AMENDMENT TO RULES COMMITTEE PRINT 118-10

OFFERED BY MR. BANKS OF INDIANA

At the end of subtitle C of title XVIII, add the following:

SEC. 18. DISCLOSURES OF GIFTS AND CONTRACTS RECEIVED BY INSTITUTIONS OF HIGHER EDUCATION FROM FOREIGN SOURCES.

Section 117 of the Higher Education Act of 1965 (20 U.S.C. 1011f) is amended—

(1) by amending paragraph (1) of subsection (b) to read as follows:

“(1) For gifts received from or contracts entered into with a foreign source other than a foreign government, the aggregate dollar amount of the gifts and contracts attributable to each such foreign source.”;

(2) by redesignating subsections (d) through (h) as subsections (e) through (i), respectively

(3) by inserting after subsection (e) the following:

“(d) DUE DILIGENCE REQUIREMENTS.—Each institution that receives gifts or conditional gifts from or en-
ters into contracts or conditional contracts with a foreign source shall establish, maintain, and administer appropriate, specific, and, where necessary, enhanced, due diligence policies, procedures, and controls that enable the institution to independently verify when a gift or conditional gift, or a contract or conditional contract, is from or with a foreign source and shall report the specific identity of each beneficial owner and real party in interest of each such foreign source to the Secretary, including the specific identity of any individual or entity that is—

“(1) a current or former official, officer, member, employee, citizen, agent, or instrumentality of the government of the People’s Republic of China, the Communist Party of China, or the People’s Liberation Army;

“(2) a current or former official, officer, member, employee, citizen, agent, or instrumentality of the government of Russian Federation;

“(3) a current or former official, officer, member, employee, citizen, agent, or instrumentality of the government of the Islamic Republic of Iran; or

“(4) a natural or legal person on the Specially Designated Nationals and Blocked Persons List maintained by the Office of Foreign Asset Control of
the Department of the Treasury or any agent or instrumentality of such a person.”;

(4) in subsection (f), as so redesignated, by striking “during business hours” and inserting “and shall be prominently posted on a publicly accessible website of the institution and on publicly accessible website of the Department of Education”; and

(5) in subsection (i), as so redesignated—

(A) by amending subparagraph (B) of paragraph (2) to read as follows:

“(B) a legal person—

“(i) created under the laws of or domiciled in a foreign state or states; or

“(ii)(I) created under the laws of any State of the United States or a trust territory or protectorate thereof; and

“(II) that is an instrumentality of or substantially owned or controlled by a foreign source or by an agent acting on behalf of a foreign source”; and

(B) in paragraph (4)—

(i) by redesignating subparagraphs (A) through (C) as clauses (i) through (iii), respectively;
(ii) by striking "the term ‘institution’
means any institution, public or private,
or, if a multicampus institution, any single
campus of such institution, in any State,
that—" and inserting "the term ‘institu-
tion”—
“(A) means any institution, public or pri-
private, or, if a multicampus institution, any single
campus of such institution, in any State, that—
”; and

(iii) by adding at the end the fol-
lowing:
“(B) includes all natural and legal persons,
such as employees, agents, contractors, founda-
tions, corporations, associations, and other
intermediaries, that operate substantially for
the benefit or under the auspices such an insti-
tution.”.