

MEMORANDUM

TO: Members of the Committee on Financial Services

FROM: Committee Majority Staff

DATE: February 20, 2025

SUBJECT: February 25, 2025, Full Committee Hearing: “Examining Policies to Counter China”

On Tuesday, February 25, 2025, at 10:00 a.m. EST, the Committee on Financial Services will hold a hearing in Room 2128 of the Rayburn House Office Building titled “Examining Policies to Counter China.” The following witnesses will testify:

- John Miller, Senior Vice President of Policy, Trust, Data and Technology and General Counsel, Information Technology Industry Council
- Nicholas McMurray, Managing Director, International and Nuclear Policy, ClearPath
- John Cassara, Special Agent, United States Department of Treasury (Retired)
- Martin Mühleisen, Nonresident Senior Fellow, GeoEconomics Center, Atlantic Council
- Dr. Rush Doshi, C.V. Starr Senior Fellow for Asia Studies and Director of the China Strategy Initiative at the Council on Foreign Relations; Assistant Professor, Edmund A. Walsh School of Foreign Service, Georgetown University

This hearing will highlight the challenges posed by China across a range of policy issues, including China’s dominance as an official creditor and its influence in the international financial institutions (IFIs), energy security, the development of cutting-edge technologies, and illicit fentanyl trafficking. The hearing will examine policy tools to outcompete China through growth, innovation, and cooperation with U.S. allies.

Attached Legislation

1. **H.R. __, the *PROTECT Taiwan Act (Lucas)*:** In the event of a Chinese threat to Taiwan, this bill would require the Treasury Department, Federal Reserve, and Securities and Exchange Commission to seek China’s exclusion from proceedings of the G20, Bank for International Settlements, Financial Stability Board, Basel Committee on Banking Supervision, International Association of Insurance Supervisors, and International Organization of Securities Commissions.
2. **H.R. __, the *Agricultural Risk Review Act of 2025 (Lucas)*:** This bill expands the membership of the Committee on Foreign Investment in the United States to include the Secretary of Agriculture on all transactions related to the purchase of agriculture land, agriculture biotechnology, and any other transaction related to the agriculture industry in the United States.

3. **H.R. 910, the *Taiwan Non-Discrimination Act of 2025 (Kim)*:** This bill lays out Taiwan’s eligibility to join the International Monetary Fund (IMF), and it would require the Treasury Secretary to advocate for Taiwan’s membership.
4. **H.R. __, the *Taiwan Conflict Deterrence Act of 2025 (McClain)*:** This bill directs the Treasury Secretary, after delivery of a congressional notification pursuant to the *Taiwan Relations Act*, to submit to Congress a report identifying the financial institutions providing services to senior Chinese government officials. The bill would direct the Secretary to make the report public with a Chinese translation. In addition, the Secretary would be authorized to prohibit financial institutions from providing services to Chinese officials named in the report, as well as their immediate family members.
5. **H.R. __, the *International Nuclear Energy Financing Act of 2025 (Hill)*:** This bill would require the United States Executive Director at the World Bank to advocate and vote for financial assistance for nuclear energy. The bill would also permit U.S. representatives at other international financial institutions – including regional development banks for Asia, Africa, Europe, and Latin America – to push for nuclear projects.
6. **H.R. __, the *Protecting America’s Medical Supply Chains Act of 2025 (Salazar)*:** This bill amends sections of the Defense Production Act (DPA) to develop a medical supply strategy that is focused on national defense needs. By limiting the strategy to national defense, the bill would also help prevent the DPA from being abused for unrelated purposes. The bill is explicit in ensuring that countries like China do not have exclusive control over essential supply chain components. Further, the legislation requires any strategy to consider potential tradeoffs between DPA use and risks to U.S. competitiveness and innovation. These considerations will help the U.S. be better prepared for future emergencies that undermine national security.
7. **H.R. __, the *Stop Fentanyl Money Laundering Act of 2025 (Ogles)*:** This bill provides authority to the Secretary of the Treasury to take special measures to thwart money laundering in connection with illicit fentanyl and narcotics financing. This bill also alters suspicious activity reports to make it easier for law enforcement to identify illegal narcotics trafficking.
8. **H.R. 747, the *Stop Chinese Fentanyl Act of 2025 (Barr)*:** This bill, for the purposes of the *Fentanyl Sanctions Act*, amends the definition of “foreign opioid trafficker” to specify that the term includes certain Chinese entities and government officials that fail to take steps to prevent opioid trafficking, subjecting them to sanctions. This bill also requires the President to determine whether the heads of the National Narcotics Control Commission, the Ministry of Public Security, the General Administration of Customs, and the National Medical Products Administration of the Government of the People’s Republic of China are foreign opioid traffickers.
9. **H.R. __, the *Combating Money Laundering in Cyber Crime Act of 2025 (Fitzgerald)*:** This bill strengthens the authorities of the United States Secret Service by closing a gap in their ability to investigate various crimes related to digital asset transactions and to counter

transnational cyber-criminal activity, including unlicensed money transmitting businesses, structured transactions, and fraud against financial institutions, and for other purposes. This bill also extends the Secretary of the Treasury's reporting requirement relating to benefits realized by law enforcement agencies from partnering with financial institutions, for an additional five years. Finally, it extends the requirement that the Executive Director at the IMF support the increased use of the administrative budget of the Fund to prevent money laundering and the financing of terrorism for an additional four years.

10. **H.R. __, the *China Financial Threat Mitigation Act of 2025 (Williams)*:** The bill requires the Treasury Secretary to report to Congress on global economic risks emanating from the Chinese financial sector. This bill is necessary to better understand the governance, opacity, and potential instability of the Chinese financial system.
11. **H.R. __, the *Neutralizing Unfair Chinese Export Subsidies Act of 2025 (Nunn)*:** This bill places requirements on the Department of the Treasury related to negotiations to end export credit financing. Specifically, the bill requires Treasury to submit a strategy for U.S. advocacy and cooperation with allies and partners. Such strategy shall encompass how to (1) ensure compliance by China with the financial terms and conditions of the Organization for Economic Cooperation and Development Arrangement on Officially Supported Export Credits, and (2) eliminate subsidized export financing programs and other forms of export subsidies. Additionally, the bill shifts certain requirements for negotiations related to ending export credit financing that currently lay with the President to Treasury.
12. **H.R. __, the *Financial Privacy Act of 2025 (Davidson)*:** This bill requires the Department of the Treasury to annually report to Congress details of reports made to the Financial Crimes Enforcement Network (FinCEN). FinCEN collects reports on suspicious financial transactions and the beneficial ownership of companies in order to detect financial crimes, including money laundering. Under the bill, FinCEN must report on the number and types of reports and whether they are retained by FinCEN, any guidance regarding outside agency access to these reports, agency requests for these reports, and any denials of access. Treasury must annually review access guidance and revise as appropriate to protect the legal rights of U.S. persons, among other objectives.
13. **H.R. __, the *Financial Technology Protection Act of 2025 (Nunn)*:** This bill establishes the Independent Financial Technology Working Group to Combat Terrorism and Illicit Financing. The working group must study and report on terrorist and illicit use of new financial technologies and develop proposals to improve anti-money laundering and counterterrorist financing efforts.
14. **H.R. __, the *International Financial Institutions Governance Act of 2025 (Hill)*:** This bill temporarily authorizes the Department of the Treasury to waive, on a case-by-case basis, statutory requirements that govern the U.S. Executive Directors at international financial institutions with respect to their use of the voice and vote of the United States. Treasury must periodically issue a report that (1) lists each waiver issued since the previous report, if any; (2) describes the project or policy that each waiver applied to; (3) provides a detailed explanation of the reasons for each waiver; and (4) includes a determination that each waiver allowed Treasury to more effectively advance U.S. interests at the institution

involved. Treasury must review existing statutory requirements and submit any recommendations to revise or sunset the requirements with the objectives of strengthening U.S. leadership, facilitating multilateral cooperation, reflecting changing conditions, and advancing the U.S. national interest.

- 15. H.R. __, the *Aligning SEC Regulations for the World Bank's International Development Association Act (Waters)*:** This bill would align the International Development Association's SEC status with that of multilateral development banks in which the United State is a member.

- 16. H.R. __, the *OFAC Licensure for Investigators Act (Beatty)*:** This bill would require OFAC to develop a program by which investigative firms (like blockchain analytics firms) can send or receive nominal amounts to and through sanctioned entities in furtherance of their investigations. It would be narrowly applied to allow these firms to access better data through their interactions with bad actors so they can share that with banks, governments, and other consumers of their products.

- 17. H.R. __, the *African Development Fund Replenishment Act of 2025*:** This bill would authorize the U.S. to contribute to the sixteenth replenishment of the African Development Fund.