

AMENDMENT TO RULES COMMITTEE PRINT 117-

54

OFFERED BY MR. PERRY OF PENNSYLVANIA

At the end of division E add the following new title:

1 **TITLE LVIX—PROTECTING**
2 **AMERICANS FROM COR-**
3 **PORATE HUMAN RIGHTS**
4 **ABUSERS ACT**

5 **SEC. 5901. SHORT TITLE; PURPOSE.**

6 (a) **SHORT TITLE.**—This title may be cited as the
7 “Protecting Americans from Corporate Human Rights
8 Abusers Act”.

9 (b) **PURPOSE.**—The purpose of this title is to codify
10 into law the provisions of Executive Order 14032 of June
11 3, 2021 (86 Fed. Reg. 30145; relating to Addressing the
12 Threat From Securities Investments That Finance Cer-
13 tain Companies of the People’s Republic of China), as in
14 effect on the date of the enactment of this Act.

15 **Subtitle A—Chinese Corporate**
16 **Human Rights Abusers List**

17 **SEC. 5911. FINDINGS.**

18 Congress finds the following:

1 (1) In its 2020 report to Congress, the bipar-
2 tisan United States-China Economic and Security
3 Review Commission issued the following key find-
4 ings:

5 (A) As Beijing strategically opens its fi-
6 nancial sector to secure foreign capital and
7 global investment indices shift asset allocations
8 toward Chinese securities, United States inves-
9 tors' exposure to the unique and significant
10 risks accumulated in China's capital markets
11 rises. These risks center around the opacity of
12 China's financial system and Beijing's inter-
13 ference in market activity to advance its polit-
14 ical objectives.

15 (B) Increased financial exposure to China
16 threatens to undermine the efforts of the
17 United States to defend against China's unfair
18 economic practices and protect the policy inter-
19 ests of the United States. Several Chinese com-
20 panies included in global investment indices are
21 subject to United States export controls but not
22 investment restrictions. This mismatch enables
23 problematic Chinese companies to continue rais-
24 ing United States capital and reduces the
25 strength with which the United States can de-

1 fend against companies that threaten national
2 security.

3 (C) Beijing continues to deny United
4 States audit regulators full visibility into the fi-
5 nancials of U.S.-listed Chinese companies in
6 line with United States accounting standards.
7 These evasions from effective regulation and
8 oversight, together with United States-listed
9 Chinese companies' complex ownership struc-
10 tures, deprive United States investors of both
11 full transparency and the opportunity for legal
12 redress in cases of accounting fraud, eroding
13 the integrity of United States capital markets.

14 (2) The Chinese Communist Party's commit-
15 ment to their Military-Civil Fusion development
16 strategy, which supports the modernization goals of
17 the People's Liberation Army (PLA) by ensuring its
18 access to advanced technologies and expertise ac-
19 quired and developed by even those Chinese compa-
20 nies, universities, and research programs that ap-
21 pear to be civilian entities, remains a grave threat
22 to the national security of the United States.

23 (3) The efforts of the Government of the
24 United States to stymie China's utilization of United
25 States capital markets is an ongoing, multi-agency,

1 and decades-long effort. The colloquially-titled Sec-
2 tion 1237 List of the Strom Thurmond National De-
3 fense Authorization Act for Fiscal Year 1999, as
4 well as the Section 1260H List of the William M.
5 (Mac) Thornberry National Defense Authorization
6 Act for Fiscal Year 2021, both highlight companies
7 who pose a serious threat to the national security of
8 the United States.

9 (4) On June 3, 2021, the Department of De-
10 fense released a list of 47 entities identified as Chi-
11 nese military companies operating in the United
12 States in accordance with section 1260H of the Wil-
13 liam M. (“Mac”) Thornberry National Defense Au-
14 thorization Act for Fiscal Year 2021 (Public Law
15 116–283).

16 (5) On January 14, 2021, the Department of
17 Defense released the names of additional “Com-
18 munist Chinese military companies” operating di-
19 rectly or indirectly in the United States in accord-
20 ance with the statutory requirement of section 1237
21 of the National Defense Authorization Act for Fiscal
22 Year 1999. Those companies included: Advanced
23 Micro-Fabrication Equipment Inc. (AMEC),
24 Luokung Technology Corp. (LKCO), Xiaomi Cor-
25 poration, Beijing Zhongguancun Development In-

1 investment Center, GOWIN Semiconductor Corp,
2 Grand China Air Co. Ltd. (GCAC), Global Tone
3 Communication Technology Co. Ltd. (GTCOM),
4 China National Aviation Holding Co. Ltd. (CNAH),
5 and Commercial Aircraft Corporation of China, Ltd.
6 (COMAC).

7 (6) On March 12, 2021, the United States Dis-
8 trict Court for the District of Columbia issued an
9 order in *Xiaomi Corporation v. Department of De-*
10 *fense* (Case No. 1:21-cv-00280-RC) that forestalled
11 the Defense Department's designation of the Xiaomi
12 Corporation as a Communist Chinese military com-
13 pany. On May 6, 2021, the Nasdaq-listed Luokung
14 Technology Corporation became the second China-
15 based company to avoid sanctions imposed under
16 Executive Order 13959. These companies have been
17 able to avoid sanctions because the Chinese Com-
18 munist Party actively blocks United States Govern-
19 ment agencies from obtaining information relevant
20 to determining the ownership and control of China-
21 based enterprises.

22 (7) Several Chinese military or military related
23 companies, as well as surveillance and technology
24 companies, including Hikvision, a major manufac-
25 turer of video surveillance equipment, materially

1 contribute to either the ongoing genocide in Xinjiang
2 or to other gross violations of internationally recog-
3 nized human rights across the People’s Republic of
4 China (PRC).

5 (8) On January 19, 2021, then-Secretary of
6 State Michael R. Pompeo determined that the Chi-
7 nese Communist Party (CCP) has committed geno-
8 cide against the predominantly Muslim Uyghurs and
9 other ethnic and religious minority groups in
10 Xinjiang.

11 (9) Then-Secretary Pompeo’s designation cited
12 the State Department’s exhaustive documentation of
13 CCP human rights abuses in Xinjiang, indicating
14 that “since at least March 2017, local authorities
15 dramatically escalated their decades-long campaign
16 of repression against Uyghur Muslims and members
17 of other ethnic and religious minority groups, includ-
18 ing ethnic Kazakhs and ethnic Kyrgyz”.

19 (10) The genocide determination also cited the
20 CCP’s regular dehumanization of the Uyghur people
21 in Xinjiang, including by labeling them as “malig-
22 nant tumors”, citing the Islamic faith as a “commu-
23 nicable plague”, and justifying the grotesque treat-
24 ment of the Uyghur people in stark, unsettling
25 terms: “you can’t uproot all the weeds hidden among

1 the crops in the field one-by-one; you need to spray
2 chemicals to kill them all”.

3 (11) On April 21, 2021, the United States
4 House Committee on Foreign Affairs approved with-
5 out objection H.R. 1155, which affirmed that the
6 PRC, since 2017, has arbitrarily detained as many
7 as 1.8 million Uyghurs, Kazakhs, Kyrgyz, and mem-
8 bers of other Muslim minority groups in a system of
9 extrajudicial mass internment camps, in addition to
10 arbitrarily detaining many in formal prisons and de-
11 tention centers, and has subjected detainees to
12 forced labor, torture, political indoctrination, and
13 other severe human rights abuses.

14 (12) The State Department’s January 2021
15 genocide designation further cited the forced steri-
16 lization of Uyghur and other minority women, with
17 the purpose of eliminating the minority population
18 in Xinjiang.

19 (13) Media reporting has documented wide-
20 spread and systemic efforts by PRC authorities to
21 force Uyghur women to take contraceptives or to
22 subject them to sterilization or abortion, threatening
23 to detain those who do not comply.

24 (14) In many detention facilities and labor
25 camps across the PRC, Falun Gong prisoners of

1 conscience have at times comprised the majority of
2 the population, and have been said to receive the
3 longest sentences and the worst treatment, including
4 torture.

5 (15) The persecution and killing of religious
6 and political prisoners for any purpose, including for
7 the purpose of selling their organs for transplant, is
8 an egregious and intolerable violation of the funda-
9 mental right to life.

10 (16) On November 18, 2020, the United States
11 House of Representatives approved without objection
12 H. Res. 697, which “affirms the cultural and reli-
13 gious significance of the goal of genuine autonomy
14 for the people of Tibet and the deep bond between
15 the American and Tibetan people”.

16 (17) The Foreign Relations Authorization Act,
17 Fiscal Years 1992 and 1993 established, with re-
18 spect to Tibet, the following sense of Congress: “It
19 is the policy of the United States to oppose aggres-
20 sion and other illegal uses of force by one country
21 against the sovereignty of another as a manner of
22 acquiring territory, and to condemn violations of
23 international law, including the illegal occupation of
24 one country by another.”.

1 (18) Protecting United States capital markets
2 against PRC-based companies that support the
3 PLA's modernization efforts or else aid and abet
4 grotesque and barbaric violations of internationally
5 recognized human rights is a national security im-
6 perative.

7 (19) As argued by the Uyghur Human Rights
8 Project: “[It is] still legal for shareholders to make
9 profits from ownership of these complicit Chinese
10 companies, some of which are publicly traded, in-
11 cluding through ‘emerging markets’ indexes. It is
12 time for much more serious action: no U.S. persons
13 should be permitted to hold the stocks and bonds of
14 the Chinese companies that are under U.S. human
15 rights sanctions.”.

16 **SEC. 5912. DEFINITIONS; REPORT ON CHINESE CORPORATE**
17 **HUMAN RIGHTS ABUSERS WITH SECURITIES**
18 **TRADED BY UNITED STATES PERSONS.**

19 (a) DEFINITIONS.—In this subtitle:

20 (1) AFFILIATE.—The term “affiliate”—

21 (A) has the meaning given such term in
22 section 230.405 of title 17, Code of Federal
23 Regulations (as in effect on the date of the en-
24 actment of this Act));

1 (B) means a person that is closely associ-
2 ated with another person typically in a depend-
3 ent or subordinate position; or

4 (C) means a person that has a common
5 purpose or shared characteristics with another
6 person.

7 (2) APPROPRIATE COMMITTEES OF CON-
8 GRESS.—The term “appropriate committees of Con-
9 gress” means—

10 (A) the Committee on Foreign Relations,
11 the Select Committee on Intelligence, the Com-
12 mittee on Banking, Housing, and Urban Af-
13 fairs, and the Committee on Armed Services of
14 the Senate; and

15 (B) the Committee on Foreign Affairs, the
16 Permanent Select Committee on Intelligence,
17 the Committee on Financial Services, and the
18 Committee on Armed Services of the House of
19 Representatives.

20 (3) COVERED ENTITY.—The term “covered en-
21 tity”—

22 (A) means an entity identified in the re-
23 port required by subsection (b); and

24 (B) includes any affiliate of such entity.

1 (4) ENTITY.—The term “entity” means a gov-
2 ernment or instrumentality of such government,
3 partnership, association, trust, joint venture, cor-
4 poration, group, subgroup, or other organization.

5 (5) PERSON.—The term “person” means an in-
6 dividual or entity.

7 (6) PRC.—The term “PRC” means the Peo-
8 ple’s Republic of China.

9 (7) PUBLICLY-TRADED SECURITIES.—The term
10 “publicly-traded securities” includes any security (as
11 defined in section 3(a) of the Securities Exchange
12 Act of 1934 (15 U.S.C. 78)), denominated in any
13 currency that trades on a securities exchange or
14 through the method of trading that is commonly re-
15 ferred to as “over-the-counter”, in any jurisdiction.

16 (8) TRANSACTION.—The term “transaction”
17 means the purchase for value, or sale, of any pub-
18 licly-traded security.

19 (9) UNITED STATES PERSON.—The term
20 “United States person” means—

21 (A) any United States citizen, permanent
22 resident alien, or entity (including foreign
23 branches) organized under the laws of the
24 United States or any jurisdiction within the
25 United States; or

1 (B) any person in the United States.

2 (b) REPORT.—

3 (1) IN GENERAL.—Not later than 180 days
4 after the date of the enactment of this Act, and an-
5 nually thereafter for 5 years, the Secretary of State,
6 in consultation with the Director of National Intel-
7 ligence and the Secretary of the Treasury, shall sub-
8 mit to the appropriate committees of Congress a re-
9 port that describes the risks posed to the United
10 States by the presence in United States capital mar-
11 kets of entities incorporated in the PRC, or entities
12 owned, controlled, or are entitled to a share of the
13 profits of entities incorporated in the PRC.

14 (2) MATTERS TO BE INCLUDED.—The report
15 required by paragraph (1) shall—

16 (A) identify entities described in paragraph

17 (1)—

18 (i) whose shares are publicly-traded
19 by United States persons;

20 (ii) based on the factors for consider-
21 ation described in paragraph (3), have
22 knowingly and materially contributed to—

23 (I) activities that both undermine
24 and pose an unusual and extraor-
25 dinary threat to the national security,

1 foreign policy, or economy of the
2 United States;

3 (II) serious abuses of internation-
4 ally recognized human rights; or

5 (III) a substantially increased fi-
6 nancial risk exposure for United
7 States-based investors;

8 (B) describe the activities of entities identi-
9 fied pursuant to subparagraph (A) and the im-
10 plications of such activities for the United
11 States;

12 (C) develop policy recommendations for the
13 United States Government, State governments,
14 United States financial institutions, United
15 States equity and debt exchanges, and other
16 relevant stakeholders to address the risks posed
17 by the presence in United States capital mar-
18 kets of entities identified pursuant to subpara-
19 graph (A); and

20 (D) identify entities described in para-
21 graph (1) that are included on the entity list.

22 (3) FACTORS FOR CONSIDERATION.—The fac-
23 tors for consideration described in this paragraph,
24 with respect to an entity, are whether or the extent
25 to which the entity—

1 (A) has materially contributed to the devel-
2 opment or manufacture, or sold or facilitated
3 procurement by the People's Liberation Army
4 (PLA), of military equipment or component
5 parts of such equipment;

6 (B) has contributed to the construction
7 and militarization of features in the South
8 China Sea;

9 (C) has been sanctioned by the United
10 States or has been determined to have con-
11 ducted business with sanctioned entities;

12 (D) has engaged in an act or a series of
13 acts of intellectual property theft;

14 (E) has engaged in corporate or economic
15 espionage;

16 (F) has contributed to the proliferation of
17 nuclear or missile technology in violation of
18 United Nations Security Council resolutions or
19 United States sanctions;

20 (G) has contributed to the repression of
21 distinct religious and ethnic groups, including
22 in the Uyghur or Tibet Autonomous Regions;

23 (H) has contributed to the repression of
24 pro-democracy activists, journalists, and pub-
25 lishers in Hong Kong and throughout the PRC;

1 (I) has contributed to the development of
2 technologies that enable censorship directed or
3 directly supported by the PRC Government;

4 (J) has failed to comply fully with—

5 (i) the securities laws (as defined in
6 section 3(a) of the Securities Exchange Act
7 of 1934 (15 U.S.C. 78c));

8 (ii) a required audit by the Public
9 Company Accounting Oversight Board; or

10 (iii) a material risk disclosure require-
11 ment of the Securities and Exchange Com-
12 mission; or

13 (K) has contributed to other activities or
14 behavior determined to be relevant by the Presi-
15 dent.

16 (4) FORM.—The report required by paragraph
17 (1) shall be submitted in unclassified form, but may
18 include a classified annex.

19 (5) PUBLICATION.—The unclassified portion of
20 the report required by paragraph (1) shall be made
21 accessible to the public online through publication on
22 a relevant United States Government website and in
23 the Federal Register.

24 (6) ENTITY LIST DEFINED.—

1 (A) IN GENERAL.—In paragraph (2)(D),
2 the term “entity list” means the list maintained
3 and set forth in Supplement No. 4 to part 744
4 of the Export Administration Regulations.

5 (B) EXPORT ADMINISTRATION REGULA-
6 TIONS DEFINED.—In subparagraph (A), the
7 term “Export Administration Regulations”
8 means the regulations set forth in subchapter C
9 of chapter VII of title 15, Code of Federal Reg-
10 ulations, or successor regulations.

11 **SEC. 5913. CHINESE CORPORATE HUMAN RIGHTS ABUSERS**

12 **LIST; SANCTIONS.**

13 (a) CHINESE CORPORATE HUMAN RIGHTS ABUSERS
14 LIST.—

15 (1) IN GENERAL.—The Secretary of State, act-
16 ing through the Under Secretary of State for Civil-
17 ian Security, Democracy, and Human Rights and
18 the head of the Office of the Under Secretary of
19 State for Arms Control and International Security,
20 shall, based on the most recent information avail-
21 able, identify each covered entity that—

22 (A) is engaged in, complicit in, or other-
23 wise responsible for, directly or indirectly, gross
24 violations of internationally recognized human

1 rights or serious human rights abuses in the
2 PRC; or

3 (B) undermines or poses an unusual and
4 extraordinary threat to the national security,
5 foreign policy, or economy of the United States,
6 or otherwise presents an increased financial risk
7 exposure for United States-based investors.

8 (2) LIST.—Not later than 180 days after the
9 date of the enactment of this Act, and annually
10 thereafter until December 31, 2030, the Secretary of
11 State shall submit to appropriate committees of
12 Congress a list, to be known as the “Chinese Cor-
13 porate Human Rights Abusers List”, that—

14 (A) includes each covered entity identified
15 pursuant to paragraph (1); and

16 (B) includes, as applicable, an explanation
17 as to why a covered entity that was previously
18 identified pursuant to paragraph (1) is no
19 longer so identified.

20 (3) FORM.—The list required by paragraph (2)
21 shall be submitted in unclassified form, but may in-
22 clude a classified annex.

23 (4) PUBLICATION.—The unclassified portion of
24 the list required by paragraph (2) shall be made ac-
25 cessible to the public online through publication on

1 a relevant United States Government website and in
2 the Federal Register.

3 (5) TRANSMISSION TO OTHER FEDERAL OFFI-
4 CIALS.—The Secretary of State shall, concurrently
5 with the submission of the list required by para-
6 graph (2), transmit a copy of such list to the Sec-
7 retary of the Treasury, and the Director of National
8 Intelligence. The Secretary of State shall also trans-
9 mit a copy of such list to the Director of the Office
10 of Foreign Assets Control of the Department of the
11 Treasury for immediate implementation of the sanc-
12 tions described in subsection (b) against those cov-
13 ered entities included on such list.

14 (6) REVISIONS TO LIST.—The Secretary of
15 State shall make additions or deletions to the most
16 recent list required by paragraph (2) on an ongoing
17 basis based on the latest information available.

18 (7) CONSULTATION.—The Secretary may con-
19 sult with the head of any appropriate Federal de-
20 partment or agency in making the determinations
21 described in paragraph (1) and shall transmit a copy
22 of the list required by paragraph (2) to the head of
23 any such Federal department or agency for purposes
24 of such consultation.

25 (b) SANCTIONS.—

1 (1) IN GENERAL.—The purchase or sale by a
2 United States person of any publicly-traded securi-
3 ties, or any publicly-traded securities that are deriv-
4 ative of such securities or are designed to provide in-
5 vestment exposure to such securities, of any covered
6 entity designated by the Secretary of State for place-
7 ment on the Chinese Corporate Human Rights
8 Abusers List is prohibited.

9 (2) EFFECTIVE DATE.—The prohibitions in
10 paragraph (1) shall take effect:

11 (A) Beginning at 12:01 a.m. eastern day-
12 light time on August 2, 2021, with respect to
13 any covered entity included on the list required
14 by subsection (a)(2) on such date.

15 (B) Beginning at 12:01 a.m. eastern day-
16 light time on the date that is 60 days after the
17 date of the determination in subsection (a) with
18 respect to any covered entity subsequently in-
19 cluded on the list required by subsection (a)(2).

20 (3) DIVESTMENT.—The purchase or sale of
21 publicly-traded securities described in paragraph (1)
22 made solely to effect the divestment, in whole or in
23 part, of such securities by a United States person is
24 permitted prior to:

1 (A) 12:01 a.m. eastern daylight time on
2 June 3, 2022, with respect to any covered enti-
3 ty included on the list required by subsection
4 (a)(2) on such date.

5 (B) 12:01 a.m. eastern daylight time on
6 the date that is 365 days after the date of the
7 determination in subsection (a) with respect to
8 any covered entity subsequently included on the
9 list required by subsection (a)(2).

10 (4) RULE OF APPLICATION.—This subsection
11 shall apply except to the extent provided by statutes,
12 or in regulations, orders, directives, or licenses that
13 may be issued pursuant to this title, and notwith-
14 standing any contract entered into or any license or
15 permit granted before the date of this Act.

16 (5) EVASION OF SANCTIONS.—

17 (A) IN GENERAL.—The following actions
18 are prohibited:

19 (i) Any transactions by a United
20 States person or within the United States
21 that evades or avoids, has the purpose of
22 evading or avoiding, causes a violation of,
23 or attempts to violate the prohibitions set
24 forth in this title.

1 (ii) Any conspiracy formed to violate
2 any of the prohibitions set forth in this
3 title.

4 (B) PENALTIES.—The authorization pro-
5 vided in paragraph (6) may be used to apply
6 penalties provided for in subsections (b) and (c)
7 of section 206 of the International Emergency
8 Economic Powers Act (50 U.S.C. 1705) with
9 respect to a person that knowingly violates, at-
10 tempts to violate, conspires to violate, or causes
11 a violation of regulations promulgated under
12 paragraph (6) to the same extent that such
13 penalties apply to a person that knowingly com-
14 mits an unlawful act described in section
15 206(a) of that Act.

16 (6) AUTHORIZATION.—

17 (A) IN GENERAL.—The Secretary of the
18 Treasury, after consultation with the Secretary
19 of State, the Secretary of Defense, the Director
20 of National Intelligence, and the heads of other
21 executive departments and agencies as deemed
22 appropriate by the Secretary of the Treasury, is
23 hereby authorized to take such actions, includ-
24 ing the promulgation of rules and regulations,
25 and to employ all powers granted to the Presi-

1 dent by the International Emergency Economic
2 Powers Act, to carry out the purposes of this
3 title. The Secretary of the Treasury may, con-
4 sistent with applicable law, redelegate any of
5 these functions within the Department of the
6 Treasury. All departments and agencies shall
7 take all appropriate measures within their au-
8 thority to carry out the provisions of this title.

9 (B) RULES AND REGULATIONS.—Rules
10 and regulations issued pursuant to this title
11 may, among other things, establish procedures
12 to license transactions otherwise prohibited pur-
13 suant to this title. But prior to issuing any li-
14 cense under this title, the Secretary of the
15 Treasury shall consult with the Secretary of
16 State, the Secretary of Defense, and the Direc-
17 tor of National Intelligence.

18 (c) EXCEPTION RELATING TO IMPORTATION OF
19 GOODS.—

20 (1) IN GENERAL.—The authorities and require-
21 ments to impose sanctions authorized under this sec-
22 tion shall not include the authority or requirement
23 to impose sanctions on the importation of goods.

24 (2) GOOD DEFINED.—In this subsection, the
25 term “good” means any article, natural or manmade

1 substance, material, supply, or manufactured prod-
2 uct, including inspection and test equipment, and ex-
3 cluding technical data.

4 **Subtitle B—Sanctions Against**
5 **Communist Chinese Military**
6 **Companies, Chinese Military**
7 **Companies, and Chinese Mili-**
8 **tary-industrial Complex Compa-**
9 **nies**

10 **SEC. 5921. DEFINITIONS.**

11 In this subtitle:

12 (1) AFFILIATE.—The term “affiliate”—

13 (A) has the meaning given such term in
14 section 230.405 of title 17, Code of Federal
15 Regulations (as in effect on the date of the en-
16 actment of this Act));

17 (B) means a person that is closely associ-
18 ated with another person typically in a depend-
19 ent or subordinate position; or

20 (C) means a person that has a common
21 purpose or shared characteristics with another
22 person.

23 (2) COMMUNIST CHINESE MILITARY COM-
24 PANY.—The term “Communist Chinese military
25 company”—

1 (A) has the meaning given such term in
2 section 1237 of the Strom Thurmond National
3 Defense Authorization Act for Fiscal Year 1999
4 (Public Law 105–261; 50 U.S.C. 1701 note);
5 and

6 (B) includes any affiliate of such company.

7 (3) CHINESE MILITARY COMPANY; MILITARY-
8 CIVIL FUSION CONTRIBUTOR.—The terms “Chinese
9 military company” and “military-civil fusion contrib-
10 utor”—

11 (A) have the meanings given such terms in
12 section 1260H of the William M. (Mac) Thorn-
13 berry National Defense Authorization Act for
14 Fiscal Year 2021 (Public Law 116–283); and

15 (B) include any affiliate of such company
16 or contributor.

17 (4) SECTION 5912 TERMS.—The terms “per-
18 son”, “publicly-traded security”, and “United States
19 person” have the meanings given such terms, respec-
20 tively, in section 5912.

21 (5) SECTION 1237 LIST.—The term “Section
22 1237 List” means the list required by section 1237
23 of the Strom Thurmond National Defense Author-
24 ization Act for Fiscal Year 1999.

1 (6) SECTION 1260H LIST.—The term “Section
2 1260H List” means the list required by section
3 1260H of the William M. (Mac) Thornberry Na-
4 tional Defense Authorization Act for Fiscal Year
5 2021.

6 **SEC. 5422. SANCTIONS FOR COMMUNIST CHINESE MILI-**
7 **TARY COMPANIES AND CHINESE MILITARY**
8 **COMPANIES.**

9 (a) AUTHORIZATION.—The Secretary of Defense is
10 authorized to include a covered entity on the Section 1237
11 List or the Section 1260H List.

12 (b) PROHIBITIONS.—

13 (1) IN GENERAL.—

14 (A) PURCHASE OR SALE OF CERTAIN SE-
15 CURITIES PROHIBITED.—The purchase or sale
16 by a United States person of any publicly-trad-
17 ed securities, or any publicly-traded securities
18 that are derivative of such securities or are de-
19 signed to provide investment exposure to such
20 securities, of any person described in subpara-
21 graph (B) is prohibited.

22 (B) PERSONS DESCRIBED.—A person de-
23 scribed in this subparagraph is—

24 (i) a company designated by the Of-
25 fice of Foreign Assets Control on the Non-

1 SDN Chinese Military-Industrial Complex
2 Companies List, including any affiliate of
3 such company;

4 (ii) a Communist Chinese military
5 company listed on the Section 1237 List;

6 (iii) any person that was designated
7 as a Communist Chinese military company
8 on June 2, 2021, in accordance with sec-
9 tion 1237(b) of the Strom Thurmond Na-
10 tional Defense Authorization Act for Fiscal
11 Year 1999 (50 U.S.C. 1701 note); or

12 (iv) a Chinese military company or a
13 military-civil fusion contributor listed on
14 the Section 1260H List.

15 (2) EFFECTIVE DATE.—The prohibitions in
16 paragraph (1) shall take effect:

17 (A) Beginning at 12:01 a.m. eastern day-
18 light time on August 2, 2021, with respect to
19 a person designated or listed on a List de-
20 scribed in paragraph (1)(B) on such date.

21 (B) With respect to a person not described
22 in subparagraph (A), beginning at 12:01 a.m.
23 eastern daylight time on the date that is 60
24 days after a person is designated or listed on a
25 List described in paragraph (1)(B).

1 (3) DIVESTMENT.—The purchase or sale of
2 publicly-traded securities described in subsection
3 (b)(1) made solely to effect the divestment, in whole
4 or in part, of such securities by a United States per-
5 son is permitted prior to:

6 (A) 12:01 a.m. eastern daylight time on
7 June 3, 2022, with respect to any person de-
8 scribed in paragraph (2)(A).

9 (B) 12:01 a.m. eastern daylight time on
10 the date that is 365 days after the date a per-
11 son a person is designated or listed on a List
12 described in paragraph (1)(B).

13 (4) RULE OF APPLICATION.—This subsection
14 shall apply except to the extent provided by statutes,
15 or in regulations, orders, directives, or licenses that
16 may be issued pursuant to this title, and notwith-
17 standing any contract entered into or any license or
18 permit granted before the date of this Act.

19 (5) EVASION OF PROHIBITIONS.—

20 (A) IN GENERAL.—The following actions
21 are prohibited:

22 (i) Any transactions by a United
23 States person or within the United States
24 that evades or avoids, has the purpose of
25 evading or avoiding, causes a violation of,

1 or attempts to violate the prohibitions set
2 forth in this title.

3 (ii) Any conspiracy formed to violate
4 any of the prohibitions set forth in this
5 title.

6 (B) PENALTIES.—The authorization pro-
7 vided in subsection (e) may be used to apply
8 penalties provided for in subsections (b) and (c)
9 of section 206 of the International Emergency
10 Economic Powers Act (50 U.S.C. 1705) with
11 respect to a person that knowingly violates, at-
12 tempts to violate, conspires to violate, or causes
13 a violation of regulations promulgated under
14 subsection (e) to the same extent that such pen-
15 alties apply to a person that knowingly commits
16 an unlawful act described in section 206(a) of
17 that Act.

18 (c) REVISIONS TO LISTS.—The Secretary of Defense
19 is authorized to make additions or deletions to the Section
20 1237 List and the Section 1260H List on an ongoing
21 basis based on the latest information available.

22 (d) TRANSMISSION TO OTHER FEDERAL OFFI-
23 CIALS.—The Secretary of Defense shall, concurrently with
24 the publication of the Section 1237 List and the Section
25 1260H List, transmit a copy of such lists to the Secretary

1 of State, the Secretary of the Treasury, and the Director
2 of National Intelligence. The Secretary of Defense shall
3 also transmit a copy of lists to the Director of the Office
4 of Foreign Assets Control of the Department of the Treas-
5 ury for immediate implementation of the prohibitions de-
6 scribed in subsection (b) against those covered entities in-
7 cluded on such lists.

8 (e) AUTHORIZATION.—

9 (1) IN GENERAL.—The Secretary of the Treas-
10 ury, after consultation with the Secretary of State,
11 the Secretary of Defense, the Director of National
12 Intelligence, and the heads of other executive depart-
13 ments and agencies as deemed appropriate by the
14 Secretary of the Treasury, is hereby authorized to
15 take such actions, including the promulgation of
16 rules and regulations, and to employ all powers
17 granted to the President by the International Emer-
18 gency Economic Powers Act, to carry out the pur-
19 poses of this section. The Secretary of the Treasury
20 may, consistent with applicable law, redelegate any
21 of these functions within the Department of the
22 Treasury. All departments and agencies shall take
23 all appropriate measures within their authority to
24 carry out the provisions of this section.

1 (2) RULES AND REGULATIONS.—Rules and reg-
2 ulations issued pursuant to this section may, among
3 other things, establish procedures to license trans-
4 actions otherwise prohibited pursuant to this section.
5 But prior to issuing any license under this section,
6 the Secretary of the Treasury shall consult with the
7 Secretary of State, the Secretary of Defense, and
8 the Director of National Intelligence.

9 (f) EXCEPTION RELATING TO IMPORTATION OF
10 GOODS.—

11 (1) IN GENERAL.—The authorities and require-
12 ments to impose sanctions authorized under this sec-
13 tion shall not include the authority or requirement
14 to impose sanctions on the importation of goods.

15 (2) GOOD DEFINED.—In this subsection, the
16 term “good” means any article, natural or manmade
17 substance, material, supply, or manufactured prod-
18 uct, including inspection and test equipment, and ex-
19 cluding technical data.

20 **SEC. 5923. LIMITATION ON JUDICIAL REVIEW.**

21 (a) DECISION BY SECRETARY OF STATE.—The deci-
22 sion of the Secretary of State as to any question regarding
23 the inclusion of a covered entity on the list required by
24 section 5913(a) shall be final and conclusive and may not

1 be reviewed by any other official or by any court, whether
2 by action in the nature of mandamus or otherwise.

3 (b) DECISION BY SECRETARY OF DEFENSE.—The
4 decision of the Secretary of Defense as to any question
5 regarding the inclusion of a Communist Chinese military
6 company, a Chinese military company, or a military-civil
7 fusion contributor on either the lists described in section
8 1237 of the Strom Thurmond National Defense Author-
9 ization Act for Fiscal Year 1999 (Public Law 105–261;
10 50 U.S.C. 1701 note) or in section 1260H of the William
11 M. (Mac) Thornberry National Defense Authorization Act
12 for Fiscal Year 2021 (Public Law 116–283) may not be
13 reviewed by any official or by any court, whether by action
14 in the nature of mandamus or otherwise.

15 (c) DECISION BY SECRETARY OF THE TREASURY.—
16 The decision of the Secretary of Treasury, after consulta-
17 tion with the Secretary of State and the Secretary of De-
18 fense, as to any question regarding the inclusion of an en-
19 tity on the Office of Foreign Assets Control’s Non-SDN
20 Chinese Military-Industrial Complex Companies List shall
21 be final and conclusive and may not be reviewed by any
22 other official or by any court, whether by action in the
23 nature of mandamus or otherwise.

24 (d) RULES AND REGULATIONS PROMULGATED BY
25 THE SECRETARY OF THE TREASURY.—The rules and reg-

1 ulations promulgated by the Secretary of the Treasury
2 under sections 5913(b)(6) and 5922(e) shall be final and
3 not subject to any further agency review or to judicial re-
4 view by any court (including under chapter 7 of title 5,
5 United States Code).

