

Presidential Documents

Title 3—

Order of March 6, 2020

The President

Regarding the Acquisition of StayNTouch, Inc. by Beijing Shiji Information Technology Co., Ltd.

By the authority vested in me as President by the Constitution and the laws of the United States of America, including section 721 of the Defense Production Act of 1950, as amended (section 721), 50 U.S.C. 4565, it is hereby ordered as follows:

Section 1. Findings. (a) There is credible evidence that leads me to believe that (1) Beijing Shiji Information Technology Co., Ltd., a public company organized under the laws of China, and (2) its wholly owned direct subsidiary Shiji (Hong Kong) Ltd., a Hong Kong limited company (together, the “Purchaser”), through acquiring an interest in StayNTouch, Inc. (“StayNTouch”), a Delaware corporation, might take action that threatens to impair the national security of the United States; and

(b) Provisions of law, other than section 721 and the International Emergency Economic Powers Act (50 U.S.C. 1701 *et seq.*), do not, in my judgment, provide adequate and appropriate authority for me to protect the national security in this matter.

Sec. 2. Actions Ordered and Authorized. On the basis of the findings set forth in section 1 of this order, considering the factors described in subsection 721(f) of the Defense Production Act of 1950, as appropriate, and pursuant to my authority under applicable law, including section 721, I hereby order that:

(a) The transaction resulting in the acquisition of StayNTouch by the Purchaser is hereby prohibited, and ownership by the Purchaser of any interest in StayNTouch and its assets, whether effected directly or indirectly through the Purchaser, or through the Purchaser’s shareholders, partners, subsidiaries, or affiliates, is also prohibited.

(b) In order to effectuate this order, not later than 120 days after the date of this order, unless such date is extended for a period not to exceed 90 days, on such written conditions as the Committee on Foreign Investment in the United States (CFIUS) may impose, the Purchaser shall divest all interests in:

(i) StayNTouch;

(ii) StayNTouch’s assets, intellectual property, technology, data (including customer data managed and stored by StayNTouch), personnel, and customer contracts; and

(iii) any operations developed, held, or controlled, whether directly or indirectly, by StayNTouch at the time of, or since, its acquisition.

Immediately upon divestment, the Purchaser shall certify in writing to CFIUS that such divestment has been effected in accordance with this order and that all steps necessary to fully and permanently abandon the transaction resulting in the acquisition of StayNTouch have been completed.

(c) Immediately from the date of this order until such time as the divestment has been completed and verified to the satisfaction of CFIUS, the Purchaser shall refrain from accessing, and shall ensure that any of its subsidiaries or affiliates refrain from accessing, hotel guest data through StayNTouch. Not later than 7 days after the date of this order, the Purchaser shall ensure that controls are in place to prevent any such data access

until such time as the divestment has been completed and verified to the satisfaction of CFIUS.

(d) The Purchaser shall not complete a sale or transfer under subsection 2(b) of this section to any third party:

(i) until the Purchaser notifies CFIUS in writing of the intended recipient or buyer; and

(ii) unless 10 business days have passed from the notification in subsection (d)(i) of this section and CFIUS has not issued an objection to the Purchaser.

Among the factors CFIUS may consider in reviewing the proposed sale or transfer are whether the buyer or transferee: is a United States citizen or is owned by United States citizens; has or has had a direct or indirect contractual, financial, familial, employment, or other close and continuous relationship with the Purchaser, or its officers, employees, or shareholders; and can demonstrate a willingness and ability to support compliance with this order. In addition, CFIUS may consider whether the proposed sale or transfer would threaten to impair the national security of the United States or undermine the purposes of this order.

(e) From the date of this order until the Purchaser provides a certification of divestment to CFIUS pursuant to subsection (b) of this section, the Purchaser and StayNTouch shall certify to CFIUS on a weekly basis that they are in compliance with this order and include a description of efforts to divest StayNTouch and a timeline for projected completion of remaining actions.

(f) Any transaction or other device entered into or employed for the purpose of, or with the effect of, evading or circumventing this order is prohibited.

(g) Without limitation on the exercise of authority by any agency under other provisions of law, and until such time as the divestment is completed and verified to the satisfaction of CFIUS, CFIUS is authorized to implement measures it deems necessary and appropriate to verify compliance with this order and to ensure that StayNTouch's operations are carried out in such a manner as to ensure protection of the national security interests of the United States. Such measures may include the following: on reasonable notice to the Purchaser and StayNTouch, employees of the United States Government, as designated by CFIUS, shall be permitted access, for purposes of verifying compliance with this order, to all premises and facilities of StayNTouch located in the United States:

(i) to inspect and copy any books, ledgers, accounts, correspondence, memoranda, and other records and documents in the possession or under the control of the Purchaser or StayNTouch that concern any matter relating to this order;

(ii) to inspect or audit any information systems, networks, hardware, software, data, communications, or property in the possession or under the control of the Purchaser or StayNTouch; and

(iii) to interview officers, employees, or agents of the Purchaser or StayNTouch concerning any matter relating to this order.

CFIUS shall conclude its verification procedures within 90 days after the certification of divestment is provided to CFIUS pursuant to subsection (b) of this section.

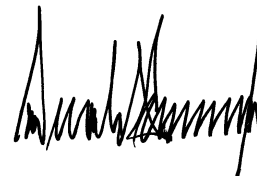
(h) If any provision of this order, or the application of any provision to any person or circumstances, is held to be invalid, the remainder of this order and the application of its other provisions to any other persons or circumstances shall not be affected thereby. If any provision of this order, or the application of any provision to any person or circumstances, is held to be invalid because of the lack of certain procedural requirements, the relevant executive branch officials shall implement those procedural requirements.

(i) The Attorney General is authorized to take any steps necessary to enforce this order.

Sec. 3. *Reservation.* I hereby reserve my authority to issue further orders with respect to the Purchaser and StayNTouch as shall in my judgment be necessary to protect the national security of the United States.

Sec. 4. *Publication and Transmittal.* (a) This order shall be published in the *Federal Register*.

(b) I hereby direct the Secretary of the Treasury to transmit a copy of this order to the appropriate parties named in section 1 of this order.



THE WHITE HOUSE,
March 6, 2020.