

AMENDING EXECUTIVE ORDER 13959—ADDRESSING  
THE THREAT FROM SECURITIES INVESTMENTS  
THAT FINANCE COMMUNIST CHINESE MILITARY  
COMPANIES

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COMMUNICATION

FROM

**THE PRESIDENT OF THE UNITED STATES**

TRANSMITTING

AN EXECUTIVE ORDER THAT TAKES ADDITIONAL STEPS WITH RE-  
SPECT TO THE NATIONAL EMERGENCY DECLARED IN EXECU-  
TIVE ORDER 13959 OF NOVEMBER 12, 2020, PURSUANT TO 50  
U.S.C. 1703(b); PUBLIC LAW 95-223, SEC. 204(b); (91 STAT. 1627)  
AND 50 U.S.C. 1641(b); PUBLIC LAW 94-412, SEC. 401(b); (90 STAT.  
1257)



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THE WHITE HOUSE  
*Washington, January 13, 2021.*

Hon. NANCY PELOSI,  
*Speaker of the House of Representatives,*  
*Washington, DC.*

DEAR MADAM SPEAKER: 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.

## EXECUTIVE ORDER

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### AMENDING EXECUTIVE ORDER 13959—ADDRESSING THE THREAT FROM SECURITIES INVESTMENTS THAT FINANCE COMMUNIST CHINESE MILITARY COMPANIES

By the authority vested in me as President by the Constitution and the laws of the United States of America, including the International Emergency Economic Powers Act (50 U.S.C. 1701 et seq.), the National Emergencies Act (50 U.S.C. 1601 et seq.), and section 301 of title 3, United States Code,

I, DONALD J. TRUMP, President of the United States of America, in order to take additional steps with respect to the national emergency declared in Executive Order 13959 of November 12, 2020 (Addressing the Threat from Securities Investments that Finance Communist Chinese Military Companies), to address the threat posed by the People's Republic of China's military-industrial complex, hereby order as follows:

*Section 1.* Section 1(b) and (c) of Executive Order 13959 are amended to read as follows:

“(b) Notwithstanding subsection (a)(i) of this section, any transaction entered into on or before 11:59 p.m. eastern standard time on November 11, 2021, solely to divest, in whole or in part, from securities that any United States person held as of 9:30 a.m. eastern standard time on January 11, 2021, in a Communist Chinese military company as defined in section 4(a)(i) of this order, is permitted. Effective at 11:59 p.m. eastern standard time on November 11, 2021, possession of any such securities by a United States person is prohibited.

(c) Notwithstanding subsection (a)(ii) of this section, for a person determined to be a Communist Chinese military company pursuant to section 4(a)(ii) or (iii) of this order, any transaction entered into on or before 365 days from the date of such determination, solely to divest, in whole or in part, from 2 securities that any United States person held in such person, as of the date 60 days from the date of such determination, is permitted. Effective at 11:59 p.m. eastern standard time on the date 365 days after the date of such determination, possession of any such securities by a United States person is prohibited.”

*Sec. 2.* Subsections (a)(ii) and (iii) of section 4 of Executive Order 13959 are amended to read as follows:

“(ii) any person that the Secretary of Defense, in consultation with the Secretary of the Treasury, publicly lists as a Communist Chinese military company meeting 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, and that operates directly or indirectly in the United States or any

of its possessions, until such time as the Secretary of Defense removes such person from such list. This definition shall apply regardless of whether the Secretary of Defense must provide the report described in section 1237(b)(2) of Public Law 105–261, as amended by section 1233 of Public Law 106–398 and section 1222 of Public Law 108–375; or (iii) any person that the Secretary of the Treasury publicly lists as meeting the criteria described in section (a)(ii) of this section, or publicly lists as a subsidiary of a person already determined to be a Communist Chinese military company, until the Secretary of the Treasury determines that such person no longer meets that criteria and removes such person from such list.”

*Sec. 3.* Section 4(e) of Executive Order 13959 is amended to read as follows:

“(e) the term “transaction” means the purchase for value, or sale, of any publicly traded security; and”.

*Sec. 4. General Provisions.* (a) Nothing in this order shall be construed to impair or otherwise affect:

(i) the authority granted by law to an executive department or agency, or the head thereof; or (ii) the functions of the Director of the Office of Management and Budget relating to budgetary, administrative, or legislative proposals.

(b) This order shall be implemented consistent with applicable law and subject to the availability of appropriations.

(c) This order is not intended to, and does not, create any right or benefit, substantive or procedural, enforceable at law or in equity by any party against the United States, its departments, agencies, or entities, its officers, employees, or agents, or any other person.

DONALD J. TRUMP.

The White House, *January 13, 2021.*

