

118TH CONGRESS  
1ST SESSION

# S. 591

To impose sanctions with respect to the People’s Republic of China in relation to activities in the South China Sea and the East China Sea, and for other purposes.

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## IN THE SENATE OF THE UNITED STATES

MARCH 1, 2023

Mr. RUBIO (for himself and Mr. CARDIN) introduced the following bill; which was read twice and referred to the Committee on Foreign Relations

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## A BILL

To impose sanctions with respect to the People’s Republic of China in relation to activities in the South China Sea and the East China Sea, 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 “South China Sea and  
5 East China Sea Sanctions Act of 2023”.

1 **SEC. 2. SANCTIONS WITH RESPECT TO CHINESE PERSONS**  
2 **RESPONSIBLE FOR CHINA'S ACTIVITIES IN**  
3 **THE SOUTH CHINA SEA AND THE EAST CHINA**  
4 **SEA.**

5 (a) INITIAL IMPOSITION OF SANCTIONS.—On and  
6 after the date that is 120 days after the date of the enact-  
7 ment of this Act, the President may impose the sanctions  
8 described in subsection (b) with respect to any Chinese  
9 person, including any senior official of the Government of  
10 the People's Republic of China, that the President deter-  
11 mines—

12 (1) is responsible for or significantly contributes  
13 to large-scale reclamation, construction, militariza-  
14 tion, or ongoing supply of outposts in disputed areas  
15 of the South China Sea;

16 (2) is responsible for or significantly contributes  
17 to, or has engaged in, directly or indirectly, actions,  
18 including the use of coercion, to inhibit another  
19 country from protecting its sovereign rights to ac-  
20 cess offshore resources in the South China Sea, in-  
21 cluding in such country's exclusive economic zone,  
22 consistent with such country's rights and obligations  
23 under international law;

24 (3) is responsible for or complicit in, or has en-  
25 gaged in, directly or indirectly, actions that signifi-  
26 cantly threaten the peace, security, or stability of

1       disputed areas of the South China Sea or areas of  
2       the East China Sea administered by Japan or the  
3       Republic of Korea, including through the use of ves-  
4       sels and aircraft by the People’s Republic of China  
5       to occupy or conduct extensive research or drilling  
6       activity in those areas;

7               (4) has materially assisted, sponsored, or pro-  
8       vided financial, material, or technological support  
9       for, or goods or services to, or in support of, any  
10      person subject to sanctions pursuant to paragraph  
11      (1), (2), or (3); or

12              (5) is owned or controlled by, or has acted for  
13      or on behalf of, directly or indirectly, any person  
14      subject to sanctions pursuant to paragraph (1), (2),  
15      or (3).

16      (b) SANCTIONS DESCRIBED.—The sanctions that  
17      may be imposed with respect to a person described in sub-  
18      section (a) are the following:

19              (1) BLOCKING OF PROPERTY.—The President  
20      may, in accordance with the International Emer-  
21      gency Economic Powers Act (50 U.S.C. 1701 et  
22      seq.), block and prohibit all transactions in all prop-  
23      erty and interests in property of the person if such  
24      property and interests in property are in the United  
25      States, come within the United States, or are or

1       come within the possession or control of a United  
2       States person.

3               (2) INELIGIBILITY FOR VISAS, ADMISSION, OR  
4       PAROLE.—

5               (A) VISAS, ADMISSION, OR PAROLE.—In  
6       the case of an alien, the alien may be—

7                       (i) inadmissible to the United States;

8                       (ii) ineligible to receive a visa or other  
9       documentation to enter the United States;

10       and

11                      (iii) otherwise ineligible to be admitted  
12       or paroled into the United States or to re-  
13       ceive any other benefit under the Immigra-  
14       tion and Nationality Act (8 U.S.C. 1101 et  
15       seq.).

16               (B) CURRENT VISAS REVOKED.—

17                      (i) IN GENERAL.—An alien described  
18       in subparagraph (A) may be subject to rev-  
19       ocation of any visa or other entry docu-  
20       mentation regardless of when the visa or  
21       other entry documentation is or was  
22       issued.

23                      (ii) IMMEDIATE EFFECT.—A revoca-  
24       tion under clause (i) may—

25                               (I) take effect immediately; and

1 (II) cancel any other valid visa or  
2 entry documentation that is in the  
3 alien's possession.

4 (3) EXCLUSION OF CORPORATE OFFICERS.—  
5 The President may direct the Secretary of State to  
6 deny a visa to, and the Secretary of Homeland Secu-  
7 rity to exclude from the United States, any alien  
8 that the President determines is a corporate officer  
9 or principal of, or a shareholder with a controlling  
10 interest in, the person.

11 (4) EXPORT SANCTION.—The President may  
12 order the United States Government not to issue  
13 any specific license and not to grant any other spe-  
14 cific permission or authority to export any goods or  
15 technology to the person under—

16 (A) the Export Control Reform Act of  
17 2018 (50 U.S.C. 4801 et seq.); or

18 (B) any other statute that requires the  
19 prior review and approval of the United States  
20 Government as a condition for the export or re-  
21 export of goods or services.

22 (5) INCLUSION ON ENTITY LIST.—The Presi-  
23 dent may include the entity on the entity list main-  
24 tained by the Bureau of Industry and Security of  
25 the Department of Commerce and set forth in Sup-

1       plement No. 4 to part 744 of the Export Adminis-  
2       tration Regulations, for activities contrary to the na-  
3       tional security or foreign policy interests of the  
4       United States.

5           (6) BAN ON INVESTMENT IN EQUITY OR DEBT  
6       OF SANCTIONED PERSON.—The President may, pur-  
7       suant to such regulations or guidelines as the Presi-  
8       dent may prescribe, prohibit any United States per-  
9       son from investing in or purchasing equity or debt  
10      instruments of the person.

11          (7) BANKING TRANSACTIONS.—The President  
12      may, pursuant to such regulations as the President  
13      may prescribe, prohibit any transfers of credit or  
14      payments between financial institutions or by,  
15      through, or to any financial institution, to the extent  
16      that such transfers or payments are subject to the  
17      jurisdiction of the United States and involve any in-  
18      terest of the person.

19          (8) CORRESPONDENT AND PAYABLE-THROUGH  
20      ACCOUNTS.—In the case of a foreign financial insti-  
21      tution, the President may prohibit the opening, and  
22      prohibit or impose strict conditions on the maintain-  
23      ing, in the United States of a correspondent account  
24      or a payable-through account by the foreign finan-  
25      cial institution.

1 (c) EXCEPTIONS.—

2 (1) INAPPLICABILITY OF NATIONAL EMER-  
3 GENCY REQUIREMENT.—The requirements of section  
4 202 of the International Emergency Economic Pow-  
5 ers Act (50 U.S.C. 1701) shall not apply for pur-  
6 poses of subsection (b)(1).

7 (2) EXCEPTION FOR INTELLIGENCE, LAW EN-  
8 FORCEMENT, AND NATIONAL SECURITY ACTIVI-  
9 TIES.—Sanctions under this section shall not apply  
10 to any authorized intelligence, law enforcement, or  
11 national security activities of the United States.

12 (3) COMPLIANCE WITH UNITED NATIONS HEAD-  
13 QUARTERS AGREEMENT.—Paragraphs (2) and (3) of  
14 subsection (b) shall not apply if admission of an  
15 alien to the United States is necessary to permit the  
16 United States to comply with the Agreement regard-  
17 ing the Headquarters of the United Nations, signed  
18 at Lake Success, June 26, 1947, and entered into  
19 force, November 21, 1947, between the United Na-  
20 tions and the United States.

21 (4) EXCEPTION RELATING TO IMPORTATION OF  
22 GOODS.—

23 (A) IN GENERAL.—The authority or a re-  
24 quirement to impose sanctions under this sec-  
25 tion shall not include the authority or a require-

1           ment to impose sanctions on the importation of  
2           goods.

3                   (B) GOOD DEFINED.—In this paragraph,  
4           the term “good” means any article, natural or  
5           manmade substance, material, supply, or manu-  
6           factured product, including inspection and test  
7           equipment, and excluding technical data.

8           (d) IMPLEMENTATION; PENALTIES.—

9                   (1) IMPLEMENTATION.—The President may ex-  
10          ercise all authorities provided under sections 203  
11          and 205 of the International Emergency Economic  
12          Powers Act (50 U.S.C. 1702 and 1704) to carry out  
13          this section.

14                   (2) PENALTIES.—The penalties provided for in  
15          subsections (b) and (c) of section 206 of the Inter-  
16          national Emergency Economic Powers Act (50  
17          U.S.C. 1705) shall apply to a person that violates,  
18          attempts to violate, conspires to violate, or causes a  
19          violation of regulations prescribed under subsection  
20          (b)(1) to the same extent that such penalties apply  
21          to a person that commits an unlawful act described  
22          in subsection (a) of such section 206.

23           (e) DEFINITIONS.—In this section:

24                   (1) ACCOUNT; CORRESPONDENT ACCOUNT; PAY-  
25          ABLE-THROUGH ACCOUNT.—The terms “account”,



1 “correspondent account”, and “payable-through ac-  
2 count” have the meanings given those terms in sec-  
3 tion 5318A of title 31, United States Code.

4 (2) ALIEN.—The term “alien” has the meaning  
5 given that term in section 101(a) of the Immigration  
6 and Nationality Act (8 U.S.C. 1101(a)).

7 (3) CHINESE PERSON.—The term “Chinese  
8 person” means—

9 (A) an individual who is a citizen or na-  
10 tional of the People’s Republic of China; or

11 (B) an entity organized under the laws of  
12 the People’s Republic of China or otherwise  
13 subject to the jurisdiction of the Government of  
14 the People’s Republic of China.

15 (4) FINANCIAL INSTITUTION.—The term “fi-  
16 nancial institution” means a financial institution  
17 specified in subparagraph (A), (B), (C), (D), (E),  
18 (F), (G), (H), (I), (J), (K), (M), (N), (P), (R), (T),  
19 (Y), or (Z) of section 5312(a)(2) of title 31, United  
20 States Code.

21 (5) FOREIGN FINANCIAL INSTITUTION.—The  
22 term “foreign financial institution” has the meaning  
23 given that term in section 1010.605 of title 31, Code  
24 of Federal Regulations (or any corresponding similar  
25 regulation or ruling).

1           (6) PERSON.—The term “person” means any  
2 individual or entity.

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

5           (A) a United States citizen or an alien law-  
6 fully admitted for permanent residence to the  
7 United States;

8           (B) an entity organized under the laws of  
9 the United States or of any jurisdiction within  
10 the United States, including a foreign branch of  
11 such an entity; or

12           (C) any person in the United States.

13 **SEC. 3. SENSE OF CONGRESS REGARDING PORTRAYALS OF**  
14 **THE SOUTH CHINA SEA OR THE EAST CHINA**  
15 **SEA AS PART OF CHINA.**

16       It is the sense of Congress that the Government Pub-  
17 lishing Office should not publish any map, document,  
18 record, electronic resource, or other paper of the United  
19 States (other than materials relating to hearings held by  
20 committees of Congress or internal work product of a Fed-  
21 eral agency) portraying or otherwise indicating that it is  
22 the position of the United States that the territory or air-  
23 space in the South China Sea that is disputed among two  
24 or more parties or the territory or airspace of areas ad-  
25 ministered by Japan or the Republic of Korea, including

1 in the East China Sea, is part of the territory or airspace  
2 of the People’s Republic of China.

3 **SEC. 4. SENSE OF CONGRESS ON 2016 PERMANENT COURT**  
4 **OF ARBITRATION’S TRIBUNAL RULING ON AR-**  
5 **BITRATION CASE BETWEEN PHILIPPINES**  
6 **AND PEOPLE’S REPUBLIC OF CHINA.**

7 (a) FINDING.—Congress finds that on July 12, 2016,  
8 a tribunal of the Permanent Court of Arbitration found  
9 in the arbitration case between the Philippines and the  
10 People’s Republic of China under the United Nations Con-  
11 vention on the Law of the Sea that the People’s Republic  
12 of China’s claims, including those to offshore resources  
13 and “historic rights”, were unlawful, and that the tribu-  
14 nal’s ruling is final and legally binding on both parties.

15 (b) SENSE OF CONGRESS.—It is the sense of Con-  
16 gress that—

17 (1) the United States and the international  
18 community should reject the unlawful claims of the  
19 People’s Republic of China within the exclusive eco-  
20 nomic zone or on the continental shelf of the Phil-  
21 ippines, as well as the maritime claims of the Peo-  
22 ple’s Republic of China beyond a 12-nautical-mile  
23 territorial sea from the islands it claims in the South  
24 China Sea;

1           (2) the provocative behavior of the People’s Re-  
2           public of China, including coercing other countries  
3           with claims in the South China Sea and preventing  
4           those countries from accessing offshore resources,  
5           undermines peace and stability in the South China  
6           Sea;

7           (3) the international community should—

8                   (A) support and adhere to the ruling de-  
9                   scribed in subsection (a) in compliance with  
10                  international law; and

11                   (B) take all necessary steps to support the  
12                  rules-based international order in the South  
13                  China Sea; and

14           (4) all claimants in the South China Sea  
15           should—

16                   (A) refrain from engaging in destabilizing  
17                   activities, including illegal occupation or efforts  
18                   to unlawfully assert control over disputed  
19                   claims;

20                   (B) ensure that disputes are managed  
21                   without intimidation, coercion, or force;

22                   (C) clarify or adjust claims in accordance  
23                   with international law; and

24                   (D) uphold the principle that territorial  
25                   and maritime claims, including over territorial

1           waters or territorial seas, must be derived from  
2           land features and otherwise comport with inter-  
3           national law.

4 **SEC. 5. REPORT ON COUNTRIES THAT RECOGNIZE CHINESE**  
5                   **SOVEREIGNTY OVER THE SOUTH CHINA SEA**  
6                   **OR THE EAST CHINA SEA.**

7           (a) IN GENERAL.—Not later than 60 days after the  
8           date of the enactment of this Act, and annually thereafter  
9           until the date that is 3 years after such date of enactment,  
10          the Secretary of State shall submit to the Committee on  
11          Foreign Relations of the Senate and the Committee on  
12          Foreign Affairs of the House of Representatives a report  
13          identifying each country that the Secretary determines has  
14          taken an official and stated position to recognize, after  
15          such date of enactment, the sovereignty of the People’s  
16          Republic of China over territory or airspace disputed by  
17          one or more countries in the South China Sea or the terri-  
18          tory or airspace of areas of the East China Sea adminis-  
19          tered by Japan or the Republic of Korea.

20          (b) FORM.—The report required by subsection (a)  
21          shall be submitted in unclassified form, but may include  
22          a classified annex if the Secretary of State determines it  
23          is necessary for the national security interests of the  
24          United States to do so.

1           (c) PUBLIC AVAILABILITY.—The Secretary of State  
2 shall publish the unclassified part of the report required  
3 by subsection (a) on a publicly available website of the  
4 Department of State.

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