Amendment to the Rules Committee Print
118-10
Offered by Ms. Wexton of Virginia

In subtitle C of title XVIII of division A, add at the end the following:

SEC. 1859. SECURITIES AND EXCHANGE COMMISSION

UYGHUR FORCED LABOR DISCLOSURES.

(a) Certification of Certain Activities Relating to the Xinjiang Uyghur Autonomous Region as Procedure for Registration of Securities on an Exchange.—

(1) In general.—Section 12 of the Securities Exchange Act of 1934 (15 U.S.C. 78l) is amended by adding at the end the following:

“(m) Reporting of Certain Activities Relating to the Xinjiang Uyghur Autonomous Region.—

“(1) In general.—Not later than the end of the 180-day period beginning on the date of enactment of this subsection, the Commission shall issue rules—

“(A) to require an issuer filing an application to register a security with a national securities exchange to—
“(i) include in such application the documentation described under paragraph (2); and

“(ii) to file the application and documentation with the Commission;

“(B) to require an issuer to file a report with the Commission containing the documentation described under paragraph (2) if the issuer is not listed on an exchange and merges with another issuer that is listed on the exchange; and

“(C) to require an issuer filing a registration statement under subsection (g) to include with such statement the documentation described under paragraph (2).

“(2) DOCUMENTATION REQUIRED.—With respect to an issuer, the documentation described under this paragraph is documentation showing whether the issuer or any affiliate of the issuer, directly or indirectly, contains within its supply or production chain—

“(A) goods, wares, articles, or merchandise sourced from or through the XUAR, or mined, produced, or manufactured wholly or in part by forced labor identified by mandate of section
2(d)(2)(B)(iv) of Public Law 117-78, including—

“(i) the industries contained on the ‘Illustrative List of Industries in Xinjiang in which Public Reporting has indicated Labor Abuses may be Taking Place’ in Annex 2 of the ‘Xinjiang Supply Chain Business Advisory’ (published July 13, 2021) and any successor list; and

“(ii) all products listed within ‘high-priority sectors for enforcement’ by the Forced Labor Enforcement Task Force pursuant to Public Law 117-78; or

“(B) goods, wares, articles, or merchandise that are mined, produced, or manufactured by an entity engaged in labor transfers from the XUAR or forced labor.

“(3) Transparent documentation of supply chain links.—In issuing rules under paragraph (1), the Commission shall require an issuer to list the name (in English and in the most commonly-spoken language of the country in which the issuer is incorporated, if other than English), address, and sourcing quantities from each smelter, refinery, farm, or manufacturing facility (as appropriate) of
each person mining, producing, or manufacturing a
good, ware, article, or merchandise described under
paragraph (2).

“(4) INDEPENDENT VERIFICATION OF DOCU-
MENTATION.—In issuing rules under paragraph (1),
the Commission shall require an issuer—

“(A) to obtain independent verification of
the documentation described under paragraph
(2), by a third-party auditor approved by the
Commission, before the filing of an application,
report, or registration statement containing
such documentation;

“(B) to maintain the confidentiality of the
identity of such third-party auditor, unless the
auditor proactively waives confidentiality; and

“(C) to establish policies to respond to any
reprisals against the third-party auditor.

“(5) PUBLIC AVAILABILITY OF DOCUMENTA-
TION.—The Commission shall make all documenta-
tion received under this subsection available to the
public.

“(6) ADDITIONAL PENALTIES FOR CERTAIN
VIOLATIONS.—In addition to other penalties pro-
vided under this Act, with respect to an application
described under paragraph (1)(A), if an issuer fails
to comply with the requirements of this subsection (including any misrepresentation of the information described under paragraph (3))—

“(A) the applicable national securities exchange may not approve such application; and

“(B) the issuer may not re-file the application for 1 year.

“(8) DEFINITIONS.—In this subsection:

“(A) FORCED LABOR.—The term ‘forced labor’ means—

“(i) any labor carried out by the Uyghur, Kazakh, Kyrgyz, or another oppressed ethnic group in the People’s Republic of China under any state-sponsored labor program, including any program associated with ‘surplus labor transfer’, ‘poverty alleviation’, ‘mutual aid’, ‘Xinjiang Aid’, and re-education programs targeting minoritized citizens of the XUAR, whether inside or outside;

“(ii) any labor carried out in the XUAR unless the specific labor has been identified by the United States authorities under existing forced labor and the Uyghur
protection laws as not involving the use of
forced labor; and

“(iii) any use of convict labor, forced
labor, or indentured labor described under
section 307 of the Tariff Act of 1930 (19

“(B) XUAR.—The term ‘XUAR’ means
the Xinjiang Uyghur Autonomous Region.”.

(2) REPEAL.—The amendment made by this
section shall be repealed on the earlier of—

(A) the date that is 8 years after the date
of the enactment of this section; or

(B) the date on which the President sub-
mits to Congress (including the Office of the
Law Revision Council) a determination that the
Government of the People’s Republic of China
has ended mass internment, forced labor, and
any other gross violations of human rights ex-
perienced by Uyghurs, Kazakhs, Kyrgyz, and
members of other persecuted groups in the
Xinjiang Uyghur Autonomous Region.

(b) DISCLOSURE OF CERTAIN ACTIVITIES RELATING
TO THE XINJIANG UYGHUR AUTONOMOUS REGION.—
(1) In general.—Section 13 of the Securities Exchange Act of 1934 (15 U.S.C. 78m) is amended by adding at the end the following:

“(t) Disclosure of certain activities relating to the Xinjiang Uyghur Autonomous Region.—

“(1) In general.—Not later than the end of the 180-day period beginning on the date of enactment of this subsection, the Commission shall issue rules to require each issuer required to file an annual report under this section or section 15(d) or a proxy statement under section 14 to disclose in each such report or proxy statement whether, during the period covered by the report or proxy statement—

“(A) the issuer or any affiliate of the issuer, directly or indirectly, engaged with an entity or the affiliate of an entity to use or source goods, wares, articles, or merchandise sourced from or through the XUAR, or mined, produced, or manufactured wholly or in part by forced labor identified by mandate of section 2(d)(2)(B)(iv) of Public Law 117-78, including—

“(i) the industries contained on the ‘Illustrative List of Industries in Xinjiang in which Public Reporting has indicated
Labor Abuses may be Taking Place’ in Annex 2 of the ‘Xinjiang Supply Chain Business Advisory’ (published July 13, 2021) and any successor list;

“(ii) all products listed as ‘high-priority sectors for enforcement’ by the Forced Labor Enforcement Task Force pursuant to Public Law 117-78; and

“(iii) all products exported from the People’s Republic of China into the United States that are listed by mandate of section 2(d)(2)(B)(iv) of Public Law 117-78 that are sourced from or through the XUAR; or

“(B) with respect to any goods, wares, articles, or merchandise described under subparagraph (A), whether the goods, wares, articles, or merchandise have supply chain links to facilities that employ forced labor;

“(C) with respect to each good, ware, article, and merchandise described under subparagraph (A)—

“(i) the nature and extent of the commercial activity related to the good, ware, article, or merchandise;
“(ii) the gross revenue and net profits, if any, attributable to the good, ware, article, or merchandise;

“(iii) the alternative sourcing options for the good, ware, article, or merchandise, while protecting proprietary information of the issuer and any other cited business;

“(iv) a description of the measures taken by the issuer to exercise due diligence on the source and chain of custody of the good, ware, article, or merchandise; and

“(v) other entities and facilities affiliated with the facility employing forced labor, including the physical location of such facilities and of the supplier entity’s headquarters; and

“(D) the issuer or any affiliate of the issuer, directly or indirectly, was involved in the development or provision of surveillance goods, services, or technologies (including telecommunications, information security, and sensors) used to facilitate gross human rights abuses.
“(2) AVAILABILITY OF INFORMATION.—The Commission shall make all information disclosed pursuant to this subsection available to the public on the website of the Commission.

“(3) DEFINITIONS.—In this subsection, the terms ‘forced labor’ and ‘XUAR’ have the meaning given those terms, respectively, under section 12(m)(8).”.

(2) REPEAL.—The amendment made by this section shall be repealed on the earlier of—

(A) the date that is 8 years after the date of the enactment of this section; or

(B) the date on which the President submits to Congress (including the Office of the Law Revision Council) a determination that the Government of the People’s Republic of China has ended mass internment, forced labor, and any other gross violations of human rights experienced by Uyghurs, Kazakhs, Kyrgyz, and members of other persecuted groups in the Xinjiang Uyghur Autonomous Region.

(c) REPORTS.—

(1) SECURITIES AND EXCHANGE COMMISSION ANNUAL REPORT TO CONGRESS.—The Securities and Exchange Commission shall—
(A) conduct an annual assessment of the compliance of issuers with the requirements of section 12(m) of the Securities Exchange Act of 1934 on—

(i) issuers described under paragraph (1)(A) of such section 12(m);

(ii) issuers described under paragraph (1)(B) of such section 12(m); and

(iii) issuers described under paragraph (1)(C) of such section 12(m);

(B) conduct an annual assessment of the compliance of issuers with the requirements of section 13(t) of the Securities Exchange Act of 1934; and

(C) issue a report to Congress containing the results of the assessments under subparagraphs (A) and (B).

(2) GAO REPORT.—The Comptroller General of the United States shall periodically evaluate and report to Congress on the effectiveness of the oversight by the Commission of the certification requirements under section 12(m) and section 13(t) of the Securities Exchange Act of 1934.