

# Union Calendar No. 236

118TH CONGRESS  
1ST SESSION

# H. R. 554

[Report No. 118-292]

To deter Chinese aggression towards Taiwan by requiring the Secretary of the Treasury to publish a report on financial institutions and accounts connected to senior officials of the People's Republic of China, to restrict financial services for certain immediate family of such officials, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

JANUARY 26, 2023

Mr. HILL (for himself and Mr. SHERMAN) introduced the following bill; which was referred to the Committee on Financial Services

DECEMBER 1, 2023

Additional sponsors: Mr. LAWLER, Ms. LEE of Nevada, Mr. RYAN, Mr. PAPPAS, Mrs. KIM of California, Ms. DE LA CRUZ, and Mrs. WAGNER

DECEMBER 1, 2023

Reported with an amendment, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed

[Strike out all after the enacting clause and insert the part printed in italic]

[For text of introduced bill, see copy of bill as introduced on January 26, 2023]

# **A BILL**

To deter Chinese aggression towards Taiwan by requiring the Secretary of the Treasury to publish a report on financial institutions and accounts connected to senior officials of the People's Republic of China, to restrict financial services for certain immediate family of such officials, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 *This Act may be cited as the “Taiwan Conflict Deter-*  
5 *rence Act of 2023”.*

6 **SEC. 2. REPORT ON FINANCIAL INSTITUTIONS AND AC-**  
7 **COUNTS CONNECTED TO CERTAIN CHINESE**  
8 **GOVERNMENT OFFICIALS.**

9 *(a) FINANCIAL INSTITUTIONS REPORT.—*

10 *(1) IN GENERAL.—Not later than 90 days after*  
11 *the date that the President, pursuant to section 3(c)*  
12 *of the Taiwan Relations Act (22 U.S.C. 3302(c)), in-*  
13 *forms the Congress of a threat resulting from actions*  
14 *of the People’s Republic of China and any danger to*  
15 *the interests of the United States arising therefrom,*  
16 *and annually thereafter for 3 years, the Secretary of*  
17 *the Treasury shall submit a report to the appropriate*  
18 *Members of Congress containing the following:*

19 *(A) With respect to each of at least 10 nat-*  
20 *ural persons described under subsection (b), at*  
21 *least 1 of whom is a natural person listed under*  
22 *paragraph (1) of such subsection (b) and at least*  
23 *1 of whom is a natural person listed under para-*  
24 *graph (2) of such subsection (b), the estimated*  
25 *total funds that are held in financial institutions*

1           *and are under direct or indirect control by such*  
2           *natural person and a description of such funds.*

3           *(B) A list of any financial institutions*  
4           *that—*

5                     *(i) maintain an account in connection*  
6                     *with significant funds described in subpara-*  
7                     *graph (A); or*

8                     *(ii) otherwise provide significant fi-*  
9                     *nancial services to a natural person covered*  
10                    *by the report.*

11           *(2) BRIEFING REQUIRED.—Not later than 30*  
12           *days after submitting a report described under para-*  
13           *graph (1), the Secretary of the Treasury, or a des-*  
14           *ignee of the Secretary, shall provide to the appro-*  
15           *priate Members of Congress an unclassified or classi-*  
16           *fied briefing (as determined appropriate by the Sec-*  
17           *retary) on the funds covered by the report, including*  
18           *a description of how the funds were acquired, and*  
19           *any illicit or corrupt means employed to acquire or*  
20           *use the funds.*

21           *(3) EXEMPTIONS.—The requirements described*  
22           *under paragraph (1) may not be applied with respect*  
23           *to a natural person or a financial institution, as the*  
24           *case may be, if the President determines:*

1           (A) *The funds described under paragraph*  
2 *(1)(A) were primarily acquired through legal*  
3 *and noncorrupt means.*

4           (B) *The natural person has agreed to pro-*  
5 *vide significant cooperation to the United States*  
6 *for an important national security purpose with*  
7 *respect to China.*

8           (C) *A financial institution has agreed to—*

9                   (i) *no longer maintain an account de-*  
10 *scribed under paragraph (1)(B)(i);*

11                   (ii) *no longer provide significant fi-*  
12 *nanacial services to a natural person covered*  
13 *by the report; or*

14                   (iii) *provide significant cooperation to*  
15 *the United States for an important national*  
16 *security purpose with respect to China.*

17           (4) *WAIVER.—The President may waive any re-*  
18 *quirement described under paragraph (1) with respect*  
19 *to a natural person or a financial institution upon*  
20 *reporting to the appropriate Members of Congress*  
21 *that—*

22                   (A) *the waiver would substantially promote*  
23 *the objective of ending the threat described under*  
24 *paragraph (1);*

1                   (B) the threat described under paragraph  
2                   (1) is no longer present; or

3                   (C) the waiver is essential to the national  
4                   security interests of the United States.

5           (b) *NATURAL PERSONS DESCRIBED.*—The natural  
6 persons described in this subsection are persons who, at the  
7 time of a report, are the following:

8                   (1) A member of the Politburo Standing Com-  
9                   mittee of the Chinese Communist Party.

10                   (2) A member of the Politburo of the Chinese  
11 Communist Party that is not described under para-  
12 graph (1).

13                   (3) A member of the Central Committee of the  
14 Chinese Communist Party that—

15                           (A) is none of the foregoing; and

16                           (B) performs any official duty that directly  
17                           or indirectly affects Taiwan.

18           (c) *FORM OF REPORTS; PUBLIC AVAILABILITY.*—

19                   (1) *FORM.*—The reports required under para-  
20 graphs (1) and (4) of subsection (a) shall be sub-  
21 mitted in unclassified form but may contain a classi-  
22 fied annex.

23                   (2) *PUBLIC AVAILABILITY.*—The Secretary of the  
24 Treasury shall make the unclassified portion of the re-  
25 port required under subsection (a)(1) available to the

1        *public on the website and social media accounts of the*  
2        *Department of the Treasury—*

3                *(A) in English, Chinese, and any other lan-*  
4                *guage that the Secretary finds appropriate; and*

5                *(B) in precompressed, easily downloadable*  
6                *versions that are made available in all appro-*  
7                *priate formats.*

8        **SEC. 3. PROHIBITION ON FINANCIAL SERVICES FOR CER-**  
9                **TAIN IMMEDIATE FAMILY.**

10        *(a) IN GENERAL.—The Secretary of the Treasury shall*  
11        *prohibit a United States financial institution, and any per-*  
12        *son owned or controlled by a United States financial insti-*  
13        *tution, from engaging in a significant transaction with—*

14                *(1) a natural person covered by a report made*  
15                *under section 2(a); and*

16                *(2) the immediate family of a person described*  
17                *under paragraph (1), if the Secretary finds that such*  
18                *immediate family benefits from funds described in the*  
19                *report.*

20        *(b) EXCEPTIONS.—*

21                *(1) EXCEPTION FOR INTELLIGENCE, LAW EN-*  
22                *FORCEMENT, AND NATIONAL SECURITY ACTIVITIES.—*  
23        *Subsection (a) shall not apply with respect to any in-*  
24        *telligence, law enforcement, or national security activ-*  
25        *ity of the United States.*

1           (2) *WAIVER.*—*The President may waive the ap-*  
2           *plication of subsection (a) with respect to a person*  
3           *upon reporting to the appropriate Members of Con-*  
4           *gress that—*

5                   (A) *the waiver would substantially promote*  
6                   *the objective of ending the threat described under*  
7                   *section 2(a)(1);*

8                   (B) *the threat described under section*  
9                   *2(a)(1) is no longer present; or*

10                  (C) *the waiver is essential to the national*  
11                  *security interests of the United States.*

12           (3) *FORM OF REPORTS.*—*The reports required*  
13           *under paragraph (2) shall be submitted in unclassi-*  
14           *fied form but may contain a classified annex.*

15           (4) *RULE OF CONSTRUCTION.*—

16                   (A) *IN GENERAL.*—*Nothing in this section*  
17                   *shall be construed as authorizing or requiring*  
18                   *any sanction with respect to the importation of*  
19                   *any good.*

20                   (B) *GOOD DEFINED.*—*In this paragraph,*  
21                   *the term “good” means any article, natural or*  
22                   *manmade substance, material, supply or manu-*  
23                   *factured product, including inspection and test*  
24                   *equipment, and excluding technical data.*

25           (c) *IMPLEMENTATION; PENALTIES.*—



1           (1) *IMPLEMENTATION.*—*The President may exer-*  
2           *cise all authorities provided to the President under*  
3           *sections 203 and 205 of the International Emergency*  
4           *Economic Powers Act (50 U.S.C. 1702 and 1704) to*  
5           *carry out this section. Not later than 60 days after*  
6           *issuing a license pursuant to this section, the Presi-*  
7           *dent shall submit a copy of the license to the appro-*  
8           *priate Members of Congress.*

9           (2) *PENALTIES.*—*A person that violates, at-*  
10          *tempts to violate, conspires to violate, or causes a vio-*  
11          *lation of this section or any regulation, license, or*  
12          *order issued to carry out this section shall be subject*  
13          *to the penalties set forth in subsections (b) and (c) of*  
14          *section 206 of the International Emergency Economic*  
15          *Powers Act (50 U.S.C. 1705) to the same extent as a*  
16          *person that commits an unlawful act described in*  
17          *subsection (a) of that section 206.*

18          (d) *TERMINATION.*—*This section shall have no force or*  
19          *effect on the earlier of—*

20                 (1) *the date that is 30 days after the date that*  
21                 *the President reports to the appropriate Members of*  
22                 *Congress that the threat described under section*  
23                 *2(a)(1) is no longer present; or*

1           (2) *the date that is 25 years after the date that*  
2           *the Secretary of the Treasury submits the final report*  
3           *required under section 2(a)(1).*

4 **SEC. 4. DEFINITIONS.**

5           *For purposes of this Act:*

6           (1) *APPROPRIATE MEMBERS OF CONGRESS.*—*The*  
7           *term “appropriate Members of Congress” means the*  
8           *Speaker and minority leader of the House of Rep-*  
9           *resentatives, the majority leader and minority leader*  
10           *of the Senate, the Chairman and Ranking Member of*  
11           *the Committee on Financial Services of the House of*  
12           *Representatives, and the Chairman and Ranking*  
13           *Member of the Committee on Banking, Housing, and*  
14           *Urban Affairs of the Senate.*

15           (2) *FINANCIAL INSTITUTION.*—*The term “finan-*  
16           *cial institution” means a United States financial in-*  
17           *stitution or a foreign financial institution.*

18           (3) *FOREIGN FINANCIAL INSTITUTION.*—*The term*  
19           *“foreign financial institution” has the meaning given*  
20           *that term in section 561.308 of title 31, Code of Fed-*  
21           *eral Regulations.*

22           (4) *FUNDS.*—*The term “funds” has the meaning*  
23           *given to such term by the Secretary of the Treasury.*

1           (5) *IMMEDIATE FAMILY.*—*The term “immediate*  
2 *family” of any natural person means the following*  
3 *(whether by the full or half blood or by adoption):*

4                   (A) *Such person’s spouse, father, mother,*  
5 *children, brothers, sisters, and grandchildren.*

6                   (B) *The father, mother, brothers, and sisters*  
7 *of such person’s spouse.*

8                   (C) *The spouse of a child, brother, or sister*  
9 *of such person.*

10           (6) *UNITED STATES FINANCIAL INSTITUTION.*—  
11 *The term “United States financial institution” has*  
12 *the meaning given the term “U.S. financial institu-*  
13 *tion” under section 561.309 of title 31, Code of Fed-*  
14 *eral Regulations.*

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118<sup>TH</sup> CONGRESS  
1<sup>ST</sup> Session

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## **A BILL**

To deter Chinese aggression towards Taiwan by requiring the Secretary of the Treasury to publish a report on financial institutions and accounts connected to senior officials of the People's Republic of China, to restrict financial services for certain immediate family of such officials, and for other purposes.

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