

[DISCUSSION DRAFT]

117TH CONGRESS
1ST SESSION

H. R. _____

To establish the OFAC Exchange within the Office of Foreign Assets Control at the Department of the Treasury, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

M. _____ introduced the following bill; which was referred to the Committee on _____

A BILL

To establish the OFAC Exchange within the Office of Foreign Assets Control at the Department of the Treasury, 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.**

4 This Act may be cited as the “OFAC Exchange Act”.

5 **SEC. 2. OFAC EXCHANGE.**

6 Section 312 of title 31, United States Code, is
7 amended by adding at the end the following::

8 “(g) OFAC EXCHANGE.—

1 “(1) ESTABLISHMENT.—The OFAC Exchange
2 is hereby established within OFAC.

3 “(2) PURPOSE.—The OFAC Exchange shall fa-
4 cilitate a voluntary public-private information shar-
5 ing partnership among law enforcement agencies,
6 national security agencies, financial institutions, and
7 OFAC to—

8 “(A) effectively and efficiently administer
9 and enforce economic and trade sanctions
10 against targeted foreign countries and regimes,
11 terrorists, international narcotics traffickers,
12 those engaged in activities related to the pro-
13 liferation of weapons of mass destruction, and
14 other threats to the national security, foreign
15 policy, or economy of the United States by pro-
16 moting innovation and technical advances in re-
17 porting—

18 “(i) under subchapter II of chapter 53
19 and the regulations promulgated under
20 that subchapter; and

21 “(ii) with respect to other economic
22 and trade sanctions requirements;

23 “(B) protect the financial system from il-
24 licit use, including evasions of existing economic
25 and trade sanctions programs; and

1 “(C) facilitate two-way information ex-
2 change between OFAC and persons who are re-
3 quired to comply with sanctions administered
4 and enforced by OFAC, including financial in-
5 stitutions, business sectors frequently affected
6 by sanctions programs, and non-government or-
7 ganizations and humanitarian groups impacted
8 by such sanctions programs.

9 “(3) REPORT.—

10 “(A) IN GENERAL.—Not later than 1 year
11 after the date of enactment of this subsection,
12 and once every 2 years thereafter for the next
13 5 years, the Secretary of the Treasury shall
14 submit to the Committee on Banking, Housing,
15 and Urban Affairs of the Senate and the Com-
16 mittee on Financial Services of the House of
17 Representatives a report containing—

18 “(i) an analysis of the efforts under-
19 taken by the OFAC Exchange, which shall
20 include an analysis of—

21 “(I) the results of those efforts;

22 “(II) the extent and effectiveness
23 of those efforts, including the extent
24 and effectiveness of communication
25 between OFAC and persons who are

1 required to comply with sanctions ad-
2 ministered and enforced by OFACs;
3 and

4 “(ii) recommendations to improve effi-
5 ciency and effectiveness of targeting, com-
6 pliance, enforcement and licensing activi-
7 ties undertake by OFAC; and

8 “(iii) any legislative, administrative,
9 or other recommendations the Secretary
10 may have to strengthen the efforts of the
11 OFAC Exchange.

12 “(B) CLASSIFIED ANNEX.—Each report
13 under subparagraph (A) may include a classi-
14 fied annex.

15 “(4) INFORMATION SHARING REQUIREMENT.—
16 Information shared under this subsection shall be
17 shared—

18 “(A) in compliance with all other applica-
19 ble Federal laws and regulations;

20 “(B) in such a manner as to ensure the
21 appropriate confidentiality of personal informa-
22 tion; and

23 “(C) at the discretion of the Director, with
24 the appropriate Federal functional regulator, as

1 defined in section of the Anti-Money Laun-
2 dering Act of 2020.

3 “(5) PROTECTION OF SHARED INFORMATION.—

4 “(A) REGULATIONS.—OFAC shall, as ap-
5 propriate, promulgate regulations that establish
6 procedures for the protection of information
7 shared and exchanged between OFAC and the
8 private sector in accordance with this section,
9 consistent with the capacity, size, and nature of
10 the financial institution to which the particular
11 procedures apply.

12 “(B) USE OF INFORMATION.—Information
13 received by a financial institution pursuant to
14 this section shall not be used for any purpose
15 other than identifying and reporting on activi-
16 ties that may involve the financing of terrorism,
17 proliferation financing, narcotics trafficking, or
18 financing of sanctioned countries, regimes, or
19 persons.

20 “(6) RULE OF CONSTRUCTION.—Nothing in
21 this subsection may be construed to create new in-
22 formation sharing authorities or requirements relat-
23 ing to the Bank Secrecy Act.”.