

114TH CONGRESS
2D SESSION

H. R. 5094

To contain, reverse, and deter Russian aggression in Ukraine, to assist Ukraine's democratic transition, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

APRIL 28, 2016

Mr. ENGEL (for himself, Mr. KINZINGER of Illinois, Mr. LEVIN, Mr. FITZPATRICK, Ms. KAPTUR, Mr. ABRAHAM, Mr. COSTA, Mr. WEBER of Texas, Mr. DEUTCH, Mr. POMPEO, Mr. CICILLINE, Mr. SHIMKUS, Mr. KEATING, Mr. BILIRAKIS, Mr. COHEN, and Mr. RIBBLE) introduced the following bill; which was referred to the Committee on Foreign Affairs, and in addition to the Committees on Financial Services, the Judiciary, and Ways and Means, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

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,*

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

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

1 (b) TABLE OF CONTENTS.—The table of contents for
 2 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. Codification of sanctions under certain Executive orders relating to Ukraine.

TITLE II—SANCTIONS PROVISIONS

- Sec. 201. Prohibiting certain transactions with foreign sanctions evaders with respect to the Russian Federation.
 Sec. 202. Reports on certain foreign financial institutions.
 Sec. 203. Requirements relating to transfers of defense articles and defense services to the Russian Federation.
 Sec. 204. Amendments to Sergei Magnitsky Rule of Law Accountability Act of 2012.

TITLE III—OTHER MATTERS

- Sec. 301. Consortium to support increased private investment in Ukraine.
 Sec. 302. Strategy to respond to Russian Federation-supported information and propaganda efforts directed toward Russian-speaking communities in countries bordering the Russian Federation.

3 **SEC. 2. STATEMENTS OF POLICY.**

4 (a) IN GENERAL.—It is the policy of the United
 5 States to further assist the Government of Ukraine in re-
 6 storing its sovereignty and territorial integrity to contain,
 7 reverse, and deter Russian aggression in Ukraine. That
 8 policy shall be carried into effect, among other things,
 9 through a comprehensive effort, in coordination with allies
 10 and partners of the United States where appropriate, that
 11 includes sanctions, diplomacy, and assistance for the peo-
 12 ple of Ukraine intended to enhance their ability to consoli-
 13 date a rule of law-based democracy with a free market

1 economy and to exercise their right under international
2 law to self-defense.

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

5 (1) to use its voice, vote, and influence in inter-
6 national fora to encourage others to provide assist-
7 ance that is similar to assistance described in sub-
8 section (a) to Ukraine; and

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

15 **TITLE I—CRIMEA ANNEXATION** 16 **NON-RECOGNITION**

17 **SEC. 101. UNITED STATES POLICY AGAINST RECOGNITION** 18 **OF TERRITORIAL CHANGES EFFECTED BY** 19 **FORCE ALONE.**

20 Between the years of 1940 and 1991, the United
21 States did not recognize the forcible incorporation and an-
22 nexation of the three Baltic States of Lithuania, Latvia,
23 and Estonia into the Soviet Union under a policy known
24 as the “Stimson Doctrine”.

1 **SEC. 102. PROHIBITIONS AGAINST UNITED STATES REC-**
2 **OGNITION OF THE RUSSIAN FEDERATION'S**
3 **ANNEXATION OF CRIMEA.**

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

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

17 **SEC. 103. CODIFICATION OF SANCTIONS UNDER CERTAIN**
18 **EXECUTIVE ORDERS RELATING TO UKRAINE.**

19 (a) CODIFICATION OF EXECUTIVE ORDERS.—

20 (1) EXECUTIVE ORDERS 13660, 13661, AND
21 13662.—United States sanctions provided for in the
22 Executive orders described in subsection (b), im-
23 posed on or before April 6, 2014, and as in effect
24 on the day before the date of the enactment of this
25 Act, shall remain in effect until the date on which
26 the President submits to the appropriate congres-

1 sional committees a certification described in sub-
2 section (c).

3 (2) EXECUTIVE ORDER 13685.—United States
4 sanctions provided for in Executive Order 13685
5 (December 19, 2014; 79 Fed. Reg. 77357; relating
6 to blocking property of certain persons and prohib-
7 iting certain transactions with respect to the Crimea
8 region of Ukraine), as in effect on the day before the
9 date of the enactment of this Act, shall remain in
10 effect until the date on which the President submits
11 to the appropriate congressional committees a cer-
12 tification described in subsection (c).

13 (b) EXECUTIVE ORDERS DESCRIBED.—The Execu-
14 tive orders described in this subsection are the following:

15 (1) Executive Order 13660 (March 6, 2014; 79
16 Fed. Reg. 13493; relating to blocking property of
17 certain persons contributing to the situation in
18 Ukraine).

19 (2) Executive Order 13661 (March 16, 2014;
20 79 Fed. Reg. 15535; relating to blocking property of
21 additional persons contributing to the situation in
22 Ukraine).

23 (3) Executive Order 13662 (March 20, 2014;
24 79 Fed. Reg. 16169; relating to blocking property of

1 additional persons contributing to the situation in
2 Ukraine).

3 (c) CERTIFICATION.—A certification described in this
4 subsection is a certification of the President that—

5 (1) Ukraine’s sovereignty over Crimea has been
6 restored; or

7 (2) the status of Crimea has been resolved,
8 through an internationally supervised process, to the
9 satisfaction of a democratically elected Government
10 of Ukraine.

11 (d) RULE OF CONSTRUCTION.—Nothing in this sec-
12 tion shall be construed to restrict the authority of the
13 President to impose additional United States sanctions
14 with specific respect to the Russian Federation’s occupa-
15 tion of Crimea pursuant to the Executive orders described
16 in subsections (a)(2) and (b).

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

20 (1) the Committee on Foreign Affairs, the
21 Committee on Financial Services, and the Com-
22 mittee on Ways and Means of the House of Rep-
23 resentatives; and

1 (2) Committee on Foreign Relations and the
2 Committee on Banking, Housing, and Urban Affairs
3 of the Senate.

4 **TITLE II—SANCTIONS**
5 **PROVISIONS**

6 **SEC. 201. PROHIBITING CERTAIN TRANSACTIONS WITH**
7 **FOREIGN SANCTIONS EVADERS WITH RE-**
8 **SPECT TO THE RUSSIAN FEDERATION.**

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

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

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

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

1 “(2) has facilitated significant deceptive or
2 structured transactions for or on behalf of any per-
3 son subject to United States sanctions concerning
4 the Russian Federation.

5 “(b) SANCTIONS DESCRIBED.—

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

17 “(2) EXCEPTION.—

18 “(A) IN GENERAL.—The authority to im-
19 pose sanctions under paragraph (1) shall not
20 include the authority to impose sanctions relat-
21 ing to the importation of goods.

22 “(B) GOOD DEFINED.—In paragraph (A),
23 the term ‘good’ has the meaning given that
24 term in section 16 of the Export Administration
25 Act of 1979 (50 U.S.C. App. 2415) (as contin-

1 ued in effect pursuant to the International
2 Emergency Economic Powers Act (50 U.S.C.
3 1701 et seq.)).

4 “(3) PENALTIES.—A person that is subject to
5 sanctions described in paragraph (1) shall be subject
6 to the penalties set forth in subsections (b) and (c)
7 of section 206 of the International Emergency Eco-
8 nomic Powers Act (50 U.S.C. 1705) to the same ex-
9 tent as a person that commits an unlawful act de-
10 scribed in subsection (a) of that section.

11 “(c) WAIVER.—The President may waive the applica-
12 tion of sanctions under subsection (b) on a case-by-case
13 for a period of not more than 120 days, and may renew
14 that waiver for additional periods of not more than 120
15 days with respect to a person if the President determines
16 that such a waiver is in the national interests of the
17 United States and on or before the date on which the waiv-
18 er takes effect, submits to the appropriate congressional
19 committees a notice of and justification for the waiver.

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

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

4 “(f) DEFINITIONS.—In this section:

5 “(1) APPROPRIATE CONGRESSIONAL COMMIT-
6 TEES.—The term ‘appropriate congressional com-
7 mittees’ means—

8 “(A) the Committee on Foreign Affairs,
9 the Committee on Financial Services, and the
10 Committee on Ways and Means of the House of
11 Representatives; and

12 “(B) Committee on Foreign Relations and
13 the Committee on Banking, Housing, and
14 Urban Affairs of the Senate.

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

18 “(A) Executive Order 13660 (March 6,
19 2014; 79 Fed. Reg. 13493; relating to blocking
20 property of certain persons contributing to the
21 situation in Ukraine).

22 “(B) Executive Order 13661 (March 16,
23 2014; 79 Fed. Reg. 15535; relating to blocking
24 property of additional persons contributing to
25 the situation in Ukraine).

1 “(C) Executive Order 13662 (March 20,
2 2014; 79 Fed. Reg. 16169; relating to blocking
3 property of additional persons contributing to
4 the situation in Ukraine).

5 “(D) Executive Order 13685 (December
6 19, 2014; 79 Fed. Reg. 77357; relating to
7 blocking property of certain persons and prohib-
8 iting certain transactions with respect to the
9 Crimea region of Ukraine).

10 “(3) FOREIGN PERSON.—The term ‘foreign per-
11 son’ means—

12 “(A) an individual who is not a United
13 States person;

14 “(B) a corporation, partnership, or other
15 nongovernmental entity which is not a United
16 States person;

17 “(C) any official, representative, agent, or
18 instrumentality of, or an individual working on
19 behalf of a foreign government; or

20 “(D) a foreign government.

21 “(4) UNITED STATES PERSON.—The term
22 ‘United States person’ means—

23 “(A) a United States citizen or an alien
24 lawfully admitted for permanent residence to
25 the United States; or

1 to be in violation of the sovereignty, independence,
2 or territorial integrity of Ukraine;

3 “(2) foreign financial institutions determined by
4 the Secretary of State and the Secretary of the
5 Treasury to be complicit in illicit financial activity,
6 including money laundering, terrorism and prolifera-
7 tion financing, transnational organized crime, or
8 misappropriation of state assets, that are—

9 “(A) organized under the laws of the Rus-
10 sian Federation and have a capitalization of not
11 less than \$20,000,000,000; or

12 “(B) owned or controlled by a foreign per-
13 son whose property or interests in property
14 have been blocked pursuant to any covered Ex-
15 ecutive order; and

16 “(3) foreign financial institutions that are di-
17 rectly or indirectly assisting or otherwise aiding the
18 violation of sovereignty, independence, and territorial
19 integrity of Ukraine.

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

23 “(c) DEFINITIONS.—In this section:

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

4 “(A) the Committee on Foreign Affairs,
5 the Committee on Financial Services, the Com-
6 mittee on Ways and Means, and the Committee
7 on the Judiciary of the House of Representa-
8 tives; and

9 “(B) Committee on Foreign Relations, the
10 Committee on Banking, Housing, and Urban
11 Affairs, and the Committee on the Judiciary of
12 the Senate.

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

16 **SEC. 203. REQUIREMENTS RELATING TO TRANSFERS OF**
17 **DEFENSE ARTICLES AND DEFENSE SERVICES**
18 **TO THE RUSSIAN FEDERATION.**

19 (a) STATEMENT OF POLICY.—It is the policy of the
20 United States to oppose the transfer of defense articles
21 and defense services from any country that is a member
22 of the North Atlantic Treaty Organization (NATO) to, or
23 on behalf of, the Russian Federation, during any period
24 in which the Russian Federation forcibly occupies the ter-
25 ritory of Ukraine or of a NATO member country.

1 (b) ADOPTION OF NATO POLICY.—The President
2 shall use the voice, vote, and influence of the United
3 States in NATO to seek the adoption of a policy by NATO
4 that is consistent with the policy of the United States
5 specified in subsection (a).

6 (c) MONITORING AND IDENTIFICATION OF TRANS-
7 FERS.—

8 (1) IN GENERAL.—The President shall direct
9 the heads of the appropriate departments and agen-
10 cies of the United States to monitor all transfers of
11 defense articles and defense services from NATO
12 member countries to the Russian Federation and
13 identify those transfers that are contrary to the pol-
14 icy of the United States specified in subsection (a).

15 (2) REPORT.—

16 (A) IN GENERAL.—The President shall
17 submit a written report to the chairmen and
18 ranking members of the appropriate committees
19 of Congress within 5 days of the receipt of in-
20 formation indicating that a transfer described
21 in paragraph (1) has occurred.

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

25 (d) RESTRICTIONS ON TRANSFERS.—

1 (1) IN GENERAL.—If a NATO member country
2 transfers, or allows a transfer by a person subject to
3 its national jurisdiction of, a defense article or de-
4 fense service on or after the date of the enactment
5 of this Act that is intended for a military end-use or
6 end-user and which makes a significant contribution
7 to the military capabilities of the Russian Federation
8 in contravention of the policy of the United States
9 specified in subsection (a) and is identified pursuant
10 to subsection (c), an application for a license or
11 other authorization required under the Arms Export
12 Control Act for the transfer of any defense article or
13 defense service to, or on behalf of, that NATO mem-
14 ber country shall be subject to a presumption of de-
15 nial.

16 (2) EFFECTIVE PERIOD.—A presumption of de-
17 nial shall apply to an application for a license or
18 other authorization under paragraph (1) only during
19 a period in which the President determines that the
20 Russian Federation has forcibly occupied the terri-
21 tory of Ukraine or of a NATO member country.

22 (3) NATIONAL SECURITY WAIVER.—The Presi-
23 dent may waive the restriction on the transfer of any
24 defense article or defense service to, or on behalf of,

1 a NATO member country in paragraph (1) if the
2 President—

3 (A) determines that the waiver is in the
4 national security interest of the United States;
5 and

6 (B) submits to the appropriate committees
7 of Congress a report on the determination and
8 the reasons for the determination.

9 (4) AMENDMENT TO ITAR.—Not later than 30
10 days after the date of the enactment of this Act, the
11 Secretary of State shall amend the International
12 Trafficking in Arms Regulations for purposes of im-
13 plementing this subsection.

14 (e) DEFINITIONS.—In this section:

15 (1) APPROPRIATE COMMITTEES OF CON-
16 GRESS.—The term “appropriate committees of Con-
17 gress” means—

18 (A) the Committee on Armed Services, the
19 Committee on Foreign Affairs, and the Perma-
20 nent Select Committee on Intelligence of the
21 House of Representatives; and

22 (B) the Committee on Armed Services, the
23 Committee on Foreign Relations, and the Select
24 Committee on Intelligence of the Senate.

1 Magnitsky Rule of Law Accountability Act of 2012 on or
2 after such date of enactment.

3 **TITLE III—OTHER MATTERS**

4 **SEC. 301. CONSORTIUM TO SUPPORT INCREASED PRIVATE** 5 **INVESTMENT IN UKRAINE.**

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

7 (1) Private investment in Ukraine is essential
8 for Ukraine’s long-term economic recovery, employ-
9 ment, and fiscal stability.

10 (2) Private investment in Ukraine requires the
11 availability of insurance to protect investors against
12 loss due to armed conflict, political violence, expro-
13 priation, and other risks that constitute an obstacle
14 to private investment.

15 (3) It is in the United States national security
16 interest to seek to establish an international consor-
17 tium, with other national governments, multilateral
18 organizations, and investors and insurers, to in-
19 crease the availability of insurance to support in-
20 creased private investment in Ukraine.

21 (4) An international consortium would be an ef-
22 fective mechanism to spread the risk against loss
23 among a broad group of governmental and private
24 insurers.

1 (b) ESTABLISHMENT.—The Secretary of State, after
2 consultation with the Government of Ukraine, shall seek
3 to establish an international consortium to support in-
4 creased private investment in Ukraine and to provide for
5 participation by the Government of the United States in
6 such consortium.

7 (c) MEMBERSHIP.—The consortium established pur-
8 suant to subsection (b) should be composed of the fol-
9 lowing members:

10 (1) The Government of the United States, to
11 include the Overseas Private Investment Corpora-
12 tion.

13 (2) The national governments of other inter-
14 ested countries.

15 (3) Appropriate multilateral organizations.

16 (4) Private insurance companies and other ap-
17 propriate private sector entities.

18 (d) DUTIES.—

19 (1) IN GENERAL.—The consortium established
20 pursuant to subsection (b) should issue insurance,
21 upon such terms and conditions as the consortium
22 may determine, to protect investors against the risk
23 of loss of private investments in Ukraine.

24 (2) ADDITIONAL DUTIES.—The consortium
25 should—

1 (A) ensure that members of the consortium
2 share in issuing insurance and are liable for
3 payments of claims by investors in proportion
4 to each member's agreed-upon share;

5 (B) at a minimum, ensure that members of
6 the consortium provide insurance against the
7 risk of loss due to armed conflict, political vio-
8 lence, and expropriation in Ukraine;

9 (C) provide reinsurance to entities that
10 have issued or underwritten insurance to inves-
11 tors in Ukraine against the risk of loss; and

12 (D) establish a procedure for processing,
13 negotiating, and settling claims for losses in-
14 curred and should utilize, to the maximum ex-
15 tent possible, the resources of the members of
16 the consortium to carry out such functions.

17 (e) ROLE OF OPIC.—Upon the request of the Sec-
18 retary of State, the Overseas Private Investment Corpora-
19 tion should—

20 (1) assist the Secretary of State in securing
21 membership of private insurance companies and
22 other appropriate private sector entities in the con-
23 sortium;

1 (2) participate in underwriting insurance con-
2 sistent with the statutory provisions applicable to
3 the Corporation; and

4 (3) provide staff with relevant expertise to as-
5 sist in establishing and administering the Consor-
6 tium, on a reimbursable basis.

7 **SEC. 302. STRATEGY TO RESPOND TO RUSSIAN FEDERA-**
8 **TION-SUPPORTED INFORMATION AND PROP-**
9 **AGANDA EFFORTS DIRECTED TOWARD RUS-**
10 **SIAN-SPEAKING COMMUNITIES IN COUN-**
11 **TRIES BORDERING THE RUSSIAN FEDERA-**
12 **TION.**

13 (a) SENSE OF CONGRESS.—It is the sense of Con-
14 gress that the Broadcasting Board of Governors shall es-
15 tablish Crimean Tatar services subordinate to the Ukrain-
16 ian language services and shall broadcast and direct Cri-
17 mean Tatar language content into Crimea.

18 (b) IN GENERAL.—Not later than 60 days after the
19 date of the enactment of this Act, the Secretary of State
20 shall develop and implement a strategy to respond to Rus-
21 sian Federation-supported disinformation and propaganda
22 efforts directed toward persons in countries bordering the
23 Russian Federation.

24 (c) MATTERS TO BE INCLUDED.—The strategy re-
25 quired under subsection (b) should include the following:

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

4 (A) assistance in building the capacity of
5 the Ukrainian military to document conflict
6 zones and disseminate information in real time;

7 (B) assistance in enhancing broadcast ca-
8 pacity with terrestrial television transmitters in
9 Eastern Ukraine; and

10 (C) media training for officials of the Gov-
11 ernment of Ukraine.

12 (2) Establishment of a partnership with partner
13 governments and private-sector entities to provide
14 Russian-language entertainment and news content to
15 broadcasters in Russian-speaking communities bor-
16 dering the Russian Federation.

17 (3) Assessment of the extent of Russian Fed-
18 eration influence in political parties, financial insti-
19 tutions, media organizations, and other entities seek-
20 ing to exert political influence and sway public opin-
21 ion in favor of Russian Federation policy across Eu-
22 rope.

23 (d) REPORT.—The Secretary of State shall submit to
24 the appropriate congressional committees a report on the

1 strategy required under subsection (b) and its implemen-
2 tation.

3 (e) APPROPRIATE CONGRESSIONAL COMMITTEES.—

4 In this section, the term “appropriate congressional com-
5 mittees” means—

6 (1) the Committee on Foreign Affairs and the
7 Committee on Armed Services of the House of Rep-
8 resentatives; and

9 (2) the Committee on Foreign Relations and
10 the Committee on Armed Services of the Senate.

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