

1 **TITLE I—COMPREHENSIVE OUT-**
2 **BOUND INVESTMENT NA-**
3 **TIONAL SECURITY ACT OF**
4 **2024**

5 **SEC. 1. SHORT TITLE.**

6 This title may be cited as the “Comprehensive Out-
7 bound Investment National Security Act of 2024” or
8 “COINS Act of 2024”.

9 **SEC. 2. SECRETARY DEFINED.**

10 Except as otherwise provided, in this title, the term
11 “Secretary” means the Secretary of the Treasury.

12 **SEC. 3. SEVERABILITY.**

13 If any provision of this title, or the application there-
14 of, is held invalid, the validity of the remainder of this
15 title and the application of such provision to other persons
16 and circumstances shall not be affected thereby.

17 **SEC. 4. AUTHORIZATION OF APPROPRIATIONS.**

18 (a) **IN GENERAL.**—There is authorized to be appro-
19 priated \$150,000,000 to the Department of the Treasury,
20 out of which amounts may be transferred to the Depart-
21 ment of Commerce to jointly conduct outreach to industry
22 and persons affected by this title, for each of the first two

1 fiscal years beginning on or after the date of the enact-
2 ment of this Act, to carry out this title.

3 (b) **HIRING AUTHORITY.**—

4 (1) **BY THE PRESIDENT.**—The President may
5 appoint, without regard to the provisions of sections
6 3309 through 3318 of title 5, United States Code,
7 not more than 15 individuals directly to positions in
8 the competitive service (as defined in section 2102 of
9 that title) to carry out this title.

10 (2) **BY AGENCIES.**—The Secretary and the Sec-
11 retary of Commerce may appoint, without regard to
12 the provisions of sections 3309 through 3318 of title
13 5, United States Code, individuals directly to posi-
14 tions in the competitive service (as defined in section
15 2102 of that title) of the Department of the Treas-
16 ury and the Department of Commerce, respectively,
17 to carry out this title.

18 **SEC. 5. TERMINATION.**

19 This title shall cease to have any force or effect on
20 the date on which the Secretary of Commerce revises sec-
21 tion 791.4 of title 15, Code of Federal Regulations, to re-
22 move the People’s Republic of China from the list of for-
23 eign adversaries contained in such section.

1 **Subtitle A—Imposition of Sanctions**

2 **SEC. 101. IMPOSITION OF SANCTIONS.**

3 (a) IN GENERAL.—The President may impose the
4 sanctions described in subsection (b) with respect to any
5 foreign person determined by the Secretary, in consulta-
6 tion with the Secretary of State, to be a covered foreign
7 person.

8 (b) SANCTIONS DESCRIBED.—The President may ex-
9 ercise all of the powers granted to the President under
10 the International Emergency Economic Powers Act (50
11 U.S.C. 1701 et seq.) to the extent necessary to block and
12 prohibit all transactions in property and interests in prop-
13 erty of a foreign person that is determined to be a covered
14 foreign person pursuant to subsection (a) if such property
15 and interests in property are in the United States, come
16 within the United States, or are or come within the posses-
17 sion or control of a United States person.

18 (c) PENALTIES.—The penalties provided for in sub-
19 sections (b) and (c) of section 206 of the International
20 Emergency Economic Powers Act (50 U.S.C. 1705) shall
21 apply to any person who violates, attempts to violate, con-
22 spires to violate, or causes a violation of any prohibition
23 of this section, or an order or regulation prescribed under
24 this section, to the same extent that such penalties apply

1 to a person that commits an unlawful act described in sec-
2 tion 206(a) of such Act (50 U.S.C. 1705(a)).

3 (d) EXCEPTION FOR INTELLIGENCE AND LAW EN-
4 FORCEMENT ACTIVITIES.—Sanctions under this section
5 shall not apply with respect to any activity subject to the
6 reporting requirements under title V of the National Secu-
7 rity Act of 1947 (50 U.S.C. 3091 et seq.) or any author-
8 ized intelligence activities of the United States.

9 (e) EXCEPTION FOR UNITED STATES GOVERNMENT
10 ACTIVITIES.—Nothing in this section shall prohibit trans-
11 actions for the conduct of the official business of the Fed-
12 eral Government by employees, grantees, or contractors
13 thereof.

14 (f) REPORT TO CONGRESS.—Not later than 365 days
15 after the date of the enactment of this Act, and annually
16 thereafter for 7 years, the Secretary shall submit to the
17 appropriate congressional committees a report that—

18 (1) states whether each foreign person on the
19 Non-SDN Chinese Military-Industrial Complex Com-
20 panies List is a covered foreign person; and

21 (2) shall be submitted in unclassified form, but
22 may include a classified annex.

23 (g) CONSIDERATION OF CERTAIN INFORMATION IN
24 IMPOSING SANCTIONS.—In determining whether a foreign
25 person is a covered foreign person, the President—

1 (1) may consider credible information obtained
2 by other countries, nongovernmental organizations,
3 or the appropriate congressional committees that re-
4 lates to the foreign person; and

5 (2) may consider any other information that the
6 Secretary deems relevant.

7 (h) ADMINISTRATIVE PROVISIONS.—The President
8 may exercise all authorities provided under sections 203
9 and 205 of the International Emergency Economic Powers
10 Act (50 U.S.C. 1702 and 1704) to carry out this section.

11 (i) DELEGATION.—The President shall delegate the
12 authorities granted by this section to the Secretary.

13 **SEC. 102. DEFINITIONS.**

14 In this subtitle:

15 (1) APPROPRIATE CONGRESSIONAL COMMIT-
16 TEES.—The term “appropriate congressional com-
17 mittees” means—

18 (A) the Committee on Financial Services
19 and the Committee on Foreign Affairs of the
20 House of Representatives; and

21 (B) the Committee on Banking, Housing,
22 and Urban Affairs and the Committee on For-
23 eign Relations of the Senate.

24 (2) COUNTRY OF CONCERN.—The term “coun-
25 try of concern”—

1 (A) means the People's Republic of China;
2 and

3 (B) includes the Hong Kong Special Ad-
4 ministrative Region and the Macau Special Ad-
5 ministrative Region.

6 (3) COVERED FOREIGN PERSON.—The term
7 “covered foreign person” means a foreign person—

8 (A)(i) that is incorporated in, has a prin-
9 cipal place of business in, or is organized under
10 the laws of a country of concern;

11 (ii) the equity securities of which are pri-
12 marily traded in the ordinary course of business
13 on one or more exchanges in a country of con-
14 cern;

15 (iii) that is a member of the Central Com-
16 mittee of the Chinese Communist Party;

17 (iv) that is the state or the government of
18 a country of concern, as well as any political
19 subdivision, agency, or instrumentality thereof;

20 (v) that is subject to the direction or con-
21 trol of any entity described in clause (i), (ii),
22 (iii), or (iv); or

23 (vi) that is owned in the aggregate, directly
24 or indirectly, 50 percent or more by an entity

1 or a group of entities described in clause (i),
2 (ii), (iii), or (iv); and

3 (B) that knowingly engaged in significant
4 operations in the defense and related materiel
5 sector or the surveillance technology sector of
6 the economy of a country of concern.

7 (4) FOREIGN PERSON.—The term “foreign per-
8 son” means a person, country, state, or government
9 (and any political subdivision, agency, or instrumen-
10 tality thereof) that is not a United States person.

11 (5) NON-SDN CHINESE MILITARY-INDUSTRIAL
12 COMPLEX COMPANIES LIST.—The term “Non-SDN
13 Chinese Military-Industrial Complex Companies
14 List” means the list maintained by the Office of
15 Foreign Assets Control of the Department of the
16 Treasury under Executive Order 13959, as amended
17 by Executive Order 14032 (50 U.S.C. 1701 note; re-
18 lating to addressing the threat from securities in-
19 vestments that finance certain companies of the Peo-
20 ple’s Republic of China), or any successor order.

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

23 (A) any United States citizen or an alien
24 lawfully admitted for permanent residence to
25 the United States;

1 (B) an entity organized under the laws of
2 the United States or of any jurisdiction within
3 the United States (including any foreign branch
4 of such an entity); or

5 (C) any person in the United States.

6 **Subtitle B—Prohibition and Notifi-**
7 **cation on Investments Relating**
8 **to Covered National Security**
9 **Transactions**

10 **SEC. 111. PROHIBITION AND NOTIFICATION ON INVEST-**
11 **MENTS RELATING TO COVERED NATIONAL**
12 **SECURITY TRANSACTIONS.**

13 The Defense Production Act of 1950 (50 U.S.C.
14 4501 et seq.) is amended by adding at the end the fol-
15 lowing:

16 **“TITLE VIII—PROHIBITION AND**
17 **NOTIFICATION ON INVEST-**
18 **MENTS RELATING TO COV-**
19 **ERED NATIONAL SECURITY**
20 **TRANSACTIONS**

21 **“SEC. 801. PROHIBITION ON INVESTMENTS.**

22 “(a) IN GENERAL.—The Secretary may prohibit, in
23 accordance with regulations issued under subsection (e),
24 a United States person from knowingly engaging in a cov-

1 ered national security transaction in a prohibited tech-
2 nology.

3 “(b) EVASION.—Any transaction by a United States
4 person or within the United States that evades or avoids,
5 has the purpose of evading or avoiding, causes a violation
6 of, or attempts to violate the prohibition set forth in sub-
7 section (a) is prohibited.

8 “(c) WAIVER.—Subject to subsection (d), the Sec-
9 retary is authorized to exempt from the prohibition set
10 forth in subsection (a) any activity determined by the
11 President, in consultation with the Secretary, the Sec-
12 retary of Commerce and, as appropriate, the heads of
13 other relevant Federal departments and agencies, to be in
14 the national interest of the United States.

15 “(d) CONGRESSIONAL NOTIFICATION.—The Sec-
16 retary shall—

17 “(1) notify the appropriate congressional com-
18 mittees not later than 5 business days after issuing
19 a waiver under subsection (c); and

20 “(2) include in such notification an identifica-
21 tion of the national interest justifying the use of the
22 waiver.

23 “(e) REGULATIONS.—

24 “(1) IN GENERAL.—The Secretary, in consulta-
25 tion with the Secretary of Commerce and, as appro-

1 appropriate, the heads of other relevant Federal depart-
2 ments and agencies, may issue regulations to carry
3 out this section in accordance with subchapter II of
4 chapter 5 and chapter 7 of title 5, United States
5 Code (commonly known as ‘Administrative Proce-
6 dure Act’).

7 “(2) NON-BINDING FEEDBACK.—

8 “(A) IN GENERAL.—The regulations issued
9 under paragraph (1) shall include a process
10 under which a person can request non-binding
11 feedback on a confidential basis as to whether
12 a transaction would constitute a covered na-
13 tional security transaction in a prohibited tech-
14 nology.

15 “(B) AUTHORITY TO LIMIT FRIVOLOUS
16 FEEDBACK REQUESTS.—In establishing the
17 process required by subparagraph (A), the Sec-
18 retary may prescribe limitations on requests for
19 feedback identified as frivolous for purposes of
20 this subsection.

21 “(3) NOTICE AND OPPORTUNITY TO CURE.—

22 “(A) IN GENERAL.—The regulations issued
23 under paragraph (1) shall account for whether
24 a United States person has self-identified a vio-
25 lation of the prohibition set forth in subsection

1 (a) in determining the legal consequences of
2 that violation.

3 “(B) SELF-DISCLOSURE LETTERS.—The
4 regulations issued under paragraph (1) shall
5 dictate the form and content of a letter of self-
6 disclosure, which shall include relevant facts
7 about the violation, why the United States per-
8 son believes its activity to have violated the pro-
9 hibition set forth in subsection (a), and a pro-
10 posal for mitigation of the harm of such action.

11 “(4) PUBLIC NOTICE AND COMMENT.—The reg-
12 ulations issued under paragraph (1) shall be subject
13 to public notice and comment.

14 “(5) LOW-BURDEN REGULATIONS.—In issuing
15 regulations under paragraph (1), the Secretary shall
16 balance the priority of protecting the national secu-
17 rity interest of the United States while, to the extent
18 practicable—

19 “(A) minimizing the cost and complexity of
20 compliance for affected parties, including the
21 duplication of reporting requirements under
22 current regulations;

23 “(B) adopting the least burdensome alter-
24 native that achieves regulatory objectives; and

1 “(C) prioritizing transparency and stake-
2 holder involvement in the process of issuing the
3 rules.

4 “(6) PENALTIES.—

5 “(A) IN GENERAL.—The regulations issued
6 under paragraph (1) shall provide for the impo-
7 sition of civil penalties described in subpara-
8 graph (B) for violations of the prohibition set
9 forth in subsection (a).

10 “(B) PENALTIES DESCRIBED.—

11 “(i) UNLAWFUL ACTS.—It shall be
12 unlawful for a person to violate, attempt to
13 violate, conspire to violate, or cause a vio-
14 lation of any license, order, regulation, no-
15 tification requirement, or prohibition
16 issued under this section.

17 “(ii) CIVIL PENALTY.—The Secretary
18 may impose a civil penalty on any person
19 who commits an unlawful act described in
20 clause (i) in an amount not to exceed the
21 greater of—

22 “(I) \$250,000; or

23 “(II) an amount that is twice the
24 amount of the transaction that is the

1 basis of the violation with respect to
2 which the penalty is imposed.

3 “(iii) DIVESTMENT.—The Secretary
4 may compel the divestment of a covered
5 national security transaction in a prohib-
6 ited technology determined to be in viola-
7 tion of this title.

8 “(iv) RELIEF.—The President may di-
9 rect the Attorney General of the United
10 States to seek appropriate relief, including
11 divestment relief, in the district courts of
12 the United States, in order to implement
13 and enforce this title.

14 “(7) BURDEN OF PROOF.—In accordance with
15 section 556(d) of title 5, United States Code, in an
16 enforcement action for a violation of the prohibition
17 set forth in subsection (a), the burden of proof shall
18 be upon the Secretary.

19 **“SEC. 802. NOTIFICATION ON INVESTMENTS.**

20 “(a) MANDATORY NOTIFICATION.—Not later than
21 450 days after the date of the enactment of this title, the
22 Secretary shall issue regulations prescribed in accordance
23 with subsection (b), to require a United States person that
24 engages in a covered national security transaction in a
25 prohibited technology (unless the Secretary has exercised

1 the authority provided by section 801(a) to prohibit know-
2 ingly engaging in such covered national security trans-
3 action) or a notifiable technology to submit to the Sec-
4 retary a written notification of the transaction not later
5 than 30 days after the completion date of the transaction.

6 “(b) REGULATIONS.—

7 “(1) IN GENERAL.—Not later than 450 days
8 after the date of the enactment of this title, the Sec-
9 retary, in consultation with the Secretary of Com-
10 merce and, as appropriate, the heads of other rel-
11 evant Federal departments and agencies, shall issue
12 regulations to carry out this section in accordance
13 with subchapter II of chapter 5 and chapter 7 of
14 title 5, United States Code (commonly known as
15 ‘Administrative Procedure Act’).

16 “(2) PUBLIC NOTICE AND COMMENT.—The reg-
17 ulations issued under paragraph (1) shall be subject
18 to public notice and comment.

19 “(3) LOW-BURDEN REGULATIONS.—In issuing
20 regulations under paragraph (1), the Secretary shall
21 balance the priority of protecting the national secu-
22 rity interest of the United States while, to the extent
23 practicable—

24 “(A) minimizing the cost and complexity of
25 compliance for affected parties, including the

1 duplication of reporting requirements under
2 current regulation;

3 “(B) adopting the least burdensome alter-
4 native that achieves regulatory objectives; and

5 “(C) prioritizing transparency and stake-
6 holder involvement in the process of issuing the
7 rules.

8 “(4) PENALTIES.—

9 “(A) IN GENERAL.—The regulations issued
10 under paragraph (1) shall provide for the impo-
11 sition of civil penalties described in subpara-
12 graph (B) for violations of the notification re-
13 quirement set forth in subsection (a).

14 “(B) PENALTIES DESCRIBED.—

15 “(i) UNLAWFUL ACTS.—It shall be
16 unlawful for a person to violate, attempt to
17 violate, conspire to violate, or cause a vio-
18 lation of any license, order, regulation, no-
19 tification requirement, or prohibition
20 issued under this section.

21 “(ii) CIVIL PENALTY.—A civil penalty
22 may be imposed on any person who com-
23 mits an unlawful act described in clause (i)
24 in an amount not to exceed the greater
25 of—

1 “(I) \$250,000; or
2 “(II) an amount that is twice the
3 amount of the transaction that is the
4 basis of the violation with respect to
5 which the penalty is imposed.

6 “(5) BURDEN OF PROOF.—In accordance with
7 section 556(d) of title 5, United States Code, in an
8 enforcement action for a violation of the prohibition
9 set forth in subsection (a), the burden of proof shall
10 be upon the Secretary.

11 “(6) COMPLETENESS OF NOTIFICATION.—

12 “(A) IN GENERAL.—The Secretary shall,
13 upon receipt of a notification under subsection
14 (a), and in consultation with the Secretary of
15 Commerce, promptly inspect the notification for
16 completeness.

17 “(B) INCOMPLETE NOTIFICATIONS.—If a
18 notification submitted under subsection (a) is
19 incomplete, the Secretary shall promptly inform
20 the United States person that submits the noti-
21 fication that the notification is not complete
22 and provide an explanation of relevant material
23 respects in which the notification is not com-
24 plete.

1 “(7) IDENTIFICATION OF NON-NOTIFIED ACTIV-
2 ITY.—The Secretary, in coordination with the Sec-
3 retary of Commerce, shall establish a process to
4 identify covered national security transactions in a
5 prohibited technology or a notifiable technology for
6 which—

7 “(A) a notification is not submitted to the
8 Secretary under subsection (a); and

9 “(B) information is reasonably available.

10 “(c) CONFIDENTIALITY OF INFORMATION.—

11 “(1) IN GENERAL.—Except as provided in para-
12 graph (2), any information or documentary material
13 filed with the Secretary pursuant to this section
14 shall be exempt from disclosure under section
15 552(b)(3) of title 5, United States Code, and no
16 such information or documentary material may be
17 made public by any government agency or Member
18 of Congress.

19 “(2) EXCEPTIONS.—The exemption from disclo-
20 sure provided by paragraph (1) shall not prevent the
21 disclosure of the following:

22 “(A) Information relevant to any adminis-
23 trative or judicial action or proceeding.

1 “(B) Information provided to Congress or
2 any of the appropriate congressional commit-
3 tees.

4 “(C) Information important to the national
5 security analysis or actions of the Secretary to
6 any domestic governmental entity, or to any
7 foreign governmental entity of an ally or part-
8 ner of the United States, under the direction
9 and authorization of the Secretary, only to the
10 extent necessary for national security purposes,
11 and subject to appropriate confidentiality and
12 classification requirements.

13 “(D) Information that the parties have
14 consented to be disclosed to third parties.

15 “(E) Information where the disclosure of
16 such information is determined by the Secretary
17 to be in the national security interest.

18 “(d) INAPPLICABILITY.—If the Secretary prohibits a
19 covered national security transaction in a prohibited tech-
20 nology under section 801, the requirements of this section
21 shall not apply with respect to the covered national secu-
22 rity transaction.

23 **“SEC. 803. REPORT.**

24 “(a) IN GENERAL.—Not later than one year after the
25 date on which the regulations issued under section 801(e)

1 take effect, and not less frequently than annually there-
2 after for 7 years, the Secretary, in consultation with the
3 Secretary of Commerce, shall submit to the appropriate
4 congressional committees a report that—

5 “(1) lists all enforcement actions taken subject
6 to the regulations during the year preceding submis-
7 sion of the report, which includes, with respect to
8 each such action, a description of—

9 “(A) the prohibited technology or notifiable
10 technology;

11 “(B) the covered national security trans-
12 action; and

13 “(C) the covered foreign person;

14 “(2) provides an assessment of whether Con-
15 gress should amend the definition of the term ‘pro-
16 hibited technology’ by—

17 “(A) identifying additional technologies,
18 not currently listed as a prohibited technology,
19 that the Secretary, in consultation with the Sec-
20 retary of Commerce and, as applicable, the Sec-
21 retary of Defense, the Secretary of State, the
22 Secretary of Energy, the Director of National
23 Intelligence, and the heads of any other rel-
24 evant Federal agencies, determines may pose an
25 acute threat to the national security of the

1 United States if developed or acquired by a
2 country of concern;

3 “(B) explaining why each technology iden-
4 tified in subparagraph (A) may pose an acute
5 threat to the national security of the United
6 States if developed or acquired by a country of
7 concern; and

8 “(C) recommending the repeal of tech-
9 nologies from the category of prohibited tech-
10 nology to the extent that the technologies no
11 longer pose an acute threat to the national se-
12 curity of the United States if developed or ac-
13 quired by a country of concern;

14 “(3) lists all notifications submitted under sec-
15 tion 802 during the year preceding submission of the
16 report and includes, with respect to each such notifi-
17 cation—

18 “(A) basic information on each party to
19 the covered national security transaction with
20 respect to which the notification was submitted;
21 and

22 “(B) the nature of the covered national se-
23 curity transaction that was the subject to the
24 notification, including the elements of the cov-

1 ered national security transaction that neces-
2 sitated a notification;

3 “(4) includes a summary of those notifications,
4 disaggregated by prohibited technology, notifiable
5 technology, by covered national security transaction,
6 and by country of concern;

7 “(5) provides additional context and informa-
8 tion regarding trends in the prohibited technology,
9 notifiable technology, the types of covered national
10 security transaction, and the countries involved in
11 those notifications; and

12 “(6) assesses the overall impact of those notifi-
13 cations, including recommendations for—

14 “(A) expanding existing Federal programs
15 to support the production or supply of prohib-
16 ited technologies or notifiable technologies in
17 the United States, including the potential of ex-
18 isting authorities to address any related na-
19 tional security concerns;

20 “(B) investments needed to enhance pro-
21 hibited technologies or notifiable technologies
22 and reduce dependence on countries of concern
23 regarding those technologies; and

24 “(C) the continuation, expansion, or modi-
25 fication of the implementation and administra-

1 tion of this title, including recommendations
2 with respect to whether the definition of the
3 term ‘country of concern’ under section 807(2)
4 should be amended to add or remove countries.

5 “(b) CONSIDERATION OF CERTAIN INFORMATION.—

6 In preparing the report pursuant to subsection (a), the
7 Secretary—

8 “(1) shall consider information provided jointly
9 by the chairperson and ranking member of any of
10 the appropriate congressional committees;

11 “(2) may consider credible information obtained
12 by other countries and nongovernmental organiza-
13 tions that monitor the military, surveillance, intel-
14 ligence, or technology capabilities of a country of
15 concern; and

16 “(3) may consider any other information that
17 the Secretary deems relevant.

18 “(c) FORM OF REPORT.—Each report required by
19 this section shall be submitted in unclassified form, but
20 may include a classified annex.

21 “(d) TESTIMONY REQUIRED.—Not later than one
22 year after the date of the enactment of this title, and an-
23 nually thereafter for five years, the Secretary and the Sec-
24 retary of Commerce shall each provide to the Committee
25 on Banking, Housing, and Urban Affairs of the Senate

1 and the Committee on Financial Services of the House of
2 Representatives testimony with respect to the national se-
3 curity threats relating to investments by United States
4 persons in countries of concern and broader international
5 capital flows.

6 “(e) REQUESTS BY APPROPRIATE CONGRESSIONAL
7 COMMITTEES.—

8 “(1) IN GENERAL.—After receiving a request
9 that meets the requirements of paragraph (2) with
10 respect to whether a technology should be included
11 in the amendments as described in subsection (a)(2),
12 the Secretary shall, in preparing the report pursuant
13 to subsection (a)—

14 “(A) determine if that technology may
15 pose an acute threat to the national security of
16 the United States if developed or acquired by a
17 country of concern; and

18 “(B) include in the report pursuant to sub-
19 section (a) an explanation with respect to that
20 determination that includes—

21 “(i) a statement of whether or not the
22 technology, as determined by the Sec-
23 retary, may pose an acute threat to the na-
24 tional security of the United States if de-

1 veloped or acquired by a country of con-
2 cern; and

3 “(ii) if the Secretary determines
4 that—

5 “(I) the technology may pose an
6 acute threat to the national security
7 of the United States if developed or
8 acquired by a country of concern, an
9 explanation for such determination
10 and a recommendation whether that
11 technology should be named a prohib-
12 ited technology or a notifiable tech-
13 nology; and

14 “(II) the technology would not
15 pose an acute threat to the national
16 security of the United States if devel-
17 oped or acquired by a country of con-
18 cern, an explanation for such deter-
19 mination.

20 “(2) REQUIREMENTS.—A request under para-
21 graph (1) with respect to whether a technology may
22 pose an acute threat to the national security of the
23 United States if developed or acquired by a country
24 of concern shall be submitted to the Secretary in
25 writing jointly by the chairperson and ranking mem-

1 ber of one or more of the appropriate congressional
2 committees.

3 **“SEC. 804. MULTILATERAL ENGAGEMENT AND COORDINA-**
4 **TION.**

5 “(a) **AUTHORITIES.**—The Secretary, in coordination
6 with the Secretary of State, the Secretary of Commerce,
7 and the heads of other relevant Federal agencies, should—

8 “(1) conduct bilateral and multilateral engage-
9 ment with the governments of countries that are al-
10 lies and partners of the United States to promote
11 and increase coordination of protocols and proce-
12 dures to facilitate the effective implementation of
13 and appropriate compliance with the prohibitions
14 pursuant to this title;

15 “(2) upon adoption of protocols and procedures
16 described in paragraph (1), work with those govern-
17 ments to establish mechanisms for sharing informa-
18 tion, including trends, with respect to such activities;
19 and

20 “(3) work with and encourage the governments
21 of countries that are allies and partners of the
22 United States to develop similar mechanisms of their
23 own, for the exclusive purpose of preventing the de-
24 velopment or acquisition of prohibited technologies
25 by a country of concern.

1 “(b) STRATEGY FOR MULTILATERAL ENGAGEMENT
2 AND COORDINATION.—Not later than 180 days after the
3 date of the enactment of this title, the Secretary, in con-
4 sultation with the Secretary of State, the Secretary of
5 Commerce, and the heads of other relevant Federal agen-
6 cies, should—

7 “(1) develop a strategy to work with the gov-
8 ernments of countries that are allies and partners of
9 the United States to develop mechanisms that are
10 comparable to the prohibitions pursuant to this title,
11 for the exclusive purpose of preventing the develop-
12 ment and acquisition of prohibited technologies by a
13 country of concern; and

14 “(2) assess opportunities to provide technical
15 assistance to those countries with respect to the de-
16 velopment of those mechanisms.

17 “(c) REPORT.—Not later than one year after the date
18 of the enactment of this title, and annually thereafter for
19 four years, the Secretary shall submit to the appropriate
20 congressional committees a report that includes—

21 “(1) a discussion of any strategy developed pur-
22 suant to subsection (b)(1), including key tools and
23 objectives for the development of comparable mecha-
24 nisms by the governments of allies and partners of
25 the United States;

1 “(2) a list of partner and allied countries to
2 target for cooperation in developing their own prohi-
3 bitions;

4 “(3) the status of the strategy’s implementation
5 and outcomes; and

6 “(4) a description of impediments to the estab-
7 lishment of comparable mechanisms by governments
8 of allies and partners of the United States.

9 “(d) **APPROPRIATE CONGRESSIONAL COMMITTEES**
10 **DEFINED.**—In this section, the term ‘appropriate congres-
11 sional committees’ means—

12 “(1) the Committee on Foreign Relations and
13 the Committee on Banking, Housing, and Urban Af-
14 fairs of the Senate; and

15 “(2) the Committee on Foreign Affairs and the
16 Committee on Financial Services of the House of
17 Representatives.

18 **“SEC. 805. PUBLIC DATABASE OF COVERED FOREIGN PER-**
19 **SONS.**

20 “(a) **IN GENERAL.**—The Secretary, in consultation
21 with the Secretary of Commerce, may establish a publicly
22 accessible, non-exhaustive database that identifies covered
23 foreign persons in a prohibited technology pursuant to this
24 title.

1 “(b) CONFIDENTIALITY OF EVIDENCE.—The Sec-
2 retary shall establish a mechanism for the public, includ-
3 ing Congress, stakeholders, investors, and nongovern-
4 mental organizations, to submit evidence on a confidential
5 basis regarding whether a foreign person is a covered for-
6 eign person in a prohibited technology and should be in-
7 cluded in the database described in subsection (a), if any.

8 “(c) EXEMPTION FROM DISCLOSURE.—

9 “(1) IN GENERAL.—Except as provided in para-
10 graph (2), any information or documentary material
11 filed with the Secretary pursuant to this section
12 shall be exempt from disclosure under section
13 552(b)(3) of title 5, United States Code, and no
14 such information or documentary material may be
15 made public (other than the identity of a covered
16 foreign person in accordance with subsection (b)).

17 “(2) EXCEPTIONS.—Paragraph (1) shall not
18 prohibit the disclosure of the following:

19 “(A) Information relevant to any adminis-
20 trative or judicial action or proceeding.

21 “(B) Information to Congress or any duly
22 authorized committee or subcommittee of Con-
23 gress.

24 “(C) Information important to the national
25 security analysis or actions of the Secretary to

1 any domestic governmental entity, or to any
2 foreign governmental entity of a United States
3 ally or partner, under the exclusive direction
4 and authorization of the Secretary, only to the
5 extent necessary for national security purposes,
6 and subject to appropriate confidentiality and
7 classification requirements.

8 “(D) Information that the parties have
9 consented to be disclosed to third parties.

10 “(d) RULE OF CONSTRUCTION.—The database de-
11 scribed in subsection (a), if any, shall not be considered
12 to be an exhaustive or comprehensive list of covered for-
13 eign persons for the purposes of this title.

14 **“SEC. 806. RULE OF CONSTRUCTION.**

15 “Nothing in this title may be construed to negate the
16 authority of the President under any authority, process,
17 regulation, investigation, enforcement measure, or review
18 provided by or established under any other provision of
19 Federal law, or any other authority of the President or
20 the Congress under the Constitution of the United States.

21 **“SEC. 807. DEFINITIONS.**

22 “In this title:

23 “(1) APPROPRIATE CONGRESSIONAL COMMIT-
24 TEES.—Except as provided by section 804(d), the

1 term ‘appropriate congressional committees’
2 means—

3 “(A) the Committee on Financial Services,
4 the Committee on Foreign Affairs, the Com-
5 mittee on Energy and Commerce, and the Com-
6 mittee on Appropriations of the House of Rep-
7 resentatives; and

8 “(B) the Committee on Banking, Housing,
9 and Urban Affairs and the Committee on Ap-
10 propriations of the Senate.

11 “(2) COUNTRY OF CONCERN.—The term ‘coun-
12 try of concern’—

13 “(A) means the People’s Republic of
14 China; and

15 “(B) includes the Hong Kong Special Ad-
16 ministrative Region and the Macau Special Ad-
17 ministrative Region.

18 “(3) COVERED FOREIGN PERSON.—Subject to
19 regulations prescribed in accordance with this title,
20 the term ‘covered foreign person’ means a foreign
21 person that—

22 “(A) is incorporated in, has a principal
23 place of business in, or is organized under the
24 laws of a country of concern;

1 “(B) is a member of the Central Com-
2 mittee of the Chinese Communist Party;

3 “(C) is subject to the direction or control
4 of a country of concern, an entity described in
5 subparagraph (A) or (B), or the state or the
6 government of a country of concern (including
7 any political subdivision, agency, or instrumen-
8 tality thereof); or

9 “(D) is owned in the aggregate, directly or
10 indirectly, 50 percent or more by a country of
11 concern, an entity described in subparagraph
12 (A) or (B), or the state or the government of
13 a country of concern (including any political
14 subdivision, agency, or instrumentality thereof).

15 “(4) COVERED NATIONAL SECURITY TRANS-
16 ACTION.—

17 “(A) IN GENERAL.—Subject to such regu-
18 lations as may be issued in accordance with this
19 title, the term ‘covered national security trans-
20 action’ means any activity engaged in by a
21 United States person that involves—

22 “(i) the acquisition of an equity inter-
23 est or contingent equity interest in a cov-
24 ered foreign person;

1 “(ii) the provision of a loan or similar
2 debt financing arrangement to a covered
3 foreign person, where such debt financ-
4 ing—

5 “(I) is convertible to an equity
6 interest; or

7 “(II) affords or will afford the
8 United States person the right to
9 make management decisions with re-
10 spect to or on behalf of a covered for-
11 eign person or the right to appoint
12 members of the board of directors (or
13 equivalent) of the covered foreign per-
14 son;

15 “(iii) the entrance by such United
16 States person into a joint venture with a
17 covered foreign person;

18 “(iv) the conversion of a contingent
19 equity interest (or interest equivalent to a
20 contingent equity interest) or conversion of
21 debt to an equity interest in a covered for-
22 eign person;

23 “(v) the acquisition, leasing, or other
24 development of operations, land, property,
25 or other assets in a country of concern

1 that will result in, or that the United
2 States person intends to result in—

3 “(I) the establishment of a cov-
4 ered foreign person; or

5 “(II) the engagement of a person
6 of a country of concern in a prohib-
7 ited technology where it was not pre-
8 viously engaged in such prohibited
9 technology;

10 “(vi) knowingly directing transactions
11 by foreign persons that the United States
12 person has knowledge at the time of the
13 transaction would constitute an activity de-
14 scribed in clause (i), (ii), (iii), (iv), or (v),
15 if engaged in by a United States person; or

16 “(vii) the acquisition of a limited part-
17 ner or equivalent interest in a venture cap-
18 ital fund, private equity fund, fund of
19 funds, or other pooled investment fund
20 that the United States person has knowl-
21 edge at the time of the acquisition, intends
22 to engage in an activity described in clause
23 (i), (ii), (iii), (iv), (v), or (vi).

24 “(B) EXCEPTIONS.—Subject to notice and
25 comment regulations prescribed in consultation

1 with Congress and in accordance with this title,
2 the term ‘covered national security transaction’
3 does not include—

4 “(i) any transaction the value of
5 which the Secretary determines is de mini-
6 mis;

7 “(ii) any category of transactions that
8 the Secretary determines is in the national
9 interest of the United States;

10 “(iii) an investment—

11 “(I) in a security (as defined in
12 section 3(a) of the Securities Ex-
13 change Act of 1934(15 U.S.C.
14 78c(a))) that is traded on an ex-
15 change or the over-the-counter market
16 in any jurisdiction;

17 “(II) in a security issued by an
18 investment company (as defined in
19 section 3 of the Investment Company
20 Act of 1940(15 U.S.C. 80a-3)) that is
21 registered with the Securities and Ex-
22 change Commission;

23 “(III) made as a limited partner
24 or equivalent in a venture capital
25 fund, private equity fund, fund of

1 funds, or other pooled investment
2 fund (other than as described in sub-
3 clause (II)) where—

4 “(aa) the limited partner or
5 equivalent’s committed capital is
6 not more than \$2,000,000, ag-
7 gregated across any investment
8 and co-investment vehicles of the
9 fund; or

10 “(bb) the limited partner or
11 equivalent has secured a binding
12 contractual assurance that its
13 capital in the fund will not be
14 used to engage in a transaction
15 that would be a covered national
16 security transaction if engaged in
17 by a United States person; or

18 “(IV) in a derivative of a security
19 described under subclause (I), (II), or
20 (III);

21 “(iv) any ancillary transaction under-
22 taken by a financial institution (as defined
23 in section 5312 of title 31, United States
24 Code);

1 “(v) the acquisition by a United
2 States person of the equity or other inter-
3 est owned or held by a covered foreign per-
4 son in an entity or assets located outside
5 of a country of concern in which the
6 United States person is acquiring the to-
7 tality of the interest in the entity held by
8 the covered foreign person;

9 “(vi) an intracompany transfer of
10 funds, as defined in regulations prescribed
11 in accordance with this title, from a United
12 States parent company to a subsidiary lo-
13 cated in a country of concern or a trans-
14 action that, but for this clause, would be a
15 covered national security transaction be-
16 tween a United States person and its con-
17 trolled foreign person that supports oper-
18 ations that are not covered national secu-
19 rity transactions or that maintains covered
20 national security transactions that the con-
21 trolled foreign person was engaged in prior
22 to January 2, 2025;

23 “(vii) a transaction secondary to a
24 covered national security transaction, in-
25 cluding—

1 “(I) contractual arrangements or
2 the procurement of material inputs
3 for any covered national security
4 transaction (such as raw materials);

5 “(II) bank lending;

6 “(III) the processing, clearing, or
7 sending of payments by a bank;

8 “(IV) underwriting services;

9 “(V) debt rating services;

10 “(VI) prime brokerage;

11 “(VII) global custody;

12 “(VIII) equity research or anal-
13 ysis; or

14 “(IX) other similar services;

15 “(viii) any ordinary or administrative
16 business transaction as may be defined in
17 such regulations; or

18 “(ix) any transaction completed before
19 the date of the enactment of this title.

20 “(C) ANCILLARY TRANSACTION DE-
21 FINED.—In this paragraph, the term ‘ancillary
22 transaction’ means—

23 “(i) the processing, settling, clearing,
24 or sending of payments and cash trans-
25 actions;

1 “(ii) underwriting services;
2 “(iii) credit rating services; and
3 “(iv) other services ordinarily incident
4 to and part of the provision of financial
5 services, such as opening deposit accounts,
6 direct custody services, foreign exchange
7 services, remittances services, and safe de-
8 posit services.

9 “(5) FOREIGN PERSON.—The term ‘foreign per-
10 son’ means a person that is not a United States per-
11 son.

12 “(6) NOTIFIABLE TECHNOLOGY.—

13 “(A) IN GENERAL.—The term ‘notifiable
14 technology’ means a technology with respect to
15 which a covered foreign person—

16 “(i) designs any advanced integrated
17 circuit that is not covered under paragraph
18 (8)(A)(iii);

19 “(ii) fabricates any integrated circuit
20 that is not covered under paragraph
21 (8)(A)(iv);

22 “(iii) packages any integrated circuit
23 that is not covered under paragraph
24 (8)(A)(v); or

1 “(iv) develops any artificial intel-
2 ligence system that is not covered under
3 clause (vii), (viii), (ix), or (xvi) of para-
4 graph (8)(A), and that is—

5 “(I) designed to be used for—

6 “(aa) any military end use
7 (such as for weapons targeting,
8 target identification, combat sim-
9 ulation, military vehicle or weap-
10 ons control, military decision-
11 making, weapons design (includ-
12 ing chemical, biological, radio-
13 logical, or nuclear weapons), or
14 combat system logistics and
15 maintenance); or

16 “(bb) any government intel-
17 ligence or mass-surveillance end
18 use (such as through incorpora-
19 tion of features such as mining
20 text, audio, or video, image rec-
21 ognition, location tracking, or
22 surreptitious listening devices);

23 “(II) intended by the covered for-
24 eign person or joint venture to be
25 used for—

1 “(aa) cybersecurity applica-
2 tions;

3 “(bb) digital forensics tools;

4 “(cc) penetration testing
5 tools; or

6 “(dd) control of robotic sys-
7 tems; or

8 “(III) trained using a quantity of
9 computing power greater than 10^{23}
10 computational operations (such as in-
11 teger or floating-point operations).

12 “(B) UPDATES.—The Secretary, in con-
13 sultation with Congress, may prescribe regula-
14 tions in accordance with this title to refine the
15 technical parameters of technologies described
16 in subparagraph (A) as reasonably needed for
17 national security purposes or to add or remove
18 categories to or from the list in subparagraph
19 (A).

20 “(7) PARTY.—The term ‘party’, with respect to
21 a covered national security transaction, has the
22 meaning given that term in regulations prescribed in
23 accordance with this title.

24 “(8) PROHIBITED TECHNOLOGY.—

1 “(A) IN GENERAL.—The term ‘prohibited
2 technology’ means a technology with respect to
3 which a covered foreign person—

4 “(i) develops or produces any design
5 automation software for the design of inte-
6 grated circuits or advanced packaging;

7 “(ii) develops or produces any—

8 “(I) electronic design automation
9 software for the design of integrated
10 circuits or advanced packaging;

11 “(II) front-end semiconductor
12 fabrication equipment designed for the
13 volume fabrication of integrated cir-
14 cuits, including equipment used in the
15 production stages from a blank wafer
16 or substrate to a completed wafer or
17 substrate; or

18 “(III) equipment for performing
19 volume advanced packaging;

20 “(iii) designs any integrated circuit
21 designs that meet or exceed the specifica-
22 tions set in Export Control Classification
23 Number (ECCN) 3A090 in Supplement
24 No. 1 to the Export Administration Regu-

1 lations, or integrated circuits designed for
2 operation at or below 4.5 Kelvin;

3 “(iv) fabricates integrated circuits
4 that are—

5 “(I) logic integrated circuits
6 using a non-planar transistor architec-
7 ture or with a technology node of 16/
8 14 nanometers or less, including fully
9 depleted silicon-on-insulator (FDSOI)
10 integrated circuits;

11 “(II) NOT-AND (NAND) mem-
12 ory integrated circuits with 128 layers
13 or more;

14 “(III) dynamic random-access
15 memory (DRAM) integrated circuits
16 using a technology node of 18
17 nanometer half-pitch or less;

18 “(IV) integrated circuits manu-
19 factured from a gallium-based com-
20 pound semiconductor;

21 “(V) integrated circuits using
22 graphene transistors or carbon
23 nanotubes; or

24 “(VI) integrated circuits designed
25 for operation at or below 4.5 Kelvin;

1 “(v) packages any integrated circuit
2 using advanced packaging techniques;

3 “(vi) develops, designs, or produces
4 any commodity, material, software, or
5 technology designed exclusively for use in
6 or with extreme ultraviolet lithography fab-
7 rication equipment;

8 “(vii) develops, designs, or produces
9 any artificial intelligence models trained
10 with at least 10^{25} floating point oper-
11 ations;

12 “(viii) develops, designs, or produces
13 any artificial intelligence models that rely
14 upon or utilize advanced integrated circuits
15 that meet or exceed the specifications set
16 in Export Control Classification Number
17 (ECCN) 3A090 in Supplement No. 1 to
18 the Export Administration Regulations;

19 “(ix) develops, designs, or produces
20 any artificial intelligence models designed
21 for use by the Government of the People’s
22 Republic of China, its special administra-
23 tive regions, or its agencies and instrumen-
24 talities;

1 “(x) develops a quantum computer or
2 produces any critical components required
3 to produce a quantum computer such as a
4 dilution refrigerator or two-stage pulse
5 tube cryocooler;

6 “(xi) develops or produces any quan-
7 tum sensing platform designed for, or
8 which the relevant covered foreign person
9 intends to be used for, any military, gov-
10 ernment intelligence, or mass-surveillance
11 end use;

12 “(xii) develops or produces quantum
13 networks or quantum communication sys-
14 tems designed for or intended to be used
15 for—

16 “(I) networking to scale up the
17 capabilities of quantum computers,
18 such as for the purposes of breaking
19 or compromising encryption;

20 “(II) secure communications,
21 such as quantum key distribution; or

22 “(III) any other application that
23 has any military, government intel-
24 ligence, or mass-surveillance end use;

1 “(xiii) develops, designs, or produces
2 materials, components, avionics, flight con-
3 trol, propulsion, Global Positioning System
4 (GPS), data relay, and target detection
5 systems designed for use in hypersonic sys-
6 tems or capable of sustainable operations
7 above 1,000 degrees Celsius;

8 “(xiv) develops, installs, sells, or pro-
9 duces any supercomputer enabled by ad-
10 vanced integrated circuits that can provide
11 theoretical compute capacity of 100 or
12 more double-precision (64-bit) petaflops or
13 200 or more single-precision (32-bit)
14 petaflops of processing power within a
15 41,600 cubic foot or smaller envelope;

16 “(xv) develops, designs, or produces
17 any other technologies in the advanced
18 semiconductors and microelectronics sec-
19 tor, the artificial intelligence sector, the
20 high-performance computing and super-
21 computing sector, the hypersonic missiles
22 sector, or the quantum information science
23 and technology sector that are—

24 “(I) defense articles or defense
25 services included on the United States

1 Munitions List set forth in the Inter-
2 national Traffic in Arms Regulations
3 under subchapter M of chapter I of
4 title 22, Code of Federal Regulations;

5 “(II) specially designed and pre-
6 pared nuclear equipment, parts or
7 components, materials, software, or
8 technologies covered by part 810 of
9 title 10, Code of Federal Regulations
10 (relating to assistance to foreign
11 atomic energy activities);

12 “(III) nuclear facilities, equip-
13 ment, or materials covered by part
14 110 of title 10, Code of Federal Regu-
15 lations (relating to export and import
16 of nuclear equipment and material);
17 or

18 “(IV) emerging or foundational
19 technologies controlled pursuant to
20 section 1758 of the Export Control
21 Reform Act of 2018 (50 U.S.C.
22 4817); or

23 “(xvi) develops any artificial intel-
24 ligence system that is designed to be exclu-
25 sively used for, or which the relevant cov-

1 ered foreign person intends to be used for,
2 any—

3 “(I) military end use (such as for
4 weapons targeting, target identifica-
5 tion, combat simulation, military vehi-
6 cle or weapon control, military deci-
7 sion-making, weapons design (includ-
8 ing chemical, biological, radiological,
9 or nuclear weapons), or combat sys-
10 tem logistics and maintenance); or

11 “(II) government intelligence or
12 mass-surveillance end (such as
13 through incorporation of features such
14 as mining text, audio, or video, image
15 recognition, location tracking, or sur-
16 reptitious listening devices).

17 “(B) UPDATES.—The Secretary, in con-
18 sultation with Congress, may prescribe regula-
19 tions in accordance with this title to make up-
20 dates to the technical parameters of tech-
21 nologies described in subparagraph (A) as rea-
22 sonably needed for national security purposes.

23 “(9) SECRETARY.—Except as otherwise pro-
24 vided, the term ‘Secretary’ means the Secretary of
25 the Treasury.

1 “(10) UNITED STATES PERSON.—The term
2 ‘United States person’ means—

3 “(A) any United States citizen or an alien
4 lawfully admitted for permanent residence to
5 the United States;

6 “(B) an entity organized under the laws of
7 the United States or of any jurisdiction within
8 the United States (including any foreign branch
9 of such an entity); or

10 “(C) any person in the United States.”.

11 **SEC. 112. REVIEW OF AND REPORTING ON NATIONAL SECURITY SENSITIVE SITES FOR PURPOSES OF RE-**
12 **VIEW OF REAL ESTATE TRANSACTIONS BY**
13 **THE COMMITTEE ON FOREIGN INVESTMENT**
14 **IN THE UNITED STATES.**
15

16 (a) LIST OF NATIONAL SECURITY SENSITIVE
17 SITES.—Section 721(a)(4)(C) of the Defense Production
18 Act of 1950 (50 U.S.C. 4565(a)(4)(C)) is amended by
19 adding at the end the following:

20 “(iii) LIST OF SITES.—For purposes
21 of subparagraph (B)(ii), the Committee
22 may prescribe through regulations a list of
23 facilities and property of the United States
24 Government that are sensitive for reasons
25 relating to national security. Such list may

1 include certain facilities and property of
2 the intelligence community and National
3 Laboratories (as defined in section 2 of the
4 Energy Policy Act of 2005 (42 U.S.C.
5 15801)).”.

6 (b) REVIEW AND REPORTS.—Section 721(m) of the
7 Defense Production Act of 1950 (50 U.S.C. 4565(m)(2))
8 is amended—

9 (1) in paragraph (2), by adding at the end the
10 following:

11 “(L) A list of all notices and declarations
12 filed and all reviews or investigations of covered
13 transactions completed during the period relat-
14 ing to facilities and property of the United
15 States Government determined to be sensitive
16 for reasons relating to national security for pur-
17 poses of subsection (a)(4)(B)(ii).

18 “(M) A certification that the list of sites
19 identified under subsection (a)(4)(C)(iii) re-
20 flects consideration of the recommended up-
21 dates and revisions submitted under paragraph
22 (4)(B). Upon request from any Member of Con-
23 gress specified in subsection (b)(3)(C)(iii), the
24 chairperson shall provide a classified briefing to
25 that Member, and staff of the member with ap-

1 appropriate security clearances, regarding the list
2 of sites identified under subsection
3 (a)(4)(C)(iii).”;

4 (2) by redesignating paragraph (4) as para-
5 graph (5); and

6 (3) by inserting after paragraph (3) the fol-
7 lowing:

8 “(4) ANNUAL REVIEW OF LIST OF FACILITIES
9 AND PROPERTY.—Not later than January 31 of each
10 year, each member of the Committee shall—

11 “(A) review the facilities and property of
12 the agency represented by that member that are
13 on the list prescribed under subparagraph
14 (C)(iii) of subsection (a)(4) of facilities and
15 property that are sensitive for reasons relating
16 to national security for purposes of subpara-
17 graph (B)(ii) of that subsection; and

18 “(B) submit to the chairperson a report on
19 that review, after approval of the report by an
20 Assistant Secretary or equivalent official of the
21 agency, which shall include any recommended
22 updates or revisions to the list regarding facili-
23 ties and property administered by the member
24 of the Committee.”.

1 (c) CENTRALIZATION OF MONITORING AND EN-
2 FORCEMENT FUNCTIONS.—Section 721(q)(2) of the De-
3 fense Production Act of 1950 (50 U.S.C. 4565(q)(2)) is
4 amended by inserting before the period the following: “,
5 such as monitoring of agreements and conditions entered
6 into or imposed under subsection (l) and enforcement of
7 this section”.

8 (d) MANDATORY DECLARATIONS OF TRANSACTIONS
9 RELATING TO CRITICAL INFRASTRUCTURE AND CRITICAL
10 TECHNOLOGIES.—Section 721(b)(1)(C)(v)(IV)(cc) of the
11 Defense Production Act of 1950 (50 U.S.C.
12 4565(b)(1)(C)(v)(IV)(cc)) is amended by striking “sub-
13 section (a)(4)(B)(iii)(II)” and inserting “subclause (I) or
14 (II) of subsection (a)(4)(B)(iii)”.

15 (e) EXTENSION.—Section 717(a) of the Defense Pro-
16 duction Act of 1950 (50 U.S.C. 4564(a)) is amended by
17 striking “September 30, 2025” and inserting “September
18 30, 2026”.

19 **Subtitle C—Securities and Related** 20 **Matters**

21 **SEC. 121. REQUIREMENTS RELATING TO THE NON-SDN CHI-** 22 **NESE MILITARY-INDUSTRIAL COMPLEX COM-** 23 **PANIES LIST.**

24 (a) REPORT.—

1 (1) IN GENERAL.—Not later than 365 days
2 after the date of the enactment of this Act, and bi-
3 ennially thereafter for 6 years, the Secretary shall
4 submit to the appropriate congressional committees
5 a report that states whether any of the following for-
6 eign persons qualifies for inclusion on the Non-SDN
7 Chinese Military-Industrial Complex Companies
8 List:

9 (A) Any PRC person listed on the Military
10 End-User List (Supplement No. 7 to part 744
11 of the Export Administration Regulations).

12 (B) Any PRC person listed pursuant to
13 section 1260H of the William M. (Mac) Thorn-
14 berry National Defense Authorization Act for
15 Fiscal Year 2021 (10 U.S.C. 113 note).

16 (C) Any PRC person listed on the Depart-
17 ment of Commerce’s Entity List (Supplement
18 No. 4 to part 744 of the Export Administration
19 Regulations).

20 (2) PROCESS REQUIRED.—To prepare the re-
21 ports under paragraph (1), the President shall es-
22 tablish a process under which the Federal agencies
23 responsible for administering the lists described in
24 subparagraphs (A), (B), and (C) of paragraph (1)
25 shall share with each other all relevant information

1 that led to the identification of the entities described
2 in such lists.

3 (3) RISK-BASED PRIORITIZATION FRAME-
4 WORK.—In making the initial determinations under
5 paragraph (1), the Secretary may establish a risk-
6 based prioritization framework factoring in
7 prioritization of entity review submitted to the Sec-
8 retary by the Federal agencies administering the
9 lists described in subparagraphs (A), (B), and (C) of
10 paragraph (1).

11 (4) ANNUAL REPORTS TO THE APPROPRIATE
12 CONGRESSIONAL COMMITTEES.—The report under
13 paragraph (1) may summarize findings concerning
14 entities previously reviewed pursuant to this section
15 and do not necessitate additional review by the Sec-
16 retary.

17 (5) MATTERS TO BE INCLUDED.—The Sec-
18 retary shall include in the report required by para-
19 graph (1) an overview of the criteria required for
20 listing on Non-SDN Chinese Military-Industrial
21 Complex Companies List. The heads of the Federal
22 agencies administering the lists described in sub-
23 paragraphs (A), (B), and (C) of paragraph (1) shall
24 provide an overview of the criteria for entity identi-
25 fication or listing on each respective list.

1 (b) REQUIREMENT FOR DIVESTMENT.—

2 (1) IN GENERAL.—The President shall promul-
3 gate rules that prohibit a United States person from
4 knowingly holding securities of entities on the Non-
5 SDN Chinese Military-Industrial Complex Compa-
6 nies List, after the date that is 365 days after the
7 date of enactment of this Act.

8 (2) AUTHORIZATION.—The prohibitions on in-
9 vestment imposed under paragraph (1) shall not
10 apply to a transaction in a security that is entered
11 into on or before the date that is 365 days after the
12 date of enactment of this Act by a United States
13 person, if such transaction is entered into solely to
14 divest of the security.

15 (c) WAIVER.—

16 (1) IN GENERAL.—The President may establish
17 a process under which the requirements of sub-
18 section (b) shall not apply if the President deter-
19 mines to do so is necessary to protect the national
20 security or foreign policy objectives of the United
21 States.

22 (2) CASE-BY-CASE REQUIREMENT.—Determina-
23 tions under paragraph (1) shall be issued on a case-
24 by-case basis for each entity on the Non-SDN Chi-
25 nese Military-Industrial Complex Companies List.

1 (3) NOTICE AND BRIEFING.—The President
2 shall notify the appropriate congressional committees
3 in writing in advance of issuing a determination
4 under paragraph (1) and shall provide a substantive
5 briefing on the determination to the appropriate con-
6 gressional committees within 30 days of issuing a
7 determination.

8 (d) DEFINITIONS.—In this section:

9 (1) APPROPRIATE CONGRESSIONAL COMMIT-
10 TEES.—The term “appropriate congressional com-
11 mittees” means—

12 (A) the Committee on Financial Services
13 and the Committee on Foreign Affairs of the
14 House of Representatives; and

15 (B) the Committee on Banking, Housing,
16 and Urban Affairs of the Senate.

17 (2) COUNTRY OF CONCERN.—The term “coun-
18 try of concern”—

19 (A) means the People’s Republic of China;
20 and

21 (B) includes the Hong Kong Special Ad-
22 ministrative Region and the Macau Special Ad-
23 ministrative Region.

24 (3) NON-SDN CHINESE MILITARY-INDUSTRIAL
25 COMPLEX COMPANIES LIST.—The term “Non-SDN

1 Chinese Military-Industrial Complex Companies
2 List” means the list maintained by the Office of
3 Foreign Assets Control of the Department of the
4 Treasury under Executive Order 13959, as amended
5 by Executive Order 14032 (50 U.S.C. 1701 note; re-
6 lating to addressing the threat from securities in-
7 vestments that finance certain companies of the Peo-
8 ple’s Republic of China), and any successor order.

9 (4) PRC PERSON.—The term “PRC person”
10 means a foreign person that—

11 (A) is incorporated in a principal place of
12 business in, or is organized under the laws of,
13 a country of concern;

14 (B) is a member of the Central Committee
15 of the Chinese Communist Party;

16 (C) is the state or the government of a
17 country of concern, as well as any political sub-
18 division, agency, or instrumentality thereof; or

19 (D) is owned in the aggregate, directly or
20 indirectly, 50 percent or more by an entity or
21 a group of entities described in subparagraph
22 (A), (B), or (C).

1 **SEC. 122. EXTENSION OF FILING DEADLINE FOR CERTAIN**
2 **PRE-EXISTING REPORTING COMPANIES.**

3 Section 5336(b)(1)(B) of title 31, United States
4 Code, is amended by striking “before the effective date
5 of the regulations prescribed under this subsection shall,
6 in a timely manner, and not later than 2 years after the
7 effective date of the regulations prescribed under this sub-
8 section,” and inserting “before January 1, 2024, shall, not
9 later than January 1, 2026,”.