

117TH CONGRESS
2D SESSION

H. R. 6524

To require the Secretary of the Treasury to carry out a study on Chinese support for Afghan illicit finance, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JANUARY 28, 2022

Mr. LYNCH introduced the following bill; which was referred to the Committee on Financial Services

A BILL

To require the Secretary of the Treasury to carry out a study on Chinese support for Afghan illicit finance, 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. STUDY ON CHINESE SUPPORT FOR AFGHAN IL-**
4 **LICIT FINANCE.**

5 (a) FINDINGS.—Congress finds the following:

6 (1) Though China and Afghanistan share only
7 a small land border, when it comes to illicit financial
8 activity between the two countries, China has a dem-
9 onstrated history of permissiveness regarding traf-

1 ficking and money laundering that could support
2 both the Taliban and its associates.

3 (2) A 2014 Financial Action Task Force report
4 titled, “Financial Flows Linked to the Production
5 and Trafficking of Afghan Opiates” found evidence
6 of import/export companies registered in China that
7 were transferring funds to Afghanistan, likely as
8 part of trade-based money laundering schemes cen-
9 tered around illicit opium production and trafficking,
10 which, per the United Nations Office on Drugs and
11 Crime (UNODC), is one of the Taliban’s main
12 sources of income.

13 (3) Since the U.S. withdrawal from Afghanistan
14 in August 2021, China has announced its willingness
15 to lend financial support and legitimacy to the
16 Taliban-led government in Afghanistan, including
17 Afghan Interior Minister, Sirajuddin Haqqani, a
18 member of the U.S.-sanctions designated Foreign
19 Terrorist Organization, the Haqqani Network.

20 (4) China’s permissive policies regarding Af-
21 ghan illicit finance run counter to the strategic in-
22 terests of the United States with respect to coun-
23 tering trafficking and preventing terrorist groups
24 from accessing the international financial system.

1 (5) China's role as a critical source of financial
2 wherewithal for the Taliban and its associates to
3 process and implement drug and other illicit-activity
4 transactions warrants further study as these actions
5 pose a threat both to the safety and security of the
6 people of Afghanistan and the international commu-
7 nity.

8 (6) Congress needs to better understand how
9 China could leverage its relationships and resources
10 within Afghanistan and how these activities could di-
11 rectly or indirectly provide financial support to ter-
12 rorist organizations, including the Taliban and its
13 associates.

14 (b) STUDY.—

15 (1) REQUIREMENT.—Not later than one year
16 after the date of the enactment of this Act, the Sec-
17 retary of the Treasury shall provide to the Com-
18 mittee on Financial Services of the House of Rep-
19 resentatives and the Committee on Banking, Hous-
20 ing, and Urban Affairs of the Senate a report on the
21 financial activities of China and Chinese entities in
22 connection with the finances of Afghanistan and the
23 Taliban.

24 (2) MATTERS INCLUDED.—The report under
25 paragraph (1) shall include the following:

1 (A) An assessment of the activities under-
2 taken by the People’s Republic of China and
3 Chinese-registered companies to support illicit
4 financial networks in Afghanistan, particularly
5 such networks involved in narcotics trafficking,
6 illicit financial transactions, official corruption,
7 natural resources exploitation, and terrorist net-
8 works.

9 (B) An assessment of financial, commer-
10 cial, and economic activities undertaken by
11 China and Chinese companies in Afghanistan to
12 support Chinese policies counter to American
13 strategic interests.

14 (C) Any recommendations to Congress re-
15 garding legislative or regulatory improvements
16 necessary to support the identification and dis-
17 ruption of Chinese-supported illicit financial
18 networks in Afghanistan.

19 (3) FORM.—The report under paragraph (1)
20 may include a classified annex.

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