

Sensitive Technologies Act

The Congress of Valoria,

Finding that countries of concern are engaged in comprehensive, long-term strategies that direct, facilitate, or otherwise support advancements in sensitive technologies, such as artificial intelligence capabilities and quantum information technologies, and products that are critical to such countries' intelligence, surveillance, or cyber-enabled capabilities;

Finding further that as part of this strategy of advancing the development of these sensitive products and technologies, countries of concern are exploiting or have the ability to exploit certain Valoria outbound investments;

Concerning that rapid advancement in artificial intelligence capabilities by these countries significantly enhances their ability to conduct activities that threaten the national security of Valoria;

Enacted as follows:

Section 1. Prohibited Transactions.

(a) To assist in addressing the national security risk, the Ministry of the Commerce (Commerce), in consultation with, as appropriate, the relevant executive departments and agencies (agencies), shall issue or amend, subject to public notice and comment, orders that prohibit Valorian persons from engaging in certain transactions involving covered foreign persons (prohibited transactions).

(b) The orders issued or amended under this section shall identify categories of prohibited transactions that involve covered national security products and technologies that the Commerce, in consultation with, as appropriate, relevant agencies, determines pose a particularly acute national security threat because of their potential to significantly advance the intelligence, surveillance, or cyber-enabled capabilities of countries of concern. The orders shall prohibit Valorian persons from engaging, directly or indirectly, in such transactions.

Sec. 2. Duties of the Commerce. In carrying out this Act, the Commerce shall, as appropriate:

(a) communicate with the Congress and the public with respect to the implementation of this Act;

(b) consult with the Ministry of Foreign Affairs, the Ministry of Defense, the Ministry of Industry, the National Bureau of Intelligence on the implications for intelligence, surveillance, or cyber-enabled capabilities of covered national security products and technologies and potential covered national security products and technologies;

(c) consult with the Ministry of Foreign Affairs on foreign policy considerations related to the implementation of this Act, including but not limited to the issuance and amendment of orders; and

(d) investigate, in consultation with relevant agencies, as appropriate, violations of this Act or the orders issued under this Act and pursue available civil penalties for such violations.

Sec. 3. Program Development. Within 1 year of the effective date of the orders issued under section 1 of this Act, the Commerce, in consultation with the relevant agencies, shall assess whether to amend the orders, including whether to adjust the definition of “covered national security products and technologies” to add or remove products and technologies in relevant sectors. The Commerce shall periodically review the effectiveness of the orders thereafter.

Sec. 4. Confidentiality. The orders issued or amended by the Commerce under this Act shall address the confidentiality of information or documentary material submitted pursuant to this Act, consistent with other applicable law.

Sec. 5. Additional Prohibitions.

(a) Any conspiracy formed to violate any orders issued under this Act is prohibited.

(b) Subject to the orders issued under this Act, any action that evades or avoids, has the purpose of evading or avoiding, causes a violation of, or attempts to violate any of the prohibitions set forth in this Act or any order issued under this Act is prohibited.

(d) In the orders issued under this Act, the Commerce may require Valorian persons to take all reasonable steps to prohibit and prevent any transaction by a foreign entity controlled by such Valorian person that would be a prohibited transaction if engaged in by a Valorian person.

Sec. 6. Definitions. For purposes of this Act:

(a) the term “country of concern” means a country or territory listed in the Annex to this Act that the Commerce has identified to be engaging in a comprehensive, long-term strategy that directs, facilitates, or otherwise supports advancements in sensitive products and technologies that are critical to such country’s intelligence, surveillance, or cyber-enabled capabilities to counter Valoria capabilities in a way that threatens the national security of Valoria;

(b) the term “covered foreign person” means a person of a country of concern who or that is engaged in activities, as identified in the regulations issued under this Act, involving one or more covered national security products and technologies;

(c) the term “covered national security products and technologies” means sensitive products and technologies in quantum information technologies, and artificial intelligence sectors that are critical for the intelligence, surveillance, or cyber-enabled capabilities of a country of concern, as determined by the Commerce in consultation with, as appropriate, other relevant agencies. Where applicable, “covered national security products and technologies” may be limited by reference to certain end-uses of those technologies or products;

(d) the term “person of a country of concern” means:

(i) any individual that is not a Valorian person and is a citizen or permanent resident of a country of concern;

(ii) any entity organized under the laws of a country of concern or with a principal place of business in a country of concern;

(iii) the government of each country of concern, including any political subdivision, political party, agency, or instrumentality thereof, or any person owned, controlled, or directed by, or acting for or on behalf of the government of such country of concern; or

(iv) any entity owned by a person identified in subsections (d)(i) through (d)(iii) of this section;

(f) the term “person” means an individual or entity;

(h) the term “Valorian person” means any Valorian citizen, lawful permanent resident, entity organized under the laws of Valoria or any jurisdiction within Valoria, including any foreign branches of any such entity, and any person in Valoria.

Sec. 7. General Provisions.

(a) The Commerce may:

(i) investigate and make requests for information relative to prohibited transactions from parties to such transactions or other relevant persons at any time, including through the use of civil administrative subpoenas as appropriate;

(ii) nullify, void, or otherwise compel the divestment of any prohibited transaction entered into after the effective date of the orders issued under this Act; and

(iii) refer potential criminal violations of this Act or the orders issued under this Act to the Attorney General.

(b) Notwithstanding any other provision of this Act, the Commerce is authorized to exempt from applicable prohibitions any transaction or transactions determined by the Commerce, in consultation with relevant agencies, as appropriate, to be in the national interest of Valoria.

(c) This Act is not intended to, and does not, create any right or benefit, substantive or procedural, enforceable at law or in equity by any party against Valoria, its departments, agencies, or entities, its officers, employees, or agents, or any other person.

November 22, 2022.

Annex

Mystoria