

118TH CONGRESS
2D SESSION

H. R. 554

IN THE SENATE OF THE UNITED STATES

SEPTEMBER 10, 2024

Received; read twice and referred to the Committee on Banking, Housing, and
Urban Affairs

AN ACT

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,*

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “Taiwan Conflict Deter-
3 rence Act of 2023”.

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

7 (a) FINANCIAL INSTITUTIONS REPORT.—

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

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

1 control by such natural person and a descrip-
2 tion 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 sub-
7 paragraph (A); or

8 (ii) otherwise provide significant fi-
9 nancial services to a natural person cov-
10 ered 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 clas-
16 sified briefing (as determined appropriate by the
17 Secretary) on the funds covered by the report, in-
18 cluding a description of how the funds were ac-
19 quired, and any illicit or corrupt means employed to
20 acquire or use the funds.

21 (3) EXEMPTIONS.—The requirements described
22 under paragraph (1) may not be applied with re-
23 spect to a natural person or a financial institution,
24 as the 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
6 States for an important national security pur-
7 pose with 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 nancial services to a natural person cov-
13 ered by the report; or

14 (iii) provide significant cooperation to
15 the United States for an important na-
16 tional security purpose with respect to
17 China.

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

23 (A) the waiver would substantially promote
24 the objective of ending the threat described
25 under 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
7 the 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
24 the Treasury shall make the unclassified portion of
25 the report required under subsection (a)(1) available

1 to the public on the website and social media ac-
2 counts of the 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
11 shall prohibit a United States financial institution, and
12 any person owned or controlled by a United States finan-
13 cial institution, from engaging in a significant transaction
14 with—

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

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

21 (b) EXCEPTIONS.—

22 (1) EXCEPTION FOR INTELLIGENCE, LAW EN-
23 FORCEMENT, AND NATIONAL SECURITY ACTIVI-
24 TIES.—Subsection (a) shall not apply with respect to

1 any intelligence, law enforcement, or national secu-
2 rity activity of the United States.

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

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

10 (B) the threat described under section
11 2(a)(1) is no longer present; or

12 (C) the waiver is essential to the national
13 security interests of the United States.

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

17 (4) RULE OF CONSTRUCTION.—

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

22 (B) GOOD DEFINED.—In this paragraph,
23 the term “good” means any article, natural or
24 manmade substance, material, supply or manu-

1 factured product, including inspection and test
2 equipment, and excluding technical data.

3 (c) IMPLEMENTATION; PENALTIES.—

4 (1) IMPLEMENTATION.—The President may ex-
5 ercise all authorities provided to the President under
6 sections 203 and 205 of the International Emer-
7 gency Economic Powers Act (50 U.S.C. 1702 and
8 1704) to carry out this section. Not later than 60
9 days after issuing a license pursuant to this section,
10 the President shall submit a copy of the license to
11 the appropriate Members of Congress.

12 (2) PENALTIES.—A person that violates, at-
13 tempts to violate, conspires to violate, or causes a
14 violation of this section or any regulation, license, or
15 order issued to carry out this section shall be subject
16 to the penalties set forth in subsections (b) and (c)
17 of section 206 of the International Emergency Eco-
18 nomic Powers Act (50 U.S.C. 1705) to the same ex-
19 tent as a person that commits an unlawful act de-
20 scribed in subsection (a) of that section 206.

21 (d) TERMINATION.—This section shall have no force
22 or effect on the earlier of—

23 (1) the date that is 30 days after the date that
24 the President reports to the appropriate Members of

1 Congress that the threat described under section
2 2(a)(1) is no longer present; or

3 (2) the date that is 25 years after the date that
4 the Secretary of the Treasury submits the final re-
5 port required under section 2(a)(1).

6 **SEC. 4. DEFINITIONS.**

7 For purposes of this Act:

8 (1) APPROPRIATE MEMBERS OF CONGRESS.—

9 The term “appropriate Members of Congress”
10 means the Speaker and minority leader of the House
11 of Representatives, the majority leader and minority
12 leader of the Senate, the Chairman and Ranking
13 Member of the Committee on Financial Services of
14 the House of Representatives, and the Chairman
15 and Ranking Member of the Committee on Banking,
16 Housing, and Urban Affairs of the Senate.

17 (2) FINANCIAL INSTITUTION.—The term “fi-
18 nancial institution” means a United States financial
19 institution or a foreign financial institution.

20 (3) FOREIGN FINANCIAL INSTITUTION.—The
21 term “foreign financial institution” has the meaning
22 given that term in section 561.308 of title 31, Code
23 of Federal Regulations.

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

9 (B) The father, mother, brothers, and sis-
10 ters of such person's spouse.

(6) UNITED STATES FINANCIAL INSTITUTION.—
The term “United States financial institution” has
the meaning given the term “U.S. financial institu-
tion” under section 561.309 of title 31, Code of
Federal Regulations.

Attest: KEVIN F. MCCUMBER,
Clerk.