

114TH CONGRESS  
1ST SESSION

**S.** \_\_\_\_\_

To prevent Hizballah and associated entities from gaining access to international financial and other institutions, and for other purposes.

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IN THE SENATE OF THE UNITED STATES

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Mr. RUBIO (for himself and Mrs. SHAHEEN) introduced the following bill; which was read twice and referred to the Committee on

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## A BILL

To prevent Hizballah and associated entities from gaining access to international financial and other institutions, 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; TABLE OF CONTENTS.**

4 (a) SHORT TITLE.—This Act may be cited as the  
5 “Hizballah International Financing Prevention Act of  
6 2015”.

7 (b) TABLE OF CONTENTS.—The table of contents for  
8 this Act is as follows:

Sec. 1. Short title; table of contents.

Sec. 2. Statement of policy.

TITLE I—PREVENTION OF ACCESS BY HIZBALLAH TO  
INTERNATIONAL FINANCIAL AND OTHER INSTITUTIONS

- Sec. 101. Briefing on imposition of sanctions on certain satellite providers that carry al-Manar TV.
- Sec. 102. Sanctions with respect to financial institutions that engage in certain transactions.

TITLE II—REPORTS ON DESIGNATION OF HIZBALLAH AS A SIGNIFICANT FOREIGN NARCOTICS TRAFFICKER AND A SIGNIFICANT TRANSNATIONAL CRIMINAL ORGANIZATION

- Sec. 201. Report on designation of Hizballah as a significant foreign narcotics trafficker.
- Sec. 202. Report on designation of Hizballah as a significant transnational criminal organization.
- Sec. 203. Rewards for Justice and Hizballah's fundraising, financing, and money laundering activities.
- Sec. 204. Report on activities of foreign governments to disrupt global logistics networks and fundraising, financing, and money laundering activities of Hizballah.

TITLE III—MISCELLANEOUS PROVISIONS

- Sec. 301. Rule of construction.
- Sec. 302. Regulatory authority.
- Sec. 303. Termination.

**1 SEC. 2. STATEMENT OF POLICY.**

2 It shall be the policy of the United States to—

3 (1) prevent Hizballah's global logistics and fi-  
4 nancial network from operating in order to curtail  
5 funding of its domestic and international activities;  
6 and

7 (2) utilize all available diplomatic, legislative,  
8 and executive avenues to combat the global criminal  
9 activities of Hizballah as a means to block that orga-  
10 nization's ability to fund its global terrorist activi-  
11 ties.

1 **TITLE I—PREVENTION OF AC-**  
2 **CESS BY HIZBALLAH TO**  
3 **INTERNATIONAL FINANCIAL**  
4 **AND OTHER INSTITUTIONS**

5 **SEC. 101. BRIEFING ON IMPOSITION OF SANCTIONS ON**  
6 **CERTAIN SATELLITE PROVIDERS THAT**  
7 **CARRY AL-MANAR TV.**

8 (a) IN GENERAL.—Not later than 90 days after the  
9 date of the enactment of this Act, and annually thereafter,  
10 the President shall provide to the appropriate congres-  
11 sional committees a briefing on the following:

12 (1) The activities of all satellite, broadcast,  
13 Internet, or other providers that have knowingly en-  
14 tered into a contractual relationship with al-Manar  
15 TV, and any affiliates or successors thereof.

16 (2) With respect to all providers described in  
17 paragraph (1)—

18 (A) an identification of those providers  
19 that have been sanctioned pursuant to Execu-  
20 tive Order 13224 (50 U.S.C. 1701 note; relat-  
21 ing to blocking property and prohibiting trans-  
22 actions with persons who commit, threaten to  
23 commit, or support terrorism); and

24 (B) an identification of those providers  
25 that have not been sanctioned pursuant to Ex-



1       ment, engages in an activity described in paragraph  
2       (2).

3           (2) ACTIVITIES DESCRIBED.—A foreign finan-  
4       cial institution engages in an activity described in  
5       this paragraph if the foreign financial institution—

6           (A) knowingly facilitates a significant  
7       transaction or transactions for Hizballah;

8           (B) knowingly facilitates a significant  
9       transaction or transactions of a person identi-  
10      fied on the list of specially designated nationals  
11      and blocked persons maintained by the Office of  
12      Foreign Asset Control of the Department of the  
13      Treasury and the property and interests in  
14      property of which are blocked pursuant to the  
15      International Emergency Economic Powers Act  
16      (50 U.S.C. 1701 et seq.) for acting on behalf  
17      of or at the direction of, or owned or controlled  
18      by, Hizballah;

19          (C) knowingly engages in money laun-  
20      dering to carry out an activity described in sub-  
21      paragraph (A) or (B);

22          (D) knowingly facilitates a significant  
23      transaction or transactions or provides signifi-  
24      cant financial services to carry out an activity  
25      described in subparagraph (A), (B), or (C).

1           (3) PENALTIES.—The penalties provided for in  
2           subsections (b) and (c) of section 206 of the Inter-  
3           national Emergency Economic Powers Act (50  
4           U.S.C. 1705) shall apply to a person that violates,  
5           attempts to violate, conspires to violate, or causes a  
6           violation of regulations prescribed under this sub-  
7           section to the same extent that such penalties apply  
8           to a person that commits an unlawful act described  
9           in subsection (a) of such section 206.

10           (4) PROCEDURES FOR JUDICIAL REVIEW OF  
11           CLASSIFIED INFORMATION.—

12           (A) IN GENERAL.—If a finding under this  
13           subsection, or a prohibition, condition, or pen-  
14           alty imposed as a result of any such finding, is  
15           based on classified information (as defined in  
16           section 1(a) of the Classified Information Pro-  
17           cedures Act (18 U.S.C. App.)) and a court re-  
18           views the finding or the imposition of the prohi-  
19           bition, condition, or penalty, the President may  
20           submit such information to the court *ex parte*  
21           and *in camera*.

22           (B) RULE OF CONSTRUCTION.—Nothing in  
23           this paragraph shall be construed to confer or  
24           imply any right to judicial review of any finding  
25           under this subsection or any prohibition, condi-

1           tion, or penalty imposed as a result of any such  
2           finding.

3           (5) REGULATIONS.—The President shall pre-  
4           scribe and implement regulations to carry out this  
5           subsection.

6           (b) WAIVER.—

7           (1) IN GENERAL.—The President may waive,  
8           on a case-by-case basis, the application of a prohibi-  
9           tion or condition imposed with respect to a foreign  
10          financial institution pursuant to subsection (a) for a  
11          period of not more than 180 days, and may renew  
12          the waiver for additional periods of not more than  
13          180 days, on and after the date on which the Presi-  
14          dent—

15                 (A) determines that such a waiver is in the  
16                 national security interests of the United States;  
17                 and

18                 (B) submits to the appropriate congres-  
19                 sional committees a report describing the rea-  
20                 sons for such determination.

21           (2) FORM.—The report required by paragraph  
22          (1)(B) shall be submitted in unclassified form, but  
23          may contain a classified annex.

24           (c) SPECIAL RULE TO ALLOW FOR TERMINATION OF  
25          SANCTIONABLE ACTIVITY.—The President shall not be re-

1 quired to apply sanctions to a foreign financial institution  
2 described in subsection (a) if the President certifies in  
3 writing to the appropriate congressional committees  
4 that—

5 (1) the foreign financial institution—

6 (A) is no longer engaging in the activity  
7 described in subsection (a)(2); or

8 (B) has taken and is continuing to take  
9 significant verifiable steps toward terminating  
10 the activity described in that subsection; and

11 (2) the President has received reliable assur-  
12 ances from the government with primary jurisdiction  
13 over the foreign financial institution that the foreign  
14 financial institution will not engage in any activity  
15 described in subsection (a)(2) in the future.

16 (d) REPORT ON FOREIGN CENTRAL BANKS.—

17 (1) IN GENERAL.—Not later than 90 days after  
18 the date of the enactment of this Act, and every 180  
19 days thereafter, the Secretary of the Treasury shall  
20 submit to the appropriate congressional committees  
21 a report that—

22 (A) identifies each foreign central bank  
23 that the Secretary determines engages in one or  
24 more activities described in subsection  
25 (a)(2)(D); and

1 (B) provides a detailed description of each  
2 such activity.

3 (2) FORM OF REPORT.—Each report required  
4 by paragraph (1) shall be submitted in unclassified  
5 form, but may include a classified annex.

6 (e) DEFINITIONS.—

7 (1) IN GENERAL.—In this section:

8 (A) ACCOUNT; CORRESPONDENT ACCOUNT;  
9 PAYABLE-THROUGH ACCOUNT.—The terms “ac-  
10 count”, “correspondent account”, and “payable-  
11 through account” have the meanings given  
12 those terms in section 5318A of title 31, United  
13 States Code.

14 (B) APPROPRIATE CONGRESSIONAL COM-  
15 MITTEES.—The term “appropriate congres-  
16 sional committees” means—

17 (i) the Committee on Foreign Affairs  
18 and the Committee on Financial Services  
19 of the House of Representatives; and

20 (ii) the Committee on Foreign Rela-  
21 tions and the Committee on Banking,  
22 Housing, and Urban Affairs of the Senate.

23 (C) FINANCIAL INSTITUTION.—The term  
24 “financial institution” means a financial insti-  
25 tution specified in subparagraph (A), (B), (C),

1 (D), (E), (F), (G), (H), (I), (J), (K), (M), (N),  
2 (P), (R), (T), (Y), or (Z) of section 5312(a)(2)  
3 of title 31, United States Code.

4 (D) FOREIGN FINANCIAL INSTITUTION;  
5 DOMESTIC FINANCIAL INSTITUTION.—

6 (i) FOREIGN FINANCIAL INSTITU-  
7 TION.—The term “foreign financial institu-  
8 tion” has the meaning given that term in  
9 section 1010.605 of title 31, Code of Fed-  
10 eral Regulations, and excludes the Central  
11 Bank of Lebanon.

12 (ii) DOMESTIC FINANCIAL INSTITU-  
13 TION.—The term “domestic financial insti-  
14 tution” has the meaning of that term as  
15 determined by the Secretary of the Treas-  
16 ury.

17 (E) HIZBALLAH.—The term “Hizballah”  
18 means—

19 (i) the entity known as Hizballah and  
20 designated by the Secretary of State as a  
21 foreign terrorist organization pursuant to  
22 section 219 of the Immigration and Na-  
23 tionality Act (8 U.S.C. 1189); or

24 (ii) any person—

1 (I) the property or interests in  
2 property of which are blocked pursu-  
3 ant to the International Emergency  
4 Economic Powers Act (50 U.S.C.  
5 1701 et seq.); and

6 (II) who is identified on the list  
7 of specially designated nationals and  
8 blocked persons maintained by the Of-  
9 fice of Foreign Asset Control of the  
10 Department of the Treasury as an  
11 agent, instrumentality, or affiliate of  
12 Hizballah.

13 (F) MONEY LAUNDERING.—The term  
14 “money laundering” means the movement of il-  
15 licit cash or cash equivalent proceeds into, out  
16 of, or through a country, or into, out of, or  
17 through a financial institution.

18 (2) OTHER DEFINITIONS.—The President may  
19 further define the terms used in this section in the  
20 regulations prescribed under this section.

1 **TITLE II—REPORTS ON DES-**  
2 **IGNATION OF HIZBALLAH AS**  
3 **A SIGNIFICANT FOREIGN**  
4 **NARCOTICS TRAFFICKER AND**  
5 **A SIGNIFICANT TRANS-**  
6 **NATIONAL CRIMINAL ORGA-**  
7 **NIZATION**

8 **SEC. 201. REPORT ON DESIGNATION OF HIZBALLAH AS A**  
9 **SIGNIFICANT FOREIGN NARCOTICS TRAF-**  
10 **FICKER.**

11 (a) **REPORT REQUIRED.**—Not later than 120 days  
12 after the date of the enactment of this Act, the President  
13 shall transmit to the appropriate congressional committees  
14 a detailed report on whether Hizballah meets the criteria  
15 for designation under the Foreign Narcotics Kingpin Des-  
16 ignation Act (21 U.S.C. 1901 et seq.) as a significant for-  
17 eign narcotics trafficker, and if the President determines  
18 that Hizballah does not meet such criteria, a detailed jus-  
19 tification as to which criteria have not been met.

20 (b) **FORM.**—The report required by subsection (a)  
21 shall be transmitted in unclassified form, but may include  
22 a classified annex.

23 (c) **APPROPRIATE CONGRESSIONAL COMMITTEES DE-**  
24 **FINED.**—In this section, the term “appropriate congres-  
25 sional committees” means—

1           (1) the Committee on Foreign Affairs, the  
2           Committee on Financial Services, and the Com-  
3           mittee on the Judiciary of the House of Representa-  
4           tives; and

5           (2) the Committee on Foreign Relations, the  
6           Committee on Finance, and the Committee on the  
7           Judiciary of the Senate.

8   **SEC. 202. REPORT ON DESIGNATION OF HIZBALLAH AS A**  
9                           **SIGNIFICANT TRANSNATIONAL CRIMINAL OR-**  
10                          **GANIZATION.**

11       (a) SENSE OF CONGRESS.—It is the sense of Con-  
12       gress that—

13           (1) Hizballah appears to meet the criteria for  
14           designation as a significant transnational criminal  
15           organization under Executive Order 13581 (76 Fed.  
16           Reg. 44,757; relating to blocking property of  
17           transnational criminal organizations); and

18           (2) the President should designate Hizballah as  
19           a significant transnational criminal organization.

20       (b) REPORT.—

21           (1) IN GENERAL.—Not later than 120 days  
22           after the date of the enactment of this Act, the  
23           President shall submit to the appropriate congres-  
24           sional committees a detailed report on whether  
25           Hizballah meets the criteria for designation as a sig-

1       nificant transnational criminal organization under  
2       Executive Order 13581, and if the President deter-  
3       mines that Hizballah does not meet such criteria, a  
4       detailed justification as to which criteria have not  
5       been met.

6               (2) FORM.—The report required by paragraph  
7       (1) shall be transmitted in unclassified form, but  
8       may include a classified annex.

9       (c) APPROPRIATE CONGRESSIONAL COMMITTEES DE-  
10      FINED.—In this section, the term “appropriate congres-  
11      sional committees” means—

12              (1) the Committee on Foreign Affairs, the  
13      Committee on Financial Services, and the Com-  
14      mittee on the Judiciary of the House of Representa-  
15      tives; and

16              (2) the Committee on Foreign Relations, the  
17      Committee on Finance, and the Committee on the  
18      Judiciary of the Senate.

19      **SEC. 203. REWARDS FOR JUSTICE AND HIZBALLAH’S FUND-**  
20                      **RAISING, FINANCING, AND MONEY LAUN-**  
21                      **DERING ACTIVITIES.**

22              (a) REPORT.—Not later than 90 days after the date  
23      of the enactment of this Act, the Secretary of State shall  
24      submit to the appropriate congressional committees a re-  
25      port that details actions taken by the Department of State

1 through the Department of State rewards program under  
2 section 36 of the State Department Basic Authorities Act  
3 (22 U.S.C. 2708) to obtain information on fundraising,  
4 financing, and money laundering activities of Hizballah  
5 and its agents and affiliates.

6 (b) BRIEFING.—Not later than 90 days after the date  
7 of the enactment of this Act, and annually thereafter, the  
8 Secretary of State shall provide a briefing to the appro-  
9 priate congressional committees on the status of the ac-  
10 tions described in subsection (a).

11 (c) APPROPRIATE CONGRESSIONAL COMMITTEES DE-  
12 FINED.—In this section, the term “appropriate congres-  
13 sional committees” means—

14 (1) the Committee on Foreign Affairs and the  
15 Committee on Financial Services of the House of  
16 Representatives; and

17 (2) the Committee on Foreign Relations and  
18 the Committee on Banking, Housing, and Urban Af-  
19 fairs of the Senate.

20 **SEC. 204. REPORT ON ACTIVITIES OF FOREIGN GOVERN-**  
21 **MENTS TO DISRUPT GLOBAL LOGISTICS NET-**  
22 **WORKS AND FUNDRAISING, FINANCING, AND**  
23 **MONEY LAUNDERING ACTIVITIES OF**  
24 **HIZBALLAH.**

25 (a) REPORT.—



1 (C) a list of countries in which Hizballah,  
2 or any of its agents or affiliates, conducts sig-  
3 nificant fundraising, financing, or money laun-  
4 dering activities;

5 (D) with respect to each country on the  
6 list required by subparagraph (C)—

7 (i) an assessment of whether the gov-  
8 ernment of the country is taking adequate  
9 measures to disrupt the fundraising, fi-  
10 nancing, or money laundering activities of  
11 Hizballah and its agents and affiliates  
12 within the territory of the country; and

13 (ii) in the case of a country the gov-  
14 ernment of which is not taking adequate  
15 measures to disrupt such activities—

16 (I) an assessment of the reasons  
17 that government is not taking such  
18 adequate measures; and

19 (II) a description of measures  
20 being taken by the United States to  
21 encourage that government to improve  
22 measures to disrupt such activities;  
23 and

24 (E) a list of methods that Hizballah, or  
25 any of its agents or affiliates, utilizes to raise

1 or transfer funds, including trade-based money  
2 laundering, the use of foreign exchange houses,  
3 and free-trade zones.

4 (2) FORM.—The report required by paragraph  
5 (1) shall be submitted in unclassified form to the  
6 greatest extent possible, and may contain a classified  
7 annex.

8 (3) GLOBAL LOGISTICS NETWORKS OF  
9 HIZBALLAH.—In this subsection, the term “global  
10 logistics networks of Hizballah”, “global logistics  
11 networks”, or “networks” means financial, material,  
12 or technological support for, or financial or other  
13 services in support of, Hizballah.

14 (b) BRIEFING ON HIZBALLAH’S ASSETS AND ACTIVI-  
15 TIES RELATED TO FUNDRAISING, FINANCING, AND  
16 MONEY LAUNDERING WORLDWIDE.—Not later than 90  
17 days after the date of the enactment of this Act, and every  
18 180 days thereafter, the Secretary of State, the Secretary  
19 of the Treasury, and the heads of other applicable Federal  
20 departments and agencies shall provide to the appropriate  
21 congressional committees a briefing on the disposition of  
22 Hizballah’s assets and activities related to fundraising, fi-  
23 nancing, and money laundering worldwide.

1 (c) APPROPRIATE CONGRESSIONAL COMMITTEES DE-  
2 FINED.—In this section, the term “appropriate congres-  
3 sional committees” means—

4 (1) the Committee on Foreign Affairs, the  
5 Committee on Financial Services, and the Perma-  
6 nent Select Committee on Intelligence of the House  
7 of Representatives; and

8 (2) the Committee on Foreign Relations, the  
9 Committee on Banking, Housing, and Urban Af-  
10 fairs, and the Select Committee on Intelligence of  
11 the Senate.

## 12 **TITLE III—MISCELLANEOUS** 13 **PROVISIONS**

### 14 **SEC. 301. RULE OF CONSTRUCTION.**

15 Nothing in this Act or any amendment made by this  
16 Act shall apply to the authorized intelligence activities of  
17 the United States.

### 18 **SEC. 302. REGULATORY AUTHORITY.**

19 (a) IN GENERAL.—The President shall, not later  
20 than 90 days after the date of the enactment of this Act,  
21 promulgate regulations as necessary for the implementa-  
22 tion of this Act and the amendments made by this Act.

23 (b) NOTIFICATION TO CONGRESS.—Not less than 10  
24 days before the promulgation of regulations under sub-  
25 section (a), the President shall notify the appropriate con-

1 gressional committees of the proposed regulations and the  
2 provisions of this Act and the amendments made by this  
3 Act that the regulations are implementing.

4 (c) APPROPRIATE CONGRESSIONAL COMMITTEES DE-  
5 FINED.—In this section, the term “appropriate congress-  
6 sional committees” means—

7 (1) the Committee on Foreign Affairs and the  
8 Committee on Financial Services of the House of  
9 Representatives; and

10 (2) the Committee on Foreign Relations and  
11 the Committee on Banking, Housing, and Urban Af-  
12 fairs of the Senate.

13 **SEC. 303. TERMINATION.**

14 This Act shall terminate on the date that is 30 days  
15 after the date on which the President certifies to Congress  
16 that Hizballah—

17 (1) is no longer designated as a foreign ter-  
18 rorist organization pursuant to section 219 of the  
19 Immigration and Nationality Act (8 U.S.C. 1189);  
20 and

21 (2) is no longer listed in the Annex to Executive  
22 Order 13224 (50 U.S.C. 1701 note; relating to  
23 blocking property and prohibiting transactions with  
24 persons who commit, threaten to commit, or support  
25 terrorism).