

## ALERTS

# White House Bans Trading in 31 Chinese Companies

**November 13, 2020**

On Nov. 12, 2020, President Donald Trump signed an Executive Order<sup>[1]</sup> that, effective Jan. 11, 2021, will impose a ban on trading by U.S. persons in the securities (and derivatives thereof) of 31 entities<sup>[2]</sup> deemed to be supporting the People's Liberation Army of China (each, a "Covered Company," a complete list of these companies is appended to this *Alert*). The Executive Order does not impose an immediate trading ban, and a temporary safe harbor is provided for divestment from Covered Companies.

## Timing and Effectiveness

The Executive Order's ban does not go into effect until early January. Furthermore, the Executive Order permits otherwise prohibited "purchases for value or sales," through Nov. 11, 2021, if made "solely to divest" (wholly or partially) from Covered Companies.

[Click here to read this \*Alert\*.](#)

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[1] See Executive Order on Addressing the Threat from Securities Investments that Finance Communist Chinese Military Companies (Nov. 12, 2020), available [here](#).

[2] See Qualifying Entities Prepared in Response to Section 1237 of the National Defense Authorization Act for Fiscal Year 1999 (PUBLIC LAW 105-261), Tranche 1, available [here](#); and Tranche 2, available [here](#).

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