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September 19, 2025

Mr. Alex Chriss  
President and Chief Executive Officer  
PayPal Holdings, Inc.  
2211 North First Street  
San Jose, CA 95131

Dear Mr. Chriss:

We write to seek assurances that PayPal will fully comply with its U.S. anti-money laundering (AML) obligations in connection with its new integrations with Tencent's Tenpay Global, the operator of Weixin (WeChat) Pay. Announced in April and July 2025, these integrations work in two directions: (1) they allow PayPal users in the United States, Canada, and Europe to remit funds directly into Weixin Pay wallets and linked bank accounts in the People's Republic of China (PRC);<sup>1</sup> and (2) they enable those same PayPal users to make purchases inside the PRC by scanning Weixin Pay QR codes.<sup>2</sup> Given that Weixin Pay can be used by Chinese Money Laundering Organizations (CMLOs) to coordinate illicit finance, we seek information and assurances that PayPal's new partnerships will not enable CMLOs to shift from merely using Weixin Pay to organize illicit activity into actually moving illicit funds directly through PayPal-Weixin Pay channels.

Federal law treats PayPal as a "money transmitter" because it takes funds from one customer and delivers them to another, regardless of method.<sup>3</sup> In that capacity, PayPal is registered with the Financial Crimes Enforcement Network (FinCEN) as a "Money Services Business" and must comply with the Bank Secrecy Act.<sup>4</sup> PayPal is required to maintain a risk-based anti-money laundering program with clear procedures for customer identification, ongoing monitoring, recordkeeping, and the filing of Suspicious Activity Reports.<sup>5</sup> FinCEN guidance emphasizes that these obligations apply to all transactions, including low-value and cross-border transfers, and that the U.S. institution bears primary responsibility for compliance, regardless of

<sup>1</sup> PayPal's Xoom Partners with Tenpay Global to Offer Cross-Border Remittances to Weixin, PayPal (Apr. 8, 2025), <https://web.archive.org/web/20250903020507/https://newsroom.paypal-corp.com/2025-04-08-PayPals-Xoom-Partners-With-Tenpay-Global-To-Offer-Cross-Border-Remittances-to-Weixin>; PayPal's Xoom partners with Tenpay Global to offer cross-border remittances to Weixin, Tencent (Apr. 9, 2025), <https://web.archive.org/web/20250816101515/https://www.tencent.com/en-us/articles/2202064.html>.

<sup>2</sup> Introducing PayPal World: A Global Platform Connecting the World's Largest Payment Systems and Digital Wallets, Starting with Interoperability to PayPal and Venmo, PayPal (Jul. 23, 2025), <https://web.archive.org/web/20250903020255/https://newsroom.paypal-corp.com/2025-07-23-Introducing-PayPal-World-a-global-platform-connecting-the-worlds-largest-payment-systems-and-digital-wallets,-starting-with-interoperability-to-PayPal-and-Venmo>.

<sup>3</sup> 31 C.F.R. § 1010.100(ff)(5)(i).

<sup>4</sup> 31 C.F.R. § 1022.380; MSB Registration No. 31000305453575 (FinCEN RMSB, renewed July 17, 2025), *see* <https://www.fincen.gov/msb-state-selector>.

<sup>5</sup> 31 U.S.C. §§ 5318(h), 5318(g); 31 C.F.R. §§ 1022.210, 1022.320.

reliance on foreign partners for operational support.<sup>6</sup> We therefore seek assurances that PayPal applies these safeguards in full and without exception to transactions routed to Weixin Pay through Tenpay.

U.S. authorities have repeatedly identified Weixin Pay as a central hub for CMLOs, including those tied to fentanyl trafficking. Federal prosecutions have documented its role in coordinating bulk-cash pickups and cross-border settlements,<sup>7</sup> arranging sales of fentanyl precursor chemicals,<sup>8</sup> and laundering fentanyl proceeds through the platform.<sup>9</sup> Treasury's 2022 and 2024 National Money Laundering Risk Assessments similarly warned that Weixin Pay is "a key method" for arranging bulk cash sales,<sup>10</sup> while expert testimony before Congress has described it as the backbone of mirror swaps and similar laundering schemes.<sup>11</sup> Most recently, a bipartisan coalition of state attorneys general cited a "pattern of WeChat [Pay]'s complicity in facilitating money laundering tied to fentanyl trafficking" and demanded immediate reforms.<sup>12</sup> Against this backdrop, PayPal's integrations risk converting a coordination platform for criminal networks into a direct payment rail—eliminating the natural friction between planning and execution and allowing illicit actors to bypass Know Your Customer (KYC) and other AML safeguards.

Furthermore, while PayPal's counterparty may be Tenpay Global in Singapore, the Committee understands that control remains with its ultimate beneficial owner, Tencent Holdings Limited, which was designated by the U.S. Government as a "Chinese military company."<sup>13</sup> Because Tencent and its subsidiaries are subject to Chinese law—including obligations to cooperate with state authorities—Tenpay's operations are legally bound to Beijing. That structure potentially casts doubt on the feasibility of applying KYC and other AML safeguards to users in the PRC, since PayPal would be depending on compliance processes carried out under a foreign legal regime that U.S. regulators cannot directly oversee or validate.

We acknowledge PayPal's historical compliance efforts, such as its 2002 suspicious activity reporting that exposed fraud and laundering through stored-value cards.<sup>14</sup> However, given the heightened risks associated with CMLOs and the technical complexities of integrating

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<sup>6</sup> Testimony of James H. Freis, Jr., Director, FinCEN, before the House Subcommittee on Financial Institutions and Consumer Credit (June 29, 2012), <https://www.fincen.gov/news/testimony/statement-james-h-freis-jr-director-financial-crimes-enforcement-network-united>.

<sup>7</sup> Superseding Indictment, United States v. Xizhi Li, No. 1:19-CR-334 (E.D. Va. Sept. 2020), <https://www.justice.gov/opa/press-release/file/1328016/dl>; Sebastian Rotella & Kirsten Berg, How a Chinese American Gangster Transformed Money Laundering for Drug Cartels, ProPublica (Oct. 11, 2022), <https://www.propublica.org/article/china-cartels-xizhi-li-money-laundering>.

<sup>8</sup> Fiscal Year 2025 Budget Request for the Drug Enforcement Administration: Hearing Before the Subcomm. on Commerce, Justice, Sci., and Related Agencies of the H. Comm. on Appropriations, 118th Cong. 8 (2024) (statement of Anne Milgram, Adm'r, Drug Enf't Admin.), <https://www.justice.gov/ola/media/1379226/dl?inline>.

<sup>9</sup> Indictment, United States v. Ullah, No. 3:25-cr-00606-CRI (D.S.C. Apr. 2025).

<sup>10</sup> National Money Laundering Risk Assessment, Department of the Treasury (Feb. 2022), <https://home.treasury.gov/system/files/136/2022-National-Money-Laundering-Risk-Assessment.pdf>; National Money Laundering Risk Assessment, Department of the Treasury (Feb. 2024), <https://home.treasury.gov/system/files/136/2024-National-Money-Laundering-Risk-Assessment.pdf>.

<sup>11</sup> Statement of Ricardo Mayoral, Assistant Director, Countering Transnational Organized Crime, Homeland Security Investigations, U.S. Department of Homeland Security, Chinese Money Laundering Organizations: Cleaning Cartel Cash, before the U.S. Senate Caucus on International Narcotics Control (Apr. 30, 2024), <https://www.ice.gov/doclib/news/library/speeches/240430mayoral.pdf>; John A. Cassara, Examining Policies to Counter China: Hearing Before the H. Comm. on Fin. Servs., 119th Cong. (Mar. 5, 2025), [https://www.foreign.senate.gov/imo/media/doc/acb41b90-c283-a055-5ccc-38dbffcf99d/030525\\_Ledford\\_Testimony.pdf](https://www.foreign.senate.gov/imo/media/doc/acb41b90-c283-a055-5ccc-38dbffcf99d/030525_Ledford_Testimony.pdf).

<sup>12</sup> Letter from Jeff Jackson, N.C. Att'y Gen., et al., to WeChat US, Inc. (May 12, 2025), <https://ncdoj.gov/wp-content/uploads/2025/05/2025.5.07-WeChat-Demand-Letter.pdf>.

<sup>13</sup> Notice of Availability of Designation of Chinese Military Companies, 90 Fed. Reg. 1105 (Jan. 7, 2025), <https://www.federalregister.gov/documents/2025/01/07/2025-00070/notice-of-availability-of-designation-of-chinese-military-companies>.

<sup>14</sup> BSA Records, 314(a) Request Assist Investigation of International Money Laundering Using Stored Value Cards, Financial Crimes Enforcement Network Case Study (2007), <https://www.fincen.gov/system/files/shared/200801-4.pdf>.

with a foreign platform like Weixin Pay, the Committee expects PayPal to demonstrate enhanced due diligence and robust controls tailored to these specific threats.

To better understand PayPal's ability to comply with the BSA and applicable U.S. AML laws, we request a staff briefing and the following documents by **October 3, 2025**:

1. All agreements, amendments, and supplemental records between PayPal and Tenpay or Tencent relating to the Weixin Pay integrations announced in April and July 2025, including drafts and negotiations from January 1, 2023 forward.
2. Organizational charts identifying the officers responsible for BSA/AML compliance and cross-border oversight, including all versions in effect from January 1, 2023 to the present.
3. The most recent and all subsequent enterprise-wide anti-money laundering risk assessments, scenario analyses, or model validations that address Tenpay or Weixin Pay transactions, prepared from January 1, 2023 forward.
4. Current Customer Identification Program and enhanced due diligence procedures applicable to Tenpay or Weixin Pay transactions, together with aggregated data and internal summaries reflecting suspicious activity alerts and reports to FinCEN from January 1, 2023 forward, and the policies and guidance used to identify such activity.
5. The most recent independent audit and any regulatory examination reports of PayPal's anti-money laundering program that reference Tenpay or Weixin Pay integrations, and all documents including legal opinions or memoranda evidencing reliance on Tenpay or offshore entities to satisfy any BSA/AML obligations, from January 1, 2023 forward.

House Resolution 5 delegates to the U.S. House Select Committee on Strategic Competition between the United States and the Chinese Communist Party broad authority to investigate and submit policy recommendations on countering the economic, technological, security, and ideological threats of the Chinese Communist Party to the United States and allies and partners of the United States.<sup>15</sup> Upon receipt of this letter, please maintain and preserve all hard copy and electronic documents, including electronic communications, related to the subject matter of this letter. Thank you for your attention to this important matter.

Sincerely,



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John Moolenaar  
Chairman



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Raja Krishnamoorthi  
Ranking Member

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<sup>15</sup> H. Res. 5, § 4(a), 119th Cong. (2025).