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(Original Signature of Member)

118TH CONGRESS  
1ST SESSION

# H. R.

To require the Secretary of the Treasury to carry out a study on Chinese support for Afghan illicit finance, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

Mr. LYNCH (for himself and Mr. NUNN of Iowa) introduced the following bill; which was referred to the Committee on \_\_\_\_\_

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# A BILL

To require the Secretary of the Treasury to carry out a study on Chinese support for Afghan illicit finance, and for other purposes.

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 “Exposing China’s Sup-  
5 port for the Taliban Act”.

6 **SEC. 2. STUDY ON CHINESE SUPPORT FOR AFGHAN ILLICIT**  
7 **FINANCE.**

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

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

7           (2) A 2014 Financial Action Task Force report  
8           titled, “Financial Flows Linked to the Production  
9           and Trafficking of Afghan Opiates” found evidence  
10          of import/export companies registered in China that  
11          were transferring funds to Afghanistan, likely as  
12          part of trade-based money laundering schemes cen-  
13          tered around illicit opium production and trafficking,  
14          which, per the United Nations Office on Drugs and  
15          Crime (UNODC), is one of the Taliban’s main  
16          sources of income.

17          (3) Since the U.S. withdrawal from Afghanistan  
18          in August 2021, China has announced its willingness  
19          to lend financial support and legitimacy to the  
20          Taliban-led government in Afghanistan, including  
21          Afghan Interior Minister, Sirajuddin Haqqani, a  
22          member of the U.S.-sanctions designated Foreign  
23          Terrorist Organization, the Haqqani Network.

24          (4) China’s permissive policies regarding Af-  
25          ghan illicit finance run counter to the strategic in-

1       terests of the United States with respect to coun-  
2       tering trafficking and preventing terrorist groups  
3       from accessing the international financial system.

4           (5) China's role as a critical source of financial  
5       wherewithal for the Taliban and its associates to  
6       process and implement drug and other illicit-activity  
7       transactions warrants further study as these actions  
8       pose a threat both to the safety and security of the  
9       people of Afghanistan and the international commu-  
10      nity.

11          (6) Congress needs to better understand how  
12      China could leverage its relationships and resources  
13      within Afghanistan and how these activities could di-  
14      rectly or indirectly provide financial support to ter-  
15      rorist organizations, including the Taliban and its  
16      associates.

17      (b) STUDY.—

18          (1) REQUIREMENT.—Not later than one year  
19      after the date of the enactment of this Act, the Sec-  
20      retary of the Treasury shall provide to the Com-  
21      mittee on Financial Services of the House of Rep-  
22      resentatives and the Committee on Banking, Hous-  
23      ing, and Urban Affairs of the Senate a report on the  
24      financial activities of the Government of China and

1 Chinese entities in connection with the finances of  
2 Afghanistan and the Taliban.

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

5 (A) An assessment of the activities under-  
6 taken by the Government of China and Chinese-  
7 registered companies to support illicit financial  
8 networks in Afghanistan, particularly such net-  
9 works involved in narcotics trafficking, illicit fi-  
10 nancial transactions, official corruption, natural  
11 resources exploitation, and terrorist networks.

12 (B) An assessment of financial, commer-  
13 cial, and economic activities undertaken by the  
14 Government of China and Chinese companies in  
15 Afghanistan to support Chinese policies counter  
16 to American strategic interests.

17 (C) Any recommendations to Congress re-  
18 garding legislative or regulatory improvements  
19 necessary to support the identification and dis-  
20 ruption of Chinese-supported illicit financial  
21 networks in Afghanistan.

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