

House _____ Amendment NO. _____

Offered By

1 AMEND Senate Substitute for Senate Bill No. 898, Page 1, Section A, Line 6, by inserting after all
2 of said section and line the following:

3
4 "1.2020. 1. This section shall be known and may be cited as the "Foreign Adversary
5 Divestment Act".

6 2. As used in this section, the following terms shall mean:

7 (1) "Official government capacity", any role, elected or appointed, in a government or its
8 subsidiaries;

9 (2) "Prohibited company", a company appearing on the sanctions list of the Office of
10 Foreign Assets Control;

11 (3) "State-managed fund", any short- or long-term investment structure that is state
12 managed, state run, state controlled, or otherwise overseen by the state of Missouri, a state agency,
13 or any political subdivision of this state, including any agency controlled by such political
14 subdivision, over or in which the state or political subdivision has primary discretion or vested
15 interest. "State-managed fund" shall include, but not be limited to public pension funds, public
16 retirement funds, or other state-sponsored funds that are sponsored, maintained, or contributed to or
17 required to be contributed to by the state of Missouri or any of its political subdivisions.

18 3. All state-managed funds shall be prohibited from holding investments in any prohibited
19 company.

20 4. (1) All state-managed funds are required to begin divestment of any holdings prohibited
21 in subsection 3 of this section, with total divestment achieved three years after the effective date of
22 this section.

23 (2) For purposes of this section, "total divestment" shall mean reducing the value of
24 prohibited investments to no more than five-hundredths of a percent of the market value of all assets
25 under management by a state-managed fund.

26 5. No later than one year after the effective date of this section, the state treasurer shall
27 identify all prohibited companies and include those companies in a list of restricted companies to be
28 distributed to each state-managed fund. In compiling the list, the state treasurer shall, at a
29 minimum:

Action Taken _____ Date _____

1 (1) Review and rely on publicly available information regarding all prohibited companies,
2 including information provided by nonprofit organizations, research firms, and government entities;

3 (2) Contact asset managers and fund managers contracted by a state-managed fund that
4 invests in all prohibited companies;

5 (3) Contact other institutional investors that have divested from or engaged with all
6 prohibited companies; and

7 (4) Retain an independent research firm to identify all prohibited companies.

8 6. Nothing in this section shall be construed to inhibit, conflict, impede, or otherwise
9 interfere with any required financial safeguards, fiduciary requirements, or other sound investment
10 criteria to which any state-managed fund is subject."; and

11
12 Further amend said bill by amending the title, enacting clause, and intersectional references
13 accordingly.