

(1) known and suspected intelligence activities, espionage activities, including activities constituting precursors to espionage, carried out by the individual against the United States, foreign allies of the United States, or foreign partners of the United States; and

(2) the status of an individual as a known or suspected intelligence officer for a foreign adversary.

**SEC. 6747. SENSE OF CONGRESS ON WIKILEAKS.**

It is the sense of Congress that WikiLeaks and the senior leadership of WikiLeaks resemble a nonstate hostile intelligence service often abetted by state actors and should be treated as such a service by the United States.

## **DIVISION F—OTHER MATTERS**

### **TITLE LXXI—SANCTIONS WITH RESPECT TO NORTH KOREA**

Sec. 7101. Short title.

Subtitle A—Sanctions With Respect to North Korea

Sec. 7111. Sense of Congress.

Sec. 7112. Definitions.

PART I—EXPANSION OF SANCTIONS AND RELATED MATTERS

Sec. 7121. Sanctions with respect to foreign financial institutions that provide financial services to certain sanctioned persons.

Sec. 7122. Mandatory designations under North Korea Sanctions and Policy Enhancement Act of 2016.

Sec. 7123. Extension of applicability period of proliferation prevention sanctions.

Sec. 7124. Opposition to assistance by the international financial institutions.

Sec. 7125. Support for capacity of the International Monetary Fund to prevent money laundering and financing of terrorism.

Sec. 7126. Report and briefings on compliance, penalties, and technical assistance.

Sec. 7127. Sense of Congress on identification and blocking of property of North Korean officials.

Sec. 7128. Modification of report on implementation of United Nations Security Council resolutions by other governments.

Sec. 7129. Report on use by the Government of North Korea of beneficial ownership rules to access the international financial system.

PART II—CONGRESSIONAL REVIEW AND OVERSIGHT

Sec. 7131. Notification of termination or suspension of sanctions.

Sec. 7132. Reports on certain licensing actions.

Sec. 7133. Report and briefings on financial networks and financial methods of the Government of North Korea.

Sec. 7134. Report on countries of concern with respect to transshipment, reexportation, or diversion of certain items to North Korea.

PART III—GENERAL MATTERS

Sec. 7141. Rulemaking.

Sec. 7142. Authority to consolidate reports.

Sec. 7143. Waivers, exemptions, and termination.

Sec. 7144. Procedures for review of classified and certain other information.

Sec. 7145. Briefing on resourcing of sanctions programs.

Sec. 7146. Briefing on proliferation financing.

Sec. 7147. Exception relating to importation of goods.

Subtitle B—Financial Industry Guidance to Halt Trafficking

Sec. 7151. Short title.

Sec. 7152. Sense of Congress.

Sec. 7153. Coordination of human trafficking issues by the Office of Terrorism and Financial Intelligence.

Sec. 7154. Strengthening the role of anti-money laundering and other financial tools in combating human trafficking.

Sec. 7155. Sense of Congress on resources to combat human trafficking.

**SEC. 7101. SHORT TITLE.**

This title may be cited as the “Otto Warmbier North Korea Nuclear Sanctions and Enforcement Act of 2019”.

## **Subtitle A—Sanctions With Respect to North Korea**

**SEC. 7111. SENSE OF CONGRESS.**

It is the sense of Congress that—

(1) the United States is committed to working with its allies and partners to halt the nuclear and ballistic missile programs of North Korea through a policy of maximum pressure and diplomatic engagement;

(2) the imposition of sanctions, including those under this title, should not be construed to limit the authority of the President to fully engage in diplomatic negotiations to further the policy objective described in paragraph (1);

(3) the successful use of sanctions to halt the nuclear and ballistic missile programs of North Korea is part of a broader diplomatic and economic strategy that relies on effective coordination among relevant Federal agencies and officials, as well as with international partners of the United States; and

(4) the coordination described in paragraph (3) should include proper vetting of external messaging and communications from all parts of the Executive branch to ensure that those communications are an intentional component of and aligned with the strategy of the United States with respect to North Korea.

**SEC. 7112. DEFINITIONS.**

In this subtitle, the terms “applicable Executive order”, “applicable United Nations Security Council resolution”, “appropriate congressional committees”, “Government of North Korea”, “North Korea”, “North Korean financial institution”, and “North Korean person” have the meanings given those terms in section 3 of the North Korea Sanctions and Policy Enhancement Act of 2016 (22 U.S.C. 9202).

## **PART I—EXPANSION OF SANCTIONS AND RELATED MATTERS**

**SEC. 7121. SANCTIONS WITH RESPECT TO FOREIGN FINANCIAL INSTITUTIONS THAT PROVIDE FINANCIAL SERVICES TO CERTAIN SANCTIONED PERSONS.**

(a) **IN GENERAL.**—Title II of the North Korea Sanctions and Policy Enhancement Act of 2016 (22 U.S.C. 9221 et seq.) is amended by inserting after section 201A the following:

**“SEC. 201B. SANCTIONS WITH RESPECT TO FOREIGN FINANCIAL INSTITUTIONS THAT PROVIDE FINANCIAL SERVICES TO CERTAIN SANCTIONED PERSONS.**

“(a) **IN GENERAL.**—The Secretary of the Treasury shall impose one or more of the sanctions described in subsection (b) with respect to a foreign financial institution that the Secretary determines, in consultation with the Secretary of State, knowingly, on or after the date that is 120 days after the date of the enactment of the Otto Warmbier North Korea Nuclear Sanctions and Enforcement Act of 2019, provides significant financial services to any person designated for the imposition of sanctions with respect to North Korea under—

“(1) subsection (a), (b), or (g) of section 104;

“(2) an applicable Executive order; or

“(3) an applicable United Nations Security Council resolution.

“(b) **SANCTIONS DESCRIBED.**—The sanctions that may be imposed with respect to a foreign financial institution subject to subsection (a) are the following:

“(1) **ASSET BLOCKING.**—The Secretary may block and prohibit, pursuant to the International Emergency Economic Powers Act (50 U.S.C. 1701 et seq.), all transactions in all property and interests in property of the foreign financial institution if such property and interests in property are in the United States, come within the United States, or are or come within the possession or control of a United States person.

“(2) **RESTRICTIONS ON CORRESPONDENT AND PAYABLE-THROUGH ACCOUNTS.**—The Secretary may prohibit, or impose strict conditions on, the opening or maintaining in the United States of a correspondent account or a payable-through account by the foreign financial institution.

“(c) **IMPLEMENTATION; PENALTIES.**—

“(1) **IMPLEMENTATION.**—The President may exercise all authorities provided under sections 203 and 205 of the International Emergency Economic Powers Act (50 U.S.C. 1702 and 1704) to carry out this section.

“(2) **PENALTIES.**—A person that violates, attempts to violate, conspires to violate, or causes a violation of this section or any regulation, license, or order issued to carry out this section shall be subject to the penalties set forth in subsections (b) and (c) of section 206 of the International Emergency Economic Powers Act (50 U.S.C. 1705) to the same extent as a person that commits an unlawful act described in subsection (a) of that section.

“(d) **REGULATIONS.**—Not later than 120 days after the date of the enactment of the Otto Warmbier North Korea Nuclear Sanctions and Enforcement Act of 2019, the President shall, as appropriate, prescribe regulations to carry out this section.

“(e) **EXCEPTION RELATING TO IMPORTATION OF GOODS.**—

“(1) **IN GENERAL.**—Notwithstanding section 404(b) or any provision of this section, the authorities and requirements to impose sanctions under this section shall not include the authority or a requirement to impose sanctions on the importation of goods.

“(2) **GOOD DEFINED.**—In this subsection, the term ‘good’ means any article, natural or manmade substance, material,

supply or manufactured product, including inspection and test equipment, and excluding technical data.

“(f) DEFINITIONS.—In this section:

“(1) ACCOUNT; CORRESPONDENT ACCOUNT; PAYABLE-THROUGH ACCOUNT.—The terms ‘account’, ‘correspondent account’, and ‘payable-through account’ have the meanings given those terms in section 5318A of title 31, United States Code.

“(2) FOREIGN FINANCIAL INSTITUTION.—The term ‘foreign financial institution’ has the meaning given that term in section 510.309 of title 31, Code of Federal Regulations (or any corresponding similar regulation or ruling).

“(3) KNOWINGLY.—The term ‘knowingly’, with respect to conduct, a circumstance, or a result, means that a person has actual knowledge, or should have known, of the conduct, the circumstance, or the result.

**“SEC. 201C. PROHIBITION ON TRANSACTIONS WITH CERTAIN SANCTIONED PERSONS BY PERSONS OWNED OR CONTROLLED BY UNITED STATES FINANCIAL INSTITUTIONS.**

“(a) IN GENERAL.—Not later than 180 days after the date of the enactment of the Otto Warmbier North Korea Nuclear Sanctions and Enforcement Act of 2019, the Secretary of the Treasury, in consultation with the Secretary of State, shall prohibit an entity owned or controlled by a United States financial institution and established or maintained outside the United States from knowingly engaging in any transaction described in subsection (b) directly or indirectly with the Government of North Korea or any person designated for the imposition of sanctions with respect to North Korea under—

“(1) subsection (a), (b), or (g) of section 104;

“(2) an applicable Executive order; or

“(3) an applicable United Nations Security Council resolution.

“(b) TRANSACTIONS DESCRIBED.—A transaction described in this subsection is a transaction that would be prohibited by an order or regulation issued pursuant to the International Emergency Economic Powers Act (50 U.S.C. 1701 et seq.) if the transaction were engaged in in the United States or by a United States person.

“(c) CIVIL PENALTIES.—The civil penalty provided for in section 206(b) of the International Emergency Economic Powers Act (50 U.S.C. 1705(b)) shall apply to a United States financial institution to the same extent that such penalty applies to a person that commits an unlawful act described in section 206(a) of that Act if an entity owned or controlled by the United States financial institution and established or maintained outside the United States violates, attempts to violate, conspires to violate, or causes a violation of any order or regulation issued to implement subsection (a).

“(d) UNITED STATES FINANCIAL INSTITUTION DEFINED.—In this section, the term ‘United States financial institution’ has the meaning given the term ‘U.S. financial institution’ in section 510.328 of title 31, Code of Federal Regulations (or any corresponding similar regulation or ruling).”.

(b) CLERICAL AMENDMENT.—The table of contents for the North Korea Sanctions and Policy Enhancement Act of 2016 is amended by inserting after the item relating to section 201A the following:

“Sec. 201B. Sanctions with respect to foreign financial institutions that provide financial services to certain sanctioned persons.

“Sec. 201C. Prohibition on transactions with certain sanctioned persons by persons owned or controlled by United States financial institutions.”.

**SEC. 7122. MANDATORY DESIGNATIONS UNDER NORTH KOREA SANCTIONS AND POLICY ENHANCEMENT ACT OF 2016.**

(a) IN GENERAL.—Section 104 of the North Korea Sanctions and Policy Enhancement Act of 2016 (22 U.S.C. 9214) is amended—

(1) by adding at the end the following:

“(g) ADDITIONAL MANDATORY DESIGNATIONS.—

“(1) IN GENERAL.—Except as provided in section 208, the President shall designate under this subsection any person that the President determines—

“(A) knowingly, directly or indirectly, engages in the importation from or exportation to North Korea of significant quantities of—

“(i)(I) coal, textiles, seafood, iron, or iron ore; or

“(II) refined petroleum products or crude oil above limits set by the United Nations Security Council and with which the United States concurs; or

“(ii) services or technology related to goods specified in clause (i);

“(B) knowingly facilitates a significant transfer of funds or property of the Government of North Korea that materially contributes to any violation of an applicable United Nations Security Council resolution;

“(C) knowingly, directly or indirectly, engages in, facilitates, or is responsible for the exportation of workers from North Korea, or the employment of such workers, in a manner that generates significant revenue, directly or indirectly, for use by the Government of North Korea or by the Workers’ Party of Korea;

“(D) knowingly, directly or indirectly, sells or transfers a significant number of vessels to North Korea, except as specifically approved by the United Nations Security Council;

“(E) knowingly engages in a significant activity to charter, insure, register, facilitate the registration of, or maintain insurance or a registration for, a vessel owned, controlled, commanded, or crewed by a North Korean person; or

“(F) knowingly contributes to and participates in—

“(i) a significant act of bribery of an official of the Government of North Korea or any person acting for or on behalf of that official;

“(ii) the misappropriation, theft, or embezzlement of a significant amount of public funds by, or for the benefit of, an official of the Government of North Korea or any person acting for or on behalf of that official; or

“(iii) the use of any proceeds of any activity described in subparagraph (A) or (B).”;

(2) in subsection (c), by inserting “or (g)” after “subsection (a)”;

(3) in subsection (d)—

(A) by striking “or” the first place it appears and inserting a comma; and

(B) by inserting “, or (g)” after “(b)”; and

(4) in subsection (e)—

(A) by striking “or” the last place it appears and inserting a comma; and

(B) by inserting “, or (g)” after “(b)”.

(b) **CONFORMING AMENDMENTS.**—The North Korea Sanctions and Policy Enhancement Act of 2016 is amended—

(1) in section 3(4) (22 U.S.C. 9202(4))—

(A) by striking “or” the first place it appears and inserting a comma; and

(B) by inserting “, or (g)” after “(b)”; and

(2) in section 102 (22 U.S.C. 9212)—

(A) in subsection (a), by inserting “or (g)” after “section 104(a)” each place it appears; and

(B) in subsection (b)(1)—

(i) by striking “and” the first place it appears and inserting a comma; and

(ii) by inserting “, and (g)” after “(b)”; and

(3) in section 204 (22 U.S.C. 9224), by inserting “or (g)” after “section 104(a)” each place it appears; and

(4) in section 302(b)(3) (22 U.S.C. 9241(b)(3)) is amended by striking “section 104(b)(1)(M)” and inserting “section 104(g)(1)(C)”.

**SEC. 7123. EXTENSION OF APPLICABILITY PERIOD OF PROLIFERATION PREVENTION SANCTIONS.**

Section 203(b)(2) of the North Korea Sanctions and Policy Enhancement Act of 2016 (22 U.S.C. 9223(b)(2)) is amended by striking “2 years” and inserting “5 years”.

**SEC. 7124. OPPOSITION TO ASSISTANCE BY THE INTERNATIONAL FINANCIAL INSTITUTIONS.**

(a) **IN GENERAL.**—The Bretton Woods Agreements Act (22 U.S.C. 286 et seq.) is amended by adding at the end the following:

**“SEC. 73. OPPOSITION TO ASSISTANCE FOR ANY GOVERNMENT THAT FAILS TO IMPLEMENT SANCTIONS ON NORTH KOREA.**

“(a) **IN GENERAL.**—The Secretary of the Treasury shall instruct the United States Executive Director at each international financial institution (as defined in section 1701(c) of the International Financial Institutions Act (22 U.S.C. 262r(c))) that it is the policy of the United States to oppose the provision by that institution of financial assistance to a foreign government, other than assistance to support basic human needs, if the President determines that, in the year preceding consideration of approval of such assistance, the government has knowingly failed to adequately enforce sanctions under an applicable United Nations Security Council resolution (as defined in section 3 of the North Korea Sanctions and Policy Enhancement Act of 2016 (22 U.S.C. 9202)).

“(b) **WAIVER.**—The President may waive subsection (a) for up to 180 days at a time with respect to a foreign government if the President—

“(1) determines that—

“(A) the failure of the foreign government described in subsection (a) is due exclusively to a lack of capacity on the part of the foreign government;

“(B) the foreign government is taking effective steps to prevent recurrence of such failure; or

“(C) the waiver is in the national security interests of the United States; and

“(2) submits to Congress a report on the reasons for the determination under paragraph (1).”.

(b) **TERMINATION.**—Effective on the date that is 10 years after the date of the enactment of this Act, section 73 of the Bretton Woods Agreements Act, as added by subsection (a), is repealed.

**SEC. 7125. SUPPORT FOR CAPACITY OF THE INTERNATIONAL MONETARY FUND TO PREVENT MONEY LAUNDERING AND FINANCING OF TERRORISM.**

(a) **IN GENERAL.**—Title XVI of the International Financial Institutions Act (22 U.S.C. 262p et seq.) is amended by adding at the end the following:

**“SEC. 1629. SUPPORT FOR CAPACITY OF THE INTERNATIONAL MONETARY FUND TO PREVENT MONEY LAUNDERING AND FINANCING OF TERRORISM.**

“The Secretary of the Treasury shall instruct the United States Executive Director at the International Monetary Fund to use the voice and vote of the United States to support the increased use of the administrative budget of the Fund for technical assistance that strengthens the capacity of members of the Fund to prevent money laundering and the financing of terrorism.”.

(b) **TERMINATION.**—Effective on the date that is 5 years after the date of the enactment of this Act, section 1629 of the International Financial Institutions Act, as added by subsection (a), is repealed.

(c) **NATIONAL ADVISORY COUNCIL REPORT TO CONGRESS.**—The Chairman of the National Advisory Council on International Monetary and Financial Policies shall include in each report required by section 1701 of the International Financial Institutions Act (22 U.S.C. 262r) after the date of the enactment of this Act and before December 31, 2023, a description of—

(1) the activities of the International Monetary Fund in the fiscal year covered by the report to provide technical assistance that strengthens the capacity of members of the Fund to prevent money laundering and the financing of terrorism, and the effectiveness of the assistance; and

(2) the efficacy of efforts by the United States to support such technical assistance through the use of the Fund’s administrative budget, and the level of such support.

**SEC. 7126. REPORT AND BRIEFINGS ON COMPLIANCE, PENALTIES, AND TECHNICAL ASSISTANCE.**

(a) **REPORT REQUIRED.**—Not later than 180 days after the date of the enactment of this Act, the Secretary of the Treasury shall submit to the committees specified in subsection (d) a report that includes—

(1) a list of financial institutions that, during the period beginning on the date that is one year before the date of the enactment of this Act and ending on the date of the report,

knowingly facilitated a significant transaction or transactions or provided significant financial services for—

(A) any North Korean person designated under an applicable Executive order;

(B) any North Korean person that knowingly facilitates the transfer of bulk cash or covered goods (as defined under section 1027.100 of title 31, Code of Federal Regulations (or any corresponding similar regulation or ruling));

(C) any person that knowingly invests in, or participates in a joint venture with, an entity in which the Government of North Korea participates or an entity that is created or organized under the laws of North Korea;

(D) any person that knowingly provides financial services, including through a subsidiary or joint venture, in North Korea;

(E) any person that knowingly provides specialized teaching, training, or information or provides material or technological support to a North Korean person that—

(i) may contribute to North Korea's development and proliferation of weapons of mass destruction, including systems designed in whole or in part for the delivery of such weapons; or

(ii) may contribute to significant activities undermining cybersecurity; and

(2) a description of efforts by the Department of the Treasury during the period described in paragraph (1), through outreach, consultations, technical assistance, or other appropriate activities, to strengthen the capacity of financial institutions and foreign governments to prevent the provision of financial services benefitting any person subject to sanctions under—

(A) this Act or an amendment made by this Act;

(B) an applicable Executive order; or

(C) an applicable United Nations Security Council resolution.

(b) ANNUAL BRIEFINGS.—Not later than one year after the submission of the report required by subsection (a), and annually thereafter until the date that is 5 years after the date of the enactment of this Act, the Secretary of the Treasury shall brief the committees specified in subsection (d) on the matters covered by the report for the one-year period preceding the briefing.

(c) TESTIMONY REQUIRED.—Upon request of either of the committees specified in subsection (d), the Under Secretary of the Treasury for Terrorism and Financial Crimes shall testify to explain the effects of this Act and the amendments made by this Act on North Korea's access to illicit finance channels.

(d) COMMITTEES SPECIFIED.—The committees specified in this subsection are—

(1) the Committee on Financial Services of the House of Representatives; and

(2) the Committee on Banking, Housing, and Urban Affairs of the Senate.

**SEC. 7127. SENSE OF CONGRESS ON IDENTIFICATION AND BLOCKING OF PROPERTY OF NORTH KOREAN OFFICIALS.**

It is the sense of Congress that the President should—



- (1) encourage international collaboration to counter the money laundering, terrorist financing, and proliferation financing threats emanating from North Korea; and
- (2) prioritize multilateral efforts to identify and block—
  - (A) any property owned or controlled by a North Korean official; and
  - (B) any significant proceeds of kleptocracy by the Government of North Korea or a North Korean official.

**SEC. 7128. MODIFICATION OF REPORT ON IMPLEMENTATION OF UNITED NATIONS SECURITY COUNCIL RESOLUTIONS BY OTHER GOVERNMENTS.**

Section 317 of the Korean Interdiction and Modernization of Sanctions Act (title III of Public Law 115–44; 131 Stat. 950) is amended—

(1) in subsection (a)—

(A) in the matter preceding paragraph (1), by striking “Not later than 180 days after the date of the enactment of this Act, and annually thereafter for 5 years,” and inserting “Not later than 180 days after the date of the enactment of the Otto Warmbier North Korea Nuclear Sanctions and Enforcement Act of 2019, and annually thereafter for 5 years,”;

(B) in paragraph (3), by striking “; or” and inserting a semicolon;

(C) by redesignating paragraph (4) as paragraph (8); and

(D) by inserting after paragraph (3) the following:

“(4) prohibit, in the territories of such countries or by persons subject to the jurisdiction of such governments, the opening of new joint ventures or cooperative entities with North Korean persons or the expansion of existing joint ventures through additional investments, whether or not for or on behalf of the Government of North Korea, unless such joint ventures or cooperative entities have been approved by the committee of the United Nations Security Council established by United Nations Security Council Resolution 1718 (2006);

“(5) prohibit the unauthorized clearing of funds by North Korean financial institutions through financial institutions subject to the jurisdiction of such governments;

“(6) prohibit the unauthorized conduct of commercial trade with North Korea that is prohibited under applicable United Nations Security Council resolutions;

“(7) prevent the provision of significant financial services to North Korean persons or the transfer of such services to North Korean persons to, through, or from the territories of such countries or by persons subject to the jurisdiction of such governments; or”;

(2) by amending subsection (c) to read as follows:

“(c) DEFINITIONS.—In this section:

“(1) APPROPRIATE CONGRESSIONAL COMMITTEES AND LEADERSHIP.—The term ‘appropriate congressional committees and leadership’ means—

“(A) the Committee on Foreign Relations, the Committee on Banking, Housing, and Urban Affairs, and the majority and minority leaders of the Senate; and

“(B) the Committee on Foreign Affairs, the Committee on Financial Services, the Committee on Ways and Means, and the Speaker, the majority leader, and the minority leader of the House of Representatives.

“(2) APPLICABLE UNITED NATIONS SECURITY COUNCIL RESOLUTION; NORTH KOREAN FINANCIAL INSTITUTION; NORTH KOREAN PERSON.—The terms ‘applicable United Nations Security Council resolution’, ‘North Korean financial institution’, and ‘North Korean person’ have the meanings given those terms in section 3 of the North Korea Sanctions and Policy Enhancement Act of 2016 (22 U.S.C. 9202).”.

**SEC. 7129. REPORT ON USE BY THE GOVERNMENT OF NORTH KOREA OF BENEFICIAL OWNERSHIP RULES TO ACCESS THE INTERNATIONAL FINANCIAL SYSTEM.**

(a) IN GENERAL.—Not later than 180 days after the date of the enactment of this Act, the Secretary of the Treasury, in consultation with the Secretary of State, shall submit to the appropriate congressional committees a report setting forth the findings of the Secretary regarding how the Government of North Korea is exploiting the laws of countries other than the United States with respect to the beneficial owner of an entity in order to access the international financial system.

(b) ELEMENTS.—The Secretary shall include in the report required under subsection (a) proposals for such legislative and administrative action as the Secretary considers appropriate to combat the abuse by the Government of North Korea of shell companies and other similar entities subject to the jurisdiction of governments other than the United States Government to avoid or evade sanctions.

(c) FORM.—The report required by subsection (a) shall be submitted in unclassified form but may include a classified annex.

**PART II—CONGRESSIONAL REVIEW AND OVERSIGHT**

**SEC. 7131. NOTIFICATION OF TERMINATION OR SUSPENSION OF SANCTIONS.**

Before taking any action to terminate or suspend the application of sanctions under this subtitle or an amendment made by this subtitle, the President shall notify the appropriate congressional committees of the President’s intent to take the action and the reasons for the action.

**SEC. 7132. REPORTS ON CERTAIN LICENSING ACTIONS.**

(a) REPORT REQUIRED.—

(1) IN GENERAL.—Not later than 180 days after the date of the enactment of this Act, and every 180 days thereafter, the President shall submit to the committees specified in paragraph (2) a report on the operation of the system for issuing licenses for transactions under covered regulatory provisions during the preceding 180-day period that includes—

(A) the number and types of such licenses applied for during that period; and

(B) the number of such licenses issued during that period and information identifying the person receiving each such license.

(2) COMMITTEES SPECIFIED.—The committees specified in this paragraph are the following:

(A) The Committee on Financial Services and the Committee on Foreign Affairs of the House of Representatives.

(B) The Committee on Banking, Housing, and Urban Affairs and the Committee on Foreign Relations of the Senate.

(b) SUBMISSION OF COPIES OF LICENSES ON REQUEST.—The Secretary of the Treasury shall expeditiously provide a copy of any license identified in a report required by subsection (a)(1) to the Committee on Financial Services of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate if an appropriate Member of Congress requests a copy of that license not later than 30 days after submission of the report.

(c) FORM.—Each report required by subsection (a), and each copy of a license submitted under subsection (b), shall be submitted in unclassified form but may include a classified annex.

(d) DEFINITIONS.—In this section:

(1) APPROPRIATE MEMBER OF CONGRESS.—The term “appropriate Member of Congress” means—

(A) the chairman or ranking member of the Committee on Financial Services of the House of Representatives; or

(B) the chairman or ranking member of the Committee on Banking, Housing, and Urban Affairs of the Senate.

(2) COVERED REGULATORY PROVISION.—The term “covered regulatory provision” means any of the following provisions, as in effect on the day before the date of the enactment of this Act and as such provisions relate to North Korea:

(A) Part 743, 744, or 746 of title 15, Code of Federal Regulations.

(B) Part 510 of title 31, Code of Federal Regulations.

(C) Any other provision of title 31, Code of Federal Regulations.

**SEC. 7133. REPORT AND BRIEFINGS ON FINANCIAL NETWORKS AND FINANCIAL METHODS OF THE GOVERNMENT OF NORTH KOREA.**

(a) REPORT REQUIRED.—

(1) IN GENERAL.—Not later than 180 days after the date of the enactment of this Act, the President shall submit to the appropriate congressional committees a report on sources of external support for the Government of North Korea that includes—

(A) a description of the methods used by the Government of North Korea to deal in, transact in, or conceal the ownership, control, or origin of, goods and services exported by North Korea;

(B) an assessment of the relationship between the proliferation of weapons of mass destruction by the Government of North Korea and the financial industry or financial institutions;

(C) an assessment of the relationship between the acquisition by the Government of North Korea of military expertise, equipment, and technology and the financial industry or financial institutions;

(D) a description of the export by any person to the United States of goods, services, or technology that are made with significant amounts of North Korean labor, material, or goods, including minerals, manufacturing, seafood, overseas labor, or other exports from North Korea;

(E) an assessment of the involvement of any person in human trafficking involving citizens or nationals of North Korea;

(F) a description of how the President plans to address the flow of funds generated by activities described in subparagraphs (A) through (E), including through the use of sanctions or other means;

(G) an assessment of the extent to which the Government of North Korea engages in criminal activities, including money laundering, to support that Government;

(H) information relating to the identification, blocking, and release of property described in section 201B(b)(1) of the North Korea Sanctions and Policy Enhancement Act of 2016, as added by section 7121;

(I) a description of the metrics used to measure the effectiveness of law enforcement and diplomatic initiatives of Federal, State, and foreign governments to comply with the provisions of applicable United Nations Security Council resolutions; and

(J) an assessment of the effectiveness of programs within the financial industry to ensure compliance with United States sanctions, applicable United Nations Security Council resolutions, and applicable Executive orders.

(2) FORM.—The report required by paragraph (1) shall be submitted in unclassified form but may include a classified annex.

(b) BRIEFINGS.—Not later than one year after the submission of the report required by subsection (a), and annually thereafter until the date that is 5 years after the date of the enactment of this Act, the President shall brief the appropriate congressional committees on the matters covered by the report for the one-year period preceding the briefing.

(c) INTERAGENCY COORDINATION.—The President shall ensure that any information collected pursuant to subsection (a) is shared among the Federal departments and agencies involved in investigations described in section 102(b) of the North Korea Sanctions and Policy Enhancement Act of 2016 (22 U.S.C. 9212(b)).

**SEC. 7134. REPORT ON COUNTRIES OF CONCERN WITH RESPECT TO TRANSSHIPMENT, REEXPORTATION, OR DIVERSION OF CERTAIN ITEMS TO NORTH KOREA.**

(a) IN GENERAL.—Not later than 180 days after the date of the enactment of this Act, and annually thereafter through 2023, the Director of National Intelligence shall submit to the President, the Secretary of Defense, the Secretary of Commerce, the Secretary of State, the Secretary of the Treasury, and the appropriate congressional committees a report that identifies all countries that the Director determines are of concern with respect to transshipment, reexportation, or diversion of items subject to the provisions of the Export Administration Regulations under subchapter C of chapter VII of title 15, Code of Federal Regulations, to an entity owned or controlled by the Government of North Korea.

(b) FORM.—Each report required by subsection (a) shall be submitted in unclassified form but may include a classified annex.

### **PART III—GENERAL MATTERS**

#### **SEC. 7141. RULEMAKING.**

The President shall prescribe such rules and regulations as may be necessary to carry out this subtitle and amendments made by this subtitle.

#### **SEC. 7142. AUTHORITY TO CONSOLIDATE REPORTS.**

(a) IN GENERAL.—Any and all reports required to be submitted to the appropriate congressional committees under this subtitle or an amendment made by this subtitle that are subject to a deadline for submission consisting of the same unit of time may be consolidated into a single report that is submitted pursuant to that deadline.

(b) CONTENTS.—Any reports consolidated under subsection (a) shall contain all information required under this subtitle or an amendment made by this subtitle and any other elements that may be required by existing law.

#### **SEC. 7143. WAIVERS, EXEMPTIONS, AND TERMINATION.**

(a) APPLICATION AND MODIFICATION OF EXEMPTIONS FROM AND WAIVERS OF NORTH KOREA SANCTIONS AND POLICY ENHANCEMENT ACT OF 2016.—Section 208 of the North Korea Sanctions and Policy Enhancement Act of 2016 (22 U.S.C. 9228) is amended by inserting “201B, 201C,” after “201A,” each place it appears.

##### **(b) SUSPENSION.—**

(1) IN GENERAL.—Subject to section 7131, the President may suspend the application of any provision of or amendment made by this subtitle (other than section 7147 of this title or section 201B(e) of the North Korea Sanctions and Policy Enhancement Act of 2016, as added by section 7121 of this title) with respect to an entity, individual, or transaction, for renewable periods of not more than 180 days each if, before such a suspension or renewal of such a suspension takes effect, the President submits to the appropriate congressional committees—

##### **(A) a certification that—**

##### **(i) the Government of North Korea has—**

(I) committed to the verifiable suspension of North Korea’s proliferation and testing of weapons of mass destruction, including systems designed in whole or in part for the delivery of such weapons; and

(II) has agreed to multilateral talks including the Government of the United States, with the goal of permanently and verifiably limiting North Korea’s weapons of mass destruction and ballistic missile programs; or

##### **(ii) the suspension is vital to the national security interests of the United States; and**

(B) if the President submits a certification under subparagraph (A)(ii), an explanation of the reasons the suspension is vital to the national security interests of the United States.

(2) **CONFORMING AMENDMENT.**—Section 401(a) of the North Korea Sanctions and Policy Enhancement Act of 2016 (22 U.S.C. 9251(a)) is amended by inserting “(other than section 104(g), 201B, or 201C)” after “such titles”.

(c) **TERMINATION.**—Subject to section 7131, any requirement to impose sanctions under this subtitle or the amendments made by this subtitle, and any sanctions imposed pursuant to this subtitle or any such amendment, shall terminate on the date on which the President makes the certification described in section 402 of the North Korea Sanctions and Policy Enhancement Act of 2016 (22 U.S.C. 9252).

**SEC. 7144. PROCEDURES FOR REVIEW OF CLASSIFIED AND CERTAIN OTHER INFORMATION.**

(a) **IN GENERAL.**—If a finding under this subtitle or an amendment made by this subtitle, a prohibition, condition, or penalty imposed as a result of any such finding, or a penalty imposed under this subtitle or an amendment made by this subtitle, is based on classified information (as defined in section 1(a) of the Classified Information Procedures Act (18 U.S.C. App.)), law enforcement information, or any other information protected from disclosure by statute, and a court reviews the finding or the imposition of the prohibition, condition, or penalty, the Secretary of the Treasury may submit such information to the court *ex parte* and *in camera*.

(b) **RULE OF CONSTRUCTION.**—Nothing in this section shall be construed to confer or imply any right to judicial review of any finding under this subtitle or an amendment made by this subtitle, any prohibition, condition, or penalty imposed as a result of any such finding, or any penalty imposed under this subtitle or an amendment made by this subtitle.

**SEC. 7145. BRIEFING ON RESOURCING OF SANCTIONS PROGRAMS.**

Not later than 30 days after the date of the enactment of this Act, the Secretary of the Treasury shall provide to the appropriate congressional committees a briefing on—

(1) the resources allocated by the Department of the Treasury to support each sanctions program administered by the Department; and

(2) recommendations for additional authorities or resources necessary to expand the capacity or capability of the Department related to implementation and enforcement of such programs.

**SEC. 7146. BRIEFING ON PROLIFERATION FINANCING.**

(a) **IN GENERAL.**—Not later than 60 days after the date of the enactment of this Act, the Secretary of the Treasury, in consultation with the Secretary of State, shall provide to the appropriate congressional committees a briefing on addressing proliferation finance.

(b) **ELEMENTS.**—The briefing required by subsection (a) shall include the following:

(1) The Department of the Treasury’s description of the principles underlying appropriate methods for combating the financing of the proliferation of weapons of mass destruction.

(2) An assessment of—

(A) Federal financial regulatory agency oversight, including by the Financial Crimes Enforcement Network,

of United States financial institutions and the adoption by their foreign subsidiaries, branches, and correspondent institutions of the principles described under paragraph (1); and

(B) whether financial institutions in foreign jurisdictions known by the United States intelligence and law enforcement communities to be jurisdictions through which North Korea moves substantial sums of licit and illicit finance are applying a risk-based approach to proliferation financing, and if that approach is comparable to the approach required by United States financial institution supervisors.

(3) A survey of the technical assistance the Office of Technical Assistance of the Department of the Treasury and other appropriate Executive branch offices currently provide foreign governments on implementing counter-proliferation financing best practices.

(4) An assessment of the ability of foreign subsidiaries, branches, and correspondent institutions of United States financial institutions to implement a risk-based approach to proliferation financing.

**SEC. 7147. EXCEPTION RELATING TO IMPORTATION OF GOODS.**

(a) **IN GENERAL.**—The authorities and requirements to impose sanctions authorized under this subtitle or any amendment made by this subtitle shall not include the authority or requirement to impose sanctions on the importation of goods.

(b) **GOOD DEFINED.**—In this section, the term “good” means any article, natural or manmade substance, material, supply or manufactured product, including inspection and test equipment, and excluding technical data.

## **Subtitle B—Financial Industry Guidance to Halt Trafficking**

**SEC. 7151. SHORT TITLE.**

This subtitle may be cited as the “Financial Industry Guidance to Halt Trafficking Act” or the “FIGHT Act”.

**SEC. 7152. SENSE OF CONGRESS.**

It is the sense of Congress that—

(1) the President should aggressively apply, as appropriate, existing sanctions for human trafficking authorized under section 111 of the Trafficking Victims Protection Act of 2000 (22 U.S.C. 7108);

(2) the Financial Crimes Enforcement Network of the Department of the Treasury should continue—

(A) to monitor reporting required under subchapter II of chapter 53 of title 31, United States Code (commonly known as the “Bank Secrecy Act”) and to update advisories, as warranted;

(B) to periodically review its advisories to provide covered financial institutions, as appropriate, with a list of new “red flags” for identifying activities of concern, particularly human trafficking;

(C) to encourage entities covered by the advisories described in subparagraph (B) to incorporate relevant elements provided in the advisories into their current transaction and account monitoring systems or in policies, procedures, and training on human trafficking to enable financial institutions to maintain ongoing efforts to examine transactions and accounts;

(D) to use geographic targeting orders, as appropriate, to impose additional reporting and recordkeeping requirements under section 5326(a) of title 31, United States Code, to carry out the purposes of, and prevent evasions of, the Bank Secrecy Act; and

(E) to utilize the Bank Secrecy Act Advisory Group and other relevant entities to identify opportunities for nongovernmental organizations to share relevant actionable information on human traffickers' use of the financial sector for nefarious purposes;

(3) Federal banking regulators, the Department of the Treasury, relevant law enforcement agencies, and the Human Smuggling and Trafficking Center, in partnership with representatives from the United States financial community, should adopt regular forms of sharing information to disrupt human trafficking, including developing protocols and procedures to share actionable information between and among covered institutions, law enforcement, and the United States intelligence community;

(4) training frontline bank and money service business employees, school teachers, law enforcement officers, foreign service officers, counselors, and the general public is an important factor in identifying trafficking victims;

(5) the Department of Homeland Security's Blue Campaign, training by the BEST Employers Alliance, and similar efforts by industry, human rights, and nongovernmental organizations focused on human trafficking provide good examples of current efforts to educate employees of critical sectors with respect to how to save victims and disrupt trafficking networks;

(6) the President should intensify diplomatic efforts, bilaterally and in appropriate international fora such as the United Nations, to develop and implement a coordinated, consistent, multilateral strategy for addressing the international financial networks supporting human trafficking; and

(7) in deliberations between the United States Government and any foreign country, including through participation in the Egmont Group of Financial Intelligence Units, regarding money laundering, corruption, and transnational crimes, the United States Government should—

(A) encourage cooperation by foreign governments and relevant international fora in identifying the extent to which the proceeds from human trafficking are being used to facilitate terrorist financing, corruption, or other illicit financial crimes;

(B) encourage cooperation by foreign governments and relevant international fora in identifying the nexus between human trafficking and money laundering;

(C) advance policies that promote the cooperation of foreign governments, through information sharing,



training, or other measures, in the enforcement of this subtitle;

(D) encourage other countries to assess their human trafficking and money laundering risks in light of updated guidance provided by the Financial Action Task Force in 2018; and

(E) encourage the Egmont Group of Financial Intelligence Units to study the extent to which human trafficking operations are being used for money laundering, terrorist financing, or other illicit financial purposes.

**SEC. 7153. COORDINATION OF HUMAN TRAFFICKING ISSUES BY THE OFFICE OF TERRORISM AND FINANCIAL INTELLIGENCE.**

(a) **FUNCTIONS.**—Section 312(a)(4) of title 31, United States Code, is amended—

(1) by redesignating subparagraphs (E), (F), and (G) as subparagraphs (F), (G), and (H), respectively; and

(2) by inserting after subparagraph (D) the following:

“(E) combating illicit financing relating to human trafficking;”.

(b) **INTERAGENCY COORDINATION.**—Section 312(a) of such title is amended by adding at the end the following:

“(8) **INTERAGENCY COORDINATION.**—The Secretary of the Treasury, after consultation with the Undersecretary for Terrorism and Financial Crimes, shall designate an office within the OTFI that shall coordinate efforts to combat the illicit financing of human trafficking with—

“(A) other offices of the Department of the Treasury;

“(B) other Federal agencies, including—

“(i) the Office to Monitor and Combat Trafficking in Persons of the Department of State; and

“(ii) the Interagency Task Force to Monitor and Combat Trafficking;

“(C) State and local law enforcement agencies; and

“(D) foreign governments.”.

**SEC. 7154. STRENGTHENING THE ROLE OF ANTI-MONEY LAUNDERING AND OTHER FINANCIAL TOOLS IN COMBATING HUMAN TRAFFICKING.**

(a) **INTERAGENCY TASK FORCE RECOMMENDATIONS TARGETING MONEY LAUNDERING RELATED TO HUMAN TRAFFICKING.**—

(1) **IN GENERAL.**—Not later than 270 days after the date of the enactment of this Act, the Interagency Task Force to Monitor and Combat Trafficking, with the concurrence of the Secretary of State and the Secretary of the Treasury, shall submit to the Committee on Banking, Housing, and Urban Affairs, the Committee on Foreign Relations, and the Committee on the Judiciary of the Senate, the Committee on Financial Services, the Committee on Foreign Affairs, and the Committee on the Judiciary of the House of Representatives, and each appropriate Federal banking agency—

(A) an analysis of anti-money laundering efforts of the United States Government, United States financial institutions, and international financial institutions (as defined in section 1701(c) of the International Financial Institutions Act (22 U.S.C. 262r(c))) related to human trafficking; and

(B) appropriate legislative, administrative, and other recommendations to strengthen efforts against money laundering related to human trafficking.

(2) REQUIRED RECOMMENDATIONS.—The recommendations under paragraph (1) shall include—

(A) best practices based on successful anti-human trafficking programs currently in place at domestic and international financial institutions that are suitable for broader adoption;

(B) feedback from stakeholders, including victims of severe forms of trafficking in persons, advocates of persons at risk of becoming victims of severe forms of trafficking in persons, the United States Advisory Council on Human Trafficking, civil society organizations, and financial institutions on policy proposals derived from the analysis conducted by the task force referred to in paragraph (1) that would enhance the efforts and programs of financial institutions to detect and deter money laundering related to human trafficking, including any recommended changes to internal policies, procedures, and controls related to human trafficking;

(C) any recommended changes to training programs at financial institutions to better equip employees to deter and detect money laundering related to human trafficking; and

(D) any recommended changes to expand human trafficking-related information sharing among financial institutions and between such financial institutions, appropriate law enforcement agencies, and appropriate Federal agencies.

(b) ADDITIONAL REPORTING REQUIREMENT.—Section 105(d)(7) of the Trafficking Victims Protection Act of 2000 (22 U.S.C. 7103(d)(7)) is amended—

(1) in the matter preceding subparagraph (A)—

(A) by inserting “the Committee on Financial Services,” after “the Committee on Foreign Affairs”; and

(B) by inserting “the Committee on Banking, Housing, and Urban Affairs,” after “the Committee on Foreign Relations,”;

(2) in subparagraph (Q)(vii), by striking “; and” and inserting a semicolon;

(3) in subparagraph (R), by striking the period at the end and inserting “; and”; and

(4) by adding at the end the following:

“(S) the efforts of the United States to eliminate money laundering related to human trafficking and the number of investigations, arrests, indictments, and convictions in money laundering cases with a nexus to human trafficking.”.

(c) REQUIRED REVIEW OF PROCEDURES.—Not later than 180 days after the date of the enactment of this Act, the Federal Financial Institutions Examination Council, in consultation with the Secretary of the Treasury, victims of severe forms of trafficking in persons, advocates of persons at risk of becoming victims of severe forms of trafficking in persons, the United States Advisory Council on Trafficking, civil society organizations, the private sector, and appropriate law enforcement agencies, shall—

(1) review and enhance training and examination procedures to improve the surveillance capabilities of anti-money laundering programs and programs countering the financing of terrorism to detect human trafficking-related financial transactions;

(2) review and enhance procedures for referring potential human trafficking cases to the appropriate law enforcement agency; and

(3) determine, as appropriate, whether requirements for financial institutions and covered financial institutions are sufficient to detect and deter money laundering related to human trafficking.

(d) LIMITATIONS.—Nothing in this section shall be construed to—

(1) grant rulemaking authority to the Interagency Task Force to Monitor and Combat Trafficking; or

(2) authorize financial institutions to deny services to or violate the privacy of victims of trafficking, victims of severe forms of trafficking, or individuals not responsible for promoting severe forms of trafficking in persons.

**SEC. 7155. SENSE OF CONGRESS ON RESOURCES TO COMBAT HUMAN TRAFFICKING.**

It is the sense of Congress that—

(1) adequate funding should be provided for critical Federal efforts to combat human trafficking;

(2) the Department of the Treasury should have the appropriate resources to vigorously investigate human trafficking networks under section 111 of the Trafficking Victims Protection Act of 2000 (22 U.S.C. 7108) and other relevant statutes and Executive orders;

(3) the Department of the Treasury and the Department of Justice should each have the capacity and appropriate resources to support technical assistance to develop foreign partners' ability to combat human trafficking through strong national anti-money laundering programs and programs countering the financing of terrorism;

(4) each United States Attorney's Office should be provided appropriate funding to increase the number of personnel for community education and outreach and investigative support and forensic analysis related to human trafficking; and

(5) the Department of State should be provided additional resources, as necessary, to carry out the Survivors of Human Trafficking Empowerment Act (section 115 of Public Law 114–22; 129 Stat. 243).

**TITLE LXXII—SANCTIONS WITH RESPECT TO FOREIGN TRAFFICKERS OF ILLICIT SYNTHETIC OPIOIDS**

Sec. 7201. Short title.  
Sec. 7202. Sense of Congress.  
Sec. 7203. Definitions.

Subtitle A—Sanctions With Respect to Foreign Opioid Traffickers

Sec. 7211. Identification of foreign opioid traffickers.  
Sec. 7212. Imposition of sanctions.