

118TH CONGRESS  
2D SESSION

**S.** \_\_\_\_\_

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.

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IN THE SENATE OF THE UNITED STATES

Mr. VANCE introduced the following bill; which was read twice and referred to the Committee on \_\_\_\_\_

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**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.