

119TH CONGRESS
2D SESSION

H. R. 10138

To authorize sanctions relating to the production and distribution of illicit synthetic narcotics by the People’s Republic of China.

IN THE HOUSE OF REPRESENTATIVES

AUGUST 24, 2026

Mr. AUCHINCLOSS (for himself, Mr. NEWHOUSE, Mr. MOOLENAAR, and Mr. KHANNA) introduced the following bill; which was referred to the Committee on Foreign Affairs, and in addition to the Committees on Financial Services, Oversight and Government Reform, and the Judiciary, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To authorize sanctions relating to the production and distribution of illicit synthetic narcotics by the People’s Republic of China.

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 “CCP Fentanyl Sanc-

5 tions Act”.

1 **SEC. 2. CODIFICATION OF EXECUTIVE ORDER 14059.**

2 United States sanctions provided for in Executive
3 Order 14059 (86 Fed. Reg. 71549; Imposing Sanctions
4 on Foreign Persons Involved in the Global Illicit Drug
5 Trade), as in effect on the day before the date of the en-
6 actment of this Act, shall remain in effect and continue
7 to apply.

8 **SEC. 3. AUTHORIZATION OF SANCTIONS.**

9 (a) IN GENERAL.—On and after the date that is 180
10 days after the date of the enactment of this Act, the Presi-
11 dent is authorized to impose the sanction described in sub-
12 section (b) with respect to a foreign person if the Presi-
13 dent determines that the person—

14 (1) has engaged in, or attempted to engage in,
15 activities or transactions in the People’s Republic of
16 China, including in Hong Kong and Macau, or with
17 respect to persons domiciled in, organized under the
18 laws of, or with their principal place of business in
19 such jurisdictions, that have contributed to, or pose
20 a significant risk of contributing to, the inter-
21 national proliferation of illicit synthetic narcotics or
22 their means of production;

23 (2) has knowingly or with reckless disregard
24 has received any property or interest in property
25 that—

1 (A) constitutes or is derived from proceeds
2 of activities or transactions in the People's Re-
3 public of China, including in Hong Kong and
4 Macau, or with respect to persons domiciled in,
5 organized under the laws of, or with their prin-
6 cipal place of business in such jurisdictions,
7 that have materially contributed to, or pose a
8 significant risk of materially contributing to,
9 the international proliferation of illicit synthetic
10 narcotics or their means of production; or

11 (B) was used or may have been intended
12 to be used to commit or to facilitate activities
13 or transactions in the People's Republic of
14 China, including in Hong Kong and Macau, or
15 with respect to persons domiciled in, organized
16 under the laws of, or with their principal place
17 of business in such jurisdictions, that have ma-
18 terially contributed to, or pose a significant risk
19 of materially contributing to, the international
20 proliferation of illicit synthetic narcotics or
21 their means of production;

22 (3) is a PRC owned or operated port or ship
23 that, knowingly or with reckless disregard, facilitates
24 the shipment and transportation of illicit synthetic
25 narcotics or their precursors (including in such cir-

1 cumstances where those precursors are improperly
2 labeled during the customs process);

3 (4) is a PRC entity that produces illicit syn-
4 thetic narcotics or their precursors and, knowingly
5 or with reckless disregard, sells those precursors to
6 persons involved in the proliferation of illicit syn-
7 thetic narcotics;

8 (5) is a PRC online marketplace that, know-
9 ingly or with reckless disregard, facilitates the sale
10 of, exchange of, shipment of, transshipment of, con-
11 veyance of, or payment for illicit synthetic narcotics;

12 (6) is a covered PRC government entity;

13 (7) is a PRC entity that knowingly or with
14 reckless disregard, provides material support related
15 to illicit synthetic narcotics to a covered PRC gov-
16 ernment entity;

17 (8) has established an entity that engages in,
18 has engaged in, or is designed to engage in evading
19 sanctions that would otherwise be imposed pursuant
20 to this Act; or

21 (9) is acting directly or indirectly for or on be-
22 half of a person referred to in paragraphs (1)
23 through (8).

24 (b) SANCTION DESCRIBED.—

1 (1) IN GENERAL.—The sanction described in
2 this subsection is the exercise all of the powers
3 granted to the President under the International
4 Emergency Economic Powers Act (50 U.S.C. 1701
5 et seq.) to the extent necessary to block and prohibit
6 all transactions in property and interests in property
7 of a foreign person if such property or interests in
8 property are in the United States, come within the
9 United States, or are or come within the possession
10 or control of a United States person.

11 (2) IMPLEMENTATION.—The President may ex-
12 ercise the authorities provided to the President
13 under sections 203 and 205 of the International
14 Emergency Economic Powers Act (50 U.S.C. 1702
15 and 1704) to the extent necessary to carry out this
16 section.

17 (3) PENALTIES.—The penalties provided for in
18 subsections (b) and (c) of section 206 of the Inter-
19 national Emergency Economic Powers Act (50
20 U.S.C. 1705) shall apply to any person who violates,
21 attempts to violate, conspires to violate, or causes a
22 violation of any prohibition of this section, or an
23 order or regulation prescribed under this section, to
24 the same extent that such penalties apply to a per-

son that commits an unlawful act described in section 206(a) of such Act (50 U.S.C. 1705(a)).

(4) EXCEPTIONS.—

(A) EXCEPTION FOR INTELLIGENCE AND LAW ENFORCEMENT ACTIONS.—Sanctions under this section shall not apply with respect to—

(i) any activity subject to the reporting requirements under title V of the National Security Act of 1947 (50 U.S.C. 3091 et seq.); or

(ii) any authorized intelligence or law enforcement activities of the United States.

(B) EXCEPTION RELATING TO IMPORTATION OF GOODS.—

(i) IN GENERAL.—The authorities and requirements to impose sanctions authorized under this section shall not include the authority or requirement to impose sanctions on the importation of goods.

(ii) GOOD DEFINED.—In this subparagraph, the term “good” means any article, natural or manmade substance, material, supply or manufactured product, including

1 inspection and test equipment, and exclud-
2 ing technical data.

3 (c) WAIVER.—The President may waive the applica-
4 tion of sanctions under this section with respect to a for-
5 eign person for renewable periods of not more than 180
6 days each if the President determines and reports to Con-
7 gress that such a waiver is in national interests of the
8 United States.

9 (d) RULE OF CONSTRUCTION.—Nothing in this sec-
10 tion may be construed to limit the authority of the Presi-
11 dent to designate or sanction persons pursuant to an ap-
12 plicable Executive order or a Federal statute, including
13 the International Emergency Economic Powers Act (50
14 U.S.C. 1701 et seq.).

15 (e) CONSIDERATION OF CERTAIN INFORMATION IN
16 IMPOSING SANCTIONS.—In determining whether to im-
17 pose sanctions under subsection (a), the President shall
18 consider—

19 (1) information provided jointly by the chair-
20 person and ranking member of each of the appro-
21 priate congressional committees; and

22 (2) credible information obtained by other coun-
23 tries and nongovernmental organizations that mon-
24 itor violations of human rights.

1 (f) REQUESTS BY APPROPRIATE CONGRESSIONAL
2 COMMITTEES.—

3 (1) IN GENERAL.—Not later than 120 days
4 after receiving a request that meets the require-
5 ments of paragraph (2) with respect to whether a
6 foreign person has engaged in an activity described
7 in subsection (a), the President shall—

8 (A) determine if that person has engaged
9 in such an activity; and

10 (B) submit a classified or unclassified re-
11 port to the chairperson and ranking member of
12 the committee or committees that submitted the
13 request with respect to that determination that
14 includes—

15 (i) a statement of whether or not the
16 President imposed or intends to impose
17 sanctions with respect to the person; and

18 (ii) if the President imposed or in-
19 tends to impose sanctions, a description of
20 those sanctions.

21 (2) REQUIREMENTS.—A request under para-
22 graph (1) with respect to whether a foreign person
23 has engaged in an activity described in subsection
24 (a) shall be submitted to the President in writing

1 jointly by the chairperson and ranking member of
2 one of the appropriate congressional committees.

3 **SEC. 4. FINANCIAL SANCTIONS.**

4 The Secretary of the Treasury may, in consultation
5 with the Secretary of State, prohibit the opening of, or
6 impose strict conditions on the maintenance of, cor-
7 respondent accounts or payable-through accounts in the
8 United States by a foreign financial institution that the
9 President determines has, on or after the date of the en-
10 actment of this Act, knowingly conducted or facilitated a
11 significant transaction or transactions on behalf of a for-
12 eign person described in section 3(a).

13 **SEC. 5. DEFINITIONS.**

14 In this Act:

15 (1) APPROPRIATE CONGRESSIONAL COMMIT-
16 TEES.—The term “appropriate congressional com-
17 mittees” means—

18 (A) the Committee on Banking, Housing,
19 and Urban Affairs of the Senate; and

20 (B) the Committee on Foreign Affairs and
21 the Select Committee on Strategic Competition
22 Between the United States and the Chinese
23 Communist Party of the House of Representa-
24 tives.

1 (2) COVERED PRC GOVERNMENT ENTITY.—The
2 term “covered PRC government entity” includes—

3 (A) the PRC government, a PRC govern-
4 ment official, or any entity or instrumentality
5 thereof, that is identified by the United States
6 Government as knowingly or recklessly facili-
7 tating the flow of illicit synthetic narcotics into
8 the United States or otherwise providing mate-
9 rial support to a foreign person described in
10 section 3(a);

11 (B) any subsidiary, affiliate, or successor
12 of an entity described in subparagraph (A); and

13 (C) any person owned or controlled by, or
14 that provides material support to or for, or re-
15 ceives material support from an entity described
16 in subparagraph (A).

17 (3) FOREIGN PERSON.—The term “foreign per-
18 son” means a person that is not a United States
19 person.

20 (4) ILLICIT SYNTHETIC NARCOTICS.—The term
21 “illicit synthetic narcotics” means—

22 (A) controlled substances, as such term is
23 defined in section 102(6) of the Controlled Sub-
24 stances Act (21 U.S.C. 802(6)), with the excep-
25 tion of—

1 (i) substances of natural origins; and
2 (ii) medications that are lawful under
3 the laws of the United States and the
4 Drug Enforcement Administration has pro-
5 vided an import permit to the importing
6 organization for the import of such medi-
7 cation;

8 (B) listed chemicals, as such term is de-
9 fined in section 102(33) of the Controlled Sub-
10 stances Act (21 U.S.C. 802(33)); and

11 (C) active pharmaceutical ingredients or
12 chemicals that are used in the production of
13 controlled substances described in subpara-
14 graphs (A) and (B).

15 (5) KNOWINGLY.—The term “knowingly”, with
16 respect to conduct, a circumstance, or a result,
17 means that a person has actual knowledge, or should
18 have known, of the conduct, the circumstance, or the
19 result.

20 (6) PRC.—The term “PRC” means the Peo-
21 ple’s Republic of China.

22 (7) UNITED STATES PERSON.—The term
23 “United States person” means any United States
24 citizen, permanent resident alien, an entity orga-
25 nized under the laws of the United States or any ju-

1 jurisdiction within the United States (including a for-
2 eign branch of such an entity), or any person in the
3 United States.

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