

PROTECTING OUR COURTS FROM FOREIGN
MANIPULATION ACT

JUNE 15, 2026.—Committed to the Committee of the Whole House on the State of
the Union and ordered to be printed

Mr. JORDAN, from the Committee on the Judiciary,
submitted the following

R E P O R T

together with

DISSENTING VIEWS

[To accompany H.R. 2675]

[Including cost estimate of the Congressional Budget Office]

The Committee on the Judiciary, to whom was referred the bill (H.R. 2675) to amend chapter 111 of title 28, United States Code, to increase transparency and oversight of third-party funding by foreign persons, to prohibit third-party funding by foreign states and sovereign wealth funds, and for other purposes, having considered the same, reports favorably thereon with an amendment and recommends that the bill as amended do pass.

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The amendment is as follows:

Strike all that follows after the enacting clause and insert the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the “Protecting Our Courts from Foreign Manipulation Act”.

SEC. 2. TRANSPARENCY AND LIMITATIONS ON FOREIGN THIRD-PARTY LITIGATION FUNDING.

(a) IN GENERAL.—Chapter 111 of title 28, United States Code, is amended by adding at the end the following:

“§ 1660. Transparency and limitations on foreign third-party litigation funding

“(a) PROHIBITION ON THIRD-PARTY FUNDING LITIGATION BY FOREIGN STATES AND SOVEREIGN WEALTH FUNDS.—

“(1) FUNDING PROHIBITION.—It shall be unlawful—

“(A) for any foreign state or sovereign wealth fund to provide any monetary support either directly or indirectly for initiating or litigating a civil action in which it is not a named party; or

“(B) for any party or counsel to receive from a foreign state or sovereign wealth fund any monetary support either directly or indirectly for initiating or litigating a civil action in which the foreign state or sovereign wealth fund is not a named party.

“(2) SOURCING PROHIBITION.—It shall be unlawful for any party or counsel to enter into an agreement creating a right for anyone, other than the named parties or counsel of record, to receive any payment that is contingent, in any respect, on proceeds from the action or from any matter within a portfolio of civil actions that includes the civil action and involves the same counsel of record or affiliated counsel, the terms of which are to be satisfied by money that has been or will be directly or indirectly sourced, in whole or in part, from a foreign state or a sovereign wealth fund.

“(b) ENFORCEMENT.—

“(1) NULL AND VOID.—Any obligation to provide monetary support or agreement in violation of subsection (a) shall be null and void.

“(2) DISMISSAL.—Any civil action in which monetary support in violation of subsection (a) has been or is being used by a plaintiff to litigate the civil action shall be dismissed with prejudice and subject to terms the court considers proper.

“(3) RELIEF ON MOTION.—Any final judgment entered in a civil action in which monetary support in violation of subsection (a) was used may be subject to being relieved on motion made pursuant to Rule 60(b)(3) of the Federal Rules of Civil Procedure.

“(c) DISCLOSURE OF THIRD-PARTY LITIGATION FUNDING AND FOREIGN SOURCE CERTIFICATION BY FOREIGN PERSONS, FOREIGN STATES, AND SOVEREIGN WEALTH FUNDS.—

“(1) IN GENERAL.—In any civil action, each party or the counsel of record for the party shall—

“(A) disclose in writing to the court, to all other named parties to the civil action, to the Attorney General, and to the Principal Deputy Assistant Attorney General for National Security—

“(i) the name, the address and, if applicable, the citizenship or the country of incorporation or registration of any foreign person, foreign state, or sovereign wealth fund, other than the named parties or counsel of record, that—

“(I) has provided or has agreed to provide direct or indirect monetary support for initiating or litigating the civil action;

“(II) has a right to receive any payment that is contingent, in any respect, on proceeds from the civil action pursuant to a settlement, judgment, award of attorney’s fees, or pursuant to any other outcome of the civil action; or

“(III) has a right to receive any payment that is contingent, in any respect, on proceeds from any matter within a portfolio of civil actions that includes the civil action by settlement, judgement, award of attorney’s fees, or pursuant to any other outcome of the

civil action, and involves the same counsel of record or affiliated counsel; and

“(ii) if the party or the counsel of record for the party submits a certification described in subparagraph (C)(i), the name, the address, and, if applicable, the citizenship or the country of incorporation or registration of the foreign person, foreign state, or sovereign wealth fund that is the source of the money;

“(B) produce to the court, to all other named parties to the civil action, to the Attorney General, and to the Principal Deputy Assistant Attorney General for National Security, except as otherwise stipulated or ordered by the court, a copy of any documentation concerning monetary support described in subparagraph (A)(i)(I) or any agreement creating a contingent right described in subclause (II) or (III) of subparagraph (A)(i); and

“(C) for a civil action in which direct or indirect monetary support for initiating or litigating the civil action has been or will be provided or in which there is an agreement creating a right to receive any payment by anyone, other than the named parties or counsel of record, that is contingent, in any respect, on proceeds from of the civil action by settlement, judgment, award of attorney’s fees, or pursuant to any other outcome of the civil action, or on proceeds from any matter within a portfolio that includes the civil action and involves the same counsel or affiliated counsel, submit to the court a certification that—

“(i) the money that has been or will be used to provide monetary support or satisfy any term of the agreement has been or will be directly or indirectly sourced, in whole or in part, from a foreign person, foreign state, or sovereign wealth fund, including the monetary amounts that have been or will be used to satisfy the agreement; or

“(ii) that the disclosure and certification criteria set forth in subparagraph (A)(ii) and clause (i) of this subparagraph do not apply to the civil action.

“(2) TIMING.—

“(A) IN GENERAL.—Any disclosure and certification required under paragraph (1) for a civil action described in such paragraph shall be made not later than the later of—

“(i) 30 days after the date on which any monetary support that is required to be disclosed pursuant to paragraph (1)(A)(i)(I), or any portion thereof, is initially provided, or any agreement described in subclause (I), (II), or (III) of paragraph (1)(A)(i) is executed; or

“(ii) the date on which the civil action is filed.

“(B) PARTIES SERVED OR JOINED LATER.—A party that has disclosure and certification obligations under paragraph (1) that is first joined in the civil action after the date on which the civil action is filed shall make any disclosure and certification required under paragraph (1) not later than 30 days after being joined, unless a different time is set by stipulation or court order.

“(3) FOREIGN SOURCE DISCLOSURE AND CERTIFICATION FORMAT.—

“(A) IN GENERAL.—Any disclosure required under paragraph (1)(A) and a certification required under paragraph (1)(C) shall—

“(i) be made in the form of a declaration under penalty of perjury pursuant to section 1746 and shall be made to the best knowledge, information, and belief of the declarant formed after reasonable inquiry; and

“(ii) be provided to all other named parties to the civil action, to the Attorney General, and to the Principal Deputy Assistant Attorney General for National Security by the party or counsel of record for the party making the disclosure and certification, except as otherwise stipulated or ordered by the court.

“(B) SUPPLEMENTATION AND CORRECTION.—Not later than 30 days after the date on which a party or counsel of record for the party knew or should have known that a disclosure made under paragraph (1)(A) or a certification made under paragraph (1)(C) is incomplete or inaccurate in any material respect, the party or counsel of record shall supplement or correct the disclosure or certification.

“(d) FAILURE TO DISCLOSE, TO SUPPLEMENT; SANCTIONS.—A disclosure, production, or certification under subsection (b) is deemed to be information required by Rule 26(a) of the Federal Rules of Civil Procedure and subject to the sanctions provisions of Rule 37 of the Federal Rules of Civil Procedure.

“(e) DEFINITIONS.—In this section—

“(1) the term ‘foreign person’—

“(A) means any person or entity that is not a United States person, as defined in section 101 of the Foreign Intelligence Surveillance Act of 1978 (50 U.S.C. 1801); and

“(B) does not include a foreign state or a sovereign wealth fund;

“(2) the term ‘foreign state’ has the meaning given that term in section 1603; and

“(3) the term ‘sovereign wealth fund’ means an investment fund owned or controlled, directly or indirectly, by a foreign state or an agency or instrumentality of a foreign state (as defined in section 1603).”.

(b) TECHNICAL AND CONFORMING AMENDMENT.—The table of sections chapter 111 of title 28, United States Code, is amended by adding at the end the following:

“1660. Transparency and limitations on foreign third-party litigation funding.”.

SEC. 3. REPORT TO CONGRESS.

Not later than 1 year after the date of enactment of this Act, and annually thereafter, the Attorney General shall submit to the Committee on the Judiciary of the Senate and the Committee on the Judiciary of the House of Representatives a report on the activities involving foreign third-party litigation funding in Federal courts, including, if applicable—

(1) the identities of foreign third-party litigation funders in Federal courts, including names, addresses, and citizenship or country of incorporation or registration;

(2) the identities of foreign persons, foreign states, or sovereign wealth funds (as such terms are defined in section 1660 of title 28, United States Code, as added by section 2 of this Act) that have been the sources of money for third-party litigation funding in Federal courts;

(3) the judicial districts in which foreign third-party litigation funding has occurred;

(4) an estimate of the total amount of foreign-sourced money used for third-party litigation funding in Federal courts, including an estimate of the amount of such money sourced from each country; and

(5) a summary of the subject matters of the civil actions in Federal courts for which foreign sourced money has been used for third-party litigation funding.

SEC. 4. APPLICABILITY.

The amendments made by this Act shall apply to any civil action pending on or commenced on or after the date of enactment of this Act.

Purpose and Summary

H.R. 2675, the Protecting Our Courts from Foreign Manipulation Act, introduced by Rep. Ben Cline (R-VA), would require litigants in civil actions to disclose any foreign person, foreign state, or sovereign wealth fund that is not a named party to the litigation but either has provided monetary support for the civil action or has a right to receive any payment that is contingent in any respect on the outcome or proceeds of the civil action. Further, the bill prohibits monetary support from a foreign state or sovereign wealth fund that is not a named party to the civil action, and prohibits any agreement under which such an actor would receive any payment contingent on the outcome of the civil action.

Background and Need for the Legislation

Third-party litigation funding (TPLF) occurs “when a third party—rather than the parties themselves, their insurers, or their counsel—agree to cover some or all of the costs of a litigant’s lawsuit.”¹ That financial support is typically provided in exchange for an agreement that the funder will receive “a percentage of any settlement the parties ultimately negotiate in the case, or of any judg-

¹ KEVIN LEWIS, CONG. RESEARCH SERV., LSB10145, FOLLOWING THE MONEY: SHOULD FEDERAL LAW REQUIRE LITIGANTS TO DISCLOSE LITIGATION FUNDING AGREEMENTS? (2018) (“CRS TPLF Report”).

ment the court ultimately awards against the opposing party.”² Over the past decade, TPLF has grown in prevalence throughout the U.S. legal system, spurring debate about whether the practice may present ethical and national security concerns and whether legislative guardrails are necessary.³

However, research into the pervasiveness and nature of TPLF is limited in part because “[l]itigation financing is normally done through confidential contracts, and disclosure generally isn’t required.”⁴ Unlike rules requiring insurance and indemnification agreements to be disclosed in litigation,⁵ and rules requiring disclosure of corporate ownership of a company in litigation,⁶ no universally applicable rules currently exist mandating disclosure of litigation funders.⁷ This lack of information is especially concerning with respect to the involvement of foreign actors, particularly the governments of foreign adversary nations and their instrumentalities.

The People’s Republic of China (PRC), in particular, provides funds surreptitiously for both Chinese and non-Chinese entities to litigate in the U.S. legal system. The city of Haining in the PRC publicly offers direct cash subsidies for PRC-based companies to engage in foreign patent litigation.⁸ Similarly, the city of Yangzhou offers direct cash subsidies for PRC-based companies to engage in IP litigation overseas.⁹ Ultimately, these subsidies serve to encourage PRC-based entities to fund potentially frivolous litigation intended to harass U.S. companies and rights holders and profit from them.¹⁰ In general, CCP-linked organizations and firms are in-

²*Id.*

³*Id.*; see also *Unsuitable Litigation: Oversight of Third-Party Litigation Funding Before the H. Comm. on Oversight and Accountability*, 118th Cong. 1 (Sept. 11, 2023) (statement for the record of Jerry Theodorou); U.S. GOV’T ACCOUNTABILITY OFFICE, GAO-23-105210, *THIRD-PARTY LITIGATION FINANCING: MARKET CHARACTERISTICS, DATA, AND TRENDS* (2022) (“GAO TPLF Report”); Emily Pyclik, *An Overview of How Third-Party Litigation Funders are Being Addressed by Courts and Policymakers Thought Leadership* (June 3, 2024), <https://www.bakerbotts.com/thought-leadership/publications/2024/june/an-overview-of-how-third-party-litigation-funders-are-being-addressed-by-courts-and-policymakers>.

⁴Donald J. Kochan, *Keeping Foreign Cash Out of U.S. Courts*, WALL ST. J. (Nov. 24, 2022).

⁵See Fed. R. Civ. Pro. 26(a)(1)(A)(iv) (requiring disclosure of “any insurance agreement under which an insurance business may be liable to satisfy all or part of a possible judgment in the action or to indemnify or reimburse for payments made to satisfy the judgment”).

⁶See Fed. R. Civ. Pro. 7.1(a) (“Any nongovernmental corporation that is a party to a proceeding in a court of appeals must file a statement that identifies any parent corporation and any publicly held corporation that owns 10% or more of its stock or states that there is no such corporation.”).

⁷See, generally, Fed. R. Civ. Pro. 26; U.S. Chamber of Commerce Institute for Legal Reform, *A New Threat: The National Security Risk of Third Party Litigation Funding* (Nov. 2022), <https://instituteforlegalreform.com/wp-content/uploads/2022/11/TPLF-Briefly-Oct-2022-RBG-FINAL-1.pdf> (except for a few limited exceptions, “TPLF arrangements need not be disclosed and therefore never end up being revealed to the court in a particular case.”).

⁸Aaron Winger, *China Continues Market Distorting Patent Subsidies*, SCHWEGMAN, LUNDBERG, WOESSNER, <https://www.slwip.com/resources/china-continues-market-distorting-patent-subsidies/> (last visited Oct. 9, 2025).

⁹Yangzhou Market supervision, *Up to 100,000 yuan! The application for the 2024 Overseas Intellectual Property Dispute Rights Protection Grant has begun* (Aug. 6, 2024), <https://mp.weixin.qq.com/s/?biz=MzU2NTg1OTE0OA==&mid=2247598680&idx=1&sn=b7b50f53bb4afe35280bc2a7e8265ea3&chksm=fed672f620a1de82d3bc05ef0c5515b1e4ddf80040e7f16c5675faf87f8aeb84746381c0c73&scene=27> (Mandarin language source only).

¹⁰See U.S. Chamber of Commerce Institute for Legal Reform, *A New Threat: The National Security Risk of Third Party Litigation Funding* (Nov. 2022), <https://instituteforlegalreform.com/wp-content/uploads/2022/11/TPLF-Briefly-Oct-2022-RBG-FINAL-1.pdf> (“These disputes, even if not successful, could cost U.S. companies substantial sums and damage their reputations, advancing the interests of the foreign adversary or its home industries.”); see also USPTO, *Trademarks and patents in China: The impact of non-market factors on filing trends and IP systems* (Jan. 2021), <https://www.uspto.gov/sites/default/files/documents/USPTO-TrademarkPatentsInChina.pdf> (discussing market distorting effect of subsidies for trademark and patent application filings).

creasingly utilizing TPLF to strategically influence U.S. legal proceedings.¹¹

In 2023, for example, news reports revealed that a Chinese funding entity was behind several patent lawsuits in the United States, signaling that the PRC may be “exploit[ing] the American legal system and spy[ing] on corporations.”¹² Specifically, the “[c]ourt filings in Delaware show that Shenzhen-based PurpleVine IP is backing two related intellectual property suits” filed by a U.S. plaintiff relating to voice detection and noise reduction technology.¹³ PurpleVine IP also reportedly backed “three other cases in Texas, brought by the same Florida-based wearable tech company.”¹⁴ These lawsuits could “advance [the PRC’s] national interest in a variety of ways,” including “advantag[ing] their home industries” by targeting U.S. competitors.¹⁵

The PRC’s litigation funding efforts underscore risks that the PRC and other adversaries will gain access to vital emerging technologies. By providing financial backing for lawsuits, particularly in intellectual property (IP) cases, PRC actors may attempt to gain access to sensitive proprietary information disclosed during discovery through their hidden relationships with the plaintiffs they are funding, which could be used to advance the PRC’s technological and economic objectives.¹⁶ Although protective orders are available in litigation, there is a significant risk of trade secret leakage.¹⁷

As noted by the Federal Judicial Center, “[t]he protected information claimed to be at issue in a trade secret case cannot be disclosed in public filings . . . without destroying the very subject matter of the plaintiff’s legal claim.”¹⁸ Courts must fashion “an appropriate protective order that takes into consideration the trustworthiness of the various players in the litigation drama: counsel, litigants, employees, experts, and possibly others.”¹⁹ These risks are not merely speculative when it comes to the PRC, which has a track record of being involved in attempts to improperly access confidential information.²⁰ Moreover, PRC law requires entities

¹¹ Emily R. Siegel, *China Firm Funds US Suits Amid Push to Disclose Foreign Ties*, BLOOMBERG LAW (Nov. 6, 2023), <https://news.bloomberglaw.com/business-and-practice/china-firm-funds-us-lawsuits-amid-push-to-disclose-foreign-ties>; U.S. Chamber of Commerce Institute for Legal Reform, *A New Threat: The National Security Risk of Third Party Litigation Funding* (Nov. 2022), <https://instituteforlegalreform.com/wp-content/uploads/2022/11/TPLF-Briefly-Oct-2022-RBG-FINAL-1.pdf> (“a foreign adversary could encourage and exploit commercial disputes involving U.S. companies to advance their national interests in a variety of ways.”).

¹² See, e.g., Joe Miller, *Chinese-funded lawsuits fuel backlash against litigation financiers*, FIN. TIMES (Nov. 18, 2023).

¹³ *Id.*

¹⁴ *Id.*

¹⁵ U.S. Chamber of Commerce Institute for Legal Reform, *A New Threat: The National Security Risk of Third Party Litigation Funding* (Nov. 2022), <https://instituteforlegalreform.com/wp-content/uploads/2022/11/TPLF-Briefly-Oct-2022-RBG-FINAL-1.pdf> (“a foreign adversary could encourage and exploit commercial disputes involving U.S. companies to advance their national interests in a variety of ways.”).

¹⁶ U.S. GOV’T ACCOUNTABILITY OFF., INTELLECTUAL PROPERTY: INFORMATION ON THIRD-PARTY FUNDING OF PATENT LITIGATION (Dec. 2024), https://files.gao.gov/reports/GAO-25-107214/index.html?gl=1*1akc7l*ga*MTI5MTQzNTMwNS4xNzMzNTAyOTg2*_ga_V393SNS3SR*MTczNDEyMTM0OS4yLjAuMTczNDEyMTM1Ni4wLjAuMA; Press Release, U.S. Chamber of Commerce Releases New Report on the National Security Ramifications of Third Party Litigation Funding, U.S. Chamber of Com. (Nov. 2, 2022), <https://instituteforlegalreform.com/press-release/new-report-national-security-ramifications-of-third-party-litigation-funding/>.

¹⁷ Peter S. Menell, et al., *Trade Secret Case Management Judicial Guide*, 1–3, Federal Judicial Center (2023), <https://www.fjc.gov/sites/default/files/materials/08/Trade%20Secret%20final.pdf>.

¹⁸ *Id.* at 1–3.

¹⁹ *Id.* at 1–3.

²⁰ Stan Gibson, *Plaintiff’s Violation of Protective Order Results in \$40,000 in Sanctions for Disclosing Confidential Information from U.S. Litigation in a Lawsuit in China*, PATENT LAWYER

that obtain disclosure of trade secrets in litigation, including U.S. litigation, to disclose those trade secrets to the PRC state intelligence agency upon request.²¹ Undisclosed funding by the PRC, and by PRC-affiliated or controlled entities, raises risks of IP leakage and disclosure of technology and information that pose significant national security risks.²²

In addition to direct evidence of Chinese TPLF in IP disputes, circumstantial evidence also strongly indicates that the Chinese Communist Party (CCP) is orchestrating TPLF to influence and exploit U.S. litigation in other areas. A long-running dispute between Stanford University and the widow of Li Rui, a former CCP leader and outspoken critic of the CCP, bears hallmarks of CCP financial support.²³ Li Rui's daughter, who is a vocal critic of the CCP, donated his diaries to the Hoover Institution at Stanford.²⁴ Following the donation, Li Rui's widow sued Stanford to seek the return of the diaries, but her age and limited resources have caused "questions [to be] raised about whether the lawsuit was her idea," as "[o]nly the Chinese Communist Party . . . has 'the resources, the money and the political will to do that.'" ²⁵ Attorneys for Li Rui's widow deny the allegations of CCP control.²⁶

The current lack of disclosure obligations on TPLF arrangements severely hampers the ability to identify, much less counteract, efforts of the CCP to advance the interests of the PRC through such funding. The funding of the suits in Delaware by PurpleVine IP was only discovered because the Chief Judge of the U.S. District Court for the District of Delaware has a standing order requiring disclosure of all litigation funding in his courtroom.²⁷ Without such a standing rule, there are serious questions whether the funding would have ever been discovered.²⁸ If the funding arrangements are never discovered, courts are unable to fashion protective orders that may be appropriate in some cases.

BLOG (Dec. 16, 2020), <https://patentlaw.jmbm.com/2020/12/plaintiffs-violation-of-protective-order-results-in-40000-in-sanctions-for-disclosing-confidential-information-from-u-s-litigation-in-a-lawsuit-in-china.html>; See also *In re Micron Technology, Inc.*, Petition for a Writ of Mandamus, Supreme Court Docket No. 24–1216 (May 27, 2025) (objecting to order to provide copies of highly confidential computer source code to PRC state owned enterprise during discovery) (petition denied).

²¹The National Intelligence Law of 2017 of the PRC mandates collaboration with state intelligence operations. See China Law Translate, "PRC National Intelligence Law (as amended in 2018)" (June 27, 2017), available at <https://www.chinalawtranslate.com/en/national-intelligence-law-of-the-p-r-c-2017/>; See also Law Info China, "Cybersecurity Law of the People's Republic of China" (Nov. 7, 2016), available at <https://www.lawinfochina.com/Display.aspx?Id=22826&Lib=law&LookType=3>.

²²Peter Charles Choharis, *National Security Implications of Foreign Third-Party Litigation Financing*, AMERICAN SECURITY PROJECT (May 8, 2025), <https://www.americansecurityproject.org/perspective-national-security-implications-of-foreign-third-party-litigation-financing/>; U.S. Chamber of Commerce Institute for Legal Reform, *A New Threat: The National Security Risk of Third Party Litigation Funding* (Nov. 2022), <https://instituteoflegalreform.com/wp-content/uploads/2022/11/TPLF-Briefly-Oct-2022-RBG-FINAL-1.pdf> ("The foreign adversary could also use litigation funding to gain access to sensitive or otherwise unavailable information related to either of the litigants.").

²³See Jennifer Jett, *Diaries of Mao's secretary at the center of a legal battle over the history of modern China*, NBC NEWS (Aug. 25, 2024), <https://www.nbcnews.com/news/world/us-china-legal-battle-mao-secretary-diaries-rcna167726>.

²⁴*Id.*

²⁵*Id.*

²⁶*Id.*

²⁷*Setting the Record Straight on Third-Party Litigation Funding*, U.S. Chamber of Commerce (Oct. 15, 2024), <https://www.uschamber.com/lawsuits/setting-the-record-straight-on-third-party-litigation-funding>.

²⁸See *id.*

The Protecting Our Courts From Foreign Manipulation Act

H.R. 2675 addresses these issues by imposing certain disclosure obligations related to any foreign person, foreign state, or sovereign wealth fund that is not a named party to the litigation when such an entity provides monetary support to initiate or prosecute the litigation, or has a right to receive any payment that is contingent in any respect with the outcome of the civil action. The disclosure obligations are triggered whenever a payment is contingent on the outcome of or any proceeds from the litigation, which could include a judgment, a settlement, or an award of attorney’s fees. In addition to disclosure, the bill prohibits foreign states or sovereign wealth funds from funding U.S. litigation, and parties or counsel from accepting such funding or entering into an agreement under which such funding will be provided such that a non-party will receive a payment contingent on the outcome or proceeds of the litigation. The prohibition addresses the unique risks that are posed by foreign states and their instrumentalities funding litigation within U.S. courts.

Hearings

For the purposes of clause 3(c)(6)(A) of House rule XIII, the following hearing was used to develop H.R. 2675: “Foreign Abuse of U.S. Courts,” a hearing held on July 22, 2025, before the Subcommittee on Courts, Intellectual Property, Artificial Intelligence, and the Internet of the Committee on the Judiciary. The Subcommittee heard testimony from the following witnesses:

- Ms. Emily de La Bruyere, Senior Fellow, Foundation for Defense of Democracies;
- Professor Julian Ku, Maurice A. Deane Distinguished Professor of Constitutional Law, Hofstra University Maurice A. Deane School of Law;
- Mr. Bradford Muller, Senior Vice President, Charlotte Pipe and Foundry; and
- Professor Jacque deLisle, Stephan A. Cozen Professor of Law and Political Science, University of Pennsylvania

The hearing addressed foreign efforts, particularly those of the PRC, to strategically use or otherwise influence litigation in U.S. courts.

Committee Consideration

On November 18, 2025, the Committee met in open session and ordered the bill, H.R. 2675, favorably reported with an amendment in the nature of a substitute by a roll call vote of 15–11, a quorum being present.

Committee Votes

In compliance with clause 3(b) of House rule XIII, the following roll call votes occurred during the Committee’s consideration of H.R. 2675:

1. Vote on the motion to table the motion to appeal the ruling of the Chair (Germaneness, with respect to amendment #1, offered by Mr. Raskin)—agreed to 14 ayes to 10 nays.

2. Vote on favorably reporting H.R. 2675, as amended—passed 15 ayes to 11 nays.

COMMITTEE ON THE JUDICIARY

119th CONGRESS

25-19

ROLL CALL

Date: 11/18/25

Vote on: Motion to Take

Roll Call #: 7

REPUBLICANS	AYE	NO	PRESENT	DEMOCRATS	AYE	NO	PRESENT
MR. JORDAN (OH) <i>Chairman</i>	✓			MR. RASKIN (MD) <i>Ranking Member</i>		✓	
MR. ISSA (CA)	✓			MR. NADLER (NY)		✓	
MR. BIGGS (AZ)	✓			MS. LOFGREN (CA)			
MR. McCLINTOCK (CA)				MR. COHEN (TN)			
MR. TIFFANY (WI)	✓			MR. JOHNSON (GA)		✓	
MR. MASSIE (KY)				MR. SWALWELL (CA)			
MR. ROY (TX)				MR. LIEU (CA)			
MR. FITZGERALD (WI)				MS. JAYAPAL (WA)		✓	
MR. CLINE (VA)	✓			MR. CORREA (CA)			
MR. GOODEN (TX)				MS. SCANLON (PA)		✓	
MR. VAN DREW (NJ)	✓			MR. NEGUSE (CO)			
MR. NEHLS (TX)				MS. McBATH (GA)			
MR. MOORE (AL)	✓			MS. ROSS (NC)		✓	
MR. KILEY (CA)				MS. BALINT (VT)		✓	
MS. HAGEMAN (WY)				MR. GARCIA (IL)		✓	
MS. LEE (FL)				MS. KAMLAGER-DOVE (CA)		✓	
MR. HUNT (TX)				MR. MOSKOWITZ (FL)		✓	
MR. FRY (SC)	✓			MR. GOLDMAN (NY)			
MR. GROTHMAN (WI)	✓			MS. CROCKETT (TX)			
MR. KNOTT (NC)	✓						
MR. HARRIS (NC)	✓						
MR. ONDER (MO)	✓						
MR. SCHMIDT (KS)	✓						
MR. GILL (TX)	✓						
MR. BAUMGARTNER (WA)							

Roll Call Total: ~~X~~

Ayes: 14

Nays: 10

Present:

Passed: ~~X~~

Failed: _____

COMMITTEE ON THE JUDICIARY

119th CONGRESS

25-19

ROLL CALL

Date: 11/18/25

Vote on: Final Passage of HR 2675, as amended Roll Call #: 8

REPUBLICANS	AYE	NO	PRESENT	DEMOCRATS	AYE	NO	PRESENT
MR. JORDAN (OH) <i>Chairman</i>	✓			MR. RASKIN (MD) <i>Ranking Member</i>		✓	
MR. ISSA (CA)	✓			MR. NADLER (NY)		✓	
MR. BIGGS (AZ)	✓			MS. LOFGREN (CA)			
MR. McCLINTOCK (CA)	✓			MR. COHEN (TN)			
MR. TIFFANY (WI)	✓			MR. JOHNSON (GA)		✓	
MR. MASSIE (KY)				MR. SWALWELL (CA)			
MR. ROY (TX)				MR. LIEU (CA)			
MR. FITZGERALD (WI)				MS. JAYAPAL (WA)		✓	
MR. CLINE (VA)	✓			MR. CORREA (CA)		✓	
MR. GOODEN (TX)				MS. SCANLON (PA)		✓	
MR. VAN DREW (NJ)	✓			MR. NEGUSE (CO)			
MR. NEHLS (TX)				MS. McBATH (GA)			
MR. MOORE (AL)	✓			MS. ROSS (NC)		✓	
MR. KILEY (CA)	✓			MS. BALINT (VT)		✓	
MS. HAGEMAN (WY)				MR. GARCIA (IL)		✓	
MS. LEE (FL)				MS. KAMLAGER-DOVE (CA)		✓	
MR. HUNT (TX)				MR. MOSKOWITZ (FL)		✓	
MR. FRY (SC)	✓			MR. GOLDMAN (NY)			
MR. GROTHMAN (WI)	✓			MS. CROCKETT (TX)			
MR. KNOTT (NC)	✓						
MR. HARRIS (NC)	✓						
MR. ONDER (MO)	✓						
MR. SCHMIDT (KS)	✓						
MR. GILL (TX)							
MR. BAUMGARTNER (WA)							

Roll Call Totals: Ayes: 15 Nays: 11 Present: _____
 Passed: X Failed: _____

Committee Oversight Findings

In compliance with clause 3(c)(1) of House rule XIII, the Committee advises that the findings and recommendations of the Committee, based on oversight activities under clause 2(b)(1) of rule X of the Rules of the House of Representatives, are incorporated in the descriptive portions of this report.

New Budget Authority and Tax Expenditures

Clause 3(c)(2) of rule XIII of the Rules of the House of Representatives does not apply where a cost estimate and comparison prepared by the Director of the Congressional Budget Office under section 402 of the Congressional Budget Act of 1974 has been timely submitted prior to filing of the report and is included in the report. Such a cost estimate is included in this report.

Congressional Budget Office Cost Estimate

With respect to the requirement of clause 3(c)(3) of rule XIII of the Rules of the House of Representatives and section 402 of the *Congressional Budget Act of 1974*, the Committee has received the enclosed cost estimate for H.R. 2675 from the Director of the Congressional Budget Office:

H.R. 2675, Protecting Our Courts from Foreign Manipulation Act			
As ordered reported by the House Committee on the Judiciary on November 20, 2025			
By Fiscal Year, Millions of Dollars	2026	2026-2031	2026-2036
Direct Spending (Outlays)	*	*	*
Revenues	*	*	*
Increase or Decrease (-) in the Deficit	*	*	*
Spending Subject to Appropriation (Outlays)	*	*	not estimated
Increases <i>net direct spending</i> in any of the four consecutive 10-year periods beginning in 2037?	No	Statutory pay-as-you-go procedures apply?	Yes
		Mandate Effects	
		Contains intergovernmental mandate?	Yes, Cannot Determine Costs
Increases <i>on-budget deficits</i> in any of the four consecutive 10-year periods beginning in 2037?	No	Contains private-sector mandate?	Yes, Cannot Determine Costs
* = between -\$500,000 and \$500,000.			

H.R. 2675 would make it unlawful for a foreign state or sovereign wealth fund to directly or indirectly fund a civil lawsuit in the United States in which it is not a named party. The changes would apply to both pending and future civil actions. The bill would increase disclosure and certification requirements on litigants in cases where foreign sponsors or entities have interests at stake. H.R. 2675 also would require the Attorney General to report annually to the Congress on activities involving foreign funding of third-party litigation.

As a result of the changes, CBO expects that fewer civil cases would be filed in federal courts. Under current law, the federal ju-

diciary charges fees to file suits in district courts. Those fees are recorded in the budget as revenues and the courts can spend those fees without further appropriation. Because CBO expects that the number of affected cases would be small, we estimate that any decrease in revenues and the consequent direct spending would be insignificant over the 2026–2036 period. The net effect on the deficit from those changes would be negligible.

Using information from the Department of Justice about the costs of similar activities, CBO estimates that implementing the reporting requirement in H.R. 2675 would cost less than \$500,000 over the 2026–2031 period. Any related spending would be subject to the availability of appropriated funds.

H.R. 2675 would impose intergovernmental and private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA) by prohibiting lawyers and litigants, including state and local governments, in federal civil lawsuits from accepting payments or entering into contracts with foreign states or sovereign wealth funds that are not named parties in the lawsuit. The bill also would cancel existing contracts that violate those provisions.

The cost of those mandates is the lost compensation from the contracts and payments that would be prohibited or canceled by this bill. CBO has determined that there is limited publicly available information on the number and value of such contracts. Additionally, that information does not distinguish between foreign and domestic contracts. Therefore, CBO cannot estimate whether the cost of the mandates would exceed the annual thresholds established in UMRA for intergovernmental and private-sector mandates (\$107 million and \$214 million respectively, in 2026, adjusted annually for inflation).

The bill also would require federal courts to dismiss with prejudice any pending civil actions in which prohibited funding was used by a plaintiff. By dismissing those cases, the bill would eliminate those plaintiffs' ability to pursue otherwise valid claims in federal court. This would impose an intergovernmental and private-sector mandate by eliminating an existing right of action for plaintiffs. Because the details of these cases are generally confidential, CBO has no basis to determine the number of cases that could be dismissed or the potential awards from such cases. Therefore, CBO cannot estimate whether the cost of the mandates would exceed the annual thresholds established in UMRA.

Lastly, the bill would impose intergovernmental and private-sector mandates by requiring lawyers and litigants to disclose information related to foreign funding to the other parties of the lawsuit, the court, and the Attorney General. CBO estimates that the cost to comply with this mandate is small because such information would be readily available.

The CBO staff contacts for this estimate are Jon Sperl (for federal costs) and Erich Dvorak (for mandates). The estimate was reviewed by H. Samuel Papenfuss, Deputy Director of Budget Analysis.

PHILLIP L. SWAGEL,
Director, Congressional Budget Office.

Committee Estimate of Budgetary Effects

With respect to the requirements of clause 3(d)(1) of rule XIII of the Rules of the House of Representatives, the Committee adopts as its own the cost estimate prepared by the Director of the Congressional Budget Office pursuant to section 402 of the *Congressional Budget Act of 1974*.

Duplication of Federal Programs

Pursuant to clause 3(c)(5) of House rule XIII, no provision of H.R. 2675 establishes or reauthorizes a program of the federal government known to be duplicative of another federal program.

Performance Goals and Objectives

The Committee states that pursuant to clause 3(c)(4) of House rule XIII, H.R. 2675 would require litigants in civil actions to disclose any foreign person, foreign state, or sovereign wealth fund that is not a named party to the litigation but either has provided monetary support for the civil action or has a right to receive any payment that is contingent in any respect on the outcome or proceeds of the civil action. Further, the bill prohibits monetary support from a foreign state or sovereign wealth fund that is not a named party to the civil action, and prohibits any agreement under which such an actor would receive any payment contingent on the outcome of the civil action.

Advisory on Earmarks

In accordance with clause 9 of House rule XXI, H.R. 2675 does not contain any congressional earmarks, limited tax benefits, or limited tariff benefits as defined in clauses 9(d), 9(e), or 9(f) of House rule XXI.

Federal Mandates Statement

The Committee adopts as its own the estimate of federal mandates prepared by the Director of the Congressional Budget Office pursuant to section 423 of the *Unfunded Mandates Reform Act*.

Advisory Committee Statement

No advisory committees within the meaning of section 5(b) of the *Federal Advisory Committee Act* were created by this legislation.

Applicability to Legislative Branch

The Committee finds that the legislation does not relate to the terms and conditions of employment or access to public services or accommodations within the meaning of section 102(b)(3) of the *Congressional Accountability Act* (Pub. L. 104–1).

Section-by-Section Analysis

Section 1. Short title

The “Protecting Our Courts from Foreign Manipulation Act.”

Section 2. Transparency and limitations on foreign third-party litigation funding

This Section bans any foreign state or sovereign wealth fund that is not a named party to a civil action from providing monetary support for initiating or litigating the civil action (regardless of whether they receive any payment), blocks litigants from receiving such monetary support, and further prohibits any agreement under which such a foreign state or sovereign wealth fund would receive any payment contingent on the outcome or proceeds of a civil action or from any matter within a portfolio that contains the civil action. This section also requires litigants in civil actions to disclose via a certified statement certain information regarding any foreign person, foreign state, or sovereign wealth fund that is not a named party to the litigation but either has provided direct or indirect monetary support for initiating or litigating the civil action, or has a right to receive any payment that is contingent in any respect with the outcome or proceeds of the civil action. In addition to the certified disclosures, copies of such agreements must be provided to the court, other named parties, and the Department of Justice.

Section 3. Report to Congress

This section requires the Attorney General to provide an annual report on foreign sourced third-party litigation funding to the Committee on the Judiciary of the Senate and the Committee on the Judiciary of the House of Representatives. The annual report must include the identity of foreign funders of litigation, judicial districts in which foreign funding has occurred, the total amount of foreign funding, and a summary of the subject matter of the cases that involved foreign funding.

Section 4. Applicability

This section provides that the Act applies to any civil actions pending on or commenced on or after the date of enactment.

Changes in Existing Law Made by the Bill, as Reported

In compliance with clause 3(e) of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as reported, are shown as follows (new matter is printed in italics and existing law in which no change is proposed is shown in roman):

TITLE 28, UNITED STATES CODE

* * * * *

PART V—PROCEDURE

* * * * *

CHAPTER 111—GENERAL PROVISIONS

Sec.

* * * * *

1660. *Transparency and limitations on foreign third-party litigation funding.*

* * * * *

§ 1660. Transparency and limitations on foreign third-party litigation funding

(a) **PROHIBITION ON THIRD-PARTY FUNDING LITIGATION BY FOREIGN STATES AND SOVEREIGN WEALTH FUNDS.—**

(1) **FUNDING PROHIBITION.—***It shall be unlawful—*

(A) *for any foreign state or sovereign wealth fund to provide any monetary support either directly or indirectly for initiating or litigating a civil action in which it is not a named party; or*

(B) *for any party or counsel to receive from a foreign state or sovereign wealth fund any monetary support either directly or indirectly for initiating or litigating a civil action in which the foreign state or sovereign wealth fund is not a named party.*

(2) **SOURCING PROHIBITION.—***It shall be unlawful for any party or counsel to enter into an agreement creating a right for anyone, other than the named parties or counsel of record, to receive any payment that is contingent, in any respect, on proceeds from the action or from any matter within a portfolio of civil actions that includes the civil action and involves the same counsel of record or affiliated counsel, the terms of which are to be satisfied by money that has been or will be directly or indirectly sourced, in whole or in part, from a foreign state or a sovereign wealth fund.*

(b) **ENFORCEMENT.—**

(1) **NULL AND VOID.—***Any obligation to provide monetary support or agreement in violation of subsection (a) shall be null and void.*

(2) **DISMISSAL.—***Any civil action in which monetary support in violation of subsection (a) has been or is being used by a plaintiff to litigate the civil action shall be dismissed with prejudice and subject to terms the court considers proper.*

(3) **RELIEF ON MOTION.—***Any final judgment entered in a civil action in which monetary support in violation of subsection (a) was used may be subject to being relieved on motion made pursuant to Rule 60(b)(3) of the Federal Rules of Civil Procedure.*

(c) **DISCLOSURE OF THIRD-PARTY LITIGATION FUNDING AND FOREIGN SOURCE CERTIFICATION BY FOREIGN PERSONS, FOREIGN STATES, AND SOVEREIGN WEALTH FUNDS.—**

(1) **IN GENERAL.—***In any civil action, each party or the counsel of record for the party shall—*

(A) *disclose in writing to the court, to all other named parties to the civil action, to the Attorney General, and to the Principal Deputy Assistant Attorney General for National Security—*

(i) *the name, the address and, if applicable, the citizenship or the country of incorporation or registration of any foreign person, foreign state, or sovereign wealth*

fund, other than the named parties or counsel of record, that—

(I) has provided or has agreed to provide direct or indirect monetary support for initiating or litigating the civil action;

(II) has a right to receive any payment that is contingent, in any respect, on proceeds from the civil action pursuant to a settlement, judgment, award of attorney's fees, or pursuant to any other outcome of the civil action; or

(III) has a right to receive any payment that is contingent, in any respect, on proceeds from any matter within a portfolio of civil actions that includes the civil action by settlement, judgement, award of attorney's fees, or pursuant to any other outcome of the civil action, and involves the same counsel of record or affiliated counsel; and

(ii) if the party or the counsel of record for the party submits a certification described in subparagraph (C)(i), the name, the address, and, if applicable, the citizenship or the country of incorporation or registration of the foreign person, foreign state, or sovereign wealth fund that is the source of the money;

(B) produce to the court, to all other named parties to the civil action, to the Attorney General, and to the Principal Deputy Assistant Attorney General for National Security, except as otherwise stipulated or ordered by the court, a copy of any documentation concerning monetary support described in subparagraph (A)(i)(I) or any agreement creating a contingent right described in subclause (II) or (III) of subparagraph (A)(i); and

(C) for a civil action in which direct or indirect monetary support for initiating or litigating the civil action has been or will be provided or in which there is an agreement creating a right to receive any payment by anyone, other than the named parties or counsel of record, that is contingent, in any respect, on proceeds from of the civil action by settlement, judgment, award of attorney's fees, or pursuant to any other outcome of the civil action, or on proceeds from any matter within a portfolio that includes the civil action and involves the same counsel or affiliated counsel, submit to the court a certification that—

(i) the money that has been or will be used to provide monetary support or satisfy any term of the agreement has been or will be directly or indirectly sourced, in whole or in part, from a foreign person, foreign state, or sovereign wealth fund, including the monetary amounts that have been or will be used to satisfy the agreement; or

(ii) that the disclosure and certification criteria set forth in subparagraph (A)(ii) and clause (i) of this subparagraph do not apply to the civil action.

(2) TIMING.—

(A) *IN GENERAL.*—Any disclosure and certification required under paragraph (1) for a civil action described in such paragraph shall be made not later than the later of—

(i) 30 days after the date on which any monetary support that is required to be disclosed pursuant to paragraph (1)(A)(i)(I), or any portion thereof, is initially provided, or any agreement described in subclause (I), (II), or (III) of paragraph (1)(A)(i) is executed; or

(ii) the date on which the civil action is filed.

(B) *PARTIES SERVED OR JOINED LATER.*—A party that has disclosure and certification obligations under paragraph (1) that is first joined in the civil action after the date on which the civil action is filed shall make any disclosure and certification required under paragraph (1) not later than 30 days after being joined, unless a different time is set by stipulation or court order.

(3) *FOREIGN SOURCE DISCLOSURE AND CERTIFICATION FORMAT.*—

(A) *IN GENERAL.*—Any disclosure required under paragraph (1)(A) and a certification required under paragraph (1)(C) shall—

(i) be made in the form of a declaration under penalty of perjury pursuant to section 1746 and shall be made to the best knowledge, information, and belief of the declarant formed after reasonable inquiry; and

(ii) be provided to all other named parties to the civil action, to the Attorney General, and to the Principal Deputy Assistant Attorney General for National Security by the party or counsel of record for the party making the disclosure and certification, except as otherwise stipulated or ordered by the court.

(B) *SUPPLEMENTATION AND CORRECTION.*—Not later than 30 days after the date on which a party or counsel of record for the party knew or should have known that a disclosure made under paragraph (1)(A) or a certification made under paragraph (1)(C) is incomplete or inaccurate in any material respect, the party or counsel of record shall supplement or correct the disclosure or certification.

(d) *FAILURE TO DISCLOSE, TO SUPPLEMENT; SANCTIONS.*—A disclosure, production, or certification under subsection (b) is deemed to be information required by Rule 26(a) of the Federal Rules of Civil Procedure and subject to the sanctions provisions of Rule 37 of the Federal Rules of Civil Procedure.

(e) *DEFINITIONS.*—In this section—

(1) the term “foreign person”—

(A) means any person or entity that is not a United States person, as defined in section 101 of the Foreign Intelligence Surveillance Act of 1978 (50 U.S.C. 1801); and

(B) does not include a foreign state or a sovereign wealth fund;

(2) the term “foreign state” has the meaning given that term in section 1603; and

(3) the term “sovereign wealth fund” means an investment fund owned or controlled, directly or indirectly, by a foreign

state or an agency or instrumentality of a foreign state (as defined in section 1603).

* * * * *

Dissenting Views

Third party litigation funding, or TPLF, is exactly what it sounds like. Third parties invest in litigation in return for a share of the contingency fee or the damages awarded, should the party they've invested in win. It's a practical solution to the very real problem that many Americans face when they need to go to court to obtain justice: Litigation is too often prohibitively expensive. Third party litigation funding helps ensure that no person is denied their day in court due to financial barriers.

Third party litigation funding levels the playing field for ordinary Americans facing powerful corporations, which is exactly why major business interests are now working to discredit it and deter the lawsuits that could hold them responsible. But because TPLF helps ordinary citizens take on powerful corporations, it has become a target of big business groups, who would very much prefer that people not bring lawsuits holding their companies accountable for the harm and suffering they have caused. These businesses and other corporate interests want you to believe that TPLF agreements are nefarious, that third party funding somehow gives ordinary people an unfair advantage against large and powerful corporations.

Donald Trump's actions belie the claims behind the "Protecting our Courts from Foreign Manipulation Act." The specter of "foreigners" behind our litigation is without merit for a series of practical reasons. Judges have the power to compel disclosure of funders, TPLF companies typically work through intermediaries so there is visibility into case documents, and, perhaps most importantly, anyone, not just Americans, can access our court system if they have a cognizable claim.

But beyond being impractical, we also know that the fear of foreign governments funding cases is disingenuous. Because if the sponsors were truly concerned about foreign TPLF funders, they would also have to be concerned about the Qatari royal family donating a \$400 million luxury jet to President Trump. Or Trump businesses receiving \$7.8 million from at least 20 foreign governments during his first term. Or President Trump failing to disclose tens of thousands of dollars in major foreign gifts. Or the Saudis paying for tournaments at Trump golf courses. So, this clearly isn't about ending third party funding. It's about ending the litigation.

Over the past 50 years, small legislative changes have made it increasingly difficult just to initiate a case. And that's what this bill would do. Increasing the disclosures needed to file a claim makes TPLF more cumbersome and expensive. It is an attack on the litigation victories that third party litigation funding has enabled: the 1993 lawsuit brought by Erin Brockovich against Pacific Gas and Electric Company for dumping a carcinogen into the water supply of Hinkley, California, was partially funded by an outside provider. Other cases, such as the group of women and small law firms who sued Pfizer to prove their drug caused a breast cancer epidemic, would not have been possible but for TPLF.

For decades, Members of Congress from across the aisle have been warning of the dangers from unhindered litigation if the deck isn't properly stacked in favor of corporate interests. This time around, however, my colleagues' silence as Donald Trump denies Americans transparency and accepts foreign funds makes the anti-plaintiff claims even harder to believe.

I oppose H.R. 2675, and I encourage my colleagues to do the same.

JAMIE RASKIN,
Ranking Member.

