

118TH CONGRESS
2D SESSION

S. 3945

To restrict the Chinese Government from accessing United States capital markets and exchanges if it fails to comply with international laws relating to finance, trade, and commerce.

IN THE SENATE OF THE UNITED STATES

MARCH 14, 2024

Mr. VANCE introduced the following bill; which was read twice and referred to the Committee on Banking, Housing, and Urban Affairs

A BILL

To restrict the Chinese Government from accessing United States capital markets and exchanges if it fails to comply with international laws relating to finance, trade, and commerce.

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. CONDITIONAL ACCESS FOR THE CHINESE GOV-**
4 **ERNMENT TO UNITED STATES CAPITAL MAR-**
5 **KETS AND EXCHANGES.**

6 (a) DEFINITIONS.—In this section:

7 (1) APPLICABLE LAWS.—The term “applicable
8 laws” means—

1 (A) the public international doctrine of
2 state succession, as it relates to international
3 norms and rules of finance, trade, and com-
4 merce, including the successor government doc-
5 trine with respect to sovereign debt;

6 (B) United States and foreign laws and
7 regulations governing transparency and disclo-
8 sures applicable to major capital markets, com-
9 modities markets, and exchanges; and

10 (C) international laws prohibiting the prac-
11 tice of exclusionary settlement, discriminatory
12 payments, and selective default.

13 (2) APPLICABLE UNITED STATES ENTITY.—The
14 term “applicable United States entity” means—

15 (A) a national securities exchange that is
16 registered in accordance with section 6 of the
17 Securities Exchange Act of 1934 (15 U.S.C.
18 78f);

19 (B) a broker or a dealer (as defined in the
20 Securities Act of 1933 (15 U.S.C. 77a et seq.)
21 or in the Securities Exchange Act of 1934 (15
22 U.S.C. 78a et seq.);

23 (C) an alternative trading system (as de-
24 fined in section 242.300 of title 17, Code of
25 Federal Regulations);

1 (D) an investment company (as defined in
2 section 3(a)(1) of the Investment Company Act
3 (15 U.S.C. 80a-3(a)(1));

4 (E) a commodity pool operator, a futures
5 commission merchant, an introducing broker, a
6 swap dealer, or a swap execution facility (as
7 such terms are defined in section 1a of the
8 Commodity Exchange Act (7 U.S.C. 1a)) or a
9 contract market designated pursuant to section
10 5 of such Act (7 U.S.C. 7);

11 (F) a national bank, a State bank, or a
12 savings association (as such terms are defined
13 in section 2 of the Federal Deposit Insurance
14 Act (12 U.S.C. 1813));

15 (G) a credit union, whether chartered
16 under the Federal Credit Union Act or under
17 State law;

18 (H) a real estate broker registered as such
19 under State law;

20 (I) a Federal, State, or local government
21 agency;

22 (J) a government-sponsored enterprise (as
23 defined in section 3(8) of the Congressional
24 Budget and Impoundment Control Act of 1974
25 (2 U.S.C. 622(8))); and

1 (K) any other entity authorized to accept
2 investments from, or engage in or effect trans-
3 actions on behalf of, the Government of the
4 People’s Republic of China or any commercial
5 entity under the control of such government
6 designated by the Secretary as an applicable
7 United States entity.

8 (b) IN GENERAL.—If the Secretary of the Treasury,
9 in consultation with the Committee on Foreign Investment
10 in the United States, determines that the Government of
11 the People’s Republic of China is not in compliance with
12 applicable laws relating to finance, trade, and commerce,
13 as specified in subsection (c) and including the successor
14 government doctrine with respect to sovereign debt, the
15 Secretary shall prohibit any applicable United States enti-
16 ty, including capital markets, bond markets, and ex-
17 changes, from accepting any new investment, or effecting
18 any transaction for others relating to a new investment,
19 from such government or any commercial entities under
20 the control of such government.

21 (c) SPECIFIED INTERNATIONAL LAWS.—The inter-
22 national laws specified in this subsection are—

23 (1) the public international doctrine of state
24 succession, as it relates to international norms and
25 rules of finance, trade, and commerce;

1 (2) the transparency and disclosure rules and
2 regulations applicable to major capital markets and
3 exchanges; and

4 (3) international laws prohibiting the practice
5 of exclusionary settlement, discriminatory payments,
6 and selective default.

○