

110TH CONGRESS
1ST SESSION

S. 2015

To increase the economic pressure on terror sponsoring states, and for other purposes.

IN THE SENATE OF THE UNITED STATES

AUGUST 3, 2007

Mr. KYL introduced the following bill; which was read twice and referred to the Committee on Banking, Housing, and Urban Affairs

A BILL

To increase the economic pressure on terror sponsoring states, 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 “Promoting Fully In-
5 formed Investment Decision Making Act of 2007”.

6 **SEC. 2. STATE SPONSOR OF TERRORISM DEFINED.**

7 In this Act, the term “state sponsor of terrorism”
8 means any country, the government of which has been de-
9 termined by the Secretary of State to have repeatedly pro-

1 vided support for acts of international terrorism pursuant
2 to—

3 (1) section 6(j)(1)(A) of the Export Administra-
4 tion Act of 1979 (50 U.S.C. App. 2405(j)(1)(A)) (or
5 any successor thereto);

6 (2) section 40(d) of the Arms Export Control
7 Act (22 U.S.C. 2780(d)); or

8 (3) section 620A(a) of the Foreign Assistance
9 Act of 1961 (22 U.S.C. 2371(a)).

10 **SEC. 3. SECURITIES AND EXCHANGE COMMISSION DISCLO-**
11 **SURE OF BUSINESS TIES TO STATE SPON-**
12 **SORS OF TERROR.**

13 (a) REQUIREMENT FOR A SECURITIES AND EX-
14 CHANGE COMMISSION REPORT.—Not later than 90 days
15 after the date of enactment of this Act and annually there-
16 after, the Securities and Exchange Commission (in this
17 Act referred to as the “Commission”) shall prepare and
18 submit to Congress a report on business activities carried
19 out with state sponsors of terrorism.

20 (b) CONTENT.—The report required by subsection
21 (a) shall include—

22 (1) a list of all persons required to make peri-
23 odic or other filings pursuant to section 13(a) or
24 15(d) of the Securities Exchange Act of 1934 (15
25 U.S.C. 78m(a), 78o(d)) that disclose in filings with

1 the Commission business activity in or with a coun-
2 try that is a state sponsor of terrorism, or an instru-
3 mentality of such a country;

4 (2) a description of such business activities car-
5 ried out by each person referred to in paragraph (1);

6 (3) the value of such activities carried out by
7 each person referred to in paragraph (1); and

8 (4) a description of the disclosure standard in
9 effect at the time at which the content of the report
10 was collected, if it has changed from the time of the
11 first or most recent report submitted pursuant to
12 subsection (a), and the criteria for persons to reg-
13 ister under section 12(g) of the Securities Exchange
14 Act of 1934 (15 U.S.C. 78l(g)).

15 (c) PUBLICATION OF DISCLOSURE DATA.—The Com-
16 mission shall make the report required by this section
17 available on its website in an easily accessible and search-
18 able format, and shall regularly update the information
19 on the website as new information becomes available to
20 the Commission.

21 (d) STRENGTHENING SECURITIES AND EXCHANGE
22 COMMISSION DISCLOSURE REQUIREMENT.—Not later
23 than 180 days after the date of enactment of this Act,
24 the Commission shall issue regulations to require disclo-
25 sure by all persons required to make periodic or other fil-

1 ings pursuant to section 13(a) or 15(d) of the Securities
2 Exchange Act of 1934 (15 U.S.C. 78m(a), 78o(d)) of busi-
3 ness activity in an amount equal to more than
4 \$20,000,000, either directly or through an affiliate, in or
5 with a country that is a state sponsor of terrorism, or an
6 instrumentality of such country.

7 **SEC. 4. GOVERNMENT ACCOUNTABILITY OFFICE REPORTS.**

8 (a) **EVALUATION OF SECURITIES AND EXCHANGE**
9 **COMMISSION REPORT.**—Not later than 90 days after the
10 date of delivery of the report of the Commission under
11 section 3, and annually thereafter, the Comptroller Gen-
12 eral of the United States shall prepare and submit to Con-
13 gress a report that evaluates the completeness of the re-
14 port of the Commission under section 3, to include—

15 (1) a list, in classified form, as necessary, of all
16 persons, including foreign persons, that are not in-
17 cluded in the report of the Commission under sec-
18 tion 3 that are identified by the intelligence commu-
19 nity (as that term is defined in section 3 of the Na-
20 tional Security Act of 1947 (50 U.S.C. 401a)), the
21 Secretary of Commerce, the Secretary of Defense,
22 the Secretary of Energy, the Secretary of State, the
23 Secretary of the Treasury, and other appropriate
24 governmental entities, as carrying out business ac-
25 tivities in or with a country that is a state sponsor

1 of terrorism, or an instrumentality of such a coun-
2 try;

3 (2) a list of all persons, including foreign per-
4 sons, that are not included in the report of the Com-
5 mission under section 3 that are identified by rel-
6 evant nongovernmental entities as carrying out busi-
7 ness activities in or with a country that is a state
8 sponsor of terrorism, or an instrumentality of such
9 a country; and

10 (3) a description of such business activities and
11 the value of such activities for all persons identified
12 in paragraphs (1) and (2).

13 (b) INVESTMENT REPORT.—Not later than 120 days
14 after the date of delivery of the report of the Commission
15 under section 3, and annually thereafter, the Comptroller
16 General of the United States shall prepare and submit to
17 Congress, a report—

18 (1) that contains the names of persons de-
19 scribed in section 3(b)(1) that are included in each
20 of the major investable financial market indices and
21 the holdings of the Federal Thrift Savings Plan of
22 the Federal Retirement Thrift Investment Board (in
23 this subsection referred to as the “TSP”), includ-
24 ing—

1 (A) the percentage of each such index and
2 TSP holdings comprised of such persons; and

3 (B) the dollar capitalization of each such
4 person;

5 (2) that contains, in classified form, as nec-
6 essary, the names of persons described in para-
7 graphs (1) and (2) of subsection (a) that are in-
8 cluded in each of the major investable financial mar-
9 ket indices and the holdings of the TSP, including—

10 (A) the percentage of each such index and
11 TSP holdings comprised of such persons; and

12 (B) the dollar capitalization of each such
13 person; and

14 (3) the unclassified portion of which is made
15 available on the website of the Government Account-
16 ability Office in an easily accessible and searchable
17 format.

18 (c) GOVERNMENT CONTRACTING REPORT.—Not
19 later than 120 days after the date of delivery of the report
20 of the Commission under section 3, and annually there-
21 after, the Comptroller General of the United States shall
22 prepare and submit to Congress, a report—

23 (1) that contains the names of the persons de-
24 scribed in section 3(b)(1), the nature of the activity,
25 and the value of United States Government active

1 contracting for the procurement of goods or services
2 with any such person;

3 (2) that contains, in classified form, as nec-
4 essary, the names of persons described in para-
5 graphs (1) and (2) of subsection (a), the nature of
6 the activity, and the value of United States Govern-
7 ment active contracting for the procurement of
8 goods or services with any such person; and

9 (3) the unclassified portion of which is made
10 available on the website of the Government Account-
11 ability Office in an easily accessible and searchable
12 format.

13 **SEC. 5. SENSE OF CONGRESS REGARDING ENCOURAGE-**
14 **MENT FOR FOREIGN EXCHANGES TO**
15 **STRENGTHEN DISCLOSURE REQUIREMENTS.**

16 It is the sense of the Congress that the United States
17 Trade Representative, the Chairman of the Commission,
18 the Secretary of State, and other relevant representatives
19 of the United States Government should encourage United
20 States allies to implement disclosure standards that are
21 similar to those required by this Act for the securities ex-
22 changes of those countries.

1 **SEC. 6. AUTHORIZATION FOR CERTAIN DIVESTMENT MEAS-**
2 **URES.**

3 (a) INVESTMENT COMPANY ACT OF 1940.—Section
4 13 of the Investment Company Act of 1940 (15 U.S.C.
5 80a–13) is amended by adding at the end the following:

6 “(c) SAFE HARBOR FOR CHANGES IN INVESTMENT
7 POLICIES.—

8 “(1) IN GENERAL.—Notwithstanding any other
9 provision of Federal or State law, no person may
10 bring any civil, criminal, or administrative action
11 against any registered investment company or per-
12 son providing services to such registered investment
13 company (including its investment adviser), or any
14 employee, officer, or director thereof, based solely
15 upon the investment company divesting from, or
16 avoiding investing in, securities issued by persons
17 that have business ties to a state sponsor of ter-
18 rorism.

19 “(2) DEFINITION.—For purposes of this sub-
20 section, the term ‘person’ includes the Federal Gov-
21 ernment and any State or political subdivision of a
22 State.”.

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