

United States Senate

WASHINGTON, DC 20510

July 29, 2022

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

Chairman Gensler,

Webull Financial, LLC (Webull) and Moomoo, Inc. (Moomoo) are two widely-used stock trading apps operating in the United States that are registered with the SEC and FINRA. It recently came to our attention that both of these firms are owned by Chinese companies and that their parent companies have close ties to Chinese telecom giants Xiaomi and Tencent, which have reportedly aided the Chinese Communist Party in its efforts to surveil and suppress its citizens.

According to Webull's own CEO, "Webull is both a U.S. and Chinese company," and Webull's "technology team is based in Hunan, China, while [its] customer-facing and brokerage operations are in New York City."^[i] In fact, Webull is wholly-owned by Chinese holding company Hunan Fumi Information Technology Company (Fumi Technology).^[ii] Fumi Technology was "incubated by mobile phone behemoth Xiaomi,"^[iii] and Xiaomi is reportedly the largest institutional shareholder of Fumi Technology (and thus Webull).^[iv] Xiaomi was among the companies temporarily included on the military blacklist by the Department of Defense in 2021 as a result of its ties to the Chinese government.^[v]

Moomoo is a wholly-owned subsidiary of Chinese technology company Futu Holdings, Ltd.^[vi] Futu Holdings is one of the Chinese issuers whose auditor the PCAOB cannot inspect and which will soon be delisted from U.S. exchanges.^[vii] Futu Holdings also has close ties to the Chinese technology company, Tencent. Tencent is the largest institutional shareholder of Futu Holdings, and three of Futu Holdings's five directors have worked at or currently work at Tencent, including Leaf Hua Li, the founder, chairman, and CEO of Futu Holdings.^[viii] According to media reports, Tencent has actively assisted the Chinese Communist Party in its efforts to spy on its people and operate its authoritarian regime.^[ix]

Webull and Moomoo collect highly sensitive personal information from their U.S. customers, including Social Security numbers, mailing addresses, and financial account data. We find it deeply concerning that the SEC and FINRA allow these companies to operate as registered broker-dealers in the United States and to freely collect and store personally identifiable information for millions of U.S. citizens. Accordingly, we request that the SEC open a formal investigation into the operations of both Webull and Moomoo to identify any activities or business practices that could put their U.S. customers at risk.

Instead of pursuing partisan rulemakings like the SEC's recent climate disclosure proposal, which will do nothing to protect investors, we urge you to focus Commission resources on fully implementing the Holding Foreign Companies Accountable Act and ensuring that U.S. investors are not put at risk by using broker-dealers owned by Chinese companies. Our national security and the financial well-being of U.S. investors depend on your efforts.

Sincerely,



Tommy Tuberville
United States Senator



Ted Cruz
United States Senator



Mike Braun
United States Senator



Rick Scott
United States Senator



Roger Marshall, M.D.
United States Senator

CC: The Honorable Avril D. Haines, Director of National Intelligence
Mr. Robert W. Cook, President and Chief Executive Officer, FINRA

^[ii] <https://thriveglobal.com/stories/5-things-i-wish-someone-told-me-before-i-became-the-ceo-of-webull-financial-with-anthony-denier/>

^[iii] <https://reports.adviserinfo.sec.gov/reports/ADV/304881/PDF/304881.pdf>

^[iiii] <https://www.yicai.com/news/xiaomi-fintech-unit-fumi-technology-closes-usd30-million-round-b-funding>

^[v] <https://www.bloomberg.com/news/articles/2020-12-08/robinhood-is-losing-thousands-of-day-traders-to-china-owned-webull>

^[vi] <https://www.defense.gov/News/Releases/Release/Article/2472464/dod-releases-list-of-additional-companies-in-accordance-with-section-1237-of-fy/>

^[vii] <https://www.moomoo.com/about>

^[viii] <https://pcaobus.org/oversight/international/denied-access-to-inspections>

^[ix] <https://ir.futuholdings.com/corporate/board-of-directors>

^[x] <https://www.wsj.com/articles/chinas-tech-giants-have-a-second-job-helping-the-government-see-everything-1512056284>