

119TH CONGRESS
1ST SESSION

S. 3562

To require the Securities and Exchange Commission to amend the rules of the Commission relating to disclosures by advisers of private funds, and for other purposes.

IN THE SENATE OF THE UNITED STATES

DECEMBER 18, 2025

Mr. SCOTT of Florida (for himself and Mr. FETTERMAN) introduced the following bill; which was read twice and referred to the Committee on Banking, Housing, and Urban Affairs

A BILL

To require the Securities and Exchange Commission to amend the rules of the Commission relating to disclosures by advisers of private funds, 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 “Disclosing Investments
5 in Foreign Adversaries Act of 2025”.

1 **SEC. 2. ENHANCED DISCLOSURE REQUIREMENTS FOR AD-**
 2 **VISERS OF PRIVATE FUNDS.**

3 Section 204 of the Investment Advisers Act of 1940
 4 (15 U.S.C. 80b–4) is amended by adding at the end the
 5 following:

6 “(g) ENHANCED DISCLOSURE REQUIREMENTS FOR
 7 ADVISERS OF PRIVATE FUNDS.—

8 “(1) DEFINITIONS.—In this subsection:

9 “(A) COUNTRY OF CONCERN.—The term
 10 ‘country of concern’—

11 “(i) has the meaning given the term
 12 ‘covered nation’ in section 4872(f) of title
 13 10, United States Code; and

14 “(ii) includes a jurisdiction that the
 15 Commission, in consultation with the Sec-
 16 retary of State and the Secretary of the
 17 Treasury, determines to be subject to the
 18 political and legal control of a covered na-
 19 tion, as defined in section 4872(f) of title
 20 10, United States Code.

21 “(B) COVERED INVESTMENT ADVISER.—
 22 The term ‘covered investment adviser’ means—

23 “(i) an investment adviser required to
 24 register with the Commission that, to-
 25 gether with all related persons, has at least

1 \$150,000,000 in private fund assets under
2 management; and

3 “(ii) an investment adviser relying on
4 the exemption from registration provided
5 under subsection (l) or (m) of section 203.

6 “(C) PRIVATE FUND ASSET.—With respect
7 to an investment adviser, the term ‘private fund
8 asset’ means an asset under management by
9 the investment adviser that is attributable to a
10 private fund.

11 “(D) RELATED PERSON.—The term ‘re-
12 lated person’ has the meaning given that term
13 in the form described in section 279.1 of title
14 17, Code of Federal Regulations, as in effect on
15 the date of enactment of this subsection.

16 “(2) REPORTING REQUIREMENTS.—

17 “(A) IN GENERAL.—Each covered invest-
18 ment adviser shall file an annual report with
19 the Commission stating the total private fund
20 assets in countries of concern attributable to
21 the private funds advised by the covered invest-
22 ment adviser, which shall be broken down by
23 the percentage of those assets in each country
24 of concern.

1 “(B) APPLICATION.—For the purposes of
2 subparagraph (A), the Commission shall deter-
3 mine whether a private fund asset is in a coun-
4 try of concern based on—

5 “(i) the amount of capital that is in-
6 vested in an entity (including a subsidiary
7 of an entity)—

8 “(I) that has a physical presence
9 or employees in that country of con-
10 cern; or

11 “(II) the plurality of the sales of
12 which are from that country of con-
13 cern; and

14 “(ii) the proportion of the total assets
15 and liabilities of an entity described in
16 clause (i) that are located in that country
17 of concern.

18 “(3) REPORTING BY COMMISSION.—

19 “(A) PUBLICLY AVAILABLE REPORTS.—
20 Not later than 1 year after the date of enact-
21 ment of this subsection, and not less frequently
22 than annually thereafter, the Commission shall
23 prepare and make publicly available a report
24 containing a list of covered investment advisers
25 that, for the period covered by the report, have

1 disclosed to the Commission more than 0 pri-
 2 vate fund assets in at least 1 country of con-
 3 cern.

4 “(B) ADDITIONAL REQUIREMENTS.—Each
 5 report prepared and made available by the
 6 Commission under subparagraph (A) shall—

7 “(i) be aggregated by a covered in-
 8 vestment adviser; and

9 “(ii) include the percentage of private
 10 fund assets disclosed by a covered invest-
 11 ment adviser, as applicable.”.

12 **SEC. 3. EXEMPTED TRANSACTIONS.**

13 The Securities Exchange Act of 1934 (15 U.S.C. 78a
 14 et seq.) is amended by inserting after section 13A (15
 15 U.S.C. 78m–1) the following:

16 **“SEC. 13B. DISCLOSURE REQUIREMENTS RELATING TO**
 17 **CERTAIN EXEMPTED TRANSACTIONS.**

18 “(a) DEFINITIONS.—In this section:

19 “(1) BENEFICIAL OWNER.—The term ‘bene-
 20 ficial owner’ means a person that is determined to
 21 be a beneficial owner under section 240.13d–3 of
 22 title 17, Code of Federal Regulations, or any suc-
 23 cessor regulation.

24 “(2) COUNTRY OF CONCERN.—The term ‘coun-
 25 try of concern’—

1 “(A) has the meaning given the term ‘cov-
 2 ered nation’ in section 4872(f) of title 10,
 3 United States Code; and

4 “(B) includes a jurisdiction that the Com-
 5 mission, in consultation with the Secretary of
 6 State and the Secretary of the Treasury, deter-
 7 mines to be subject to the political and legal
 8 control of a covered nation, as defined in sec-
 9 tion 4872(f) of title 10, United States Code.

10 “(3) COVERED EXEMPTED TRANSACTION.—The
 11 term ‘covered exempted transaction’ means an offer
 12 or sale of a security that is—

13 “(A) exempted under section 4 of the Se-
 14 curities Act of 1933 (15 U.S.C. 77d); and

15 “(B) structured or intended to comply
 16 with—

17 “(i) section 230.506(b) of title 17,
 18 Code of Federal regulations, or any suc-
 19 cessor regulation;

20 “(ii) sections 230.901, 230.902, and
 21 230.903 of title 17, Code of Federal Regu-
 22 lations, or any successor regulations; or

23 “(iii) section 230.144A of title 17,
 24 Code of Federal Regulations, or any suc-
 25 cessor regulation.

1 “(b) REQUIREMENT.—

2 “(1) IN GENERAL.—Notwithstanding any other
3 provision of law, in the case of an issuer that con-
4 ducts a covered exempted transaction described in
5 paragraph (2), that issuer shall provide to the Com-
6 mission, at such time and in such manner as the
7 Commission may prescribe, the following informa-
8 tion:

9 “(A) The identity of the issuer.

10 “(B) The place of incorporation of the
11 issuer.

12 “(C) Whether the issuer is associated with
13 at least 1 consolidated entity, the plurality of
14 the assets of which are in a country of concern.

15 “(D) Whether the issuer is associated with
16 at least 1 consolidated entity that is incor-
17 porated in a country of concern.

18 “(E) The amount of securities sold pursu-
19 ant to the covered exempted transaction and
20 the net proceeds to the issuer.

21 “(F) The beneficial owners of the issuer.

22 “(G) The intended use of the proceeds
23 from the covered exempted transaction, includ-
24 ing each country in which the issuer intends to
25 invest those proceeds, which shall be broken

1 down by the percentage of net proceeds by in-
2 dustry within each such country.

3 “(H) The exemption the issuer relies on
4 with respect to the covered exempted trans-
5 action.

6 “(2) PARTICULAR COVERED EXEMPTED TRANS-
7 ACTION DESCRIBED.—A covered exempted trans-
8 action described in this paragraph is, with respect to
9 the issuer offering or selling the security that is the
10 subject of the covered exempted transaction, either
11 of the following instances:

12 “(A) An offer or sale of securities in an
13 amount that is not less than \$25,000,000.

14 “(B) An offer or sale of a security such
15 that the offer or sale, together with all covered
16 exempted transactions by that issuer during the
17 1-year period preceding the date on which the
18 issuer offers or sells the security, constitutes of-
19 fers or sales in the aggregate of an amount that
20 is not less than \$50,000,000.

21 “(c) AUTHORITY TO REVISE AND PROMULGATE
22 RULES, REGULATIONS, AND FORMS.—The Commission
23 shall, for the protection of investors and fair and orderly
24 markets—

1 “(1) revise and issue such rules, regulations,
2 and forms as may be necessary to carry out this sec-
3 tion; and

4 “(2) issue rules to set conditions that limit the
5 future use of covered exempted transactions for
6 issuers that do not comply with the disclosure re-
7 quirements of this section.

8 “(d) APPLICABILITY.—This section shall apply with
9 respect to any covered exempted transaction that occurs
10 on or after the date that is 1 year after the date of enact-
11 ment of this section.

12 “(e) REPORTS.—The Commission shall, on a quar-
13 terly basis, prepare and make publicly available a report
14 that includes all information submitted by an issuer under
15 this section during the quarter covered by the report, if
16 that issuer—

17 “(1) is—

18 “(A) incorporated in a country of concern;

19 or

20 “(B) incorporated outside of a country of
21 concern and is associated with at least 1 con-
22 solidated entity—

23 “(i) the plurality of the assets of
24 which are in a country of concern; or

1 “(ii) that is incorporated in a country
2 of concern; or
3 “(2) discloses in a filing made pursuant to this
4 section that the issuer intends to invest the proceeds
5 from a covered exempted transaction in a country of
6 concern.”.

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