

**AMENDMENT IN THE NATURE OF A SUBSTITUTE
TO H.R. 4765
OFFERED BY MR. LYNCH OF MASSACHUSETTS
AND MR. NUNN OF IOWA**

Strike all after the enacting clause and insert the following:

1 SECTION 1. SHORT TITLE.

2 This Act may be cited as the “Exposing China’s Sup-
3 port for the Taliban Act”.

**4 SEC. 2. STUDY ON CHINESE SUPPORT FOR AFGHAN ILLICIT
5 FINANCE.**

6 (a) FINDINGS.—Congress finds the following:

7 (1) Though China and Afghanistan share only
8 a small land border, when it comes to illicit financial
9 activity between the two countries, China has a dem-
10 onstrated history of permissiveness regarding traf-
11 ficking and money laundering that could support
12 both the Taliban and its associates.

13 (2) A 2014 Financial Action Task Force report
14 titled, “Financial Flows Linked to the Production
15 and Trafficking of Afghan Opiates” found evidence
16 of import/export companies registered in China that
17 were transferring funds to Afghanistan, likely as

1 part of trade-based money laundering schemes cen-
2 tered around illicit opium production and trafficking,
3 which, per the United Nations Office on Drugs and
4 Crime (UNODC), is one of the Taliban's main
5 sources of income.

6 (3) Since the U.S. withdrawal from Afghanistan
7 in August 2021, China has announced its willingness
8 to lend financial support and legitimacy to the
9 Taliban-led government in Afghanistan, including
10 Afghan Interior Minister, Sirajuddin Haqqani, a
11 member of the U.S.-sanctions designated Foreign
12 Terrorist Organization, the Haqqani Network.

13 (4) China's permissive policies regarding Af-
14 ghan illicit finance run counter to the strategic in-
15 terests of the United States with respect to coun-
16 tering trafficking and preventing terrorist groups
17 from accessing the international financial system.

18 (5) China's role as a critical source of financial
19 wherewithal for the Taliban and its associates to
20 process and implement drug and other illicit-activity
21 transactions warrants further study as these actions
22 pose a threat both to the safety and security of the
23 people of Afghanistan and the international commu-
24 nity.

1 (6) Congress needs to better understand how
2 China could leverage its relationships and resources
3 within Afghanistan and how these activities could di-
4 rectly or indirectly provide financial support to ter-
5 rorist organizations, including the Taliban and its
6 associates.

7 (b) STUDY.—

8 (1) REQUIREMENT.—Not later than one year
9 after the date of the enactment of this Act, the Sec-
10 retary of the Treasury shall provide to the Com-
11 mittee on Financial Services of the House of Rep-
12 resentatives and the Committee on Banking, Hous-
13 ing, and Urban Affairs of the Senate a report on the
14 financial activities of the Government of China and
15 Chinese entities in connection with the finances of
16 Afghanistan and the Taliban.

17 (2) MATTERS INCLUDED.—The report under
18 paragraph (1) shall include the following:

19 (A) An assessment of the activities under-
20 taken by the Government of China and Chinese-
21 registered companies to support illicit financial
22 networks in Afghanistan, particularly such net-
23 works involved in narcotics trafficking, illicit fi-
24 nancial transactions, official corruption, natural
25 resources exploitation, and terrorist networks.

1 (B) An assessment of financial, commer-
2 cial, and economic activities undertaken by the
3 Government of China and Chinese companies in
4 Afghanistan to support Chinese policies counter
5 to American strategic interests.

6 (C) Any recommendations to Congress re-
7 garding legislative or regulatory improvements
8 necessary to support the identification and dis-
9 ruption of Chinese-supported illicit financial
10 networks in Afghanistan.

11 (3) FORM.—The report under paragraph (1)
12 may include a classified annex.

