

WASHINGTON - U.S. Rep. Spencer Bachus (R-AL) today praised Sen. Fred Thompson of Tennessee for urging passage of legislation requiring greater disclosure of foreign companies that raise funds in American capital markets.

Bachus has introduced the U.S. Market Security Act, which strengthens reporting and disclosure requirements for all foreign governments and government-controlled entities seeking access to U.S. capital markets. The bill establishes an Office of National Security within the Securities and Exchange Commission (SEC) that will review and monitor all securities offered by foreign governments and by any entity the office believes is controlled by a foreign governmental unit.

In a speech on weapons proliferation this morning to the Heritage Foundation in Washington, D.C., Sen. Thompson said Congress should pass legislation to bring greater transparency to all foreign companies in our markets. "The SEC provides little information on these companies now, many of whom, in the case of China, are front companies," Thompson said. "We need to require more detailed information in prospectuses regarding the specific identity and activities of foreign government related firms applying for entry into our capital markets."

"Senator Thompson is right on target, and I'm glad to know he's an ally in this effort," said Bachus. "By strengthening disclosure and reporting requirements, we can greatly reduce the chances that Americans are unknowingly helping to finance the militaries and intelligence services of potential foreign adversaries. It would also give Congress a mechanism to deny companies or countries who engage in proliferation activities access to our markets."