

**AMENDMENT IN THE NATURE OF A SUBSTITUTE
TO H.R. 4765
OFFERED BY MR. NUNN OF IOWA**

Strike all after the enacting clause and insert the following:

1 SECTION 1. SHORT TITLE.

2 This Act may be cited as the “Exposing the Govern-
3 ment of China’s Support for the Taliban Act”.

**4 SEC. 2. STUDY ON CHINESE SUPPORT FOR AFGHAN ILLICIT
5 FINANCE.**

6 (a) FINDINGS.—Congress finds the following:

7 (1) Though the Government of China and Af-
8 ghanistan share only a small land border, when it
9 comes to illicit financial activity between the two
10 countries, the Government of China has a dem-
11 onstrated history of permissiveness regarding traf-
12 ficking and money laundering that could support
13 both the Taliban and its associates.

14 (2) A 2014 Financial Action Task Force report
15 titled, “Financial Flows Linked to the Production
16 and Trafficking of Afghan Opiates” found evidence
17 of import/export companies registered in the Govern-
18 ment of China that were transferring funds to Af-

1 ghanistan, likely as part of trade-based money laun-
2 dering schemes centered around illicit opium produc-
3 tion and trafficking, which, per the United Nations
4 Office on Drugs and Crime (UNODC), is one of the
5 Taliban's main sources of income.

6 (3) Since the U.S. withdrawal from Afghanistan
7 in August 2021, the Government of China has an-
8 nounced its willingness to lend financial support and
9 legitimacy to the Taliban-led government in Afghani-
10 stan, including Afghan Interior Minister, Sirajuddin
11 Haqqani, a member of the U.S.-sanctions designated
12 Foreign Terrorist Organization, the Haqqani Net-
13 work.

14 (4) The Government of China's permissive poli-
15 cies regarding Afghan illicit finance run counter to
16 the strategic interests of the United States with re-
17 spect to countering trafficking and preventing ter-
18 rorist groups from accessing the international finan-
19 cial system.

20 (5) The Government of China's role as a critical
21 source of financial wherewithal for the Taliban and
22 its associates to process and implement drug and
23 other illicit-activity transactions warrants further
24 study as these actions pose a threat both to the safe-

1 ty and security of the people of Afghanistan and the
2 international community.

3 (6) Congress needs to better understand how
4 the Government of China could leverage its relation-
5 ships and resources within Afghanistan and how
6 these activities could directly or indirectly provide fi-
7 nancial support to terrorist organizations, including
8 the Taliban and its associates.

9 (b) STUDY.—

10 (1) REQUIREMENT.—Not later than one year
11 after the date of the enactment of this Act, the Sec-
12 retary of the Treasury shall provide to the Com-
13 mittee on Financial Services of the House of Rep-
14 resentatives and the Committee on Banking, Hous-
15 ing, and Urban Affairs of the Senate a report on the
16 financial activities of the Government of China and
17 Chinese entities in connection with the finances of
18 Afghanistan and the Taliban.

19 (2) MATTERS INCLUDED.—The report under
20 paragraph (1) shall include the following:

21 (A) An assessment of the activities under-
22 taken by the People's Republic of China and
23 Chinese-registered companies to support illicit
24 financial networks in Afghanistan, particularly
25 such networks involved in narcotics trafficking,

1 illicit financial transactions, official corruption,
2 natural resources exploitation, and terrorist net-
3 works.

4 (B) An assessment of financial, commer-
5 cial, and economic activities undertaken by the
6 Government of China and Chinese companies in
7 Afghanistan to support Chinese policies counter
8 to American strategic interests.

9 (C) Any recommendations to Congress re-
10 garding legislative or regulatory improvements
11 necessary to support the identification and dis-
12 ruption of Chinese-supported illicit financial
13 networks in Afghanistan.

14 (3) FORM.—The report under paragraph (1)
15 may include a classified annex.

