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S. 94

To impose sanctions in response to cyber intrusions by the Government of the Russian Federation and other aggressive activities of the Russian Federation, and for other purposes.

IN THE SENATE OF THE UNITED STATES

JANUARY 11, 2017

Mr. CARDIN (for himself, Mr. MCCAIN, Mr. MENENDEZ, Mr. GRAHAM, Mrs. SHAHEEN, Mr. RUBIO, Ms. KLOBUCHAR, Mr. SASSE, Mr. DURBIN, and Mr. PORTMAN) introduced the following bill; which was read twice and referred to the Committee on Foreign Relations

A BILL

To impose sanctions in response to cyber intrusions by the Government of the Russian Federation and other aggressive activities of 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,*

3 **SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

4 (a) SHORT TITLE.—This Act may be cited as the
5 “Counteracting Russian Hostilities Act of 2017”.

6 (b) TABLE OF CONTENTS.—The table of contents for
7 this Act is as follows:

- Sec. 1. Short title; table of contents.
- Sec. 2. Definitions.

TITLE I—COUNTERING RUSSIAN CYBER INTRUSIONS

- Sec. 101. Short title.
- Sec. 102. Findings.
- Sec. 103. Imposition of sanctions with respect to persons engaging in significant activities undermining cybersecurity and democratic institutions.
- Sec. 104. Codification of Executive Order 13694.
- Sec. 105. Imposition of sanctions with respect to persons engaging in transactions with the intelligence or defense sectors of the Government of the Russian Federation.
- Sec. 106. Exemptions, waivers, and rulemaking.
- Sec. 107. Public service campaign relating to cybersecurity and combating disinformation.
- Sec. 108. Termination.
- Sec. 109. Rule of construction.

TITLE II—COUNTERING RUSSIAN AGGRESSION

- Sec. 201. Short title.
- Sec. 202. Findings.
- Sec. 203. Sense of Congress.
- Sec. 204. Prohibitions against United States recognition of the Russian Federation's annexation of Crimea and occupation of South Ossetia and Abkhazia.
- Sec. 205. Statements of policy with respect to Ukraine.
- Sec. 206. Codification of Executive orders imposing sanctions in relation to the situation in Ukraine.
- Sec. 207. Sanctions with respect to the development and production of petroleum and natural gas resources in the Russian Federation.
- Sec. 208. Sanctions with respect to the development of pipelines in the Russian Federation.
- Sec. 209. Sanctions with respect to the development of civil nuclear projects by the Russian Federation.
- Sec. 210. Sanctions with respect to purchase, subscription to, or facilitation of the issuance of sovereign debt of the Russian Federation.
- Sec. 211. Sanctions with respect to investment in or facilitation of privatization of state-owned assets by the Russian Federation.
- Sec. 212. Prohibiting certain transactions in areas controlled by the Russian Federation.
- Sec. 213. Sanctions described.
- Sec. 214. Exemptions, waivers, and rulemaking.
- Sec. 215. Inclusion of all funds in records of certain transactions.
- Sec. 216. Termination.
- Sec. 217. Rule of construction.

TITLE III—EUROPE AND EURASIA DEMOCRACY AND ANTI-CORRUPTION INITIATIVE

- Sec. 301. Short title.
- Sec. 302. Findings.
- Sec. 303. Sense of Congress.

Sec. 304. Report on advertising on media outlets controlled and funded by the Government of the Russian Federation.

Sec. 305. Europe and Eurasia Democracy and Anti-Corruption Fund.

Sec. 306. Establishment of a Russia unit in the Financial Crimes Enforcement Network.

Sec. 307. Termination.

1 SEC. 2. DEFINITIONS.

2 In this Act:

3 (1) APPROPRIATE CONGRESSIONAL COMMIT-
4 TEES.—The term “appropriate congressional com-
5 mittees” means—

6 (A) the Committee on Foreign Relations,
7 the Committee on Banking, Housing, and
8 Urban Affairs, the Committee on Armed Serv-
9 ices, the Committee on Homeland Security and
10 Governmental Affairs, the Committee on Appro-
11 priations, and the Select Committee on Intel-
12 ligence of the Senate; and

13 (B) the Committee on Foreign Affairs, the
14 Committee on Financial Services, the Com-
15 mittee on Armed Services, the Committee on
16 Homeland Security, the Committee on Appro-
17 priations, and the Permanent Select Committee
18 on Intelligence of the House of Representatives.

19 (2) GOOD.—The term “good” has the meaning
20 given that term in section 16 of the Export Adminis-
21 tration Act of 1979 (50 U.S.C. 4618) (as continued

1 in effect pursuant to the International Emergency
2 Economic Powers Act (50 U.S.C. 1701 et seq.)).

3 (3) INTERNATIONAL FINANCIAL INSTITU-
4 TION.—The term “international financial institu-
5 tion” has the meaning given that term in section
6 1701(c) of the International Financial Institutions
7 Act (22 U.S.C. 262r(c)).

8 (4) KNOWINGLY.—The term “knowingly”, with
9 respect to conduct, a circumstance, or a result,
10 means that a person has actual knowledge, or should
11 have known, of the conduct, the circumstance, or the
12 result.

13 (5) PERSON.—The term “person” means an in-
14 dividual or entity.

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

17 (A) a United States citizen or an alien law-
18 fully admitted for permanent residence to the
19 United States; or

20 (B) an entity organized under the laws of
21 the United States or of any jurisdiction within
22 the United States, including a foreign branch of
23 such an entity.

1 **TITLE I—COUNTERING RUSSIAN**
2 **CYBER INTRUSIONS**

3 **SEC. 101. SHORT TITLE.**

4 This title may be cited as the “Russian Cyber Intru-
5 sions Sanctions Act of 2017”.

6 **SEC. 102. FINDINGS.**

7 Congress makes the following findings:

8 (1) On October 7, 2016, the Department of
9 Homeland Security and the Office of the Director of
10 National Intelligence stated, the “U.S. Intelligence
11 Community (USIC) is confident that the Russian
12 government directed the recent compromises of e-
13 mails from U.S. persons and institutions, including
14 from U.S. political organizations. The recent disclo-
15 sures of alleged hacked e-mails on sites like
16 DCLeaks.com and WikiLeaks and by the Guccifer
17 2.0 online persona are consistent with the methods
18 and motivations of Russian-directed efforts.”. The
19 statement concluded that “only Russia’s senior-most
20 officials could have authorized these activities”.

21 (2) On April 1, 2015, President Barack Obama
22 issued Executive Order 13694 (80 Fed. Reg. 18077;
23 relating to blocking the property of certain persons
24 engaging in significant malicious cyber-enabled ac-
25 tivities), which authorizes the Secretary of the

1 Treasury, in consultation with the Attorney General
2 and the Secretary of State, to impose sanctions on
3 persons determined to be engaged in malicious
4 cyber-hacking.

5 (3) On July 26, 2016, President Obama ap-
6 proved a Presidential Policy Directive on United
7 States Cyber Incident Coordination, which states,
8 “certain cyber incidents that have significant im-
9 pacts on an entity, our national security, or the
10 broader economy require a unique approach to re-
11 sponse efforts”.

12 (4) On December 29, 2016, President Obama
13 issued an annex to Executive Order 13694, which
14 authorized sanctions on the following entities and in-
15 dividuals:

16 (A) The Main Intelligence Directorate
17 (also known as Glavnoe Razvedyvatel’noe
18 Upravlenie or the GRU) in Moscow, Russian
19 Federation.

20 (B) The Federal Security Service (also
21 known as Federalnaya Sluzhba Bezopasnosti or
22 the FSB) in Moscow, Russian Federation.

23 (C) The Special Technology Center (also
24 known as STLC, Ltd. Special Technology Cen-

1 ter St. Petersburg) in St. Petersburg, Russian
2 Federation.

3 (D) Zorsecurity (also known as Esage
4 Lab) in Moscow, Russian Federation.

5 (E) The autonomous noncommercial orga-
6 nization known as the Professional Association
7 of Designers of Data Processing Systems (also
8 known as ANO PO KSI) in Moscow, Russian
9 Federation.

10 (F) Igor Valentinovich Korobov.

11 (G) Sergey Aleksandrovich Gizunov.

12 (H) Igor Olegovich Kostyukov.

13 (I) Vladimir Stepanovich Alexseyev.

14 (5) On January 6, 2017, an assessment of the
15 United States intelligence community entitled, “As-
16 sessing Russian Activities and Intentions in Recent
17 U.S. Elections” stated, “Russian President Vladimir
18 Putin ordered an influence campaign in 2016 aimed
19 at the United States presidential election. Russia’s
20 goals were to undermine public faith in the United
21 States democratic process, denigrate Secretary Clin-
22 ton, and harm her electability and potential presi-
23 dency.”. The intelligence community “did not make
24 an assessment of the impact that Russian activities
25 had on the outcome of the 2016 election”. The as-

1 sessment warns that “Moscow will apply lessons
 2 learned from its Putin-ordered campaign aimed at
 3 the U.S. Presidential election to future influence ef-
 4 forts worldwide, including against U.S. allies and
 5 their election processes”.

6 **SEC. 103. IMPOSITION OF SANCTIONS WITH RESPECT TO**
 7 **PERSONS ENGAGING IN SIGNIFICANT ACTIVI-**
 8 **TIES UNDERMINING CYBERSECURITY AND**
 9 **DEMOCRATIC INSTITUTIONS.**

10 (a) IN GENERAL.—The President shall impose the
 11 sanctions described in subsection (b) with respect to any
 12 person that the President determines—

13 (1) knowingly engages, on behalf of the Govern-
 14 ment of the Russian Federation, in significant ac-
 15 tivities undermining cybersecurity, through the use
 16 of computer networks or systems against persons or
 17 governments, that—

18 (A) have a detrimental effect on public or
 19 private infrastructure of the United States or
 20 an ally of the United States; or

21 (B) result in the compromise of democratic
 22 institutions of the United States or an ally of
 23 the United States;

24 (2) materially assists, sponsors, or provides fi-
 25 nancial, material, or technological support for, or

1 goods or services in support of, an activity described
 2 in paragraph (1); or

3 (3) is owned or controlled by, or acts or pur-
 4 ports to act for or on behalf of, directly or indirectly,
 5 a person described in paragraph (1).

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

8 (1) ASSET BLOCKING.—The exercise of all pow-
 9 ers granted to the President by the International
 10 Emergency Economic Powers Act (50 U.S.C. 1701
 11 et seq.) to the extent necessary to block and prohibit
 12 all transactions in all property and interests in prop-
 13 erty of a person determined by the President to be
 14 subject to subsection (a) if such property and inter-
 15 ests in property are in the United States, come with-
 16 in the United States, or are or come within the pos-
 17 session or control of a United States person.

18 (2) EXCLUSION FROM THE UNITED STATES
 19 AND REVOCATION OF VISA OR OTHER DOCUMENTA-
 20 TION.—In the case of an alien determined by the
 21 President to be subject to subsection (a), denial of
 22 a visa to, and exclusion from the United States of,
 23 the alien, and revocation in accordance with section
 24 221(i) of the Immigration and Nationality Act (8

1 U.S.C. 1201(i)), of any visa or other documentation
2 of the alien.

3 (c) REQUESTS BY CHAIRPERSON AND RANKING
4 MEMBER OF APPROPRIATE CONGRESSIONAL COMMIT-
5 TEES.—

6 (1) IN GENERAL.—Not later than 120 days
7 after receiving a written request from the chair-
8 person and ranking member of one of the appro-
9 priate congressional committees with respect to
10 whether a person meets the criteria for the imposi-
11 tion of sanctions under subsection (a), the President
12 shall submit a response to the chairperson and rank-
13 ing member of the committee that made the request
14 with respect to whether or not the person meets
15 such criteria.

16 (2) NOTIFICATION OF TERMINATION OF SANC-
17 TIONS.—If the President terminates sanctions im-
18 posed under subsection (a) with respect to a person
19 that was the subject of a request under paragraph
20 (1), the President shall notify the chairperson and
21 ranking member of the appropriate congressional
22 committee that made the request and provide to the
23 chairperson and ranking member any information
24 that contributed to the decision to terminate such
25 sanctions.

1 (3) FORM.—The President may submit a re-
2 response required by paragraph (1) or a notification
3 required by paragraph (3) in classified form if the
4 President determines that it is necessary for the na-
5 tional security interests of the United States to do
6 so.

7 (d) IMPLEMENTATION; PENALTIES.—

8 (1) IMPLEMENTATION.—The President may ex-
9 ercise all authorities provided to the President under
10 sections 203 and 205 of the International Emer-
11 gency Economic Powers Act (50 U.S.C. 1702 and
12 1704) to carry out subsection (b)(1).

13 (2) PENALTIES.—A person that violates, at-
14 tempts to violate, conspires to violate, or causes a
15 violation of subsection (b)(1) or any regulation, li-
16 cense, or order issued to carry out subsection (b)(1)
17 shall be subject to the penalties set forth in sub-
18 sections (b) and (c) of section 206 of the Inter-
19 national Emergency Economic Powers Act (50
20 U.S.C. 1705) to the same extent as a person that
21 commits an unlawful act described in subsection (a)
22 of that section.

23 **SEC. 104. CODIFICATION OF EXECUTIVE ORDER 13694.**

24 Executive Order 13694 (80 Fed. Reg. 18077; relat-
25 ing to blocking the property of certain persons engaging

1 in significant malicious cyber-enabled activities), as in ef-
2 fect on the day before the date of the enactment of this
3 Act, and any sanctions imposed pursuant to that Execu-
4 tive order, shall remain in effect until the date specified
5 in section 108.

6 **SEC. 105. IMPOSITION OF SANCTIONS WITH RESPECT TO**
7 **PERSONS ENGAGING IN TRANSACTIONS WITH**
8 **THE INTELLIGENCE OR DEFENSE SECTORS**
9 **OF THE GOVERNMENT OF THE RUSSIAN FED-**
10 **ERATION.**

11 (a) LIST REQUIRED.—Not later than 180 days after
12 the date of the enactment of this Act, and every 180 days
13 thereafter, the President shall submit to Congress a list
14 of each person that knowingly, on or after such date of
15 enactment, engages in a significant transaction with a per-
16 son that is part of, or operates for or on behalf of, the
17 defense or intelligence sectors of the Government of the
18 Russian Federation, including the Main Intelligence Agen-
19 cy of the General Staff of the Armed Forces of the Rus-
20 sian Federation or the Federal Security Service of the
21 Russian Federation.

22 (b) IMPOSITION OF SANCTIONS.—The President shall
23 impose 5 or more of the sanctions described in subsection
24 (c) with respect to a person on the list required by sub-
25 section (a).

1 (c) SANCTIONS DESCRIBED.—The sanctions to be
 2 imposed with respect to a person subject to subsection (b)
 3 are the following:

4 (1) EXPORT-IMPORT BANK ASSISTANCE FOR
 5 EXPORTS TO SANCTIONED PERSONS.—The President
 6 may direct the Export-Import Bank of the United
 7 States not to give approval to the issuance of any
 8 guarantee, insurance, extension of credit, or partici-
 9 pation in the extension of credit in connection with
 10 the export of any goods or services to the person
 11 subject to subsection (b).

12 (2) EXPORT SANCTION.—The President may
 13 order the United States Government not to issue
 14 any specific license and not to grant any other spe-
 15 cific permission or authority to export any goods or
 16 technology to the person subject to subsection (b)
 17 under—

18 (A) the Export Administration Act of 1979
 19 (50 U.S.C. 4601 et seq.) (as continued in effect
 20 pursuant to the International Emergency Eco-
 21 nomic Powers Act (50 U.S.C. 1701 et seq.));

22 (B) the Arms Export Control Act (22
 23 U.S.C. 2751 et seq.);

24 (C) the Atomic Energy Act of 1954 (42
 25 U.S.C. 2011 et seq.); or

(D) any other statute that requires the prior review and approval of the United States Government as a condition for the export or re-export of goods or services.

(3) LOANS FROM UNITED STATES FINANCIAL INSTITUTIONS.—The President may prohibit any United States financial institution from making loans or providing credits to the person subject to subsection (b) totaling more than \$10,000,000 in any 12-month period unless the person is engaged in activities to relieve human suffering and the loans or credits are provided for such activities.

(4) LOANS FROM INTERNATIONAL FINANCIAL INSTITUTIONS.—The President may direct the United States executive director to each international financial institution to use the voice and vote of the United States to oppose any loan from the international financial institution that would benefit the person subject to subsection (b).

(5) PROHIBITIONS ON FINANCIAL INSTITUTIONS.—The following prohibitions may be imposed against the person subject to subsection (b) if that person is a financial institution:

(A) PROHIBITION ON DESIGNATION AS PRIMARY DEALER.—Neither the Board of Gov-

ernors of the Federal Reserve System nor the Federal Reserve Bank of New York may designate, or permit the continuation of any prior designation of, the financial institution as a primary dealer in United States Government debt instruments.

(B) PROHIBITION ON SERVICE AS A REPOSITORY OF GOVERNMENT FUNDS.—The financial institution may not serve as agent of the United States Government or serve as repository for United States Government funds.

The imposition of either sanction under subparagraph (A) or (B) shall be treated as 1 sanction for purposes of subsection (b), and the imposition of both such sanctions shall be treated as 2 sanctions for purposes of subsection (b).

(6) PROCUREMENT SANCTION.—The United States Government may not procure, or enter into any contract for the procurement of, any goods or services from the person subject to subsection (b).

(7) FOREIGN EXCHANGE.—The President may, pursuant to such regulations as the President may prescribe, prohibit any transactions in foreign exchange that are subject to the jurisdiction of the

1 United States and in which the person subject to
2 subsection (b) has any interest.

3 (8) BANKING TRANSACTIONS.—The President
4 may, pursuant to such regulations as the President
5 may prescribe, prohibit any transfers of credit or
6 payments between financial institutions or by,
7 through, or to any financial institution, to the extent
8 that such transfers or payments are subject to the
9 jurisdiction of the United States and involve any in-
10 terest of the person subject to subsection (b).

11 (9) PROPERTY TRANSACTIONS.—The President
12 may, pursuant to such regulations as the President
13 may prescribe, prohibit any person from—

14 (A) acquiring, holding, withholding, using,
15 transferring, withdrawing, transporting, import-
16 ing, or exporting any property that is subject to
17 the jurisdiction of the United States and with
18 respect to which the person subject to sub-
19 section (b) has any interest;

20 (B) dealing in or exercising any right,
21 power, or privilege with respect to such prop-
22 erty; or

23 (C) conducting any transaction involving
24 such property.

1 (10) BAN ON INVESTMENT IN EQUITY OR DEBT
2 OF SANCTIONED PERSON.—The President may, pur-
3 suant to such regulations or guidelines as the Presi-
4 dent may prescribe, prohibit any United States per-
5 son from investing in or purchasing significant
6 amounts of equity or debt instruments of the person
7 subject to subsection (b).

8 (11) EXCLUSION OF CORPORATE OFFICERS.—
9 The President may direct the Secretary of State to
10 deny a visa to, and the Secretary of Homeland Secu-
11 rity to exclude from the United States, any alien
12 that the President determines is a corporate officer
13 or principal of, or a shareholder with a controlling
14 interest in, the person subject to subsection (b).

15 (12) SANCTIONS ON PRINCIPAL EXECUTIVE OF-
16 FICERS.—The President may impose on the prin-
17 cipal executive officer or officers of the person sub-
18 ject to subsection (b), or on persons performing
19 similar functions and with similar authorities as
20 such officer or officers, any of the sanctions under
21 this subsection.

22 **SEC. 106. EXEMPTIONS, WAIVERS, AND RULEMAKING.**

23 (a) EXEMPTIONS.—The following activities shall be
24 exempt from sanctions under sections 103 and 105:

1 (1) Activities subject to the reporting require-
2 ments under title V of the National Security Act of
3 1947 (50 U.S.C. 3091 et seq.), or any authorized in-
4 telligence activities of the United States.

5 (2) The admission of an alien to the United
6 States if such admission is necessary to comply with
7 United States obligations under the Agreement be-
8 tween the United Nations and the United States of
9 America regarding the Headquarters of the United
10 Nations, signed at Lake Success June 26, 1947, and
11 entered into force November 21, 1947, under the
12 Convention on Consular Relations, done at Vienna
13 April 24, 1963, and entered into force March 19,
14 1967, or under other international agreements.

15 (b) EXCEPTION RELATING TO IMPORTATION OF
16 GOODS.—The requirement to impose sanctions under sec-
17 tions 103 and 105 shall not include the authority to im-
18 pose sanctions on the importation of goods.

19 (c) WAIVER.—The President may waive the applica-
20 tion of sanctions under section 103 or 105 if before the
21 waiver takes effect, the President submits to the appro-
22 priate congressional committees—

23 (1) a written determination that the waiver—
24 (A) is vital to the national security inter-
25 ests of the United States; or

1 (B) will further the enforcement of this
2 title; and

3 (2) a certification that the Government of the
4 Russian Federation has made significant efforts to
5 reduce the number and intensity of the cyber intru-
6 sions conducted by that Government.

7 (d) RULEMAKING.—The President may prescribe
8 such rules and regulations as may be necessary to carry
9 out the provisions of this title.

10 (e) RULE OF CONSTRUCTION.—Nothing in this title
11 shall be construed—

12 (1) to supersede the limitations on the use of
13 rocket engines for national security purposes under
14 section 1608 of the Carl Levin and Howard P.
15 “Buck” McKeon National Defense Authorization
16 Act for Fiscal Year 2015 (Public Law 113–291; 128
17 Stat. 3626; 10 U.S.C. 2271 note), as amended by
18 section 1607 of the National Defense Authorization
19 Act for Fiscal Year 2016 (Public Law 114–92; 129
20 Stat. 1100) and section 1602 of the National De-
21 fense Authorization Act for Fiscal Year 2017 (Pub-
22 lic Law 114–328); or

23 (2) to prohibit a contractor or subcontractor of
24 the Department of Defense from acquiring compo-
25 nents referred to in such section 1608.

1 **SEC. 107. PUBLIC SERVICE CAMPAIGN RELATING TO CY-**
2 **BERSECURITY AND COMBATING**
3 **DISINFORMATION.**

4 (a) IN GENERAL.—The Secretary of Homeland Secu-
5 rity shall conduct a series of public service campaigns to
6 educate the people of the United States on threats to their
7 cybersecurity and to urge better online practices to ensure
8 the protection of private information. In conducting such
9 campaigns, the Secretary shall offer training in basic skills
10 on fact checking news articles and media sources.

11 (b) AUTHORIZATION OF APPROPRIATIONS.—There
12 are authorized to be appropriated for the Secretary of
13 Homeland Security \$25,000,000 for fiscal years 2018
14 through 2019 to carry out the activities set forth in sub-
15 section (a).

16 **SEC. 108. TERMINATION.**

17 Sanctions imposed under this title shall terminate on
18 the date on which the President submits to the appro-
19 priate congressional committees a certification that the
20 Government of the Russian Federation has ceased
21 cyberattacks against United States official and unofficial
22 entities.

23 **SEC. 109. RULE OF CONSTRUCTION.**

24 Nothing in this title may be construed to limit the
25 authority of the President to designate or sanction persons
26 pursuant to an applicable Executive order or otherwise

1 pursuant to the International Emergency Economic Pow-
2 ers Act (50 U.S.C. 1701 et seq.).

3 **TITLE II—COUNTERING RUSSIAN** 4 **AGGRESSION**

5 **SEC. 201. SHORT TITLE.**

6 The title may be cited as the “Countering Russian
7 Aggression Act of 2017”.

8 **SEC. 202. FINDINGS.**

9 Congress makes the following findings:

10 (1) The Government of the Russian Federation
11 continues to violate its commitments under the Con-
12 ference on Security and Co-operation in Europe
13 Final Act, concluded at Helsinki August 1, 1975
14 (commonly referred to as the “Helsinki Final Act”),
15 which laid the groundwork for the establishment of
16 the Organization for Security and Co-operation in
17 Europe, of which the Russian Federation is a mem-
18 ber, by its illegal annexation of Crimea in 2014, its
19 illegal occupation of South Ossetia and Abkhazia in
20 Georgia in 2008, and its ongoing destabilizing activi-
21 ties in eastern Ukraine.

22 (2) The Government of the Russian Federation
23 has ignored the terms of the August 2008 cease-fire
24 agreement relating to Georgia, which requires the
25 withdrawal of Russian troops, free access by human-

1 itarian groups to the regions of South Ossetia and
2 Abkhazia, and monitoring of the conflict areas by
3 the European Union Monitoring Mission.

4 (3) The Government of the Russian Federation
5 is failing to comply with the terms of the Minsk
6 Agreement to address the ongoing conflict in eastern
7 Ukraine, signed in Minsk, Belarus, on February 11,
8 2015, by the leaders of Ukraine, Russia, France,
9 and Germany, as well as the Minsk Protocol, which
10 was agreed to on September 5, 2014 (in this Act
11 collectively referred to as the “Minsk Agreements”).

12 (4) On October 7, 2016, United States Sec-
13 retary of State John Kerry, addressing the conflict
14 in Syria, said “Russia and the regime owe the world
15 more than an explanation about why they keep hit-
16 ting hospitals, and medical facilities, and children
17 and women. . . . These are acts that beg for an ap-
18 propriate investigation of war crimes, and those who
19 commit these would and should be held accountable
20 for these actions. . . . This is a targeted strategy to
21 terrorize civilians.”.

22 **SEC. 203. SENSE OF CONGRESS.**

23 It is the sense of Congress that—

24 (1) the President should call on all parties to
25 fully implement the Minsk Agreement to address the

1 ongoing conflict in Eastern Ukraine signed in
 2 Minsk, Belarus, on February 11, 2015, by the lead-
 3 ers of Ukraine, Russia, France, and Germany as
 4 well as the Minsk Protocol agreed to on September
 5 5, 2014; and

6 (2) the international community should conduct
 7 a full investigation into allegations that the Russian
 8 Federation committed war crimes through its mili-
 9 tary actions in Syria.

10 **SEC. 204. PROHIBITIONS AGAINST UNITED STATES REC-**
 11 **OGNITION OF THE RUSSIAN FEDERATION'S**
 12 **ANNEXATION OF CRIMEA AND OCCUPATION**
 13 **OF SOUTH OSSETIA AND ABKHAZIA.**

14 (a) UNITED STATES POLICY AGAINST RECOGNITION
 15 OF TERRITORIAL CHANGES EFFECTED BY FORCE
 16 ALONE.—Between the years of 1940 and 1991, the
 17 United States did not recognize the forcible incorporation
 18 and annexation of the three Baltic States of Lithuania,
 19 Latvia, and Estonia into the Soviet Union under a policy
 20 known as the “Stimson Doctrine”.

21 (b) NON-RECOGNITION OF SOVEREIGNTY OF RUS-
 22 SIAN FEDERATION OVER CRIMEA AND INDEPENDENCE
 23 OF SOUTH OSSETIA AND ABKHAZIA.—No Federal agency
 24 shall take any action or extend any assistance that recog-
 25 nizes or implies any recognition of—

1 (1) the de jure or de facto sovereignty of the
 2 Russian Federation over Crimea or its airspace or
 3 territorial waters; or

4 (2) the de jure or de facto independence of
 5 South Ossetia or Abkhazia, or the airspace or terri-
 6 torial waters of South Ossetia or Abkhazia, from
 7 Georgia.

8 (c) DEPARTMENT OF JUSTICE AFFIRMATION OF
 9 NON-RECOGNITION OF SOVEREIGNTY OF RUSSIAN FED-
 10 ERATION OVER CRIMEA AND INDEPENDENCE OF SOUTH
 11 OSSETIA AND ABKHAZIA.—In any matter before any
 12 United States court, upon request of the court or any
 13 party to the matter, the Attorney General shall affirm the
 14 United States policies of not recognizing—

15 (1) the de jure or de facto sovereignty of the
 16 Russian Federation over Crimea or its airspace or
 17 territorial waters; and

18 (2) the de jure or de facto independence of
 19 South Ossetia or Abkhazia, or the airspace or terri-
 20 torial waters of South Ossetia or Abkhazia, from
 21 Georgia.

22 (d) DOCUMENTS PORTRAYING CRIMEA AS PART OF
 23 RUSSIAN FEDERATION OR SOUTH OSSETIA OR ABKHAZIA
 24 AS INDEPENDENT FROM GEORGIA.—The Government
 25 Publishing Office shall not print any map, document,

1 record, or other paper of the United States portraying or
2 otherwise indicating—

3 (1) Crimea as part of the territory of the Rus-
4 sian Federation; or

5 (2) South Ossetia or Abkhazia as anything
6 other than a part of Georgia.

7 (e) UNITED STATES ARMED FORCES.—The Sec-
8 retary of Defense may not take any action, including any
9 movement of aircraft or vessels, that implies recognition
10 of—

11 (1) the sovereignty of the Russian Federation
12 over Crimea or its airspace or territorial waters; or

13 (2) the independence of Abkhazia or South
14 Ossetia, or the airspace or territorial waters of
15 South Ossetia or Abkhazia, from Georgia.

16 (f) UNITED STATES FLAGGED VESSELS.—No vessel
17 that is issued a certificate of documentation under chapter
18 121 of title 46, United States Code, may take any action
19 that implies recognition of—

20 (1) the sovereignty of the Russian Federation
21 over Crimea or its territorial waters; or

22 (2) the independence of South Ossetia or
23 Abkhazia, or the territorial waters of South Ossetia
24 or Abkhazia, from Georgia.

1 (g) UNITED STATES AIRCRAFT.—No aircraft oper-
2 ated by an air carrier that holds an air carrier certificate
3 issued under chapter 411 of title 49, United States Code,
4 may take any action that implies recognition of—

5 (1) the sovereignty of the Russian Federation
6 over Crimea or its airspace; or

7 (2) the independence of South Ossetia or
8 Abkhazia, or the airspace of South Ossetia or
9 Abkhazia, from Georgia.

10 **SEC. 205. STATEMENTS OF POLICY WITH RESPECT TO**
11 **UKRAINE.**

12 (a) IN GENERAL.—It is the policy of the United
13 States to further assist the Government of Ukraine in re-
14 storing its sovereignty and territorial integrity to contain,
15 reverse, and deter the aggression of the Russian Federa-
16 tion in Ukraine. That policy shall be carried into effect,
17 among other things, through a comprehensive effort, in
18 coordination with allies and partners of the United States
19 where appropriate, that includes sanctions, diplomacy, and
20 assistance, including lethal defensive weapons systems, for
21 the people of Ukraine intended to enhance their ability to
22 consolidate a democracy based on the rule of law and with
23 a free market economy and to exercise their right under
24 international law to self-defense.

1 (b) ADDITIONAL STATEMENT OF POLICY.—It is fur-
2 ther the policy of the United States—

3 (1) to use its voice, vote, and influence in inter-
4 national fora to encourage other countries, including
5 United States allies, to provide assistance that is
6 similar to assistance described in subsection (a) to
7 Ukraine;

8 (2) to ensure that any relevant sanctions relief
9 for the Russian Federation is contingent on the rec-
10 ognition by the Government of the Russian Federa-
11 tion of the sovereignty of Ukraine over Crimea as
12 well as timely, complete, and verifiable implementa-
13 tion of the Minsk Agreements, especially the restora-
14 tion of Ukraine’s control of the entirety of its east-
15 ern border with the Russian Federation in the con-
16 flict zone;

17 (3) to support Georgia’s sovereignty, independ-
18 ence, and territorial integrity and the inviolability of
19 its borders and to recognize the areas of Abkhazia
20 and South Ossetia as regions of Georgia occupied by
21 the Russian Federation; and

22 (4) to further call on the Government of the
23 Russian Federation to take steps to fulfill all the
24 terms and conditions of the 2008 cease-fire agree-
25 ments with the Government of Georgia, including re-

1 turning military forces to pre-war positions and en-
2 suring access to international humanitarian aid to
3 all those affected by the conflict.

4 **SEC. 206. CODIFICATION OF EXECUTIVE ORDERS IMPOSING**
5 **SANCTIONS IN RELATION TO THE SITUATION**
6 **IN UKRAINE.**

7 (a) IN GENERAL.—The Executive orders specified in
8 subsection (b), and sanctions imposed pursuant to such
9 Executive orders, shall remain in effect until the date
10 specified in section 216.

11 (b) EXECUTIVE ORDERS SPECIFIED.—The Executive
12 orders specified in this subsection are the following:

13 (1) Executive Order 13660 (79 Fed. Reg.
14 13493; relating to blocking property of certain per-
15 sons contributing to the situation in Ukraine).

16 (2) Executive Order 13661 (79 Fed. Reg.
17 15535; relating to blocking property of additional
18 persons contributing to the situation in Ukraine).

19 (3) Executive Order 13662 (79 Fed. Reg.
20 16169; relating to blocking property of additional
21 persons contributing to the situation in Ukraine).

22 (4) Executive Order 13685 (79 Fed. Reg.
23 77357; relating to blocking property of certain per-
24 sons and prohibiting certain transactions with re-
25 spect to the Crimea region of Ukraine).

1 **SEC. 207. SANCTIONS WITH RESPECT TO THE DEVELOP-**
 2 **MENT AND PRODUCTION OF PETROLEUM**
 3 **AND NATURAL GAS RESOURCES IN THE RUS-**
 4 **SIAN FEDERATION.**

5 (a) DEVELOPMENT OF PETROLEUM AND NATURAL
 6 GAS RESOURCES OF THE RUSSIAN FEDERATION.—

7 (1) IN GENERAL.—The President shall impose
 8 5 or more of the sanctions described in section 213
 9 with respect to a person if the President determines
 10 that the person knowingly, on or after the date of
 11 the enactment of this Act—

12 (A) makes an investment described in
 13 paragraph (2) of \$20,000,000 or more; or

14 (B) makes a combination of investments
 15 described in paragraph (2) in a 12-month pe-
 16 riod if each such investment is of not less than
 17 \$5,000,000 and such investments equal or ex-
 18 ceed \$20,000,000 in the aggregate.

19 (2) INVESTMENT DESCRIBED.—An investment
 20 described in this paragraph is an investment that di-
 21 rectly and significantly contributes to the enhance-
 22 ment of the ability of the Russian Federation to de-
 23 velop petroleum or natural gas resources.

24 (b) PRODUCTION OF PETROLEUM PRODUCTS AND
 25 NATURAL GAS.—

1 (1) IN GENERAL.—The President shall impose
2 5 or more of the sanctions described in section 213
3 with respect to a person if the President determines
4 that the person knowingly, on or after the date of
5 the enactment of this Act, sells, leases, or provides
6 to the Russian Federation goods, services, tech-
7 nology, information, or support described in para-
8 graph (2)—

9 (A) any of which has a fair market value
10 of \$1,000,000 or more; or

11 (B) that, during a 12-month period, have
12 an aggregate fair market value of \$5,000,000
13 or more.

14 (2) GOODS, SERVICES, TECHNOLOGY, INFORMA-
15 TION, OR SUPPORT DESCRIBED.—Goods, services,
16 technology, information, or support described in this
17 paragraph are goods, services, technology, informa-
18 tion, or support that could directly and significantly
19 facilitate the maintenance or expansion of the pro-
20 duction of petroleum products or natural gas in the
21 Russian Federation, including any direct and signifi-
22 cant assistance with respect to the construction,
23 modernization, or repair of petroleum refineries and
24 natural gas infrastructure.

1 **SEC. 208. SANCTIONS WITH RESPECT TO THE DEVELOP-**
2 **MENT OF PIPELINES IN THE RUSSIAN FED-**
3 **ERATION.**

4 (a) IN GENERAL.—The President shall impose 5 or
5 more of the sanctions described in section 213 with respect
6 to a person if the President determines that the person
7 knowingly, on or after the date of the enactment of this
8 Act, makes an investment described in subsection (b), or
9 sells, leases, or provides to the Russian Federation, for
10 the construction of Russian energy export pipelines, goods,
11 services, technology, information, or support described in
12 subsection (c)—

13 (1) any of which has a fair market value of
14 \$1,000,000 or more; or

15 (2) that, during a 12-month period, have an ag-
16 gregate fair market value of \$5,000,000 or more.

17 (b) INVESTMENT DESCRIBED.—An investment de-
18 scribed in this subsection is an investment that directly
19 and significantly contributes to the enhancement of the
20 ability of the Russian Federation to construct energy ex-
21 port pipelines.

22 (c) GOODS, SERVICES, TECHNOLOGY, INFORMATION,
23 OR SUPPORT DESCRIBED.—Goods, services, technology,
24 information, or support described in this subsection are
25 goods, services, technology, information, or support that
26 could directly and significantly facilitate the maintenance

1 or expansion of the construction, modernization, or repair
 2 of energy pipelines by the Russian Federation.

3 **SEC. 209. SANCTIONS WITH RESPECT TO THE DEVELOP-**
 4 **MENT OF CIVIL NUCLEAR PROJECTS BY THE**
 5 **RUSSIAN FEDERATION.**

6 (a) IN GENERAL.—The President shall impose 5 or
 7 more of the sanctions described in section 213 with respect
 8 to a person if the President determines that the person
 9 knowingly, on or after the date of the enactment of this
 10 Act, makes an investment described in subsection (b), or
 11 sells, leases, or provides to the Russian Federation, for
 12 the construction of civil nuclear projects by the Russian
 13 Federation, goods, services, technology, information, or
 14 support described in subsection (c)—

15 (1) any of which has a fair market value of
 16 \$1,000,000 or more; or

17 (2) that, during a 12-month period, have an ag-
 18 gregate fair market value of \$5,000,000 or more.

19 (b) INVESTMENT DESCRIBED.—An investment de-
 20 scribed in this subsection is an investment that directly
 21 and significantly contributes to the enhancement of the
 22 ability of the Russian Federation to construct civil nuclear
 23 power plants.

24 (c) GOODS, SERVICES, TECHNOLOGY, INFORMATION,
 25 OR SUPPORT DESCRIBED.—Goods, services, technology,

1 information, or support described in this subsection are
 2 goods, services, technology, information, or support that
 3 could directly and significantly facilitate the maintenance
 4 or expansion of the construction, modernization, or repair
 5 of civil nuclear plants by the Russian Federation.

6 **SEC. 210. SANCTIONS WITH RESPECT TO PURCHASE, SUB-**
 7 **SCRIPTION TO, OR FACILITATION OF THE**
 8 **ISSUANCE OF SOVEREIGN DEBT OF THE RUS-**
 9 **SIAN FEDERATION.**

10 The President shall impose 5 or more of the sanctions
 11 described in section 213 with respect to a person if the
 12 President determines that the person knowingly, on or
 13 after the date of the enactment of this Act, purchases,
 14 subscribes to, or facilitates the issuance of—

15 (1) sovereign debt of the Government of the
 16 Russian Federation issued on or after such date of
 17 enactment, including governmental bonds; or

18 (2) debt of any entity owned or controlled by
 19 the Government of the Russian Federation issued on
 20 or after such date of enactment, including bonds.

1 **SEC. 211. SANCTIONS WITH RESPECT TO INVESTMENT IN**
 2 **OR FACILITATION OF PRIVATIZATION OF**
 3 **STATE-OWNED ASSETS BY THE RUSSIAN FED-**
 4 **ERATION.**

5 The President shall impose 5 or more of the sanctions
 6 described in section 213 if the President determines that
 7 a person, with actual knowledge, on or after the date of
 8 the enactment of this Act, makes an investment of
 9 \$10,000,000 or more (or any combination of investments
 10 of not less than \$1,000,000 each, which in the aggregate
 11 equals or exceeds \$10,000,000 in any 12-month period),
 12 or facilitates such an investment, if the investment directly
 13 and significantly contributes to the ability of the Russian
 14 Federation to privatize state-owned assets.

15 **SEC. 212. PROHIBITING CERTAIN TRANSACTIONS IN AREAS**
 16 **CONTROLLED BY THE RUSSIAN FEDERATION.**

17 (a) IN GENERAL.—The President shall impose with
 18 respect to a foreign person the sanctions described in sub-
 19 section (b) if the President determines that the foreign
 20 person, based on credible information—

21 (1) is responsible for, complicit in, or respon-
 22 sible for ordering, controlling, or otherwise directing,
 23 the commission of serious human rights abuses in
 24 any territory forcibly occupied or otherwise con-
 25 trolled by the Government of the Russian Federa-
 26 tion;

1 (2) has materially assisted, sponsored, or pro-
2 vided financial, material, or technological support
3 for, or goods or services to, a foreign person that is
4 responsible for, complicit in, or responsible for order-
5 ing, controlling, or otherwise directing, the commis-
6 sion of serious human rights abuses in any territory
7 forcibly occupied or otherwise controlled by the Gov-
8 ernment of the Russian Federation; or

9 (3) is owned or controlled by a foreign person,
10 or has acted or purported to act for or on behalf of,
11 directly or indirectly, a foreign person, that is re-
12 sponsible for, complicit in, or responsible for order-
13 ing, controlling, or otherwise directing, the commis-
14 sion of serious human rights abuses in any territory
15 forcibly occupied or otherwise controlled by the Gov-
16 ernment of the Russian Federation.

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

19 (1) ASSET BLOCKING.—The exercise of all pow-
20 ers granted to the President by the International
21 Emergency Economic Powers Act (50 U.S.C. 1701
22 et seq.) to the extent necessary to block and prohibit
23 all transactions in all property and interests in prop-
24 erty of a person determined by the President to be
25 subject to subsection (a) if such property and inter-

ests in property are in the United States, come within the United States, or are or come within the possession or control of a United States person.

(2) EXCLUSION FROM THE UNITED STATES AND REVOCATION OF VISA OR OTHER DOCUMENTATION.—In the case of an alien determined by the President to be subject to subsection (a), denial of a visa to, and exclusion from the United States of, the alien, and revocation in accordance with section 221(i) of the Immigration and Nationality Act (8 U.S.C. 1201(i)), of any visa or other documentation of the alien.

(c) WAIVER.—The President may waive the application of sanctions under subsection (b) with respect to a person if the President—

(1) determines that such a waiver is vital to the national interests of the United States; and

(2) before issuing the waiver, submits to the appropriate congressional committees a certification that the Government of the Russian Federation has made efforts to reduce serious human rights abuses in any territory forcibly occupied or otherwise controlled by the Government of the Russian Federation.

(d) IMPLEMENTATION; PENALTIES.—

1 (1) IMPLEMENTATION.—The President may ex-
 2 ercise all authorities provided to the President under
 3 sections 203 and 205 of the International Emer-
 4 gency Economic Powers Act (50 U.S.C. 1702 and
 5 1704) to carry out subsection (b)(1).

6 (2) PENALTIES.—A person that violates, at-
 7 tempts to violate, conspires to violate, or causes a
 8 violation of subsection (b)(1) or any regulation, li-
 9 cense, or order issued to carry out subsection (b)(1)
 10 shall be subject to the penalties set forth in sub-
 11 sections (b) and (c) of section 206 of the Inter-
 12 national Emergency Economic Powers Act (50
 13 U.S.C. 1705) to the same extent as a person that
 14 commits an unlawful act described in subsection (a)
 15 of that section.

16 **SEC. 213. SANCTIONS DESCRIBED.**

17 (a) IN GENERAL.—The sanctions to be imposed with
 18 respect to a sanctioned person under this title (other than
 19 section 212) are the following:

20 (1) EXPORT-IMPORT BANK ASSISTANCE FOR
 21 EXPORTS TO SANCTIONED PERSONS.—The President
 22 may direct the Export-Import Bank of the United
 23 States not to give approval to the issuance of any
 24 guarantee, insurance, extension of credit, or partici-
 25 pation in the extension of credit in connection with

1 the export of any goods or services to the sanctioned
2 person.

3 (2) EXPORT SANCTION.—The President may
4 order the United States Government not to issue
5 any specific license and not to grant any other spe-
6 cific permission or authority to export any goods or
7 technology to the sanctioned person under—

8 (A) the Export Administration Act of 1979
9 (50 U.S.C. 4601 et seq.) (as continued in effect
10 pursuant to the International Emergency Eco-
11 nomic Powers Act (50 U.S.C. 1701 et seq.));

12 (B) the Arms Export Control Act (22
13 U.S.C. 2751 et seq.);

14 (C) the Atomic Energy Act of 1954 (42
15 U.S.C. 2011 et seq.); or

16 (D) any other statute that requires the
17 prior review and approval of the United States
18 Government as a condition for the export or re-
19 export of goods or services.

20 (3) LOANS FROM UNITED STATES FINANCIAL
21 INSTITUTIONS.—The President may prohibit any
22 United States financial institution from making
23 loans or providing credits to the sanctioned person
24 totaling more than \$10,000,000 in any 12-month
25 period unless the person is engaged in activities to

1 relieve human suffering and the loans or credits are
2 provided for such activities.

3 (4) LOANS FROM INTERNATIONAL FINANCIAL
4 INSTITUTIONS.—The President may direct the
5 United States executive director to each inter-
6 national financial institution to use the voice and
7 vote of the United States to oppose any loan from
8 the international financial institution that would
9 benefit the sanctioned person.

10 (5) PROHIBITIONS ON FINANCIAL INSTITU-
11 TIONS.—The following prohibitions may be imposed
12 against the sanctioned person if that person is a fi-
13 nancial institution:

14 (A) PROHIBITION ON DESIGNATION AS
15 PRIMARY DEALER.—Neither the Board of Gov-
16 ernors of the Federal Reserve System nor the
17 Federal Reserve Bank of New York may des-
18 ignate, or permit the continuation of any prior
19 designation of, the financial institution as a pri-
20 mary dealer in United States Government debt
21 instruments.

22 (B) PROHIBITION ON SERVICE AS A RE-
23 POSITORY OF GOVERNMENT FUNDS.—The fi-
24 nancial institution may not serve as agent of

1 the United States Government or serve as re-
2 pository for United States Government funds.

3 The imposition of either sanction under subpara-
4 graph (A) or (B) shall be treated as 1 sanction for
5 purposes of this title, and the imposition of both
6 such sanctions shall be treated as 2 sanctions for
7 purposes of this title.

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

12 (7) FOREIGN EXCHANGE.—The President, pur-
13 suant to such regulations as the President may pre-
14 scribe, may prohibit any transactions in foreign ex-
15 change that are subject to the jurisdiction of the
16 United States and in which the sanctioned person
17 has any interest.

18 (8) BANKING TRANSACTIONS.—The President,
19 pursuant to such regulations as the President may
20 prescribe, may prohibit any transfers of credit or
21 payments between financial institutions or by,
22 through, or to any financial institution, to the extent
23 that such transfers or payments are subject to the
24 jurisdiction of the United States and involve any in-
25 terest of the sanctioned person.

1 (9) PROPERTY TRANSACTIONS.—The President,
2 pursuant to such regulations as the President may
3 prescribe, may prohibit any person from—

4 (A) acquiring, holding, withholding, using,
5 transferring, withdrawing, transporting, import-
6 ing, or exporting any property that is subject to
7 the jurisdiction of the United States and with
8 respect to which the sanctioned person has any
9 interest;

10 (B) dealing in or exercising any right,
11 power, or privilege with respect to such prop-
12 erty; or

13 (C) conducting any transaction involving
14 such property.

15 (10) BAN ON INVESTMENT IN EQUITY OR DEBT
16 OF SANCTIONED PERSON.—The President, pursuant
17 to such regulations or guidelines as the President
18 may prescribe, may prohibit any United States per-
19 son from investing in or purchasing significant
20 amounts of equity or debt instruments of the sanc-
21 tioned person.

22 (11) EXCLUSION OF CORPORATE OFFICERS.—
23 The President may direct the Secretary of State to
24 deny a visa to, and the Secretary of Homeland Secu-
25 rity to exclude from the United States, any alien

1 that the President determines is a corporate officer
 2 or principal of, or a shareholder with a controlling
 3 interest in, the sanctioned person.

4 (12) SANCTIONS ON PRINCIPAL EXECUTIVE OF-
 5 FICERS.—The President may impose on the prin-
 6 cipal executive officer or officers of the sanctioned
 7 person, or on persons performing similar functions
 8 and with similar authorities as such officer or offi-
 9 cers, any of the sanctions under this subsection.

10 (b) SANCTIONED PERSON DEFINED.—In this section,
 11 the term “sanctioned person” means a person subject to
 12 sanctions under this title (other than section 212).

13 **SEC. 214. EXEMPTIONS, WAIVERS, AND RULEMAKING.**

14 (a) EXEMPTIONS.—The following activities shall be
 15 exempt from sanctions under this title:

16 (1) Activities subject to the reporting require-
 17 ments under title V of the National Security Act of
 18 1947 (50 U.S.C. 3091 et seq.), or any authorized in-
 19 telligence activities of the United States.

20 (2) The admission of an alien to the United
 21 States if such admission is necessary to comply with
 22 United States obligations under the Agreement be-
 23 tween the United Nations and the United States of
 24 America regarding the Headquarters of the United
 25 Nations, signed at Lake Success June 26, 1947, and

1 entered into force November 21, 1947, under the
2 Convention on Consular Relations, done at Vienna
3 April 24, 1963, and entered into force March 19,
4 1967, or under other international agreements.

5 (b) EXCEPTION RELATING TO IMPORTATION OF
6 GOODS.—The requirement to impose sanctions under this
7 title shall not include the authority to impose sanctions
8 on the importation of goods.

9 (c) WAIVER.—The President may waive the applica-
10 tion of sanctions under section 207, 208, 209, 210, or 211
11 if the President submits to the appropriate congressional
12 committees—

13 (1) a written determination that the waiver—

14 (A) is vital to the national security inter-
15 ests of the United States; or

16 (B) will further the enforcement of this
17 title; and

18 (2) before issuing the waiver, a certification
19 that the Government of the Russian Federation is
20 taking steps to implement the Minsk Agreements
21 and to substantially decrease its military activities in
22 Syria.

1 **SEC. 215. INCLUSION OF ALL FUNDS IN RECORDS OF CER-**
 2 **TAIN TRANSACTIONS.**

3 (a) IN GENERAL.—Section 5326 of title 31, United
 4 States Code, is amended—

5 (1) in the section heading, by striking “**coin**
 6 **and currency**”;

7 (2) in subsection (a)—

8 (A) in the matter preceding paragraph (1),
 9 by striking “subtitle and” and inserting “sub-
 10 title or to”; and

11 (B) in paragraph (1)(A), by striking
 12 “United States coins or currency (or such other
 13 monetary instruments as the Secretary may de-
 14 scribe in such order)” and inserting “funds (as
 15 the Secretary may describe in such order),”;
 16 and

17 (3) in subsection (b)—

18 (A) in paragraph (1)(A), by striking “coins
 19 or currency (or monetary instruments)” and in-
 20 serting “funds”; and

21 (B) in paragraph (2), by striking “coins or
 22 currency (or such other monetary instruments
 23 as the Secretary may describe in the regulation
 24 or order)” and inserting “funds (as the Sec-
 25 retary may describe in the regulation or
 26 order)”.

1 (b) CLERICAL AMENDMENT.—The table of sections
 2 for chapter 53 of title 31, United States Code, is amended
 3 by striking the item relating to section 5326 and inserting
 4 the following:

“5326. Records of certain domestic transactions.”.

5 **SEC. 216. TERMINATION.**

6 Sanctions imposed under this title shall terminate on
 7 the date on which the President submits to the appro-
 8 priate congressional committees a certification that the
 9 Government of the Russian Federation has—

10 (1) ceased ordering, controlling, or otherwise di-
 11 recting, supporting, or financing, significant acts in-
 12 tended to undermine the peace, security, stability,
 13 sovereignty, or territorial integrity of Ukraine, in-
 14 cluding through an agreement between the appro-
 15 priate parties; and

16 (2) halted military operations in Syria.

17 **SEC. 217. RULE OF CONSTRUCTION.**

18 Nothing in this title may be construed to limit the
 19 authority of the President to designate or sanction persons
 20 pursuant to an applicable Executive order or otherwise
 21 pursuant to the International Emergency Economic Pow-
 22 ers Act (50 U.S.C. 1701 et seq.).

1 **TITLE III—EUROPE AND EUR-**
2 **ASIA DEMOCRACY AND ANTI-**
3 **CORRUPTION INITIATIVE**

4 **SEC. 301. SHORT TITLE.**

5 The title may be cited as the “Europe and Eurasia
6 Democracy and Anti-Corruption Initiative Act of 2017”.

7 **SEC. 302. FINDINGS.**

8 Congress makes the following findings:

9 (1) The Government of the Russian Federation
10 has sought to exert influence throughout Europe and
11 Eurasia, including in the former states of the Soviet
12 Union, by overtly and covertly providing resources to
13 political parties, think tanks, and civil society groups
14 that sow distrust in democratic institutions and ac-
15 tors, promote xenophobic and illiberal views, and
16 otherwise undermine European unity. The Govern-
17 ment of the Russian Federation has also engaged in
18 well-documented corruption practices as a means to-
19 ward undermining and buying influence in those Eu-
20 ropean countries.

21 (2) The Government of the Russian Federation
22 has largely eliminated a once vibrant Russian-lan-
23 guage independent media sector, and severely cur-
24 tails free and independent media within the borders
25 of the Russian Federation. State-funded and con-

1 trolled Russian-language media disseminated within
2 and outside of the Russian Federation routinely
3 traffic in anti-Western falsehoods and
4 disinformation, while few independent, fact-based
5 media sources provide objective reporting for Rus-
6 sian-speaking audiences inside or outside of the Rus-
7 sian Federation.

8 (3) Multinational corporations headquartered in
9 the United States and European countries, and their
10 subsidiaries and local franchisees, advertise on
11 media outlets controlled and funded by the Govern-
12 ment of the Russian Federation and are known to
13 routinely traffic in anti-Western falsehoods and
14 disinformation.

15 (4) Acting Undersecretary of the Treasury for
16 Terrorism and Financial Crimes Adam Szubin stat-
17 ed on January 25, 2016, regarding Vladimir Putin,
18 “We’ve seen him enriching his friends, his close al-
19 lies, and marginalizing those who he doesn’t view as
20 friends using state assets. Whether that’s Russia’s
21 energy wealth, whether it’s other state contracts, he
22 directs those to whom he believes will serve him and
23 excludes those who don’t.”.

24 (5) Many of President Putin’s inner circle and
25 their families hold investments in the West, includ-

1 ing in the United States, use the United States fi-
2 nancial system, and enjoy freedom of movement in
3 the United States and around the world.

4 **SEC. 303. SENSE OF CONGRESS.**

5 It is the sense of Congress that—

6 (1) the countries of Europe and Eurasia should
7 redouble efforts to build resilience within their polit-
8 ical systems and civil society to counter efforts of
9 the Government of the Russian Federation to exert
10 malign influence and undermine democratic institu-
11 tions;

12 (2) misinformation generated by the Russian
13 Federation, which is distributed in a variety of lan-
14 guages and through overt and covert channels, in-
15 cluding traditional as well as social media, is pol-
16 luting the information space, drowning out com-
17 peting information, fanning pre-existing social, eco-
18 nomic, and political tensions, promoting conspir-
19 acies, and confusing and distracting its audiences;

20 (3) the United States should identify areas of
21 cooperation with countries throughout the region
22 that are vulnerable to Russian aggression,
23 disinformation, and hybrid warfare;

24 (4) the United States should encourage the es-
25 tablishment of a commission for media freedom

1 within the Council of Europe, modeled on the Venice
 2 Commission regarding rule of law issues, that would
 3 be chartered to provide governments with expert rec-
 4 ommendations on maintaining legal and regulatory
 5 regimes supportive of free and independent media
 6 and an informed citizenry able to distinguish be-
 7 tween fact-based reporting, opinion, and
 8 disinformation;

9 (5) the United States should encourage mem-
 10 bers of the North Atlantic Treaty Organization (in
 11 this section referred to as “NATO”) at the 2017
 12 NATO Summit to prioritize the development of a
 13 program within the NATO alliance to improve intel-
 14 ligence cooperation among member states to combat
 15 corruption efforts in Europe by the Russian Federa-
 16 tion, including the use by the Government of the
 17 Russian Federation of corruption to pressure the
 18 countries of Central and Eastern Europe to abandon
 19 democratic institutions;

20 (6) the United States should—

21 (A) encourage full compliance with the
 22 Convention on Combating Bribery of Foreign
 23 Public Officials in International Business
 24 Transactions (commonly referred to as the
 25 “Anti-Bribery Convention”) of the Organization

1 for Economic Co-operation and Development
2 (in this section referred to as the “OECD”);

3 (B) promote accession beyond the current
4 40 state parties to the Convention; and

5 (C) require robust implementation from
6 those countries, like the Russian Federation,
7 that seek to join the OECD;

8 (7) it is vital to protect the integrity of the
9 United States financial system from being used to
10 shield illicit financial activity by officials of the Rus-
11 sian Federation and individuals in President Vladi-
12 mir Putin’s inner circle who have been enriched
13 through corruption;

14 (8) the United States should investigate and
15 prosecute cases of corruption by Russian actors that
16 use the United States financial system to shield il-
17 licit gains and support the efforts of allies of the
18 United States to do the same;

19 (9) the production and exportation from the
20 Russian Federation of conventional energy provides
21 a stable and abundant source of revenue for the
22 Russian Federation to undermine democratic institu-
23 tions in Ukraine and elsewhere in Central and East-
24 ern Europe; and

1 (10) the President of the United States should
2 actively use the authorizations under the Sergei
3 Magnitsky Rule of Law Accountability Act of 2012
4 (22 U.S.C. 5811 note) to sanction those responsible
5 for Mr. Magnitsky’s death and the officials of the
6 Russian Federation found complicit in gross viola-
7 tions of human rights.

8 **SEC. 304. REPORT ON ADVERTISING ON MEDIA OUTLETS**
9 **CONTROLLED AND FUNDED BY THE GOVERN-**
10 **MENT OF THE RUSSIAN FEDERATION.**

11 Not later than 90 days after the date of the enact-
12 ment of this Act, and annually thereafter, the Secretary
13 of State shall submit to the appropriate congressional
14 committees a report describing in detail media outlets con-
15 trolled and funded by the Government of the Russian Fed-
16 eration that includes a description of—

17 (1) media outlets that—

18 (A) are controlled and funded by the Gov-
19 ernment of the Russian Federation, and any af-
20 filiated entities, whether operating within or
21 outside the Russian Federation, including
22 broadcast and satellite-based television, radio,
23 Internet, and print media entities; and

1 (B) the Secretary determines routinely
2 propagate anti-Western falsehoods and
3 disinformation; and

4 (2) multinational corporations headquartered in
5 the United States, and subsidiaries and local
6 franchisees of such corporations, that advertise on
7 one or more media outlets identified on the list re-
8 quired by paragraph (1).

9 **SEC. 305. EUROPE AND EURASIA DEMOCRACY AND ANTI-**
10 **CORRUPTION FUND.**

11 (a) ESTABLISHMENT.—There is established in the
12 Treasury of the United States a fund, to be known as the
13 “Europe and Eurasia Democracy and Anti-Corruption
14 Fund”.

15 (b) AVAILABILITY OF AMOUNTS.—Amounts in the
16 Europe and Eurasia Democracy and Anti-Corruption
17 Fund shall be available to the Secretary of State, as pro-
18 vided in appropriation Acts, to support bilateral and re-
19 gional efforts in Europe and Eurasia to—

20 (1) improve democratic governance, trans-
21 parency, accountability, rule of law, and combat cor-
22 ruption, including by strengthening democratic civil
23 society and political parties, and independent and
24 nonpartisan think tanks;

1 (2) support the efforts of independent media
2 outlets and public broadcasters to broadcast, dis-
3 tribute, and share information in all regions;

4 (3) support objective, Russian-language, inde-
5 pendent media, investigative journalism, and civil so-
6 ciety watchdog groups working to combat corrup-
7 tion;

8 (4) promote and protect Internet freedom;

9 (5) support, as appropriate, the operations and
10 activities of national anti-corruption and auditing of-
11 fices;

12 (6) support programs that strengthen inde-
13 pendent judiciaries and prosecutors general offices;

14 (7) strengthen cybersecurity practices of gov-
15 ernments and civil society organizations;

16 (8) support research and analysis on the effects
17 of information warfare on target audiences and best
18 practices for promoting resilience;

19 (9) support evidence-based civic education and
20 advocacy programs to strengthen resilience to misin-
21 formation;

22 (10) encourage cooperation with social media
23 companies to strengthen the integrity of information
24 on the Internet; and

25 (11) support programs to counter “fake news”.

1 (c) CONSULTATIONS.—The Secretary shall, in con-
 2 sultation with the Administrator for the United States
 3 Agency for International Development and the Director of
 4 the Global Engagement Center of the Department of
 5 State, carry out activities described in subsection (b) di-
 6 rectly or through nongovernmental or international orga-
 7 nizations, such as the Organization for Security and Co-
 8 operation in Europe, the National Endowment for Democ-
 9 racy, the Black Sea Trust, the Balkan Trust for Democ-
 10 racy, the Prague Civil Society Centre, the European En-
 11 dowment for Democracy, and related organizations.

12 (d) AUTHORIZATION OF APPROPRIATIONS.—There
 13 are authorized to be appropriated for the Europe and Eur-
 14 asia Democracy and Anti-Corruption Fund \$100,000,000
 15 for fiscal years 2018 and 2019.

16 **SEC. 306. ESTABLISHMENT OF A RUSSIA UNIT IN THE FI-**
 17 **NANCIAL CRIMES ENFORCEMENT NETWORK.**

18 (a) IN GENERAL.—The Secretary of the Treasury
 19 shall establish a high-level task force within the Financial
 20 Crimes Enforcement Network, in coordination with the
 21 Director of the Office of Foreign Assets Control and the
 22 Assistant Secretary for Intelligence and Analysis, that fo-
 23 cuses on—

24 (1) tracing, mapping, and prosecuting illicit fi-
 25 nancial flows linked to the Russian Federation if

1 such flows interact with the United States financial
2 system;

3 (2) working with liaison officers in key United
4 States embassies, especially in Europe, to work with
5 local authorities to uncover and prosecute the net-
6 works responsible for the illicit financial flows de-
7 scribed in paragraph (1); and

8 (3) seeking to expand the number of real estate
9 geographic targeting orders beyond the number of
10 cities to which such orders apply as of the date of
11 the enactment of this Act to capture more links to
12 illicit financial flows.

13 (b) REPORT ON TREASURY LIAISON OFFICERS.—Not
14 later than 180 days after the date of the enactment of
15 this Act, the Secretary of the Treasury shall submit to
16 Congress a report on the number of liaison officers de-
17 scribed in subsection (a)(2) that are working on tracing,
18 mapping, and prosecuting illicit financial flows linked to
19 the Russian Federation.

20 **SEC. 307. TERMINATION.**

21 This title shall terminate on the date that is 10 years
22 after the date of the enactment of this Act.

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