

Congress of the United States

Washington, DC 20510

July 16, 2025

The Honorable Erica Y. Williams
Chairwoman
Public Company Accounting Oversight Board
1666 K Street NW, Suite 300,
Washington, D.C. 20006

Dear Chairwoman Williams:

We write today to request a briefing with your office regarding access to information and auditing standards for companies under the jurisdiction of China and its ruling Chinese Communist Party (CCP).

Upon its enactment in 2020, the Holding Foreign Companies Accountable Act (HFCAA)¹ impacted more than 200 Chinese companies listed on U.S. stock exchanges.² The HFCAA requires the Public Company Accounting Oversight Board (PCAOB) to determine whether “the Board³ is unable to inspect or investigate completely because of a position taken by an authority in the foreign jurisdiction ...”⁴ If the Board is unable to inspect or investigate completely, noncompliant companies must be delisted from our stock exchanges after two consecutive years.⁵ In August 2022, the PCAOB and Chinese regulators reached an agreement on information access within the People’s Republic of China for U.S.-listed companies.⁶ The agreement between Chinese securities regulators and the PCAOB allows the CCP government to withhold information from U.S. investors, which concerns us. The deal allows the CCP government to control access to CCP auditors and withhold certain categories of information. This arrangement gives us significant concern that American investors are not adequately protected.

When the PCAOB made the terms of this agreement public, Senator Scott immediately raised concerns in a letter to then-Securities and Exchange Commission (SEC) Chairman Gary

¹ U.S. SEC. & EXCH. COMM’N, *Holding Foreign Companies Accountable Act*, SEC Rules & Regulations (Dec. 1, 2021), <https://www.sec.gov/rules-regulations/holding-foreign-companies-accountable-act>.

² MORRISON & FOERSTER LLP, *Holding Foreign Companies Accountable Act Expected to Make U.S. Exchanges Less Hospitable to Chinese Companies* (Dec. 9, 2020),

<https://www.mofo.com/resources/insights/201208-holding-foreign-companies-accountable-act-chinese-companies>.

³ The term “Board” means the Public Company Accounting Oversight Board established under U.S. regulations. 15 U.S.C. § 7201(5) (2025).

⁴ Holding Foreign Companies Accountable Act, Pub. L. No. 116-222, § 2, 134 Stat. 967, 967–68 (2020), <https://www.govinfo.gov/content/pkg/PLAW-116publ222/pdf/PLAW-116publ222.pdf>.

⁵ U.S. SEC. & EXCH. COMM’N, *Holding Foreign Companies Accountable Act*, SEC Rules & Regulations (Dec. 1, 2021), <https://www.sec.gov/rules-regulations/holding-foreign-companies-accountable-act>.

⁶ PCAOB, *PCAOB Signs Agreement with Chinese Authorities, Taking First Step Toward Complete Access for PCAOB to Select, Inspect, and Investigate in China* (Aug. 26, 2022), <https://pcaobus.org/news-events/news-releases/news-release-detail/pcaob-signs-agreement-with-chinese-authorities-taking-first-step-toward-complete-access-for-pcaob-to-select-inspect-and-investigate-in-china>.

Gensler.⁷ The PCAOB and SEC never addressed these concerns and, to this day, Chinese companies continue to benefit from access to American investor capital through U.S. stock exchanges. In April of 2025,⁸ the Senate Special Committee on Aging and the House Select Committee on the CCP held a joint hearing to examine the CCP's exploitation of American retirees and its ongoing threat to our national security. In May 2025, we also sent you a letter highlighting the risks associated with China-based companies.⁹ In that letter, we highlighted how CCP-linked companies cannot operate independently from the state as a result of the 2017 National Intelligence Law, along with the 2020 requirement to participate in "United Front" work, requiring all firms to serve the CCP at all costs.¹⁰ That letter also highlighted that the CCP systemically concealed its control over Chinese firms from U.S. investors because Chinese law prohibits companies from making disclosures that "misrepresent or disparage" national policy, and the amended Counterespionage Law classifies information about military ties, state ownership, and party influence as national secrets.¹¹

Given this context, we request an urgent briefing from the SEC and the PCAOB to better understand the current agreement with Chinese securities regulators as well as its implications for U.S. investor protections. Thank you and we look forward to your prompt response. Should you have further questions, please contact the Select Committee staff at (202) 226-9678.

Sincerely,



John Moolenaar
Chairman
Select Committee on the CCP



Rick Scott
Chairman
Special Committee on Aging

⁷ Sen. Rick Scott, *Sen. Rick Scott to SEC Chairman: We Must Address Risks From Communist Chinese Companies Operating on U.S. Stock Exchanges* (Sept. 15, 2022), <https://www.rickscott.senate.gov/2022/9/sen-rick-scott-to-sec-chairman-we-must-address-risks-from-communist-chinese-companies-operating-on-u-s-stock-exchanges>.

⁸ U.S. Senate Special Committee on Aging & House Select Comm. on the CCP, Joint Hearing on "Financial Aggression: How the Chinese Communist Party Exploits American Retirees and Undermines National Security" (Apr. 9, 2025), <https://www.aging.senate.gov/hearings/financial-aggression-how-the-chinese-communist-party-exploits-american-retirees-and-undermines-national-security>.

⁹ House Select Comm. on the CCP, Letter to SEC Chairman Atkins (May 5, 2025) <https://selectcommitteeontheccp.house.gov/media/letters/sec-letter-chairman-atkins>.

¹⁰ *Id.*

¹¹ *Id.*