

117TH CONGRESS
2D SESSION

S. 4757

To amend the Securities Exchange Act of 1934 to require national securities exchanges to identify issuers that are consolidated variable interest entities, and for other purposes.

IN THE SENATE OF THE UNITED STATES

AUGUST 3, 2022

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

A BILL

To amend the Securities Exchange Act of 1934 to require national securities exchanges to identify issuers that are consolidated variable interest entities, 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 “Trading and Investing
5 with Clear Knowledge and Expectations about Risk Act”
6 or the “TICKER Act”.

7 **SEC. 2. SENSE OF CONGRESS.**

8 It is the sense of Congress that—

1 (1) variable interest entities based in foreign ju-
2 risdictions, including the People’s Republic of China,
3 pose a specific and significant risk to investors in
4 the United States, including because investors that
5 purchase shares of those entities—

6 (A) have no equity or direct ownership in-
7 terest; and

8 (B) lack legal recourse; and

9 (2) investors in the United States should more
10 clearly be made aware of the risk described in para-
11 graph (1) in a transparent, easily accessible, and
12 standardized manner that is recognizable to all per-
13 sons that have invested, or seek to invest, in entities
14 that are described in that paragraph and are listed
15 on exchanges in the United States, such as through
16 clearly visible warning indicators on ticker symbols
17 and other company symbols used by those ex-
18 changes.

19 **SEC. 3. IDENTIFICATION OF RISK WITH RESPECT TO CER-**
20 **TAIN ENTITIES.**

21 (a) **DEFINITIONS.**—In this section—

22 (1) the terms “broker”, “dealer”, “exchange”,
23 and “security” have the meanings given those terms
24 in section 3(a) of the Securities Exchange Act of
25 1934 (15 U.S.C. 78c(a));

1 (2) the term “Commission” means the Securi-
2 ties and Exchange Commission;

3 (3) the term “covered entity” means a consoli-
4 dated variable interest entity;

5 (4) the term “national securities exchange”
6 means an exchange that is registered as a national
7 securities exchange pursuant to section 6 of the Se-
8 curities Exchange Act of 1934 (15 U.S.C. 78f), as
9 amended by subsection (b) of this section; and

10 (5) the term “variable interest entity” has the
11 meaning given the term under generally accepted ac-
12 counting principles.

13 (b) REQUIREMENTS.—

14 (1) NATIONAL SECURITIES EXCHANGES.—

15 (A) IN GENERAL.—Section 6(b) of the Se-
16 curities Exchange Act of 1934 (15 U.S.C.
17 78f(b)) is amended by adding at the end the
18 following:

19 “(11)(A) In this paragraph, the term ‘covered
20 entity’ has the meaning given the term in section
21 3(a) of the Trading and Investing with Clear Knowl-
22 edge and Expectations about Risk Act.

23 “(B) The rules of the exchange require the
24 identification of each covered entity, the securities of
25 which are listed on the exchange, as a covered entity

1 in the symbol for the covered entity used on the ex-
2 change.”.

3 (B) EFFECTIVE DATE; APPLICABILITY.—

4 The amendment made by subparagraph (A)
5 shall—

6 (i) take effect on the date that is 180
7 days after the date of enactment of this
8 Act; and

9 (ii) apply with respect to a covered en-
10 tity, the securities of which are listed on a
11 national securities exchange on or after the
12 date described in clause (i).

13 (2) BROKERS AND DEALERS.—Beginning not
14 later than 180 days after the date of enactment of
15 this Act, the Commission shall require brokers and
16 dealers to provide warnings to investors investing in
17 covered entities that those investors may lack legal
18 recourse with respect to such an investment.

○