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II

118TH CONGRESS
2D SESSION

S. 4590

To amend the Securities Exchange Act of 1934 to prohibit national securities exchanges from listing securities issued by certain entities, and for other purposes.

IN THE SENATE OF THE UNITED STATES

JUNE 18, 2024

Mr. SCOTT of Florida (for himself, Mrs. BLACKBURN, and Mr. RUBIO) introduced the following bill; which was read twice and referred to the Committee on Banking, Housing, and Urban Affairs

A BILL

To amend the Securities Exchange Act of 1934 to prohibit national securities exchanges from listing securities issued by certain entities, 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 "Timely Rejection of Adversarial and Dangerous Enterprises and Securing American Financial Exchanges Act" or the "TRADE SAFE Act".

SEC. 2. NATIONAL SECURITIES EXCHANGES.

(a) IN GENERAL.—Section 6(b) of the Securities Exchange Act of 1934 (15 U.S.C. 78f(b)) is amended by adding at the end the following:

"(11)(A) The rules of the exchange prohibit the listing of any security issued by any of the following:

"(i) An issuer that—

"(I) is (or, at any time during the most recent 3-year period, has been) included on—

"(aa) a list required under clause (i), (ii), (iv), or (v) of section 2(d)(2)(B) of the Act entitled 'An Act to ensure that goods made with forced labor in the Xinjiang Autonomous Region of the People's Republic of China do not enter the United States market, and for other purposes', approved December 23, 2021 (Public Law 117–78; 135 Stat. 1527) (commonly referred to as the 'Uyghur Forced Labor Prevention Act');

"(bb) the list of entities identified by the Secretary of Defense under section 1260H(a) of the William M. (Mac) Thornberry National Defense

Authorization Act for Fiscal Year 2021 (Public Law 116–283; 10 U.S.C. 113 note) as Chinese military companies operating directly or indirectly in the United States; or

"(cc) the Consolidated Screening List of the Federal Government;

"(II) produces or provides (or, at any time during the most recent 3-year period, has produced or provided) covered communications equipment or services, as defined in section 9 of the Secure and Trusted Communications Networks Act of 2019 (47 U.S.C. 1608); or

"(III) at any time during the most recent 3-year period, the Commission has identified under section 104(i)(2)(A) of the Sarbanes-Oxley Act of 2002 (15 U.S.C. 7214(i)(2)(A)).

"(ii) A subsidiary, affiliated holding company, contract affiliate, or consolidated variable interest entity of an issuer described in clause (i).

"(B) Subparagraph (A) shall not apply with respect to a security that is listed on an exchange, as of the day before the effective date of this paragraph.''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect on the date that is 180 days after the date of enactment of this Act.

(c) STUDY AND REPORT.—

(1) DEFINITIONS.— In this subsection:

(A) COMMISSION.—The term ''Commission'' means the Securities and Exchange Commission.

(B) COVERED ISSUER.—The term ''covered issuer'' means an entity described in clause (i) or (ii) of paragraph (11)(A) of section 6(b) of the Securities Exchange Act of 1934 (15 U.S.C. 78f(b)), as added by subsection (a) of this section.

(C) EXCHANGE; SECURITY.—The terms ''exchange'' and ''security'' have the meanings given those terms in section 3(a) of the Securities Exchange Act of 1934 (15 U.S.C. 78c(a)).

(D) NATIONAL SECURITIES EXCHANGE.—The term ''national securities exchange'' means an exchange registered in accordance with section 6 of the Securities Exchange Act of 1934

(15 U.S.C. 78f), as in effect on the day before the date of enactment of this Act.

(2) STUDY.—The Commission shall conduct a study regarding which covered issuers have securities listed on national securities exchanges, as of the day before the date of enactment of this Act.

(3) REPORT.—Not later than 180 days after the date of enactment of this Act, the Commission shall submit to Congress, the Committee on Banking, Housing, and Urban Affairs of the Senate, the Committee on Financial Services of the House of Representatives, and the Committee on Oversight and Accountability of the House of Representatives, and shall make publicly available, a report that contains the results of the study conducted under paragraph (2).

SEC. 3. CONGRESSIONAL NOTIFICATION.

The President shall notify Congress not later than 15 days before—

(1) an entity is removed from a list described in item (aa), (bb), or (cc) of paragraph (11)(A)(i)(I) of section 6(b) of the Securities Exchange Act of 1934 (15 U.S.C. 78f(b)), as added by section 2 of this Act;

(2) the Federal Communications Commission removes any covered communications equipment or services from the list published by the Commission pursuant to section 2(a) of the Secure and Trusted Communications Networks Act of 2019 (47 U.S.C. 1601(a)); or

(3) the Securities and Exchange Commission determines that a covered issuer that the Commission had previously identified under section 104(i)(2)(A) of the Sarbanes-Oxley Act of 2002 (15 U.S.C. 7214(i)(2)(A)) is no longer described in such section 104(i)(2)(A).

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