

119TH CONGRESS  
2D SESSION

**S.** \_\_\_\_\_

To require the Secretary of State to establish the Initiative on Foreign Investment Screening, and for other purposes.

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IN THE SENATE OF THE UNITED STATES

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Mr. KAINE introduced the following bill; which was read twice and referred to the Committee on \_\_\_\_\_

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## **A BILL**

To require the Secretary of State to establish the Initiative on Foreign Investment Screening, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Securing Partner Sup-  
5 ply Chains Act”.

6 **SEC. 2. INITIATIVE ON FOREIGN INVESTMENT SCREENING.**

7 (a) FINDINGS.—Congress finds the following:

8 (1) Foreign investment can be beneficial to eco-  
9 nomic growth, but also presents risks to national se-

1 security if critical infrastructure, sensitive technology,  
2 or supply chains are compromised.

3 (2) Many foreign countries lack robust regu-  
4 latory frameworks to screen foreign investments for  
5 national security risks.

6 (3) Strengthening investment screening mecha-  
7 nisms worldwide supports United States national se-  
8 curity by enhancing the resilience of allies and part-  
9 ner countries against malign foreign influence.

10 (4) The United States has expertise in invest-  
11 ment screening that can be leveraged to assist allies  
12 and partner countries.

13 (b) INITIATIVE ON FOREIGN INVESTMENT SCREEN-  
14 ING.—

15 (1) ESTABLISHMENT.—Not later than 180 days  
16 after the date of the enactment of this Act, the Sec-  
17 retary of State shall establish the Initiative on For-  
18 eign Investment Screening (in this section referred  
19 to as the “Initiative”).

20 (2) COORDINATION.—The Secretary shall co-  
21 ordinate with the heads of other United States Gov-  
22 ernment agencies, as appropriate, in the establish-  
23 ment and activities of the Initiative.

24 (3) DESIGNATED OFFICIAL.—The Secretary  
25 shall designate the Under Secretary for Economic

1 Affairs or a designee of the Under Secretary to lead  
2 the initiative.

3 (4) DUTIES.—The Initiative shall—

4 (A) provide technical assistance, training,  
5 and advisory services to foreign countries re-  
6 garding best practices for screening foreign in-  
7 vestments for national security risks to such  
8 countries;

9 (B) facilitate coordination among United  
10 States Government agencies, the private sector,  
11 partner countries, and civil society to promote  
12 security standards for foreign investment;

13 (C) support the development and imple-  
14 mentation of foreign investment screening  
15 mechanisms in partner countries through regu-  
16 latory guidance and information sharing;

17 (D) assess the progress of partner coun-  
18 tries in establishing robust foreign investment  
19 screening mechanisms; and

20 (E) conduct outreach and capacity-building  
21 efforts to enhance global awareness of the na-  
22 tional security risks of foreign investment.

23 (5) TERMINATION.—The Initiative shall termi-  
24 nate on the date that is 5 years after the date on

1       which the Initiative is established under paragraph  
2       (1).

3               (6) ANNUAL REPORT TO CONGRESS.—Not later  
4       than one year after the date of the enactment of this  
5       Act, and annually thereafter for 3 years, the Sec-  
6       retary shall submit to the appropriate congressional  
7       committees a report on the activities of the Initia-  
8       tive, including—

9               (A) a summary of technical assistance and  
10       training provided to foreign countries;

11              (B) an assessment of progress made by  
12       foreign countries in implementing foreign in-  
13       vestment screening mechanisms;

14              (C) an evaluation of emerging national se-  
15       curity risks related to foreign investment;

16              (D) recommendations for further United  
17       States engagement with foreign countries re-  
18       garding screening foreign investments for na-  
19       tional security risks to such countries; and

20              (E) for each country determined by the  
21       Secretary to be a partner country pursuant to  
22       subsection (c)(4)(C) during the year preceding  
23       submission of the report, a detailed description  
24       of the reasons for such determination.

25       (c) DEFINITIONS.—In this section:

1           (1) APPROPRIATE CONGRESSIONAL COMMIT-  
2           TEES.—The term “appropriate congressional com-  
3           mittees” means the following:

4                   (A) The Committee on Foreign Affairs of  
5                   the House of Representatives.

6                   (B) The Committee on Foreign Relations  
7                   of the Senate.

8           (2) FOREIGN INVESTMENT.—The term “foreign  
9           investment” means direct or indirect investment in  
10          the economy of a country by—

11                   (A) an individual who is not a citizen or  
12                   national of such country; or

13                   (B) an entity that is not organized under  
14                   the laws of such country or any jurisdiction  
15                   within such country.

16          (3) NATIONAL SECURITY RISK.—The term “na-  
17          tional security risk” means a risk related to critical  
18          infrastructure, sensitive technology, supply chain  
19          vulnerabilities, or malign foreign influence.

20          (4) PARTNER COUNTRY.—The term “partner  
21          country” means the following:

22                   (A) A country with which the United  
23                   States has in effect a bilateral or multilateral  
24                   free trade agreement.

1                   (B) A country with which the United  
2 States has in effect a treaty for mutual defense.

3                   (C) Any other country or jurisdiction, as  
4 determined by the Secretary.