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118TH CONGRESS
2D SESSION

H. R. 9405

To prohibit Members of Congress from conducting certain financial transactions involving a foreign adversary of the United States, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

AUGUST 23, 2024

Mr. KEAN of New Jersey (for himself and Ms. SCHOLTEN) introduced the following bill; which was referred to the Committee on Financial Services, and in addition to the Committee on Agriculture, 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

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A BILL

To prohibit Members of Congress from conducting certain financial transactions involving a foreign adversary of the United States, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Foreign Adversary Investment Prohibition Act''.

SEC. 2. PROHIBITION WITH RESPECT TO CERTAIN TRANSACTIONS BY MEMBERS OF CONGRESS WITH A FOREIGN ADVERSARY.

(a) IN GENERAL.—A Member of Congress may not, during the term of service of the Member of Congress, conduct any covered financial transaction that benefits, directly or indirectly, a foreign adversary or an entity owned or operated by a foreign adversary.

(b) CIVIL ENFORCEMENT.—

(1) IN GENERAL.—The Attorney General may bring a civil action in an appropriate district court of the United States against any person who violates, or whom the Attorney General has reason to believe is engaging in conduct that violates, subsection (a).

(2) CIVIL PENALTY.—If the court finds by a preponderance of the evidence that a person violated subsection (a), the court shall impose a civil penalty of not more than—

(A) in the case of a first violation of subsection (a), $5,000;

(B) in the case of a second violation of subsection (a), $10,000; and

(C) in the case of each violation of subsection (a) after a second violation under subparagraph (B), $15,000.

(c) DEFINITIONS.—In this section:

(1) COVERED FINANCIAL TRANSACTION.—

(A) IN GENERAL.—The term ''covered financial transaction'' includes—

(i) any gift, subscription, loan, advance, or deposit of money or anything of value;

(ii) any investment in—

(I) a security (as defined in section 3(a) of Securities Exchange Act of 1934 (15 U.S.C. 78c(a)));

(II) a security future (as defined in that section); or

(III) a commodity (as defined in section 1a of the Commodity Exchange Act (7 U.S.C. 1a)); and

(iii) any economic interest comparable to an interest described in clause (i) that is acquired through synthetic means, such as the use of a derivative, including an option, warrant, or other similar means.

(2) FOREIGN ADVERSARY.—The term ''foreign adversary'' means—

(A) the People's Republic of China, including the Hong Kong Special Administrative Regions;

(B) the Republic of Cuba;

(C) the Islamic Republic of Iran;

(D) the Democratic People's Republic of Korea;

(E) the Russian Federation; and

(F) the Bolivarian Republic of Venezuela under the regime of Nicolás Maduro Moros.

(3) MEMBER OF CONGRESS.—The term ''Member of Congress'' means a Senator or Representative in, or Delegate or Resident Commissioner to, the Congress.

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