

119TH CONGRESS  
1ST SESSION

**S.** \_\_\_\_\_

To require the Secretary of the Treasury to instruct the United States Executive Directors at the international financial institutions to advocate for opposition to projects that make use of forced labor.

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IN THE SENATE OF THE UNITED STATES

Mr. SCOTT of Florida (for himself and Mr. MERKLEY) introduced the following bill; which was read twice and referred to the Committee on

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**A BILL**

To require the Secretary of the Treasury to instruct the United States Executive Directors at the international financial institutions to advocate for opposition to projects that make use of forced labor.

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.**

4       This Act may be cited as the “No Funds for Forced  
5       Labor Act”.

6       **SEC. 2. FINDINGS.**

7       Congress makes the following findings:

1           (1) The International Labour Organization has  
2 expressed “deep concern” about the “extensive use  
3 of forced labor in the Xinjiang Uyghur Autonomous  
4 Region”.

5           (2) In its 2022 annual report, the Congres-  
6 sional-Executive Commission on China found, “Au-  
7 thorities in the XUAR (Xinjiang Uyghur Autono-  
8 mous Region) maintained a system of forced labor  
9 that involved former mass internment camp detain-  
10 ees and other Turkic and Muslim individuals.”.

11           (3) In 2022, the Atlantic Council published a  
12 report detailing that the World Bank’s private lend-  
13 ing body, the International Finance Corporation, de-  
14 termined that several clients of the Corporation were  
15 active participants in the People’s Republic of China  
16 campaign against the Uyghur people and Uyghur  
17 culture in the Xinjiang Uyghur Autonomous Region.

18 **SEC. 3. SENSE OF CONGRESS.**

19 It is the sense of Congress that—

20           (1) international financial institutions should  
21 not fund, finance, or provide loan guarantees to any  
22 entity that has been credibly accused of using forced  
23 labor; and

24           (2) the United States should work with allies,  
25 partners, and all countries around the globe to elimi-

1       nate forced labor and ensure that international fi-  
2       nancial institutions do not fund projects that use  
3       forced labor.

4 **SEC. 4. UNITED STATES OPPOSITION TO INTERNATIONAL**  
5                   **FINANCIAL INSTITUTION LOANS FOR**  
6                   **PROJECTS THAT WOULD USE, OR HAVE A SIG-**  
7                   **NIFICANT RISK OF USING, FORCED LABOR.**

8       (a) IN GENERAL.—Title VII of the International Fi-  
9       nancial Institutions Act (22 U.S.C. 262d, 262c note, 262e,  
10      and 262d note) is amended by adding at the end the fol-  
11      lowing:

12 **“SEC. 706. UNITED STATES OPPOSITION TO LOANS FOR**  
13                   **PROJECTS THAT WOULD USE, OR HAVE A SIG-**  
14                   **NIFICANT RISK OF USING, FORCED LABOR.**

15       “(a) IN GENERAL.—The Secretary of the Treasury  
16      shall instruct the United States Executive Director at each  
17      international financial institution (as defined in section  
18      1701(c)(2)) to use the voice, vote, and influence of the  
19      United States, to the maximum extent practicable, to—

20               “(1) oppose the provision of a loan to any  
21      project that will—

22                   “(A) pose a significant risk of using forced  
23      labor; or

24                   “(B) be carried out by a state-owned or  
25      heavily state-influenced entity in the Xinjiang

1 Uyghur Autonomous Region of the People’s Re-  
2 public of China; and

3 “(2) require the institution to provide, with re-  
4 spect to each project supported by the institution, an  
5 explanation, specific to the project, of—

6 “(A) how the institution has vetted the  
7 project for forced labor risks; and

8 “(B) the actions taken to mitigate, track,  
9 and reverse that risk.

10 “(b) DEFINITION OF FORCED LABOR.—In this sec-  
11 tion, the term ‘forced labor’—

12 “(1) has the meaning given the term in section  
13 307 of the Tariff Act of 1930 (19 U.S.C. 1307); and

14 “(2) includes convict labor and indentured labor  
15 under penal sanctions.”.

16 (b) REPORT.—

17 (1) IN GENERAL.—Not later than 1 year after  
18 the date of the enactment of this Act, and annually  
19 thereafter for the next 5 years, the Secretary of the  
20 Treasury shall submit to the committees specified in  
21 paragraph (2) a written report on the implementa-  
22 tion of the amendment made by subsection (a),  
23 which shall include details about—

24 (A) any project approved by an inter-  
25 national financial institution (as defined in sec-

1           tion 1701(c)(2) of the International Financial  
2           Institutions Act (22 U.S.C. 262r(c)(2)) in  
3           which forced labor could possibly be used; and

4           (B) the efforts of the United States Execu-  
5           tive Director at each such institution to con-  
6           vince other countries to oppose any project in  
7           which forced labor could be used.

8           (2) COMMITTEES SPECIFIED.—The committees  
9           specified in this paragraph are—

10           (A) the Committee on Financial Services  
11           and the Committee on Foreign Affairs of the  
12           House of Representatives; and

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

16           (3) PUBLIC AVAILABILITY.—The Secretary of  
17           the Treasury shall make the report (or an unclassi-  
18           fied version of the report) available to the public.