

119TH CONGRESS
1ST SESSION

H. R. 4616

To amend the Sarbanes-Oxley Act of 2002 to provide for disclosure regarding foreign jurisdictions that hinder inspections, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JULY 22, 2025

Ms. STEFANIK introduced the following bill; which was referred to the
Committee on Financial Services

A BILL

To amend the Sarbanes-Oxley Act of 2002 to provide for disclosure regarding foreign jurisdictions that hinder inspections, 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.**

4 This Act may be cited as the “Trusted Foreign Au-
5 diting Act of 2025”.

6 **SEC. 2. INSPECTION OF REGISTERED PUBLIC ACCOUNTING**
7 **FIRMS.**

8 Section 104(i) of the Sarbanes-Oxley Act of 2002 (15
9 U.S.C. 7214(i)) is amended—

10 (1) in paragraph (1)—

1 (A) by redesignating subparagraphs (A)
2 and (B) as subparagraphs (C) and (D), respec-
3 tively; and

4 (B) by inserting before subparagraph (C),
5 as so redesignated, the following:

6 “(A) the term ‘compromised auditor’
7 means, with respect to a registered public ac-
8 counting firm, an independent branch or office
9 of that firm (or a subsidiary of such a branch
10 or office) that—

11 “(i) is subject to the jurisdiction and
12 laws of the government of a covered coun-
13 try;

14 “(ii) is directly or indirectly con-
15 trolled, directed, or materially influenced
16 by a covered country;

17 “(iii) has a manager or owner, or con-
18 ducts any operation, that is subject to the
19 direct influence of a covered country; or

20 “(iv) has entered into any arrange-
21 ment, agreement, or relationship with the
22 government or political party of a covered
23 country that could compromise the objec-
24 tivity, integrity, or independence of the

1 branch, office, or subsidiary in performing
2 auditing or attestation services;

3 “(B) the term ‘covered country’ means—

4 “(i) any country (including any spe-
5 cial administrative region of such country)
6 identified as a threat to the national secu-
7 rity of the United States in the most re-
8 cent report submitted to Congress by the
9 Director of National Intelligence pursuant
10 to section 108B of the National Security
11 Act of 1947 (50 U.S.C. 3043b) (commonly
12 referred to as the ‘Annual Threat Assess-
13 ment’); or

14 “(ii) any covered nation (as defined in
15 section 4872(d)(2) of title 10, United
16 States Code);”;

17 (2) in paragraph (2)(A)—

18 (A) in the matter preceding clause (i), by
19 striking “paragraph (1)(A)” and inserting
20 “paragraph (1)(C)”; and

21 (B) in clause (ii), by inserting “is a com-
22 promised auditor that” before “the Board is
23 unable”; and

24 (3) by adding at the end the following:

1 “(5) TRADING PROHIBITION.—If a covered
 2 issuer that is headquartered in a country of concern
 3 retains a compromised auditor to prepare an audit
 4 report described in paragraph (2)(A) for the covered
 5 issuer, the trading prohibition described in para-
 6 graph (3) shall apply to the covered issuer.”.

7 **SEC. 3. PUBLIC HEARINGS.**

8 Section 105(c) of the Sarbanes-Oxley Act of 2002 (15
 9 U.S.C. 7215(c)) is amended by striking paragraph (2) and
 10 inserting the following:

11 “(2) PUBLIC HEARINGS.—

12 “(A) DEFINITIONS.—In this paragraph,
 13 the terms ‘compromised auditor’ and ‘covered
 14 issuer’ have the meanings given those terms in
 15 section 104(i)(1).

16 “(B) CONDITIONS.—Hearings under this
 17 section shall not be public, unless—

18 “(i) a compromised auditor retained
 19 by a covered issuer is a party to the hear-
 20 ing; or

21 “(ii) otherwise ordered by the Board
 22 for good cause shown, with the consent of
 23 the parties to such hearing.”.

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