

ALERT

Recent Legislative Proposals Would Create Additional Reporting Requirements for Foreign Agents

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In recent weeks, several proposals to increase the reporting requirements for foreign agents have been introduced that would address perceived exemption “loopholes” in the Foreign Registration Act (FARA) and promote greater transparency with respect to think tanks that receive foreign funding. These proposals reflect continued bipartisan Congressional interest in enforcement and reform of FARA and other lobbying disclosure statutes.

Lobbying Disclosure Improvement Act

Senator Grassley (R-IA) and Senator Peters (D-MI) introduced the Lobbying Disclosure Improvement Act, which has been reported out of committee. Under FARA, foreign agents that are engaged in political activity and are duly registered under the LDA can avail themselves of the LDA exemption to FARA registration, provided that the activity is not being undertaken on behalf of a foreign government/foreign political party and it is not principally benefitting such entities. While the LDA exemption to FARA registration has been routinely subject to criticism for being improperly used be Congressional efforts to remove, amend, or even audit the exemption have thus far failed. To help address the LDA exemption “loophole,” this bill would create an additional registration requirement under the LDA that compels registrants to indicate as part of their LDA filing whether they are availing themselves of the LDA exemption to FARA registration.

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Practice Areas

Election Law & Government Ethics
Foreign Agents Registration Act (FARA)
National Security

PAID OFF Act

Senators Cornyn (R-TX), Whitehouse (D-RI), Hagerty (R-TN), Fischer (R-NE), and Rubio (R-FL) introduced the Preventing Adversary Influence, Disinformation and Obscured Foreign Financing Act (PAID OFF Act). Currently, foreign agents solely representing the *bona fide* trade or commercial interests of a foreign principal may be able to avail themselves of the trade/commerce exemption to FARA registration. As with the LDA exemption, the trade/commerce exemption has been subject to criticism for being subject to exploitation by foreign agents. If passed, the PAID OFF Act would amend FARA to remove both the trade/commerce and the LDA exemptions to FARA where a foreign principal is deemed to be a foreign adversary, which have been defined by executive order as China, Cuba, Iran, North Korea, Russia, and Venezuela.

Think Tank Transparency Act of 2022

This Act would require think tanks and nonprofits engaged in influencing U.S. policy or public opinion to disclose to the Department Of Justice (DOJ) funding received from and agreements signed with foreign principals. Specifically, within 90 days of receiving funds and or signing agreements with foreign principals, public policy nonprofits would be required to file disclosures to DOJ. The agency would then make those disclosures available in an online database similar to the publicly available database for FARA filings. Rep. Jack Bergman introduced the legislation in the House, and Senator Grassley introduced companion legislation in the Senate. The Act also contains enforcement provisions. For instance, the legislation provides that out-of-compliance entities will face a penalty of at least \$1000 per day and that DOJ may bring civil action to compel compliance.

Wiley attorneys routinely counsel clients to ensure full compliance with FARA and the LDA. Should you have any questions on such matters, please reach out to the author listed on this alert.