

H.R. 5512, Russia and Belarus Financial Sanctions Act of 2023

As ordered reported by the House Committee on Financial Services on September 20, 2023

| By Fiscal Year, Millions of Dollars | | 2024 | 2024-2028 | 2024-2033 |
|--|-----------------|---|-----------|----------------------|
| Direct Spending (Outlays) | | * | * | * |
| Revenues | | * | * | * |
| Increase or Decrease (-) in the Deficit | | * | * | * |
| Spending Subject to Appropriation (Outlays) | | 0 | 0 | 0 |
| Increases <i>net direct spending</i> in any of the four consecutive 10-year periods beginning in 2034? | < \$2.5 billion | Statutory pay-as-you-go procedures apply? | | Yes |
| Mandate Effects | | | | |
| Increases <i>on-budget deficits</i> in any of the four consecutive 10-year periods beginning in 2034? | No | Contains intergovernmental mandate? | | No |
| | | Contains private-sector mandate? | | Yes, Under Threshold |
| * = between -\$500,000 and \$500,000. | | | | |

H.R. 5512 would require U.S. financial institutions to prevent their foreign branches or other entities within their control from providing financial goods or services that violate existing federal sanctions, regulations, or orders related to Russia or Belarus.

Under the bill, financial institutions that fail to take the required actions would be subject to criminal and civil monetary penalties. Such penalties are recorded as revenues, and a portion can be spent without further appropriation.

According to industry sources, most foreign branches of U.S. financial institutions are already complying with those sanctions. CBO estimates that any additional penalties would affect a small number of institutions; thus, enacting H.R. 5512 would have insignificant effects on revenues and direct spending, and would, on net, reduce deficits by insignificant amounts over the 2024-2033 period.

H.R. 5512 would impose a private-sector mandate on U.S. financial institutions by requiring their foreign branches to comply with federal sanctions against Russia and Belarus. Under current law, U.S. financial institutions are required to comply with the sanctions, but their foreign branches are not necessarily required to do the same. Because most foreign branches of U.S. financial institutions are already complying with the sanctions, CBO estimates that

See also

[CBO's Cost Estimates Explained](#), [CBO Describes Its Cost-Estimating Process](#), [Glossary](#)



the cost of complying with the mandate would be below the threshold established in UMRA for private-sector mandates (\$198 million in 2023, adjusted annually for inflation).

The CBO staff contacts for this estimate are Emma Uebelhor (for federal costs) and Grace Watson (for mandates). The estimate was reviewed by Christina Hawley Anthony, Deputy Director of Budget Analysis.

A handwritten signature in black ink, appearing to read 'Phillip L. Swagel'.

Phillip L. Swagel
Director, Congressional Budget Office