

One Hundred Sixteenth Congress
of the
United States of America

AT THE SECOND SESSION

*Begun and held at the City of Washington on Friday,
the third day of January, two thousand and twenty*

An Act

To impose sanctions with respect to foreign persons involved in the erosion of certain obligations of China with respect to Hong Kong, and for other purposes.

*Be it enacted by the Senate and House of Representatives of
the United States of America in Congress assembled,*

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the “Hong Kong
Autonomy Act”.

(b) TABLE OF CONTENTS.—The table of contents for this Act
is as follows:

- Sec. 1. Short title; table of contents.
- Sec. 2. Definitions.
- Sec. 3. Findings.
- Sec. 4. Sense of Congress regarding Hong Kong.
- Sec. 5. Identification of foreign persons involved in the erosion of the obligations of
China under the Joint Declaration or the Basic Law and foreign finan-
cial institutions that conduct significant transactions with those per-
sons.
- Sec. 6. Sanctions with respect to foreign persons that contravene the obligations of
China under the Joint Declaration or the Basic Law.
- Sec. 7. Sanctions with respect to foreign financial institutions that conduct signifi-
cant transactions with foreign persons that contravene the obligations
of China under the Joint Declaration or the Basic Law.
- Sec. 8. Waiver, termination, exceptions, and congressional review process.
- Sec. 9. Implementation; penalties.
- Sec. 10. Rule of construction.

SEC. 2. DEFINITIONS.

In this Act:

(1) ALIEN; NATIONAL; NATIONAL OF THE UNITED STATES.—
The terms “alien”, “national”, and “national of the United
States” have the meanings given those terms in section 101
of the Immigration and Nationality Act (8 U.S.C. 1101).

(2) APPROPRIATE CONGRESSIONAL COMMITTEES AND LEADER-
SHIP.—The term “appropriate congressional committees and
leadership” means—

(A) the Committee on Armed Services, the Committee
on Banking, Housing, and Urban Affairs, the Committee
on Foreign Relations, the Committee on Homeland Security
and Governmental Affairs, the Committee on the Judiciary,
the Select Committee on Intelligence, and the majority
leader and the minority leader of the Senate; and

(B) the Committee on Armed Services, the Committee
on Financial Services, the Committee on Foreign Affairs,
the Committee on Homeland Security, the Committee on

the Judiciary, the Permanent Select Committee on Intelligence, and the Speaker and the minority leader of the House of Representatives.

(3) BASIC LAW.—The term “Basic Law” means the Basic Law of the Hong Kong Special Administrative Region of the People’s Republic of China.

(4) CHINA.—The term “China” means the People’s Republic of China.

(5) ENTITY.—The term “entity” means a partnership, joint venture, association, corporation, organization, network, group, or subgroup, or any other form of business collaboration.

(6) FINANCIAL INSTITUTION.—The term “financial institution” means a financial institution specified in section 5312(a)(2) of title 31, United States Code.

(7) HONG KONG.—The term “Hong Kong” means the Hong Kong Special Administrative Region of the People’s Republic of China.

(8) JOINT DECLARATION.—The term “Joint Declaration” means the Joint Declaration of the Government of the United Kingdom of Great Britain and Northern Ireland and the Government of the People’s Republic of China on the Question of Hong Kong, done at Beijing on December 19, 1984.

(9) KNOWINGLY.—The term “knowingly”, with respect to conduct, a circumstance, or a result, means that a person has actual knowledge of the conduct, the circumstance, or the result.

(10) PERSON.—The term “person” means an individual or entity.

(11) UNITED STATES PERSON.—The term “United States person” means—

- (A) any citizen or national of the United States;
- (B) any alien lawfully admitted for permanent residence in the United States;
- (C) any entity organized under the laws of the United States or any jurisdiction within the United States (including a foreign branch of such an entity); or
- (D) any person located in the United States.

SEC. 3. FINDINGS.

Congress makes the following findings:

(1) The Joint Declaration and the Basic Law clarify certain obligations and promises that the Government of China has made with respect to the future of Hong Kong.

(2) The obligations of the Government of China under the Joint Declaration were codified in a legally-binding treaty, signed by the Government of the United Kingdom of Great Britain and Northern Ireland and registered with the United Nations.

(3) The obligations of the Government of China under the Basic Law originate from the Joint Declaration, were passed into the domestic law of China by the National People’s Congress, and are widely considered by citizens of Hong Kong as part of the de facto legal constitution of Hong Kong.

(4) Foremost among the obligations of the Government of China to Hong Kong is the promise that, pursuant to Paragraph 3b of the Joint Declaration, “the Hong Kong Special Administrative Region will enjoy a high degree of autonomy,

except in foreign and defence affairs which are the responsibilities of the Central People's Government”.

(5) The obligation specified in Paragraph 3b of the Joint Declaration is referenced, reinforced, and extrapolated on in several portions of the Basic Law, including Articles 2, 12, 13, 14, and 22.

(6) Article 22 of the Basic Law establishes that “No department of the Central People's Government and no province, autonomous region, or municipality directly under the Central Government may interfere in the affairs which the Hong Kong Special Administrative Region administers on its own in accordance with this Law.”.

(7) The Joint Declaration and the Basic Law make clear that additional obligations shall be undertaken by China to ensure the “high degree of autonomy” of Hong Kong.

(8) Paragraph 3c of the Joint Declaration states, as reinforced by Articles 2, 16, 17, 18, 19, and 22 of the Basic Law, that Hong Kong “will be vested with executive, legislative and independent judicial power, including that of final adjudication”.

(9) On multiple occasions, the Government of China has undertaken actions that have contravened the letter or intent of the obligation described in paragraph (8) of this section, including the following:

(A) In 1999, the Standing Committee of the National People's Congress overruled a decision by the Hong Kong Court of Final Appeal on the right of abode.

(B) On multiple occasions, the Government of Hong Kong, at the advice of the Government of China, is suspected to have not allowed persons entry into Hong Kong allegedly because of their support for democracy and human rights in Hong Kong and China.

(C) The Liaison Office of China in Hong Kong has, despite restrictions on interference in the affairs of Hong Kong as detailed in Article 22 of the Basic Law—

(i) openly expressed support for candidates in Hong Kong for Chief Executive and Legislative Council;

(ii) expressed views on various policies for the Government of Hong Kong and other internal matters relating to Hong Kong; and

(iii) on April 17, 2020, asserted that both the Liaison Office of China in Hong Kong and the Hong Kong and Macau Affairs Office of the State Council “have the right to exercise supervision * * * on affairs regarding Hong Kong and the mainland, in order to ensure correct implementation of the Basic Law”.

(D) The National People's Congress has passed laws requiring Hong Kong to pass laws banning disrespectful treatment of the national flag and national anthem of China.

(E) The State Council of China released a white paper on June 10, 2014, that stressed the “comprehensive jurisdiction” of the Government of China over Hong Kong and indicated that Hong Kong must be governed by “patriots”.

(F) The Government of China has directed operatives to kidnap and bring to the mainland, or is otherwise responsible for the kidnapping of, residents of Hong Kong,

including businessman Xiao Jianhua and bookseller Gui Minhai.

(G) The Government of Hong Kong, acting with the support of the Government of China, introduced an extradition bill that would have permitted the Government of China to request and enforce extradition requests for any individual present in Hong Kong, regardless of the legality of the request or the degree to which it compromised the judicial independence of Hong Kong.

(H) The spokesman for the Standing Committee of the National People's Congress said, "Whether Hong Kong's laws are consistent with the Basic Law can only be judged and decided by the National People's Congress Standing Committee. No other authority has the right to make judgments and decisions."

(10) Paragraph 3e of the Joint Declaration states, as reinforced by Article 5 of the Basic Law, that the "current social and economic systems in Hong Kong will remain unchanged, as so will the life-style."

(11) On multiple occasions, the Government of China has undertaken actions that have contravened the letter or intent of the obligation described in paragraph (10) of this section, including the following:

(A) In 2002, the Government of China pressured the Government of Hong Kong to introduce "patriotic" curriculum in primary and secondary schools.

(B) The governments of China and Hong Kong proposed the prohibition of discussion of Hong Kong independence and self-determination in primary and secondary schools, which infringes on freedom of speech.

(C) The Government of Hong Kong mandated that Mandarin, and not the native language of Cantonese, be the language of instruction in Hong Kong schools.

(D) The governments of China and Hong Kong agreed to a daily quota of mainland immigrants to Hong Kong, which is widely believed by citizens of Hong Kong to be part of an effort to "mainlandize" Hong Kong.

(12) Paragraph 3e of the Joint Declaration states, as reinforced by Articles 4, 26, 27, 28, 29, 30, 31, 32, 33, 34, and 39 of the Basic Law, that the "rights and freedoms, including those of person, of speech, of the press, of assembly, of association, of travel, of movement, of correspondence, of strike, of choice of occupation, of academic research and of religious belief will be ensured by law" in Hong Kong.

(13) On multiple occasions, the Government of China has undertaken actions that have contravened the letter or intent of the obligation described in paragraph (12) of this section, including the following:

(A) On February 26, 2003, the Government of Hong Kong introduced a national security bill that would have placed restrictions on freedom of speech and other protected rights.

(B) The Liaison Office of China in Hong Kong has pressured businesses in Hong Kong not to advertise in newspapers and magazines critical of the governments of China and Hong Kong.

(C) The Hong Kong Police Force selectively blocked demonstrations and protests expressing opposition to the governments of China and Hong Kong or the policies of those governments.

(D) The Government of Hong Kong refused to renew work visa for a foreign journalist, allegedly for hosting a speaker from the banned Hong Kong National Party.

(E) The Justice Department of Hong Kong selectively prosecuted cases against leaders of the Umbrella Movement, while failing to prosecute police officers accused of using excessive force during the protests in 2014.

(F) On April 18, 2020, the Hong Kong Police Force arrested 14 high-profile democracy activists and campaigners for their role in organizing a protest march that took place on August 18, 2019, in which almost 2,000,000 people rallied against a proposed extradition bill.

(14) Articles 45 and 68 of the Basic Law assert that the selection of Chief Executive and all members of the Legislative Council of Hong Kong should be by “universal suffrage.”

(15) On multiple occasions, the Government of China has undertaken actions that have contravened the letter or intent of the obligation described in paragraph (14) of this section, including the following:

(A) In 2004, the National People’s Congress created new, antidemocratic procedures restricting the adoption of universal suffrage for the election of the Chief Executive of Hong Kong.

(B) The decision by the National People’s Congress on December 29, 2007, which ruled out universal suffrage in 2012 elections and set restrictions on when and if universal suffrage will be implemented.

(C) The decision by the National People’s Congress on August 31, 2014, which placed limits on the nomination process for the Chief Executive of Hong Kong as a condition for adoption of universal suffrage.

(D) On November 7, 2016, the National People’s Congress interpreted Article 104 of the Basic Law in such a way to disqualify 6 elected members of the Legislative Council.

(E) In 2018, the Government of Hong Kong banned the Hong Kong National Party and blocked the candidacy of pro-democracy candidates.

(16) The ways in which the Government of China, at times with the support of a subservient Government of Hong Kong, has acted in contravention of its obligations under the Joint Declaration and the Basic Law, as set forth in this section, are deeply concerning to the people of Hong Kong, the United States, and members of the international community who support the autonomy of Hong Kong.

SEC. 4. SENSE OF CONGRESS REGARDING HONG KONG.

It is the sense of Congress that—

(1) the United States continues to uphold the principles and policy established in the United States-Hong Kong Policy Act of 1992 (22 U.S.C. 5701 et seq.) and the Hong Kong Human Rights and Democracy Act of 2019 (Public Law 116–76; 22

U.S.C. 5701 note), which remain consistent with China's obligations under the Joint Declaration and certain promulgated objectives under the Basic Law, including that—

(A) as set forth in section 101(1) of the United States-Hong Kong Policy Act of 1992 (22 U.S.C. 5711(1)), "The United States should play an active role, before, on, and after July 1, 1997, in maintaining Hong Kong's confidence and prosperity, Hong Kong's role as an international financial center, and the mutually beneficial ties between the people of the United States and the people of Hong Kong."; and

(B) as set forth in section 2(5) of the United States-Hong Kong Policy Act of 1992 (22 U.S.C. 5701(5)), "Support for democratization is a fundamental principle of United States foreign policy. As such, it naturally applies to United States policy toward Hong Kong. This will remain equally true after June 30, 1997.";

(2) although the United States recognizes that, under the Joint Declaration, the Government of China "resumed the exercise of sovereignty over Hong Kong with effect on 1 July 1997", the United States supports the autonomy of Hong Kong in furtherance of the United States-Hong Kong Policy Act of 1992 and the Hong Kong Human Rights and Democracy Act of 2019 and advances the desire of the people of Hong Kong to continue the "one country, two systems" regime, in addition to other obligations promulgated by China under the Joint Declaration and the Basic Law;

(3) in order to support the benefits and protections that Hong Kong has been afforded by the Government of China under the Joint Declaration and the Basic Law, the United States should establish a clear and unambiguous set of penalties with respect to foreign persons determined by the Secretary of State, in consultation with the Secretary of the Treasury, to be involved in the contravention of the obligations of China under the Joint Declaration and the Basic Law and the financial institutions transacting with those foreign persons;

(4) the Secretary of State should provide an unclassified assessment of the reason for imposition of certain economic penalties on entities, so as to permit a clear path for the removal of economic penalties if the sanctioned behavior is reversed and verified by the Secretary of State;

(5) relevant Federal agencies should establish a multilateral sanctions regime with respect to foreign persons involved in the contravention of the obligations of China under the Joint Declaration and the Basic Law; and

(6) in addition to the penalties on foreign persons, and financial institutions transacting with those foreign persons, for the contravention of the obligations of China under the Joint Declaration and the Basic Law, the United States should take steps, in a time of crisis, to assist permanent residents of Hong Kong who are persecuted or fear persecution as a result of the contravention by China of its obligations under the Joint Declaration and the Basic Law to become eligible to obtain lawful entry into the United States.

SEC. 5. IDENTIFICATION OF FOREIGN PERSONS INVOLVED IN THE EROSION OF THE OBLIGATIONS OF CHINA UNDER THE JOINT DECLARATION OR THE BASIC LAW AND FOREIGN FINANCIAL INSTITUTIONS THAT CONDUCT SIGNIFICANT TRANSACTIONS WITH THOSE PERSONS.

(a) **IN GENERAL.**—Not later than 90 days after the date of the enactment of this Act, if the Secretary of State, in consultation with the Secretary of the Treasury, determines that a foreign person is materially contributing to, has materially contributed to, or attempts to materially contribute to the failure of the Government of China to meet its obligations under the Joint Declaration or the Basic Law, the Secretary of State shall submit to the appropriate congressional committees and leadership a report that includes—

- (1) an identification of the foreign person; and
- (2) a clear explanation for why the foreign person was identified and a description of the activity that resulted in the identification.

(b) **IDENTIFYING FOREIGN FINANCIAL INSTITUTIONS.**—Not earlier than 30 days and not later than 60 days after the Secretary of State submits to the appropriate congressional committees and leadership the report under subsection (a), the Secretary of the Treasury, in consultation with the Secretary of State, shall submit to the appropriate congressional committees and leadership a report that identifies any foreign financial institution that knowingly conducts a significant transaction with a foreign person identified in the report under subsection (a).

(c) **EXCLUSION OF CERTAIN INFORMATION.**—

(1) **INTELLIGENCE.**—The Secretary of State shall not disclose the identity of a person in a report submitted under subsection (a) or (b), or an update under subsection (e), if the Director of National Intelligence determines that such disclosure could compromise an intelligence operation, activity, source, or method of the United States.

(2) **LAW ENFORCEMENT.**—The Secretary of State shall not disclose the identity of a person in a report submitted under subsection (a) or (b), or an update under subsection (e), if the Attorney General, in coordination, as appropriate, with the Director of the Federal Bureau of Investigation, the head of any other appropriate Federal law enforcement agency, and the Secretary of the Treasury, determines that such disclosure could reasonably be expected—

(A) to compromise the identity of a confidential source, including a State, local, or foreign agency or authority or any private institution that furnished information on a confidential basis;

(B) to jeopardize the integrity or success of an ongoing criminal investigation or prosecution;

(C) to endanger the life or physical safety of any person;

or

(D) to cause substantial harm to physical property.

(3) **NOTIFICATION REQUIRED.**—If the Director of National Intelligence makes a determination under paragraph (1) or the Attorney General makes a determination under paragraph (2), the Director or the Attorney General, as the case may be, shall notify the appropriate congressional committees and

leadership of the determination and the reasons for the determination.

(d) EXCLUSION OR REMOVAL OF FOREIGN PERSONS AND FOREIGN FINANCIAL INSTITUTIONS.—

(1) FOREIGN PERSONS.—The President may exclude a foreign person from the report under subsection (a), or an update under subsection (e), or remove a foreign person from the report or update prior to the imposition of sanctions under section 6(a) if the material contribution (as described in subsection (g)) that merited inclusion in that report or update—

(A) does not have a significant and lasting negative effect that contravenes the obligations of China under the Joint Declaration and the Basic Law;

(B) is not likely to be repeated in the future; and

(C) has been reversed or otherwise mitigated through positive countermeasures taken by that foreign person.

(2) FOREIGN FINANCIAL INSTITUTIONS.—The President may exclude a foreign financial institution from the report under subsection (b), or an update under subsection (e), or remove a foreign financial institution from the report or update prior to the imposition of sanctions under section 7(a) if the significant transaction or significant transactions of the foreign financial institution that merited inclusion in that report or update—

(A) does not have a significant and lasting negative effect that contravenes the obligations of China under the Joint Declaration and the Basic Law;

(B) is not likely to be repeated in the future; and

(C) has been reversed or otherwise mitigated through positive countermeasures taken by that foreign financial institution.

(3) NOTIFICATION REQUIRED.—If the President makes a determination under paragraph (1) or (2) to exclude or remove a foreign person or foreign financial institution from a report under subsection (a) or (b), as the case may be, the President shall notify the appropriate congressional committees and leadership of the determination and the reasons for the determination.

(e) UPDATE OF REPORTS.—

(1) IN GENERAL.—Each report submitted under subsections (a) and (b) shall be updated in an ongoing manner and, to the extent practicable, updated reports shall be resubmitted with the annual report under section 301 of the United States-Hong Kong Policy Act of 1992 (22 U.S.C. 5731).

(2) RULE OF CONSTRUCTION.—Nothing in this subsection shall be construed to terminate the requirement to update the reports under subsections (a) and (b) upon the termination of the requirement to submit the annual report under section 301 of the United States-Hong Kong Policy Act of 1992 (22 U.S.C. 5731).

(f) FORM OF REPORTS.—

(1) IN GENERAL.—Each report under subsection (a) or (b) (including updates under subsection (e)) shall be submitted in unclassified form and made available to the public.

(2) CLASSIFIED ANNEX.—The explanations and descriptions included in the report under subsection (a)(2) (including updates under subsection (e)) may be expanded on in a classified annex.

(g) **MATERIAL CONTRIBUTIONS RELATED TO OBLIGATIONS OF CHINA DESCRIBED.**—For purposes of this section, a foreign person materially contributes to the failure of the Government of China to meet its obligations under the Joint Declaration or the Basic Law if the person—

(1) took action that resulted in the inability of the people of Hong Kong—

(A) to enjoy freedom of assembly, speech, press, or independent rule of law; or

(B) to participate in democratic outcomes; or

(2) otherwise took action that reduces the high degree of autonomy of Hong Kong.

SEC. 6. SANCTIONS WITH RESPECT TO FOREIGN PERSONS THAT CONTRAVENE THE OBLIGATIONS OF CHINA UNDER THE JOINT DECLARATION OR THE BASIC LAW.

(a) **IMPOSITION OF SANCTIONS.**—

(1) **IN GENERAL.**—On and after the date on which a foreign person is included in the report under section 5(a) or an update to that report under section 5(e), the President may impose sanctions described in subsection (b) with respect to that foreign person.

(2) **MANDATORY SANCTIONS.**—Not later than one year after the date on which a foreign person is included in the report under section 5(a) or an update to that report under section 5(e), the President shall impose sanctions described in subsection (b) with respect to that foreign person.

(b) **SANCTIONS DESCRIBED.**—The sanctions described in this subsection with respect to a foreign person are the following:

(1) **PROPERTY TRANSACTIONS.**—The President may, pursuant to such regulations as the President may prescribe, prohibit any person from—

(A) acquiring, holding, withholding, using, transferring, withdrawing, transporting, or exporting any property that is subject to the jurisdiction of the United States and with respect to which the foreign person has any interest;

(B) dealing in or exercising any right, power, or privilege with respect to such property; or

(C) conducting any transaction involving such property.

(2) **EXCLUSION FROM THE UNITED STATES AND REVOCATION OF VISA OR OTHER DOCUMENTATION.**—In the case of a foreign person who is an individual, the President may direct the Secretary of State to deny a visa to, and the Secretary of Homeland Security to exclude from the United States, the foreign person, subject to regulatory exceptions to permit the United States to comply with the Agreement regarding the Headquarters of the United Nations, signed at Lake Success June 26, 1947, and entered into force November 21, 1947, between the United Nations and the United States, or other applicable international obligations.

SEC. 7. SANCTIONS WITH RESPECT TO FOREIGN FINANCIAL INSTITUTIONS THAT CONDUCT SIGNIFICANT TRANSACTIONS WITH FOREIGN PERSONS THAT CONTRAVENE THE OBLIGATIONS OF CHINA UNDER THE JOINT DECLARATION OR THE BASIC LAW.

(a) **IMPOSITION OF SANCTIONS.**—

(1) INITIAL SANCTIONS.—Not later than one year after the date on which a foreign financial institution is included in the report under section 5(b) or an update to that report under section 5(e), the President shall impose not fewer than 5 of the sanctions described in subsection (b) with respect to that foreign financial institution.

(2) EXPANDED SANCTIONS.—Not later than two years after the date on which a foreign financial institution is included in the report under section 5(b) or an update to that report under section 5(e), the President shall impose each of the sanctions described in subsection (b).

(b) SANCTIONS DESCRIBED.—The sanctions described in this subsection with respect to a foreign financial institution are the following:

(1) LOANS FROM UNITED STATES FINANCIAL INSTITUTIONS.—The United States Government may prohibit any United States financial institution from making loans or providing credits to the foreign financial institution.

(2) PROHIBITION ON DESIGNATION AS PRIMARY DEALER.—Neither the Board of Governors of the Federal Reserve System nor the Federal Reserve Bank of New York may designate, or permit the continuation of any prior designation of, the foreign financial institution as a primary dealer in United States Government debt instruments.

(3) PROHIBITION ON SERVICE AS A REPOSITORY OF GOVERNMENT FUNDS.—The foreign financial institution may not serve as agent of the United States Government or serve as repository for United States Government funds.

(4) FOREIGN EXCHANGE.—The President may, pursuant to such regulations as the President may prescribe, prohibit any transactions in foreign exchange that are subject to the jurisdiction of the United States and involve the foreign financial institution.

(5) BANKING TRANSACTIONS.—The President may, pursuant to such regulations as the President may prescribe, prohibit any transfers of credit or payments between financial institutions or by, through, or to any financial institution, to the extent that such transfers or payments are subject to the jurisdiction of the United States and involve the foreign financial institution.

(6) PROPERTY TRANSACTIONS.—The President may, pursuant to such regulations as the President may prescribe, prohibit any person from—

(A) acquiring, holding, withholding, using, transferring, withdrawing, transporting, importing, or exporting any property that is subject to the jurisdiction of the United States and with respect to which the foreign financial institution has any interest;

(B) dealing in or exercising any right, power, or privilege with respect to such property; or

(C) conducting any transaction involving such property.

(7) RESTRICTION ON EXPORTS, REEXPORTS, AND TRANSFERS.—The President, in consultation with the Secretary of Commerce, may restrict or prohibit exports, reexports, and transfers (in-country) of commodities, software, and technology subject to the jurisdiction of the United States directly or indirectly to the foreign financial institution.

(8) **BAN ON INVESTMENT IN EQUITY OR DEBT.**—The President may, pursuant to such regulations or guidelines as the President may prescribe, prohibit any United States person from investing in or purchasing significant amounts of equity or debt instruments of the foreign financial institution.

(9) **EXCLUSION OF CORPORATE OFFICERS.**—The President may direct the Secretary of State, in consultation with the Secretary of the Treasury and the Secretary of Homeland Security, to exclude from the United States any alien that is determined to be a corporate officer or principal of, or a shareholder with a controlling interest in, the foreign financial institution, subject to regulatory exceptions to permit the United States to comply with the Agreement regarding the Headquarters of the United Nations, signed at Lake Success June 26, 1947, and entered into force November 21, 1947, between the United Nations and the United States, or other applicable international obligations.

(10) **SANCTIONS ON PRINCIPAL EXECUTIVE OFFICERS.**—The President may impose on the principal executive officer or officers of the foreign financial institution, or on individuals performing similar functions and with similar authorities as such officer or officers, any of the sanctions described in paragraphs (1) through (8) that are applicable.

(c) **TIMING OF SANCTIONS.**—The President may impose sanctions required under subsection (a) with respect to a financial institution included in the report under section 5(b) or an update to that report under section 5(e) beginning on the day on which the financial institution is included in that report or update.

SEC. 8. WAIVER, TERMINATION, EXCEPTIONS, AND CONGRESSIONAL REVIEW PROCESS.

(a) **NATIONAL SECURITY WAIVER.**—Unless a disapproval resolution is enacted under subsection (e), the President may waive the application of sanctions under section 6 or 7 with respect to a foreign person or foreign financial institution if the President—

(1) determines that the waiver is in the national security interest of the United States; and

(2) submits to the appropriate congressional committees and leadership a report on the determination and the reasons for the determination.

(b) **TERMINATION OF SANCTIONS AND REMOVAL FROM REPORT.**—Unless a disapproval resolution is enacted under subsection (e), the President may terminate the application of sanctions under section 6 or 7 with respect to a foreign person or foreign financial institution and remove the foreign person from the report required under section 5(a) or the foreign financial institution from the report required under section 5(b), as the case may be, if the Secretary of State, in consultation with the Secretary of the Treasury, determines that the actions taken by the foreign person or foreign financial institution that led to the imposition of sanctions—

(1) do not have a significant and lasting negative effect that contravenes the obligations of China under the Joint Declaration and the Basic Law;

(2) are not likely to be repeated in the future; and

(3) have been reversed or otherwise mitigated through positive countermeasures taken by that foreign person or foreign financial institution.

(c) TERMINATION OF ACT.—

(1) REPORT.—

(A) IN GENERAL.—Not later than July 1, 2046, the President, in consultation with the Secretary of State, the Secretary of the Treasury, and the heads of such other Federal agencies as the President considers appropriate, shall submit to Congress a report evaluating the implementation of this Act and sanctions imposed pursuant to this Act.

(B) ELEMENTS.—The President shall include in the report submitted under subparagraph (A) an assessment of whether this Act and the sanctions imposed pursuant to this Act should be terminated.

(2) TERMINATION.—This Act and the sanctions imposed pursuant to this Act shall remain in effect unless a termination resolution is enacted under subsection (e) after July 1, 2047.

(d) EXCEPTION RELATING TO IMPORTATION OF GOODS.—

(1) IN GENERAL.—The authorities and requirements to impose sanctions under sections 6 and 7 shall not include the authority or requirement to impose sanctions on the importation of goods.

(2) GOOD DEFINED.—In this subsection, the term “good” means any article, natural or manmade substance, material, supply, or manufactured product, including inspection and test equipment, and excluding technical data.

(e) CONGRESSIONAL REVIEW.—

(1) RESOLUTIONS.—

(A) DISAPPROVAL RESOLUTION.—In this section, the term “disapproval resolution” means only a joint resolution of either House of Congress—

(i) the title of which is as follows: “A joint resolution disapproving the waiver or termination of sanctions with respect to a foreign person that contravenes the obligations of China with respect to Hong Kong or a foreign financial institution that conducts a significant transaction with that person.”; and

(ii) the sole matter after the resolving clause of which is the following: “Congress disapproves of the action under section 8 of the Hong Kong Autonomy Act relating to the application of sanctions imposed with respect to a foreign person that contravenes the obligations of China with respect to Hong Kong, or a foreign financial institution that conducts a significant transaction with that person, on _____ relating to _____”, with the first blank space being filled with the appropriate date and the second blank space being filled with a short description of the proposed action.

(B) TERMINATION RESOLUTION.—In this section, the term “termination resolution” means only a joint resolution of either House of Congress—

(i) the title of which is as follows: “A joint resolution terminating sanctions with respect to foreign persons that contravene the obligations of China with

respect to Hong Kong and foreign financial institutions that conduct significant transactions with those persons.”; and

(ii) the sole matter after the resolving clause of which is the following: “The Hong Kong Autonomy Act and any sanctions imposed pursuant to that Act shall terminate on _____.”, with the blank space being filled with the termination date.

(C) COVERED RESOLUTION.—In this subsection, the term “covered resolution” means a disapproval resolution or a termination resolution.

(2) INTRODUCTION.—A covered resolution may be introduced—

(A) in the House of Representatives, by the majority leader or the minority leader; and

(B) in the Senate, by the majority leader (or the majority leader’s designee) or the minority leader (or the minority leader’s designee).

(3) FLOOR CONSIDERATION IN HOUSE OF REPRESENTATIVES.—If a committee of the House of Representatives to which a covered resolution has been referred has not reported the resolution within 10 legislative days after the date of referral, that committee shall be discharged from further consideration of the resolution.

(4) CONSIDERATION IN THE SENATE.—

(A) COMMITTEE REFERRAL.—

(i) DISAPPROVAL RESOLUTION.—A disapproval resolution introduced in the Senate shall be—

(I) referred to the Committee on Banking, Housing, and Urban Affairs if the resolution relates to an action that is not intended to significantly alter United States foreign policy with regard to China; and

(II) referred to the Committee on Foreign Relations if the resolution relates to an action that is intended to significantly alter United States foreign policy with regard to China.

(ii) TERMINATION RESOLUTION.—A termination resolution introduced in the Senate shall be referred to the Committee on Banking, Housing, and Urban Affairs and the Committee on Foreign Relations.

(B) REPORTING AND DISCHARGE.—If a committee to which a covered resolution was referred has not reported the resolution within 10 legislative days after the date of referral of the resolution, that committee shall be discharged from further consideration of the resolution and the resolution shall be placed on the appropriate calendar.

(C) PROCEEDING TO CONSIDERATION.—Notwithstanding Rule XXII of the Standing Rules of the Senate, it is in order at any time after the Committee on Banking, Housing, and Urban Affairs or the Committee on Foreign Relations, as the case may be, reports a covered resolution to the Senate or has been discharged from consideration of such a resolution (even though a previous motion to the same effect has been disagreed to) to move to proceed to the consideration of the resolution, and all points of order against the resolution (and against consideration of

the resolution) are waived. The motion to proceed is not debatable. The motion is not subject to a motion to postpone. A motion to reconsider the vote by which the motion is agreed to or disagreed to shall not be in order.

(D) RULINGS OF THE CHAIR ON PROCEDURE.—Appeals from the decisions of the Chair relating to the application of the rules of the Senate, as the case may be, to the procedure relating to a covered resolution shall be decided without debate.

(E) CONSIDERATION OF VETO MESSAGES.—Debate in the Senate of any veto message with respect to a covered resolution, including all debatable motions and appeals in connection with the resolution, shall be limited to 10 hours, to be equally divided between, and controlled by, the majority leader and the minority leader or their designees.

(5) RULES RELATING TO SENATE AND HOUSE OF REPRESENTATIVES.—

(A) TREATMENT OF SENATE RESOLUTION IN HOUSE.—In the House of Representatives, the following procedures shall apply to a covered resolution received from the Senate (unless the House has already passed a resolution relating to the same proposed action):

(i) The resolution shall be referred to the appropriate committees.

(ii) If a committee to which a resolution has been referred has not reported the resolution within 10 legislative days after the date of referral, that committee shall be discharged from further consideration of the resolution.

(iii) Beginning on the third legislative day after each committee to which a resolution has been referred reports the resolution to the House or has been discharged from further consideration thereof, it shall be in order to move to proceed to consider the resolution in the House. All points of order against the motion are waived. Such a motion shall not be in order after the House has disposed of a motion to proceed on the resolution. The previous question shall be considered as ordered on the motion to its adoption without intervening motion. The motion shall not be debatable. A motion to reconsider the vote by which the motion is disposed of shall not be in order.

(iv) The resolution shall be considered as read. All points of order against the resolution and against its consideration are waived. The previous question shall be considered as ordered on the resolution to final passage without intervening motion except 2 hours of debate equally divided and controlled by the offeror of the motion to proceed (or a designee) and an opponent. A motion to reconsider the vote on passage of the resolution shall not be in order.

(B) TREATMENT OF HOUSE RESOLUTION IN SENATE.—

(i) RECEIVED BEFORE PASSAGE OF SENATE RESOLUTION.—If, before the passage by the Senate of a covered resolution, the Senate receives an identical resolution

from the House of Representatives, the following procedures shall apply:

(I) That resolution shall not be referred to a committee.

(II) With respect to that resolution—

(aa) the procedure in the Senate shall be the same as if no resolution had been received from the House of Representatives; but

(bb) the vote on passage shall be on the resolution from the House of Representatives.

(ii) RECEIVED AFTER PASSAGE OF SENATE RESOLUTION.—If, following passage of a covered resolution in the Senate, the Senate receives an identical resolution from the House of Representatives, that resolution shall be placed on the appropriate Senate calendar.

(iii) NO SENATE COMPANION.—If a covered resolution is received from the House of Representatives, and no companion resolution has been introduced in the Senate, the Senate procedures under this subsection shall apply to the resolution from the House of Representatives.

(C) APPLICATION TO REVENUE MEASURES.—The provisions of this paragraph shall not apply in the House of Representatives to a covered resolution that is a revenue measure.

(6) RULES OF HOUSE OF REPRESENTATIVES AND SENATE.—

This subsection is enacted by Congress—

(A) as an exercise of the rulemaking power of the Senate and the House of Representatives, respectively, and as such is deemed a part of the rules of each House, respectively, and supersedes other rules only to the extent that it is inconsistent with such rules; and

(B) with full recognition of the constitutional right of either House to change the rules (so far as relating to the procedure of that House) at any time, in the same manner, and to the same extent as in the case of any other rule of that House.

SEC. 9. IMPLEMENTATION; PENALTIES.

(a) IMPLEMENTATION.—The President may exercise all authorities provided under sections 203 and 205 of the International Emergency Economic Powers Act (50 U.S.C. 1702 and 1704) to the extent necessary to carry out this Act.

(b) PENALTIES.—A person that violates, attempts to violate, conspires to violate, or causes a violation of section 6 or 7 or any regulation, license, or order issued to carry out that section shall be subject to the penalties set forth in subsections (b) and (c) of section 206 of the International Emergency Economic Powers Act (50 U.S.C. 1705) to the same extent as a person that commits an unlawful act described in subsection (a) of that section.

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SEC. 10. RULE OF CONSTRUCTION.

Nothing in this Act shall be construed as an authorization of military force against China.

Speaker of the House of Representatives.

*Vice President of the United States and
President of the Senate.*