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2D SESSION

S. 4858

To require the imposition of sanctions with respect to financial institutions of countries of concern that clear, verify, or settle transactions with other financial institutions of such countries.

IN THE SENATE OF THE UNITED STATES

JULY 30, 2024

Mr. RUBIO introduced the following bill; which was read twice and referred to the Committee on Banking, Housing, and Urban Affairs

A BILL

To require the imposition of sanctions with respect to financial institutions of countries of concern that clear, verify, or settle transactions with other financial institutions of such countries.

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 Evasion Pre-
5 vention And Mitigation Act of 2024” or the “SEPAM Act
6 of 2024”.

1 **SEC. 2. IMPOSITION OF SANCTIONS WITH RESPECT TO CER-**
2 **TAIN FINANCIAL INSTITUTIONS OF COUN-**
3 **TRIES OF CONCERN.**

4 (a) **IN GENERAL.**—The President shall impose one
5 or more of the sanctions described in subsection (b) with
6 respect to each covered financial institution that uses the
7 Cross-Border Interbank Payment System (commonly re-
8 ferred to as “CIPS”), the System for Transfer of Finan-
9 cial Messages (commonly referred to as “SPFS”), or the
10 System for Electronic Payment Messaging (commonly re-
11 ferred to as “SEPAM”) to clear, verify, settle, or other-
12 wise conduct transactions with any other covered financial
13 institution.

14 (b) **SANCTIONS DESCRIBED.**—The sanctions de-
15 scribed in this subsection are the following:

16 (1) **PROPERTY BLOCKING.**—The exercise of ex-
17 ercise all of the powers granted by the International
18 Emergency Economic Powers Act (50 U.S.C. 1701
19 et seq.) to the extent necessary to block and prohibit
20 all transactions in all property and interests in prop-
21 erty of a covered financial institution subject to sub-
22 section (a) if such property and interests in property
23 are in the United States, come within the United
24 States, or are or come within the possession or con-
25 trol of a United States person.

1 (2) RESTRICTIONS ON CORRESPONDENT AND
2 PAYABLE-THROUGH ACCOUNTS.—A prohibition on
3 the opening or maintaining in the United States of
4 a correspondent account or a payable-through ac-
5 count by a covered financial institution subject to
6 subsection (a).

7 (3) EXECUTIVE OFFICERS INADMISSIBLE FOR
8 VISAS, ADMISSION, OR PAROLE.—

9 (A) VISAS, ADMISSION, OR PAROLE.—An
10 executive officer of a covered financial institu-
11 tion subject to subsection (a) who is an alien
12 is—

13 (i) inadmissible to the United States;

14 (ii) ineligible to receive a visa or other
15 documentation to enter the United States;
16 and

17 (iii) otherwise ineligible to be admitted
18 or paroled into the United States or to re-
19 ceive any other benefit under the Immigra-
20 tion and Nationality Act (8 U.S.C. 1101 et
21 seq.).

22 (B) CURRENT VISAS REVOKED.—

23 (i) IN GENERAL.—The visa or other
24 entry documentation of an alien described
25 in subparagraph (A) shall be revoked, re-

1 gardless of when such visa or other entry
2 documentation was issued.

3 (ii) IMMEDIATE EFFECT.—A revoca-
4 tion under clause (i) shall—

5 (I) take effect immediately; and

6 (II) automatically cancel any
7 other valid visa or entry documenta-
8 tion that is in the alien's possession.

9 (c) EXCEPTIONS.—

10 (1) EXCEPTION FOR INTELLIGENCE ACTIVI-
11 TIES.—This section shall not apply with respect to
12 activities subject to the reporting requirements
13 under title V of the National Security Act of 1947
14 (50 U.S.C. 3091 et seq.) or any authorized intel-
15 ligence activities of the United States.

16 (2) COMPLIANCE WITH UNITED NATIONS HEAD-
17 QUARTERS AGREEMENT.—Subsection (b)(3) shall
18 not apply with respect to the admission of an alien
19 to the United States if such admission is necessary
20 to permit the United States to comply with the
21 Agreement regarding the Headquarters of the
22 United Nations, signed at Lake Success, June 26,
23 1947, and entered into force, November 21, 1947,
24 between the United Nations and the United States.

1 (3) EXCEPTION RELATING TO IMPORTATION OF
2 GOODS.—

3 (A) IN GENERAL.—The authority to block
4 and prohibit all transactions in all property and
5 interests in property under subsection (b)(1)
6 shall not include the authority or a requirement
7 to impose sanctions on the importation of
8 goods.

9 (B) GOOD.—In this paragraph, the term
10 “good” means any article, natural or manmade
11 substance, material, supply or manufactured
12 product, including inspection and test equip-
13 ment, and excluding technical data.

14 (d) IMPLEMENTATION; PENALTIES.—

15 (1) IMPLEMENTATION.—The President may ex-
16 ercise all authorities provided under sections 203
17 and 205 of the International Emergency Economic
18 Powers Act (50 U.S.C. 1702 and 1704) to carry out
19 this section.

20 (2) PENALTIES.—A person that violates, at-
21 tempts to violate, conspires to violate, or causes a
22 violation of this section or any regulation, license, or
23 order issued to carry out this section shall be subject
24 to the penalties set forth in subsections (b) and (c)
25 of section 206 of the International Emergency Eco-

1 nomic Powers Act (50 U.S.C. 1705) to the same ex-
2 tent as a person that commits an unlawful act de-
3 scribed in subsection (a) of that section.

4 (e) DELEGATION.—Not later than 90 days after the
5 date of the enactment of this Act, the President shall—

6 (1) make a determination with respect to if and
7 how the President will delegate the requirements
8 and authorities under this section; and

9 (2) notify the appropriate congressional com-
10 mittees of that determination.

11 (f) REGULATIONS.—Not later than 90 days after the
12 date of the enactment of this Act, the President shall pre-
13 scribe such regulations as are necessary to carry out this
14 section.

15 (g) REPORT REQUIRED.—

16 (1) IN GENERAL.—Not later than 180 days
17 after the date of the enactment of this Act, the
18 President shall submit to the appropriate congress-
19 sional committees a report—

20 (A) describing the scope and usage of
21 CIPS, SPFS, or SEPAM around the world, in-
22 cluding usage rates by country;

23 (B) assessing the risks that widespread
24 adoption of CIPS, SPFS, or SEPAM poses to
25 the national security of the United States;

1 (C) assessing the ability of CIPS, SPFS,
2 and SEPAM in helping countries of concern
3 circumvent United States and international
4 sanctions; and

5 (D) making recommendations to further
6 preserve and strengthen the influence of the
7 United States in the global financial system.

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

11 (h) DEFINITIONS.—In this section:

12 (1) ACCOUNT; CORRESPONDENT ACCOUNT; PAY-
13 ABLE-THROUGH ACCOUNT.—The terms “account”,
14 “correspondent account”, and “payable-through ac-
15 count” have the meanings given those terms in sec-
16 tion 5318A of title 31, United States Code.

17 (2) ADMISSION; ADMITTED; ALIEN.—The terms
18 “admission”, “admitted”, and “alien” have the
19 meanings given those terms in section 101 of the
20 Immigration and Nationality Act (8 U.S.C. 1101).

21 (3) APPROPRIATE CONGRESSIONAL COMMIT-
22 TEES.—The term “appropriate congressional com-
23 mittees” means—

24 (A) the Committee on Foreign Relations,
25 the Committee on Banking, Housing, and

1 Urban Affairs, and the Select Committee on In-
2 telligence of the Senate; and

3 (B) the Committee on Foreign Affairs, the
4 Committee on Financial Services, and the Per-
5 manent Select Committee on Intelligence of the
6 House of Representatives.

7 (4) COVERED FINANCIAL INSTITUTION.—The
8 term “covered financial institution” means a finan-
9 cial institution—

10 (A) located in—

11 (i) a country of concern; or

12 (ii) territory controlled by an entity
13 holding itself out to be the government of
14 the Republic of South Ossetia, the State of
15 Alania, the Donetsk People’s Republic, the
16 Luhansk People’s Republic, the Republic
17 of Abkhazia, or the Pridnestrovian
18 Moldavian Republic;

19 (B) organized under the laws of a country
20 of concern, any jurisdiction within a country of
21 concern, or an entity described in subparagraph
22 (A)(ii), including a foreign branch of such an
23 institution;

1 (C) wherever located, owned or controlled
2 by the government of a country of concern or
3 an entity described in subparagraph (A)(ii); or

4 (D) wherever located, owned or controlled
5 by a financial institution described in subpara-
6 graph (A), (B), or (C).

7 (5) COUNTRY OF CONCERN.—The term “coun-
8 try of concern”—

9 (A) has the meaning given the term “for-
10 eign adversary” in section 8(c)(2) of the Secure
11 and Trusted Communications Networks Act of
12 2019 (47 U.S.C. 1607(c)(2)); and

13 (B) includes—

14 (i) the People’s Republic of China (in-
15 cluding the Special Administrative Regions
16 of China, including Hong Kong and
17 Macau);

18 (ii) the Russian Federation;

19 (iii) Iran;

20 (iv) North Korea;

21 (v) Cuba; and

22 (vi) Venezuela under the regime of
23 Nicolás Maduro.

24 (6) FINANCIAL INSTITUTION.—The term “fi-
25 nancial institution” means a financial institution

1 specified in subparagraph (A), (B), (C), (D), (E),
2 (F), (G), (H), (I), (J), (M), or (Y) of section
3 5312(a)(2) of title 31, United States Code.

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