

STATEMENTS & RELEASES

Text of a Letter to the Speaker of the House of Representatives and the President of the Senate

— NATIONAL SECURITY & DEFENSE

Issued on: January 13, 2021



Dear Madam Speaker: (Dear Mr. President:)

Pursuant to the International Emergency Economic Powers Act (50 U.S.C. 1701 *et seq.*) (IEEPA), the National Emergencies Act (50 U.S.C. 1601 *et seq.*), and section 301 of title 3, United States Code, I hereby report that I have issued an Executive Order taking further steps to deal with the threat posed by the People's Republic of China's (PRC) increasing exploitation of United States capital to resource and to enable the development and modernization of its military, intelligence, and other security apparatuses which continue to allow the PRC to directly threaten the United States homeland and United States forces overseas, including by developing and deploying weapons of mass destruction, advanced conventional weapons, and malicious cyber-enabled actions against the United States and its people.

Through the national strategy of Military-Civil Fusion, the PRC increases the size of the country's military-industrial complex by compelling civilian Chinese companies to support its military and intelligence activities. Those companies, though remaining ostensibly private and civilian, directly support the PRC's military, intelligence, and security apparatuses and aid in their development and modernization. At the same time, they raise capital by selling securities to United States investors that trade on public exchanges both here and abroad, lobbying United States index providers and funds to include these securities in market offerings, and engaging in other acts to ensure access to United States capital. In that way, the PRC exploits United States investors to finance the development and modernization of its military.

To deal with that threat, I signed Executive Order 13959 on November 12, 2020. Executive Order 13959 prohibits certain purchases involving publicly traded securities, or any securities that are derivative of, or are designed to provide investment exposure to such securities, of any Communist Chinese military company. Those companies are ones the Department of Defense has listed, or will list, pursuant to section 1237 of Public Law 105-261, as amended, or are identified as Communist Chinese military companies or their subsidiaries by the Secretary of the Treasury using similar criteria.

Today, I signed an Executive Order amending Executive Order 13959. The amendments prohibit certain sales as well as purchases of publicly traded securities, or any securities that are derivative of, or are designed to provide investment exposure to such securities, of any Communist Chinese military company. They also prohibit possession of such securities by United States persons 1 year after a company is determined to be a Communist Chinese military company. And, finally, they allow the Secretary of Defense publicly to list whether a company is a Communist Chinese military company using the criteria in section 1237(b)(4)(B) of Public Law 105-261, as amended by section 1233 of Public Law 106-398 and section 1222 of Public Law 108-375, regardless of whether the Secretary must report that determination under section 1237(b)(2).

I am enclosing a copy of the Executive Order I have issued.

Sincerely,

DONALD J. TRUMP