

**AMENDMENT TO THE AMENDMENT IN THE  
NATURE OF A SUBSTITUTE TO H.R. 3524  
OFFERED BY MR. PERRY OF PENNSYLVANIA**

Strike subsection (b) of section 133 and insert the following:

1       (b) REPORT.—

2           (1) IN GENERAL.—Not later than 180 days  
3       after the date of the enactment of this Act, and an-  
4       nually thereafter for the following 5 years, the Sec-  
5       retary of State, in consultation with the Director of  
6       National Intelligence and the Secretary of the Treas-  
7       ury, shall submit an unclassified report to the appro-  
8       priate committees of Congress that describes the  
9       risks posed to the United States by the presence in  
10      United States capital markets of companies incor-  
11      porated in the PRC.

12           (2) MATTERS TO BE INCLUDED.—The report  
13      required under paragraph (1) shall—

14           (A) identify companies incorporated in the  
15      PRC that—

16           (i) are listed or traded on one or sev-  
17      eral stock exchanges within the United  
18      States, including over-the-counter market

1 and “A Shares” added to indexes and ex-  
2 change-traded funds out of mainland ex-  
3 changes in the PRC; and

4 (ii) based on the factors for consider-  
5 ation described in paragraph (3), have  
6 knowingly and materially contributed to—

7 (I) activities that undermine  
8 United States national security;

9 (II) serious abuses of internation-  
10 ally recognized human rights; or

11 (III) a substantially increased fi-  
12 nancial risk exposure for United  
13 States-based investors;

14 (B) describe the activities of the companies  
15 identified pursuant to subparagraph (A), and  
16 their implications for the United States; and

17 (C) develop policy recommendations for the  
18 United States Government, State governments,  
19 United States financial institutions, United  
20 States equity and debt exchanges, and other  
21 relevant stakeholders to address the risks posed  
22 by the presence in United States capital mar-  
23 kets of the companies identified pursuant to  
24 subparagraph (A).

1           (3) FACTORS FOR CONSIDERATION.—In com-  
2     pleting the report under paragraph (1), the Presi-  
3     dent shall consider whether a company identified  
4     pursuant to paragraph (2)(A)—

5           (A) has materially contributed to the devel-  
6     opment or manufacture, or sold or facilitated  
7     procurement by the PLA, of lethal military  
8     equipment or component parts of such equip-  
9     ment;

10          (B) has contributed to the construction  
11     and militarization of features in the South  
12     China Sea;

13          (C) has been sanctioned by the United  
14     States or has been determined to have con-  
15     ducted business with sanctioned entities;

16          (D) has engaged in an act or a series of  
17     acts of intellectual property theft;

18          (E) has engaged in corporate or economic  
19     espionage;

20          (F) has contributed to the proliferation of  
21     nuclear or missile technology in violation of  
22     United Nations Security Council resolutions or  
23     United States sanctions;

24          (G) has contributed to the repression of re-  
25     ligious and ethnic minorities within the PRC,

1 including in Xinjiang Uyghur Autonomous Re-  
2 gion or Tibet Autonomous Region;

3 (H) has contributed to the development of  
4 technologies that enable censorship directed or  
5 directly supported by the Government of the  
6 PRC;

7 (I) has failed to comply fully with Federal  
8 securities laws (including required audits by the  
9 Public Company Accounting Oversight Board)  
10 and “material risk” disclosure requirements of  
11 the Securities and Exchange Commission; or

12 (J) has contributed to other activities or  
13 behavior determined to be relevant by the Presi-  
14 dent.

Strike subsection (c) of section 133 and insert the  
following:

15 (c) FORM.—The report required under subsection (b)  
16 shall be submitted in unclassified form, but may include  
17 a classified annex.

At the end of section 133, add the following:

18 (d) APPROPRIATE COMMITTEES OF CONGRESS DE-  
19 FINED.—In this section, the term “appropriate commit-  
20 tees of Congress” means—

1           (1) the Committee on Foreign Affairs, the Per-  
2           manent Select Committee on Intelligence, and the  
3           Committee on Financial Services of the House of  
4           Representatives; and

5           (2) the Committee on Foreign Relations, the  
6           Select Committee on Intelligence, and the Com-  
7           mittee on Banking, Housing, and Urban Affairs of  
8           the Senate.

