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2D SESSION

H. R. 5094

IN THE SENATE OF THE UNITED STATES

SEPTEMBER 22, 2016

Received; read twice and referred to the Committee on Foreign Relations

AN ACT

To contain, reverse, and deter Russian aggression in Ukraine, to assist Ukraine's democratic transition, 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,*

1 **SECTION 1. SHORT TITLE AND TABLE OF CONTENTS.**

2 (a) **SHORT TITLE.**—This Act may be cited as the
 3 “Stability and Democracy for Ukraine Act” or “STAND
 4 for Ukraine Act”.

5 (b) **TABLE OF CONTENTS.**—The table of contents for
 6 this Act is as follows:

- Sec. 1. Short title and table of contents.
- Sec. 2. Statements of policy.

TITLE I—CRIMEA ANNEXATION NON-RECOGNITION

- Sec. 101. United States policy against recognition of territorial changes effected by force alone.
- Sec. 102. Prohibitions against United States recognition of the Russian Federation’s annexation of Crimea.
- Sec. 103. Determinations and codification of sanctions under Executive Order No. 13685.

TITLE II—SANCTIONS PROVISIONS

- Sec. 201. Prohibiting certain transactions with foreign sanctions evaders and serious human rights abusers with respect to the Russian Federation.
- Sec. 202. Report on certain foreign financial institutions.
- Sec. 203. Requirements relating to transfers of defense articles and defense services to the Russian Federation.

TITLE III—OTHER MATTERS

- Sec. 301. Strategy to respond to Russian Federation-supported information and propagand efforts directed toward Russian-speaking communities in countries bordering the Russian Federation.
- Sec. 302. Cost limitation.
- Sec. 303. Sunset.

7 **SEC. 2. STATEMENTS OF POLICY.**

8 (a) **IN GENERAL.**—It is the policy of the United
 9 States to further assist the Government of Ukraine in re-
 10 storing its sovereignty and territorial integrity to contain,
 11 reverse, and deter Russian aggression in Ukraine. That
 12 policy shall be carried into effect, among other things,
 13 through a comprehensive effort, in coordination with allies

1 and partners of the United States where appropriate, that
2 includes sanctions, diplomacy, and assistance, including le-
3 thal defensive weapons systems, for the people of Ukraine
4 intended to enhance their ability to consolidate a rule of
5 law-based democracy with a free market economy and to
6 exercise their right under international law to self-defense.

7 (b) ADDITIONAL STATEMENT OF POLICY.—It is fur-
8 ther the policy of the United States—

9 (1) to use its voice, vote, and influence in inter-
10 national fora to encourage others to provide assist-
11 ance that is similar to assistance described in sub-
12 section (a) to Ukraine; and

13 (2) to ensure that any relevant sanctions relief
14 for the Russian Federation is contingent on timely,
15 complete, and verifiable implementation of the Minsk
16 Agreements, especially the restoration of Ukraine’s
17 control of the entirety of its eastern border with the
18 Russian Federation in the conflict zone.

19 **TITLE I—CRIMEA ANNEXATION** 20 **NON-RECOGNITION**

21 **SEC. 101. UNITED STATES POLICY AGAINST RECOGNITION** 22 **OF TERRITORIAL CHANGES EFFECTED BY** 23 **FORCE ALONE.**

24 Between the years of 1940 and 1991, the United
25 States did not recognize the forcible incorporation and an-

1 nexation of the three Baltic States of Lithuania, Latvia,
2 and Estonia into the Soviet Union under a policy known
3 as the “Stimson Doctrine”.

4 **SEC. 102. PROHIBITIONS AGAINST UNITED STATES REC-**
5 **OGNITION OF THE RUSSIAN FEDERATION’S**
6 **ANNEXATION OF CRIMEA.**

7 (a) IN GENERAL.—In accordance with United States
8 policy enumerated in section 101, no Federal department
9 or agency should take any action or extend any assistance
10 that recognizes or implies any recognition of the de jure
11 or de facto sovereignty of the Russian Federation over Cri-
12 mea, its airspace, or its territorial waters.

13 (b) DOCUMENTS PORTRAYING CRIMEA AS PART OF
14 RUSSIAN FEDERATION.—In accordance with United
15 States policy enumerated in section 101, the Government
16 Printing Office should not print any map, document,
17 record, or other paper of the United States portraying or
18 otherwise indicating Crimea as part of the territory of the
19 Russian Federation.

20 **SEC. 103. DETERMINATIONS AND CODIFICATION OF SANC-**
21 **TIONS UNDER EXECUTIVE ORDER NO. 13685.**

22 (a) DETERMINATIONS.—

23 (1) IN GENERAL.—Not later than 90 days after
24 the date of enactment of this Act, the President
25 shall submit to the appropriate congressional com-

1 mittees a report that contains the assessment de-
2 scribed in paragraph (2).

3 (2) ASSESSMENT DESCRIBED.—The assessment
4 described in this paragraph is—

5 (A) a review of each person designated
6 pursuant to Executive Order No. 13660 (March
7 6, 2014; 79 Fed. Reg. 13493; relating to block-
8 ing property of certain persons contributing to
9 the situation in Ukraine) or Executive Order
10 No. 13661 (March 16, 2014; 79 Fed. Reg.
11 15535; relating to blocking property of addi-
12 tional persons contributing to the situation in
13 Ukraine); and

14 (B) a determination as to whether any
15 such person meets the criteria for designation
16 pursuant to Executive Order No. 13685 (De-
17 cember 19, 2014; 79 Fed. Reg. 77357; relating
18 to blocking property of certain persons and pro-
19 hibiting certain transactions with respect to the
20 Crimea region of Ukraine).

21 (3) FORM.—The assessment required by para-
22 graph (2) shall be submitted in unclassified form but
23 may contain a classified annex.

24 (b) CODIFICATION.—United States sanctions pro-
25 vided for in Executive Order No. 13685, as in effect on

1 the day before the date of the enactment of this Act, shall
2 remain in effect until the date on which the President sub-
3 mits to the appropriate congressional committees a certifi-
4 cation described in subsection (c).

5 (c) CERTIFICATION.—A certification described in this
6 subsection is a certification of the President that
7 Ukraine’s sovereignty over Crimea has been restored.

8 (d) RULE OF CONSTRUCTION.—Nothing in this sec-
9 tion shall be construed to restrict the authority of the
10 President to impose additional United States sanctions
11 with specific respect to the Russian Federation’s occupa-
12 tion of Crimea pursuant to Executive Order No. 13685.

13 (e) APPROPRIATE CONGRESSIONAL COMMITTEES.—
14 In this section, the term “appropriate congressional com-
15 mittees” means—

16 (1) the Committee on Foreign Affairs, the
17 Committee on Financial Services, and the Com-
18 mittee on Ways and Means of the House of Rep-
19 resentatives; and

20 (2) Committee on Foreign Relations and the
21 Committee on Banking, Housing, and Urban Affairs
22 of the Senate.

1 **TITLE II—SANCTIONS**
2 **PROVISIONS**

3 **SEC. 201. PROHIBITING CERTAIN TRANSACTIONS WITH**
4 **FOREIGN SANCTIONS EVADERS AND SERIOUS**
5 **HUMAN RIGHTS ABUSERS WITH RESPECT TO**
6 **THE RUSSIAN FEDERATION.**

7 The Support for the Sovereignty, Integrity, Democ-
8 racy, and Economic Stability of Ukraine Act of 2014
9 (Public Law 113–95; 22 U.S.C. 8901 et seq.) is amended
10 by adding at the end the following new sections:

11 **“SEC. 10. PROHIBITING CERTAIN TRANSACTIONS WITH**
12 **FOREIGN SANCTIONS EVADERS WITH RE-**
13 **SPECT TO THE RUSSIAN FEDERATION.**

14 “(a) IN GENERAL.—The President is authorized to
15 impose with respect to a foreign person the sanctions de-
16 scribed in subsection (b) if the President determines that
17 the foreign person knowingly—

18 “(1) has materially violated, attempted to vio-
19 late, conspired to violate, or caused a violation of
20 any license, order, regulation, or prohibition con-
21 tained in, or issued pursuant to any covered Execu-
22 tive order; or

23 “(2) has facilitated significant deceptive or
24 structured transactions for or on behalf of any per-

1 son subject to United States sanctions concerning
2 the Russian Federation.

3 “(b) SANCTIONS DESCRIBED.—

4 “(1) IN GENERAL.—The sanctions described in
5 this subsection are the exercise of all powers granted
6 to the President by the International Emergency
7 Economic Powers Act (50 U.S.C. 1701 et seq.) to
8 the extent necessary to block and prohibit all trans-
9 actions in all property and interests in property of
10 a person determined by the President to be subject
11 to subsection (a) if such property and interests in
12 property are in the United States, come within the
13 United States, or are or come within the possession
14 or control of a United States person.

15 “(2) PENALTIES.—A person that is subject to
16 sanctions described in paragraph (1) shall be subject
17 to the penalties set forth in subsections (b) and (c)
18 of section 206 of the International Emergency Eco-
19 nomic Powers Act (50 U.S.C. 1705) to the same ex-
20 tent as a person that commits an unlawful act de-
21 scribed in subsection (a) of that section.

22 “(c) WAIVER.—The President may waive the applica-
23 tion of sanctions under subsection (b) on a case-by-case
24 for a period of not more than 120 days, and may renew
25 that waiver for additional periods of not more than 120

1 days with respect to a person if the President determines
2 that such a waiver is in the national interests of the
3 United States and on or before the date on which the waiv-
4 er takes effect, submits to the appropriate congressional
5 committees a notice of and justification for the waiver.

6 “(d) IMPLEMENTATION AUTHORITY.—The President
7 may exercise all authorities provided to the President
8 under sections 203 and 205 of the International Emer-
9 gency Economic Powers Act (50 U.S.C. 1702 and 1704)
10 for purposes of carrying out this section.

11 “(e) REGULATORY AUTHORITY.—The President shall
12 issue such regulations, licenses, and orders as are nec-
13 essary to carry out this section.

14 “(f) DEFINITIONS.—In this section:

15 “(1) APPROPRIATE CONGRESSIONAL COMMIT-
16 TEES.—The term ‘appropriate congressional com-
17 mittees’ means—

18 “(A) the Committee on Foreign Affairs,
19 the Committee on Financial Services, and the
20 Committee on Ways and Means of the House of
21 Representatives; and

22 “(B) Committee on Foreign Relations and
23 the Committee on Banking, Housing, and
24 Urban Affairs of the Senate.

1 “(2) COVERED EXECUTIVE ORDER.—The term
2 ‘covered Executive order’ means any of the fol-
3 lowing:

4 “(A) Executive Order No. 13660 (March
5 6, 2014; 79 Fed. Reg. 13493; relating to block-
6 ing property of certain persons contributing to
7 the situation in Ukraine).

8 “(B) Executive Order No. 13661 (March
9 16, 2014; 79 Fed. Reg. 15535; relating to
10 blocking property of additional persons contrib-
11 uting to the situation in Ukraine).

12 “(C) Executive Order No. 13685 (Decem-
13 ber 19, 2014; 79 Fed. Reg. 77357; relating to
14 blocking property of certain persons and prohib-
15 iting certain transactions with respect to the
16 Crimea region of Ukraine).

17 “(3) FOREIGN PERSON.—The term ‘foreign per-
18 son’ has the meaning given such term in section
19 595.304 of title 31, Code of Federal Regulations, as
20 in effect on the date of the enactment of this Act.

21 “(4) STRUCTURED.—The term ‘structured’,
22 with respect to a transaction, has the meaning given
23 the term ‘structure’ in paragraph (xx) of section
24 1010.100 of title 31, Code of Federal Regulations.

1 “(3) is owned or controlled by a foreign person,
2 or has acted or purported to act for or on behalf of,
3 directly or indirectly, a foreign person, that is re-
4 sponsible for, complicit in, or responsible for order-
5 ing, controlling, or otherwise directing, the commis-
6 sion of serious human rights abuses in any territory
7 forcibly occupied or otherwise controlled by the Gov-
8 ernment of the Russian Federation.

9 “(b) SANCTIONS DESCRIBED.—

10 “(1) IN GENERAL.—The sanctions described in
11 this subsection are the exercise of all powers granted
12 to the President by the International Emergency
13 Economic Powers Act (50 U.S.C. 1701 et seq.),
14 without regard to section 202 of such Act, to the ex-
15 tent necessary to block and prohibit all transactions
16 in all property and interests in property of a person
17 determined by the President to be subject to sub-
18 section (a) if such property and interests in property
19 are in the United States, come within the United
20 States, or are or come within the possession or con-
21 trol of a United States person.

22 “(2) PENALTIES.—A person that is subject to
23 sanctions described in paragraph (1) 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 “(c) WAIVER.—The President may waive the applica-
5 tion of sanctions under subsection (b) on a case-by-case
6 for a period of not more than 120 days, and may renew
7 that waiver for additional periods of not more than 120
8 days with respect to a person if the President determines
9 that such a waiver is in the national interests of the
10 United States and on or before the date on which the waiv-
11 er takes effect, submits to the appropriate congressional
12 committees a notice of and justification for the waiver.

13 “(d) IMPLEMENTATION AUTHORITY.—The President
14 may exercise all authorities provided to the President
15 under sections 203 and 205 of the International Emer-
16 gency Economic Powers Act (50 U.S.C. 1702 and 1704)
17 for purposes of carrying out this section.

18 “(e) REGULATORY AUTHORITY.—The President shall
19 issue such regulations, licenses, and orders as are nec-
20 essary to carry out this section.

21 “(f) DEFINITIONS.—In this section:

22 “(1) APPROPRIATE CONGRESSIONAL COMMIT-
23 TEES.—The term ‘appropriate congressional com-
24 mittees’ means—

1 “(A) the Committee on Foreign Affairs,
2 the Committee on Financial Services, and the
3 Committee on Ways and Means of the House of
4 Representatives; and

5 “(B) Committee on Foreign Relations and
6 the Committee on Banking, Housing, and
7 Urban Affairs of the Senate.

8 “(2) FOREIGN PERSON.—The term ‘foreign per-
9 son’ has the meaning given such term in section
10 595.304 of title 31, Code of Federal Regulations, as
11 in effect on the date of enactment of this section.

12 “(3) UNITED STATES PERSON.—The term
13 ‘United States person’ has the meaning given such
14 term in section 589.312 of title 31, Code of Federal
15 Regulations, as in effect on the date of enactment of
16 this section.”.

17 **SEC. 202. REPORT ON CERTAIN FOREIGN FINANCIAL INSTI-**
18 **TUTIONS.**

19 The Support for the Sovereignty, Integrity, Democ-
20 racy, and Economic Stability of Ukraine Act of 2014
21 (Public Law 113–95; 22 U.S.C. 8901 et seq.) is amended
22 by inserting after section 11 (as added by section 201 of
23 this Act) the following new section:

1 **“SEC. 12. REPORT ON CERTAIN FOREIGN FINANCIAL INSTI-**
2 **TUTIONS.**

3 “(a) IN GENERAL.—Not later than 90 days after the
4 date of the enactment of this section, the Secretary of
5 State and the Secretary of the Treasury shall jointly sub-
6 mit to the appropriate congressional committees a report
7 on—

8 “(1) foreign financial institutions that are in di-
9 rect control of assets owned or controlled by the
10 Government of Ukraine in a manner determined by
11 the Secretary of State and the Secretary of the
12 Treasury to be in violation of the sovereignty, inde-
13 pendence, or territorial integrity of Ukraine;

14 “(2) foreign financial institutions that are di-
15 rectly or indirectly assisting or otherwise aiding the
16 violation of sovereignty, independence, and territorial
17 integrity of Ukraine; and

18 “(3) foreign financial institutions determined by
19 the Secretary of State and the Secretary of the
20 Treasury to be complicit in illicit financial activity,
21 including money laundering, financing of terrorism,
22 transnational organized crime, or misappropriation
23 of state assets, that are—

24 “(A) organized under the laws of the Rus-
25 sian Federation; or

1 “(B) owned or controlled by a foreign per-
2 son whose property or interests in property
3 have been blocked pursuant to any covered Ex-
4 ecutive order.

5 “(b) FORM.—The report required to be submitted
6 under this subsection shall be submitted in unclassified
7 form but may include a classified annex.

8 “(c) DEFINITIONS.—In this section:

9 “(1) APPROPRIATE CONGRESSIONAL COMMIT-
10 TEES.—The term ‘appropriate congressional com-
11 mittees’ means—

12 “(A) the Committee on Foreign Affairs,
13 the Committee on Financial Services, the Com-
14 mittee on Ways and Means, and the Committee
15 on the Judiciary of the House of Representa-
16 tives; and

17 “(B) Committee on Foreign Relations, the
18 Committee on Banking, Housing, and Urban
19 Affairs, and the Committee on the Judiciary of
20 the Senate.

21 “(2) COVERED EXECUTIVE ORDER.—The term
22 ‘covered Executive order’ has the meaning given the
23 term in section 10(f) of this Act.”.

1 **SEC. 203. REQUIREMENTS RELATING TO TRANSFERS OF**
2 **DEFENSE ARTICLES AND DEFENSE SERVICES**
3 **TO THE RUSSIAN FEDERATION.**

4 (a) STATEMENT OF POLICY.—It is the policy of the
5 United States to oppose the transfer of defense articles
6 and defense services from any country that is a member
7 of the North Atlantic Treaty Organization (NATO) to, or
8 on behalf of, the Russian Federation, during any period
9 in which the Russian Federation forcibly occupies the ter-
10 ritory of Ukraine or of a NATO member country.

11 (b) ADOPTION OF NATO POLICY.—The President
12 shall use the voice, vote, and influence of the United
13 States in NATO to seek the adoption of a policy by NATO
14 that is consistent with the policy of the United States
15 specified in subsection (a).

16 (c) MONITORING AND IDENTIFICATION OF TRANS-
17 FERS.—

18 (1) IN GENERAL.—The President shall direct
19 the heads of the appropriate departments and agen-
20 cies of the United States to identify those transfers
21 of defense articles and defense services described in
22 subsection (a) that are contrary to the policy of the
23 United States specified in subsection (a).

24 (2) REPORT.—

25 (A) IN GENERAL.—The President shall
26 submit a written report to the chairmen and

1 ranking members of the appropriate committees
2 of Congress within 5 days of the receipt of in-
3 formation indicating that a transfer described
4 in paragraph (1) has occurred.

5 (B) FORM.—The report required under
6 subparagraph (A) shall be submitted in unclas-
7 sified form but may include a classified annex.

8 (d) DEFINITIONS.—In this section:

9 (1) APPROPRIATE COMMITTEES OF CON-
10 GRESS.—The term “appropriate committees of Con-
11 gress” means—

12 (A) the Committee on Armed Services, the
13 Committee on Foreign Affairs, and the Perma-
14 nent Select Committee on Intelligence of the
15 House of Representatives; and

16 (B) the Committee on Armed Services, the
17 Committee on Foreign Relations, and the Select
18 Committee on Intelligence of the Senate.

19 (2) DEFENSE ARTICLES AND DEFENSE SERV-
20 ICES.—The terms “defense article” and “defense
21 service” have the meanings given such terms in sec-
22 tion 47 of the Arms Export Control Act (22 U.S.C.
23 2794 note).

1 **TITLE III—OTHER MATTERS**

2 **SEC. 301. STRATEGY TO RESPOND TO RUSSIAN FEDERA-**
3 **TION-SUPPORTED INFORMATION AND PROP-**
4 **AGANDA EFFORTS DIRECTED TOWARD RUS-**
5 **SIAN-SPEAKING COMMUNITIES IN COUN-**
6 **TRIES BORDERING THE RUSSIAN FEDERA-**
7 **TION.**

8 (a) **IN GENERAL.**—Not later than 60 days after the
9 date of the enactment of this Act, the Secretary of State
10 shall develop and implement a strategy to respond to Rus-
11 sian Federation-supported disinformation and propaganda
12 efforts directed toward persons in countries bordering the
13 Russian Federation.

14 (b) **MATTERS TO BE INCLUDED.**—The strategy re-
15 quired under subsection (a) should include the following:

16 (1) Development of a response to propaganda
17 and disinformation campaigns as an element of the
18 ongoing crisis in Ukraine, specifically—

19 (A) assistance in building the capacity of
20 the Ukrainian military to document conflict
21 zones and disseminate information in real-time;

22 (B) assistance in enhancing broadcast ca-
23 pacity with terrestrial television transmitters in
24 Eastern Ukraine; and

1 (C) media training for officials of the Gov-
2 ernment of Ukraine.

3 (2) Establishment of a partnership with partner
4 governments and private-sector entities to provide
5 Russian-language entertainment and news content to
6 broadcasters in Russian-speaking communities bor-
7 dering the Russian Federation.

8 (3) Assessment of the extent of Russian Fed-
9 eration influence in political parties, financial insti-
10 tutions, media organizations, and other entities seek-
11 ing to exert political influence and sway public opin-
12 ion in favor of Russian Federation policy across Eu-
13 rope.

14 (c) REPORT.—The Secretary of State shall submit to
15 the appropriate congressional committees a report on the
16 strategy required under subsection (a) and its implemen-
17 tation.

18 (d) APPROPRIATE CONGRESSIONAL COMMITTEES.—
19 In this section, the term “appropriate congressional com-
20 mittees” means—

21 (1) the Committee on Foreign Affairs and the
22 Committee on Armed Services of the House of Rep-
23 resentatives; and

24 (2) the Committee on Foreign Relations and
25 the Committee on Armed Services of the Senate.

1 **SEC. 302. COST LIMITATION.**

2 No additional funds are authorized to carry out the
3 requirements of this Act and the amendments made by
4 this Act. Such requirements shall be carried out using
5 amounts otherwise authorized.

6 **SEC. 303. SUNSET.**

7 This Act and the amendments made by this Act shall
8 cease to be effective beginning on the date that is 5 years
9 after the date of the enactment of this Act.

 Passed the House of Representatives September 21,
2016.

Attest:

KAREN L. HAAS,
Clerk.