

Congress of the United States
Washington, DC 20515

May 3, 2023

The Honorable Gary Gensler
Chair
U.S. Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549

Mr. Robert Cook
President and CEO
Financial Industry Regulatory Authority
1735 K Street, NW
Washington, DC 20006

Dear Chair Gensler and Mr. Cook:

We write to convey our concerns regarding the continued operation of retail brokerage firms Webull Financial, LLC (Webull) and MooMoo, Inc. (MooMoo) in the United States. Webull and Moomoo are owned by Chinese companies with close ties to Chinese telecom giants Xiaomi and Tencent – both of which have reportedly aided the Chinese Communist Party in its efforts to surveil and suppress its citizens. As you are aware, Webull and Moomoo collect highly sensitive personal information from millions of their U.S. customers, including personally identifiable information (PII) such as Social Security numbers, mailing addresses, and financial account data. On July 29, 2022, Senators Tuberville, Cruz, Braun, Scott of Florida, and Marshall requested that the Securities and Exchange Commission (SEC) promptly investigate these firms to identify any activities or business practices that could put U.S. consumers at risk. We write today to once again call attention to the potential danger Webull and MooMoo pose to Americans' financial and information security, as well as request answers from the SEC on its work to mitigate that threat.

While the scope of the SEC's efforts to address the obvious risks these firms present to the American public and our capital markets remains unclear, it has recently come to our attention that Webull employs at least eight currently active Financial Industry Regulatory Authority (FINRA)-registered representatives who, according to FINRA's BrokerCheck database, are located in the People's Republic of China (PRC). As you know, FINRA-registered broker-dealers must comply with all SEC and FINRA rules, including requirements around recordkeeping and the supervision of registered representatives and associated persons. FINRA-registered broker-dealers must also comply with all SEC and FINRA examination and enforcement requests, including requests for documents and information.

In light of Beijing's increasingly strict privacy laws barring many Chinese companies from sharing data with Western regulators, the presence of Webull registered representatives in the PRC raises serious concerns regarding (1) Webull's ability to meet its supervisory obligations under SEC and FINRA rules; (2) the SEC's and FINRA's ability to oversee and examine Webull and its registered representatives and associated persons located in the PRC; (3) the adequacy of Webull's compliance with all SEC and FINRA recordkeeping requirements; (4) the ability of the SEC and FINRA to adequately enforce federal securities laws, including the ability to obtain documents and information from Webull employees located in the PRC; and (5) the potential for U.S. customer PII to be shared or exfiltrated to Webull employees or affiliated entities located in the PRC.

Allowing Chinese-owned broker-dealers with registered representatives located in the PRC to operate in the U.S. on a level playing field with U.S. brokerage firms appears to be entirely inconsistent with the more than decade-long, bipartisan effort carried out by Congress, the SEC, and the Public

Company Accounting Oversight Board (PCAOB) to obtain full access to the audit documents of U.S.-listed Chinese companies. As Chair Gensler recently explained, "if foreign issuers want access to our public capital markets, they must be on a level playing field with U.S. firms." It is past time that we hold Chinese-owned broker-dealers to the same standards.

Please provide answers to the following requests no later than May 31:

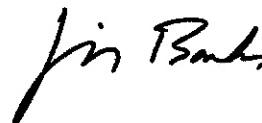
1. Describe all efforts the SEC and FINRA have undertaken regarding Webull's past and present compliance with all applicable SEC and FINRA rules, specifically related to any of its locations or registered representatives or associated persons in China, including but not limited to rules related to recordkeeping, supervision, and document collection and production in response to SEC and FINRA examination and enforcement requests.
2. Describe whether and how the SEC and FINRA review the cybersecurity, anti-money laundering (AML), and fraud/financial crimes programs and controls of registered broker-dealers such as Webull and MooMoo, particularly in light of heightened concerns about fraud and market manipulation emanating from the PRC.
3. Describe whether and how the SEC and FINRA directly examine Webull's locations and registered representatives or associated persons in the PRC. Please describe whether the SEC or FINRA have ever attempted to collect documents or information from a Webull location or registered representative or associated person in the PRC and the extent and nature of Webull's compliance or noncompliance with such requests.
4. FBI Director Chris Wray has stated that "China's laws allow its government to compel any Chinese company to provide any information it requests – including American citizens' data." Given this dynamic, please describe what actions the SEC and FINRA have taken to ensure that U.S. customer PII collected or maintained by Webull has not been and will never be shared or exfiltrated to entities or individuals located in the PRC.
5. Describe why you believe it is or is not appropriate for FINRA-registered broker-dealers to continue to employ registered representatives or associated persons located in the PRC given the associated national security, market integrity, and investor protection risks.

We appreciate your prompt attention to our concerns.

Sincerely,



Tommy Tuberville
United States Senator



Jim Banks
Member of Congress

CC: The Honorable Avril D. Haines, Director of National Intelligence
The Honorable Christopher A. Wray, Director of the Federal Bureau of Investigation