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

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

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.

Be it enacted by the Senate and House of Representa-tives of the United States of America in Congress assembled,

SECTION 1. CONDITIONAL ACCESS FOR THE CHINESE GOV-ERNMENT TO UNITED STATES CAPITAL MAR-KETS AND EXCHANGES.

(a) DEFINITIONS.—In this section:

(1) APPLICABLE LAWS.—The term “applicable laws” means—
(A) the public international doctrine of state succession, as it relates to international norms and rules of finance, trade, and commerce, including the successor government doctrine with respect to sovereign debt;

(B) United States and foreign laws and regulations governing transparency and disclosures applicable to major capital markets, commodities markets, and exchanges; and

(C) international laws prohibiting the practice of exclusionary settlement, discriminatory payments, and selective default.

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

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

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

(C) an alternative trading system (as defined in section 242.300 of title 17, Code of Federal Regulations);
(D) an investment company (as defined in section 3(a)(1) of the Investment Company Act (15 U.S.C. 80a–3(a)(1));

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

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

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

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

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

(J) a government-sponsored enterprise (as defined in section 3(8) of the Congressional Budget and Impoundment Control Act of 1974 (2 U.S.C. 622(8))); and
(K) any other entity authorized to accept investments from, or engage in or effect transactions on behalf of, the Government of the People’s Republic of China or any commercial entity under the control of such government designated by the Secretary as an applicable United States entity.

(b) IN GENERAL.—If the Secretary of the Treasury, in consultation with the Committee on Foreign Investment in the United States, determines that the Government of the People’s Republic of China is not in compliance with applicable laws relating to finance, trade, and commerce, as specified in subsection (c) and including the successor government doctrine with respect to sovereign debt, the Secretary shall prohibit any applicable United States entity, including capital markets, bond markets, and exchanges, from accepting any new investment, or effecting any transaction for others relating to a new investment, from such government or any commercial entities under the control of such government.

(c) SPECIFIED INTERNATIONAL LAWS.—The international laws specified in this subsection are—

(1) the public international doctrine of state succession, as it relates to international norms and rules of finance, trade, and commerce;
(2) the transparency and disclosure rules and regulations applicable to major capital markets and exchanges; and

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