

The Taiwan Policy Act of 2022

The Taiwan Policy Act of 2022 promotes the security of Taiwan, ensures regional stability, and deters People's Republic of China (PRC) aggression against Taiwan. It also threatens severe sanctions against the PRC for hostile action against Taiwan.

The Taiwan Policy Act of 2022 creates a new initiative to bolster Taiwan's defense capabilities, providing almost \$4.5 billion in security assistance over the next four years and designating Taiwan as a "Major Non-NATO Ally"; reforms bureaucratic practices and procedures to bolster support for Taiwan's democratic government; provides additional support for Taiwan's participation in international organizations and in multilateral trade agreements; takes concrete steps to counter PRC's aggressive influence campaigns; creates a Taiwan Fellowship Program; and establishes a robust sanctions regime to deter further PRC aggression against Taiwan.

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SEC.2. Findings.

- **SEC.2. Findings.** Findings on the importance of historical, political, economic, cultural and defense ties with Taiwan for regional stability, national security, and the rules-based international order. Details the PRC's response to the Taiwan Strait through coercion, political and economic pressure, and the undermining of the U.S.'s Indo-Pacific Strategy.

SEC.3. Definitions.

- **SEC.3. Definitions.** Defines important concepts for the defense of Taiwan, including Taiwan’s “asymmetric defense capabilities” and the People’s Republic of China’s “sharp power.”

TITLE I: UNITED STATES POLICY TOWARD TAIWAN

- **SEC.101. Declaration of Policy.** Reaffirms the Taiwan Relations Act and the Six Assurances. Establishes objectives to support the security of Taiwan and its democratic, economic, and military institutions, promote stability in cross-Strait relations, support Taiwan’s inclusion in the Indo-Pacific Economic Framework, and deter the PRC’s aggression towards Taiwan.
- **SEC.102. Treatment of the Government of Taiwan.** Directs the U.S. federal government to engage with the democratic government of Taiwan as the legitimate representative of the people of Taiwan. Prohibits restrictions on federal government official interactions with counterparts in the Government of Taiwan.
- **SEC.103. Taiwan Symbols of Sovereignty.** Not to be construed as entailing restoration of diplomatic relations with Taiwan or altering the U.S. position on Taiwan’s international status, directs the Secretary of State to rescind administrative guidance that inhibits Taiwanese officials from displaying symbols of Taiwanese sovereignty, including the flag of the Republic of China.
- **SEC.104. Designation and References to Taiwan Representative Office.** Establishes de facto diplomatic treatment for Taiwan equivalent to other foreign governments. Directs the Secretary of State to negotiate the renaming of the “Taipei Economic and Cultural Representative Office” to the “Taiwan Representative Office” and adjust all references accordingly.
- **SEC.105. Senate Confirmation of the Director of the Taipei Office of the American Institute in Taiwan.** Requires Senate confirmation for the Director of the American Institute in Taiwan’s (Taipei office) and bestows the title “Representative” for such office.

TITLE II: IMPLEMENTATION OF AN ENHANCED DEFENSE PARTNERSHIP BETWEEN THE UNITED STATES AND TAIWAN

- **SEC.201. Amendments to the Taiwan Relations Act.** Amends Section 2(b)(5) of the TRA by expanding the provision of arms to Taiwan from being in a “defensive manner” to “arms conducive to deterring acts of aggression by the People’s Liberation Army”. Authorizes the federal government to strengthen security cooperation with Taiwan and otherwise deter the People’s Liberation Army’s aggression against Taiwan regardless of formal diplomatic status. Affirms nothing in the Act may be construed to constitute an

obstacle to any otherwise lawful action of the President or U.S. Government Agency pertaining to U.S. interests in Taiwan.

- **SEC.202. Anticipatory Planning and Annual Review of United States' Strategy to Defend Taiwan.** Directs the Secretary of Defense to review and report war plans to defend Taiwan from People Liberation Army (PLA) aggression including an assessment of: (1) Taiwan's current and near-term capabilities to deter such aggression; (2) a strategy of denial to defend Taiwan, (3) comprehensive assessments of risks to the United States; (4) the near-term likelihood of such aggression; and (5) a list of necessary military capabilities for Taiwan that enable a strategy of denial.
- **SEC.203. Joint Assessment.** Directs the Secretary of State, in consultation with the Secretary of Defense, to establish and report on a working group with Taiwan to develop a joint assessment of threats and solutions, an acquisition plan, and prioritization of the defense needs of Taiwan to maintain effective deterrence against PRC aggression.
- **SEC.204. Taiwan Security Assistance Initiative.** Establishes the Taiwan Security Assistance Initiative, which authorizes \$4.5 billion in Foreign Military Financing appropriations over 4 years, to provide Taiwan assistance, including equipment, training, and other support, to accelerate the modernization of its defense capabilities. Requires the Secretaries of State and Defense to report annual spending plans and Taiwan's progress towards increasing its defense expenditures and modernization efforts. Also authorizes a foreign military financing and loan guarantee authority for up to \$2 billion. Authorizes \$100 million from the FMF for the War Reserve Stockpile in Section 212. Requires that such funds will only be made available if the Secretary of State certifies to Congress that Taiwan has increased its defense spending relative to the prior fiscal year.
- **SEC.205. Requirements Regarding Definition of Asymmetric Capabilities.** Establishes policy on the United States' response to requests by Taiwan to purchase arms and ensures close consultation between Taiwan and the U.S. government about such requests. Requires the Secretaries of State and Defense to report and brief on a definition of "asymmetric capabilities", categories and justification of such capabilities, and degrees of U.S. openness or flexibility for their consideration.
- **SEC.206. Comprehensive Training Program.** Directs the Secretary of Defense to establish a comprehensive training program with Taiwan that improves Taiwan's defense capabilities and increases armed forces interoperability. Requires the U.S. Secretary of Defense to report on the establishment and implementation of the program.
- **SEC.207. Military Planning Mechanism.** Directs the Secretary of Defense to establish a high-level military planning mechanism with Taiwan to oversee a Joint and Combined Exercise Program to coordinate International Military Education and Training assistance and coordinate acquisitions to address the needs of contingencies, modeled after the Joint U.S. Military Advisory Group Thailand or any similar existing arrangement.
- **SEC.208. Assessment of Taiwan's Needs for Civilian Defense and Resilience.**

Requires the Secretaries of State and Defense to submit a classified assessment of Taiwan's needs in the areas of defense and resilience, including assessments of: (1) Taiwan's public and civilian assets for defending against foreign aggression; and (2) Taiwan's needs in its high tech labor force, logistics support infrastructure, and other civilian sectors. Authorizes \$1 million for the completion of the assessment.

- **SEC.209. Prioritizing Excess Defense Article Transfers for Taiwan.** Directs the President to develop and report a five year plan to appropriately prioritize excess defense article transfers to Taiwan. Amends the Foreign Assistance Act to authorize defense article transfers to Taiwan.
- **SEC.210. Fast-Tracking Sales to Taiwan under the Foreign Military Sales Program.** Directs the Secretaries of State and Defense to appropriately prioritize and expedite the processing of requests from Taiwan under the Foreign Military Sales Program until the appropriate committees have determined that the threat to Taiwan has significantly abated. Requires the Secretary of Defense to report the steps taken to implement the requirement.
- **SEC.211. Whole-of-Government Deterrence Measures to Respond to the People's Republic of China's Force Against Taiwan.** Requires relevant federal agencies to brief Congress on all available economic, diplomatic, and other strategic measures to deter the use of force by the People's Republic of China to change the status quo of Taiwan and progress on all coordination efforts between the United States and its allies. Directs the Secretary of State to coordinate with allies and partners to identify and develop such measures.
- **SEC.212. Increase in Annual War Reserves Stockpile Additions and Support for Taiwan.** Amends the Foreign Assistance Act to increase annual war reserves stockpile additions from \$200 million to \$500 million for the purposes of supporting Taiwan's defense. Authorizes the President to establish a war reserve stockpile for Taiwan that must be reported on annually.
- **SEC.213. Designation of Taiwan as a Major Non-NATO Ally.** Amends the Foreign Assistance Act to designate Taiwan as a major non-NATO ally and provide Taiwan preferences for foreign assistance and arms exports and requires the President to notify Congress before the termination of the designation.

TITLE III: COUNTERING PEOPLE'S REPUBLIC OF CHINA'S AGGRESSION AND INFLUENCE CAMPAIGNS

- **SEC.301. Strategy to Respond to Influence and Information Operations Targeting Taiwan.** Directs the Secretary of State to develop and implement strategic guidance and capacity building measures for Taiwan's private and public sector to respond to disinformation, cyberattacks, and propaganda by the People's Republic of China.

Requires an assessment of political influence exerted by the People's Republic of China on Taiwanese institutions. Establishes a coordinated partnership through the American Institute in Taiwan's Global Cooperation and Training Framework with like-minded governments to share data and best practices with Taiwan to address information and influence operations supported by the Government of China.

- **SEC.302. Strategy to Counter Economic Coercion by the People's Republic of China Targeting Countries and Entities that Support Taiwan.** Directs the Secretary of State to submit a strategy for responding to the People's Republic of China's increased economic coercion against countries who increase their ties or support for Taiwan.

TITLE IV—INCLUSION OF TAIWAN IN INTERNATIONAL ORGANIZATIONS

- **SEC.401. Participation of Taiwan in International Organizations.** Establishes U.S. policy to promote Taiwan's inclusion and participation in international organizations. Directs the Permanent Representative of the U.S. to the United Nations and other relevant representatives to leverage their voice and vote to promote Taiwan's inclusion and meaningful participation in international organizations. Requires the Secretary of State to report on the People's Republic of China's efforts at international bodies to block Taiwan's participation and inclusion and recommend appropriate U.S. responses.
- **SEC.402. Participation of Taiwan in the Inter-American Development Bank.** Supports Taiwan's participation in the Inter-American Development Bank to diversify the institution's donor base and facilitate Taiwan's continued contribution to the development of Latin America and Caribbean economies.
- **SEC.403. Plan for Taiwan's Participation in the Inter-American Development Bank.** Authorizes the Secretary of State to endorse and pursue non-borrowing Inter-American Development Bank membership for Taiwan.
- **SEC.404. Report Concerning Member State Status for Taiwan at the Inter-American Development Bank.** Requires the Secretary of State to report on past, present and future efforts endorse and obtain non-borrowing membership status for Taiwan at the Inter-American Development Bank
- **SEC.405. Clarification Regarding United Nations General Assembly Resolution 2758 (XXVI).** Amends subsection (a) of section 2 of the Taiwan Allies International Protection and Enhancement Initiative Act of 2019 (TAIPAI) to address U.N. General Assembly Resolution 2758's lack of position on Taiwan's representation and sovereignty. Includes the United States' opposition to any initiative that would change Taiwan's status without consent.

TITLE V: ENHANCED DEVELOPMENT AND ECONOMIC COOPERATION BETWEEN THE UNITED STATES AND TAIWAN

- **SEC.501. Findings.** Findings on the importance of economic partnership, including the U.S.-Taiwan Economic Prosperity Partnership Dialogue, with Taiwan and its contribution to American security and prosperity, including diversification of supply chain security, employment growth, and a free and open economy in the Indo-Pacific.
- **SEC.502. Sense of Congress on a Free Trade Agreement with Taiwan, the Indo-Pacific Economic Framework, and CBP Preclearance.** Promotes finalizing the Trade and Investment Framework Agreement with Taiwan, incorporating Taiwan into the Indo-Pacific Economic Framework, and establishing Custom’s and Border Patrol pre-clearance facilities in Taiwan.

TITLE VI: SUPPORTING UNITED STATES EDUCATIONAL AND EXCHANGE PROGRAMS WITH TAIWAN

- **SEC.601. Short Title.** Cited title as the “Taiwan Fellowship Act.”
- **SEC.602. Findings.** Findings on the importance of extensive, close, and amicable commercial, cultural, and other relations between Americans and Taiwanese and Taiwan’s leadership in global public health, consistent with the Asia Reassurance Initiative Act of 2018. Acknowledgement of Taiwan’s global growth and leadership in responding to the coronavirus global pandemic, despite the People’s Republic of China’s concerted isolation campaign. Supports the creation of a U.S. fellowship program with Taiwan.
- **SEC.603. Purposes.** Promotes federal government fellowships to Taiwan to strengthen strategic partnership with Taiwan, broaden understanding of the Indo-Pacific region, learn Mandarin Chinese language skills, and advance economic, security, and human rights interests and values in the Indo-Pacific region.
- **SEC.604. Definitions.** Defines important terms for the title, including agency heads, agency of the United States Government, appropriate congressional committees, detailee, implementing partner, and Program.
- **SEC.605. Taiwan Fellowship Program.** Establishes the Taiwan Fellowship Program to provide eligible federal government employees with fellowship opportunities in Taiwan lasting up to two years. Requires fellows to complete: (1) a curriculum of Mandarin Chinese, Taiwanese politics, and Indo-Pacific geopolitics; and (2) one year of service in an office of the Government of Taiwan or another relevant Taiwanese organization. Directs initiation of negotiations for the purpose of entering into an agreement to facilitate placement of fellows and selecting implementing partners. Sets program requirements including eligibility requirements, responsibilities, and noncompliance directives.
- **SEC.606. Reports and Audits.** Requires the Department of State to annually report on the performance of the program, sponsoring agencies, offices of assignment,

recommendations for improvement, and the Program's value upon improving the relationship between the U.S. and Taiwan. Requires an annual financial audit of the implementing partner, including access to documents, and a report containing its findings.

- **SEC.607. Taiwan Fellows on Detail from Government Service.** Authorizes federal government agencies to detail fellows to the American Institute in Taiwan for the purposes of the service in the Government of Taiwan or relevant Taiwanese organizations and outlines their status and responsibilities. Requires fellows to continue in the service of the sponsoring agency at the end of fellowship and includes details of the agreement and clarification of exceptions.
- **SEC.608. Funding.** Authorizes approximately \$2.9 million in appropriations for 2023 and \$2.4 million for 2023 and each succeeding fiscal year to the American Institute in Taiwan for launching and sustaining the Taiwan Fellowship Program. Authorizes the implementing partner to accept, use, and dispose of gifts or donations for the program.
- **SEC.609. Supporting United States Educational and Exchange Programs with Taiwan.** Promotes U.S. policy of supporting educational and exchange programs with Taiwan. Authorizes the U.S.-Taiwan Cultural Exchange Foundation, an independent nonprofit dedicated to deepening ties between the future leaders of Taiwan and the U.S., and to send students to Taiwan to study the Chinese language, culture, history, politics, and other relevant subjects. Allows partnerships between the Taipei Economic and Cultural Representative Office and state and local education institutions to establish programs to promote education and cultural exchanges. Requires the Secretary of State to report cooperation between the U.S. Government and Government of Taiwan to create an alternative to Confucius Institutes.

TITLE VII: MISCELLANEOUS PROVISIONS

- **SEC.701. Invitation of Taiwanese Counterparts to High-Level Bilateral and Multilateral Forums and Exercises.** Establishes policy to invite Taiwanese officials to participate in high-level bilateral and multilateral summits, military exercises, and economic dialogues and forums. Promotes a regular and routine strategic bilateral dialogue on arms sales to support Taiwan's indigenous defensive capabilities.
- **SEC.702. Report on Taiwan Travel Act.** Advances the Taiwan Travel Act and requires the Secretary of State to annually maintain and report on the Taiwan Travel Act, specifically: (1) a list of high-level American officials who have traveled to Taiwan; and (2) a list of high-level Taiwanese officials that have entered the U.S.
- **SEC.703. Prohibitions Against Undermining United States Policy Regarding Taiwan.** Encourages a formulation of a code of conduct for interacting with the PRC in coordination with U.S. businesses and nongovernmental agencies with the aim of countering sharp power operations and censorship as it relates to Taiwan, Xinjiang, Tibet, and other issues. Requires the Secretary of State to report on the protection of American

businesses and nongovernmental entities from coercion and threats that may compel compliance with the PRC political or policy positions. Prohibits: (1) federal government officials from recognizing PRC claims to sovereignty over Taiwan; and (2) restrictions on federal agencies from interacting with Taiwanese counterparts. Affirms U.S. policy to oppose any attempt by the PRC to unilaterally impose a timetable for unification on Taiwan.

TITLE VIII—DETERRENCE MEASURES FOR CROSS-STRAIT STABILITY

- **SEC.801. Definitions.** Defines key terms for the title, including appropriate committees, financial institutions, etc.
- **SEC.802. Determination with Respect to Activities of the People’s Republic of China in Taiwan.** Directs the President to determine and report on whether the People’s Republic of China (PRC) is engaged in a significant escalation of hostile actions against Taiwan, compared to hostile actions before December 2021, including undermining, overthrowing, or dismantling the Government of Taiwan and interference with Taiwan’s territorial integrity, in which case, the provisions in sections 803 – 806 would apply.
- **SEC.803. Imposition of Sanctions on Officials of the Government of the People’s Republic of China Relating to Operations in Taiwan.** In response to the People’s Republic of China’s (PRC) escalating hostile actions in or against Taiwan, the President shall impose and report on sanctions on Government of the PRC officials including Chinese Community Party leadership
- **SEC.804. Imposition of Sanctions with Respect to Financial Institutions of the People’s Republic of China.** In response to the People’s Republic of China’s (PRC) escalating hostile actions in or against Taiwan, the President shall impose and report on sanctions on at least three major PRC financial institutions.
- **SEC.805. Imposition of Sanctions with Respect to Provision of Specialized Financial Messaging Services to Sanctioned People’s Republic of China Financial Institutions.** The President may impose sanctions on persons that knowingly enable specialized financial messaging services to financial institutions owned or operated by the Government of PRC. Requires the Secretary of State to report on all such persons and any other efforts to curtail specialized financial messaging services to such financial institutions.
- **SEC.806. Imposition of Sanctions with Respect to People’s Republic of China Extractive Industries.** The President shall identify, report, and impose sanctions on foreign persons involved in the PRC’s natural resource extraction industries, including oil, gas, coal and minerals, and any other industry that the President determines should be sanctioned in the interest of U.S. security.

- **SEC.807. Additional Sanctions.** The President shall, subject to invocation of a national interest waiver, impose sanctions on any foreign persons that the President determines, while acting for or on behalf of the People’s Republic of China, have engaged in, sponsored, or otherwise been complicit in interference in a democratic process in Taiwan, or with the objective of destabilizing Taiwan, been engaged in malicious cyber-enabled or certain military activities.
- **SEC.808. Sanctions Described.** Sanctions imposed under this title include: (1) property blocking - blocking and prohibiting sanctioned individuals from transacting in property and interest within U.S. jurisdiction; and (2) visa denial and revocation – prohibiting sanctioned individuals from entering the U.S.
- **SEC.809. Implementation; Regulations; Penalties.** Authorizes the President to exercise International Emergency Economic Powers Act authorities - including issuance of regulations, licenses, and orders - to impose sanctions under this title. Applies International Emergency Economic Powers Act penalties to violators of sanctions imposed under this title.
- **SEC.810. Exceptions; Waiver.** Exempts imposition of sanctions under this title for the purposes of defined intelligence activities, compliance with international obligations and law enforcement activities, and goods imports. Authorizes the President to waive the imposition of sanctions under this title according to defined national security interests.
- **SEC.811. Termination.** Authorizes the President to terminate the sanctions imposed under this title after determining and certifying that the People’s Republic of China has: (1) ceased escalating hostilities in or against Taiwan; and (2) entered into an agreed settlement with a legitimate democratic Government of Taiwan.

TITLE IX – RULE OF CONSTRUCTION.

- **Sec.901. Rule of Construction.** Reaffirms that nothing in this Act shall be construed as entailing restoration of diplomatic relations with Taiwan or altering the United States Government’s position on Taiwan’s international status.