

117TH CONGRESS  
2D SESSION

# H. R. 8544

To impose sanctions with respect to the transfer of arms and related materiel by the People's Republic of China to the Russian Federation or the evasion or circumvention of United States sanctions or multilateral sanctions by the People's Republic of China with respect to the Russian Federation, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

JULY 27, 2022

Mr. SCHIFF (for himself, Ms. ESCOBAR, Mrs. MURPHY of Florida, Mr. KRISHNAMOORTHY, Mr. SAN NICOLAS, Mr. CARSON, Ms. JACKSON LEE, Mr. SWALWELL, Mr. MALINOWSKI, Ms. GARCIA of Texas, Mr. PHILLIPS, Mr. VARGAS, Mr. QUIGLEY, Mr. CROW, and Mr. CASE) 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 Intelligence (Permanent Select), 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 the transfer of arms and related materiel by the People's Republic of China to the Russian Federation or the evasion or circumvention of United States sanctions or multilateral sanctions by the People's Republic of China with respect to the Russian Federation, 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,*

1 **SECTION 1. SHORT TITLE.**

2       This Act may be cited as the “Deter PRC Support  
3 to the Russian War Effort Act”.

4 **SEC. 2. FINDINGS.**

5       Congress finds the following:

6           (1) The People’s Republic of China (in this sec-  
7 tion referred to as the “PRC”) and the Russian  
8 Federation have, in recent years, forged a closer re-  
9 lationship, based largely on their shared interest in  
10 challenging the rules-based international order, in an  
11 attempt to reshape that order into one that is more  
12 welcoming to their authoritarian systems of govern-  
13 ment.

14           (2) The rhetoric of the PRC’s leaders, including  
15 Xi Jinping, who called for the unification “by force”  
16 of Taiwan with the People’s Republic of China, mir-  
17 rors the Russian Federation’s justification for invad-  
18 ing Ukraine, poses a danger to international peace  
19 and security and the agreed to status quo on Taiwan  
20 in the Three Communiques exchanged between Bei-  
21 jing and Washington, and should be condemned by  
22 the international community.

23           (3) On February 24, 2022, Russia launched an  
24 unprovoked and unjustified full-scale invasion of  
25 Ukraine, and has since killed and injured thousands  
26 of innocent Ukrainian civilians across the country.

1           (4) The PRC’s Foreign Ministry spokesperson  
2 refused to categorize Russia’s attacks as an “inva-  
3 sion” or “war” and referred repeatedly to the Rus-  
4 sian Federation’s statements on Ukraine, including  
5 reiterating criticisms of the North Atlantic Treaty  
6 Organization (NATO) and blaming the United  
7 States for starting the conflict.

8           (5) In the days and weeks since Russia’s full-  
9 scale invasion of Ukraine, the Biden Administration  
10 has imposed several tranches of sanctions on Putin’s  
11 Russia.

12           (6) On February 22, 2022, President Biden  
13 issued Executive Order 14065, which blocks prop-  
14 erty of certain persons and prohibits certain trans-  
15 actions with respect to continued Russian efforts to  
16 undermine the sovereignty and territorial integrity of  
17 Ukraine, and expands the scope of the national  
18 emergency declared in Executive Order 13660 of  
19 March 6, 2014, Executive Order 13661 of March  
20 16, 2014, and Executive Order 13662 of March 20,  
21 2014, and takes additional steps with respect to Ex-  
22 ecutive Order 13685 of December 19, 2014, and Ex-  
23 ecutive Order 13849 of September 20, 2018, finding  
24 that the Russian Federation’s purported recognition  
25 of the so-called Donetsk People’s Republic (DNR) or

1       Luhansk People’s Republic (LNR) regions of  
2       Ukraine contradicts Russia’s commitments under  
3       the Minsk agreements and further threatens the  
4       peace, stability, sovereignty, and territorial integrity  
5       of Ukraine, and thereby constitutes an unusual and  
6       extraordinary threat to the national security and for-  
7       eign policy of the United States.

8               (7) On March 8, 2022, President Biden issued  
9       Executive Order 14066, which prohibits certain im-  
10      ports and new investments with respect to continued  
11      Russian Federation efforts to undermine the sov-  
12      ereignty and territorial integrity of Ukraine, and ex-  
13      pands the scope of the national emergency declared  
14      in Executive Order 14024 of April 15, 2021, and  
15      takes additional steps with respect to Executive  
16      Order 14039 of August 20, 2021, finding that the  
17      Russian Federation’s unjustified, unprovoked,  
18      unyielding, and unconscionable war against Ukraine,  
19      including its recent further invasion in violation of  
20      international law, including the United Nations  
21      Charter, further threatens the peace, stability, sov-  
22      ereignty, and territorial integrity of Ukraine, and  
23      thereby constitutes an unusual and extraordinary  
24      threat to the national security and foreign policy of  
25      the United States.

1           (8) On March 11, 2022, President Biden issued  
2       Executive Order 14068, which further prohibits cer-  
3       tain imports and new investments with respect to  
4       continued Russian Federation efforts to undermine  
5       the sovereignty and territorial integrity of Ukraine,  
6       and takes additional steps with respect to the na-  
7       tional emergency declared in Executive Order 14024  
8       of April 15, 2021, and Executive Order 14039 of  
9       August 20, 2021, and expanded by Executive Order  
10      14066 of March 8, 2022.

11          (9) On April 6, 2022, President Biden issued  
12      Executive Order 14071, prohibiting new investment  
13      and certain services to the Russian Federation in re-  
14      sponse to continued Russian Federation aggression,  
15      and takes additional steps with respect to the na-  
16      tional emergency declared in Executive Order 14024  
17      of April 15, 2021, expanded by Executive Order  
18      14066 of March 8, 2022, and relied on for addi-  
19      tional steps taken in Executive Order 14039 of Au-  
20      gust 20, 2021, and Executive Order 14068 of March  
21      11, 2022.

22          (10) In March 2022, as the Biden Administra-  
23      tion continued to increase pressure on Putin's re-  
24      gime through rollouts of the aforementioned sanc-  
25      tions, the head of the PRC's banking and insurance

1 regulator said the PRC will not participate in the  
2 sanctions regime Western nations imposed on Russia  
3 and “will continue to maintain normal economic,  
4 trade and financial exchanges” with Russia despite  
5 its aggression against Ukraine.

6 (11) Indeed, that same month, according to  
7 PRC customs data, Russia bought 9,950 metric tons  
8 of alumina from the PRC, which is nearly 10 times  
9 more than what it purchased in the same period a  
10 year earlier. The PRC’s first-quarter exports of alu-  
11 mina to Russia are nearly six times the volume of  
12 all of 2021, suggesting the PRC may find new ways  
13 of providing support to Russia.

14 (12) On June 28, 2022, the U.S. Department  
15 of Commerce, Bureau of Industry and Security,  
16 added five Chinese companies to the Entity List, in  
17 response to their continued support to Russia’s mili-  
18 tary efforts since the imposition of export controls in  
19 response to Russia’s invasion of Ukraine.

20 **SEC. 3. SENSE OF CONGRESS.**

21 It is the sense of Congress that—

22 (1) Russia’s military invasion of Ukraine and  
23 the war crimes and human rights violations com-  
24 mitted by the Kremlin, Russia’s military, and Rus-

1       sia's intelligence and security services against the  
2       people of Ukraine should be strongly condemned;

3           (2) any country or entity that provides material  
4       support for Russia's invasion is furthering Russia's  
5       unlawful belligerence and committing of war crimes;

6           (3) Chinese Government officials and individ-  
7       uals and entities associated with People's Republic  
8       of China that assist the Russian Federation, includ-  
9       ing Russian Government officials or individuals or  
10      entities associated with the Russian Federation, by  
11      providing material support or in evading sanctions  
12      imposed following the Russian Federation's invasion  
13      of Ukraine are, in so doing, supporting the Russian  
14      Federation's unprovoked attack on Ukraine and the  
15      Ukrainian people, including alleged war crimes com-  
16      mitted by Russian Armed Forces against civilians;

17          (4) the President should continue to seek unity  
18      with European and other key partners and to uphold  
19      sanctions that continue to impose costs on Putin's  
20      regime and deplete the Russian Federation's war  
21      chest;

22          (5) the President should impose sanctions with  
23      respect to those sectors and individuals and entities  
24      of the Russian Federation, including Russian Gov-  
25      ernment officials, that are evading sanctions im-

posed by the United States and allied nations following Russia's invasion of Ukraine; and

(6) the President should encourage other European countries and key partners to enact legislation that is similar to the provisions of this Act.

**SEC. 4. SANCTIONS WITH RESPECT TO THE TRANSFER OF  
ARMS AND RELATED MATERIEL BY CHINA TO  
RUSSIA.**

(a) IMPOSITION OF SANCTIONS.—

(1) IN GENERAL.—The President is authorized to impose on a PRC person one or more of the sanctions described in subsection (b) if the President determines that such person has, on or after the date of the enactment of this Act, knowingly—

(A) exported, transferred, or otherwise provided to Russia financial, material, or technological support that contributes materially to the ability of the Government of Russia to undertake military action in Ukraine, such as—

(i) acquiring chemical, biological, or nuclear weapons or related technologies;

(ii) acquiring ballistic or cruise missile capabilities;

(iii) acquiring advanced conventional weapons;



1 (iv) acquiring significant defense arti-  
2 cles, defense services, or defense informa-  
3 tion (as such terms are defined under the  
4 Arms Export Control Act (22 U.S.C. 2751  
5 et seq.)); or

6 (v) acquiring items designated by the  
7 President for purposes of the United  
8 States Munitions List under section  
9 38(a)(1) of the Arms Export Control Act  
10 (22 U.S.C. 2778(a)(1)); or

11 (B) facilitated or assisted in the evasion or  
12 circumvention of United States sanctions or  
13 multilateral sanctions with respect to the Rus-  
14 sia.

15 (2) APPLICABILITY TO OTHER PRC PERSONS.—

16 The sanctions described in subsection (b) may also  
17 be imposed on any PRC person that—

18 (A) is a successor entity to a PRC person  
19 described in paragraph (1); or

20 (B) is owned or controlled by, or has acted  
21 for or on behalf of, a PRC person described in  
22 paragraph (1) and has engaged in a  
23 sanctionable activity described in such para-  
24 graph.

1 (b) SANCTIONS DESCRIBED.—The sanctions de-  
2 scribed in this subsection are the following:

3 (1) BLOCKING OF PROPERTY.—The President  
4 shall exercise all powers granted by the International  
5 Emergency Economic Powers Act (50 U.S.C. 1701  
6 et seq.) (except that the requirements of section 202  
7 of such Act (50 U.S.C. 1701) shall not apply) to the  
8 extent necessary to block and prohibit all trans-  
9 actions in all property and interests in property of  
10 the person if such property and interests in property  
11 are in the United States, come within the United  
12 States, or are or come within the possession or con-  
13 trol of a United States person.

14 (2) INADMISSIBILITY OF CERTAIN INDIVID-  
15 UALS.—

16 (A) INELIGIBILITY FOR VISAS AND ADMIS-  
17 SION TO THE UNITED STATES.—An individual  
18 determined by the President to be a person de-  
19 scribed in subsection (a) is—

- 20 (i) inadmissible to the United States;  
21 (ii) ineligible to receive a visa or other  
22 documentation to enter the United States;  
23 and  
24 (iii) otherwise ineligible to be admitted  
25 or paroled into the United States or to re-

1           ceive any other benefit under the Immigra-  
2           tion and Nationality Act (8 U.S.C. 1101 et  
3           seq.).

4           (B) CURRENT VISAS REVOKED.—An indi-  
5           vidual determined by the President to be a per-  
6           son described in subsection (a) is subject to the  
7           following:

8                   (i) Revocation of any visa or other  
9                   entry documentation regardless of when  
10                  the visa or other entry documentation is or  
11                  was issued.

12                  (ii) A revocation under clause (i) shall  
13                  cancel any other valid visa or entry docu-  
14                  mentation that is in the person's posses-  
15                  sion in accordance with section 221(i) of  
16                  the Immigration and Nationality Act.

17       (3) OTHER SANCTIONS.—

18           (A) EXPORT-IMPORT BANK ASSISTANCE  
19           FOR EXPORTS .—The President may direct the  
20           Export-Import Bank of the United States not  
21           to give approval to the issuance of any guar-  
22           antee, insurance, extension of credit, or partici-  
23           pation in the extension of credit in connection  
24           with the export of any goods or services to the  
25           person.

1 (B) LOANS FROM UNITED STATES FINAN-  
2 CIAL INSTITUTIONS.—The President may pro-  
3 hibit any United States financial institution  
4 from making loans or providing credits to the  
5 person in any 12-month period unless the per-  
6 son is engaged in activities to relieve human  
7 suffering and the loans or credits are provided  
8 for such activities.

9 (C) LOANS FROM INTERNATIONAL FINAN-  
10 CIAL INSTITUTIONS.—The President should di-  
11 rect the United States Executive Director to  
12 each international financial institution to use  
13 the voice and vote of the United States to op-  
14 pose any loan from the international financial  
15 institution that would benefit the person.

16 (D) PROHIBITIONS ON FINANCIAL INSTI-  
17 TUTIONS.—The following prohibitions may be  
18 imposed against the person if that person is a  
19 financial institution:

20 (i) PROHIBITION ON DESIGNATION AS  
21 PRIMARY DEALER.—Neither the Board of  
22 Governors of the Federal Reserve System  
23 nor the Federal Reserve Bank of New  
24 York may designate, or permit the continu-  
25 ation of any prior designation of, the fi-

1           nancial institution as a primary dealer in  
2           United States Government debt instru-  
3           ments.

4           (ii) PROHIBITION ON SERVICE AS A  
5           REPOSITORY OF GOVERNMENT FUNDS.—

6           The financial institution may not serve as  
7           agent of the United States Government or  
8           serve as repository for United States Gov-  
9           ernment funds.

10          (E)    PROCUREMENT    SANCTION.—The  
11          United States Government may not procure, or  
12          enter into any contract for the procurement of,  
13          any goods or services from the person.

14          (F) FOREIGN EXCHANGE.—The President  
15          may, pursuant to such regulations as the Presi-  
16          dent may prescribe, prohibit any transactions in  
17          foreign exchange that are subject to the juris-  
18          diction of the United States and in which the  
19          person has any interest.

20          (G) BANKING TRANSACTIONS.—The Presi-  
21          dent may, pursuant to such regulations as the  
22          President may prescribe, prohibit any transfers  
23          of credit or payments between financial institu-  
24          tions or by, through, or to any financial institu-  
25          tion, to the extent that such transfers or pay-

1           ments are subject to the jurisdiction of the  
2           United States and involve any interest of the  
3           person.

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

8                   (i)   acquiring, holding, withholding,  
9                   using, transferring, withdrawing, trans-  
10                  porting, importing, or exporting any prop-  
11                  erty that is subject to the jurisdiction of  
12                  the United States and with respect to  
13                  which the person has any interest;

14                  (ii)   dealing in or exercising any right,  
15                  power, or privilege with respect to such  
16                  property; or

17                  (iii)   conducting any transaction in-  
18                  volving such property.

19           (I)   BAN ON INVESTMENT IN EQUITY OR  
20           DEBT OF PERSON.—The President may, pursu-  
21           ant to such regulations or guidelines as the  
22           President may prescribe, prohibit any United  
23           States person from investing in or purchasing  
24           significant amounts of equity or debt instru-  
25           ments of the person.

1                   (J) EXCLUSION OF CORPORATE OFFI-  
2                   CERS.—The President may direct the Secretary  
3                   of State to deny a visa to, and the Secretary of  
4                   Homeland Security to exclude from the United  
5                   States, any alien that the President determines  
6                   is a corporate officer or principal of, or a share-  
7                   holder with a controlling interest in, the person.

8                   (K) SANCTIONS ON PRINCIPAL EXECUTIVE  
9                   OFFICERS.—The President may impose on the  
10                  principal executive officer or officers of the per-  
11                  son, or on persons performing similar functions  
12                  and with similar authorities as such officer or  
13                  officers, any of the sanctions under this sub-  
14                  section.

15               (c) EXCEPTIONS.—

16               (1) EXCEPTION FOR INTELLIGENCE ACTIVI-  
17               TIES.—Sanctions under this section shall not apply  
18               to any activity subject to the reporting requirements  
19               under title V of the National Security Act of 1947  
20               (50 U.S.C. 3091 et seq.) or any authorized intel-  
21               ligence activities of the United States.

22               (2) EXCEPTION TO COMPLY WITH INTER-  
23               NATIONAL OBLIGATIONS AND FOR LAW ENFORCE-  
24               MENT ACTIVITIES.—Sanctions under subsection  
25               (b)(2) shall not apply with respect to an alien if ad-

1       mitting or paroling the alien into the United States  
2       is necessary—

3               (A) to permit the United States to comply  
4       with the Agreement regarding the Head-  
5       quarters of the United Nations, signed at Lake  
6       Success June 26, 1947, and entered into force  
7       November 21, 1947, between the United Na-  
8       tions and the United States, or other applicable  
9       international obligations; or

10              (B) to carry out or assist law enforcement  
11       activity in the United States.

12              (3) EXCEPTION RELATING TO IMPORTATION OF  
13       GOODS.—

14              (A) IN GENERAL.—The authority to block  
15       and prohibit all transactions in all property and  
16       interests in property under subsection (b)(1)  
17       shall not include the authority to impose sanc-  
18       tions on the importation of goods.

19              (B) GOOD DEFINED.—In this paragraph,  
20       the term “good” means any article, natural or  
21       man-made substance, material, supply or manu-  
22       factured product, including inspection and test  
23       equipment and excluding technical data.

24              (d) WAIVER.—The President may waive the applica-  
25       tion of sanctions under subsection (b) with respect to a



1 PRC person described in subsection (a) if the President  
2 determines that such a waiver is in the national interest  
3 of the United States.

4 (e) IMPLEMENTATION; PENALTIES.—

5 (1) IMPLEMENTATION.—The President may ex-  
6 ercise all authorities provided under sections 203  
7 and 205 of the International Emergency Economic  
8 Powers Act (50 U.S.C. 1702 and 1704) to carry out  
9 the purposes of this section.

10 (2) PENALTIES.—The penalties provided for in  
11 subsections (b) and (c) of section 206 of the Inter-  
12 national Emergency Economic Powers Act (50  
13 U.S.C. 1705) may apply to a person that violates,  
14 attempts to violate, or conspires to violate, or causes  
15 a violation of, subsection (a) of this section, or an  
16 order or regulation prescribed under either such sub-  
17 section, to the same extent that such penalties apply  
18 to a person that commits an unlawful act described  
19 in section 206(a) of the International Emergency  
20 Economic Powers Act.

21 (f) DEFINITIONS.—In this section:

22 (1) CHINA.—The term “China” means the Peo-  
23 ple’s Republic of China.

24 (2) FINANCIAL, MATERIAL, OR TECHNOLOGICAL  
25 SUPPORT.—The term “financial, material, or techno-

logical support” has the meaning given such term in section 542.304 of title 31, Code of Federal Regulations (or any corresponding similar regulation or ruling).

(3) PRC PERSON.—The term “PRC person”—

(A) means—

(i) any citizen or national of China; or

(ii) any entity organized under the laws of China or any jurisdiction within China; and

(B) includes the Government of China, the Chinese Communist Party, and any Chinese State-owned enterprise.

(4) INTERNATIONAL FINANCIAL INSTITUTION.—The term “international financial institution” has the meaning given that term in section 1701(c) of the International Financial Institutions Act (22 U.S.C. 262r(c)).

(5) RUSSIA.—The term “Russia” means the Russian Federation.

(6) UNITED STATES PERSON.—The term “United States person” means—

(A) a United States citizen or an alien lawfully admitted for permanent residence to the United States; or

1 (B) an entity organized under the laws of  
2 the United States or of any jurisdiction within  
3 the United States, including a foreign branch of  
4 such an entity.

5 **SEC. 5. REPORT.**

6 (a) IN GENERAL.—Not later than 90 days after the  
7 date of the enactment of this Act, and every 180 days  
8 thereafter, and consistent with the protection of intel-  
9 ligence sources and methods, the Director of National In-  
10 telligence, in consultation with the Secretary of Commerce,  
11 the Secretary of State, and the Secretary of Treasury as  
12 appropriate, shall submit to the appropriate congressional  
13 committees a report on whether and how the People’s Re-  
14 public of China, including the Government of the People’s  
15 Republic of China, the Chinese Communist Party, any  
16 Chinese State-owned enterprise, and any other Chinese  
17 entity, has provided support to the Russian Federation  
18 with respect to its unprovoked invasion of and full-scale  
19 war against Ukraine.

20 (b) MATTERS TO BE INCLUDED.—The report re-  
21 quired by subsection (a) shall include a discussion of the  
22 People’s Republic of China support to the Russian Federa-  
23 tion with respect to—

1           (1) helping the Government of Russia or Rus-  
2           sian entities evade or circumvent United States  
3           sanctions or multilateral sanctions;

4           (2) providing Russia with any technology, in-  
5           cluding semiconductors classified as EAR99, that  
6           supports Russian intelligence or military capabilities;

7           (3) establishing economic or financial arrange-  
8           ments that will have the effect of alleviating the im-  
9           pact of United States sanctions or multilateral sanc-  
10          tions; and

11          (4) providing any material, technical, or  
12          logistical support, including to Russian military or  
13          intelligence agencies and State-owned or State-linked  
14          enterprises.

15          (c) FORM.—The report required by subsection (a)  
16          shall be submitted in unclassified form with a classified  
17          annex as necessary.

18          (d) SUNSET.—The requirement to submit the report  
19          required by subsection (a) shall terminate on the earlier  
20          of—

21                (1) the date on which the Director of National  
22                Intelligence determines the conflict in Ukraine has  
23                ended; or

24                (2) the date that is 2 years after the date of the  
25                enactment of this Act.

1 (e) APPROPRIATE CONGRESSIONAL COMMITTEES DE-  
2 FINED.—In this section, the term “appropriate congres-  
3 sional committees” means—

4 (1) the Committee on Foreign Affairs, the Per-  
5 manent Select Committee on Intelligence, and the  
6 Committee on Financial Services of the House of  
7 Representatives; and

8 (2) the Committee on Foreign Relations, the  
9 Select Committee on Intelligence, and the Com-  
10 mittee on Banking, Housing and Urban Affairs of  
11 the Senate.

12 **SEC. 6. SUNSET.**

13 The provisions of this Act shall take effect on the  
14 date of the enactment of this Act, and such provisions,  
15 including any sanctions or penalties imposed under this  
16 Act, shall terminate on the earlier of—

17 (1) the date on which the President determines  
18 the conflict in Ukraine has ended; or

19 (2) the date that is 2 years after such date of  
20 enactment.

○