

to investment losses, some resulting from behavior that likely would have been prohibited if the act applied to the island's investment companies.

To address this matter, H.R. 5322, the U.S. Territories Investor Protection Act, applies the 1940 act to currently exempt investment companies that are located, organized in, and sold to residents of these territories.

In order to permit investment companies to comply with the legislation, it provides for a 3-year compliance period with an option at the approval of the SEC for an additional 3 years. This time period balances the need to bring the investor protections of the 1940 act to the territories with enough time for affected entities to fully understand and comply with the 1940 act.

It is important to note that if investment companies need further relief from any specific requirement of the 1940 act, they are able to request such relief through the SEC under existing law.

I want to thank Chairman HENSARLING for working with me throughout the last 9 months in a productive manner. Such cooperation was critical to developing an approach that would apply the act in a manner sensitive to investors and investment companies.

As a result, I believe the framework of this bill, when combined with current statutory mechanisms, will provide a sufficient time period for adjustment and compliance.

I urge Members to support this legislation. This legislation will dramatically benefit investors in Puerto Rico. Those that call Puerto Rico home will now be subject to the same investor protection laws that those on the mainland are subject to. This is not only fair, but it is right, as many Puerto Ricans have lost their life savings in investment products offered only on the island.

When it comes to Puerto Rico, it is important to realize that what we are doing is not creating a new law or imposing a Federal mandate on the island. We are simply closing the loophole that has prevented Puerto Ricans from enjoying the same protections as the rest of Americans.

With the enactment of this bill, the 1940 act will be applied to Puerto Rico and other U.S. territories in the same exact manner it is applied to all 50 States. Investors and consumers in Puerto Rico deserve this, and this bill is long overdue.

Not only will the 1940 act provide Puerto Rico's investors with much-needed safeguards, but the current fiscal crisis on the island is creating budgetary challenges for the local government. Having additional Federal oversight of investment activity is now especially critical for the island's residents.

In closing, I want to thank Chairman HENSARLING again for his cooperation and bringing this important bill forward to the floor. I ask Members to support this bill.

Mr. Speaker, I yield back the balance of my time.

Mr. HURT of Virginia. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I would just like to reiterate what Ms. VELÁZQUEZ has said and recognize her hard work on this issue. Clearly, the time is right that we recognize that Puerto Rico, Guam, other territories, and possessions of the United States must be afforded the same protections that the Securities and Exchange Commission provides through the laws of the United States.

I also want to commend our chairman, Chairman HENSARLING, for his leadership on this issue, recognizing that, in this instance and in many instances, he looks for opportunities for us to work together in a bipartisan way.

So I commend this to my colleagues. I certainly want to remind the body that this passed out of committee with a unanimous 59-0 strong bipartisan vote. You can't get any stronger than that. I ask that my colleagues support this measure.

Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Virginia (Mr. HURT) that the House suspend the rules and pass the bill, H.R. 5322.

The question was taken; and (two-thirds being in the affirmative) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

#### SUPPORT FOR CAPACITY OF THE INTERNATIONAL MONETARY FUND TO PREVENT MONEY LAUNDERING AND FINANCING OF TERRORISM

Mr. FITZPATRICK. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 5469) to require the Secretary of the Treasury to direct the United States Executive Director at the International Monetary Fund to support the capacity of the International Monetary Fund to prevent money laundering and financing of terrorism.

The Clerk read the title of the bill.

The text of the bill is as follows:

H.R. 5469

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

#### SECTION 1. SUPPORT FOR CAPACITY OF THE INTERNATIONAL MONETARY FUND TO PREVENT MONEY LAUNDERING AND FINANCING OF TERRORISM.

(a) IN GENERAL.—Title XVI of the International Financial Institutions Act (22 U.S.C. 262p—262p-12) is amended by adding at the end the following:

#### “SEC. 1629. SUPPORT FOR CAPACITY OF THE INTERNATIONAL MONETARY FUND TO PREVENT MONEY LAUNDERING AND FINANCING OF TERRORISM.

“The Secretary of the Treasury shall instruct the United States Executive Director at the International Monetary Fund to support the use of the administrative budget of

the Fund for technical assistance that strengthens the capacity of Fund members to prevent money laundering and the financing of terrorism.”.

(b) REPORT TO THE CONGRESS.—Within 1 year after the date of the enactment of this Act, the Secretary of the Treasury shall report to the Committee on Financial Services of the House of Representatives and the Committee on Foreign Relations of the Senate on—

(1) the activities of the Fund in the most recently completed fiscal year to provide technical assistance that strengthens the capacity of Fund members to prevent money laundering and the financing of terrorism, and the effectiveness of the assistance; and

(2) the efficacy of efforts by the United States to achieve the policy goal described in this section and any further actions that need to be taken to implement this goal.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Pennsylvania (Mr. FITZPATRICK) and the gentlewoman from New York (Ms. VELÁZQUEZ) each will control 20 minutes.

The Chair recognizes the gentleman from Pennsylvania.

#### GENERAL LEAVE

Mr. FITZPATRICK. Mr. Speaker, I unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and include extraneous material on the bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. FITZPATRICK. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the IMF provides consultations to improve the economic governance of member countries. Traditional areas of focus have included fiscal administration, monetary policy, and financial statistics. More recently, however, the Fund has had to respond to increased demand for technical assistance devoted to anti-money laundering and countering the finance of terrorism, AML/CFT.

While other international financial institutions also provide such assistance, it is commonly agreed that the IMF's role is preeminent, given its ongoing specialized work with fiscal authorities and other central banks.

The IMF bases its AML/CFT work on the international standards, with its technical assistance including activities such as risk assessments, national AML/CFT strategies, legal and regulatory reforms, and the development of financial intelligence units. These FIUs are particularly important for countries that need to process reports of suspicious transactions that may be related to criminal and terrorism activity.

H.R. 5469 will help the IMF continue and expand these programs by making AML/CFT technical assistance a priority and by reasserting its importance to the U.S. Treasury.

Mr. Speaker, I reserve the balance of my time.

Ms. VELÁZQUEZ. Mr. Speaker, I yield myself such time as I may consume.

This commonsense legislation is aimed at expanding the resources the International Monetary Fund can tap in order to provide member countries with technical assistance for anti-money laundering and counterterrorist financing efforts.

Through the IMF's legal department, experts provide assistance to countries that want to put in place effective AML/CFT frameworks in compliance with international standards. Unfortunately, demand is outpacing supply.

Currently, the IMF provides only about \$7 million dollars in AML/CFT technical assistance a year. It is funded almost entirely through volunteer donor trust fund contributions. The U.S. does not contribute to the trust fund. This bill will require the U.S. Executive Director at the IMF to advocate for additional AML/CFT technical assistance financing through the IMF's administrative budget.

The provision of AML/CFT technical assistance should be a top priority, and I think many of us would support a slightly larger transfer of the IMF's annual net profits into the budget to accommodate this important work.

This bill represents an important goal, one that the U.S. should pursue at the IMF, and I urge my colleagues to support this measure.

Mr. Speaker, I yield back the balance of my time.

Mr. FITZPATRICK. Mr. Speaker, I yield 3 minutes to the gentleman from New Mexico (Mr. PEARCE), the author of the bill.

Mr. PEARCE. Mr. Speaker, I thank the gentleman for yielding, and I appreciate my colleague for her support on the bill.

The IMF plays a very significant role in global economic stability. Since they work with the world's central banks and financial institutions, it is only appropriate that we would be extending technical assistance to this organization and make it more permanent that they would finance and back up the plans of all countries to combat money laundering and terrorism. That is the simple precept of the bill.

So as we look at the possibilities, the global rise of terrorism is causing instability in every corner of the world. The world should be now standing up saying that we all join hands, we join arms, link arms to fight this global scourge. One of the most important fights is the ability to choke off the financing, to interrupt the financing of the operations.

This will not do completely what we need to do to stop the threats of global terrorism, but it will go a long way. But, more importantly, it will get buy-in from countries right now are reticent to take part. That is one of the essential things. Some nations are allowed to sit on the sidelines, and all we are saying is that should be up to all of us, not one country here, not the countries that are being affected, but the entire world should be standing together.

This is just a commonsense, pragmatic approach to the situation of money laundering and terrorism. Again, it is not a partisan issue. So I appreciate the input of my colleagues on the other side of the aisle.

With that, I recommend that all vote "yes" on H.R. 5469.

Mr. FITZPATRICK. Mr. Speaker, I yield myself such time as I may consume.

I thank my colleague from New Mexico (Mr. PEARCE), for his important work on the anti-financing of terrorism issue. It is a very patriotic effort on his part. It's an important bill. We thank our colleagues across the aisle for their support of the bill as well, and I ask our colleagues as well to support the passage of H.R. 5469.

Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Pennsylvania (Mr. FITZPATRICK) that the House suspend the rules and pass the bill, H.R. 5469.

The question was taken; and (two-thirds being in the affirmative) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

#### NATIONAL STRATEGY FOR COMBATING TERRORIST, UNDERGROUND, AND OTHER ILLICIT FINANCING ACT

Mr. FITZPATRICK. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 5594) to require the establishment of a national strategy for combating the financing of terrorism and related financial crimes, and for other purposes.

The Clerk read the title of the bill.

The text of the bill is as follows:

H.R. 5594

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

##### SECTION 1. SHORT TITLE.

This Act may be cited as the "National Strategy for Combating Terrorist, Underground, and Other Illicit Financing Act".

##### SEC. 2. FINDINGS.

The Congress finds the following:

(1) The financing of terrorism and related forms of illicit finance present a direct threat to national security and a threat to global stability.

(2) New terrorist groups or threats can form quickly, and other groups change tactics to adapt, creating a constantly changing terrorist environment, presenting ever-changing risks and challenges to programs to disrupt the financing of terrorism and related forms of illicit finance.

(3) As demonstrated in hearings before the Task Force to Investigate Terrorism Financing, terrorists in some instances have formed symbiotic relationships with, or are taking over, transnational crime syndicates, so that funding for both terrorism and profits from crime flow in the same fashion and often are indistinguishable.

(4) Methods of concealing the movement of illicit funding change quickly in a globalized economy, and rapid technological changes

and financial innovation pose new risks that may be increasingly difficult for governments to stay abreast of without an agile, constantly adjusted strategy to spot, disrupt, and prevent the financing of terrorism and related forms of illicit finance.

(5) A bipartisan requirement to create a national anti-money laundering strategy enacted in 1998 expired in 2007. Given the rapid globalization and rapid technology changes of the financial sector, an updated strategy focused on the financing of terrorism is necessary.

(6) It is important for the Government to have a unified strategy to fight financial crime and to update it annually, both to accommodate new and developing threats and to help Congress develop legislative and funding priorities.

(7) An effective strategy to counter terrorism financing is a critical component of the broader counter terrorism strategy of the United States.

##### SEC. 3. DEVELOPMENT OF NATIONAL STRATEGY.

(a) IN GENERAL.—The President, acting through the Secretary of the Treasury (the "Secretary") shall, in consultation with the Attorney General, the Secretaries of State, Defense, and Homeland Security, the Director of National Intelligence and the appropriate Federal banking agencies, develop a national strategy for combating the financing of terrorism and related forms of illicit finance.

(b) TRANSMITTAL TO CONGRESS.—By June 1 each year following the date of the enactment of this Act, the President shall submit to the appropriate congressional committees a national strategy developed in accordance with subsection (a).

(c) EVALUATION OF EXISTING EFFORTS AND BROADER STRATEGY.—The President shall accompany each strategy submitted under subsection (b) with a report that—

(1) describes the effectiveness of efforts to enforce existing prohibitions against illicit finance;

(2) describes how the United States is addressing the highest levels of risk identified in the National Money Laundering Risk Assessment and the National Terrorist Financing Risk Assessment published by the Department of the Treasury;

(3) evaluates the effectiveness of United States efforts to fight illicit finance at actually preventing, discovering, and countering terrorist financing and other forms of illicit finance (and the effectiveness of those efforts that the United States coordinates with foreign nations); and

(4) describes how the strategy submitted under subsection (b) is integrated into, and supports, the broader counter terrorism strategy of the United States.

(d) SEPARATE PRESENTATION OF CLASSIFIED MATERIAL.—Any part of the national strategy that involves information which is properly classified under criteria established by the President shall be submitted to the Congress separately in a classified annex and, if requested by the chairman or ranking Member of one of the appropriate congressional committees, as a briefing at an appropriate level of security.

##### SEC. 4. CONTENTS.

(a) IN GENERAL.—The strategy described under section 3 shall contain, at a minimum, the following:

(1) THREATS, GOALS, OBJECTIVES, AND PRIORITIES.—A comprehensive, research-based, long-range, quantifiable discussion of threats, goals, objectives, and priorities for disrupting, preventing and reducing the number, dollar value, and effects of illicit finance in the United States and foreign countries that impact the security of the United States.