

## MEMORANDUM

**To:** Members of the Committee on Financial Services

**From:** Committee Staff

**Date:** February 23, 2023

**Re:** February 28, 2023 Full Committee Markup

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On Tuesday, February 28, 2023, at 10:00 a.m. in Room 2128 of the Rayburn House Office Building, the Financial Services Committee will meet to markup the following measures:

1. H.R. 554, the *Taiwan Conflict Deterrence Act of 2023* (Hill)
  2. H.R. 555, the *Securing America's Vaccines for Emergencies (SAVE) Act of 2023* (Hill)
  3. H.R. 1166, the *Public Health Emergency Medical Supplies Enhancement Act of 2023* (Vargas)
  4. H.R. 1076, the *Preventing the Financing of Illegal Synthetic Drugs Act* (De La Cruz)
  5. H.R. 510, the *Chinese Currency Accountability Act of 2023* (Davidson)
  6. H.R. 839, the *China Exchange Rate Transparency Act of 2023* (Meuser)
  7. H.R. 1156, the *China Financial Threat Mitigation Act of 2023* (Spanberger)
  8. H.R. 803, the *PROTECT Taiwan Act* (Lucas)
  9. H.R. 1137, the *Neutralizing Unfair Chinese Export Subsidies Act of 2023* (Nunn)
  10. H.R. 540, the *Taiwan Non-Discrimination Act of 2023* (Kim)
  11. H.R. 1109, the *Bank Service Company Examination Coordination Act of 2023* (Williams)
  12. H.R. 1165, the *Data Privacy Act of 2023* (McHenry)
  13. H.R. 1164, the *OFAC Outreach and Engagement Capabilities Enhancement Act* (Lynch)
  14. H.R. 1161, the *Aligning SEC Regulations for the World Bank's International Development Association Act* (Waters)
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### **1. H.R. 554, the *Taiwan Conflict Deterrence Act of 2023***

H.R. 554, the *Taiwan Conflict Deterrence Act of 2023*, was introduced on January 26, 2023, by Representative French Hill (R-AR). It has one cosponsor, Representative Brad Sherman (D-CA).

H.R. 554 would direct the Treasury Secretary, after delivery of a congressional notification pursuant to the Taiwan Relations Act, to submit to Congress a report identifying the financial institutions providing services to senior Chinese government officials. The bill would direct the Secretary to make the report public with a Chinese translation. In addition, the Secretary would be authorized to prohibit financial institutions from providing services to Chinese officials named in the report, as well as their immediate family members.

## **2. *H.R. 555, the Securing America's Vaccines for Emergencies (SAVE) Act of 2023***

H.R. 555, the *SAVE Act of 2023*, was introduced on January 26, 2023, by Representative French Hill (R-AR). It has one cosponsor, Representative Juan Vargas (D-CA). The SAVE Act amends sections of the Defense Production Act (DPA) (50 U.S.C. §4501- 4568).

The bill, among other things, amends the DPA's statement of policy to specify the availability of medical materials is essential to national defense. The bill also requires the President to submit a strategy to employ the DPA to secure medical supplies essential for national defense, identify vulnerabilities to the medical supply chain, and work to diversify the supply chain so that key elements are not under the exclusive control of adversarial governments. Finally, the bill requires progress updates to Congress on implementation of the strategy.

## **3. *H.R. 1166, the Public Health Emergency Medical Supplies Enhancement Act of 2023***

H.R.1166, the *Public Health Emergency Medical Supplies Enhancement Act of 2023*, was introduced on February 24, 2023, by Representative Juan Vargas.

The bill would amend the Defense Production Act (50 U.S.C. §4501- 4568) to identify certain materials as scarce and critical during an emergency period, as determined by Secretary of the Health and Human Services or the Secretary of Homeland Security. The bill also authorizes the prioritization of materials for the federal government to exclude state, local, or tribal purchases and creates an outreach representative position to work with the private sector. Finally, the bill directs the President to issue a report on the authorities exercised and to provide briefings four months after the submission of the report.

## **4. *H.R.1076, the Preventing the Financing of Illegal Synthetic Drugs Act***

H.R.1076, the *Preventing the Financing of Illegal Synthetic Drugs Act*, was introduced on February 17, 2023, by Representative Monica De La Cruz. The bill has two cosponsors, Representatives Ogles (R-TN) and Pettersen (D-CO).

H.R. 1076 sets out a series of findings describing the financing of, trafficking in, and the pervasiveness use of synthetic drugs, including fentanyl. The bill instructs the Comptroller General of the United States to carry out a study on illicit financing in connection with the trafficking of synthetic drugs, including fentanyl.

## **5. *H.R. 510, the Chinese Currency Accountability Act of 2023***

H.R. 510, the *Chinese Currency Accountability Act of 2023*, was introduced by Representative Warren Davidson (R-OH) on January 25, 2023.

H.R. 510 requires the Treasury Secretary, through the United States Governor and Executive Director at the International Monetary Fund (IMF), to oppose an increase in the weight of China's renminbi in the basket of currencies determining the value of IMF Special Drawing

Rights, unless China meets certain international standards. The policy outlined in H.R. 510 expires after 10 years.

#### **6. *H.R. 839, the China Exchange Rate Transparency Act of 2023***

H.R. 839, the *China Exchange Rate Transparency Act*, was introduced on February 6, 2023, by Representative Dan Meuser (R-PA). The bill is cosponsored by Representative Barry Loudermilk (R-GA) and Representative Byron Donalds (R-FL).

H.R. 839 sets out a number of findings regarding the People's Republic of China's (PRC) opaque policies surrounding its exchange rate and instructs the U.S. Director at the International Monetary Fund to use the voice and vote to advocate for greater transparency in China's disclosure of its exchange rate policies. The policies in the bill expire no later than 30 days after the earlier of the following: the PRC is in compliance with the IMF Articles of Agreement and has undertaken exchange rate policies consistent with other countries, or seven years.

#### **7. *H.R. 1156, the China Financial Threat Mitigation Act of 2023***

H.R. 1156, the *China Financial Threat Mitigation Act*, was introduced on February 24, 2023, by Representative Abigail Spanberger (D-VA). It has one cosponsor, Representative Roger Williams (R-TX).

H.R. 1156 would require the Treasury Secretary to report to Congress, the U.S. Executive Director at the IMF, and the U.S. representative to the Financial Stability Board on global economic risks emanating from the Chinese financial sector within one year of enactment.

#### **8. *H.R. 803, the PROTECT Taiwan Act***

H.R. 803, the *PROTECT Taiwan Act*, was introduced on February 7, 2023, by Representative Frank Lucas (R-OK). It has one cosponsor, Representative Vicente Gonzalez (D-TX).

H.R. 803 would direct the Federal Reserve, the Secretary of Treasury, and the Securities and Exchange Commission (if appropriate) to exclude representatives from the PRC from proceedings of the G20, Bank for International Settlements, Financial Stability Board, Basel Committee on Banking Supervision, International Association of Insurance Supervisors, and International Organization of Securities Commissions. The exclusion must occur within 10 days after the President, under 22 U.S.C. §3302, informs Congress of any threat to Taiwan's security or social or economic system. The President may waive the exclusion requirement if it is in the national interest and if Congress is informed. The requirements in the bill expire on the earlier of 5 years after date of enactment or 30 days after the President notifies Congress that the termination of the requirements is in the national interest.

#### **9. *H.R. 1137, the Neutralizing Unfair Chinese Export Subsidies Act of 2023***

H.R. 1137, the *Neutralizing Unfair Chinese Export Control Subsidies Act of 2023*, was introduced on February 17, 2023, by Representative Zach Nunn (R-IA).

H.R. 1137 would require the Secretary of the Treasury to develop a detailed strategy and timeline to work with allies to seek China's compliance with international export subsidy standards. In addition, the bill amends 12 U.S.C. § 635a-5 to reflect an updated 10-year window from which major exporting countries will work to substantially reduce or end export financing programs as well as updating the progress report date to 2029 (6 years).

#### **10. H.R. 540, the *Taiwan Non-Discrimination Act of 2023***

H.R. 540, the *Taiwan Non-Discrimination Act of 2023*, was introduced by Representative Young Kim (R-CA) on January 26, 2023. It has two cosponsors, including Representative Al Green (D-TX) and Representative Michael Lawler (R-NY).

H.R. 540 sets out several findings regarding Taiwan including but not limited to their global economic ranking, their current participation in international organizations such as the World Trade Organization, and their past participation in the IMF. The bill establishes a sense of Congress that the size, significance and connectedness of the Taiwan and its experience as an advanced economy all support its participation. The bill instructs the U.S. Governor of the IMF to use the voice and vote of the U.S. to vigorously support: Taiwan's admission to the IMF and participation in the IMF's activities; employment opportunities for Taiwan nationals; and provision of technical assistance and training for Taiwan by the IMF. The policies set forth in the bill sunset after 10 years or the date U.S. Governor approves Taiwan's admission to the IMF.

#### **11. H.R. 1109, the *Bank Service Company Examination Coordination Act of 2023***

H.R. 1109, the *Bank Service Company Examination Coordination Act of 2023*, was introduced on February 21, 2023, by Representative Roger Williams (R-TX). The bill has two cosponsors, Representative Gregory Meeks (D-NY) and Representative French Hill (R-AR).

H.R. 1109 would increase the coordination of state banking agencies and federal banking agencies in regulating and examining the activities of bank service companies. The bill allows for the sharing of information obtained through the examination and regulation of bank service providers between federal and state agencies and additionally requires that state and federal agencies coordinate and avoid duplicative examination activities, reporting requirements, and requests for information.

#### **12. H.R. 1165, the *Data Privacy Act of 2023***

H.R. 1165, the *Data Privacy Act of 2023*, was introduced on February 24, 2023, by Chairman McHenry (R-NC).

H.R. 1165 strengthens Title V of the Gramm-Leach-Bliley Act, as known as the *Financial Services Modernization Act*, to include a number of new consumer protections.<sup>1</sup> These protections include (i) empowering consumers to understand how their data is being collected and used by service providers, (ii) giving consumers the right to terminate the collection of their data, including requesting of deletion of data records at any time, (iii) requirements for covered

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<sup>1</sup> P.L. 106-102.

entities to disclose the types and uses for data being collected, along with an opt-out function, (iv) mandating more transparent and easily understandable privacy terms and conditions, and (v) providing for national preemption to generate a single national standard.

**13. *H.R. 1164, the OFAC Outreach and Engagement Capabilities Enhancement Act (Lynch)***

H.R. 1164, the *OFAC Outreach and Engagement Capabilities Enhancement Act*, was introduced on February 24, 2023, by Representative Stephen Lynch (D-MA).

H.R. 1164 would require the Comptroller General to carry out a study focusing on the quality and efficacy of public-private outreach activities performed by OFAC. The study will also include an assessment of the feasibility of an OFAC program to facilitate a voluntary public-private information sharing partnership among law enforcement agencies, national security agencies, financial institutions, and OFAC. Upon completion and submission of the study, the Secretary of the Treasury may require OFAC to establish a 3-year pilot of the aforementioned information sharing partnership program.

**14. *H.R. 1161, the Aligning SEC Regulations for the World Bank's International Development Association Act (Representative Waters)***

H.R.1161 was introduced on February 24, 2023, by Representative Maxine Waters (D-CA).

H.R. 1161 would classify securities issued by the World Bank's International Development Association (IDA) as exempted securities, subject to reporting requirements deemed appropriate by the Securities and Exchange Commission. This classification would align the treatment of IDA securities with that of other World Bank divisions, as well as the current-law treatment of securities issued by the Inter-American Development Bank, Asian Development Bank, European Bank for Reconstruction and Development, and African Development Bank. An exemption would allow for lower legal expenses, negotiating private placements directly with U.S. investors, and issuance of short-term paper in the U.S. at low rates.