

AMENDMENT TO RULES COMM. PRINT 119-33

OFFERED BY MR. McCAUL OF TEXAS

At the end of subtitle B of title XVII of division A,
add the following:

1 **SEC. 17__ . IMPOSITION OF SANCTIONS WITH RESPECT TO**
2 **TRADE IN RUSSIAN ORIGIN PETROLEUM**
3 **PRODUCTS.**

4 (a) IN GENERAL.—Beginning on the date that is 90
5 days after the date of the enactment of this Act, the Presi-
6 dent shall impose the sanctions described in subsection (b)
7 with respect to any foreign person that the Secretary of
8 the Treasury, in consultation with the Secretary of State,
9 determines—

10 (1) is responsible for or complicit in, or has di-
11 rectly or indirectly engaged or attempted to engage
12 in, the purchase or importation into any country of
13 crude oil or petroleum products of Russian Federa-
14 tion origin;

15 (2) has knowingly facilitated financial trans-
16 actions related to an activity described in paragraph
17 (1);

18 (3) has materially assisted, sponsored, or pro-
19 vided material support for any activity described in

1 paragraph (1) or (2) by any person with respect to
2 which sanctions have been imposed under paragraph
3 (1) or (2); or

4 (4) is or has been a chief executive officer or
5 member of the board of directors of any entity de-
6 scribed in any of paragraphs (1) through (3).

7 (b) SANCTIONS DESCRIBED.—The sanctions de-
8 scribed in this subsection are the exercise all of the powers
9 granted to the President by the International Emergency
10 Economic Powers Act (50 U.S.C. 1701 et seq.) to the
11 extent necessary to block and prohibit all transactions in
12 property and interests in property of a foreign person if
13 such property and interests in property are in the United
14 States, come within the United States, or are or come
15 within the possession or control of a United States person.

16 (c) PERMISSIBLE EXCEPTION FRAMEWORKS.—

17 (1) IN GENERAL.—The President may apply
18 not more than 2 of the types of exceptions described
19 in paragraph (2) with respect to the application of
20 sanctions under subsection (a).

21 (2) EXCEPTIONS DESCRIBED.—

22 (A) EXCEPTION FOR COUNTRIES THAT
23 ISOLATE RUSSIAN FUNDS AND REDUCE PUR-
24 CHASES.—

1 (i) IN GENERAL.—The President may
2 apply an exception to the application of
3 sanctions under subsection (a) with respect
4 to the purchase or importation into a coun-
5 try of crude oil or petroleum products of
6 Russian Federation origin if the President
7 determines and certifies in writing to the
8 appropriate congressional committees
9 that—

10 (I) any funds owed by the gov-
11 ernment of that country or persons of
12 that country to the Russian Federa-
13 tion or to the sellers of crude oil or
14 petroleum products of Russian Fed-
15 eration origin as a result of the pur-
16 chase or importation will be—

17 (aa) credited to an account
18 located in that country; and

19 (bb) used only to facilitate
20 transactions in agricultural com-
21 modities, food, medicine, or med-
22 ical devices between the Russian
23 Federation and the country; and

24 (II) the government of the coun-
25 try has committed to significantly re-

1 duce its purchases of crude oil and pe-
2 troleum products of Russian Federa-
3 tion origin.

4 (ii) RENEWAL REQUIRED.—The au-
5 thority to apply the exception under clause
6 (i) shall expire if the President does not
7 certify, not later than 180 days after the
8 date of the enactment of this Act, and
9 every 180 days thereafter, that—

10 (I) the country has significantly
11 reduced its volume of purchases of
12 crude oil and petroleum products of
13 Russian Federation origin during the
14 preceding 180-day period; or

15 (II) the price and supply of crude
16 oil and petroleum products produced
17 in countries other than the Russian
18 Federation is not sufficient to permit
19 purchasers of crude oil and petroleum
20 products of Russian Federation origin
21 to reduce significantly in volume their
22 purchases from the Russian Federa-
23 tion.

24 (iii) SANCTIONS FOR MISUSE OF AC-
25 COUNT.—Any foreign person responsible

1 for or complicit in, or that has directly or
2 indirectly engaged or attempted to engage
3 in, transactions reliant on the funds in an
4 account described in clause (i)(I) for any
5 purpose other than to facilitate trans-
6 actions in agricultural commodities, food,
7 medicine, or medical devices between the
8 Russian Federation and the country in
9 which the account is located shall be sub-
10 ject to the sanctions described in sub-
11 section (b).

12 (B) EXCEPTION FOR DEPOSITS INTO AC-
13 COUNT TO SUPPORT UKRAINE.—

14 (i) IN GENERAL.—The President may
15 apply an exception to the application of
16 sanctions under subsection (a) with respect
17 to the purchase or importation into a coun-
18 try of crude oil or petroleum products of
19 Russian Federation origin if a payment
20 per barrel of such crude oil or petroleum
21 products has been deposited into an ac-
22 count that the President has established
23 for the benefit of Ukraine.

24 (ii) GUIDANCE.—The President may
25 issue guidance and develop implementation

1 tools that assist private sector entities in
2 verifying that the payments described in
3 clause (i) corresponding to specific pur-
4 chases have been deposited in the account
5 described in that clause.

6 (iii) USE OF FUNDS.—

7 (I) IN GENERAL.—The funds in
8 an account established as described in
9 clause (i) shall be available only for—

10 (aa) the purposes specified
11 in section 104(f) of the Rebuild-
12 ing Economic Prosperity and Op-
13 portunity for Ukrainians Act (di-
14 vision F of Public Law 118–50;
15 22 U.S.C. 9521 note); and

16 (bb) funding the purchase
17 by the Government of Ukraine of
18 defense articles for Ukraine to
19 employ in response to Russian
20 Federation aggression.

21 (II) TIMELY DISBURSEMENT.—A
22 significant proportion of funds in an
23 account established as described in
24 clause (i) shall be disbursed not less

1 frequently than every 90 days for the
2 purposes described in subclause (I).

3 (iv) LIMITATIONS ON TRANSFERS AND
4 EXPENDITURES OF FUNDS.—

5 (I) NOTIFICATION OF TRANS-
6 FERS.—

7 (aa) IN GENERAL.—The
8 Secretary of State shall notify
9 the appropriate congressional
10 committees not fewer than 15
11 days before transferring any
12 funds from an account estab-
13 lished as described in clause (i)
14 to any other account for the pur-
15 poses described in clause (iii) or
16 otherwise expending any of such
17 funds for such purposes.

18 (bb) ELEMENTS.—A notifi-
19 cation under item (aa) shall
20 specify—

21 (AA) the amount of
22 funds to be transferred or
23 expended;

1 (BB) the specific pur-
2 pose for which the funds are
3 transferred or expended; and

4 (CC) the recipient of
5 those funds.

6 (II) CERTIFICATION OF TRANS-
7 PARENCY AND ACCOUNTABILITY.—No
8 funds may be transferred or otherwise
9 expended from an account established
10 as described in clause (i) unless the
11 President submits to the appropriate
12 congressional committees in writing a
13 certification that a plan exists to en-
14 sure transparency and accountability
15 for all funds transferred into and ex-
16 pended from any account receiving the
17 funds.

18 (III) JOINT RESOLUTION OF DIS-
19 APPROVAL.—No funds may be trans-
20 ferred or expended pursuant to this
21 clause if, within 15 days of receipt of
22 the notification under subclause (I), a
23 joint resolution is enacted into law
24 prohibiting such transfer.

1 (C) EXCEPTION FOR COUNTRIES SUP-
2 PORTING UKRAINE.—

3 (i) IN GENERAL.—The President may
4 apply an exception to the application of
5 sanctions under subsection (a) with respect
6 to the purchase or importation into any
7 country of crude oil or petroleum products
8 of Russian Federation origin if the Presi-
9 dent determines and certifies in writing to
10 the appropriate congressional committees
11 that the government of that country is pro-
12 viding significant economic or military sup-
13 port to the Government of Ukraine.

14 (ii) RENEWAL REQUIRED.—The au-
15 thority to apply the exception under clause
16 (i) with respect to a country shall expire if
17 the President does not certify, not later
18 than 180 days after the date of the enact-
19 ment of this Act, and every 180 days
20 thereafter, that the government of the
21 country is providing significant economic
22 or military support to the Government of
23 Ukraine.

24 (D) TEMPORARY PORT-SPECIFIC EXCEP-
25 TIONS.—

1 (i) IN GENERAL.—During the period
2 beginning on the date of the enactment of
3 this Act and ending on the date that is
4 270 days after such date of enactment, the
5 President may apply an exception to the
6 application of sanctions under subsection
7 (a) for the purchase or the importation
8 into any country of crude oil or petroleum
9 products of Russian Federation exported
10 from specific Russian Federation ports if
11 the President submits to the appropriate
12 congressional committees a report pro-
13 viding a justification for the exception.

14 (ii) LIMITATION.—An exception ap-
15 plied under clause (i) may not cover, at
16 any time, ports that are estimated to have
17 cumulatively accounted for more than half
18 of the oil export capacity of the Russian
19 Federation in 2024.

20 (3) SANCTIONS RELATED TO CRUDE OIL AND
21 PETROLEUM PRODUCTS SOLD ABOVE PRICE CAP
22 WITHOUT REGARD TO GROUP OF 7 NEXUS.—

23 (A) IN GENERAL.—Any exception de-
24 scribed in paragraph (2) that the President ap-
25 plies to the requirement to impose sanctions

1 under subsection (a) shall not apply with re-
2 spect to an activity described in subparagraph
3 (B) if the activity facilitates the maritime
4 transport of crude oil or petroleum products of
5 Russian Federation origin purchased for an
6 amount greater than the relevant price cap de-
7 termined by the Secretary of the Treasury for
8 crude oil or petroleum products of Russian Fed-
9 eration origin.

10 (B) ACTIVITIES DESCRIBED.—The activi-
11 ties described in this subparagraph are trans-
12 porting, trading or commodities brokering, fi-
13 nancing, shipping, insuring, flagging, or cus-
14 toms brokering related to the purchase or im-
15 portation of crude oil or petroleum products of
16 Russian Federation origin.

17 (C) APPLICABILITY TO SERVICE PRO-
18 VIDERS BASED OUTSIDE OF GROUP OF 7 COUN-
19 TRIES.—Subparagraph (A) applies without re-
20 gard to whether the person engaging in an ac-
21 tivity described in subparagraph (B) is orga-
22 nized under the laws of or otherwise subject to
23 the jurisdiction of a country that is a member
24 of the Group of 7.

1 (d) SUNSET.—The provisions of this section, and any
2 sanctions imposed under this section, shall terminate on
3 the date that is 5 years after the date of the enactment
4 of this Act.

5 (e) DEFINITIONS.—In this section:

6 (1) AGRICULTURAL COMMODITY.—The term
7 “agricultural commodity” has the meaning given
8 such term in section 102 of the Agricultural Trade
9 Act of 1978 (7 U.S.C. 5602).

10 (2) APPROPRIATE CONGRESSIONAL COMMIT-
11 TEES.—The term “appropriate congressional com-
12 mittees” means—

13 (A) the Committee on Banking, Housing,
14 and Urban Affairs and the Committee on For-
15 eign Relations of the Senate; and

16 (B) the Committee on Foreign Affairs and
17 the Committee on Financial Services of the
18 House of Representatives.

19 (3) DEFENSE ARTICLE.—The term “defense ar-
20 ticle” has the meaning given that term in section 47
21 of the Arms Export Control Act (22 U.S.C. 2794).

22 (4) FOREIGN PERSON.—The term “foreign per-
23 son” means an individual or entity that is not a
24 United States person.

1 (5) KNOWINGLY.—The term “knowingly”, with
2 respect to conduct, a circumstance, or a result,
3 means that a person had actual knowledge, or
4 should have known, of the conduct, the cir-
5 cumstance, or the result.

6 (6) MEDICAL DEVICE.—The term “medical de-
7 vice” has the meaning given the term “device” in
8 section 201 of the Federal Food, Drug, and Cos-
9 metic Act (21 U.S.C. 321).

10 (7) MEDICINE.—The term “medicine” has the
11 meaning given the term “drug” in section 201 of the
12 Federal Food, Drug, and Cosmetic Act (21 U.S.C.
13 321).

14 (8) UNITED STATES PERSON.—The term
15 “United States person” means—

16 (A) a United States citizen or an alien law-
17 fully admitted for permanent residence to the
18 United States;

19 (B) an entity organized under the laws of
20 the United States or any jurisdiction within the
21 United States, including a foreign branch of
22 such an entity; or

23 (C) any person located in the United
24 States.

