3 support for, or goods or services to or in sup-
4 port of—

5 (i) any activity described in subpara-
6 graph (A); or

7 (ii) any person the property and inter-
8 ests in property of which are blocked pur-
9 suant to subsection (b)(1);

10 (C) be owned or controlled by, or to have
11 acted or purported to act for or on behalf of,
12 directly or indirectly, any person the property
13 and interests in property of which are blocked
14 pursuant to subsection (b)(1);

15 (D) have attempted to engage in any of
16 the activity described in subparagraph (A), (B),
17 or (C); or

18 (E) be a corporate officer of, or a principal
19 shareholder with controlling interests in, an en-
20 tity described in any of subparagraph (A), (B),
21 (C), or (D).

22 (b) SANCTIONS DESCRIBED.—The sanctions de-
23 scribed in this subsection are the following:

24 (1) ASSET BLOCKING.—The President shall ex-
25 ercise all of the powers granted to the President

1 under the International Emergency Economic Pow-
2 ers Act (50 U.S.C. 1701 et seq.) to the extent nec-
3 essary to block and prohibit all transactions in prop-
4 erty and interests in property of a foreign person
5 identified in the report required under subsection (a)
6 if such property and interests in property are in the
7 United States, come within the United States, or
8 come within the possession or control of a United
9 States person.

10 (2) INELIGIBILITY FOR VISAS, ADMISSION, OR
11 PAROLE.—

12 (A) VISAS, ADMISSION, OR PAROLE.—A
13 foreign person described in subsection (a) and
14 his or her immediate family members is—

15 (i) inadmissible to the United States;

16 (ii) ineligible to receive a visa or other
17 documentation to enter the United States;
18 and

19 (iii) otherwise ineligible to be admitted
20 or paroled into the United States or to re-
21 ceive any other benefit under the Immigra-
22 tion and Nationality Act (8 U.S.C. 1101 et
23 seq.).

24 (B) CURRENT VISA REVOKED.—

1 (i) IN GENERAL.—A foreign person
2 described in subsection (a) is subject to
3 revocation of any visa or other entry docu-
4 mentation regardless of when the visa or
5 other entry documentation is or was
6 issued.

7 (ii) IMMEDIATE EFFECT.—A revoca-
8 tion under clause (i) shall—

9 (I) take effect immediately; and

10 (II) automatically cancel any
11 other valid visa or entry documenta-
12 tion that is in the alien's possession.

13 (C) EXCEPTION TO COMPLY WITH INTER-
14 NATIONAL OBLIGATIONS.—Sanctions under this
15 paragraph shall not apply with respect to a for-
16 eign person if admitting or paroling such per-
17 son into the United States is necessary to per-
18 mit the United States to comply with the
19 Agreement regarding the Headquarters of the
20 United Nations, signed at Lake Success June
21 26, 1947, and entered into force November 21,
22 1947, between the United Nations and the
23 United States, or other applicable international
24 obligations.

1 (c) IMPLEMENTATION.—The President may exercise
2 all authorities provided under sections 203 and 205 of the
3 International Emergency Economic Powers Act (50
4 U.S.C. 1702 and 1704) to carry out this section.

5 (d) WAIVER.—The President may waive the applica-
6 tion of sanctions under this section with respect to a for-
7 eign person identified in the report required under sub-
8 section (a) if the President determines and certifies to the
9 appropriate congressional committees that such a waiver
10 is in the national interest of the United States.

11 (e) TERMINATION OF SANCTIONS.—The President
12 may terminate the application of sanctions under this sec-
13 tion with respect to a foreign person if the President deter-
14 mines and reports to the appropriate congressional com-
15 mittees not less than 15 days before such termination
16 takes effect that China—

17 (1) acknowledges intentionally distorting and
18 concealing information concerning the spread of the
19 virus responsible for COVID–19; and

20 (2) provides compensation to the United States
21 for such actions described in paragraph (1), which
22 caused an avoidable injury to—

23 (A) the life, health, and property of the
24 citizens of the United States; and

1 (B) the national economy of the United
2 States.

3 (f) EXCEPTION RELATING TO THE IMPORTATION OF
4 GOODS.—

5 (1) IN GENERAL.—The authorities and require-
6 ments to impose sanctions under this section shall
7 not include the authority or requirement to impose
8 sanctions on the importation of goods.

9 (2) GOOD DEFINED.—In this subsection, the
10 term “good” means any article, natural or man-
11 made substance, material, supply or manufactured
12 product, including inspection and test equipment,
13 and excluding technical data.

14 (g) DEFINITIONS.—In this section:

15 (1) APPROPRIATE CONGRESSIONAL COMMIT-
16 TEES.—The term “appropriate congressional com-
17 mittees” means—

18 (A) the Committee on Foreign Affairs of
19 the House of Representatives; and

20 (B) the Committee on Foreign Relations of
21 the Senate.

22 (2) FOREIGN PERSON.—The term “foreign per-
23 son” means—

1 (A) an individual who is not a citizen of
2 the United States or an alien admitted for per-
3 manent residence to the United States; or

4 (B) a corporation, partnership, or other
5 entity which is created or organized under the
6 laws of a foreign country or which has its prin-
7 cipal place of business outside the United
8 States.

9 **SEC. 15. EXPORT CONTROLS ON CERTAIN TELECOMMUNI-**
10 **CATION EQUIPMENT.**

11 (a) IN GENERAL.—Section 1754 of the John S.
12 McCain National Defense Authorization Act for Fiscal
13 Year 2019 (50 U.S.C. 4813) is amended by adding at the
14 end the following:

15 “(g) CERTAIN TELECOMMUNICATIONS EQUIP-
16 MENT.—

17 “(1) IN GENERAL.—The Secretary, in consulta-
18 tion with the Secretary of State, the Secretary of
19 Defense, and the heads of other appropriate Federal
20 departments and agencies, shall establish and main-
21 tain a list of goods and technology that would serve
22 the primary purpose of assisting, or be specifically
23 configured to assist, the People’s Republic of China
24 in acquiring the capability to carry out censorship,
25 surveillance, or any other similar or related activity

1 through means of telecommunications, including the
2 internet, the prohibition or licensing of which would
3 be effective in barring acquisition or enhancement of
4 such capability.

5 “(2) PROHIBITION.—Notwithstanding any other
6 provision of law, the Secretary shall prohibit the ex-
7 port of goods or technology on the list established
8 under paragraph (1) to Chinese state-owned entities
9 or Chinese entities financed, directed, or controlled
10 by the People’s Republic of China or the Chinese
11 Communist Party.

12 “(3) WAIVER.—The President may waive the
13 application of paragraph (2) with respect to export
14 of goods or technology on the list established under
15 paragraph (1) on a case-by-case basis if the Presi-
16 dent determines and certifies to Congress that it is
17 in the national interests of the United States to do
18 so.

19 “(4) DEFINITIONS.—In this subsection, the
20 term ‘Internet’ has the meaning given the term in
21 section 231(e)(3) of the Communications Act of
22 1934 (47 U.S.C. 231(e)(3)).”.

23 (b) REGULATIONS.—

24 (1) IN GENERAL.—Not later than 90 days after
25 the date of the enactment of this Act, the President

1 shall revise the Export Administration Regulations
2 and any other regulations necessary to carry out the
3 amendment made by subsection (a).

4 (2) EXPORT ADMINISTRATION REGULATIONS
5 DEFINED.—In this subsection, the term “Export Ad-
6 ministration Regulations” means the Export Admin-
7 istration Regulations as maintained and amended
8 under the authority of the International Emergency
9 Economic Powers Act and codified, as of the date of
10 the enactment of this Act, in subchapter C of chap-
11 ter VII of title 15, Code of Federal Regulations.

12 (c) EFFECTIVE DATE.—Section 1754(g) of the John
13 S. McCain National Defense Authorization Act for Fiscal
14 Year 2019 (50 U.S.C. 4813(g)), as added by subsection
15 (a), shall take effect on the date of the enactment of this
16 Act.

17 **SEC. 16. VISA BAN ON RESEARCHERS AFFILIATED WITH**
18 **THE PLA.**

19 (a) IDENTIFICATION OF PLA-SUPPORTED INSTITU-
20 TIONS.—

21 (1) IN GENERAL.—Not later than 60 days after
22 the date of the enactment of this Act, and annually
23 thereafter, the Secretary of Homeland Security shall
24 publish a list identifying the research, engineering,
25 and scientific institutions that the Secretary of

1 Homeland Security determines are affiliated with, or
2 funded by, the Chinese People’s Liberation Army.

3 (2) FORM.—The list published under paragraph
4 (1) shall be unclassified and publicly accessible, but
5 may include a classified annex.

6 (b) EXCLUSION FROM UNITED STATES.—Except as
7 provided in subsections (d) and (e), the Secretary of State
8 may not issue a visa under subparagraph (F) or (J) of
9 section 101(a)(15) of the Immigration and Nationality Act
10 (8 U.S.C. 1101(a)(15)), and the Secretary of Homeland
11 Security may not admit, parole into the United States,
12 or otherwise provide nonimmigrant status under such sub-
13 paragraphs, to any alien who is, or has previously been,
14 employed, sponsored, or funded by any entity identified
15 on the most recently published list under subsection (a).

16 (c) INQUIRY.—Before issuing a visa described in sub-
17 section (b) to a national of China, the Secretary of State,
18 the Secretary of Homeland Security, a consular officer,
19 or a U.S. Customs and Border Protection officer shall ask
20 the alien seeking such visa if the alien is, or has previously
21 been, employed, funded, or otherwise sponsored by the
22 Chinese People’s Liberation Army or any of the affiliated
23 institutions identified on the most recently published list
24 under subsection (a).

1 (d) EXCEPTION TO COMPLY WITH UNITED NATIONS
2 HEADQUARTERS AGREEMENT.—Subsection (b) shall not
3 apply to an individual if admitting the individual to the
4 United States is necessary to permit the United States
5 to comply with the Agreement between the United Nations
6 and the United States of America regarding the Head-
7 quarters of the United Nations, signed June 26, 1947,
8 and entered into force November 21, 1947, and other ap-
9 plicable international obligations.

10 (e) NATIONAL SECURITY WAIVER.—The President,
11 or a designee of the President, may waive subsection (b)
12 if the President or such designee certifies in writing to
13 the appropriate congressional committees that such waiver
14 is in the national security interest of the United States.

15 **SEC. 17. PROHIBITION ON INVESTMENT OF TSP I FUND IN**
16 **CHINA.**

17 (a) IN GENERAL.—Section 8438(b)(4) of title 5,
18 United States Code, is amended by adding at the end the
19 following:

20 “(C) The index selected by the Board
21 under subparagraph (A) may not include invest-
22 ments in any stock of an entity based in the
23 People’s Republic of China.”.

24 (b) DIVESTITURE OF ASSETS.—Not later than 60
25 days after the date of the enactment of this Act, the Fed-

1 eral Retirement Thrift Investment Board (as established
2 under section 8472(a) of title 5, United States Code), in
3 consultation with the manager of the Thrift Savings Fund,
4 shall—

5 (1) review whether any sums in the Thrift Sav-
6 ings Fund are invested in contravention of subpara-
7 graph (C) of section 8438(b)(4) of such title, as
8 added by subsection (a);

9 (2) if any sums are so invested, and consistent
10 with the legal and fiduciary duties provided under
11 chapter 84 of such title or any other provision of
12 law, divest such sums; and

13 (3) re-invest the divested sums in investments
14 that do not contradict such subparagraph.

15 **SEC. 18. PROTECTING PHARMACEUTICAL ACCESS FOR**
16 **AMERICANS.**

17 (a) LIST OF CRITICAL DRUGS PRODUCED EXCLU-
18 SIVELY IN CHINA.—

19 (1) IN GENERAL.—Not later than 30 days after
20 the date of enactment of this Act, the Commissioner
21 of Food and Drugs shall submit to the Congress a
22 list of all critical drugs and critical active pharma-
23 ceutical ingredients—

24 (A) that are produced in China; and

1 (B) the supply of which would be disrupted
2 for United States consumers if such production
3 were discontinued or interrupted.

4 (2) DEFINITIONS.—In this subsection:

5 (A) The term “critical active pharma-
6 ceutical ingredient” means an active pharma-
7 ceutical ingredient in a critical drug.

8 (B) The term “critical drug” means a
9 product that—

10 (i) is a drug (as defined in section
11 201 of the Federal Food, Drug, and Cos-
12 metic Act (21 U.S.C. 321)) for which the
13 approval of an application submitted under
14 subsection (b) or (j) of section 505 of such
15 Act (21 U.S.C. 355) or subsection (a) or
16 (k) of section 351 of the Public Health
17 Service Act (42 U.S.C. 352) remains in ef-
18 fect; and

19 (ii) is deemed by the Commissioner of
20 Food and Drugs to be critical to the health
21 and safety of United States consumers.

22 (C) The term “produce” means manufac-
23 tured, prepared, propagated, compounded, or
24 processed, in whole or in part.

1 (b) CERTIFICATION CONCERNING CHINESE PHARMA-
2 CEUTICAL REGULATION.—

3 (1) IN GENERAL.—Not later than 180 days
4 after the date of enactment of this Act, the Commis-
5 sioner of Food and Drugs (in this subsection re-
6 ferred to as the “Commissioner”) shall certify to the
7 Congress whether the Chinese pharmaceutical indus-
8 try is being regulated for safety (including regula-
9 tion of such industry by Chinese authorities and the
10 Food and Drug Administration) to substantially the
11 same degree as the United States pharmaceutical in-
12 dustry.

13 (2) INVESTIGATIONS.—The Commissioner—

14 (A) shall conduct such investigations as
15 may be necessary to make the certification re-
16 quired by paragraph (1); and

17 (B) in conducting such investigations, may
18 use unannounced inspections and demand all
19 necessary onsite access.

20 (3) PLAN.—If the Commissioner certifies pur-
21 suant to paragraph (1) that the Chinese pharma-
22 ceutical industry is not being regulated for safety to
23 substantially the same degree as the United States
24 pharmaceutical industry, the Commissioner shall,
25 not later than 60 days after the Commissioner sub-

1 mits the certification required by paragraph (1),
2 submit a plan to the Congress to protect United
3 States consumers from unsafe Chinese drugs.

4 (c) PURCHASING PLAN.—

5 (1) IN GENERAL.—Not later than 90 days after
6 the date of the enactment of this Act, the Secretary
7 of Defense, in coordination with the Secretary of
8 Health and Human Services and the Commissioner
9 of Food and Drugs, shall submit to the Congress—

10 (A) a plan to ensure that by 2024 no phar-
11 maceutical products purchased for beneficiaries
12 of health care from the Department of Defense
13 or any associated program are made in part or
14 in whole in China; and

15 (B) an assessment of the resilience and ca-
16 pacity of the current supply chain and indus-
17 trial base to support national defense if no
18 pharmaceutical products purchased for bene-
19 ficiaries of health care from the Department of
20 Defense or any associated program are made in
21 part or in whole in China, including with re-
22 spect to—

23 (i) the manufacturing capacity of the
24 United States;

1 (ii) gaps in domestic manufacturing
2 capabilities, including non-existent, extinct,
3 threatened, and single-point-of-failure ca-
4 pabilities; and

5 (iii) supply chains with single points
6 of failure and limited resiliency.

7 (2) REQUIRED RECOMMENDATIONS.—The as-
8 sessment under paragraph (1)(B) shall include rec-
9 ommendations—

10 (A) to address critical bottlenecks in the
11 supply of pharmaceutical products in the
12 United States; and

13 (B) to mitigate single points of failure and
14 limited resilience of supply chains for pharma-
15 ceutical products in the United States.

16 **SEC. 19. REMOVAL OF CHINA'S DESIGNATION AS A DEVEL-**
17 **OPING COUNTRY IN INTERNATIONAL BODIES.**

18 (a) STATEMENT OF POLICY.—It is the policy of the
19 United States to oppose efforts by China to use its self-
20 declared status as a developing country to lessen its obli-
21 gations under international agreements, dispute settle-
22 ment proceedings, negotiations, rules, and regulations.

23 (b) WORLD BANK.—The Secretary of the Treasury
24 shall instruct the United States Executive Director at the
25 International Bank for Reconstruction and Development

1 to pursue the removal of China from eligibility for assist-
2 ance from the Bank.

3 (c) DESIGNATION OF CHINA AS A DEVELOPED COUN-
4 TRY.—

5 (1) UNITED STATES TRADE LAW.—Notwith-
6 standing any other provision of law, China shall be
7 treated as a developed country for the purposes of
8 United States trade law.

9 (2) WTO DESIGNATION.—The President shall
10 direct the United States Trade Representative to use
11 the voice, vote, and influence of the United States to
12 secure changes at the World Trade Organization
13 to—

14 (A) prevent China from receiving benefits
15 under the rules and regulations of the World
16 Trade Organization that are not justified by ap-
17 propriate economic and other indicators; and

18 (B) treat China as a developed country.

19 (d) UNITED NATIONS CLASSIFICATION SYSTEM.—
20 The President shall direct the United States Permanent
21 Representative to the United Nations to use the voice,
22 vote, and influence of the United States—

23 (1) to revise the classification system of the
24 United Nations Statistics Division necessary to en-

1 sure the classification of China reflects justifiable
2 economic and other indicators; and

3 (2) to treat China as a developed country for
4 purposes of the Standard Country or Area Codes for
5 Statistical Use (Series M, No. 49).

6 **SEC. 20. PROTECTING AMERICA FROM CYBERATTACKS.**

7 (a) EXEMPTIONS TO THE COMPUTER FRAUD AND
8 ABUSE ACT.—Section 1030 of title 18, United States
9 Code, is amended by adding at the end the following:

10 “(k) EXCEPTION FOR THE USE OF ATTRIBUTIONAL
11 TECHNOLOGY.—

12 “(1) IN GENERAL.—This section shall not apply
13 with respect to the use of attributional technology in
14 regard to a defender who uses a program, code, or
15 command for attributional purposes that beacons or
16 returns locational or attributional data in response
17 to a cyber intrusion in order to identify the source
18 of an intrusion; if—

19 “(A) the program, code, or command origi-
20 nated on the computer of the defender but is
21 copied or removed by an unauthorized user;

22 “(B) the program, code, or command does
23 not result in the destruction of data or result
24 in an impairment of the essential operating
25 functionality of the attacker’s computer system,

1 or intentionally create a backdoor enabling in-
2 trusive access into the attacker’s computer sys-
3 tem; and

4 “(C) the defender believes the attacker is
5 an agent or an affiliate of Chinese state com-
6 mercial actors in the United States, other Chi-
7 nese entities or individuals financed, directed,
8 or controlled by the Chinese State, Government
9 of China, or the Chinese Communist Party.

10 “(2) DEFINITION.—The term ‘attributional
11 data’ means any digital information such as log files,
12 text strings, time stamps, malware samples, identi-
13 fiers such as user names and Internet Protocol ad-
14 dresses and metadata or other digital artifacts gath-
15 ered through forensic analysis.”.

16 (b) EXCLUSION FROM PROSECUTION FOR CERTAIN
17 COMPUTER CRIMES FOR THOSE TAKING ACTIVE CYBER
18 DEFENSE MEASURES.—Section 1030 of title 18, United
19 States Code, is amended by adding at the end the fol-
20 lowing:

21 “(1) ACTIVE CYBER DEFENSE MEASURES NOT A
22 VIOLATION.—

23 “(1) IN GENERAL.—It is a defense to a crimi-
24 nal prosecution under this section that the conduct
25 constituting the offense was an active cyber defense

1 measure if the defender believes the attacker was an
2 agent or an affiliate of Chinese state commercial ac-
3 tors in the United States, other Chinese entities or
4 individuals financed, directed, or controlled by the
5 Chinese State, the Government of China, or the Chi-
6 nese Communist Party.

7 “(2) DEFINITIONS.—In this subsection—

8 “(A) the term ‘defender’ means a person
9 or an entity that is a victim of a persistent un-
10 authorized intrusion of the individual entity’s
11 computer;

12 “(B) the term ‘active cyber defense meas-
13 ure’—

14 “(i) means any measure—

15 “(I) undertaken by, or at the di-
16 rection of, a defender; and

17 “(II) consisting of accessing
18 without authorization the computer of
19 the attacker to the defender’s own
20 network to gather information in
21 order to—

22 “(aa) establish attribution of
23 criminal activity to share with
24 law enforcement and other

1 United States Government agen-
2 cies responsible for cybersecurity;

3 “(bb) disrupt continued un-
4 authorized activity against the
5 defender’s own network; or

6 “(cc) monitor the behavior
7 of an attacker to assist in devel-
8 oping future intrusion prevention
9 or cyber defense techniques; but

10 “(ii) does not include conduct that—

11 “(I) intentionally destroys or ren-
12 ders inoperable information that does
13 not belong to the victim that is stored
14 on another person or entity’s com-
15 puter;

16 “(II) recklessly causes physical
17 injury or financial loss as described
18 under subsection (c)(4);

19 “(III) creates a threat to the
20 public health or safety;

21 “(IV) intentionally exceeds the
22 level of activity required to perform
23 reconnaissance on an intermediary
24 computer to allow for attribution of

1 the origin of the persistent cyber in-
2 trusion;

3 “(V) intentionally results in in-
4 trusive or remote access into an
5 intermediary’s computer;

6 “(VI) intentionally results in the
7 persistent disruption to a person or
8 entities internet connectivity resulting
9 in damages defined under subsection
10 (c)(4); or

11 “(VII) impacts any computer de-
12 scribed under subsection (a)(1) re-
13 garding access to national security in-
14 formation, subsection (a)(3) regarding
15 government computers, or to sub-
16 section (c)(4)(A)(i)(V) regarding a
17 computer system used by or for a
18 Government entity for the furtherance
19 of the administration of justice, na-
20 tional defense, or national security;

21 “(C) the term ‘attacker’ means a person or
22 an entity that is the source of the persistent un-
23 authorized intrusion into the victim’s computer;
24 and

1 “(D) the term ‘intermediary computer’
2 means a person or entity’s computer that is not
3 under the ownership or primary control of the
4 attacker but has been used to launch or obscure
5 the origin of the persistent cyber-attack.”.

6 (c) NOTIFICATION REQUIREMENT FOR THE USE OF
7 ACTIVE CYBER DEFENSE MEASURES.—Section 1030 of
8 title 18, United States Code, is amended by adding the
9 following:

10 “(m) NOTIFICATION REQUIREMENT FOR THE USE
11 OF ACTIVE CYBER DEFENSE MEASURES.—

12 “(1) IN GENERAL.—A defender who uses an ac-
13 tive cyber defense measure under the preceding sec-
14 tion must notify the FBI National Cyber Investiga-
15 tive Joint Task Force and either receive a response
16 from the FBI acknowledging receipt of the notifica-
17 tion or wait 48 hours prior to using the measure.

18 “(2) REQUIRED NOTIFICATION.—Notification
19 must include the type of cyber breach that the per-
20 son or entity was a victim of, the intended target of
21 the active cyber defense measure, the steps the de-
22 fender plans to take to preserve evidence of the
23 attacker’s criminal cyber intrusion, as well as the
24 steps they plan to prevent damage to intermediary
25 computers not under the ownership of the attacker

1 and other information requested by the FBI to as-
2 sist with oversight.”.

3 **SEC. 21. ENSURING TRANSPARENCY FOR CHINESE LIST-**
4 **INGS ON U.S. EXCHANGES.**

5 (a) DEFINITIONS.—In this section—

6 (1) the term “applicable Chinese issuer” means
7 a Chinese issuer—

8 (A) that is required to file a covered form;
9 and

10 (B) for which, during the period covered
11 by the filing described in subparagraph (A), a
12 covered foreign public accounting firm has pre-
13 pared an audit report for the issuer;

14 (2) the term “audit report” has the meaning
15 given the term in section 2(a) of the Sarbanes-Oxley
16 Act of 2002 (15 U.S.C. 7201(a));

17 (3) the term “Board” means the Public Com-
18 pany Accounting Oversight Board;

19 (4) the term “Commission” means the Securi-
20 ties and Exchange Commission;

21 (5) the term “covered foreign public accounting
22 firm” means a foreign public accounting firm that
23 the Board is unable to inspect or investigate under
24 the Sarbanes-Oxley Act of 2002 (15 U.S.C. 7201 et

1 seq.) because of a position taken by an authority
2 outside of the United States;

3 (6) the term “covered form”—

4 (A) means—

5 (i) the form described in section
6 249.310 of title 17, Code of Federal Regu-
7 lations, or any successor regulation; and

8 (ii) the form described in section
9 249.220f of title 17, Code of Federal Reg-
10 ulations, or any successor regulation; and

11 (B) includes a form that—

12 (i) is the equivalent of, or substan-
13 tially similar to, the form described in
14 clause (i) or (ii) of subparagraph (A); and

15 (ii) a Chinese issuer files with the
16 Commission under the Securities Exchange
17 Act of 1934 (15 U.S.C. 78a et seq.) or
18 rules issued under that Act;

19 (7) the term “covered jurisdiction” means the
20 foreign jurisdiction in which the position described
21 in paragraph (5) is taken with respect to a covered
22 foreign public accounting firm that prepares an
23 audit report for an applicable Chinese issuer;

1 (8) the term “exchange” has the meaning given
2 the term in section 3(a) of the Securities Exchange
3 Act of 1934 (15 U.S.C. 78a(a));

4 (9) the term “Chinese issuer” means any issuer
5 which is the Chinese government, a national of
6 China or a corporation or other organization incor-
7 porated or organized under the laws of China;

8 (10) the term “foreign public accounting firm”
9 has the meaning given the term in section 106(g) of
10 the Sarbanes-Oxley Act of 2002 (15 U.S.C.
11 7216(g));

12 (11) the term “national securities exchange”
13 means an exchange that is registered with the Com-
14 mission under section 6 of the Securities Exchange
15 Act of 1934 (15 U.S.C. 78f); and

16 (12) the term “public accounting firm” has the
17 meaning given the term in section 2(a) of the Sar-
18 banes-Oxley Act of 2002 (15 U.S.C. 7201(a)).

19 (b) DISCLOSURE.—

20 (1) LIST OF CERTAIN CHINESE ISSUERS AND
21 COVERED FOREIGN PUBLIC ACCOUNTING FIRMS.—

22 (A) IN GENERAL.—The Commission shall
23 maintain a publicly available list of—

24 (i) each Chinese issuer, an audit re-
25 port of which—

1 (I) is prepared by a foreign pub-
2 lic accounting firm; and

3 (II) the Board is not able to in-
4 spect or investigate because of a posi-
5 tion taken by an authority that is out-
6 side of the United States;

7 (ii) each covered foreign public ac-
8 counting firm that has prepared an audit
9 report identified under clause (i); and

10 (iii) the jurisdiction in which each cov-
11 ered foreign public accounting firm identi-
12 fied under clause (ii) is organized or oper-
13 ating.

14 (B) ROLE OF THE BOARD.—Not less fre-
15 quently than annually, the Board shall provide
16 to the Commission the information that is re-
17 quired for the Commission to carry out sub-
18 paragraph (A).

19 (2) ANNUAL REPORT DISCLOSURE.—

20 (A) DISCLOSURE.—Each applicable Chi-
21 nese issuer shall disclose in each covered form
22 filed by the applicable Chinese issuer—

23 (i) that, during the period covered by
24 covered form, a covered foreign public ac-

1 counting firm has prepared an audit report
2 for the issuer;

3 (ii) the percentage of the shares of the
4 issuer owned by governmental entities in
5 the foreign jurisdiction in which the issuer
6 is incorporated or otherwise organized;

7 (iii) whether governmental entities in
8 a covered jurisdiction with respect to any
9 covered foreign public accounting firm that
10 has prepared an audit report for the issuer
11 during the period covered by the form have
12 a controlling financial interest with respect
13 to the issuer; and

14 (iv) the name of any official of the
15 Chinese Communist Party who is a mem-
16 ber of the board of directors of the issuer
17 or the operating entity with respect to the
18 issuer.

19 (B) UPDATE OF RULES.—Not later than
20 270 days after the date of enactment of this
21 Act, and after providing the opportunity for
22 public notice and comment, the Commission
23 shall make any amendments to the rules of the
24 Commission that are required as a result of the
25 requirements of this subsection.

1 (C) EFFECTIVE DATE.—This subsection
2 shall take effect on the date on which the Com-
3 mission completes the amendments required
4 under paragraph (2).

5 (3) DISCLOSURE BY BROKERS AND DEALERS.—
6 Section 15(n) of the Securities Exchange Act of
7 1934 (15 U.S.C. 78o(n)) is amended—

8 (A) in paragraph (1), by striking “Com-
9 mission may issue” and all that follows through
10 the period at the end and inserting the fol-
11 lowing: “Commission—

12 “(A) shall issue rules that require a broker
13 and a dealer to disclose, with respect to any ad-
14 vice, analysis, or report of the broker or dealer
15 to a retail investor regarding the securities of a
16 Chinese issuer, whether a covered foreign public
17 accounting firm has prepared an audit report
18 for the Chinese issuer; and

19 “(B) in addition to the rules required
20 under subparagraph (A), may issue rules desig-
21 nating documents or information that shall be
22 provided by a broker or dealer to a retail inves-
23 tor before the purchase of an investment prod-
24 uct or service by the retail investor.”; and

25 (B) by adding at the end the following:

1 “(4) DEFINITIONS.—In this subsection, the
2 terms ‘audit report’, ‘covered foreign public account-
3 ing firm’, and ‘Chinese issuer’ have the meanings
4 given the terms in section 21(a) of the Compensa-
5 tion for Americans Act of 2020.”.

6 (c) PROHIBITION AGAINST THE LISTING OF CERTAIN
7 FIRMS ON NATIONAL SECURITIES EXCHANGES.—

8 (1) IN GENERAL.—Section 6(b) of the Securi-
9 ties Exchange Act of 1934 (15 U.S.C. 78f(b)) is
10 amended by adding at the end the following:

11 “(11)(A) The rules of the exchange prohibit the
12 initial listing, after the date of enactment of this
13 paragraph, of any security of an issuer for which a
14 covered foreign public accounting firm has prepared
15 an audit report.

16 “(B) Nothing in subparagraph (A) may be con-
17 strued to prevent an exchange from listing a security
18 on the exchange on or after the date of enactment
19 of this paragraph if that security was listed on the
20 exchange or a national securities exchange before
21 the date of enactment of this paragraph.

22 “(C) In this paragraph, the terms ‘audit report’
23 and ‘covered foreign public accounting firm’ have the
24 meanings given the terms in section 2 of the Com-
25 pensation for Americans Act of 2020.

1 “(12)(A) The rules of the exchange prohibit the
2 listing of any security of a Chinese issuer that, be-
3 ginning in 2025, has been identified under section
4 21(b)(1)(A)(i) of the Compensation for Americans
5 Act of 2020 in 3 consecutive years.

6 “(B) Nothing in subparagraph (A) may be con-
7 strued to prevent an exchange from listing a security
8 of a Chinese issuer described in that subparagraph
9 beginning on the date on which the issuer submits
10 to the Commission an audit report for the issuer
11 that is prepared by a registered public accounting
12 firm that the Public Company Accounting Oversight
13 Board has inspected, or is able to inspect, under sec-
14 tion 104 of the Sarbanes-Oxley Act of 2002 (15
15 U.S.C. 7214).

16 “(C) In this paragraph—

17 “(i) the terms ‘audit report’ and ‘reg-
18 istered public accounting firm’ have the mean-
19 ings given the terms in section 2(a) of the Sar-
20 banes-Oxley Act of 2002 (15 U.S.C. 7201(a));
21 and

22 “(ii) the terms ‘covered foreign public ac-
23 counting firm’ and ‘Chinese issuer’ have the
24 meanings given the terms in section 21(a) of
25 the Compensation for Americans Act of 2020.”.

1 (2) RULES.—

2 (A) PROPOSALS.—Not later than 90 days
3 after the date of enactment of this Act, each
4 national securities exchange shall, in accordance
5 with section 19(b) of the Securities Exchange
6 Act of 1934 (15 U.S.C. 78s(b)) and any rules
7 prescribed by the Commission under that sec-
8 tion, file with the Commission any proposed
9 change to the rules of the exchange that is re-
10 quired as a result of the amendments made by
11 this subsection.

12 (B) ADOPTION.—Not later than 1 year
13 after the date of enactment of this Act, each
14 national securities exchange shall have each
15 proposed change described in subparagraph (A)
16 approved by the Commission.

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