

United States Senate

May 30, 2024

The Honorable Gary Gensler
Chair
U.S. Securities and Exchange Commission
100 F Street NE
Washington, DC 20549

Dear Chair Gensler:

In November 2022, Zeekr, an electric vehicle brand owned by Chinese automaker Geely, filed with the Securities and Exchange Commission (SEC) to publicly list and trade on U.S. exchanges.¹ On Friday, May 10, 2024, Zeekr began trading publicly on the New York Stock Exchange (NYSE) under the ticker symbol "ZK".²

Zeekr is a subsidiary of Zhejiang Geely Holding Group, a Chinese conglomerate with close ties to the Chinese Communist Party (CCP).³ As you know, the CCP's ongoing authoritarian control over China's economy and companies raises significant risks for U.S. investors, which is why this listing is deeply concerning, both to the integrity and strength of U.S. capital markets as well as the protection of American investors.

Along with these issues come the concerns regarding supply chain and human rights abuses. Recently, a report from the U.S. Senate Finance Committee revealed that a number of auto companies have alarming ties to forced labor and human rights violations.⁴ With Zeekr being both a Chinese auto company and linked to the CCP, I have serious questions about how the SEC can be confident that Zeekr is not utilizing specific supply chains that rely on forced labor.

Further, I am concerned about the SEC's process in determining and adequately disclosing the extent of Zeekr's ties to the Communist China regime.

¹ https://www.sec.gov/Archives/edgar/data/1954042/000110465923116192/tm229938-14_f1.htm

² <https://www.bloomberg.com/news/articles/2024-05-10/zeekr-s-reduced-valuation-still-makes-a-splash-in-us-debut>

³ <https://zgh.com/our-brands/zeekr/?lang=en>

⁴ <https://www.finance.senate.gov/chairmans-news/automakers-shipped-cars-and-parts-made-by-chinese-company-banned-for-forced-labor-to-the-united-states-car-companies-are-failing-to-police-their-supply-chains-for-chinese-components-made-with-forced-labor-finance-committee-majority-staff-investigation-finds>

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This is why I introduced the *Securing American Financial Exchanges (SAFE) Act* (S.854 – 118th)⁵, which would require the SEC to implement specific disclosure requirements for Chinese-based companies seeking access into U.S.-based exchanges through Initial Public Offerings (IPOs). I also introduced the *Transaction and Sourcing Knowledge (TASK) Act* (S.864 – 118th)⁶, which would direct the SEC to disclose the sourcing and due diligence activities of all listed companies involving supply chains that are directly or indirectly linked to products and services utilizing forced labor from the Xinjiang region, as well as any transactions with companies that have been placed on the U.S. Department of Commerce’s Entity List or those designated by the U.S. Department of the Treasury as Chinese Military Industrial Complex Companies.

In light of Zeekr’s concerning ties with Communist China and its recent listing on the NYSE, I write to ask the following questions:

- How did the SEC ensure that Zeekr, or its parent company’s, supply chains is free from forced labor and human rights abuses when approving this IPO?
- How did the SEC determine that Zeekr, or its parent company, do not receive, from the Government of the People’s Republic of China, any financial support, including any direct subsidy, grant, loan, loan guarantee, tax concession or benefit with respect to procurement policy, or any other form of support? Please provide detailed documentation.
- How did the SEC determine that Zeekr, or its parent company, do not have any committees of the Chinese Communist Party established within its company, or any employees who have held a position with the Chinese Communist Party or the Government of the People’s Republic of China when approving this listing? Please provide detailed documentation.
- How did the SEC determine that Zeekr and its parent company do not, and have not, engaged in transactions with companies that have been placed on the U.S. Department of Commerce’s Entity List, those designated by the U.S. Department of the Treasury as Chinese Military Industrial Complex Companies and companies listed on the Department of Defense’s 1260H Chinese Military Companies List?
- What assurances did Zeekr provide the SEC that U.S. investors will have adequate legal recourse and protections if they suffer losses due to the company's actions or the actions of the Chinese government? Please provide detailed documentation.

I look forward to your timely response to these important questions. I hope you will join me in this fight to better protect and inform U.S. investors about Chinese

⁵ <https://www.congress.gov/118/bills/s854/BILLS-118s854is.pdf>

⁶ <https://www.rickscott.senate.gov/services/files/14A2C9E0-723E-4B6B-AB21-2FF1252EC49D>

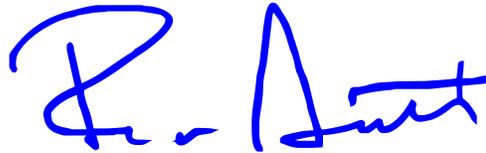
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companies like Zeekr. We must ensure our financial exchanges are not promoting US capital investment in companies with ties to countries that want to destroy America. This undermines not only our national security, but the integrity of U.S. capital markets as a whole.

Sincerely,

A handwritten signature in blue ink, appearing to read "Rick Scott". The signature is stylized with a large initial "R" and a prominent "S".

Rick Scott
United States Senator