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S. 3877

To require the imposition of sanctions with respect to Chinese financial institutions that clear, verify, or settle transactions with Russian or Russian-controlled financial institutions.

IN THE SENATE OF THE UNITED STATES

MARCH 17, 2022

Mr. RUBIO (for himself, Mr. YOUNG, and Mr. SCOTT of Florida) introduced the following bill; which was read twice and referred to the Committee on Banking, Housing, and Urban Affairs

A BILL

To require the imposition of sanctions with respect to Chinese financial institutions that clear, verify, or settle transactions with Russian or Russian-controlled financial institutions.

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 “Crippling Unhinged
5 Russian Belligerence and Chinese Involvement in Putin’s
6 Schemes Act of 2022” or the “CURB CIPS Act of 2022”.

1 **SEC. 2. IMPOSITION OF SANCTIONS WITH RESPECT TO CHI-**
2 **NESE FINANCIAL INSTITUTIONS THAT CLEAR,**
3 **VERIFY, OR SETTLE TRANSACTIONS WITH**
4 **RUSSIAN OR RUSSIAN-CONTROLLED FINAN-**
5 **CIAL INSTITUTIONS.**

6 (a) IN GENERAL.—The Secretary of the Treasury
7 shall, in consultation with the Secretary of State, impose
8 one or both of the sanctions described in subsection (b)
9 with respect to each Chinese financial institution that uses
10 the Cross-Border Interbank Payment System (commonly
11 referred to as “CIPS”) or the System for Transfer of Fi-
12 nancial Messages (commonly referred to as “SPFS”) to
13 clear, verify, settle, or otherwise conduct transactions with
14 any Russian financial institution or covered financial insti-
15 tution.

16 (b) SANCTIONS DESCRIBED.—The sanctions that
17 may be imposed with respect to a Chinese financial insti-
18 tution subject to subsection (a) include the following:

19 (1) PROPERTY BLOCKING.—The Secretary of
20 the Treasury may block and prohibit, pursuant to
21 the International Emergency Economic Powers Act
22 (50 U.S.C. 1701 et seq.), all transactions in all
23 property and interests in property of the Chinese fi-
24 nancial institution if such property and interests in
25 property are in the United States, come within the

1 United States, or are or come within the possession
2 or control of a United States person.

3 (2) RESTRICTIONS ON CORRESPONDENT AND
4 PAYABLE-THROUGH ACCOUNTS.—The Secretary may
5 prohibit the opening or maintaining in the United
6 States of a correspondent account or a payable-
7 through account by the Chinese financial institution.

8 (c) IMPLEMENTATION; PENALTIES.—

9 (1) IMPLEMENTATION.—The Secretary may ex-
10 ercise all authorities provided under sections 203
11 and 205 of the International Emergency Economic
12 Powers Act (50 U.S.C. 1702 and 1704) to carry out
13 this section.

14 (2) PENALTIES.—A person that violates, at-
15 tempts to violate, conspires to violate, or causes a
16 violation of this section or any regulation, license, or
17 order issued to carry out this section shall be subject
18 to the penalties set forth in subsections (b) and (c)
19 of section 206 of the International Emergency Eco-
20 nomic Powers Act (50 U.S.C. 1705) to the same ex-
21 tent as a person that commits an unlawful act de-
22 scribed in subsection (a) of that section.

23 (d) EXCEPTIONS.—

24 (1) EXCEPTION FOR INTELLIGENCE ACTIVI-
25 TIES.—This section shall not apply with respect to

1 activities subject to the reporting requirements
2 under title V of the National Security Act of 1947
3 (50 U.S.C. 3091 et seq.) or any authorized intel-
4 ligence activities of the United States.

5 (2) EXCEPTION RELATING TO IMPORTATION OF
6 GOODS.—

7 (A) IN GENERAL.—The authority to block
8 and prohibit all transactions in all property and
9 interests in property under subsection (b) shall
10 not include the authority or a requirement to
11 impose sanctions on the importation of goods.

12 (B) GOOD.—In this paragraph, the term
13 “good” means any article, natural or man-made
14 substance, material, supply or manufactured
15 product, including inspection and test equip-
16 ment, and excluding technical data.

17 (e) REGULATIONS.—Not later than 90 days after the
18 date of the enactment of this Act, the Secretary shall pre-
19 scribe such regulations as are necessary to carry out this
20 section.

21 (f) REPORT REQUIRED.—

22 (1) IN GENERAL.—Not later than 180 days
23 after the date of the enactment of this Act, the Sec-
24 retary shall, in consultation with the Secretary of

1 State, submit to the appropriate congressional com-
 2 mittees a report—

3 (A) describing the scope and usage of
 4 CIPS and SPFS around the world, including
 5 usage rates by country;

6 (B) assessing the risks that widespread
 7 adoption of CIPS or SPFS poses to the na-
 8 tional security of the United States; and

9 (C) making recommendations to further
 10 preserve and strengthen the influence of the
 11 United States in the global financial system.

12 (2) FORM.—Each report required by paragraph
 13 (1) shall be submitted in unclassified form but may
 14 include a classified annex.

15 (g) DEFINITIONS.—In this section:

16 (1) ACCOUNT; CORRESPONDENT ACCOUNT; PAY-
 17 ABLE-THROUGH ACCOUNT.—The terms “account”,
 18 “correspondent account”, and “payable-through ac-
 19 count” have the meanings given those terms in sec-
 20 tion 5318A of title 31, United States Code.

21 (2) APPROPRIATE CONGRESSIONAL COMMIT-
 22 TEES.—The term “appropriate congressional com-
 23 mittees” means—

24 (A) the Committee on Banking, Housing,
 25 and Urban Affairs, the Committee on Foreign

1 Relations, and the Select Committee on Intel-
2 ligence of the Senate; and

3 (B) the Committee on Financial Services,
4 the Committee on Foreign Affairs, and the Per-
5 manent Select Committee on Intelligence of the
6 House of Representatives.

7 (3) CHINESE FINANCIAL INSTITUTION.—The
8 term “Chinese financial institution” means a finan-
9 cial institution—

10 (A) organized under the laws of the Peo-
11 ple’s Republic of China or any jurisdiction with-
12 in the People’s Republic of China, including a
13 foreign branch of such an institution;

14 (B) located in the People’s Republic of
15 China;

16 (C) wherever located, owned, or controlled
17 by the Government of the People’s Republic of
18 China; or

19 (D) wherever located, owned, or controlled
20 by a financial institution described in subpara-
21 graph (A), (B), or (C).

22 (4) COVERED FINANCIAL INSTITUTION.—The
23 term “covered financial institution” means a finan-
24 cial institution—

1 (A) located in territory controlled by an
2 entity holding itself out to be the Government
3 of the Republic of South Ossetia—the State of
4 Alania, the Donetsk People’s Republic, the
5 Luhansk People’s Republic, the Republic of
6 Abkhazia, or the Pridnestrovian Moldavian Re-
7 public;

8 (B) organized under the laws of an entity
9 described in subparagraph (A);

10 (C) wherever located, owned, or controlled
11 by such an entity; or

12 (D) wherever located, owned, or controlled
13 by a financial institution described in subpara-
14 graph (A), (B), or (C).

15 (5) FINANCIAL INSTITUTION.—The term “fi-
16 nancial institution” means a financial institution
17 specified in subparagraph (A), (B), (C), (D), (E),
18 (F), (G), (H), (I), (J), (M), or (Y) of section
19 5312(a)(2) of title 31, United States Code.

20 (6) RUSSIAN FINANCIAL INSTITUTION.—The
21 term “Russian financial institution” means a finan-
22 cial institution—

23 (A) organized under the laws of the Rus-
24 sian Federation or any jurisdiction within the

1 Russian Federation, including a foreign branch
2 of such an institution;

3 (B) located in the Russian Federation;

4 (C) wherever located, owned, or controlled
5 by the Government of the Russian Federation;
6 or

7 (D) wherever located, owned, or controlled
8 by a financial institution described in subpara-
9 graph (A), (B), or (C).

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