

# United States Senate

April 2, 2025

Mr. Paul Atkins  
Nominee for Chairman  
U.S. Securities and Exchange Commission  
100 F Street Northeast  
Washington, D.C. 20549

Dear Mr. Atkins:

I would first like to congratulate you on your nomination to lead the Securities and Exchange Commission (SEC). The SEC plays an important role in protecting our markets, American investors and their livelihoods, and I look forward to working with you and President Trump's administration to ensure the integrity of our markets.

For years, I have been sounding the alarm to prior SEC Chair Gary Gensler regarding the ongoing issues with Chinese companies listed on U.S. Exchanges. These companies consistently fail to meet the requirements of our markets - misleading American investors and putting their investments and U.S. national security and economic security at risk - and the Biden administration and SEC Chair Gensler consistently failed to enforce the Security and Exchange Commission's (SEC) accounting standards and disclosure requirements that are required by law.

In 2020, the Holding Foreign Companies Accountable Act (HFCAA) was signed into law, requiring the SEC and Public Company Accounting Oversight Board (PCAOB) to identify publicly listed foreign companies that regulators have been unable to inspect or investigate. This law specifies that if a foreign company is not in compliance with reporting requirements for two consecutive years, the SEC must prohibit the securities of the issuer from being traded on any U.S. exchange.<sup>1</sup>

According to recent reports<sup>2</sup>, Chinese companies listed on U.S. Exchanges continue to disregard SEC accounting standards and compliance deadlines required under the HFCAA. These standards are set to provide financial transparency and ensure every company listed on our exchanges is accurately disclosing the necessary business information needed to invest with prudence.

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<sup>1</sup> In December 2022, Congress amended the act to reduce the three-year period to two years.

<sup>2</sup> <https://www.wsj.com/opinion/sec-needs-to-hold-chinese-companies-accountable-investors-stock-exchanges-768157e0>

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The U.S.-China Economic and Security Review Commission (USCC) recently reported that there are currently 286 Chinese companies listed on U.S. Exchanges with a total market cap exceeding \$1 trillion. Since January 2024, 48 of these Chinese companies were newly listed on three of our U.S. Exchanges.<sup>3</sup> With such a large amount of capital invested in those foreign-domiciled companies, failing to enforce the accounting and disclosure standards required by the HFCAA poses potentially dire risks to U.S. investors.

The U.S. capital markets are the envy of the world, providing unparalleled access to funding for companies worldwide. However, this privilege comes with responsibilities, chief among them being transparency and adherence to our financial disclosure rules. It is alarming that Chinese companies continue to enjoy access to American capital while refusing to play by our rules.

The Biden-Harris administration's lack of enforcement of the HFCAA was deeply troubling and cannot continue. This inaction has effectively allowed Chinese companies to continue trading on U.S. Exchanges without making the necessary financial disclosures, potentially putting American investors at risk.

As you await Senate confirmation of your nomination to serve as the SEC Chairman, I seek your commitment to combat Chinese companies' defiance of these financial disclosure and reporting requirements, to fully enforce U.S. financial accounting standards for all companies listed on our exchanges, and to prioritize America's financial security.

Promoting the integrity of our financial markets must be one of your top priorities. American investors deserve protection, and all companies trading on our exchanges must be held to the same standards of transparency and accountability.

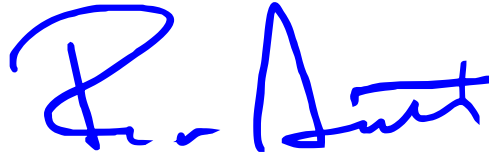
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<sup>3</sup> <https://www.uscc.gov/research/chinese-companies-listed-major-us-stock-exchanges>

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I appreciate your prompt attention to this issue. I welcome the opportunity to discuss your plans to fully enforce our laws to protect U.S. investors and our domestic financial markets following your confirmation.

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

cc: Acting U.S. Securities and Exchange Commission Chairman Mark Uyeda  
Public Company Accounting Oversight Board Chair Erica Williams