

**AMENDMENT TO THE RULES COMMITTEE PRINT**

**116-57**

**OFFERED BY MR. BANKS OF INDIANA**

At the end of subtitle E of title XVII, insert the following new section:

1 **SEC. 17\_\_ . SPECIFICATION OF PROHIBITED FOREIGN IN-**  
2 **DUSTRIAL DEFENSE CORPORATIONS.**

3 (a) SPECIFICATION REQUIRED.—Not later than 90  
4 days after the date of the enactment of this section, and  
5 annually thereafter, the Secretary, in consultation with the  
6 Secretary of State, the Secretary of Defense, and the intel-  
7 ligence community of the United States and intelligence  
8 services of partner nations of the United States, shall sub-  
9 mit to the Committee on Banking, Housing, and Urban  
10 Affairs of the Senate and the Committee on Financial  
11 Services of the House of Representatives a report that  
12 specifies each foreign industrial defense corporation with  
13 substantial contracts with, ties to, or support from, a PLA  
14 entity.

15 (b) PUBLICATION OF SPECIFICATION.—The report  
16 required under subsection (a) shall be published on public  
17 websites of the Department of the Treasury, the Depart-  
18 ment of State, and the Department of Defense. The Sec-

1 retary shall disseminate such report annually to financial  
2 institutions.

3 (c) EFFECT OF SPECIFICATION.—

4 (1) PURCHASE OF SECURITIES PROHIBITED.—

5 Beginning on the date that is 180 days after a re-  
6 port is submitted under subsection (a), a United  
7 States person may not purchase securities of a for-  
8 eign industrial defense corporation specified in such  
9 report.

10 (2) DIVESTMENT REQUIRED.—

11 (A) IN GENERAL.—Except as provided in  
12 subparagraph (B), not later than 180 days  
13 after a report is submitted under subsection  
14 (a), a United States person that owns a secu-  
15 rity of a foreign industrial defense corporation  
16 specified in such report shall divest themselves  
17 of such security.

18 (B) EXTENDED WIND-DOWN IN CASE OF  
19 FINANCIAL HARDSHIP.—The Secretary may  
20 allow a United States person a 270-day exten-  
21 sion to the 180-day period for compliance under  
22 subparagraph (A) if the Secretary determines  
23 that such entity—

1 (i) owns a security of a foreign indus-  
2 trial defense corporation specified in a re-  
3 port submitted under subsection (a); and

4 (ii) would experience extreme financial  
5 hardship to comply within the 180-day pe-  
6 riod under subparagraph (A).

7 (d) ASSIGNMENT OF AUTHORITY.—

8 (1) ENFORCEMENT.—The Secretary shall en-  
9 force the provisions of this section.

10 (2) REGULATIONS.—Not later than 90 days  
11 after the date of the enactment of this section, the  
12 Secretary shall issue such regulations and guidance  
13 as necessary to implement and enforce this section.

14 (e) REPORT.—Not later than 360 days after the date  
15 of the enactment of this section, the Secretary shall sub-  
16 mit to the Committee on Banking, Housing, and Urban  
17 Affairs of the Senate and the Committee on Financial  
18 Services of the House of Representatives a report on the  
19 progress of the divestments required under subsection  
20 (c)(2).

21 (f) PETITION FOR REMOVAL FROM DESIGNATION.—

22 (1) IN GENERAL.—A foreign industrial defense  
23 corporation may petition the Secretary to not be in-  
24 cluded or removed from a report under subsection  
25 (a).

1           (2) REQUIREMENTS.—A petition under para-  
2           graph (1) shall include such documentation of the  
3           assets and liabilities, company financial records,  
4           ownership and investor records, and past and cur-  
5           rent business contracts of the foreign industrial de-  
6           fense corporation submitting such petition that the  
7           Secretary determines necessary.

8           (g) FINAL REPORT.—Not later than 8 years after the  
9           date of the enactment of this section, the Secretary shall  
10          submit to the Committee on Banking, Housing, and  
11          Urban Affairs of the Senate and the Committee on Finan-  
12          cial Services of the House of Representatives a final report  
13          on the implementation of this section, including—

14                 (1) an analysis of the effectiveness of this sec-  
15                 tion;

16                 (2) the development and maintenance of the re-  
17                 ports required under subsection (a); and

18                 (3) a description of completed and ongoing civil  
19                 and criminal cases related to securities of foreign in-  
20                 dustrial defense corporations.

21          (h) SUNSET.—This section and the authority under  
22          this section shall expire on the date that is 10 years after  
23          the date of the enactment of this section.

24          (i) DEFINITIONS.—In this section:

1           (1) FOREIGN INDUSTRIAL DEFENSE CORPORA-  
2           TION.—The term “foreign industrial defense cor-  
3           poration” means any corporation based—

4                   (A) outside of the United States; and

5                   (B) in a country that the Secretary, in  
6           consultation with the Secretary of Defense, the  
7           Secretary of State, and the intelligence commu-  
8           nity of the United States and intelligence serv-  
9           ices of partner nations of the United States, de-  
10          termines does not possess positive economic and  
11          military relations with the United States.

12          (2) PLA ENTITY.—The term “PLA entity”  
13          means any entity of the Chinese military, including  
14          the People’s Liberation Army, Navy, Air Force,  
15          Rocket Force, Strategic Support Force, and Joint  
16          Logistics Force, and the Chinese intelligence com-  
17          munity.

18          (3) SECRETARY.—The term “Secretary” means  
19          the Secretary of the Treasury.

20          (4) SUBSTANTIAL.—The term “substantial”,  
21          with respect to contracts with, ties to, or support  
22          from, a PLA entity—

23                   (A) has the meaning given by the Sec-  
24          retary, in consultation with the Secretary of  
25          State, the Secretary of Defense, and the intel-

1           ligence community of the United States and in-  
2           telligence services of partner nations of the  
3           United States; and

4                   (B) shall include a determination that such  
5           contracts, ties, or support have been deemed to  
6           have national security implications.

