

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.

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## 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

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## 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 (c) 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

business organization, any other nongovernmental entity, organization, or group, or any government or agency thereof; and

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

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

(A) any individual who is a citizen or national of the United States or who is an individual described in subparagraph (B) of section 274B(a)(3) of the Immigration and Nationality Act (8 U.S.C. 1324b(a)(3)); or

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

**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.**

No Federal funds may be used to propose, finalize, implement, or enforce any rule that reconsiders or amends 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;

(B) have materially assisted, sponsored, or provided financial, material, or technological support for, or goods or services to or in support of—

(i) any activity described in subparagraph (A); or

(ii) any person the property and interests in property of which are blocked pursuant to subsection (b)(1);

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

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

(E) be a corporate officer of, or a principal shareholder with controlling interests in, an entity described in any of subparagraph (A), (B), (C), or (D).

(b) SANCTIONS DESCRIBED.—The sanctions described in this subsection are the following:

(1) ASSET BLOCKING.—The President shall exercise 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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