

.....
(Original Signature of Member)

119TH CONGRESS
1ST SESSION

H. R.

To require the Secretary of the Treasury to include any entity identified as a Chinese military company on the Non-SDN Chinese Military-Industrial Complex Companies List.

IN THE HOUSE OF REPRESENTATIVES

Mr. PERRY introduced the following bill; which was referred to the Committee on _____

A BILL

To require the Secretary of the Treasury to include any entity identified as a Chinese military company on the Non-SDN Chinese Military-Industrial Complex Companies List.

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 “Divesting from Com-
5 munist China’s Military Act of 2025”.

6 SEC. 2. FINDINGS.

7 Congress makes the following findings:

(1) In Executive Order 13959 (50 U.S.C. 1701 note; relating to addressing the threat from securities investments that finance Communist Chinese Military Companies), President Donald J. Trump described the People's Republic of China's military-industrial complex by specifically citing the military-civil fusion strategy of the Government of the People's Republic of China, in which that Government "is increasingly exploiting United States capital to resource and to enable the development and modernization of its military, intelligence, and other security apparatuses . . . [k]ey to the development of the PRC's military, intelligence, and other security apparatuses is the country's large, ostensibly private economy".

16 (2) In Executive Order 14032 (50 U.S.C. 1701
17 note; relating to addressing the threat from securi-
18 ties investments that finance certain companies of
19 the People’s Republic of China), President Joseph
20 R. Biden reasserted those concerns and further
21 found that the use of Chinese surveillance tech-
22 nology outside the People’s Republic of China and
23 the development or use of Chinese surveillance tech-
24 nology to facilitate repression or serious human
25 rights abuse constitute unusual and extraordinary

1 threats, expanding the scope of the national emergency declared in Executive Order 13959.

3 (3) Section 1260H(g) of the William M. (Mac)
4 Thornberry National Defense Authorization Act for
5 Fiscal Year 2021 (Public Law 116–283; 10 U.S.C.
6 113 note) defines a “Chinese military company” as
7 “an entity that is—

8 “(i)(I) directly or indirectly owned by,
9 controlled by, or beneficially owned by, af-
10 filiated with, or in an official or unofficial
11 capacity acting as an agent of or on behalf
12 of, the People’s Liberation Army, Chinese
13 military and paramilitary elements, secu-
14 rity forces, police, law enforcement, border
15 control, the People’s Armed Police, the
16 Ministry of State Security (MSS), or any
17 other organization subordinate to the Cen-
18 tral Military Commission of the Chinese
19 Communist Party, the Chinese Ministry of
20 Industry and Information Technology
21 (MIIT), the State-Owned Assets Super-
22 vision and Administration Commission of
23 the State Council (SASAC), or the State
24 Administration of Science, Technology, and

(5) Section 805 of the National Defense Authorization Act for Fiscal Year 2024 (Public Law 118-31; 10 U.S.C. 4651 note prec.) imposed restrictions on purchases by the Department of Defense of goods and services produced or developed by Chinese military companies identified under section 1260H(g) of the William M. (Mac) Thornberry National Defense Authorization Act for Fiscal Year 2021 and entities subject to the control of such companies. Beginning June 30, 2026, the Department of Defense will be prohibited from executing new contracts with such companies and entities, and

1 starting June 30, 2027, the Department of Defense
2 will be prohibited from purchasing end products or
3 services produced or developed by such companies
4 and entities indirectly through third parties.

5 (6) As the Department of Defense prepares to
6 implement the procurement restrictions described in
7 paragraph (5), it is still possible for companies and
8 entities described in that paragraph to raise capital
9 by selling securities to investors that trade on
10 United States exchanges.

11 (7) In harmonizing enforcement approaches
12 across sanctions regimes of the United States Gov-
13 ernment, Congress can assist the President to en-
14 sure consistent treatment of entities posing national
15 security risks, thereby enhancing the effectiveness of
16 United States sanctions and investment restrictions.

17 **SEC. 3. INCLUSION OF CHINESE MILITARY COMPANIES ON**
18 **NON-SDN CHINESE MILITARY-INDUSTRIAL**
19 **COMPLEX COMPANIES LIST.**

20 (a) IN GENERAL.—Not later than 90 days after the
21 Secretary of Defense identifies an entity as a Chinese mili-
22 tary company operating directly or indirectly in the United
23 States under section 1260H of the William M. (Mac)
24 Thornberry National Defense Authorization Act for Fiscal
25 Year 2021 (Public Law 116–283; 10 U.S.C. 113 note),

1 the Secretary of the Treasury shall include that entity on
2 the Non-SDN Chinese Military-Industrial Complex Com-
3 panies List (commonly known as the “NS–CMIC List”)
4 if the entity is not already included on the NS–CMIC List.

5 (b) EFFECT OF INCLUSION.—

6 (1) IN GENERAL.—Except as provided by para-
7 graph (2), not later than 60 days after the inclusion
8 of an entity on the NS–CMIC List under subsection
9 (a), the prohibitions set forth in Executive Order
10 13959 shall apply with respect to the entity.

11 (2) DIVESTMENT PERIOD.—A United States
12 person may, during the one-year period beginning on
13 the date on which an entity is included on the NS–
14 CMIC List under subsection (a), purchase or sell
15 publicly traded securities issued by the entity solely
16 for the purpose of divesting, in whole or in part,
17 such securities.

18 (c) DEFINITIONS.—In this section:

19 (1) APPROPRIATE CONGRESSIONAL COMMIT-
20 TEES.—The term “appropriate congressional com-
21 mittees” means—

22 (A) the Committee on Banking, Housing,
23 and Urban Affairs of the Senate; and

24 (B) the Committee on Financial Services
25 of the House of Representatives.

10 (3) NON-SDN CHINESE MILITARY-INDUSTRIAL
11 COMPLEX COMPANIES LIST; NS-CMIC LIST.—The
12 terms “Non-SDN Chinese Military-Industrial Com-
13 plex Companies List” and “NS-CMIC List” mean
14 the list maintained by the Office of Foreign Assets
15 Control of the Department of the Treasury under
16 Executive Order 13959 or any successor order.

19 (A) any security (as defined in section 3(a)
20 of the Securities Exchange Act of 1934 (15
21 U.S.C. 78c(a))) denominated in any currency
22 that trades on a securities exchange, or through
23 the method of trading that is commonly re-
24 ferred to as “over-the-counter”, in any jurisdic-
25 tion; and

6 (A) any United States citizen or an alien
7 lawfully admitted for permanent residence to
8 the United States;

13 (C) any person in the United States.