

116TH CONGRESS  
2D SESSION

# H. R. 7083

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.

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## IN THE HOUSE OF REPRESENTATIVES

JUNE 1, 2020

Mr. SHERMAN (for himself, Mr. YOHO, Mrs. CAROLYN B. MALONEY of New York, Mr. CURTIS, Mr. CONNOLLY, Mr. BARR, Mr. SUOZZI, Mr. RESCHENTHALER, and Ms. SPANBERGER) introduced the following bill; which was referred to the Committee on Foreign Affairs, and in addition to the Committees on the Judiciary, Financial Services, Ways and Means, and Rules, 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

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## A BILL

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.

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; TABLE OF CONTENTS.**

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

1 (b) TABLE OF CONTENTS.—The table of contents for  
 2 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 financial institutions that conduct significant transactions with those persons.
- 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 do business with foreign persons that contravene the obligations of China under the Joint Declaration or the Basic Law.
- Sec. 8. Waiver, termination, and congressional review process.
- Sec. 9. Rule of construction.

3 **SEC. 2. DEFINITIONS.**

4 In this Act:

5 (1) ALIEN; NATIONAL; NATIONAL OF THE  
 6 UNITED STATES.—The terms “alien”, “national”,  
 7 and “national of the United States” have the mean-  
 8 ings given those terms in section 101 of the Immi-  
 9 gration and Nationality Act (8 U.S.C. 1101).

10 (2) APPROPRIATE CONGRESSIONAL COMMIT-  
 11 TEES AND LEADERSHIP.—The term “appropriate  
 12 congressional committees and leadership” means—

13 (A) the Committee on Armed Services, the  
 14 Committee on Banking, Housing, and Urban  
 15 Affairs, the Committee on Foreign Relations,  
 16 the Committee on Homeland Security and Gov-  
 17 ernmental Affairs, the Committee on the Judi-  
 18 ciary, the Select Committee on Intelligence, and

1 the majority leader and the minority leader of  
2 the Senate; and

3 (B) the Committee on Armed Services, the  
4 Committee on Financial Services, the Com-  
5 mittee on Foreign Affairs, the Committee on  
6 Homeland Security, the Committee on the Judi-  
7 ciary, the Permanent Select Committee on In-  
8 telligence, and the Speaker and the minority  
9 leader of the House of Representatives.

10 (3) BASIC LAW.—The term “Basic Law” means  
11 the Basic Law of the Hong Kong Special Adminis-  
12 trative Region of the People’s Republic of China.

13 (4) CHINA.—The term “China” means the Peo-  
14 ple’s Republic of China.

15 (5) ENTITY.—The term “entity” means a part-  
16 nership, joint venture, association, corporation, orga-  
17 nization, network, group, or subgroup, or any other  
18 form of business collaboration.

19 (6) FINANCIAL INSTITUTION.—The term “fi-  
20 nancial institution” means a financial institution  
21 specified in section 5312(a)(2) of title 31, United  
22 States Code.

23 (7) FOREIGN FINANCIAL INSTITUTION.—

24 (A) IN GENERAL.—Except as provided in  
25 subparagraph (B), the term “foreign financial

1 institution” means any foreign entity that is en-  
2 gaged in the business of accepting deposits,  
3 making, granting, transferring, holding, or  
4 brokering loans or credits, or purchasing or  
5 selling foreign exchange, securities, commodity  
6 futures or options, or procuring purchasers and  
7 sellers thereof, as principal or agent, includ-  
8 ing—

9 (i) a depository institution;

10 (ii) a bank;

11 (iii) a savings bank;

12 (iv) a money service business;

13 (v) a trust company;

14 (vi) a securities broker or dealer;

15 (vii) a commodity futures and options  
16 broker or dealer;

17 (viii) a forward contract or foreign ex-  
18 change merchant;

19 (ix) a securities or commodities ex-  
20 change;

21 (x) a clearing corporation;

22 (xi) an investment company;

23 (xii) an employee benefit plan;

24 (xiii) a dealer in precious metals,  
25 stones, or jewels; and

1           (xiv) any holding company, affiliate,  
2           or subsidiary of an entity specified in any  
3           of clauses (i) through (xiii).

4           (B) EXCEPTIONS.—The term “foreign fi-  
5           nancial institution” does not include—

6           (i) an international financial institu-  
7           tion, as defined in section 1701(c) of the  
8           International Financial Institutions Act  
9           (22 U.S.C. 262r(c));

10          (ii) the International Fund for Agri-  
11          cultural Development;

12          (iii) the North American Development  
13          Bank; or

14          (iv) any other international financial  
15          institution specified by the Office of For-  
16          eign Assets Control of the Department of  
17          the Treasury.

18          (8) FOREIGN PERSON.—The term “foreign per-  
19          son”—

20               (A) means—

21               (i) any citizen or national of a foreign  
22               country; or

23               (ii) any entity not organized under the  
24               laws of the United States or a jurisdiction  
25               within the United States; and

1 (B) does not include the government of a  
2 foreign country.

3 (9) HONG KONG.—The term “Hong Kong”  
4 means the Hong Kong Special Administrative Re-  
5 gion of the People’s Republic of China.

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

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

17 (12) PERSON.—The term “person” means an  
18 individual or entity.

19 (13) SIGNIFICANT TRANSACTION.—The term  
20 “significant transaction” means a transaction deter-  
21 mined by the Secretary of the Treasury to be signifi-  
22 cant on the basis of the following factors—

23 (A) the size, number, and frequency of the  
24 transaction;

25 (B) the nature of the transaction;

1 (C) whether the transaction is part of a  
2 pattern of conduct;

3 (D) the nexus between the transaction and  
4 a person subject to sanctions under this Act;  
5 and

6 (E) the impact of the transaction on the  
7 objectives of this Act.

8 (14) UNITED STATES PERSON.—The term  
9 “United States person” means—

10 (A) any citizen or national of the United  
11 States;

12 (B) any alien lawfully admitted for perma-  
13 nent residence in the United States;

14 (C) any entity organized under the laws of  
15 the United States or any jurisdiction within the  
16 United States (including a foreign branch of  
17 such an entity); or

18 (D) any person located in the United  
19 States.

20 **SEC. 3. FINDINGS.**

21 Congress makes the following findings:

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

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

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

12           (4) Foremost among the obligations of the Gov-  
13 ernment of China to Hong Kong is the promise that,  
14 pursuant to Paragraph 3b of the Joint Declaration,  
15 “the Hong Kong Special Administrative Region will  
16 enjoy a high degree of autonomy, except in foreign  
17 and defence affairs which are the responsibilities of  
18 the Central People’s Government”.

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

23           (6) Article 22 of the Basic Law establishes that  
24 “No department of the Central People’s Government  
25 and no province, autonomous region, or municipality



1 directly under the Central Government may interfere  
2 in the affairs which the Hong Kong Special Admin-  
3 istrative Region administers on its own in accord-  
4 ance with this Law.”.

5 (7) The Joint Declaration and the Basic Law  
6 make clear that additional obligations shall be un-  
7 dertaken by China to ensure the “high degree of au-  
8 tonomy” of Hong Kong.

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

14 (9) On multiple occasions, the Government of  
15 China has undertaken actions that have contravened  
16 the letter or intent of the obligation described in  
17 paragraph (8) of this section, including the fol-  
18 lowing:

19 (A) In 1999, the Standing Committee of  
20 the National People’s Congress overruled a de-  
21 cision by the Hong Kong Court of Final Appeal  
22 on the right of abode.

23 (B) On multiple occasions, the Government  
24 of Hong Kong, at the advice of the Government  
25 of China, is suspected to have not allowed per-

1           sons entry into Hong Kong allegedly because of  
2           their support for democracy and human rights  
3           in Hong Kong and China.

4           (C) The Liaison Office of China in Hong  
5           Kong has, despite restrictions on interference in  
6           the affairs of Hong Kong as detailed in Article  
7           22 of the Basic Law—

8                   (i) openly expressed support for can-  
9                   didates in Hong Kong for Chief Executive  
10                  and Legislative Council;

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

15                  (iii) on April 17, 2020, asserted that  
16                  both the Liaison Office of China in Hong  
17                  Kong and the Hong Kong and Macau Af-  
18                  fairs Office of the State Council “have the  
19                  right to exercise supervision . . . on affairs  
20                  regarding Hong Kong and the mainland,  
21                  in order to ensure correct implementation  
22                  of the Basic Law”.

23           (D) The National People’s Congress has  
24           passed laws requiring Hong Kong to pass laws

1 banning disrespectful treatment of the national  
2 flag and national anthem of China.

3 (E) The State Council of China released a  
4 white paper on June 10, 2014, that stressed  
5 the “comprehensive jurisdiction” of the Govern-  
6 ment of China over Hong Kong and indicated  
7 that Hong Kong must be governed by “patri-  
8 ots”.

9 (F) The Government of China has directed  
10 operatives to kidnap and bring to the mainland,  
11 or is otherwise responsible for the kidnapping  
12 of, residents of Hong Kong, including business-  
13 man Xiao Jianhua and bookseller Gui Minhai.

14 (G) The Government of Hong Kong, acting  
15 with the support of the Government of China,  
16 introduced an extradition bill that would have  
17 permitted the Government of China to request  
18 and enforce extradition requests for any indi-  
19 vidual present in Hong Kong, regardless of the  
20 legality of the request or the degree to which it  
21 compromised the judicial independence of Hong  
22 Kong.

23 (H) The spokesman for the Standing Com-  
24 mittee of the National People’s Congress said,  
25 “Whether Hong Kong’s laws are consistent

1 with the Basic Law can only be judged and de-  
2 cided by the National People’s Congress Stand-  
3 ing Committee. No other authority has the  
4 right to make judgments and decisions.”.

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

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

15 (A) In 2002, the Government of China  
16 pressured the Government of Hong Kong to in-  
17 troduce “patriotic” curriculum in primary and  
18 secondary schools.

19 (B) The governments of China and Hong  
20 Kong proposed the prohibition of discussion of  
21 Hong Kong independence and self-determina-  
22 tion in primary and secondary schools, which  
23 infringes on freedom of speech.

24 (C) The Government of Hong Kong man-  
25 dated that Mandarin, and not the native lan-

1           guage of Cantonese, be the language of instruc-  
2           tion in Hong Kong schools.

3           (D) The governments of China and Hong  
4           Kong agreed to a daily quota of mainland im-  
5           migrants to Hong Kong, which is widely be-  
6           lieved by citizens of Hong Kong to be part of  
7           an effort to “mainlandize” Hong Kong.

8           (12) Paragraph 3e of the Joint Declaration  
9           states, as reinforced by Articles 4, 26, 27, 28, 29,  
10          30, 31, 32 33, 34, and 39 of the Basic Law, that  
11          the “rights and freedoms, including those of person,  
12          of speech, of the press, of assembly, of association,  
13          of travel, of movement, of correspondence, of strike,  
14          of choice of occupation, of academic research and of  
15          religious belief will be ensured by law” in Hong  
16          Kong.

17          (13) On multiple occasions, the Government of  
18          China has undertaken actions that have contravened  
19          the letter or intent of the obligation described in  
20          paragraph (12) of this section, including the fol-  
21          lowing:

22                 (A) On February 26, 2003, the Govern-  
23                 ment of Hong Kong introduced a national secu-  
24                 rity bill that would have placed restrictions on  
25                 freedom of speech and other protected rights.

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

6           (C) The Hong Kong Police Force selec-  
7 tively blocked demonstrations and protests ex-  
8 pressing opposition to the governments of China  
9 and Hong Kong or the policies of those govern-  
10 ments.

11           (D) The Government of Hong Kong re-  
12 fused to renew work visa for a foreign jour-  
13 nalist, allegedly for hosting a speaker from the  
14 banned Hong Kong National Party.

15           (E) The Justice Department of Hong  
16 Kong selectively prosecuted cases against lead-  
17 ers of the Umbrella Movement, while failing to  
18 prosecute police officers accused of using exces-  
19 sive force during the protests in 2014.

20           (F) On April 18, 2020, the Hong Kong  
21 Police Force arrested 14 high-profile democracy  
22 activists and campaigners for their role in orga-  
23 nizing a protest march that took place on Au-  
24 gust 18, 2019, in which almost 2,000,000 peo-  
25 ple rallied against a proposed extradition bill.

1           (14) Articles 45 and 68 of the Basic Law assert  
2           that the selection of Chief Executive and all mem-  
3           bers of the Legislative Council of Hong Kong should  
4           be by “universal suffrage.”.

5           (15) On multiple occasions, the Government of  
6           China has undertaken actions that have contravened  
7           the letter or intent of the obligation described in  
8           paragraph (14) of this section, including the fol-  
9           lowing:

10                   (A) In 2004, the National People’s Con-  
11                   gress created new, antidemocratic procedures  
12                   restricting the adoption of universal suffrage  
13                   for the election of the Chief Executive of Hong  
14                   Kong.

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

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

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

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

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

18 **SEC. 4. SENSE OF CONGRESS REGARDING HONG KONG.**

19 It is the sense of Congress that—

20 (1) the United States continues to uphold the  
21 principles and policy established in the United  
22 States-Hong Kong Policy Act of 1992 (22 U.S.C.  
23 5701 et seq.) and the Hong Kong Human Rights  
24 and Democracy Act of 2019 (Public Law 116–76;  
25 22 U.S.C. 5701 note), which remain consistent with



1 China’s obligations under the Joint Declaration and  
2 certain promulgated objectives under the Basic Law,  
3 including that—

4 (A) as set forth in section 101(1) of the  
5 United States-Hong Kong Policy Act of 1992  
6 (22 U.S.C. 5711(1)), “The United States  
7 should play an active role, before, on, and after  
8 July 1, 1997, in maintaining Hong Kong’s con-  
9 fidence and prosperity, Hong Kong’s role as an  
10 international financial center, and the mutually  
11 beneficial ties between the people of the United  
12 States and the people of Hong Kong.”; and

13 (B) as set forth in section 2(5) of the  
14 United States-Hong Kong Policy Act of 1992  
15 (22 U.S.C. 5701(5)), “Support for democratiza-  
16 tion is a fundamental principle of United States  
17 foreign policy. As such, it naturally applies to  
18 United States policy toward Hong Kong. This  
19 will remain equally true after June 30, 1997.”;

20 (2) although the United States recognizes that,  
21 under the Joint Declaration, the Government of  
22 China “resumed the exercise of sovereignty over  
23 Hong Kong with effect on 1 July 1997”, the United  
24 States supports the autonomy of Hong Kong in fur-  
25 therance of the United States-Hong Kong Policy Act

1 of 1992 and the Hong Kong Human Rights and De-  
2 mocracy Act of 2019 and advances the desire of the  
3 people of Hong Kong to continue the “one country,  
4 two systems” regime, in addition to other obligations  
5 promulgated by China under the Joint Declaration  
6 and the Basic Law;

7 (3) in order to support the benefits and protec-  
8 tions that Hong Kong has been afforded by the Gov-  
9 ernment of China under the Joint Declaration and  
10 the Basic Law, the United States should establish a  
11 clear and unambiguous set of penalties with respect  
12 to foreign persons determined by the Secretary of  
13 State to be involved in the contravention of the obli-  
14 gations of China under the Joint Declaration and  
15 the Basic Law and the financial institutions trans-  
16 acting with those foreign persons;

17 (4) the Secretary of State should provide an un-  
18 classified assessment of the reason for imposition of  
19 certain economic penalties on entities, so as to per-  
20 mit a clear path for the removal of economic pen-  
21 alties if the sanctioned behavior is reversed and  
22 verified by the Secretary of State;

23 (5) relevant Federal agencies should establish a  
24 multilateral sanctions regime with respect to foreign  
25 persons involved in the contravention of the obliga-

1 tions of China under the Joint Declaration and the  
2 Basic Law; and

3 (6) in addition to the penalties on foreign per-  
4 sons, and financial institutions transacting with  
5 those foreign persons, for the contravention of the  
6 obligations of China under the Joint Declaration and  
7 the Basic Law, the United States should take steps,  
8 in a time of crisis, to assist permanent residents of  
9 Hong Kong who are persecuted or fear persecution  
10 as a result of the contravention by China of its obli-  
11 gations under the Joint Declaration and the Basic  
12 Law to become eligible to obtain lawful entry into  
13 the United States.

14 **SEC. 5. IDENTIFICATION OF FOREIGN PERSONS INVOLVED**

15 **IN THE EROSION OF THE OBLIGATIONS OF**  
16 **CHINA UNDER THE JOINT DECLARATION OR**  
17 **THE BASIC LAW AND FOREIGN FINANCIAL IN-**  
18 **STITUTIONS THAT CONDUCT SIGNIFICANT**  
19 **TRANSACTIONS WITH THOSE PERSONS.**

20 (a) IN GENERAL.—Not later than 90 days after the  
21 date of the enactment of this Act, and annually thereafter,  
22 if the Secretary of State determines that a foreign person  
23 is materially contributing to, has materially contributed  
24 to, or attempts to materially contribute to the failure of  
25 the Government of China to meet its obligations under the

1 Joint Declaration or the Basic Law, the Secretary of State  
2 shall submit to the appropriate congressional committees  
3 and leadership a report that includes—

4 (1) an identification of the foreign person;

5 (2) a clear explanation for why the foreign per-  
6 son was identified and a description of the activity  
7 that resulted in the identification; and

8 (3) an identification of any foreign financial in-  
9 stitution that knowingly conducts a significant  
10 transactions with the foreign person.

11 (b) EXCLUSION OF CERTAIN INFORMATION.—

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

18 (2) LAW ENFORCEMENT.—The Secretary of  
19 State shall not disclose the identity of a person in  
20 a report submitted under subsection (a) if the Attor-  
21 ney General, in coordination, as appropriate, with  
22 the Director of the Federal Bureau of Investigation,  
23 the head of any other appropriate Federal law en-  
24 forcement agency, and the Secretary of the Treas-

1       ury, determines that such disclosure could reason-  
2       ably be expected—

3               (A) to compromise the identity of a con-  
4       fidential source, including a State, local, or for-  
5       eign agency or authority or any private institu-  
6       tion that furnished information on a confiden-  
7       tial basis;

8               (B) to jeopardize the integrity or success  
9       of an ongoing criminal investigation or prosecu-  
10      tion;

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

13              (D) to cause substantial harm to physical  
14      property.

15              (3) NOTIFICATION REQUIRED.—If the Director  
16      of National Intelligence makes a determination  
17      under paragraph (1) or the Attorney General makes  
18      a determination under paragraph (2), the Director  
19      or the Attorney General, as the case may be, shall  
20      notify the appropriate congressional committees and  
21      leadership of the determination and the reasons for  
22      the determination.

23              (c) EXCLUSION OF FOREIGN PERSONS AND FOREIGN  
24      FINANCIAL INSTITUTIONS.—

1           (1) FOREIGN PERSONS.—The President may  
2           exclude a foreign person from the report under sub-  
3           section (a) if the material contribution (as described  
4           in subsection (d)) that merited inclusion in that re-  
5           port—

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

10                   (B) is not likely to be repeated in the fu-  
11                   ture; and

12                   (C) has been reversed or otherwise miti-  
13                   gated through positive countermeasures taken  
14                   by that foreign person.

15           (2) FOREIGN FINANCIAL INSTITUTIONS.—The  
16           President may exclude a foreign financial institution  
17           from the report under subsection (a) if the signifi-  
18           cant transaction or significant transactions of the  
19           foreign financial institution that merited inclusion in  
20           that report—

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

1 (B) is not likely to be repeated in the fu-  
2 ture; and

3 (C) has been reversed or otherwise miti-  
4 gated through positive countermeasures taken  
5 by that foreign financial institution.

6 (d) FORM OF REPORT.—Each report under sub-  
7 section (a) shall be submitted in unclassified form but may  
8 include a classified annex.

9 (e) TIMING OF REPORT.—

10 (1) IN GENERAL.—Each report under sub-  
11 section (a), to the extent practicable, shall be sub-  
12 mitted with the annual report under section 301 of  
13 the United States-Hong Kong Policy Act of 1992  
14 (22 U.S.C. 5731).

15 (2) RULE OF CONSTRUCTION.—Nothing in this  
16 subsection shall be construed to terminate the re-  
17 quirement to submit the report under subsection (a)  
18 upon the termination of the requirement to submit  
19 the annual report under section 301 of the United  
20 States-Hong Kong Policy Act of 1992 (22 U.S.C.  
21 5731).

22 (f) MATERIAL CONTRIBUTIONS RELATED TO OBLI-  
23 GATIONS OF CHINA DESCRIBED.—For purposes of this  
24 section, a foreign person materially contributes to the fail-  
25 ure of the Government of China to meet its obligations

1 under the Joint Declaration or the Basic Law if the per-  
2 son—

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

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

7 (B) to participate in democratic outcomes;  
8 or

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

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

15 (a) IMPOSITION OF SANCTIONS.—

16 (1) IN GENERAL.—On and after the date on  
17 which a foreign person is included in a report under  
18 section 5(a)(1), the President may impose sanctions  
19 described in subsection (b) with respect to that for-  
20 eign person.

21 (2) MANDATORY SANCTIONS.—On and after the  
22 date on which a foreign person is included in 2 re-  
23 ports submitted under section 5(a)(1), the President  
24 shall impose sanctions described in subsection (b)  
25 with respect to that foreign person.



1 (b) SANCTIONS DESCRIBED.—The sanctions de-  
2 scribed in this subsection with respect to a foreign person  
3 are the following:

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

7 (A) acquiring, holding, withholding, using,  
8 transferring, withdrawing, transporting, or ex-  
9 porting any property that is subject to the ju-  
10 risdiction of the United States and with respect  
11 to which the foreign person has any interest;

12 (B) dealing in or exercising any right,  
13 power, or privilege with respect to such prop-  
14 erty; or

15 (C) conducting any transaction involving  
16 such property.

17 (2) EXCLUSION FROM THE UNITED STATES  
18 AND REVOCATION OF VISA OR OTHER DOCUMENTA-  
19 TION.—In the case of a foreign person who is an in-  
20 dividual, the President may direct the Secretary of  
21 State to deny a visa to, and the Secretary of Home-  
22 land Security to exclude from the United States, the  
23 foreign person, subject to regulatory exceptions to  
24 permit the United States to comply with the Agree-  
25 ment regarding the Headquarters of the United Na-

1 tions, signed at Lake Success June 26, 1947, and  
2 entered into force November 21, 1947, between the  
3 United Nations and the United States, or other ap-  
4 plicable international obligations.

5 **SEC. 7. SANCTIONS WITH RESPECT TO FOREIGN FINANCIAL**  
6 **INSTITUTIONS THAT DO BUSINESS WITH FOR-**  
7 **EIGN PERSONS THAT CONTRAVENE THE OB-**  
8 **LIGATIONS OF CHINA UNDER THE JOINT**  
9 **DECLARATION OR THE BASIC LAW.**

10 (a) IMPOSITION OF SANCTIONS.—With respect to any  
11 financial institution included in a report under section  
12 5(a)(3)—

13 (1) not later than one year after the submittal  
14 of the report, the President shall impose not fewer  
15 than five of the sanctions described in subsection  
16 (b); and

17 (2) not later than 2 years after the submittal  
18 of the report, the President shall impose each of the  
19 sanctions described in subsection (b).

20 (b) SANCTIONS DESCRIBED.—The sanctions that  
21 may imposed with respect to a foreign financial institution  
22 included in the report under section 5(a)(3) are the fol-  
23 lowing:

24 (1) LOANS FROM UNITED STATES FINANCIAL  
25 INSTITUTIONS.—The United States Government

1 may prohibit any United States financial institution  
2 from making loans or providing credits to the for-  
3 eign financial institution.

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

11 (3) PROHIBITION ON SERVICE AS A REPOSI-  
12 TORY OF GOVERNMENT FUNDS.—The foreign finan-  
13 cial institution may not serve as agent of the United  
14 States Government or serve as repository for United  
15 States Government funds.

16 (4) FOREIGN EXCHANGE.—The President may,  
17 pursuant to such regulations as the President may  
18 prescribe, prohibit any transactions in foreign ex-  
19 change that are subject to the jurisdiction of the  
20 United States and in which the foreign financial in-  
21 stitution has any interest.

22 (5) BANKING TRANSACTIONS.—The President  
23 may, pursuant to such regulations as the President  
24 may prescribe, prohibit any transfers of credit or  
25 payments between financial institutions or by,

1 through, or to any financial institution, to the extent  
2 that such transfers or payments are subject to the  
3 jurisdiction of the United States and involve any in-  
4 terest of the foreign financial institution.

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

8 (A) acquiring, holding, withholding, using,  
9 transferring, withdrawing, transporting, import-  
10 ing, or exporting any property that is subject to  
11 the jurisdiction of the United States and with  
12 respect to which the foreign financial institution  
13 has any interest;

14 (B) dealing in or exercising any right,  
15 power, or privilege with respect to such prop-  
16 erty; or

17 (C) conducting any transaction involving  
18 such property.

19 (7) RESTRICTION ON EXPORTS.—The President  
20 may restrict or prohibit exports of goods, technology,  
21 or services, directly or indirectly, from the United  
22 States to the foreign financial institution.

23 (8) BAN ON INVESTMENT IN EQUITY OR  
24 DEBT.—The President may, pursuant to such regu-  
25 lations or guidelines as the President may prescribe,

1 prohibit any United States person from investing in  
2 or purchasing significant amounts of equity or debt  
3 instruments of the foreign financial institution.

4 (9) EXCLUSION OF CORPORATE OFFICERS.—

5 The President may direct the Secretary of State to  
6 deny a visa to, and the Secretary of Homeland Secu-  
7 rity to exclude from the United States, any alien  
8 that the President determines is a corporate officer  
9 or principal of, or a shareholder with a controlling  
10 interest in, the foreign financial institution.

11 (10) SANCTIONS ON PRINCIPAL EXECUTIVE OF-

12 FICERS.—The President may impose on the prin-  
13 cipal executive officer or officers of the foreign fi-  
14 nancial institution, or on individuals performing  
15 similar functions and with similar authorities as  
16 such officer or officers, any of the sanctions de-  
17 scribed in paragraphs (1) through (8) that are appli-  
18 cable.

19 (c) TIMING OF SANCTIONS.—The President may im-

20 pose sanctions required under subsection (a) with respect  
21 to a financial institution included in a report under section  
22 5(a)(3) beginning on the day on which the financial insti-  
23 tution is included in that report.

1 **SEC. 8. WAIVER, TERMINATION, AND CONGRESSIONAL RE-**  
2 **VIEW PROCESS.**

3 (a) NATIONAL SECURITY WAIVER.—Unless a dis-  
4 approval resolution is enacted under subsection (d), the  
5 President may waive the application of sanctions under  
6 section 6 or 7 with respect to a foreign person or foreign  
7 financial institution if the President—

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

10 (2) submits to the appropriate congressional  
11 committees and leadership a report on the deter-  
12 mination and the reasons for the determination.

13 (b) TERMINATION OF SANCTIONS AND REMOVAL  
14 FROM REPORT.—Unless a disapproval resolution is en-  
15 acted under subsection (d), the President may terminate  
16 the application of sanctions under section 6 or 7 with re-  
17 spect to a foreign person or foreign financial institution  
18 and remove that foreign person or foreign financial insti-  
19 tution from the report required under section 5(a) if the  
20 Secretary of State determines that the actions taken by  
21 the foreign person or foreign financial institution that led  
22 to the imposition of sanctions—

23 (1) do not have a significant and lasting nega-  
24 tive effect that contravenes the obligations of China  
25 under the Joint Declaration and the Basic Law;

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

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

6           (c) TERMINATION OF ACT.—

7           (1) REPORT.—

8                   (A) IN GENERAL.—Not later than July 1,  
9                   2046, the President, in consultation with the  
10                   Secretary of State, the Secretary of the Treas-  
11                   ury, and the heads of such other Federal agen-  
12                   cies as the President considers appropriate,  
13                   shall submit to Congress a report evaluating the  
14                   implementation of this Act and sanctions im-  
15                   posed pursuant to this Act.

16                   (B) ELEMENTS.—The President shall in-  
17                   clude in the report submitted under paragraph  
18                   (1) an assessment of whether this Act and the  
19                   sanctions imposed pursuant to this Act should  
20                   be terminated.

21           (2) TERMINATION.—This Act and the sanctions  
22           imposed pursuant to this Act shall remain in effect  
23           unless a termination resolution is enacted under sub-  
24           section (d) after July 1, 2047.

25           (d) CONGRESSIONAL REVIEW.—

1 (1) RESOLUTIONS.—

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

6 (i) the title of which is as follows: “A  
7 joint resolution disapproving the waiver or  
8 termination of sanctions with respect to a  
9 foreign person that contravenes the obliga-  
10 tions of China with respect to Hong Kong  
11 or a foreign financial institution that pro-  
12 vides services to that person.”; and

13 (ii) the sole matter after the resolving  
14 clause of which is the following: “Congress  
15 disapproves of the action under section 8  
16 of the Hong Kong Autonomy Act relating  
17 to the application of sanctions imposed  
18 with respect to a foreign person that con-  
19 travenes the obligations of China with re-  
20 spect to Hong Kong, or a foreign financial  
21 institution that provides services to that  
22 person, on \_\_\_\_\_ relating to  
23 \_\_\_\_\_.”, with the first blank  
24 space being filled with the appropriate date  
25 and the second blank space being filled



1 with a short description of the proposed  
2 action.

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

7 (i) the title of which is as follows: “A  
8 joint resolution terminating sanctions with  
9 respect to foreign persons that contravene  
10 the obligations of China with respect to  
11 Hong Kong and foreign financial institu-  
12 tions that provide services to those per-  
13 sons.”; and

14 (ii) the sole matter after the resolving  
15 clause of which is the following: “The  
16 Hong Kong Autonomy Act and any sanc-  
17 tions imposed pursuant to that Act shall  
18 terminate on \_\_\_\_\_.”, with the blank  
19 space being filled with the termination  
20 date.

21 (C) COVERED RESOLUTION.—In this sub-  
22 section, the term “covered resolution” means a  
23 disapproval resolution or a termination resolu-  
24 tion.

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

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

5           (B) in the Senate, by the majority leader  
6 (or the majority leader’s designee) or the mi-  
7 nority leader (or the minority leader’s des-  
8 ignee).

9           (3) FLOOR CONSIDERATION IN HOUSE OF REP-  
10 REPRESENTATIVES.—If a committee of the House of  
11 Representatives to which a covered resolution has  
12 been referred has not reported the resolution within  
13 10 calendar days after the date of referral, that  
14 committee shall be discharged from further consider-  
15 ation of the resolution.

16           (4) CONSIDERATION IN THE SENATE.—

17           (A) COMMITTEE REFERRAL.—

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

21           (I) referred to the Committee on  
22 Banking, Housing, and Urban Affairs  
23 if the resolution relates to an action  
24 that is not intended to significantly

1 alter United States foreign policy with  
2 regard to China; and

3 (II) referred to the Committee on  
4 Foreign Relations if the resolution re-  
5 lates to an action that is intended to  
6 significantly alter United States for-  
7 eign policy with regard to China.

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

13 (B) REPORTING AND DISCHARGE.—If a  
14 committee to which a covered resolution was re-  
15 ferred has not reported the resolution within 10  
16 calendar days after the date of referral of the  
17 resolution, that committee shall be discharged  
18 from further consideration of the resolution and  
19 the resolution shall be placed on the appro-  
20 priate calendar.

21 (C) PROCEEDING TO CONSIDERATION.—  
22 Notwithstanding Rule XXII of the Standing  
23 Rules of the Senate, it is in order at any time  
24 after the Committee on Banking, Housing, and  
25 Urban Affairs or the Committee on Foreign Re-

1           lations, as the case may be, reports a covered  
2           resolution to the Senate or has been discharged  
3           from consideration of such a resolution (even  
4           though a previous motion to the same effect has  
5           been disagreed to) to move to proceed to the  
6           consideration of the resolution, and all points of  
7           order against the resolution (and against con-  
8           sideration of the resolution) are waived. The  
9           motion to proceed is not debatable. The motion  
10          is not subject to a motion to postpone. A mo-  
11          tion to reconsider the vote by which the motion  
12          is agreed to or disagreed to shall not be in  
13          order.

14                   (D) RULINGS OF THE CHAIR ON PROCE-  
15                   DURE.—Appeals from the decisions of the Chair  
16                   relating to the application of the rules of the  
17                   Senate, as the case may be, to the procedure re-  
18                   lating to a covered resolution shall be decided  
19                   without debate.

20                   (E) CONSIDERATION OF VETO MES-  
21                   SAGES.—Debate in the Senate of any veto mes-  
22                   sage with respect to a covered resolution, in-  
23                   cluding all debatable motions and appeals in  
24                   connection with the resolution, shall be limited  
25                   to 10 hours, to be equally divided between, and

1 controlled by, the majority leader and the mi-  
2 nority leader or their designees.

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

5 (A) TREATMENT OF SENATE RESOLUTION  
6 IN HOUSE.—In the House of Representatives,  
7 the following procedures shall apply to a cov-  
8 ered resolution received from the Senate (unless  
9 the House has already passed a resolution relat-  
10 ing to the same proposed action):

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

13 (ii) If a committee to which a resolu-  
14 tion has been referred has not reported the  
15 resolution within 2 calendar days after the  
16 date of referral, that committee shall be  
17 discharged from further consideration of  
18 the resolution.

19 (iii) Beginning on the third legislative  
20 day after each committee to which a reso-  
21 lution has been referred reports the resolu-  
22 tion to the House or has been discharged  
23 from further consideration thereof, it shall  
24 be in order to move to proceed to consider  
25 the resolution in the House. All points of

1 order against the motion are waived. Such  
2 a motion shall not be in order after the  
3 House has disposed of a motion to proceed  
4 on the resolution. The previous question  
5 shall be considered as ordered on the mo-  
6 tion to its adoption without intervening  
7 motion. The motion shall not be debatable.  
8 A motion to reconsider the vote by which  
9 the motion is disposed of shall not be in  
10 order.

11 (iv) The resolution shall be considered  
12 as read. All points of order against the res-  
13 olution and against its consideration are  
14 waived. The previous question shall be con-  
15 sidered as ordered on the resolution to  
16 final passage without intervening motion  
17 except 2 hours of debate equally divided  
18 and controlled by the sponsor of the reso-  
19 lution (or a designee) and an opponent. A  
20 motion to reconsider the vote on passage of  
21 the resolution shall not be in order.

22 (B) TREATMENT OF HOUSE RESOLUTION

23 IN SENATE.—

24 (i) RECEIVED BEFORE PASSAGE OF  
25 SENATE RESOLUTION.—If, before the pas-

1           sage by the Senate of a covered resolution,  
2           the Senate receives an identical resolution  
3           from the House of Representatives, the fol-  
4           lowing procedures shall apply:

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

7                   (II) With respect to that resolu-  
8                   tion—

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

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

17                   (ii) RECEIVED AFTER PASSAGE OF  
18                   SENATE RESOLUTION.—If, following pas-  
19                   sage of a covered resolution in the Senate,  
20                   the Senate receives an identical resolution  
21                   from the House of Representatives, that  
22                   resolution shall be placed on the appro-  
23                   priate Senate calendar.

24                   (iii) NO SENATE COMPANION.—If a  
25                   covered resolution is received from the

1 House of Representatives, and no com-  
2 panion resolution has been introduced in  
3 the Senate, the Senate procedures under  
4 this subsection shall apply to the resolution  
5 from the House of Representatives.

6 (C) APPLICATION TO REVENUE MEAS-  
7 URES.—The provisions of this paragraph shall  
8 not apply in the House of Representatives to a  
9 covered resolution that is a revenue measure.

10 (6) RULES OF HOUSE OF REPRESENTATIVES  
11 AND SENATE.—This subsection is enacted by Con-  
12 gress—

13 (A) as an exercise of the rulemaking power  
14 of the Senate and the House of Representa-  
15 tives, respectively, and as such is deemed a part  
16 of the rules of each House, respectively, and su-  
17 persedes other rules only to the extent that it  
18 is inconsistent with such rules; and

19 (B) with full recognition of the constitu-  
20 tional right of either House to change the rules  
21 (so far as relating to the procedure of that  
22 House) at any time, in the same manner, and  
23 to the same extent as in the case of any other  
24 rule of that House.



1 **SEC. 9. RULE OF CONSTRUCTION.**

2       Nothing in this Act shall be construed as an author-  
3 ization of military force against China.

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