

Congress of the United States
Washington, DC 20510

July 16, 2026

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

Dear Chairman Atkins:

On June 8, 2026, the Department of War (DOW) released a revision to the statutorily required Section 1260H list of Chinese military companies operating directly or indirectly in the United States.¹ DOW's expansion of the 1260H list – adding 65 entities beyond last year's list – represents the most robust assessment of the threat posed by these companies to the U.S. These companies have no business trading on U.S. exchanges, and we respectfully urge the Commission to consider what actions within its existing authority might appropriately address the ability of these companies to access U.S. capital markets and raise funds that may support the People's Liberation Army's (PLA) modernization efforts.

The Securities and Exchange Commission (SEC) has broad oversight jurisdiction over American national exchanges by law and regulation. Section 23(a)² of the *Securities Exchange Act of 1934* (the “*Exchange Act*”) authorizes the SEC to make such rules and regulations as necessary or appropriate to implement the Act. Section 6(b)(5)³ of the *Exchange Act* further provides that the rules of a national securities exchange must be designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, and to protect investors and the public interest. Additionally, Section 12(k) authorizes the Commission to summarily suspend trading in any security for a period not to exceed 10 business days where it determines such action is in the public interest, and necessary for the protection of investors.⁴ Under the *Holding Foreign Companies Accountable Act* (as amended), the SEC can also suspend trading of securities of foreign companies that fail to meet the same regulatory and transparency standards required of U.S. companies.⁵

¹ This geographic limitation on who may be designated as a Chinese military company has been removed in the text of S. 4784, the National Defense Authorization Act for Fiscal Year 2027.

² <https://www.law.cornell.edu/uscode/text/15/78w>

³ <https://www.law.cornell.edu/uscode/text/15/78w>

⁴ See 15 U.S.C. § 78l(k)

⁵ <https://rickscott.senate.gov/services/files/25505230-2D11-49C2-B2BC-F936F9CB898C>

Accordingly, we encourage you to utilize your pre-existing authorities to initiate the following actions within 60 days of the postmarked date of this letter:

1). Initiate a Notice of Proposed Rulemaking (NPRM) to establish a ticker-level disclosure requirement for sanctioned issuers.

We would require U.S. national securities exchanges to append a standardized suffix or flag to the ticker symbol of any listed company within 30 days of that company's designation on any U.S. government sanctions list, including but not limited to the Section 1260H list of Chinese military companies. This designation should also be disclosed prominently in any *Exchange Act* periodic report (such as a Form 20-F or Form 6-K) filed with the Commission by the relevant issuer. Such a ticker-level flag would function analogously to existing exchange-assigned suffix codes that alert investors to material status changes, such as filing delinquencies or bankruptcy proceedings, and would provide investors with clear, visible notice of national security related designations.

The Chinese military companies to which this proposed rulemaking would apply include Alibaba Group (BABA, listed on the NYSE), Nio, Inc. ("NIO", listed on the NYSE), Baidu, Inc. (BIDU, listed on NASDAQ), and Hesai Group (HSAI, listed on NASDAQ). BYD Company and Tencent Holdings currently trade in U.S. markets through Over-the-Counter (OTC) American Depositary Receipts rather than direct exchange listings, and the Commission may wish to consider whether analogous disclosure requirements would be appropriate for OTC traded securities as well.

2). Utilize existing Section 12(k) authority to temporarily suspend trading upon sanctions designation.

Second, we request that the Commission temporarily suspend the trading of securities of any company headquartered in, or beneficially owned by an entity or government of, a foreign country of concern upon such company's addition to a sanctions list maintained by the U.S. government.⁶ A temporary ten business day suspension would provide the Commission with a reasonable opportunity to assess whether additional or more permanent action is warranted, while signaling to the market that designation carries consequences. Section 12(k) expressly vests the Commission with discretion to act in the public interest and in the protection of investors, and this measured application of that authority would seem well within that mandate.

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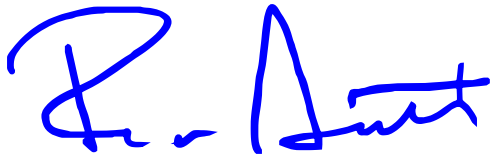
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July 14, 2026
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We respectfully request a written response by the close of business on **July 23, 2026**, indicating the Commission's assessment of and intentions with respect to these requests. Thank you for your consideration and for your service to the Commission.

Sincerely,

A handwritten signature in blue ink, appearing to read "Rick Scott", with a stylized, cursive script.

Rick Scott
United States Senator

A handwritten signature in blue ink, appearing to read "John Moolenaar", with a stylized, cursive script.

John R. Moolenaar
Member of Congress