Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the “Hong Kong Human Rights and Democracy Act of 2017”.

SEC. 2. DEFINITIONS.

In this Act:

(1) ADMITTED; ALIEN.—The terms “admitted” and “alien” have the meanings given those terms in

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

(A) the Committee on Armed Services, the Committee on Financial Services, the Committee on Foreign Affairs, the Committee on Homeland Security, and the Committee on the Judiciary of the House of Representatives; and

(B) the Committee on Armed Services, the Committee on Banking, Housing, and Urban Affairs, the Committee on Foreign Relations, the Committee on Homeland Security and Governmental Affairs, and the Committee on the Judiciary of the Senate.

(3) FINANCIAL INSTITUTION.—The term “financial institution” has the meaning given that term in section 5312 of title 31, United States Code.

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

(A) a United States citizen or an alien lawfully admitted for permanent residence to the United States; or
(B) an entity organized under the laws of the United States or of any jurisdiction within the United States, including a foreign branch of such an entity.

SEC. 3. FINDINGS.

Congress makes the following findings:

(1) The Joint Declaration of the Government of the United Kingdom of Great Britain and Northern Ireland and the Government of the People’s Republic of China on the Question of Hong Kong, done at Beijing December 19, 1984 (in this Act referred to as the “Joint Declaration”)—

(A) provided that the People’s Republic of China resumed sovereignty over Hong Kong on July 1, 1997; and

(B) established a “high degree of autonomy” for Hong Kong except in matters of foreign affairs and defense.

(2) The Basic Law of the Hong Kong Special Administrative Region of the People’s Republic of China (in this Act referred to as “Basic Law”)—

(A) guarantees Hong Kong a “high degree of autonomy” and separate executive, legislative, and independent judicial powers;
(B) generally prohibits the central Government of the People’s Republic of China from interfering in the affairs that Hong Kong administers on its own according to the Basic Law;

(C) protects the rights to free speech, press, assembly, and religion;

(D) guarantees residents of Hong Kong “the freedom of the person,” meaning “no Hong Kong resident shall be subjected to arbitrary or unlawful arrest, detention or imprisonment”;

(E) guarantees residents of Hong Kong “the right to confidential legal advice, access to the courts, choice of lawyers for timely protection of their lawful rights and interests or for representation in the courts, and to judicial remedies”;

(F) provides that the socialist system and policies shall not be practiced in Hong Kong and that Hong Kong’s capitalist system and way of life shall remain unchanged for 50 years (the principle of “one country, two systems”);
(G) affirms the continuing applicability of
the International Covenant on Civil and Polit-
cial Rights to Hong Kong;

(H) provides that the head of the Hong
Kong Special Administrative Region shall be
the Chief Executive;

(I) provides that “the ultimate aim is the
selection of the Chief Executive by universal
suffrage upon nomination by a broadly rep-
resentative nominating committee in accordance
with democratic procedures”;

(J) provides that the legislature of the
Hong Kong Special Administrative Region shall
be the Legislative Council; and

(K) provides that “the ultimate aim is the
election of all the members of the Legislative
Council by universal suffrage”.

(3) The National People’s Congress Standing
Committee (NPCSC) determined on December 29,
2007, that Hong Kong could elect the Chief Execu-
tive by universal suffrage beginning in 2017, and
that Hong Kong could thereafter elect the Legisla-
tive Council by universal suffrage beginning in 2020.

(4) The Chief Executive is currently selected by
an Election Committee consisting of 1,200 members.
In order to run, candidates for Chief Executive must currently receive the support of one-eighth of the members of the Election Committee, the majority of whom reportedly support or have ties to the Chinese Communist Party.

(5) On August 31, 2014, the NPCSC determined that the 2017 election for the Chief Executive could be held by universal suffrage but that Hong Kong voters could only choose from two to three candidates, each of whom is to be chosen by a majority of a nominating committee similar to the current Election Committee that is heavily controlled by pro-Beijing members.

(6) International standards for elections, including Article 21 of the Universal Declaration of Human Rights and Article 25 of the International Covenant on Civil and Political Rights, guarantee citizens the right to vote and to be elected in genuine periodic elections by universal and equal suffrage without unreasonable restrictions.

(7) Hundreds of thousands of Hong Kong residents have consistently and peacefully expressed their dissatisfaction with the electoral reform plans of the Hong Kong government and the Government of the People’s Republic of China, including the Au-
gust 2014 NPCSC decision, and have called for a genuine choice in elections that meet international standards. Their peaceful and orderly protests have set an example for other democratic movements around the world, including those in mainland China that continue to fight for their fundamental freedoms.

(8) Media reports and video footage indicate that Hong Kong police used tear gas and pepper spray against pro-democracy demonstrators on September 28, 2014. There have also been accusations of excessive use of force by the Hong Kong police, but no police officer has yet been convicted.

(9) Protestors and pro-democracy activists reported sustained harassment and intimidation during and after the demonstrations, including hacking of their email accounts or phone, by groups reportedly connected to the Government of the People’s Republic of China.

(10) Some protestors and activists have been unable to travel to mainland China due to their participation in the demonstrations, which has a direct bearing on their future employment prospects. Pro-democracy advocates claim that the Governments of the People’s Republic of China and Hong Kong have
assembled “blacklists” of activists banned from entering mainland China.

(11) Several prominent student leaders, including Joshua Wong, leader of the now dissolved student activist group Scholarism and Secretary-General of the political party Demosisto, Nathan Law, former General Secretary of the Hong Kong Federation of Students and current member of the Legislative Council, and Alex Chow, the former General Secretary of the Hong Kong Federation of Students, had legal charges levied against them due to their participation in pro-democracy protest activities in September 2014. Wong and Chow were convicted of “unlawful assembly” while Law was convicted of “incitement,” offenses under Hong Kong’s Public Order Ordinance, which is incompatible with international standards on the freedom of assembly.

(12) Ahead of the September 2016 Legislative Council election, the Electoral Affairs Commission in Hong Kong issued a new “confirmation form” for LegCo candidates to sign confirming their commitment to uphold the Basic Law, specifically that the territory is an inalienable part of China. Six pro-independence candidates were disqualified for failing to do so. This new requirement has been character-
ized as unlawful and political censorship by lawyers, political organizations, and students.

(13) Following the September 2016 Legislative Council elections, the Hong Kong government filed a lawsuit to remove from office two newly-elected pro-democracy lawmakers, arguing that the alterations they made to their oaths of office rendered those oaths invalid.

(14) On November 7, 2016, the NPCSC intervened in the pending court case, issuing an interpretation of article 104 of Hong Kong’s Basic Law which found that oaths of office would be invalid unless delivered “sincerely and solemnly.” Following the NPCSC interpretation, the two lawmakers were removed from office by a Hong Kong court.

(15) In December 2016, the Hong Kong government filed a lawsuit against four other pro-democracy lawmakers, seeking to disqualify and remove them from office for impermissibly altering their oaths.

(16) Five individuals affiliated with the Mighty Current Publishing House and the Causeway Bay Bookstore, both of which are based in Hong Kong and sell literary works critical of Beijing, disappeared under mysterious circumstances between
October and December 2015, including Gui Minhai, a naturalized Swedish citizen and co-owner of Mighty Current; Lee Bo, a British citizen and co-owner of Mighty Current; Lui Bo; Cheung Chi-ping; and Lam Wing-kee.

(17) Upon his return to Hong Kong in June 2016, Lam publicly revealed details of his and other booksellers’ detentions, including their forced confessions alleging that the abductions and detentions were directed by Chinese central government officials.

(18) Despite Lee’s denial that he was abducted and the televised confessions of the other four, the five men’s disappearances have been widely condemned by human rights organizations and foreign officials and have resulted in allegations of mainland China’s law enforcement agencies operating in Hong Kong, which would be a violation of the Basic Law.

(19) In February 2016, the British Foreign Secretary said Lee Bo’s involuntary removal to mainland China “constitute[d] a serious breach of the Sino-British Joint Declaration that paved the way for Hong Kong’s 1997 return to China. As part of the treaty, China promised to safeguard Hong Kong’s freedoms.”
(20) As China’s use of public “confessions” has expanded, several Hong Kong media outlets have been the medium whereby prominent rights defenders and lawyers, including Wang Yu and Zhao Wei, have “confessed” to their alleged crimes.

(21) The United States enjoys close economic, social, and cultural ties with Hong Kong. According to the Department of State, 60,000 United States citizens live in Hong Kong, and 1,400 United States businesses have offices there. According to the Office of the United States Trade Representative, Hong Kong is the United States’ 18th largest trade partner and 10th largest export market for United States goods.

(22) Hong Kong’s unique status as an international finance center where the rule of law and the rights and freedoms of its citizens are protected has served as the foundation for Hong Kong’s stability and prosperity.

(23) Section 301 of the Hong Kong Policy Act of 1992 (22 U.S.C. 5731) required the Secretary of State to issue reports on conditions in Hong Kong of interest to the United States, including the development of democratic institutions in Hong Kong,
and the last report under section 301 was issued on June 30, 2007.

(24) Failure to establish a genuine democratic option to nominate and elect the Chief Executive of Hong Kong by 2017 and to establish open and direct democratic elections for all members of the Hong Kong Legislative Council by 2020 would reduce confidence in the commitment of the Government of the People’s Republic of China to uphold its obligations under international law, and would erode the ability of Hong Kong to retain a high degree of autonomy.

(25) During an October 2014 session, the United Nations Human Rights Committee, consisting of 18 independent experts, reviewed China’s compliance with the International Covenant on Civil and Political Rights with respect to Hong Kong. According to the session’s chair, the Committee agreed on “the need to ensure universal suffrage, which means both the right to be elected as well as the right to vote. The main concerns of Committee members were focused on the right to stand for elections without unreasonable restrictions.” Another Committee member said that the “committee doesn’t
want candidates filtered. The problem is that Beijing wants to vet candidates.”

(26) The Congressional-Executive Commission on China’s 2015 Annual Report “observed developments raising concerns that the Chinese and Hong Kong governments may have infringed on the rights of the people of Hong Kong, including in the areas of political participation and democratic reform, press freedom, and freedom of assembly.”

(27) The Congressional-Executive Commission on China’s 2016 Annual Report found that “the growing influence of the Chinese central government and communist party and suspected activity by Chinese authorities in Hong Kong—notably the disappearance, alleged abduction, and detention in mainland China of five Hong Kong booksellers—raised fears regarding Hong Kong’s autonomy within China as guaranteed under the ‘one country, two systems’ policy enshrined in the Basic Law, which prohibits mainland Chinese authorities from interfering in Hong Kong”.

(28) A Hong Kong Journalists Association (HKJA) survey on press freedom found that 85 percent of journalists believed press freedom had deteriorated in 2015.
(29) Hong Kong ranked 69th among 180 countries in Reporters Without Borders’ 2016 World Press Freedom Index, down eight places in just two years and marking a significant decline from 2002, when Hong Kong ranked 18th.

(30) Freedom House’s 2015 Freedom of the Press Report found a five-year decline in press freedom in Hong Kong marked by an increase in physical attacks against journalists, cyberattacks crippling widely read news sites at politically sensitive moments, and businesses withdrawing advertising from outlets that were critical of Beijing and supportive of prodemocracy protestors.

SEC. 4. STATEMENT OF POLICY.

It is the policy of the United States—

(1) to reaffirm the principles and objectives set forth in the United States-Hong Kong Policy Act of 1992, namely that—

(A) the United States has “a strong interest in the continued vitality, prosperity, and stability of Hong Kong”;

(B) “support for democratization is a fundamental principle of United States foreign policy”;
(C) “the human rights of the people of Hong Kong are of great importance to the United States and are directly relevant to United States interests in Hong Kong”;  
(D) human rights “serve as a basis for Hong Kong’s continued economic prosperity”; and  
(E) Hong Kong must remain sufficiently autonomous from the People’s Republic of China to justify a different treatment under a particular law of the United States, or any provision thereof, from that accorded the People’s Republic of China;  
(2) to support the democratic aspirations of the people of Hong Kong, as guaranteed to them by the Joint Declaration, the Basic Law, the International Covenant on Civil and Political Rights, and the Universal Declaration of Human Rights;  
(3) to urge the Government of the People’s Republic of China to uphold its commitments to Hong Kong, including allowing the people of Hong Kong to rule Hong Kong with a high degree of autonomy and without undue interference, and ensuring that Hong Kong voters freely enjoy the right to elect the
Chief Executive and all members of the Hong Kong Legislative Council by universal suffrage;

(4) to support the establishment by 2017 of a genuine democratic option to freely and fairly nominate and elect the Chief Executive of Hong Kong, and the establishment by 2020 of open and direct democratic elections for all members of the Hong Kong Legislative Council;

(5) to support the robust exercise by residents of Hong Kong of the rights to free speech and the press as guaranteed to them by the Basic Law and the Joint Declaration;

(6) to ensure that all residents of Hong Kong are afforded freedom from arbitrary or unlawful arrest, detention, or imprisonment as guaranteed to them by the Basic Law and the Joint Declaration;

and

(7) to draw international attention to any violations by the Government of the People’s Republic of China of the fundamental rights of residents of Hong Kong and any encroachment upon the autonomy guaranteed to Hong Kong by the Basic Law and the Joint Declaration.
SEC. 5. REINSTATEMENT OF REPORTING REQUIREMENTS RELATED TO UNITED STATES-HONG KONG RELATIONS.

(a) IN GENERAL.—Section 301 of the United States-Hong Kong Policy Act of 1992 (22 U.S.C. 5731) is amended—

(1) by striking “Not later than” and all that follows through “the Secretary of State” and inserting “Not later than 90 days after the date of the enactment of the Hong Kong Human Rights and Democracy Act of 2017 and annually thereafter through 2023,”;

(2) by striking “Speaker of the House of Representatives” and inserting “chairman of the Committee on Foreign Affairs of the House of Representatives”;

(3) in paragraph (7), by striking “; and” and inserting a semicolon;

(4) in paragraph (8), by striking the period at the end and inserting “; and”; and

(5) by adding at the end the following new paragraph:

“(9) matters in which Hong Kong is given separate treatment under the laws of the United States from that accorded to the People’s Republic of China and in accordance with this Act.”.
(b) Form.—The report required under section 301 of the United States-Hong Kong Policy Act of 1992 (22 U.S.C. 5731), as amended by subsection (a), should be unclassified and made publicly available, including through the Department of State’s public website.

SEC. 6. TREATMENT OF HONG KONG UNDER UNITED STATES LAW.

Title II of the United States-Hong Kong Policy Act of 1992 (22 U.S.C. 5721 et seq.) is amended by inserting after section 202 the following new section:

“SEC. 202a. TREATMENT OF HONG KONG UNDER UNITED STATES LAW.

“(a) Secretary of State Certification Requirement.—

“(1) In general.—Not later than 90 days after the date of the enactment of the Hong Kong Human Rights and Democracy Act of 2017, and annually thereafter, the Secretary of State shall certify to Congress whether Hong Kong is sufficiently autonomous to justify separate treatment under a particular law of the United States, or any provision thereof, different from that accorded the People’s Republic of China in any new laws, agreements, treaties, or arrangements entered into between the
United States and Hong Kong after the date of the enactment of such Act.

“(2) FACTOR FOR CONSIDERATION.—In making a certification under paragraph (1), the Secretary of State should consider the terms, obligations, and expectations expressed in the Joint Declaration with respect to Hong Kong.

“(b) WAIVER AUTHORITY.—The Secretary of State may waive the application of subsection (a) if the Secretary—

“(1) determines that such a waiver is in the national security interests of the United States; and

“(2) on or before the date on which the waiver takes effect, submits to the Committee on Foreign Relations of the Senate and the Committee on Foreign Affairs of the House of Representatives a notice of and justification for the waiver.”.

SEC. 7. IDENTIFICATION OF PERSONS RESPONSIBLE FOR THE ABDUCTION OF CERTAIN BOOKSELLERS AND JOURNALISTS IN HONG KONG AND FOR OTHER ACTIONS TO SUPPRESS BASIC FREEDOMS IN HONG KONG.

(a) IN GENERAL.—Not later than 180 days after the date of the enactment of this Act, the President shall submit to the appropriate congressional committees a list of
each person that the President determines, based on credible information—

(1) is responsible for the surveillance, abduction, detention, abuse, or forced confession of Gui Minhai, Lee Bo, Lam Wing-kee, Lui Bo, or Cheung Chi-ping, all of whom are involved in the operation of the Mighty Current Publishing House based in Hong Kong;

(2) is responsible for the surveillance, abduction, detention, abuse, or forced confession of Guo Zhongxiao or Wang Jianmin, both of whom are involved in the operation of magazine publications based in Hong Kong; or

(3) is responsible for the surveillance, abduction, detention, abuse, or forced confession of any other journalist, publisher, writer, bookseller, or other resident in Hong Kong in connection with the exercise by that individual of the right to freedom of speech, freedom of the press, freedom of assembly, freedom of association, and freedom of religion.

(b) UPDATES.—The President shall submit to the appropriate congressional committees an update of the list required by subsection (a) as new information becomes available.

(c) FORM.—
(1) IN GENERAL.—The list required by subsection (a) shall be submitted in unclassified form.

(2) EXCEPTION.—The name of a person to be included in the list required by subsection (a) may be submitted in a classified annex only if the President—

(A) determines that it is vital for the national security interests of the United States to do so;

(B) uses the annex in such a manner consistent with congressional intent and the purposes of this Act; and

(C) 15 days before submitting the name in a classified annex, provides to the appropriate congressional committees notice of, and a justification for, including or continuing to include each person in the classified annex despite any publicly available credible information indicating that the person engaged in an activity described in paragraph (1), (2), or (3) of subsection (a).

(3) CONSIDERATION OF DATA FROM OTHER COUNTRIES AND NONGOVERNMENTAL ORGANIZATIONS.—In preparing the list required by subsection (a), the President shall consider information pro-

vided by the chairperson and ranking member of each of the appropriate congressional committees and credible data obtained by other countries and nongovernmental organizations, including organizations inside the People’s Republic of China or Hong Kong, that monitor the human rights abuses of the Government of the People’s Republic of China or its associates or agents.

(4) **PUBLIC AVAILABILITY.**—The unclassified portion of the list required by subsection (a) shall be made available to the public and published in the Federal Register.

(d) **REMOVAL FROM LIST.**—A person may be removed from the list required by subsection (a) if the President determines and reports to the appropriate congressional committees not later than 15 days before the removal of the person from the list that—

(1) credible information exists that the person did not engage in the activity for which the person was added to the list;

(2) the person has been prosecuted appropriately for the activity in which the person engaged; or

(3) the person has credibly demonstrated a significant change in behavior, has paid an appropriate
consequence for the activities in which the person engaged, and has credibly committed to not engage in the types of activities specified in paragraphs (1) through (3) of subsection (a).

(e) REQUESTS BY CHAIRPERSON AND RANKING MEMBER OF APPROPRIATE CONGRESSIONAL COMMITTEES.—

(1) IN GENERAL.—Not later than 120 days after receiving a written request from the chairperson or ranking member of one of the appropriate congressional committees with respect to whether a person meets the criteria for being added to the list required by subsection (a), the President shall submit a response to the chairperson and ranking member of the committee which made the request with respect to the status of the person.

(2) FORM.—The President may submit a response required by paragraph (1) in classified form if the President determines that it is vital for the national security interests of the United States to do so.

(3) REMOVAL.—If the President removes from the list required by subsection (a) a person who has been placed on the list at the request of the chairperson and ranking member of one of the appro-
priate congressional committees, the President shall provide the chairperson and ranking member with any information that contributed to the removal decision. The President may submit such information in classified form if the President determines that it is vital for the national security interests of the United States to do so.

(f) Nonapplicability of Confidentiality Requirement With Respect to Visa Records.—The President shall publish the list required by subsection (a) without regard to the requirements of section 222(f) of the Immigration and Nationality Act (8 U.S.C. 1202(f)) with respect to confidentiality of records pertaining to the issuance or refusal of visas or permits to enter the United States.

SEC. 8. INADMISSIBILITY OF CERTAIN ALIENS AND FAMILY MEMBERS.

(a) In General.—Section 212(a)(2)(F) of the Immigration and Nationality Act (8 U.S.C. 1182(a)(2)(F)) is amended to read as follows:

“(F) Abductions of Certain Journalists.—Any alien described in section 7(a) of the Hong Kong Human Rights and Democracy Act of 2017 is inadmissible.”
(b) CURRENT VISAS REVOKED.—The issuing consular officer, the Secretary of State, or the Secretary of Homeland Security (or a designee of one of such Secretaries) shall revoke any visa or other entry documentation issued to any person who is included on the list required under section 7(a) that is an alien, regardless of when issued. The revocations shall take effect immediately and shall automatically cancel any other valid visa or entry documentation that is in the alien’s possession.

(c) WAIVER FOR NATIONAL SECURITY INTERESTS.—

(1) IN GENERAL.—The Secretary of State may waive application of section 212(a)(2)(F) of the Immigration and Nationality Act, as amended by subsection (a), or subsection (b) with respect to an alien, if—

(A) the Secretary determines that such a waiver—

(i) is necessary to permit the United States to comply with the Agreement between the United Nations and the United States of America regarding the Headquarters of the United Nations, signed June 26, 1947, and entered into force November 21, 1947, or other applicable inter-
national obligations of the United States;

or

(ii) is vital for the national security interests of the United States; and

(B) before granting such a waiver, the Secretary provides to the appropriate congressional committees notice of, and a justification for, the waiver.

(2) Timing for certain waivers.—Notification under subparagraph (B) of paragraph (1) shall be made not later than 15 days before granting a waiver under such paragraph if the Secretary grants such waiver under subparagraph (A)(ii) of such paragraph.

(d) Regulatory authority.—The Secretary of State shall prescribe such regulations as are necessary to carry out this section.

SEC. 9. TREATMENT OF HONG KONG APPLICANTS FOR VISAS TO STUDY OR WORK IN THE UNITED STATES.

Title II of the United States-Hong Kong Policy Act of 1992 (22 U.S.C. 5721 et seq.), as amended by section 6, is further amended by inserting after section 202a the following new section:
“SEC. 202b. TREATMENT OF HONG KONG APPLICANTS FOR VISAS TO STUDY OR WORK IN THE UNITED STATES.

“(a) STATEMENT OF POLICY.—Notwithstanding all other provisions of law, applications for visas to enter, study, or work in the United States, submitted by otherwise qualified applicants who were resident in Hong Kong in 2014, shall not be denied on the basis of the applicant’s arrest, detention, or other adverse government action taken as a result of the applicant’s participation in non-violent protest activities related to Hong Kong’s electoral processes.

“(b) IMPLEMENTATION.—The Secretary of State shall take such steps as necessary to ensure that consular officers shall be aware of this provision of law and shall receive appropriate training and support in order to ensure that it is carried out in such a way that affected individuals shall not face discrimination or unnecessary delay in the processing of their visa applications, including—

“(1) providing specialized training for consular officers posted to Hong Kong, Beijing, Guangzhou, and Macau;

“(2) instructing the United States Consulate in Hong Kong to maintain an active list of individuals whom it knows to have been detained, arrested or otherwise targeted by Hong Kong or People’s Re-
public of China authorities or their intermediaries as a result of their participation in the 2014 protests, in order to facilitate the cross-checking of visa applications for Hong Kong applicants;

“(3) amending the physical and on-line versions of the visa application as necessary in order to ensure relevant applicants are able to reference this provision of law in their explanatory materials; and

“(4) instructing personnel at the United States Consulate in Hong Kong to engage with relevant individuals in the Hong Kong community in order to proactively inform them that they will not face discrimination in applying for a visa to the United States due to any adverse action taken against them by the authorities as a result of their participation in the 2014 protests.

“(c) COOPERATION WITH LIKE-MINDED COUNTRIES.—The Secretary of State or his or her designee shall contact appropriate representatives of other democratic countries, particularly those who receive a large number of applicants for student and employment visas from Hong Kong, to—

“(1) inform them of the United States’ policy regarding arrests for participation in nonviolent protests in Hong Kong;
“(2) encourage them to take similar steps to
ensure the rights of nonviolent protesters are pro-
tected from discrimination due to the actions of the
Hong Kong and People’s Republic of China authori-
ties; and

“(3) offer, as appropriate, to share information
regarding the execution of this policy, including in-
formation regarding persons eligible for relief under
this provision.”

**SEC. 10. FINANCIAL MEASURES.**

(a) **Freezing of Assets.**—The President shall ex-
ercise all powers granted by the International Emergency
Economic Powers Act (50 U.S.C. 1701 et seq.) (except
that the requirements of section 202 of such Act (50
U.S.C. 1701) shall not apply) to the extent necessary to
freeze and prohibit all transactions in all property and in-
terests in property of a person who is on the list required
by section 7(a) of this Act 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.

(b) **Waiver for National Security Interests.**—
The Secretary of the Treasury may waive the application
of subsection (a) if the Secretary determines that such a
waiver is vital for the national security interests of the
United States. Not later than 15 days before granting such a waiver, the Secretary shall provide to the appropriate congressional committees notice of, and a justification for, the waiver.

(c) Enforcement.—

(1) 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 such section.

(2) Requirements for financial institutions.—Not later than 120 days after the date of the enactment of this Act, the Secretary of the Treasury shall prescribe or amend regulations as needed to require each financial institution that is a United States person and has within its possession or control assets that are property or interests in property of a person that is on the list required by section 7(a) if such property and interests in property are in the United States to certify to the Secretary that, to the best of the knowledge of the fi-
nancial institution, the financial institution has frozen all assets within the possession or control of the financial institution that are required to be frozen pursuant to subsection (a).

(3) NOTIFICATION TO CONGRESS.—Not later than 10 days before the promulgation of regulations under paragraph (2), the President shall notify the appropriate congressional committees of the proposed regulations and the provisions of this Act and the amendments made by this Act that the regulations are implementing.

(d) REGULATORY AUTHORITY.—The Secretary of the Treasury shall issue such regulations, licenses, and orders as are necessary to carry out this section.

SEC. 11. REPORT TO CONGRESS.

Not later than one year after the date of the enactment of this Act, and not less frequently than annually thereafter, the Secretary of State and the Secretary of the Treasury shall submit to the appropriate congressional committees a report on—

(1) the actions taken to carry out this Act, including—

(A) the number of persons added to or removed from the list required by section 7(a) during the year preceding the report, the dates
on which such persons have been added or removed, and the reasons for adding or removing such persons; and

(B) if few or no such persons have been added to that list during that year, the reasons for not adding more such persons to the list; and

(2) efforts by the executive branch to encourage the governments of other countries to impose sanctions that are similar to the sanctions imposed under this Act.