

*Periodic Report on the National Emergency
With Respect to the Situation in Hong Kong*

I hereby report to the Congress on developments and expenditures relating to the national emergency declared in Executive Order 13936 of July 14, 2020 (E.O. 13936) which, among other things, blocks the property and interests in property of certain persons involved in the coercing, arresting, detaining, or imprisoning of individuals under the authority of, or who have been responsible for or involved in developing, adopting, or implementing, the Law of the People's Republic of China on Safeguarding National Security in the Hong Kong Administrative Region. E.O. 13936 also blocks the property and interests in property of persons determined to be responsible for or complicit in, or to have engaged in, directly or indirectly: actions or policies that undermine democratic processes or institutions in Hong Kong or that threaten the peace, security, stability, or autonomy of Hong Kong; censorship or other activities with respect to Hong Kong that prohibit, limit, or penalize the exercise of freedom of expression or assembly by citizens of Hong Kong, or that limit access to free and independent print, online, or broadcast media; or the extrajudicial rendition, arbitrary detention, or torture of any person in Hong Kong or other gross violations of internationally recognized human rights or serious human rights abuse in Hong Kong.

In accordance with section 204(c) of the International Emergency Economic Powers Act (IEEPA), 50 U.S.C. 1703(c), this report covers actions taken in the exercise of national emergency authorities under IEEPA. It also covers expenses that are directly attributable to the exercise of those authorities, in accordance with section 401(c) of the National Emergencies Act (NEA), 50 U.S.C. 1641(c).

IEEPA Reporting (from July 14, 2020, through December 20, 2020)

1. On July 14, 2020, the President signed E.O. 13936, "The President's Executive Order on Hong Kong Normalization" (85 Fed. Reg. 43413, July 17, 2020). In E.O. 13936, the President determined, pursuant to section 202 of the United States-Hong Kong Policy Act of 1992, that the Special Administrative Region of Hong Kong was no longer sufficiently autonomous to justify differential treatment in relation to the People's Republic of China (PRC) under the particular United States laws and provisions thereof set out in E.O. 13936. The President therefore determined that the situation with respect to Hong Kong, including recent

actions taken by the PRC to fundamentally undermine Hong Kong's autonomy, constituted an unusual and extraordinary threat, which has its source in substantial part outside the United States, to the national security, foreign policy, and economy of the United States.

To deal with this threat, the President declared a national emergency and ordered several measures, including the blocking of all property and interests in property of any person determined by the Secretary of the State, in consultation with the Secretary of the Treasury, or the Secretary of the Treasury, in consultation with the Secretary of State, to meet any of the criteria set forth in subsection 4(a) of E.O. 13936. A copy of E.O. 13936 is attached to this report.

2. On August 7, 2020, the Department of the Treasury's Office of Foreign Assets Control (OFAC) designated 11 individuals pursuant to the authorities referenced above. Seven of the individuals are Hong Kong officials, and the remaining four are Chinese officials. Hong Kong's Chief Executive, Commissioner of the Hong Kong Police Force, Secretary for Security, Secretary for Justice, Secretary for Constitutional and Mainland Affairs, and Secretary General of the Committee for Safeguarding National Security of the Hong Kong Special Administrative Region (HKSAR), were designated for being foreign persons who are or have been involved, directly or indirectly, in the coercing, arresting, detaining, or imprisoning of individuals under the authority of, or being or having been responsible for or involved in developing, adopting, or implementing, the Law of the People's Republic of China on Safeguarding National Security in the HKSAR. Another individual was designated for being a foreign person who is or has been a leader or official of an entity, including any government entity, that has engaged in, or whose members have engaged in, censorship or other activities with respect to Hong Kong that prohibit, limit, or penalize the exercise of freedom of expression or assembly by citizens of Hong Kong, or that limit access to free and independent print, online, or broadcast media.

The four Chinese officials included the director of China's Hong Kong Liaison Office, the director of China's Hong Kong and Macau Affairs Office (HKMAO), the deputy director of the HKMAO, and the director of China's Office for Safeguarding National Security in HKSAR. These individuals were designated for being foreign persons who are or have been a leader or official of an entity, including any government entity, that has engaged in, or whose members have engaged in, actions or policies that threaten the peace, security, stability, or autonomy of Hong Kong.

On November 9, 2020, OFAC added four individuals designated by the Department of State to its Specially Designated Nationals and Blocked Persons List (SDN List). The designated individuals included two Chinese officials and two Hong Kong officials.

On December 9, 2020, OFAC added 14 individuals designated by the Department of State to its SDN List. All 14 individuals are vice-chairpersons of China's 13th National People's Congress Standing Committee responsible for the disqualification of elected opposition legislators in Hong Kong.

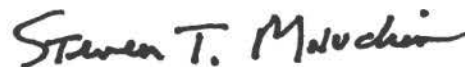
3. OFAC closed one licensing case (which may take the form of specific licenses, license amendments, "return-without-action" letters, general information letters, interpretive guidance letters, denial letters, closed without determination letters, or withdrawals), and received reports of the blocking of 80 transactions or accounts totaling approximately \$292,900, pursuant to the authorities referenced above.

4. OFAC discusses this program during its numerous outreach events to the financial, securities, and international trade communities. Details of this program are available on the Department of the Treasury's website.

NEA Reporting (from July 14, 2020, through January 13, 2021)

5. The expenses incurred by the federal government that are directly attributable to the exercise of powers and authorities conferred by the declaration of a national emergency with respect to the situation in Hong Kong are reported to be approximately \$830,000, most of which represent wage and salary costs for federal personnel. Personnel costs were largely centered in the Department of the Treasury, the Department of State, and the Department of Justice.

I shall continue to report periodically to the Congress on significant developments as required by law.



Steven T. Mnuchin

Department of the Treasury

Dated: **JAN 04 2021**