WRITTEN STATEMENT FOR THE RECORD

CONGRESSIONAL-EXECUTIVE COMMISSION ON CHINA

Hearing on the Case of Jimmy Lai and the State of Human Rights in Hong Kong

Submitted by: Hong Kong Watch

Chairman Sullivan, Co-Chair Smith, and Members of the Commission, thank you for the opportunity to submit this statement for the record, to complement the testimony of Ms. Claire Lai and Mr. Sebastien Lai. This statement (I) reviews the case of Jimmy Lai; (II) documents the broader deterioration of rule of law and civil society in Hong Kong; (III) flags the recent, unexplained lapse of the national emergency underlying Executive Order 13936; (IV) situates all of this as a direct U.S. strategic and financial concern; and (V) recommends that the Commission support legislation that would codify differentiated treatment for Hong Kong so it cannot lapse or be traded away absent a presidential certification that autonomy has been restored.

I. The Case of Jimmy Lai

Jimmy Lai, 78, founder of the shuttered pro-democracy newspaper *Apple Daily* and a British citizen, was arrested in August 2020 within weeks of the imposition of the Hong Kong National Security Law (HKNSL). After a 156-day trial, he was convicted on December 15, 2025 of two counts of conspiracy to collude with foreign forces and one count of conspiracy to publish seditious material. Lai was sentenced on February 9, 2026 to 20 years; the longest HKNSL sentence to date, and, given his age, effectively a life term.

- The court's 855-page verdict rested substantially on Mr. Lai's lawful meetings with senior U.S. officials during the 2019 protests, treating protected diplomatic engagement as evidence of criminal collusion.
- Mr. Lai has spent over five years in detention, much of it in solitary confinement, with repeated concerns raised about his declining health.
- Mr. Lai's legal team confirmed in March 2026 that he will not appeal; a decision left unexplained, which some analysts read as an attempt to preserve a possible diplomatic resolution, though none has been confirmed.
- In a separate case, Hong Kong's Court of Appeal overturned an earlier fraud conviction against Mr. Lai on February 26, 2026. This was a rare judicial rebuke of the prosecution.

We urge the Commission to continue pressing for his immediate and unconditional release, especially on humanitarian grounds.

II. The Broader Pattern of Human Rights Violations in Hong Kong

Mr. Lai's case is the clearest example of the HKNSL's function, but the pattern is accelerating across the board, including in just the past month.

- Criminalizing Tiananmen commemoration: On August 21, 2026, Chow Hang-tung and Lee Cheuk-yan, leaders of the now-disbanded Hong Kong Alliance in Support of Patriotic Democratic Movements of China who organised the Victoria Park vigil, were convicted of incitement to subversion. The conviction centered on the Alliance's slogan calling to "end one-party dictatorship," after nearly five years already on remand. Both face up to ten more years' imprisonment.
- Dismantling civil society: Lingnan University's student union dissolved on August 6, 2026, leaving independent unions at only two public universities in Hong Kong; the University of Hong Kong is replacing its open "Democracy Wall" with a managed digital display; and the Hong Kong Secretary for Security has publicly challenged the legitimacy of the Hong Kong Journalists Association.
- Transnational reach: A Hong Kong Watch survey (Aug. 25, 2026) found 93% of Hong Kongers with UK settled status were refused withdrawal of their Hong Kong retirement savings; an overseas activist's bank accounts, including those funding a diaspora media outlet, were abruptly closed.

These moves follow a widening and ongoing campaign of transnational repression that now spans arrest warrants and bounties on 34 overseas activists, the jailing of a wanted activist's own father, and the targeting of a U.S. citizen on American soil: Anna Kwok, executive director of the Washington-based Hong Kong Democracy Council, has a HK$1 million ($127,500) bounty on her head, and in February 2026 her 69-year-old father was convicted and sentenced to eight months in prison merely for attempting to access a childhood insurance policy in her name. This was the first prosecution of a wanted activist's relative under the HKNSL. Joey Siu, a U.S. citizen and human rights advocate based in Washington, D.C., likewise carries a HK$1 million bounty and became the first American ever wanted under the HKNSL for activity conducted entirely within the United States.

III. The Lapse of the Hong Kong National Emergency

We ask the Commission to treat the following as urgent. Since 2020, the national emergency underlying Executive Order 13936, the legal foundation for Hong Kong sanctions authority and the withdrawal of Hong Kong's preferential trade and export-control treatment, has been renewed by the President every July, as the National Emergencies Act requires. This year it was not. The emergency lapsed on July 14, 2026, and we have since confirmed this was a deliberate decision, not an oversight: China's Commerce Ministry announced it before Washington did, in the context of ongoing U.S.-China trade talks, and the Department of the Treasury confirmed it days later. On July 17, 2026, Treasury's Office of Foreign Assets Control (OFAC) removed from the Specially Designated Nationals list every individual designated solely under EO 13936/IEEPA authority, including Hong Kong's Justice Secretary, its National Security Department chief, and two former Police Commissioners. Those independently sanctionable under the Hong Kong Autonomy Act were shifted to a lesser, non-blocking list rather than dropped outright, and previously blocked assets remain blocked, but no new EO 13936-based designations can now be made. The Administration has offered no public explanation. We ask the Commission to press the Administration to confirm, on the record, whether Hong Kong sanctions relief was extended as consideration in the broader trade negotiations, and to account fully for which protections have lapsed as a result. This episode is itself the clearest available evidence for why Hong Kong policy must be codified in statute rather than left to annual executive discretion.

IV. Why This Is a U.S. Concern, Not Only a Human Rights Concern

Hong Kong remains the People's Republic of China's (PRC) principal gateway to international capital and a major U.S.-dollar clearing hub, even as it has been fully absorbed into Beijing's national security architecture. It is also a documented transshipment node for sanctioned and dual-use goods, including inputs reaching Russia's war in Ukraine, infrastructure that would be equally available to Beijing in any future crisis, including over Taiwan. The lapse described above shows how easily that leverage can be traded away administratively. Codifying it in statute would remove that ambiguity for Beijing, for Hong Kong's remaining independent institutions, and for U.S. businesses and persons still operating there.

V. Legislative Recommendations

1. Support New Legislation to Close These Gaps

We urge the Commission to support new legislation that would codify differentiated treatment for Hong Kong so it cannot lapse or be traded away absent a presidential certification that autonomy has been restored; authorize targeted sanctions against those responsible for the repression above; and establish pre-authorized financial contingency measures, including suspension of unrestricted USD-HKD conversion and blocking sanctions on the Hong Kong Monetary Authority's clearing infrastructure, triggered automatically by certified PRC aggression against Taiwan or another neighbor.

2. Demand Accountability for the EO 13936 Lapse

We urge the Commission to formally request that the Department of State and Treasury explain the decision not to renew the national emergency, disclose whether it was linked to trade negotiations, and report in full which individuals and protections it affects.

3. Protect Hong Kongers in the United States

We encourage the Commission to examine retirement-savings and financial-access barriers facing Hong Kongers abroad, including in the U.S., and to raise them with UK and Hong Kong regulators and UK-headquartered institutions operating in U.S. markets.

4. Maintain Sustained Oversight

We urge the Commission to treat this hearing as the start of continued oversight, given how quickly this landscape is changing, and would welcome the opportunity to keep the Commission updated.

VI. Conclusion

Jimmy Lai's case is not an aberration within a functioning legal system. It is that system's clearest product, and it now sits alongside an accelerating set of prosecutions, institutional closures, transnational pressures, and a quiet unwinding of U.S. leverage. We thank the Commission for its attention and stand ready to provide further information or assistance.

Respectfully submitted,

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