

Trump signs bill that could kick Chinese firms off U.S. stock exchanges

President Donald Trump on Friday signed legislation that would kick Chinese companies off U.S. stock exchanges unless they adhere to American auditing standards, the White House said, giving the Republican one more tool to threaten Beijing with before leaving office next month.

“The Holding Foreign Companies Accountable Act” bars securities of foreign companies from being listed on any U.S. exchange if they have failed to comply with the U.S. Public Accounting Oversight Board’s audits for three years in a row.

While it applies to companies from any country, the legislation’s sponsors intended it to target Chinese companies listed in the United States, such as Alibaba, tech firm Pinduoduo Inc and oil giant PetroChina Co Ltd.



Chinese national flag flutters against the office buildings at the Shanghai Bund (AP Photo/Andy Wong, File)

The legislation, like many others taking a harder line on Chinese businesses, had passed Congress by large margins earlier this year. Lawmakers - both Democrats and Trump’s fellow Republicans - echo the president’s hard line against Beijing, which became fiercer this year as Trump blamed China for the coronavirus ravaging the United States.

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The act would also require public companies to disclose whether they are owned or controlled by a foreign government.

Chinese officials have dismissed the measure as a discriminatory policy that politically oppresses Chinese firms.

Chinese authorities have long been reluctant to let overseas regulators inspect local accounting firms, citing national security concerns.

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