

116TH CONGRESS
2D SESSION

H. R. 7924

To amend the Securities Exchange Act of 1934 to require issuers to disclose certain financial support from the Government of China, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

AUGUST 4, 2020

Mr. BARR (for himself, Mr. McCAUL, and Mr. RIGGLEMAN) introduced the following bill; which was referred to the Committee on Financial Services

A BILL

To amend the Securities Exchange Act of 1934 to require issuers to disclose certain financial support from the Government of China, 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 “Transparency in Chi-
5 nese Government Investment Act of 2020”.

1 **SEC. 2. DISCLOSURE OF CERTAIN FINANCIAL SUPPORT**
2 **FROM THE GOVERNMENT OF CHINA.**

3 Section 13 of the Securities Exchange Act of 1934
4 (15 U.S.C. 78m) is amended by adding at the end the
5 following:

6 “(s) DISCLOSURE OF CERTAIN FINANCIAL SUPPORT
7 FROM THE GOVERNMENT OF CHINA.—Each issuer shall,
8 in any annual report required under this section and in
9 any prospectus in connection with an initial public offer-
10 ing, disclose the following:

11 “(1) Any participation by such issuer in any in-
12 dustrial policy or development plan of the Govern-
13 ment of China, including—

14 “(A) Made in China 2025;

15 “(B) Military-Civil Fusion;

16 “(C) Internet Plus;

17 “(D) Guidelines to Promote the National
18 Integrated Circuit Foundry Development Plan;

19 “(E) the China Integrated Circuit Invest-
20 ment Industry Fund (or any similar fund at the
21 provincial or local level);

22 “(F) Strategic Emerging Industries Initia-
23 tive; and

24 “(G) New Generation Artificial Intelligence
25 Development plan.

1 “(2) Any financial support such issuer received
2 from the Government of China through the partici-
3 pation described in paragraph (1), including—

4 “(A) direct subsidies, grants, loans, or loan
5 guarantees;

6 “(B) reduction of taxes or tax exemptions;

7 “(C) preferential treatment under the Gov-
8 ernment of China procurement policies;

9 “(D) participation in domestic or inter-
10 national standard-setting organizations;

11 “(E) prosecution or enforcement of Gov-
12 ernment of China intellectual property;

13 “(F) access to research and development;
14 and

15 “(G) reduced prices for key inputs, includ-
16 ing land, power, and water.

17 “(3) Any other financial support such issuer re-
18 ceived from the Government of China, including—

19 “(A) direct subsidies, grants, loans, or loan
20 guarantees;

21 “(B) reduction of taxes or tax exemptions;
22 and

23 “(C) preferential treatment under the Gov-
24 ernment of China procurement policies.

1 “(4) Any conditions under which the financial
2 support described in paragraphs (2) and (3) was
3 provided, including—

4 “(A) export performance;

5 “(B) input purchases manufactured in
6 China from specific producers or through the
7 use of Government of China intellectual prop-
8 erty; and

9 “(C) the assignment of Chinese Com-
10 munist Party personnel or Government of
11 China personnel in corporate positions of the
12 issuer.

13 “(5) Any Chinese Communist Party committee
14 established by such issuer, including—

15 “(A) the standing of each such committee;
16 and

17 “(B) which personnel of the issuer form
18 each such committee and the role of such per-
19 sonnel.

20 “(6) The name, position, and location of each
21 officer, director, and beneficiary of the issuer who at
22 the time of such report holds or formerly held a po-
23 sition with—

24 “(A) the Chinese Communist Party;

25 “(B) the Government of China;

1 “(C) the Central Committee of the Com-
2 munist Party of China;

3 “(D) the Central Military Commission of
4 China;

5 “(E) the Chinese People’s Political Con-
6 sultative Conference;

7 “(F) the National People’s Congress of
8 China; or

9 “(G) a State Council in China.

10 “(7) In the case of any prospectus in connec-
11 tion with an initial public offering in which an issuer
12 makes a disclosure under paragraphs (1) through
13 (6), whether such issuer offers more than one class
14 of voting security.”.

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