119TH CONGRESS
1st Session

HOUSE OF REPRESENTATIVES

REPORT
119–21

CHINA FINANCIAL THREAT MITIGATION ACT OF 2025

MARCH 21, 2025.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. HILL of Arkansas, from the Committee on Financial Services, submitted the following

R E P O R T

[To accompany H.R. 1549]

The Committee on Financial Services, to whom was referred the bill (H.R. 1549) to require the Secretary of the Treasury to conduct a study and report on the exposure of the United States to the financial sector of the People's Republic of China, and for other purposes, having considered the same, reports favorably thereon with an amendment and recommends that the bill as amended do pass.

CONTENTS

The amendment is as follows:

Strike all after the enacting clause and insert the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the "China Financial Threat Mitigation Act of 2025".

59–006

SEC. 2. CHINA FINANCIAL THREAT MITIGATION.

(a) REPORT.—Not later than one year after the date of the enactment of this Act, the Secretary of the Treasury, in consultation with the Chairman of the Board of Governors of the Federal Reserve System, the Chairman of the Securities and Exchange Commission, the Chairman of the Commodity Futures Trading Commission, and the Secretary of State, shall conduct a study and issue a report on the exposure of the United States to the financial sector of the People's Republic of China that includes—

(1) an assessment of the effects of significant risks in the financial sector of the People's Republic of China on the United States and global financial systems;

(2) a description of the policies the United States Government is adopting to protect the financial stability of the United States and the global economy from any risks described under paragraph (1);

(3) a description and evaluation of the transparency, completeness, and reliability of Chinese economic data; and

(4) recommendations for additional actions the United States Government, including United States representatives at relevant international organizations, should take to strengthen international cooperation to monitor and mitigate such financial stability risks and protect United States interests.

(b) TRANSMISSION OF REPORT.—The Secretary of the Treasury shall transmit the report required under subsection (a) to the Committees on Financial Services and Foreign Affairs of the House of Representatives, the Committees on Banking, Housing, and Urban Affairs and Foreign Relations of the Senate, and to the United States representatives at relevant international organizations, as appropriate.

(c) CLASSIFICATION OF REPORT.—The report required under subsection (a) shall be unclassified, but may contain a classified annex.

(d) PUBLICATION OF REPORT.—The Secretary of the Treasury shall publish the report required under subsection (a) (other than any classified annex) on the website of the Department of the Treasury not later than one year after the date of enactment of this Act.

PURPOSE AND SUMMARY

Introduced on February 24, 2025, by Representative Rogers Williams, H.R. 1549, the *China Financial Threat Mitigation Act of 2025*, would require the Secretary of the Department of the Treasury to report to Congress on global economic risks emanating from the Chinese financial sector.

BACKGROUND AND NEED FOR LEGISLATION

H.R. 1549 results from previous bipartisan Committee discussions to require a Treasury report on financial stability risks emanating from China. Such risks have been addressed in the annual report of the Financial Stability Oversight Council, but in limited detail. Former Treasury Secretary Yellen has also addressed Chinese financial risks in response to Republican questioning before the Committee, particularly with respect to China's real estate sector. Understanding these risks more comprehensively will help U.S. officials better evaluate vulnerabilities in the global economy and work through bodies such as the IMF and Financial Stability Board to mitigate them.

H.R. 1549 requires the Secretary of the Department of the Treasury to report to Congress on global economic risks emanating from the Chinese financial sector. The bill is necessary to better understand the governance, opacity, and potential instability of the Chinese financial system.

COMMITTEE CONSIDERATION

118TH CONGRESS

On September 24, 2023, Representative Abigail Spanberger (D–VA) introduced H.R. 1156, *China Financial Threat Mitigation Act of 2023*, with Representative Roger Williams (R–TX) as the original cosponsor. Representatives Michael Lawler (R–NY), Susie Lee (D–NV), and Patrick Ryan (D–NY) were subsequently added as cosponsors. The bill was referred solely to the House Committee on Financial Services. The Committee considered a discussion draft of H.R. 1156 in legislative session on February 7, 2023, in a hearing entitled "Combatting the Economic Threat from China". On February 28, 2023, the Committee ordered H.R. 1156 (as amended) reported favorably to the House by a recorded vote of 40–0 (Record Vote No. FC–16) a quorum being present. Before the question to report was called, the Committee adopted an amendment in the nature of a substitute offered by Ms. Spanberger by voice vote. H. Rept. 118–72 accompanying the bill was filed on May 22, 2023. H.R. 1156 was passed by the House the same day under suspension of the rules by a recorded vote of 400–5 (Roll No. 229). On May 30, 2023, the bill was received in the Senate and referred to the Committee on Banking, Housing, and Urban Affairs.

119TH CONGRESS

On February 24, 2025, Representative Roger Williams (R–TX) introduced H.R. 1549, the *China Financial Threat Mitigation Act of 2025*, with Representative Josh Gottheimer (D–NJ) as an original cosponsor. Representative Michael Lawler (R–NY) was added subsequently as a cosponsor. The bill was referred solely to the Committee on Financial Services.

RELATED HEARINGS

Pursuant to clause 3(c)(6) of rule XIII of the Rules of the House of Representatives, the following hearing was used to develop H.R. 1549:

The Full Committee held a hearing on February 25, 2025, titled "Examining Policies to Counter China." A discussion draft of the bill was considered in the hearing. The following witnesses testified: John Miller, Senior Vice President of Policy, Trust, Data, and Technology, and General Counsel, Information Technology Industry Council; Nicholas McMurray, Managing Director of International and Nuclear Policy, ClearPath; John Cassara, retired United States Treasury Department Special Agent; Martin Muhleisen, Nonresident Senior Fellow at the GAO Economic Center at the Atlantic Council; and Dr. Rush Doshi, C.V. Starr Senior Fellow for Asian Studies, and Director of the China Strategy Initiative at the Council on Foreign Relations, and an assistant professor at Georgetown University. Among other discussion regarding risks emanating from China's financial sector, Dr. Doshi testified the U.S. needs better information about our vulnerabilities in the financial sector.

The Committee on Financial Services met in open session on March 5, 2025 to consider, among others, H.R. 1549.

COMMITTEE VOTES

Clause 3(b) of rule XIII of the Rules of the House of Representatives requires the Committee Report to include for each record vote on a motion to report the measure or matter and on any amendments offered to the measure or matter the total number of votes for and against and the names of the Members voting for and against.

On March 5, 2025, The Committee ordered H.R. 1549, as amended, to be reported favorably to the House by a recorded vote of 49 yeas to 0 nays, a quorum being present. (Record Vote No. FC–20). Before the question to report was called, the Committee adopted an amendment in the nature of a substitute offered by Mr. Williams that made minor technical changes by voice vote.

Committee on Financial Services

Markup 1	*Bill*	**H.R. 1549**
March 5, 2025	*Motion*	**To report favorably**
	Amendment	**H.R. 1549 (as amended)**
Record Vote No.		
FC-020	*Disposition*	**Adopted (49-0)**

Member	Yea	Nay	Not Voting	Member	Yea	Nay	Not Voting
Chairman Hill	X			Ranking Members Waters	X		
Mr. Lucas	X			Ms. Velázquez			X
Mr. Sessions	X			Mr. Sherman	X		
Mr. Huizenga	X			Mr. Meeks			X
Mrs. Wagner	X			Mr. Scott	X		
Mr. Barr	X			Mr. Lynch	X		
Mr. Williams (TX)	X			Mr. Green (TX)			X
Mr. Emmer	X			Mr. Cleaver	X		
Mr. Loudermilk	X			Mr. Himes	X		
Mr. Davidson	X			Mr. Foster	X		
Mr. Rose	X			Mrs. Beatty	X		
Mr. Steil	X			Mr. Vargas	X		
Mr. Timmons	X			Mr. Gottheimer	X		
Mr. Stutzman	X			Mr. Gonzalez	X		
Mr. Norman	X			Mr. Casten	X		
Mr. Meuser	X			Ms. Pressley			X
Mrs. Kim	X			Ms. Tlaib	X		
Mr. Donalds	X			Mr. Torres (NY)	X		
Mr. Garbarino	X			Ms. Garcia (TX)	X		
Mr. Fitzgerald	X			Ms. Williams of GA	X		
Mr. Flood	X			Ms. Pettersen			X
Mr. Lawler	X			Mr. Fields	X		
Ms. De La Cruz	X			Ms. Bynum	X		
Mr. Ogles	X			Mr. Liccardo	X		
Mr. Nunn	X						
Mrs. McClain	X						
Ms. Salazar	X						
Mr. Downing	X						
Mr. Haridopolos	X						
Mr. Moore (NC)	X						
	30	**0**	**0**		**19**	**0**	**5**

	Yeas	Nays	Not Voting
Committee Totals:	**49**	**0**	**5**

COMMITTEE OVERSIGHT FINDINGS

Pursuant to clause 3(c) of rule XIII of the Rules of the House of Representatives, the findings and recommendations of the Committee, based on oversight activities under clause 2(b)(1) of rule X of the Rules of the House of Representatives, are incorporated in the descriptive portions of this report.

PERFORMANCE GOALS AND OBJECTIVES

Pursuant to clause 3(c)(4) of rule XIII of the Rules of the House of Representatives, the goal of H.R. 1549 is to require the Secretary of the Department of the Treasury to report to Congress on global economic risks emanating from the Chinese financial sector so Congress can better understand the governance, opacity, and potential instability of the Chinese financial system.

COMMITTEE COST ESTIMATE

Clause 3(d)(1) of rule XIII of the Rules of the House of Representatives requires an estimate and a comparison of the costs that would be incurred in carrying out H.R. 1549.

The Committee has requested but not received a cost estimate from the Director of the Congressional Budget Office. However, pursuant to clause 3(d)(1) of rule XIII of the House of Representatives, the Committee will adopt as its own the cost estimate by the Director of the Congressional Budget Office once it has been prepared.

NEW BUDGET AUTHORITY AND CBO COST ESTIMATE

With respect to the requirements of clause 3(c)(2) of rule XIII of the Rules of the House of Representatives and section 308(a) of the *Congressional Budget Act of 1974* and with respect to requirements of clause 3(c)(3) of rule XIII of the Rules of the House of Representatives and section 402 of the *Congressional Budget Act of 1974*, a cost estimate was not made available to the Committee in time for the filing of this report. The Chairman of the Committee shall cause such estimate to be printed in the Congressional Record upon its receipt by the Committee.

UNFUNDED MANDATES STATEMENT

The Committee has requested but not received from the Director of the Congressional Budget Office an estimate of the Federal mandates pursuant to section 423 of the *Unfunded Mandates Reform Act*. The Committee will adopt the estimate once it has been prepared by the Director.

EARMARK STATEMENT

With respect to clause 9 of rule XXI of the Rules of the House of Representatives, the Committee has carefully reviewed the provisions of the resolution and states that the provisions of the bill do not contain any congressional earmarks, limited tax benefits, or limited tariff benefits within the meaning of the rule.

FEDERAL ADVISORY COMMITTEE ACT STATEMENT

No advisory committees within the meaning of section 5(b) of the *Federal Advisory Committee Act* were created by this legislation.

APPLICABILITY TO THE LEGISLATIVE BRANCH

The Committee finds that the legislation does not relate to the terms and conditions of employment or access to public services or accommodations within the meaning of section 102(b)(3) of the *Congressional Accountability Act*.

DUPLICATION OF FEDERAL PROGRAMS

Pursuant to clause 3(c)(5) of rule XIII of the Rules of the House of Representatives, the Committee states that no provision of the bill establishes or reauthorizes a program of the Federal Government known to be duplicative of another Federal program, including any program that was included in a report to Congress pursuant to section 21 of the Public Law 111–139 or the most recent Catalog of Federal Domestic Assistance.

SECTION-BY-SECTION ANALYSIS OF THE LEGISLATION

The following is a section-by-section analysis of H.R. 1549, the *China Financial Threat Mitigation Act of 2025*:

Section 1. Short title

Section 1 provides that the short title is the "*China Financial Threat Mitigation Act of 2025*".

Section 2. China financial threat mitigation

This section requires, not later than one year after the date of the enactment of this Act, the Secretary of the Treasury, in consultation with the Chairman of the Board of Governors of the Federal Reserve System, the Chairman of the Securities and Exchange Commission, the Chairman of the Commodity Futures Trading Commission, and the Secretary of State, conduct a study and issue a report on the exposure of the United States to the financial sector of the People's Republic of China that includes—

- an assessment of the effects of significant risks in the financial sector of the People's Republic of China on the United States and global financial systems;
- a description of the policies the United States Government is adopting to protect the financial stability of the United States and the global economy from any risks described in the Act;
- a description and evaluation of the transparency, completeness, and reliability of Chinese economic data; and
- recommendations for additional actions the United States Government, including United States representatives at relevant international organizations, should take to strengthen international cooperation to monitor and mitigate such financial stability risks and protect United States interests.

The Secretary of the Treasury shall transmit the report required under the Act not later than one year after the date of enactment of this Act to the Committees on Financial Services and Foreign Affairs of the House of Representatives, the Committees on Banking, Housing, and Urban Affairs and Foreign Relations of the Senate, and to the United States representatives at relevant international organizations.

The report required under the Act shall be unclassified, but may contain a classified annex.

The Secretary of the Treasury shall publish the report required under the Act (other than any classified annex) on the website of the Department of the Treasury not later than one year after the date of enactment of this Act.

CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED

H.R. 1549 does not repeal or amend any section of a statute. Therefore, the Office of Legislative Counsel did not prepare the report required under clause 3(e) of rule XIII of the House of Representatives.

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