

119<sup>TH</sup> CONGRESS  
1<sup>ST</sup> SESSION

# H. R. 3197

To amend the Financial Stability Act of 2010 to establish an Advisory Committee on Economic Fallout From Chinese Military Aggression Towards Taiwan, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

MAY 5, 2025

Mr. NUNN of Iowa (for himself, Mr. TORRES of New York, and Mrs. KIM) introduced the following bill; which was referred to the Committee on Financial Services

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## A BILL

To amend the Financial Stability Act of 2010 to establish an Advisory Committee on Economic Fallout From Chinese Military Aggression Towards Taiwan, and for other purposes.

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 “Fortifying U.S. Mar-  
5 kets From Chinese Military Aggression Act”.

1 **SEC. 2. ADVISORY COMMITTEE ON ECONOMIC FALLOUT**  
2 **FROM CHINESE MILITARY AGGRESSION TO-**  
3 **WARDS TAIWAN.**

4 Section 111 of the Financial Stability Act of 2010  
5 (12 U.S.C. 5321) is amended by adding at the end the  
6 following:

7 “(k) ADVISORY COMMITTEE.—

8 “(1) ESTABLISHMENT.—There is established  
9 the Financial Stability Oversight Council Advisory  
10 Committee on Economic Fallout From Chinese Mili-  
11 tary Aggression Towards Taiwan (the ‘Advisory  
12 Committee’) to—

13 “(A) study and report on the market impli-  
14 cations and vulnerabilities related to Chinese  
15 military aggression towards Taiwan; and

16 “(B) open lines of communication between  
17 policy makers, government agencies, and capital  
18 market constituents to prepare for a potential  
19 response to, and to mitigate economic strain  
20 and market volatility related to, Chinese aggres-  
21 sion in Taiwan.

22 “(2) MEMBERS.—

23 “(A) IN GENERAL.—The Advisory Com-  
24 mittee shall consist of—

25 “(i) a designee of the Commission;

1 “(ii) a designee of the Commodity Fu-  
2 tures Trading Commission; and

3 “(iii) 10 members to be appointed by  
4 the Council from among persons who are—

5 “(I) capital markets participants,  
6 including market makers, asset man-  
7 agers, exchanges, and institutional in-  
8 vestors; or

9 “(II) experts on geopolitical risk  
10 related to China.

11 “(B) CHAIR.—The Chair of the Advisory  
12 Committee shall be a market maker appointed  
13 under subparagraph (A)(iii).

14 “(3) MEETINGS.—The Advisory Committee  
15 shall meet in person at least 2 times per year, with  
16 additional meetings at the call of the Chair.

17 “(4) ANNUAL STUDY AND REPORT ON THE  
18 RECOMMENDATIONS OF THE ADVISORY COM-  
19 MITTEE.—The Advisory Committee shall, annually—

20 “(A) carry out a study on the market im-  
21 plications and vulnerabilities related to Chinese  
22 military aggression towards Taiwan;

23 “(B) develop recommendations and sup-  
24 porting analysis based on the results of the  
25 study; and

1           “(C) hold a public meeting to present the  
2           recommendations and analysis to the Council,  
3           but with any portions of such recommendations  
4           and analysis that implicate national security  
5           concerns presented in a closed session.

6           “(5) PERMANENT STATUS.—The termination  
7           provision under section 1013 of title 5, United  
8           States Code, shall not apply to the Advisory Com-  
9           mittee.

10          “(1) ANNUAL REPORT.—The Council shall issue an  
11          annual public report, after analyzing the recommendations  
12          and analysis of the Advisory Committee provided under  
13          subsection (k)(4), detailing the following:

14                 “(1) Market vulnerabilities related to Chinese  
15                 aggression in Taiwan, including—

16                         “(A) the safety and soundness of the  
17                         United States banking and financial systems;

18                         “(B) market impact and potential losses  
19                         faced by United States and global markets;

20                         “(C) the capacity of United States markets  
21                         to deal with extreme volatility that could result  
22                         from aggression, i.e. trading halts, circuit  
23                         breakers, and other tools for managing liquid-  
24                         ity;

1           “(D) the impact on Chinese and Taiwanese  
2 listings in the United States;

3           “(E) the likelihood, and potential impact  
4 of, China reducing, or eliminating, its holding  
5 in United States Treasuries; and

6           “(F) the estimated total costs to the  
7 United States economy from Chinese military  
8 aggression towards Taiwan.

9           “(2) Recommendations and action items for  
10 regulators to make United States capital markets  
11 more resilient against market shocks, volatility, and  
12 dislocation described under paragraph (1), including  
13 with respect to—

14           “(A) the United States Government’s co-  
15 ordination and response;

16           “(B) ideas for government action to limit  
17 the market impacts of a blockade or invasion of  
18 Taiwan;

19           “(C) potential retaliatory actions by China  
20 and the potential response of the United States;

21           “(D) collaboration and testing of trade  
22 halt rules and circuit breakers across markets;  
23 and

1                   “(E) avenues for further regulator engage-  
2                   ment with capital markets participants on the  
3                   topic.”.

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