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(Original Signature of Member)

119TH CONGRESS
2D SESSION

H. R. _____

To authorize sanctions relating to the production and distribution of illicit synthetic narcotics by the People's Republic of China.

IN THE HOUSE OF REPRESENTATIVES

Mr. AUCHINCLOSS introduced the following bill; which was referred to the Committee on _____

A BILL

To authorize sanctions relating to the production and distribution of illicit synthetic narcotics by the People's Republic of China.

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 “CCP Fentanyl Sanc-

5 tions Act”.

6 **SEC. 2. CODIFICATION OF EXECUTIVE ORDER 14059.**

7 United States sanctions provided for in Executive

8 Order 14059 (86 Fed. Reg. 71549; Imposing Sanctions

1 on Foreign Persons Involved in the Global Illicit Drug
2 Trade), as in effect on the day before the date of the en-
3 actment of this Act, shall remain in effect and continue
4 to apply.

5 **SEC. 3. AUTHORIZATION OF SANCTIONS.**

6 (a) IN GENERAL.—On and after the date that is 180
7 days after the date of the enactment of this Act, the Presi-
8 dent is authorized to impose the sanction described in sub-
9 section (b) with respect to a foreign person if the Presi-
10 dent determines that the person—

11 (1) has engaged in, or attempted to engage in,
12 activities or transactions in the People’s Republic of
13 China, including in Hong Kong and Macau, or with
14 respect to persons domiciled in, organized under the
15 laws of, or with their principal place of business in
16 such jurisdictions, that have contributed to, or pose
17 a significant risk of contributing to, the inter-
18 national proliferation of illicit synthetic narcotics or
19 their means of production;

20 (2) has knowingly or with reckless disregard
21 has received any property or interest in property
22 that—

23 (A) constitutes or is derived from proceeds
24 of activities or transactions in the People’s Re-
25 public of China, including in Hong Kong and

1 Macau, or with respect to persons domiciled in,
2 organized under the laws of, or with their prin-
3 cipal place of business in such jurisdictions,
4 that have materially contributed to, or pose a
5 significant risk of materially contributing to,
6 the international proliferation of illicit synthetic
7 narcotics or their means of production; or

8 (B) was used or may have been intended
9 to be used to commit or to facilitate activities
10 or transactions in the People's Republic of
11 China, including in Hong Kong and Macau, or
12 with respect to persons domiciled in, organized
13 under the laws of, or with their principal place
14 of business in such jurisdictions, that have ma-
15 terially contributed to, or pose a significant risk
16 of materially contributing to, the international
17 proliferation of illicit synthetic narcotics or
18 their means of production;

19 (3) is a PRC owned or operated port or ship
20 that, knowingly or with reckless disregard, facilitates
21 the shipment and transportation of illicit synthetic
22 narcotics or their precursors (including in such cir-
23 cumstances where those precursors are improperly
24 labeled during the customs process);

1 (4) is a PRC entity that produces illicit syn-
2 thetic narcotics or their precursors and, knowingly
3 or with reckless disregard, sells those precursors to
4 persons involved in the proliferation of illicit syn-
5 thetic narcotics;

6 (5) is a PRC online marketplace that, know-
7 ingly or with reckless disregard, facilitates the sale
8 of, exchange of, shipment of, transshipment of, con-
9 veyance of, or payment for illicit synthetic narcotics;

10 (6) is a covered PRC government entity;

11 (7) is a PRC entity that knowingly or with
12 reckless disregard, provides material support related
13 to illicit synthetic narcotics to a covered PRC gov-
14 ernment entity;

15 (8) has established an entity that engages in,
16 has engaged in, or is designed to engage in evading
17 sanctions that would otherwise be imposed pursuant
18 to this Act; or

19 (9) is acting directly or indirectly for or on be-
20 half of a person referred to in paragraphs (1)
21 through (8).

22 (b) SANCTION DESCRIBED.—

23 (1) IN GENERAL.—The sanction described in
24 this subsection is the exercise all of the powers
25 granted to the President under the International

1 Emergency Economic Powers Act (50 U.S.C. 1701
2 et seq.) to the extent necessary to block and prohibit
3 all transactions in property and interests in property
4 of a foreign person if such property or interests in
5 property are in the United States, come within the
6 United States, or are or come within the possession
7 or control of a United States person.

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

14 (3) PENALTIES.—The penalties provided for in
15 subsections (b) and (c) of section 206 of the Inter-
16 national Emergency Economic Powers Act (50
17 U.S.C. 1705) shall apply to any person who violates,
18 attempts to violate, conspires to violate, or causes a
19 violation of any prohibition of this section, or an
20 order or regulation prescribed under this section, to
21 the same extent that such penalties apply to a per-
22 son that commits an unlawful act described in sub-
23 section section 206(a) of such Act (50 U.S.C.
24 1705(a)).

25 (4) EXCEPTIONS.—

1 (A) EXCEPTION FOR INTELLIGENCE AND
2 LAW ENFORCEMENT ACTIONS.—Sanctions
3 under this section shall not apply with respect
4 to—

5 (i) any activity subject to the report-
6 ing requirements under title V of the Na-
7 tional Security Act of 1947 (50 U.S.C.
8 3091 et seq.); or

9 (ii) any authorized intelligence or law
10 enforcement activities of the United States.

11 (B) EXCEPTION RELATING TO IMPORTA-
12 TION OF GOODS.—

13 (i) IN GENERAL.—The authorities and
14 requirements to impose sanctions author-
15 ized under this section shall not include
16 the authority or requirement to impose
17 sanctions on the importation of goods.

18 (ii) GOOD DEFINED.—In this subpara-
19 graph, the term “good” means any article,
20 natural or manmade substance, material,
21 supply or manufactured product, including
22 inspection and test equipment, and exclud-
23 ing technical data.

24 (c) WAIVER.—The President may waive the applica-
25 tion of sanctions under this section with respect to a for-

1 eign person for renewable periods of not more than 180
2 days each if the President determines and reports to Con-
3 gress that such a waiver is in national interests of the
4 United States.

5 (d) RULE OF CONSTRUCTION.—Nothing in this sec-
6 tion may be construed to limit the authority of the Presi-
7 dent to designate or sanction persons pursuant to an ap-
8 plicable Executive order or a Federal statute, including
9 the International Emergency Economic Powers Act (50
10 U.S.C. 1701 et seq.).

11 (e) CONSIDERATION OF CERTAIN INFORMATION IN
12 IMPOSING SANCTIONS.—In determining whether to im-
13 pose sanctions under subsection (a), the President shall
14 consider—

15 (1) information provided jointly by the chair-
16 person and ranking member of each of the appro-
17 priate congressional committees; and

18 (2) credible information obtained by other coun-
19 tries and nongovernmental organizations that mon-
20 itor violations of human rights.

21 (f) REQUESTS BY APPROPRIATE CONGRESSIONAL
22 COMMITTEES.—

23 (1) IN GENERAL.—Not later than 120 days
24 after receiving a request that meets the require-
25 ments of paragraph (2) with respect to whether a

1 foreign person has engaged in an activity described
2 in subsection (a), the President shall—

3 (A) determine if that person has engaged
4 in such an activity; and

5 (B) submit a classified or unclassified re-
6 port to the chairperson and ranking member of
7 the committee or committees that submitted the
8 request with respect to that determination that
9 includes—

10 (i) a statement of whether or not the
11 President imposed or intends to impose
12 sanctions with respect to the person; and

13 (ii) if the President imposed or in-
14 tends to impose sanctions, a description of
15 those sanctions.

16 (2) REQUIREMENTS.—A request under para-
17 graph (1) with respect to whether a foreign person
18 has engaged in an activity described in subsection
19 (a) shall be submitted to the President in writing
20 jointly by the chairperson and ranking member of
21 one of the appropriate congressional committees.

22 **SEC. 4. FINANCIAL SANCTIONS.**

23 The Secretary of the Treasury may, in consultation
24 with the Secretary of State, prohibit the opening of, or
25 impose strict conditions on the maintenance of, cor-

1 respondent accounts or payable-through accounts in the
2 United States by a foreign financial institution that the
3 President determines has, on or after the date of the en-
4 actment of this Act, knowingly conducted or facilitated a
5 significant transaction or transactions on behalf of a for-
6 eign person described in section 3(a).

7 **SEC. 5. DEFINITIONS.**

8 In this Act:

9 (1) APPROPRIATE CONGRESSIONAL COMMIT-
10 TEES.—The term “appropriate congressional com-
11 mittees” means—

12 (A) the Committee on Banking, Housing,
13 and Urban Affairs of the Senate; and

14 (B) the Committee on Foreign Affairs and
15 the Select Committee on Strategic Competition
16 between the United States and the Chinese
17 Communist Party of the House of Representa-
18 tives.

19 (2) COVERED PRC GOVERNMENT ENTITY.—The
20 term “covered PRC government entity” includes—

21 (A) the PRC government, a PRC govern-
22 ment official, or any entity or instrumentality
23 thereof, that is identified by the United States
24 Government as knowingly or recklessly facili-
25 tating the flow of illicit synthetic narcotics into

1 the United States or otherwise providing mate-
2 rial support to a foreign person described in
3 section 3(a);

4 (B) any subsidiary, affiliate, or successor
5 of an entity described in subparagraph (A); and

6 (C) any person owned or controlled by, or
7 that provides material support to or for, or re-
8 ceives materially support from an entity de-
9 scribed in subparagraph (A).

10 (3) FOREIGN PERSON.—The term “foreign per-
11 son” means a person that is not a United States
12 person.

13 (4) ILLICIT SYNTHETIC NARCOTICS.—The term
14 “illicit synthetic narcotics” means—

15 (A) controlled substances, as such term is
16 defined in section 102(6) of the Controlled Sub-
17 stances Act (21 U.S.C. 802(6)), with the excep-
18 tion of—

19 (i) substances of natural origins; and

20 (ii) medications that are lawful under
21 the laws of the United States and the
22 Drug Enforcement Administration has pro-
23 vided an import permit to the importing
24 organization for the import of such medi-
25 cation;

1 (B) listed chemicals, as such term is de-
2 fined in section 102(33) of the Controlled Sub-
3 stances Act (21 U.S.C. 802(33)); and

4 (C) active pharmaceutical ingredients or
5 chemicals that are used in the production of
6 controlled substances described in subpara-
7 graphs (A) and (B).

8 (5) 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 (6) PRC.—The term “PRC” means the Peo-
14 ple’s Republic of China.

15 (7) UNITED STATES PERSON.—The term
16 “United States person” means any United States
17 citizen, permanent resident alien, an entity orga-
18 nized under the laws of the United States or any ju-
19 risdiction within the United States (including a for-
20 eign branch of such an entity), or any person in the
21 United States.