

119TH CONGRESS  
1ST SESSION

# S. 2048

To prohibit the purchase of certain securities from covered entities, and  
for other purposes.

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IN THE SENATE OF THE UNITED STATES

JUNE 12, 2025

Mr. RICKETTS introduced the following bill; which was read twice and referred  
to the Committee on Banking, Housing, and Urban Affairs

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## A BILL

To prohibit the purchase of certain securities from covered  
entities, and for other purposes.

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 “PRC Military and  
5       Human Rights Capital Markets Sanctions Act of 2025”.

6       **SEC. 2. PROHIBITION ON PURCHASE OF CERTAIN SECURI-**  
7       **TIES FROM COVERED ENTITIES.**

8       (a) DEFINITIONS.—

9               (1) COVERED ENTITY.—

1 (A) IN GENERAL.—In this section, the  
2 term “covered entity” means the following:

3 (i) Any entity that is on the list of  
4 Specially Designated Nationals and  
5 Blocked Persons maintained by the Office  
6 of Foreign Assets Control of the Depart-  
7 ment of the Treasury, or any entity under  
8 common ownership or control with such  
9 entity.

10 (ii) Any entity on the Non-SDN Chi-  
11 nese Military-Industrial Complex Compa-  
12 nies List (commonly known as the “NS-  
13 CMIC List”) maintained by the Office of  
14 Foreign Assets Control of the Department  
15 of the Treasury pursuant to Executive  
16 Order 13959 (50 U.S.C. 1701 note; relat-  
17 ing to addressing the threat from securities  
18 investments that finance communist Chi-  
19 nese military companies), or any entity  
20 under common ownership or control with  
21 such entity.

22 (iii) Any Chinese military company in-  
23 cluded on the list maintained by the De-  
24 partment of Defense under section  
25 1260H(b) of the William M. (Mac) Thorn-

1 berry National Defense Authorization Act  
2 for Fiscal Year 2021 (Public Law 116–  
3 283; 10 U.S.C. 113 note) as of the date of  
4 the enactment of this Act, or any entity  
5 under common ownership or control with  
6 such company.

7 (iv) Any Chinese entity with respect  
8 to which sanctions have been imposed  
9 under the under the Global Magnitsky  
10 Human Rights Accountability Act (22  
11 U.S.C. 10101 et seq.), or any entity under  
12 common ownership or control with such  
13 entity.

14 (v) Any Chinese entity that produces  
15 goods that have been the subject of a with-  
16 hold release order issued pursuant to sec-  
17 tion 307 of the Tariff Act of 1930 (19  
18 U.S.C. 1307) during the 2-year period  
19 ending on the date of the enactment of this  
20 Act, or any entity under common owner-  
21 ship or control of such entity.

22 (vi) Any Chinese entity included on  
23 the Entity List maintained by the Bureau  
24 of Industry and Security of the Depart-  
25 ment of Commerce and set forth in Sup-

plement No. 4 to part 744 of title 15, Code of Federal Regulations, or any entity under common ownership or control with such entity.

(vii) Any Chinese entity on a list maintained under clause (i), (ii), (iv), or (v) of section 2(d)(2)(B) of the Act entitled “An Act to ensure that goods made with forced labor in the Xinjiang Autonomous Region of the People’s Republic of China do not enter the United States market, and for other purposes”, approved December 23, 2021 (Public Law 117–78; 22 U.S.C. 6901 note), (commonly referred to as the “Uyghur Forced Labor Prevention Act”), or any entity under common ownership or control with such entity.

(viii) Any Chinese entity on the Military End-User List maintained by the Bureau of Industry and Security and set forth in Supplement No. 7 to part 744 of title 15, Code of Federal Regulations, or any entity under common ownership or control with such entity.

1 (B) CONTROL.—For purposes of subpara-  
2 graph (A), the term “control” has the meaning  
3 given the term in section 230.405 of title 17,  
4 Code of Federal Regulations.

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

7 (A) a United States citizen or an alien law-  
8 fully admitted for permanent residence to the  
9 United States;

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

14 (C) any person in the United States.

15 (b) PROHIBITION.—Not later than 90 days after the  
16 date of enactment of this Act, the President shall—

17 (1) compile and maintain a single list of cov-  
18 ered entities;

19 (2) where possible, include in the list described  
20 in paragraph (1) a unique identification number for  
21 each covered entity, such as a Committee on Uni-  
22 form Securities Identification Procedures number or  
23 a Stock Exchange Daily Official List number;

24 (3) make the list described in paragraph (1)  
25 available to the public; and

1           (4) publicly identify and prohibit the purchase,  
2           sale, or holding by a United States person of a—

3                   (A) publicly traded security issued by a  
4                   covered entity;

5                   (B) publicly traded security that is deriva-  
6                   tive of a publicly traded security issued by a  
7                   covered entity; and

8                   (C) security that provides investment expo-  
9                   sure to a publicly traded security issued by a  
10                  covered entity.

11       (c) DIVESTMENT REQUIRED.—

12           (1) IN GENERAL.—Notwithstanding subsection  
13       (b), a United States person shall divest of all securi-  
14       ties described in subsection (b)—

15                   (A) with respect to a security identified by  
16                   the President under subsection (b) before the  
17                   end of the 90-day period beginning on the date  
18                   of enactment of this Act, not later than 180  
19                   days after the date of enactment of this Act;  
20                   and

21                   (B) with respect to a security identified by  
22                   the President under subsection (b) after the  
23                   end of the 90-day period beginning on the date  
24                   of enactment of this Act, not later than 180  
25                   days after the date of such identification.

1           (2) FACILITATING DIVESTMENT TRANS-  
 2 ACTIONS.—Subsection (b) shall not apply to a  
 3 United States person to the extent the person is fa-  
 4 cilitating the divestment of securities described in  
 5 paragraph (1).

6           (d) PENALTIES.—

7           (1) IN GENERAL.—A United States person that  
 8 violates, attempts to violate, conspires to violate, or  
 9 causes a violation of this Act shall be subject to the  
 10 following penalties:

11                   (A) A civil penalty in an amount not to ex-  
 12 ceed the greater of—

13                           (i) \$250,000; or

14                           (ii) an amount that is twice the  
 15 amount of the transaction that is the basis  
 16 of the violation with respect to which the  
 17 penalty is imposed.

18           (B) With respect to a United States person  
 19 that willfully violates, willfully attempts to vio-  
 20 late, willfully conspires to violate, or aids or  
 21 abets in the commission of a violation of this  
 22 Act shall be subject to a criminal penalty—

23                           (i) of a fine of not more than  
 24 \$1,000,000; or

1                   (ii) if such United States person is an  
2                   individual, a fine of not more than  
3                   \$1,000,000, a term of imprisonment of not  
4                   more than 20 years, or both.

5                   (2) AMOUNT OF A TRANSACTION DEFINED.—  
6                   For purposes of paragraph (1)(A)(ii), the term  
7                   “amount of a transaction” means—

8                   (A) with respect to a purchase that violates  
9                   this Act, the purchase price;

10                  (B) with respect to a sale that violates this  
11                  Act, the sale price; and

12                  (C) with respect to the holding of a secu-  
13                  rity that violates this Act, the fair market value  
14                  of the security at the time of the violation.

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