

118TH CONGRESS  
1ST SESSION

# H. R. 3088

To direct the Secretary of the Treasury to provide for a determination on the activities on certain foreign financial institutions.

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## IN THE HOUSE OF REPRESENTATIVES

MAY 5, 2023

Mr. FALLON (for himself and Mr. HERN) introduced the following bill; which was referred to the Committee on Foreign Affairs, and in addition to the Committees on Financial Services, the Judiciary, Ways and Means, and Oversight and Accountability, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

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## A BILL

To direct the Secretary of the Treasury to provide for a determination on the activities on certain foreign financial institutions.

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 “Sanctions Enforcement  
5 and Financial Institutions Transparency Act” or the  
6 “SEFIT Act”.

1 **SEC. 2. DETERMINATION ON CERTAIN FOREIGN FINANCIAL**  
2 **INSTITUTIONS.**

3 (a) DETERMINATION.—

4 (1) IN GENERAL.—Not later than 180 days  
5 after the date of the enactment of the this Act, and  
6 every 180 days thereafter for a period not to exceed  
7 5 years, the Secretary of the Treasury shall submit  
8 to the appropriate congressional committees a deter-  
9 mination on whether each foreign financial institu-  
10 tion described in subsection (b) engages in, or has  
11 engaged in or attempted to engage in one or more  
12 activities described in subsection (c) and provides a  
13 detailed description of each such activity.

14 (2) APPROPRIATE CONGRESSIONAL COMMIT-  
15 TEES DEFINED.—In this subsection, the term “ap-  
16 propriate congressional committees” means—

17 (A) the Committee on Foreign Affairs and  
18 the Committee on Armed Services of the House  
19 of Representatives; and

20 (B) the Committee on Foreign Relations  
21 and the Committee on Armed Services of the  
22 Senate.

23 (b) FOREIGN FINANCIAL INSTITUTION DE-  
24 SCRIBED.—

1           (1) IN GENERAL.—A foreign financial institu-  
2           tion described in this subsection is a foreign finan-  
3           cial institution that, wherever located, is—

4                   (A) organized under the laws of a state  
5                   sponsor of terrorism or any jurisdiction within  
6                   a state sponsor of terrorism;

7                   (B) owned or controlled, directly or indi-  
8                   rectly by the government of a state sponsor of  
9                   terrorism;

10                  (C) located in the territory of a state spon-  
11                  sor of terrorism; or

12                  (D) owned or controlled by a foreign finan-  
13                  cial institution described in subparagraph (A),  
14                  (B), or (C); and

15                  (E) the capitalization of which exceeds  
16                  \$10,000,000.

17           (2) STATE SPONSOR OF TERRORISM DE-  
18           FINED.—In this subsection, the term “state sponsor  
19           of terrorism” means a country the government of  
20           which the Secretary of State has determined is a  
21           government that has repeatedly provided support for  
22           acts of international terrorism for purposes of—

23                   (A) section 1754(c) of the Export Control  
24                   Reform Act of 2018;

1 (B) section 620A of the Foreign Assistance  
2 Act of 1961 (22 U.S.C. 2371);

3 (C) section 40 of the Arms Export Control  
4 Act (22 U.S.C. 2780); or

5 (D) any other provision of law.

6 (3) FOREIGN FINANCIAL INSTITUTION DE-  
7 FINED.—A foreign financial institution in this sub-  
8 section includes—

9 (A) the meaning given that term in section  
10 1010.605 of title 31, Code of Federal Regula-  
11 tions; or

12 (B) a foreign central bank.

13 (c) ACTIVITIES DESCRIBED.—

14 (1) IN GENERAL.—The activities described in  
15 this subsection include any act that engages in, or  
16 has engaged in or attempted to engage in conduct  
17 that would be sanctionable under covered Executive  
18 Orders described in paragraph (2) or covered provi-  
19 sions of law described in paragraph (3).

20 (2) COVERED EXECUTIVE ORDERS.—In this  
21 subsection, the term “covered executive orders” in-  
22 cludes the following:

23 (A) Executive Order 14071 (Prohibiting  
24 New Investment In And Certain Services To  
25 The Russian Federation In Response To Con-

1           tinued Russian Federation Aggression (April 6,  
2           2022)).

3           (B) Executive Order 14068 (Prohibiting  
4           Certain Imports, Exports, and New Investment  
5           with Respect to Continued Russian Federation  
6           Aggression (March 11, 2022)).

7           (C) Executive Order 14066 (Prohibiting  
8           Certain Imports And New Investments With  
9           Respect To Continued Russian Federation Ef-  
10          forts To Undermine the Sovereignty And Terri-  
11          torial Integrity Of Ukraine (March 8, 2022)).

12          (D) Executive Order 14039 (Blocking  
13          Property with Respect to Certain Russian En-  
14          ergy Export Pipelines (August 20, 2021)).

15          (E) Executive Order 14024 (Blocking  
16          Property With Respect To Specified Harmful  
17          Foreign Activities Of The Government Of The  
18          Russian Federation (April 15, 2021)).

19          (F) Executive Order 14065 (Blocking  
20          Property Of Certain Persons And Prohibiting  
21          Certain Transactions With Respect To Contin-  
22          ued Russian Efforts To Undermine The Sov-  
23          ereignty And Territorial Integrity Of Ukraine  
24          (February 21, 2022)).

1           (G) Executive Order 13883 (Administra-  
2           tion of Proliferation Sanctions and Amendment  
3           of Executive Order 12851 (August 3, 2019)).

4           (H) Executive Order 13849 (Authorizing  
5           the Implementation of Certain Sanctions Set  
6           Forth in the Countering America's Adversaries  
7           Through Sanctions Act (September 20, 2018)).

8           (I) Executive Order 13685 (Blocking Prop-  
9           erty of Certain Persons and Prohibiting Certain  
10          Transactions with Respect to the Crimea Re-  
11          gion of Ukraine (December 19, 2014)).

12          (J) Executive Order 13662 (Blocking  
13          Property of Additional Persons Contributing to  
14          the Situation in Ukraine (March 20, 2014)).

15          (K) Executive Order 13661 (Blocking  
16          Property of Additional Persons Contributing to  
17          the Situation in Ukraine (March 17, 2014)).

18          (L) Executive Order 13660 (Blocking  
19          Property of Certain Persons Contributing to the  
20          Situation in Ukraine (March 6, 2014)).

21          (M) Any directive issued pursuant to the  
22          Executive orders described in subparagraphs  
23          (A) through (L).

1           (N) Any other Executive order or directive  
2           imposing sanctions against the Russian Federa-  
3           tion.

4           (3) COVERED LEGISLATION DEFINED.—In this  
5           subsection the term “covered legislation” includes  
6           the following:

7                   (A) The Countering America’s Adversaries  
8                   Through Sanctions Act (22 U.S.C. 9401 et  
9                   seq.).

10                   (B) The Ukraine Freedom Support Act of  
11                   2014 (22 U.S.C. 8921 et seq.).

12                   (C) The Support for the Sovereignty, In-  
13                   tegrity, Democracy, and Economic Stability of  
14                   Ukraine Act of 2014 (22 U.S.C. 8901 et seq.).

15                   (D) The Protecting Europe’s Energy Secu-  
16                   rity Act of 2019 (title LXXV of division F of  
17                   Public Law 116–92).

18                   (E) Any other law imposing sanctions  
19                   against the Russian Federation.

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