

119TH CONGRESS
1ST SESSION

H. R. 4775

To ensure small business concerns indirectly owned or controlled by certain foreign entities are ineligible to receive SBIR or STTR awards, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JULY 25, 2025

Mr. TRAN (for himself and Mr. BACON) introduced the following bill; which was referred to the Committee on Small Business, and in addition to the Committee on Science, Space, and Technology, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To ensure small business concerns indirectly owned or controlled by certain foreign entities are ineligible to receive SBIR or STTR awards, 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 “SBIR/STTR Foreign
5 Interference Safeguard Act”.

1 **SEC. 2. EXTENSION OF DUE DILIGENCE PROGRAM TO AS-**
 2 **SESS SECURITY RISKS.**

3 Section 9(vv)(3)(C) of the Small Business Act (15
 4 U.S.C. 638(vv)(3)(C)) is amended by striking “September
 5 30, 2025” and inserting “September 30, 2030”.

6 **SEC. 3. CODIFYING SAFEGUARDS FOR SMALL BUSINESS**
 7 **CONCERNS MAJORITY-OWNED BY VENTURE**
 8 **CAPITAL OPERATING COMPANIES, HEDGE**
 9 **FUNDS, OR PRIVATE EQUITY FIRMS.**

10 (a) IN GENERAL.—Section 9(dd) of the Small Busi-
 11 ness Act (15 U.S.C. 638(dd)) is amended—

12 (1) in paragraph (6)(B), by striking “If a Fed-
 13 eral” and inserting “Except as provided in para-
 14 graph (8), if a Federal”; and

15 (2) by adding at the end the following new
 16 paragraph:

17 “(8) PARTICIPATION LIMITS.—

18 “(A) IN GENERAL.—A small business con-
 19 cern that is majority-owned by multiple venture
 20 capital operating companies, hedge funds, or
 21 private equity firms is ineligible to receive an
 22 award under any SBIR program if the Admin-
 23 istrator determines that such small business
 24 concern is, or is owned and controlled in major-
 25 ity part by, a covered foreign entity.

1 “(B) OWNERSHIP DETERMINATION.—In
2 determining whether a small business concern is
3 ineligible to receive an award under any SBIR
4 program under subparagraph (A), the Adminis-
5 trator shall consider whether the small business
6 concern is a direct or indirect subsidiary of a
7 foreign-owned firm.

8 “(C) SIZE STANDARDS.—The Adminis-
9 trator shall establish size standards for small
10 business concerns seeking to participate in an
11 SBIR program solely under the authority under
12 this section.

13 “(D) DEFINITIONS.—In this paragraph:

14 “(i) COVERED FOREIGN ENTITY.—the
15 term ‘covered foreign entity’—

16 “(I) means—

17 “(aa) a foreign entity of
18 concern;

19 “(bb) a government or polit-
20 ical party of a foreign country of
21 concern;

22 “(cc) a natural person who
23 is not a lawful permanent resi-
24 dent of the United States, citizen
25 of the United States, or any

1 other protected individual (as
2 such term is defined in section
3 274B(a)(3) of the Immigration
4 and Nationality Act (8 U.S.C.
5 1324b(a)(3))); or

6 “(dd) a partnership, associa-
7 tion, corporation, organization, or
8 other combination of persons or-
9 ganized under the laws of or hav-
10 ing its principal place of business
11 in a foreign country of concern;
12 and

13 “(II) includes—

14 “(aa) any entity owned by,
15 controlled by, or subject to the
16 jurisdiction or direction of a an
17 entity listed in subclause (I);

18 “(bb) any person, wherever
19 located, who acts as an agent,
20 representative, or employee of an
21 entity listed in subclause (I);

22 “(cc) any person who acts in
23 any other capacity at the order,
24 request, or under the direction or
25 control, of an entity listed in sub-

1 clause (I), or of a person whose
2 activities are directly or indirectly
3 supervised, directed, controlled,
4 financed, or subsidized in whole
5 or in majority part by an entity
6 listed in subclause (I);

7 “(dd) any person who di-
8 rectly or indirectly through any
9 contract, arrangement, under-
10 standing, relationship, or other-
11 wise, owns 25 percent or more of
12 the equity interests of an entity
13 listed in subclause (I);

14 “(ee) any person with sig-
15 nificant responsibility to control,
16 manage, or direct an entity listed
17 in subclause (I);

18 “(ff) any person, wherever
19 located, who is a citizen or resi-
20 dent of a country controlled by
21 an entity listed in subclause (I);
22 or

23 “(gg) any corporation, part-
24 nership, association, or other or-
25 ganization organized under the

1 laws of a country controlled by
2 an entity listed in subclause (I).

3 “(ii) FOREIGN ENTITY OF CON-
4 CERN.—The term ‘foreign entity of con-
5 cern’ means a foreign entity that is—

6 “(I) designated as a foreign ter-
7 rorist organization by the Secretary of
8 State under section 219(a) of the Im-
9 migration and Nationality Act (8
10 U.S.C. 1189(a));

11 “(II) included on the list of spe-
12 cially designated nationals and
13 blocked persons maintained by the Of-
14 fice of Foreign Assets Control of the
15 Department of the Treasury (com-
16 monly known as the SDN list);

17 “(III) owned by, controlled by, or
18 subject to the jurisdiction or direction
19 of a government of a foreign country
20 that is a covered nation (as such term
21 is defined in section 4872 of title 10,
22 United States Code);

23 “(IV) alleged by the Attorney
24 General to have been involved in ac-

1 activities for which a conviction was ob-
2 tained under—

3 “(aa) chapter 37 of title 18,
4 United States Code (commonly
5 known as the Espionage Act);

6 “(bb) section 951 or 1030 of
7 such title;

8 “(cc) chapter 90 of such
9 title (commonly known as the
10 Economic Espionage Act of
11 1996);

12 “(dd) the Arms Export Con-
13 trol Act (22 U.S.C. 2751 et seq.);

14 “(ee) section 224, 225, 226,
15 227, or 236 of the Atomic En-
16 ergy Act of 1954 (42 U.S.C.
17 2274, 2275, 2276, 2277, and
18 2284);

19 “(ff) the Export Control Re-
20 form Act of 2018 (50 U.S.C.
21 4801 et seq.); or

22 “(gg) the International
23 Emergency Economic Powers Act
24 (50 U.S.C. 1701 et seq.); or

1 “(V) determined by the Secretary
2 of Commerce, in consultation with the
3 Secretary of Defense and the Director
4 of National Intelligence, to be engaged
5 in unauthorized conduct that is detri-
6 mental to the national security or for-
7 eign policy of the United States.”.

8 (b) APPLICABILITY.—The amendments made by sub-
9 section (a) shall apply only with respect to awards made
10 under an Small Business Innovation Research Program
11 (as defined in section 9(e) of the Small Business Act (15
12 U.S.C. 638(e))) after the date of the enactment of this
13 Act.

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