

AMENDMENT TO RULES COMMITTEE PRINT

117-31

OFFERED BY MS. TENNEY OF NEW YORK

Add at the end of division G the following:

1 **TITLE XI—DISCLOSURE OF CON-**
2 **NECTIONS WITH THE CHI-**
3 **NESE COMMUNIST PARTY**

4 **SEC. 62000. REPORTING REQUIREMENT.**

5 (a) DEFINITIONS.—In this section—

6 (1) the term “Commission” means the Securi-
7 ties and Exchange Commission;

8 (2) the term “covered issuer” means an issuer,
9 including a foreign private issuer, that is required to
10 file annual reports with the Commission under sec-
11 tion 13(a) of the Securities Exchange Act of 1934
12 (15 U.S.C. 78m(a));

13 (3) the term “issuer” has the meaning given
14 the term in section 3(a) of the Securities Exchange
15 Act of 1934 (15 U.S.C. 78c(a));

16 (4) the term “joint venture partner”, with re-
17 spect to a covered issuer, means—

1 (A) a joint venture in which the covered
2 issuer, or a subsidiary with respect to the cov-
3 ered issuer, is a party; or

4 (B) any other person that is a party in a
5 joint venture described in subparagraph (A);
6 and

7 (5) the term “subsidiary”, with respect to a
8 covered issuer, means a wholly- or partially-owned
9 subsidiary of the covered issuer.

10 (b) REQUIREMENT.—Each covered issuer, in each an-
11 nual report that the covered issuer files with the Commis-
12 sion (beginning with the second annual report that the
13 covered issuer files with the Commission after the date
14 of enactment of this Act), shall—

15 (1) disclose whether the covered issuer, or any
16 subsidiary or joint venture partner with respect to
17 the covered issuer, has established or maintained an
18 organization of the Chinese Communist Party dur-
19 ing the period covered by the report;

20 (2) if an organization of the Chinese Com-
21 munist Party has participated in the operations of
22 the covered issuer, or of any subsidiary or joint ven-
23 ture partner with respect to the covered issuer, dur-
24 ing the period covered by the report, summarize that
25 participation; and

1 (3) disclose whether the board of directors of
2 the covered issuer (or the equivalent body with re-
3 spect to the covered issuer), under the laws of the
4 jurisdiction in which the covered issuer is incor-
5 porated or otherwise organized—

6 (A) owes a fiduciary duty to the covered
7 issuer and shareholders of the covered issuer;
8 and

9 (B) is subject to heightened scrutiny with
10 respect to conflicted controller transactions.

11 (c) UPDATES TO RULES.—Not later than 1 year after
12 the date of enactment of this Act, the Commission shall
13 make any updates to the rules of the Commission that
14 are necessary as a result of this section.

