

119TH CONGRESS  
2D SESSION

# H. R. 7075

To require the Secretary of the Treasury to include any entity identified as a Chinese military company on the Non-SDN Chinese Military-Industrial Complex Companies List.

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## IN THE HOUSE OF REPRESENTATIVES

JANUARY 14, 2026

Mr. PERRY (for himself and Mr. TIFFANY) introduced the following bill; which was referred to the Committee on Foreign Affairs, and in addition to the Committee on Financial Services, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

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## A BILL

To require the Secretary of the Treasury to include any entity identified as a Chinese military company on the Non-SDN Chinese Military-Industrial Complex Companies List.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*

3       **SECTION 1. SHORT TITLE.**

4       This Act may be cited as the “Divesting from Com-  
5       munist China’s Military Act of 2026”.

6       **SEC. 2. FINDINGS.**

7       Congress makes the following findings:

1           (1) In Executive Order 13959 (50 U.S.C. 1701  
2       note; relating to addressing the threat from securi-  
3       ties investments that finance Communist Chinese  
4       Military Companies), President Donald J. Trump  
5       described the People’s Republic of China’s military-  
6       industrial complex by specifically citing the military-  
7       civil fusion strategy of the Government of the Peo-  
8       ple’s Republic of China, in which that Government  
9       “is increasingly exploiting United States capital to  
10      resource and to enable the development and mod-  
11      ernization of its military, intelligence, and other se-  
12      curity apparatuses . . . [k]ey to the development of  
13      the PRC’s military, intelligence, and other security  
14      apparatuses is the country’s large, ostensibly private  
15      economy”.

16          (2) In Executive Order 14032 (50 U.S.C. 1701  
17      note; relating to addressing the threat from securi-  
18      ties investments that finance certain companies of  
19      the People’s Republic of China), President Joseph  
20      R. Biden reasserted those concerns and further  
21      found that the use of Chinese surveillance tech-  
22      nology outside the People’s Republic of China and  
23      the development or use of Chinese surveillance tech-  
24      nology to facilitate repression or serious human  
25      rights abuse constitute unusual and extraordinary

1 threats, expanding the scope of the national emer-  
2 gency declared in Executive Order 13959.

3 (3) Section 1260H(g) of the William M. (Mac)  
4 Thornberry National Defense Authorization Act for  
5 Fiscal Year 2021 (Public Law 116–283; 10 U.S.C.  
6 113 note) defines a “Chinese military company” as  
7 “an entity that is—

8 “(i)(I) directly or indirectly owned by,  
9 controlled by, or beneficially owned by, af-  
10 filiated with, or in an official or unofficial  
11 capacity acting as an agent of or on behalf  
12 of, the People’s Liberation Army, Chinese  
13 military and paramilitary elements, secu-  
14 rity forces, police, law enforcement, border  
15 control, the People’s Armed Police, the  
16 Ministry of State Security (MSS), or any  
17 other organization subordinate to the Cen-  
18 tral Military Commission of the Chinese  
19 Communist Party, the Chinese Ministry of  
20 Industry and Information Technology  
21 (MIIT), the State-Owned Assets Super-  
22 vision and Administration Commission of  
23 the State Council (SASAC), or the State  
24 Administration of Science, Technology, and

1                   Industry       for       National       Defense  
2                   (SASTIND); or

3                   “(II) identified as a military-civil fu-  
4                   sion contributor to the Chinese defense in-  
5                   dustrial base; and

6                   “(ii) engaged in providing commercial  
7                   services, manufacturing, producing, or ex-  
8                   porting”.

9                   (4) The functions and objectives of Chinese  
10                  military companies and contributors to the Chinese  
11                  military-industrial complex are substantially similar  
12                  and warrant a commensurate level of treatment  
13                  under United States statutes and regulations.

14                  (5) Section 805 of the National Defense Au-  
15                  thorization Act for Fiscal Year 2024 (Public Law  
16                  118–31; 10 U.S.C. 4651 note prec.) imposed restric-  
17                  tions on purchases by the Department of Defense of  
18                  goods and services produced or developed by Chinese  
19                  military companies identified under section  
20                  1260H(g) of the William M. (Mac) Thornberry Na-  
21                  tional Defense Authorization Act for Fiscal Year  
22                  2021 and entities subject to the control of such com-  
23                  panies. Beginning June 30, 2026, the Department  
24                  of Defense will be prohibited from executing new  
25                  contracts with such companies and entities, and

1 starting June 30, 2027, the Department of Defense  
2 will be prohibited from purchasing end products or  
3 services produced or developed by such companies  
4 and entities indirectly through third parties.

5 (6) As the Department of Defense prepares to  
6 implement the procurement restrictions described in  
7 paragraph (5), it is still possible for companies and  
8 entities described in that paragraph to raise capital  
9 by selling securities to investors that trade on  
10 United States exchanges.

11 (7) In harmonizing enforcement approaches  
12 across sanctions regimes of the United States Gov-  
13 ernment, Congress can assist the President to en-  
14 sure consistent treatment of entities posing national  
15 security risks, thereby enhancing the effectiveness of  
16 United States sanctions and investment restrictions.

17 **SEC. 3. INCLUSION OF CHINESE MILITARY COMPANIES ON**  
18 **NON-SDN CHINESE MILITARY-INDUSTRIAL**  
19 **COMPLEX COMPANIES LIST.**

20 (a) IN GENERAL.—Not later than 90 days after the  
21 Secretary of Defense identifies an entity as a Chinese mili-  
22 tary company operating directly or indirectly in the United  
23 States under section 1260H of the William M. (Mac)  
24 Thornberry National Defense Authorization Act for Fiscal  
25 Year 2021 (Public Law 116–283; 10 U.S.C. 113 note),

1 the Secretary of the Treasury shall include that entity on  
2 the Non-SDN Chinese Military-Industrial Complex Com-  
3 panies List (commonly known as the “NS-CMIC List”)  
4 if the entity is not already included on the NS-CMIC List.

5 (b) EFFECT OF INCLUSION.—

6 (1) IN GENERAL.—Except as provided by para-  
7 graph (2), not later than 60 days after the inclusion  
8 of an entity on the NS-CMIC List under subsection  
9 (a), the prohibitions set forth in Executive Order  
10 13959 shall apply with respect to the entity.

11 (2) DIVESTMENT PERIOD.—A United States  
12 person may, during the one-year period beginning on  
13 the date on which an entity is included on the NS-  
14 CMIC List under subsection (a), purchase or sell  
15 publicly traded securities issued by the entity solely  
16 for the purpose of divesting, in whole or in part,  
17 such securities.

18 (c) DEFINITIONS.—In this section:

19 (1) APPROPRIATE CONGRESSIONAL COMMIT-  
20 TEES.—The term “appropriate congressional com-  
21 mittees” means—

22 (A) the Committee on Banking, Housing,  
23 and Urban Affairs of the Senate; and

24 (B) the Committee on Financial Services  
25 of the House of Representatives.

1           (2) EXECUTIVE ORDER 13959.—The term “Ex-  
2       ecutive Order 13959” means Executive Order 13959  
3       (50 U.S.C. 1701 note; relating to addressing the  
4       threat from securities investments that finance Com-  
5       munist Chinese Military Companies), as amended by  
6       Executive Order 14032 (50 U.S.C. 1701 note; relat-  
7       ing to addressing the threat from securities invest-  
8       ments that finance certain companies of the People’s  
9       Republic of China).

10          (3) NON-SDN CHINESE MILITARY-INDUSTRIAL  
11       COMPLEX COMPANIES LIST; NS-CMIC LIST.—The  
12       terms “Non-SDN Chinese Military-Industrial Com-  
13       plex Companies List” and “NS-CMIC List” mean  
14       the list maintained by the Office of Foreign Assets  
15       Control of the Department of the Treasury under  
16       Executive Order 13959 or any successor order.

17          (4) PUBLICLY TRADED SECURITY.—The term  
18       “publicly traded security” includes—

19               (A) any security (as defined in section 3(a)  
20       of the Securities Exchange Act of 1934 (15  
21       U.S.C. 78c(a))) denominated in any currency  
22       that trades on a securities exchange, or through  
23       the method of trading that is commonly re-  
24       ferred to as “over-the-counter”, in any jurisdic-  
25       tion; and

1           (B) any security that is derivative of or de-  
2           signed to provide investment exposure to a se-  
3           curity described in subparagraph (A).

4           (5) UNITED STATES PERSON.—The term  
5           “United States person” means—

6           (A) any United States citizen or an alien  
7           lawfully admitted for permanent residence to  
8           the United States;

9           (B) an entity organized under the laws of  
10          the United States or of any jurisdiction within  
11          the United States (including any foreign branch  
12          of such an entity); or

13          (C) any person in the United States.

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