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

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

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,
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4 SECTION 1. SHORT TITLE.
5 This Act may be cited as the “Crippling Unhinged
6 Russian Belligerence and Chinese Involvement in Putin’s
7 Schemes Act of 2022” or the “CURB CIPS Act of 2022”.


SEC. 2. IMPOSITION OF SANCTIONS WITH RESPECT TO CHINESE FINANCIAL INSTITUTIONS THAT CLEAR, VERIFY, OR SETTLE TRANSACTIONS WITH RUSSIAN OR RUSSIAN-CONTROLLED FINANCIAL INSTITUTIONS.

(a) IN GENERAL.—The Secretary of the Treasury shall, in consultation with the Secretary of State, impose one or both of the sanctions described in subsection (b) with respect to each Chinese financial institution that uses the Cross-Border Interbank Payment System (commonly referred to as “CIPS”) or the System for Transfer of Financial Messages (commonly referred to as “SPFS”) to clear, verify, settle, or otherwise conduct transactions with any Russian financial institution or covered financial institution.

(b) SANCTIONS DESCRIBED.—The sanctions that may be imposed with respect to a Chinese financial institution subject to subsection (a) include the following:

(1) PROPERTY BLOCKING.—The Secretary of the Treasury may block and prohibit, pursuant to the International Emergency Economic Powers Act (50 U.S.C. 1701 et seq.), all transactions in all property and interests in property of the Chinese financial institution if such property and interests 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) Restrictions on correspondent and payable-through accounts.—The Secretary may prohibit the opening or maintaining in the United States of a correspondent account or a payable-through account by the Chinese financial institution.

(c) Implementation; Penalties.—

(1) Implementation.—The Secretary may exercise all authorities provided under sections 203 and 205 of the International Emergency Economic Powers Act (50 U.S.C. 1702 and 1704) to carry out this section.

(2) Penalties.—A person that violates, attempts to violate, conspires to violate, or causes a violation of this section or any regulation, license, or order issued to carry out this section shall be subject to the penalties set forth in subsections (b) and (c) of section 206 of the International Emergency Economic Powers Act (50 U.S.C. 1705) to the same extent as a person that commits an unlawful act described in subsection (a) of that section.

(d) Exceptions.—

(1) Exception for intelligence activities.—This section shall not apply with respect to
activities subject to the reporting requirements under title V of the National Security Act of 1947 (50 U.S.C. 3091 et seq.) or any authorized intelligence activities of the United States.

(2) Exception relating to importation of goods.—

(A) In general.—The authority to block and prohibit all transactions in all property and interests in property under subsection (b) shall not include the authority or a requirement to impose sanctions on the importation of goods.

(B) Good.—In this paragraph, the term “good” means any article, natural or manmade substance, material, supply or manufactured product, including inspection and test equipment, and excluding technical data.

(c) Regulations.—Not later than 90 days after the date of the enactment of this Act, the Secretary shall prescribe such regulations as are necessary to carry out this section.

(f) Report Required.—

(1) In general.—Not later than 180 days after the date of the enactment of this Act, the Secretary shall, in consultation with the Secretary of
State, submit to the appropriate congressional committees a report—

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

(B) assessing the risks that widespread adoption of CIPS or SPFS poses to the national security of the United States; and

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

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

(g) DEFINITIONS.—In this section:

(1) ACCOUNT; CORRESPONDENT ACCOUNT; PAYABLE-THROUGH ACCOUNT.—The terms “account”, “correspondent account”, and “payable-through account” have the meanings given those terms in section 5318A of title 31, United States Code.

(2) APPROPRIATE CONGRESSIONAL COMMITTEES.—The term “appropriate congressional committees” means—

(A) the Committee on Banking, Housing, and Urban Affairs, the Committee on Foreign
Relations, and the Select Committee on Intelligence of the Senate; and

(B) the Committee on Financial Services, the Committee on Foreign Affairs, and the Permanent Select Committee on Intelligence of the House of Representatives.

(3) CHINESE FINANCIAL INSTITUTION.—The term “Chinese financial institution” means a financial institution—

(A) organized under the laws of the People’s Republic of China or any jurisdiction within the People’s Republic of China, including a foreign branch of such an institution;

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

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

(D) wherever located, owned or controlled by a financial institution described in subparagraph (A), (B), or (C).

(4) COVERED FINANCIAL INSTITUTION.—The term “covered financial institution” means a financial institution—
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(A) located in territory controlled by an entity holding itself out to the government of the Republic of South Ossetia—the State of Alania, the Donetsk People’s Republic, the Luhansk People’s Republic, the Republic of Abkhazia, or the Pridnestrovian Moldavian Republic;

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

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

(D) wherever located, owned or controlled by a financial institution described in subparagraph (A), (B), or (C).

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

(6) RUSSIAN FINANCIAL INSTITUTION.—The term “Russian financial institution” means a financial institution—

(A) organized under the laws of the Russian Federation or any jurisdiction within the
Russian Federation, including a foreign branch of such an institution;

(B) located in the Russian Federation;

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

or

(D) wherever located, owned or controlled by a financial institution described in subparagraph (A), (B), or (C).