

118TH CONGRESS
1ST SESSION

S. 3476

To monitor United States investments in entities that are controlled by foreign adversaries, and for other purposes.

IN THE SENATE OF THE UNITED STATES

DECEMBER 12, 2023

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

A BILL

To monitor United States investments in entities that are controlled by foreign adversaries, 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 “American Investment
5 Accountability Act”.

6 **SEC. 2. REPORTING REQUIREMENTS.**

7 (a) DEFINITIONS.—In this section:

8 (1) APPROPRIATE CONGRESSIONAL COMMIT-
9 TEES.—The term “appropriate congressional com-
10 mittees” means—

1 (A) the Committee on Armed Services of
2 the Senate;

3 (B) the Committee on Banking, Housing,
4 and Urban Affairs of the Senate;

5 (C) the Committee on Finance of the Sen-
6 ate;

7 (D) the Committee on Foreign Relations of
8 the Senate;

9 (E) the Select Committee on Intelligence
10 of the Senate;

11 (F) the Committee on Armed Services of
12 the House of Representatives;

13 (G) the Committee on Financial Services
14 of the House of Representatives;

15 (H) the Committee on Foreign Affairs of
16 the House of Representatives;

17 (I) the Permanent Select Committee on In-
18 telligence of the House of Representatives; and

19 (J) the Committee on Ways and Means of
20 the House of Representatives.

21 (2) COUNTRY OF CONCERN.—The term “coun-
22 try of concern”—

23 (A) means a country the government of
24 which is a foreign adversary, as defined in sec-
25 tion 8(c)(2) of the Secure and Trusted Commu-

1 communications Networks Act of 2019 (47 U.S.C.
2 1607(c)(2)); and

3 (B) includes—

4 (i) the People’s Republic of China (in-
5 cluding the Special Administrative Regions
6 of the People’s Republic of China, includ-
7 ing Hong Kong and Macau);

8 (ii) the Russian Federation;

9 (iii) Iran;

10 (iv) North Korea;

11 (v) Cuba; and

12 (vi) Venezuela.

13 (3) COVERED UNITED STATES BUSINESS.—The
14 term “covered United States business” means any
15 entity that—

16 (A) is—

17 (i) a corporation, partnership, or
18 other association organized under the laws
19 of the United States or of any State, the
20 District of Columbia, or any common-
21 wealth, territory, or possession of the
22 United States; or

23 (ii) a foreign corporation, partnership,
24 or other association, not less than 25 per-
25 cent of the ownership interest in which is

1 held by United States citizens or entities
2 described in clause (i); and

3 (B) is not a small business concern (as de-
4 fined in section 3 of the Small Business Act (15
5 U.S.C. 632)).

6 (4) COVERED ENTITY.—The term “covered en-
7 tity” means any entity—

8 (A) that—

9 (i) has its headquarters or principal
10 place of business in a country of concern;

11 (ii) is organized under the laws of, or
12 otherwise subject to the jurisdiction of, a
13 country of concern;

14 (iii) is owned by the government of a
15 country of concern;

16 (iv) is under the direct or indirect
17 control of such a government;

18 (v) is subject to the influence of such
19 a government; or

20 (vi) is subject to intimidation by a
21 public official of such a government;

22 (B) not less than 25 percent of the owner-
23 ship interest in which is held, in the aggregate,
24 directly or indirectly, by not less than 1 enti-
25 ty—

1 (i) included on a sanctions list; or

2 (ii) owned or controlled by the govern-
3 ment of a country of concern;

4 (C) that has a subsidiary or parent organi-
5 zation that—

6 (i) has its headquarters or principal
7 place of business in a country of concern;

8 or

9 (ii) is organized under the laws of, or
10 otherwise subject to the jurisdiction of, a
11 country of concern; or

12 (D) that the Secretary of the Treasury
13 considers to have an interest in property or in-
14 terests in property of an entity in which not
15 less than 25 percent of the ownership interest
16 is held, in the aggregate, directly or indirectly,
17 by not less than 1 entity included on a sanc-
18 tions list.

19 (5) DIRECT INVESTMENT.—The term “direct
20 investment” has the meaning given that term in sec-
21 tion 3 of the International Investment and Trade in
22 Services Survey Act (22 U.S.C. 3102).

23 (6) OFFSHORE FINANCIAL CENTER.—The term
24 “offshore financial center” means any country, spe-
25 cial administrative region, territory, or jurisdiction

1 outside the United States that acts as an inter-
2 mediary for investments originating in the United
3 States and destined for countries of concern,
4 through which, on an annual basis—

5 (A) more than \$100,000,000 in direct in-
6 vestments in countries of concern or covered en-
7 tities are made; or

8 (B) more than \$500,000,000 in portfolio
9 investments in countries of concern or covered
10 entities are made.

11 (7) PORTFOLIO INVESTMENT.—The term “port-
12 folio investment” has the meaning given that term
13 in section 3 of the International Investment and
14 Trade in Services Survey Act (22 U.S.C. 3102).

15 (8) SANCTIONS LIST.—The term “sanctions
16 list” means—

17 (A) the Entity List maintained by the Bu-
18 reau of Industry and Security of the Depart-
19 ment of Commerce and set forth in Supplement
20 No. 4 to part 744 of title 15, Code of Federal
21 Regulations;

22 (B) the list of specially designated nation-
23 als and blocked persons maintained by the Of-
24 fice of Foreign Assets Control of the Depart-

1 ment of the Treasury (commonly known as the
2 “SDN list”);

3 (C) the list of foreign financial institutions
4 subject to correspondent account or payable-
5 through account sanctions maintained by the
6 Office of Foreign Assets Control (commonly
7 known as the “CAPTA List”);

8 (D) the list of persons operating in sectors
9 of the Russian economy identified by the Sec-
10 retary of the Treasury pursuant to Executive
11 Order 13662 (commonly known as the “Sec-
12 toral Sanctions Identifications List”); or

13 (E) the Non-SDN Chinese Military Indus-
14 trial Complex List maintained by the Office of
15 Foreign Assets Control.

16 (9) UNITED STATES.—The term “United
17 States” means the 50 States, the District of Colum-
18 bia, the Commonwealth of Puerto Rico, Guam, the
19 Virgin Islands, American Samoa, Wake Island, Mid-
20 way Islands, Kingman Reef, Johnston Atoll, the
21 Northern Mariana Islands, and any other territory
22 or possession of the United States.

23 (10) UNITED STATES PERSON.—The term
24 “United States person” has the meaning given that

1 term in section 3 of the International Investment
2 and Trade in Services Survey Act (22 U.S.C. 3102).

3 (b) REPORT BY SECRETARY OF COMMERCE.—Not
4 later than 1 year after the date of the enactment of this
5 Act, and every 90 days thereafter, the Secretary of Com-
6 merce shall submit to the appropriate congressional com-
7 mittees a report that identifies, for the period specified
8 in subsection (e)—

9 (1) the value of direct investments by United
10 States persons in countries of concern, which shall—

11 (A) be disaggregated by sector and by the
12 State in which the investment originated; and

13 (B) account for investment occurring
14 through offshore financial centers;

15 (2) the value of direct investments by United
16 States persons in covered entities, which shall—

17 (A) be disaggregated by sector; and

18 (B) account for investment occurring
19 through offshore financial centers; and

20 (3) the number of direct investments by United
21 States persons in countries of concern in excess of—

22 (A) \$5,000,000 in a single transaction; or

23 (B) \$10,000,000 in the aggregate.

24 (c) REPORT BY SECRETARY OF THE TREASURY.—

25 Not later than 1 year after the date of the enactment of

1 this Act, and every 90 days thereafter, the Secretary of
2 the Treasury shall submit to the appropriate congressional
3 committees a report that identifies, for the period specified
4 in subsection (e)—

5 (1) the value of portfolio investments by United
6 States persons in countries of concern, which shall—

7 (A) be disaggregated by sector and by the
8 State in which the investment originated; and

9 (B) account for investment occurring
10 through offshore financial centers;

11 (2) the value of portfolio investments by United
12 States persons in covered entities, which shall—

13 (A) be disaggregated by sector; and

14 (B) account for investment occurring
15 through offshore financial centers;

16 (3) the number of portfolio investments by
17 United States persons in countries of concern in ex-
18 cess of—

19 (A) \$10,000,000 in a single transaction; or

20 (B) \$25,000,000 in the aggregate; and

21 (4) the value of portfolio investments by United
22 States persons in initial offerings for sale to the
23 public of common equity securities of covered enti-
24 ties and secondary market trading in such securities.

1 (d) REPORT BY SECURITIES AND EXCHANGE COM-
2 MISSION.—Not later than 1 year after the date of the en-
3 actment of this Act, and every 90 days thereafter, the Se-
4 curities and Exchange Commission shall submit to the ap-
5 propriate congressional committees a report that, for the
6 period specified in subsection (e), identifies the following:

7 (1) Each instance in which a covered United
8 States business spun off a separate entity that sub-
9 sequently operated in a country of concern.

10 (2) Each joint venture entered into between a
11 covered United States business and a covered entity.

12 (3) Each instance in which a covered United
13 States business merged with, acquired, or was ac-
14 quired by a covered entity.

15 (4) Each instance in which the value of ex-
16 panded operations of a covered United States busi-
17 ness in a country of concern exceeds—

18 (A) \$5,000,000 in a single transaction; or

19 (B) \$10,000,000 in the aggregate.

20 (5) Each instance in which a covered United
21 States business made a direct investment in a coun-
22 try of concern.

23 (e) PERIOD SPECIFIED.—The period specified in this
24 subsection is—

1 (1) in the case of the first report required by
2 subsection (b), (c), or (d), the 1-year period pre-
3 ceding submission of the report; and

4 (2) in the case of any subsequent report re-
5 quired by any such subsection, the 90-day period
6 preceding submission of the report.

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