

**AMENDMENT IN THE NATURE OF A SUBSTITUTE
TO H.R. 554
OFFERED BY MR. HILL OF ARKANSAS**

Strike all after the enacting clause and insert the following:

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:

1 (A) With respect to each of at least 10
2 natural persons described under subsection (b),
3 at least 1 of whom is a natural person listed
4 under paragraph (1) of such subsection (b) and
5 at least 1 of whom is a natural person listed
6 under paragraph (2) of such subsection (b), the
7 estimated total funds that are held in financial
8 institutions and are under direct or indirect
9 control by such natural person and a descrip-
10 tion of such funds.

11 (B) A list of any financial institutions
12 that—

13 (i) maintain an account in connection
14 with significant funds described in sub-
15 paragraph (A); or

16 (ii) otherwise provide significant fi-
17 nancial services to a natural person cov-
18 ered by the report.

19 (2) BRIEFING REQUIRED.—Not later than 30
20 days after submitting a report described under para-
21 graph (1), the Secretary of the Treasury, or a des-
22 ignee of the Secretary, shall provide to the appro-
23 priate Members of Congress an unclassified or clas-
24 sified briefing (as determined appropriate by the
25 Secretary) on the funds covered by the report, in-

1 including a description of how the funds were ac-
2 quired, and any illicit or corrupt means employed to
3 acquire or use the funds.

4 (3) EXEMPTIONS.—The requirements described
5 under paragraph (1) may not be applied with re-
6 spect to a natural person or a financial institution,
7 as the case may be, if the President determines:

8 (A) The funds described under paragraph
9 (1)(A) were primarily acquired through legal
10 and noncorrupt means.

11 (B) The natural person has agreed to pro-
12 vide significant cooperation to the United
13 States for an important national security pur-
14 pose with respect to China.

15 (C) A financial institution has agreed to—

16 (i) no longer maintain an account de-
17 scribed under paragraph (1)(B)(i);

18 (ii) no longer provide significant fi-
19 nancial services to a natural person cov-
20 ered by the report; or

21 (iii) provide significant cooperation to
22 the United States for an important na-
23 tional security purpose with respect to
24 China.

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

6 (A) the waiver would substantially promote
7 the objective of ending the threat described
8 under paragraph (1);

9 (B) the threat described under paragraph
10 (1) is no longer present; or

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

13 (b) NATURAL PERSONS DESCRIBED.—The natural
14 persons described in this subsection are persons who, at
15 the time of a report, are the following:

16 (1) A member of the Politburo Standing Com-
17 mittee of the Chinese Communist Party.

18 (2) A member of the Politburo of the Chinese
19 Communist Party that is not described under para-
20 graph (1).

21 (3) A member of the Central Committee of the
22 Chinese Communist Party that—

23 (A) is none of the foregoing; and

24 (B) performs any official duty that directly
25 or indirectly affects Taiwan.

1 (c) FORM OF REPORTS; PUBLIC AVAILABILITY.—

2 (1) FORM.—The reports required under para-
3 graphs (1) and (4) of subsection (a) shall be sub-
4 mitted in unclassified form but may contain a classi-
5 fied annex.

6 (2) PUBLIC AVAILABILITY.—The Secretary of
7 the Treasury shall make the unclassified portion of
8 the report required under subsection (a)(1) available
9 to the public on the website and social media ac-
10 counts of the Department of the Treasury—

11 (A) in English, Chinese, and any other lan-
12 guage that the Secretary finds appropriate; and

13 (B) in precompressed, easily downloadable
14 versions that are made available in all appro-
15 priate formats.

16 **SEC. 3. PROHIBITION ON FINANCIAL SERVICES FOR CER-**
17 **TAIN IMMEDIATE FAMILY.**

18 (a) IN GENERAL.—The Secretary of the Treasury
19 shall prohibit a United States financial institution, and
20 any person owned or controlled by a United States finan-
21 cial institution, from engaging in a significant transaction
22 with—

23 (1) a natural person covered by a report made
24 under section 2(a); and

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

5 (b) EXCEPTIONS.—

6 (1) EXCEPTION FOR INTELLIGENCE, LAW EN-
7 FORCEMENT, AND NATIONAL SECURITY ACTIVI-
8 TIES.—Subsection (a) shall not apply with respect to
9 any intelligence, law enforcement, or national secu-
10 rity activity of the United States.

11 (2) WAIVER.—The President may waive the ap-
12 plication of subsection (a) with respect to a person
13 upon reporting to the appropriate Members of Con-
14 gress that—

15 (A) the waiver would substantially promote
16 the objective of ending the threat described
17 under section 2(a)(1);

18 (B) the threat described under section
19 2(a)(1) is no longer present; or

20 (C) the waiver is essential to the national
21 security interests of the United States.

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

25 (4) RULE OF CONSTRUCTION.—

1 (A) IN GENERAL.—Nothing in this section
2 shall be construed as authorizing or requiring
3 any sanction with respect to the importation of
4 any good.

5 (B) GOOD DEFINED.—In this paragraph,
6 the term “good” means any article, natural or
7 manmade substance, material, supply or manu-
8 factured product, including inspection and test
9 equipment, and excluding technical data.

10 (c) IMPLEMENTATION; PENALTIES.—

11 (1) IMPLEMENTATION.—The President may ex-
12 ercise all authorities provided to the President under
13 sections 203 and 205 of the International Emer-
14 gency Economic Powers Act (50 U.S.C. 1702 and
15 1704) to carry out this section. Not later than 60
16 days after issuing a license pursuant to this section,
17 the President shall submit a copy of the license to
18 the appropriate Members of Congress.

19 (2) PENALTIES.—A person that violates, at-
20 tempts to violate, conspires to violate, or causes a
21 violation of this section or any regulation, license, or
22 order issued to carry out this section shall be subject
23 to the penalties set forth in subsections (b) and (c)
24 of section 206 of the International Emergency Eco-
25 nomic Powers Act (50 U.S.C. 1705) to the same ex-

1 tent as a person that commits an unlawful act de-
2 scribed in subsection (a) of that section 206.

3 (d) **TERMINATION.**—This section shall have no force
4 or effect on the earlier of—

5 (1) the date that is 30 days after the date that
6 the President reports to the appropriate Members of
7 Congress that the threat described under section
8 2(a)(1) is no longer present; or

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

12 **SEC. 4. DEFINITIONS.**

13 For purposes of this Act:

14 (1) **APPROPRIATE MEMBERS OF CONGRESS.**—

15 The term “appropriate Members of Congress”
16 means the Speaker and minority leader of the House
17 of Representatives, the majority leader and minority
18 leader of the Senate, the Chairman and Ranking
19 Member of the Committee on Financial Services of
20 the House of Representatives, and the Chairman
21 and Ranking Member of the Committee on Banking,
22 Housing, and Urban Affairs of the Senate.

23 (2) **FINANCIAL INSTITUTION.**—The term “fi-
24 nancial institution” means a United States financial
25 institution or a foreign financial institution.

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

5 (4) FUNDS.—The term “funds” has the mean-
6 ing given to such term by the Secretary of the
7 Treasury.

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

11 (A) Such person’s spouse, father, mother,
12 children, brothers, sisters, and grandchildren.

13 (B) The father, mother, brothers, and sis-
14 ters of such person’s spouse.

15 (C) The spouse of a child, brother, or sis-
16 ter of such person.

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

