

Treasury Sanctions Chinese Entity and Officials Pursuant to Global Magnitsky Human Rights Executive Order

July 31, 2020

Washington – Today, the U.S. Department of the Treasury’s Office of Foreign Assets Control (OFAC) sanctioned one Chinese government entity and two current or former government officials in connection with serious rights abuses against ethnic minorities in the Xinjiang Uyghur Autonomous Region (XUAR). These designations include the Xinjiang Production and Construction Corps (XPCC), Sun Jinlong, a former Political Commissar of the XPCC, and Peng Jiarui, the Deputy Party Secretary and Commander of the XPCC. The entity and officials are being designated for their connection to serious human rights abuse against ethnic minorities in Xinjiang, which reportedly include mass arbitrary detention and severe physical abuse, among other serious abuses targeting Uyghurs, a Turkic Muslim population indigenous to Xinjiang, and other ethnic minorities in the region.

“As previously stated, the United States is committed to using the full breadth of its financial powers to hold human rights abusers accountable in Xinjiang and across the world,” said Secretary Steven T. Mnuchin.

This action is being taken pursuant to Executive Order (E.O.) 13818, “Blocking the Property of Persons Involved in Serious Human Rights Abuse or Corruption,” which builds upon and implements the Global Magnitsky Human Rights Accountability Act.

These designations are the latest U.S. government actions in an ongoing effort to deter human rights abuses in the Xinjiang region. On July 1, 2020, the U.S. Department of State, along with the U.S. Department of the Treasury, the U.S. Department of Commerce, and the U.S. Department of Homeland Security, issued the Xinjiang Supply Chain Business Advisory, advising businesses with potential supply chain exposure to Xinjiang to consider the reputational, economic, and legal risks of involvement with entities that engage in human rights abuses in Xinjiang, such as forced labor. On May 22, 2020, the U.S. Department of Commerce added nine PRC entities related to human rights abuses in the Xinjiang region to the Commerce Entity List; this action complemented the October 2019 addition to the Commerce Entity List of 28 entities engaged in the PRC repression campaign in the Xinjiang region. Also, in October 2019, the U.S.

Department of State announced a visa restriction policy under section 212 (a)(3)(C) of the Immigration and Nationality Act for PRC and Chinese Communist Party (CCP) officials responsible for, or complicit in, human rights abuses in Xinjiang.

The XPCC is a paramilitary organization in the XUAR that is subordinate to the Chinese Communist Party (CCP). The XPCC enhances internal control over the region by advancing China's vision of economic development in XUAR that emphasizes subordination to central planning and resource extraction. The XPCC's structure reflects a military organization, with 14 divisions made up of dozens of regiments. Chen Quanguo (Chen), who was designated on July 9, 2020 for his connection to serious human rights abuse, is the current First Political Commissar of the XPCC, a role in which he has exercised control over the entity. Chen is also the current Communist Party Secretary of XUAR, and has a notorious history of intensifying security operations in the Tibetan Autonomous Region, where he was deployed before arriving in Xinjiang to tighten control over members of Tibetan ethnic minority groups. Following his arrival in Xinjiang, Chen began implementing a comprehensive surveillance, detention, and indoctrination program targeting Uyghurs and members of other ethnic minority groups. The XPCC has helped implement Chen's CCP policy in the region.

The XPCC was designated today for being owned or controlled by, or for having acted or purported to act for or on behalf of, directly or indirectly, Chen.


The following individuals are also designated today for having acted or purported to act for or on behalf of, directly or indirectly, the XPCC:

- Peng Jiarui, the Deputy Party Secretary and Commander of the XPCC.
- Sun Jinlong, a former Political Commissar of the XPCC.

SANCTIONS IMPLICATIONS

As a result of today's action, all property and interests in property of the entity and individuals named above, and of any entities that are owned, directly or indirectly, 50 percent or more by them, individually, or with other blocked persons, that are in the United States or in the possession or control of U.S. persons, are blocked and must be reported to OFAC. Unless authorized by a general or specific license issued by OFAC or otherwise exempt, OFAC's regulations generally prohibit all transactions by U.S. persons or within (or transiting) the United States that involve any property or interests in property of designated or otherwise blocked persons. The prohibitions include the making of any contribution or provision of funds,

goods, or services by, to, or for the benefit of any blocked person or the receipt of any contribution or provision of funds, goods or services from any such person.

Concurrent with this action, OFAC is issuing a general license to authorize certain wind down and divestment transactions and activities related to blocked subsidiaries of the XPCC through 12:01 a.m. eastern daylight time, September 30, 2020. For details, see [General License No. 2](#) .

GLOBAL MAGNITSKY

Building upon the Global Magnitsky Human Rights Accountability Act, the President signed E.O. 13818 on December 20, 2017, in which the President found that the prevalence of human rights abuse and corruption that have their source, in whole or in substantial part, outside the United States, had reached such scope and gravity that it threatens the stability of international political and economic systems. Human rights abuse and corruption undermine the values that form an essential foundation of stable, secure, and functioning societies; have devastating impacts on individuals; weaken democratic institutions; degrade the rule of law; perpetuate violent conflicts; facilitate the activities of dangerous persons; and undermine economic markets. The United States seeks to impose tangible and significant consequences on those who commit serious human rights abuse or engage in corruption, as well as to protect the financial system of the United States from abuse by these same persons.

[Information on the individuals and entities designated today.](#)

[Information on the Department of State actions under 7031\(c\).](#)

[Information about the Xinjiang Supply Chain Business Advisory](#) .

[Information about the Commerce Entity List additions, and additional information about the Commerce Entity List additions.](#)

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