AMENDMENT TO THE RULES COMMITTEE PRINT

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OFFERED BY MR. BANKS OF INDIANA

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

SEC. 17. SPECIFICATION OF PROHIBITED FOREIGN INDUSTRIAL DEFENSE CORPORATIONS.

(a) Specification Required.—Not later than 90 days after the date of the enactment of this section, and annually thereafter, the Secretary, in consultation with the Secretary of State, the Secretary of Defense, and the intelligence community of the United States and intelligence services of partner nations of the United States, shall submit to the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Financial Services of the House of Representatives a report that specifies each foreign industrial defense corporation with substantial contracts with, ties to, or support from, a PLA entity.

(b) Publication of Specification.—The report required under subsection (a) shall be published on public websites of the Department of the Treasury, the Department of State, and the Department of Defense. The Sec-
Secretary shall disseminate such report annually to financial institutions.

(c) Effect of Specification.—

(1) Purchase of securities prohibited.—

Beginning on the date that is 180 days after a report is submitted under subsection (a), a United States person may not purchase securities of a foreign industrial defense corporation specified in such report.

(2) Divestment required.—

(A) In general.—Except as provided in subparagraph (B), not later than 180 days after a report is submitted under subsection (a), a United States person that owns a security of a foreign industrial defense corporation specified in such report shall divest themselves of such security.

(B) Extended wind-down in case of financial hardship.—The Secretary may allow a United States person a 270-day extension to the 180-day period for compliance under subparagraph (A) if the Secretary determines that such entity—
(i) owns a security of a foreign industrial defense corporation specified in a report submitted under subsection (a); and

(ii) would experience extreme financial hardship to comply within the 180-day period under subparagraph (A).

(d) ASSIGNMENT OF AUTHORITY.—

(1) ENFORCEMENT.—The Secretary shall enforce the provisions of this section.

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

(e) REPORT.—Not later than 360 days after the date of the enactment of this section, the Secretary shall submit to the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Financial Services of the House of Representatives a report on the progress of the divestments required under subsection (c)(2).

(f) PETITION FOR REMOVAL FROM DESIGNATION.—

(1) IN GENERAL.—A foreign industrial defense corporation may petition the Secretary to not be included or removed from a report under subsection (a).
(2) REQUIREMENTS.—A petition under paragraph (1) shall include such documentation of the assets and liabilities, company financial records, ownership and investor records, and past and current business contracts of the foreign industrial defense corporation submitting such petition that the Secretary determines necessary.

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

(1) an analysis of the effectiveness of this section;

(2) the development and maintenance of the reports required under subsection (a); and

(3) a description of completed and ongoing civil and criminal cases related to securities of foreign industrial defense corporations.

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

(i) DEFINITIONS.—In this section:
(1) **FOREIGN INDUSTRIAL DEFENSE CORPORATION.**—The term “foreign industrial defense corporation” means any corporation based—

(A) outside of the United States; and

(B) in a country that the Secretary, in consultation with the Secretary of Defense, the Secretary of State, and the intelligence community of the United States and intelligence services of partner nations of the United States, determines does not possess positive economic and military relations with the United States.

(2) **PLA ENTITY.**—The term “PLA entity” means any entity of the Chinese military, including the People’s Liberation Army, Navy, Air Force, Rocket Force, Strategic Support Force, and Joint Logistics Force, and the Chinese intelligence community.

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

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

(A) has the meaning given by the Secretary, in consultation with the Secretary of State, the Secretary of Defense, and the intel-
ligence community of the United States and intelli-
gence services of partner nations of the United States; and
(B) shall include a determination that such contracts, ties, or support have been deemed to have national security implications.