

118TH CONGRESS
1ST SESSION

S. 852

To prohibit securities investments that finance certain companies of the People’s Republic of China and to expand the Non-Specially Designated Nationals Chinese Military-Industrial Complex Companies List of the Office of Foreign Assets Control, and for other purposes.

IN THE SENATE OF THE UNITED STATES

MARCH 16, 2023

Mr. SCOTT of Florida (for himself, Mr. BRAUN, and Mr. HAGERTY) introduced the following bill; which was read twice and referred to the Committee on Banking, Housing, and Urban Affairs

A BILL

To prohibit securities investments that finance certain companies of the People’s Republic of China and to expand the Non-Specially Designated Nationals Chinese Military-Industrial Complex Companies List of the Office of Foreign Assets Control, 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 “Sanction Transactions
5 Originating from Pernicious Chinese Companies and Poli-
6 cies Act of 2023” or the “STOP CCP Act of 2023”.

1 **SEC. 2. DEFINITIONS.**

2 In this Act:

3 (1) CHINESE ENTITY.—The term “Chinese en-
4 tity” means an entity organized under the laws of
5 the People’s Republic of China or otherwise subject
6 to the jurisdiction of the Government of the People’s
7 Republic of China.

8 (2) PUBLICLY TRADED SECURITIES.—The term
9 “publicly traded securities” includes—

10 (A) any security (as defined in section 3(a)
11 of the Securities Exchange Act of 1934 (15
12 U.S.C. 78c(a))) denominated in any currency
13 that trades on a securities exchange, or through
14 the method of trading that is commonly re-
15 ferred to as “over-the-counter”, in any jurisdic-
16 tion; and

17 (B) any security that is derivative of or de-
18 signed to provide investment exposure to a se-
19 curity described in subparagraph (A).

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

22 (A) an individual who is a United States
23 citizen or an alien lawfully admitted for perma-
24 nent residence to the United States;

25 (B) an entity organized under the laws of
26 the United States or any jurisdiction within the

1 United States, including a foreign branch of
2 such an entity; or

3 (C) any person in the United States.

4 **SEC. 3. PROHIBITION ON SECURITIES INVESTMENTS THAT**
5 **FINANCE CERTAIN COMPANIES OF THE PEO-**
6 **PLE'S REPUBLIC OF CHINA.**

7 The following activities by a United States person are
8 prohibited:

9 (1) The purchase or sale of any publicly traded
10 securities, or any publicly traded securities that are
11 derivative of such securities or are designed to pro-
12 vide investment exposure to such securities, issued
13 by any person determined by the Secretary of the
14 Treasury, in consultation with the Secretary of
15 State, and, as the Secretary of the Treasury deems
16 appropriate, the Secretary of Defense—

17 (A) to operate or have operated in the de-
18 fense and related materiel sector or the surveil-
19 lance technology sector of the economy of the
20 People's Republic of China; or

21 (B) to own or control, or to be owned or
22 controlled by, directly or indirectly, a person de-
23 scribed in subparagraph (A).

24 (2) The execution, support, or servicing of a
25 purchase or sale described in paragraph (1).

1 (3) Any transaction that evades or avoids, has
2 the purpose of evading or avoiding, causes a viola-
3 tion of, or attempts to violate the prohibition under
4 paragraph (1).

5 (4) Any conspiracy formed to violate the prohi-
6 bition under paragraph (1).

7 **SEC. 4. EXPANSION OF NON-SPECIALLY DESIGNATED NA-**
8 **TIONALS CHINESE MILITARY-INDUSTRIAL**
9 **COMPLEX COMPANIES LIST.**

10 Not later than 180 days after the date of the enact-
11 ment of this Act, the Secretary of the Treasury shall pre-
12 scribe regulations to expand the Non-Specially Designated
13 Nationals Chinese Military-Industrial Complex Companies
14 List (commonly referred to as the “NS–CMIC List”) of
15 the Office of Foreign Assets Control to include—

16 (1) any entity engaged in supporting the Chi-
17 nese military-industrial complex;

18 (2) any entity that is owned or controlled by an
19 entity described in paragraph (1);

20 (3) any entity that is formed from a spin-off,
21 merger or acquisition, or sale of a business unit in-
22 volving an entity described in paragraph (1) or is
23 otherwise a successor to such an entity; and

24 (4) any entity that provides financial services
25 for an entity described in paragraph (1), (2), or (3).

1 **SEC. 5. CLOSING SANCTIONS LOOPHOLES.**

2 (a) IN GENERAL.—If sanctions are imposed with re-
3 spect to a Chinese entity under any statute or Executive
4 order described in subsection (b), sanctions shall be im-
5 posed with respect to the Chinese entity under each other
6 applicable statute and Executive order described in sub-
7 section (b) unless—

8 (1) the President waives the imposition of such
9 sanctions; or

10 (2) a waiver provided for under such other stat-
11 ute or Executive order applies.

12 (b) STATUTES AND EXECUTIVE ORDERS DE-
13 SCRIBED.—A statute or Executive order described in this
14 subsection is a statute or Executive order that provides
15 for the imposition of sanctions.

16 (c) NATIONAL SECURITY WAIVER.—

17 (1) IN GENERAL.—The President may waive
18 the application of any sanction imposed with respect
19 to any person under subsection (a) if the President
20 determines and certifies to Congress that such a
21 waiver is important to the national security interests
22 of the United States.

23 (2) NOTIFICATION OF AND REPORT TO CON-
24 GRESS.—If the President decides to exercise the
25 waiver authority provided under paragraph (1), the

1 President shall, not less than 20 days before the
2 waiver takes effect, submit to Congress a report—

3 (A) notifying Congress of the decision to
4 exercise the waiver authority; and

5 (B) fully articulating the rationale and cir-
6 cumstances that led to the decision.

7 (d) TERMINATION OF SANCTIONS TO BE REPORTED
8 TO CONGRESS.—Not later than 20 days after the termi-
9 nation of any sanction under subsection (a), the President
10 shall promptly submit to Congress a report on that termi-
11 nation and the reasons for the termination.

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