

ALERT

Congress' Continued Focus on the Administration and Enforcement of FARA in the 119th Congress

March 10, 2025

On March 6, 2025, Senator Chuck Grassley (R-IA), Chairman of the Senate Judiciary Committee, and Senator Gary Peters (D-MI), Ranking Member of the Homeland Security and Governmental Affairs Committee, reintroduced the Lobbying Disclosure Improvement Act and the Disclosing Foreign Influence in Lobbying Act in the 119th Congress. In a bipartisan effort, Senators Grassley and Peters – who have led congressional efforts to reform the Foreign Agents Registration Act (FARA) and the Lobbying Disclosure Act (LDA) in the past – are joined by several additional co-signers including Senators John Cornyn (R-TX), Dick Durbin (D-IL), Maggie Hassan (D-NH), and Josh Hawley (R-MO).

Identical versions of the legislation were previously introduced in the prior two Congresses. Both the Lobbying Disclosure Improvement Act and the Disclosing Foreign Influence in Lobbying Act received a successful Senate floor vote in 2023 but failed to become law after not receiving consideration by the House of Representatives.

- The Lobbying Disclosure Improvement Act would create an additional registration requirement under the LDA, compelling registrants to indicate as part of their LDA filing whether they are availing themselves of the LDA exemption to FARA registration. This additional requirement would address the LDA exemption “loophole.” In short, the LDA exemption to FARA allows foreign agents that are engaged in political activity and are duly registered under the LDA to avail themselves of the LDA exemption to FARA registration, provided that the activity is not being undertaken on behalf of a foreign government/

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foreign political party, and it is not principally benefiting such entities. While this exemption has been routinely subject to criticism, to date, congressional efforts to remove, amend, or audit the exemption have proven unsuccessful.

- The Disclosing Foreign Influence in Lobbying Act would amend the LDA to require disclosure of foreign governments and/or foreign political parties participating in the direction, planning, supervision, or control of lobbying activities. This legislation is in response to the increasing trend of foreign governments and foreign political parties using organizations as proxies to promote their agendas in the United States. The proposed amendment would be in addition to the existing requirement that LDA registrants disclose any organization contributing more than \$5,000 in a quarterly period to fund the lobbying activities of the registrant.

Beyond these reform efforts, Congress has also been active on other FARA fronts. For instance, the House Transportation & Infrastructure Committee recently sent a letter to the EU ambassador to the United States raising concerns about the EU's lobbying efforts regarding the Jones Act after reviewing a FARA filing submitted by a U.S. media firm.

These recent developments demonstrate that Congress' focus on the administration and enforcement of FARA will likely continue in the 119th Congress. This includes through continued reform efforts as well as FARA-related congressional inquiries and subpoenas. For this reason, among others, FARA compliance should remain a priority for industry even if the threat of criminal prosecution related to FARA has decreased under the current Administration.

Wiley's FARA Handbook provides further information on FARA, the relationship between FARA and the LDA, and what may be on the horizon for FARA enforcement.

For more information on FARA, the LDA, and our related capabilities, please contact the attorney listed on this alert.

Zachary Roten, an International Trade Specialist at Wiley Rein LLP, contributed to this alert.