

Congress of the United States
Washington, DC 20510

December 2, 2025

The Honorable Paul S. Atkins
Chairman
U.S. Securities and Exchange Commission
100 F Street, NE
Washington, D.C. 20549

Dear Chairman Atkins:

In September, the Securities and Exchange Commission (SEC) announced the formation of a cross-border task force to identify and combat cross-border fraud harming U.S. investors¹. This is an important initiative, and we strongly support this first step in protecting America's financial exchanges from foreign malign influence.

It is no secret that the Chinese Communist Party (CCP) poses a significant threat to U.S. financial exchanges. Xi Jinping and the CCP have taken steps to harm the American economy and our way of life. For years, the U.S. Government has demonstrated concern with Chinese companies listed on U.S. Exchanges. These companies consistently fail to meet the requirements of our markets – misleading American investors and putting their investments, U.S. national security, and our economic security at risk. Despite these warnings, the Biden administration and SEC Chair Gensler consistently failed to delist foreign companies as required by the 2020 *Holding Foreign Companies Accountable Act (HFCAA)*. This law mandates that the SEC and the Public Company Accounting Oversight Board (PCAOB) delist foreign companies when the PCAOB is unable to inspect or investigate completely because of a position taken by an authority in the foreign jurisdiction. Despite the *HFCAA* being the law, the previous administration failed to step up and protect the American markets and investors from this threat.

As you work to delist the deceptive Chinese companies left untouched by the former administration, I am writing to express my support for any further congressional action necessary to fully delist and deregister Chinese companies on our exchanges.

¹ <https://www.sec.gov/newsroom/press-releases/2025-113-sec-announces-formation-cross-border-task-force-combat-fraud>

We must continue to address the threat of CCP-controlled companies on U.S. financial markets through deceptive practices, including small-cap “pump-and-dump” schemes² and the use of the Variable Interest Entity (VIE) structure to evade U.S. securities laws and proper oversight³.

The VIE structure allows Chinese companies to list on U.S. exchanges without providing investors with genuine equity ownership or enforceable shareholder rights. These arrangements mislead investors into thinking they receive equity, when in fact what they receive varies widely. Such practices are fundamentally dishonest and incompatible with our principles of transparency and investor protection.

Many foreign issuers are backed by or tied to the CCP, and they repeatedly lie to American investors by obscuring their ownership and manipulating valuations. This structure enabled by the CCP operates at the expense of American retail and institutional investors alike.⁴ Too often, when the fraud is exposed, U.S. shareholders are left with worthless securities while the CCP-backed perpetrators face no meaningful consequences. This situation undermines trust in our exchanges and puts our national security and the security of Americans’ investments at risk.

This must be stopped. A threat of this magnitude requires an all-hands-on-deck response to preserve the sanctity and trust of our markets and American investors. With these concerns in mind, I request a written response to the following:

- What additional authority does your agency need from Congress in order to hold these fraudulent companies accountable and combat foreign malign influence on our financial exchanges?
- Please provide a list of specific statutes or SEC regulatory authorities that need to be strengthened and/or replaced in order to sufficiently sanction, suspend, or delist foreign entities engaged in fraudulent practices.
- Does the SEC need stronger authorities under the *HFCAA* to ensure that bad-faith companies are properly identified, suspended from trading, and delisted?

² https://www.wsj.com/finance/regulation/obscure-chinese-stock-scams-dupe-american-investors-by-the-thousands-8416f795?mod=article_inline

³ https://www.cii.org/Files/publications/Behind-the-Veil-Risks-of-Chinese-Companies-and-the-VIE-Structure-Aug-2025.pdf?utm_source=Alert+List+%28includes+current%2C+almost-expired%2C+and+non-members%29&utm_campaign=4582e70af2-CII+Alert+-+Aug+28%2C+2025&utm_medium=email&utm_term=0_-ce574e2218-516321852

⁴ <https://www.rickscott.senate.gov/2025/5/sen-rick-scott-and-rep-moolenaar-lead-letter-to-sec-chairman-calling-for-delisting-of-ccp-linked-companies-on-u-s-stock-exchanges>

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We must ensure that no foreign company — especially those tied to our adversaries, like the CCP — can exploit our markets and tarnish the reputation of our financial system.

We look forward to working together to secure U.S. financial exchanges by closing these gaps, strengthening enforcement, and ensuring that every company listed on a U.S. exchange is safe for investment. Thank you for your efforts to secure the American marketplace.

Sincerely,



Rick Scott
Chairman
Senate Special Committee on Aging



John Moolenaar
Chairman
House Select Committee on the CCP