

117TH CONGRESS  
2D SESSION

# H. R. 6650

To require issuers filing annual reports with the Securities and Exchange Commission to disclose whether the issuers have connections with the Chinese Communist Party, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 8, 2022

Ms. TENNEY (for herself, Mr. WEBER of Texas, Mr. GOHMERT, Mr. STEUBE, Mrs. MILLER of Illinois, Mr. JACKSON, Mr. BABIN, and Mrs. RODGERS of Washington) introduced the following bill; which was referred to the Committee on Financial Services

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## A BILL

To require issuers filing annual reports with the Securities and Exchange Commission to disclose whether the issuers have connections with the Chinese Communist Party, 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 “No Chinese Com-  
5       munist Subterfuge via Unregistered Regime Presence  
6       Rendered Invisible to Shareholders and Equivalent Parties

1 Act” or the “No Chinese Communist SURPRISE Parties  
2 Act”.

3 **SEC. 2. REPORTING REQUIREMENT.**

4 (a) DEFINITIONS.—In this section—

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

7 (2) the term “covered issuer” means an issuer,  
8 including a foreign private issuer, that is required to  
9 file annual reports with the Commission under sec-  
10 tion 13(a) of the Securities Exchange Act of 1934  
11 (15 U.S.C. 78m(a));

12 (3) the term “issuer” has the meaning given  
13 the term in section 3(a) of the Securities Exchange  
14 Act of 1934 (15 U.S.C. 78c(a));

15 (4) the term “joint venture partner”, with re-  
16 spect to a covered issuer, means—

17 (A) a joint venture in which the covered  
18 issuer, or a subsidiary with respect to the cov-  
19 ered issuer, is a party; or

20 (B) any other person that is a party in a  
21 joint venture described in subparagraph (A);  
22 and

23 (5) the term “subsidiary”, with respect to a  
24 covered issuer, means a wholly or partially owned  
25 subsidiary of the covered issuer.

1       (b) REQUIREMENT.—Each covered issuer, in each an-  
2 nual report that the covered issuer files with the Commis-  
3 sion (beginning with the second annual report that the  
4 covered issuer files with the Commission after the date  
5 of enactment of this Act), shall—

6           (1) disclose whether the covered issuer, or any  
7 subsidiary or joint venture partner with respect to  
8 the covered issuer, has established or maintained an  
9 organization of the Chinese Communist Party dur-  
10 ing the period covered by the report;

11          (2) if an organization of the Chinese Com-  
12 munist Party has participated in the operations of  
13 the covered issuer, or of any subsidiary or joint ven-  
14 ture partner with respect to the covered issuer, dur-  
15 ing the period covered by the report, summarize that  
16 participation; and

17          (3) disclose whether the board of directors of  
18 the covered issuer (or the equivalent body with re-  
19 spect to the covered issuer), under the laws of the  
20 jurisdiction in which the covered issuer is incor-  
21 porated or otherwise organized—

22           (A) owes a fiduciary duty to the covered  
23 issuer and shareholders of the covered issuer;  
24 and

1 (B) is subject to heightened scrutiny with  
2 respect to conflicted controller transactions.

3 (c) UPDATES TO RULES.—Not later than 1 year after  
4 the date of enactment of this Act, the Commission shall  
5 make any updates to the rules of the Commission that  
6 are necessary as a result of this section.

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