To impose nonnuclear sanctions with respect to Iran, and for other purposes.

IN THE SENATE OF THE UNITED STATES

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

A BILL

To impose nonnuclear sanctions with respect to Iran, and for other purposes.

Be it enacted by the Senate and House of Representa-
tives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) Short Title.—This Act may be cited as the

“Iran Nonnuclear Sanctions Act of 2017”.

(b) Table of Contents.—The table of contents for

this Act is as follows:

Sec. 1. Short title; table of contents.
Sec. 2. Definitions.
Sec. 3. Findings.
Sec. 4. Statement of policy.

TITLE I—SANCTIONS WITH RESPECT TO ENTITIES OWNED BY
IRAN’S REVOLUTIONARY GUARD CORPS
Subtitle A—Iran’s Revolutionary Guard Corps Sanctions, Watch List, and Report

Sec. 101. Findings.
Sec. 102. Imposition of sanctions with respect to the IRGC.
Sec. 103. Imposition of sanctions against entities owned in whole or in part by the IRGC.
Sec. 104. IRGC watch list and report.
Sec. 105. Imposition of sanctions against Mahan Air.
Sec. 106. Additional measures on Mahan Air.
Sec. 107. Modification and extension of reporting requirements on the use of certain Iranian seaports by foreign vessels and use of foreign airports by sanctioned Iranian air carriers.

Subtitle B—Other Provisions

Sec. 111. Authority of States and local governments to divest from persons that engage in investment or business activities with Iran’s Revolutionary Guard Corps.
Sec. 112. Safe harbor for changes in investment policies by asset managers.

Subtitle C—Termination

Sec. 121. Termination.

TITLE II—SANCTIONS RELATING TO HUMAN RIGHTS ABUSES IN IRAN

Sec. 201. Findings.
Sec. 203. Identification of, and imposition of sanctions with respect to, certain Iranian individuals.
Sec. 204. Imposition of sanctions with respect to persons who conduct transactions with or on behalf of certain Iranian individuals.
Sec. 205. Mandatory sanctions with respect to financial institutions that engage in certain transactions on behalf of persons involved in human rights abuses or that export sensitive technology to Iran.
Sec. 206. United States support for the people of Iran.
Sec. 207. United States Special Coordinator on Human Rights and Democracy in Iran.
Sec. 208. Broadcasting to Iran.
Sec. 209. Report on United States citizens detained by Iran.
Sec. 210. Sense of Congress on establishment of multilateral mechanism to promote human rights in Iran.
Sec. 211. Sense of Congress on role of the United Nations in promoting human rights in Iran.

TITLE III—SANCTIONS WITH RESPECT TO THE BALLISTIC MISSILE PROGRAM OF IRAN

Sec. 301. Findings.
Sec. 302. Sense of Congress.
Sec. 303. Expansion of sanctions with respect to efforts by Iran to acquire ballistic missile and related technology.
Sec. 304. Imposition of sanctions with respect to ballistic missile program of Iran.
Sec. 305. Expansion of mandatory sanctions with respect to financial institutions that engage in certain transactions relating to ballistic missile capabilities of Iran.

Sec. 306. Disclosure to the Securities and Exchange Commission of activities with certain sectors of Iran that support the ballistic missile program of Iran.

Sec. 307. Regulations.

TITLE IV—SANCTIONS WITH RESPECT TO CERTAIN IRANIAN TRANSACTIONS

Subtitle A—Sanctions Relating to Iran’s Support of Terrorism

Sec. 401. Findings.

Sec. 402. Special measures with respect to Iran relating to its designation as a jurisdiction of primary money laundering concern.

Subtitle B—Prohibition on and Other Sanctions Relating to Transactions With Iran

Sec. 411. Prohibition on facilitation of certain transactions involving the Government of Iran or Iranian persons.

Sec. 412. Reports on, and authorization of imposition of sanctions with respect to, offshore United States dollar clearing for transactions involving the Government of Iran or Iranian persons.

Sec. 413. Clarification that freezing of assets of Iranian financial institutions includes assets in possession or control of a United States person pursuant to a U-turn transaction.

TITLE V—MISCELLANEOUS

Sec. 501. Modification of requirements relating to state sponsors of terrorism.

SEC. 2. DEFINITIONS.

In this Act:

(1) ENTITY.—The term "entity" means a corporation, business association, partnership, trust, society, or any other entity.

(2) FOREIGN PERSON.—The term "foreign person" means a person that is not a United States person.

(3) IRGC.—The term "IRGC" means Iran’s Revolutionary Guard Corps.
(4) PERSON.—The term “person” means an individual or entity.

(5) UNITED STATES PERSON.—The term “United States person” means—

(A) a United States citizen or an alien lawfully admitted for permanent residence to the United States; or

(B) an entity organized under the laws of the United States or of any jurisdiction within the United States, including a foreign branch of such an entity.

SEC. 3. FINDINGS.

Congress makes the following findings:

(1) Secretary of State John Kerry stated on July 23, 2015, “We will not violate the [Joint Comprehensive Plan of Action (JCPOA)] if we use our authorities to impose sanctions on Iran for terrorism, human rights, missiles, or other nonnuclear reasons. And the JCPOA does not provide Iran any relief from United States sanctions under any of those authorities or other authorities.”.

(2) President Barack Obama stated on April 2, 2015, “Other American sanctions on Iran for its support for terrorism, its human rights abuses, its
ballistic missile program, will continue to be fully en-
forced.”.

(3) Director of National Intelligence James
Clapper wrote on February 9, 2016, “[T]he Islamic
Republic of Iran presents an enduring threat to U.S.
national interests because of its support to regional
terrorist and militant groups and the Assad regime,
as well as its development of advanced military capa-
bilities. Tehran views itself as leading the ‘axis of re-
sistance’ which includes the Assad regime and sub-
national groups aligned with Iran, especially Leba-
nese Hezbollah and Iraqi Shia militants . . . Tehran
might even use American citizens detained when en-
tering Iranian territories as bargaining pieces to
achieve financial or political concessions in line with
their strategic intentions.”.

(4) Director of National Intelligence James
Clapper wrote on June 3, 2015, “The United States
Intelligence Community continues to assess that
Iran and Hezbollah directly threaten the interests of
the United States and our allies and that Hezbollah
remains a global terrorist threat. Iran remains the
foremost state sponsor of terrorism and is increasing
its ability to influence regional crises and conduct
terrorism. Iran is doing this largely through the Is-
lamic Revolutionary Guard Corps-Qods Force (IRGC–QF) and Lebanese Hezbollah, as well as the support and use of sectarian political and militant proxies closely aligned with the IRGC–QF and its anti-Western ideology.”.

(5) Secretary of the Treasury Jacob Lew stated on July 14, 2015, “We harbor no illusions about the Iranian government’s nefarious activities beyond its nuclear program. Make no mistake: We will continue to impose and aggressively enforce sanctions to combat Iran’s support for terrorist groups, its fomenting of violence in the region, and its perpetration of human rights abuses.”.

(6) Jake Sullivan, at the time Deputy Assistant to President Obama and National Security Advisor to Vice President Biden, stated on May 1, 2014, “The wording of the Joint Plan of Action . . . speaks to the issue of nuclear-related sanctions. And that word was chosen very carefully, nuclear-related, because we have made clear that sanctions relating to terrorism and sanctions relating to human rights violations are not covered by the discussions that we are having on the nuclear file and that we are prepared to continue to follow through on that . . . I can tell you, as a matter of policy, this administra-
tion is committed to continuing to enforce and follow through on that set of sanctions.”

(7) Jake Sullivan further stated on May 1, 2014, “We must continue to speak out against the gross violations of human rights and fundamental freedoms in Iran and the hateful anti-Semitic rhetoric from some of its leaders, and we must keep providing support and assistance to those brave Iranians seeking to have their voices heard . . . we’ve got to stand up for our values, and we need to stand against the human rights abuses and violations of fundamental freedom, including religious freedom, happening in Iran. And we have to provide real support to those voices on the ground who want to be heard, who want to push for a better future . . . this is an important line of effort that has to continue regardless of what is happening on the nuclear file or on any other issue.”

(8) Iranian Foreign Minister Mohammad Javad Zarif stated on February 4, 2016, “Rebuilding the confidence of the banks that the United States will not re-intervene in their relations with Iran may require some further assurance from the United States.”
SEC. 4. STATEMENT OF POLICY.

It is the policy of the United States—

(1) to continue to impose pressure on the Government of Iran for its role as the foremost state sponsor of terrorism, its continued development of ballistic missiles, its ongoing human rights abuses against the citizens of Iran and other peoples, and its unjust detention of United States citizens;

(2) to continue to use sanctions as an element of that pressure and to discourage financial institutions and entities from engaging in business and commerce with Iranian entities tied to Iran’s Revolutionary Guard Corps and to Iranian officials involved in human rights abuses;

(3) not to encourage any foreign financial institution or other foreign entity to do business in Iran; and

(4) not to provide any assurances regarding protections from United States law or penalties to those foreign entities that decide to engage or re-engage in business and commerce with Iran.
TITLE I—SANCTIONS WITH RESPECT TO ENTITIES OWNED BY IRAN’S REVOLUTIONARY GUARD CORPS

Subtitle A—Iran’s Revolutionary Guard Corps Sanctions, Watch List, and Report

SEC. 101. FINDINGS.

Congress finds the following:

(1) The IRGC threatens the national security of the United States and United States allies.

(2) The IRGC is the key entity carrying out the efforts of the Government of Iran to sow chaos and instability throughout the Middle East, including threatening activities against the United States, Israel, and other allies and partners of the United States in the region.

(3) The IRGC provides direct sponsorship and support to numerous foreign terrorist organizations, including Hamas, Hezbollah, and Palestinian Islamic Jihad.

(4) According to General Joseph Dunford, Chairman of the Joint Chiefs of Staff, the IRGC is responsible for the deaths of more than 500 members of the United States Armed Forces in Afghani-
stan and Iraq, including through the provision of explosive materials to Shia militias in Iraq.

(5) The IRGC is complicit in the ongoing slaughter of the people of Syria as it maintains support for, and seeks to preserve, the regime of Bashar al-Assad, which is responsible for hundreds of thousands of deaths and millions of displaced citizens of Syria.

(6) The Government of Iran and the IRGC have been responsible for the repeated testing of illegal ballistic missiles capable of carrying a nuclear device, including observed tests in October and November 2015 and March 2016 that violated United Nations Security Council resolutions.

(7) The United States holds the IRGC responsible for severe and continuing human rights violations against the people of Iran, including unlawful arrests, torture, and harassment.

(8) The United States upholds sanctions against the IRGC for its proliferation-related activities and human rights abuses, and also against Iran’s Revolutionary Guard Corps-Qods Force for its support of terrorism.

(9) The Office of Foreign Assets Control of the Department of the Treasury includes the IRGC on
the list of specially designated nationals and blocked
persons (in this section referred to as the “SDN
list”).

(10) Pursuant to section 561.405 of title 31,
Code of Federal Regulations, entities owned by the
IRGC, directly or indirectly, with 50 percent or
greater interest are subject to sanctions and may be
listed by the Office of Foreign Assets Control on the
SDN list. Such entities’ property and interest in
property are blocked regardless of whether such enti-
ties are included on the SDN List. That regulation,
commonly termed the “50 percent rule”, is the
standard used by the Office of Foreign Assets Con-
trol when determining ownership of entities by
blocked or sanctioned persons.

(11) Under section 218 of the Iran Threat Re-
duction and Syria Human Rights Act of 2012 (22
U.S.C. 8725), the term “own or control”, with re-
spect to an entity, means—

(A) holding more than 50 percent of the
equity interest by vote or value in the entity;

(B) holding a majority of seats on the
board of directors of the entity; or

(C) otherwise controlling the actions, poli-
cies, or personnel decisions of the entity.
(12) The IRGC maintains a powerful and expansive presence throughout Iran’s financial, commercial, and oil and energy sectors, owning, controlling, operating, and influencing Iranian entities while producing revenues estimated in the billions of dollars. According to the Department of the Treasury, “The IRGC has a growing presence in Iran’s financial and commercial sectors and extensive economic interests in the defense production, construction, and oil industries, controlling billions of dollars in corporate business.”

(13) The IRGC has continuously engaged in sanctions evasion and deceptive business practices to conceal its ownership or control of Iranian entities, owning numerous Iranian entities that are not subject to sanctions because the IRGC has less than a 50-percent ownership interest, leaving such entities unsanctioned and open to business.

(14) As sanctions are lifted pursuant to the Joint Comprehensive Plan of Action and Iran becomes more open to international commerce, the international community must be aware of any and all entities that are owned, controlled, operated, or influenced by the IRGC or its agents or affiliates,
including those entities that do not make the threshold to be covered by the “50 percent rule”.

(15) There is no prohibition in section 219 of the Immigration and Nationality Act (8 U.S.C. 1189) that prevents the Secretary of State from designating entities affiliated with the government of a foreign country as a foreign terrorist organization.

(16) The Financial Crimes Enforcement Network of the Department of the Treasury issued a notice of proposed rulemaking on August 4, 2014 (79 Fed. Reg. 45151; relating to customer due diligence requirements for financial institutions), proposing to amend chapter X of title 31, Code of Federal Regulations, to provide greater transparency to allow the identification of persons that own, control, and profit from entities to which banks and other financial institutions provide services. The proposed rule, known also as the “beneficial ownership requirement”, would require financial institutions to identify and verify any individual who owns 25 percent or more of an entity that is a customer and an individual who controls such an entity.

(17) David Cohen, at the time Under Secretary of the Treasury for Terrorism and Financial Intelligence, stated on July 30, 2014, “The beneficial
ownership requirement is intended to provide us with an important new tool to track down the real people behind companies that abuse our financial system to secretly move and launder their illicit gains. Along with meeting our international commitments, this rule would make our financial system more transparent by exposing the activities of illicit actors who will no longer be able to hide behind their anonymity.”.

(18) On October 12, 2011, the Department of the Treasury imposed sanctions on Mahan Air for providing financial, material, and technological support to Iran’s Revolutionary Guards Corps-Qods Force. The Department of the Treasury noted that Mahan Air also provides transportation, funds transfers, and personal travel services to Iran’s Revolutionary Guards Corps-Qods Force. The Department of the Treasury further noted that Mahan Air provides transportation services to Hezbollah, which was designated as a Specially Designated Global Terrorist under Executive Order 13224 (50 U.S.C. 1701 note; relating to blocking property and prohibiting transactions with persons who commit, threaten to commit, or support terrorism) in October
2001, and Mahan Air has transported personnel, weapons, and goods on behalf of Hezbollah.

(19) David Cohen, at the time Under Secretary of the Treasury for Terrorism and Financial Intelligence, stated on October 12, 2011, “Mahan Air’s close coordination with [Iran’s Revolutionary Guards Corps-Qods Force (IRGC–QF)]—secretly ferrying operatives, weapons and funds on its flights—reveals yet another facet of the IRGC’s extensive infiltration of Iran’s commercial sector to facilitate its support for terrorism. Following the revelation about the IRGC–QF’s use of the international financial system to fund its murder-for-hire plot, today’s action highlights further the undeniable risks of doing business with Iran.”.

SEC. 102. IMPOSITION OF SANCTIONS WITH RESPECT TO THE IRGC.

(a) IN GENERAL.—Beginning on the date that is 90 days after the date of the enactment of this Act, the President shall impose the sanctions described in subsection (b) with respect to the IRGC and foreign persons that are officials, agents, or affiliates of the IRGC.

(b) SANCTIONS DESCRIBED.—The sanctions described in this subsection are the following:
(1) Sanctions applicable with respect to a foreign person pursuant to Executive Order 13224 (50 U.S.C. 1701 note; relating to blocking property and prohibiting transactions with persons who commit, threaten to commit, or support terrorism).

(2) Sanctions applicable with respect to an entity that is designated as a foreign terrorist organization under section 219 of the Immigration and Nationality Act (8 U.S.C. 1189).

SEC. 103. IMPOSITION OF SANCTIONS AGAINST ENTITIES OWNED IN WHOLE OR IN PART BY THE IRGC.

(a) In general.—The President shall impose the sanctions described in subsection (b) with respect to—

(1) an entity, regardless of whether the entity is included on the list of specially designated nationals and blocked persons maintained by the Office of Foreign Assets Control of the Department of the Treasury, that is owned, directly or indirectly, by a 25 percent or greater interest—

(A) by the IRGC or an agent or affiliate of the IRGC; or

(B) collectively by a group of individuals that are members of the IRGC or an agent or affiliate of the IRGC, even if none of such indi-
individuals hold a 25 percent or greater interest in the entity;

(2) a person that controls, manages, or directs an entity described in paragraph (1); or

(3) an individual who is on the board of directors of an entity described in paragraph (1).

(b) SANCTIONS DESCRIBED.—

(1) BLOCKING OF PROPERTY.—The President shall block, in accordance with the International Emergency Economic Powers Act (50 U.S.C. 1701 et seq.), all transactions in all property and interests in property of any person subject to subsection (a) if such property and interests in property are in the United States, come within the United States, or are or come within the possession or control of a United States person.

(2) EXCLUSION FROM UNITED STATES.—The Secretary of State shall deny a visa to, and the Secretary of Homeland Security shall exclude from the United States, any person subject to subsection (a) that is an alien.

(c) EXCEPTIONS AND SPECIAL RULES.—

(1) INAPPLICABILITY OF NATIONAL EMERGENCY REQUIREMENT.—The requirements of section 202 of the International Emergency Economic Pow-
ers Act (50 U.S.C. 1701) shall not apply for purposes of subsection (b)(1).

(2) Compliance with United Nations Headquarters Agreement.—Subsection (b)(2) shall not apply to the head of state of Iran, or necessary staff of that head of state, if admission to the United States is necessary to permit the United States to comply with the Agreement regarding the Headquarters of the United Nations, signed at Lake Success June 26, 1947, and entered into force November 21, 1947, between the United Nations and the United States.

(d) Applicability of Additional Sanctions.—A person with respect to which the President imposes sanctions under subsection (a) shall be considered an agent or affiliate of the IRGC for purposes of sections 104 and 104A of the Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010 (22 U.S.C. 8513 and 8513b).

SEC. 104. IRGC WATCH LIST AND REPORT.

(a) In General.—The Secretary of the Treasury shall establish, maintain, and publish in the Federal Register a list (to be known as the “IRGC Watch List”) of—
(1) each entity in which the IRGC or an agent
or affiliate of the IRGC has an ownership interest
of less than 25 percent;

(2) each entity in which the IRGC does not
have an ownership interest if the IRGC or an agent
or affiliate of the IRGC maintains a presence on the
board of directors of the entity or otherwise influ-
ences the actions, policies, or personnel decisions of
the entity; and

(3) each person that controls, manages, or di-
rects an entity described in paragraph (1) or (2).

(b) REPORTS REQUIRED.—

(1) TREASURY REPORT.—

(A) IN GENERAL.—Not later than 90 days
after the date of the enactment of this Act, and
annually thereafter, the Secretary of the Treas-
ury shall submit to Congress a report that in-
cludes—

(i) the list required by subsection (a)
and, in the case of any report submitted
under this subparagraph after the first
such report, any changes to the list since
the submission of the preceding such re-
port; and
(ii) an assessment of the role of the IRGC and its agents and affiliates in, and its penetration into, the economy of Iran.

(B) Form of report.—Each report required by subparagraph (A) shall be submitted in unclassified form, but may include a classified annex if necessary.

(2) Government Accountability Office report.—

(A) In general.—The Comptroller General of the United States shall—

(i) conduct a review of the list required by subsection (a); and

(ii) not later than 60 days after each report required by paragraph (1) is submitted to Congress, submit to Congress a report—

(I) on the review conducted under clause (i); and

(II) that includes a list of persons not included in the list required by subsection (a) that qualify for inclusion in that list.

(B) Consultations.—In preparing the report required by subparagraph (A)(ii), the
Comptroller General shall consult with non-governmental organizations.

SEC. 105. IMPOSITION OF SANCTIONS AGAINST MAHAN AIR.

(a) In General.—The President shall impose the sanctions described in subsection (b) with respect to—

(1) a person that provides, directly or indirectly, goods, services, technology, or financial services, including the sale or provision of aircraft or aircraft parts, fuel, ramp assistance, baggage and cargo handling, catering, refueling, ticketing, check-in services, crew handling, or other services related to flight operations, to Mahan Air or its agents or affiliates, or for aircraft of Mahan Air or its agents or affiliates;

(2) a person that controls, manages, or directs Mahan Air or any of its agents or affiliates;

(3) an individual who is on the board of directors of Mahan Air or any of its agents or affiliates; or

(4) an entity in which Mahan Air or an agent or affiliate of Mahan Air that owns, directly or indirectly, a 25 percent or greater interest, regardless of whether the entity is included on the list of specially designated nationals and blocked persons maintained
by the Office of Foreign Assets Control of the Department of the Treasury.

(b) SANCTIONS DESCRIBED.—

(1) Blocking of property.—The President shall block, in accordance with the International Emergency Economic Powers Act (50 U.S.C. 1701 et seq.), all transactions in all property and interests in property of any person subject to subsection (a) if such property and interests in property are in the United States, come within the United States, or are or come within the possession or control of a United States person.

(2) Exclusion from United States.—The Secretary of State shall deny a visa to, and the Secretary of Homeland Security shall exclude from the United States, any person subject to subsection (a) that is an alien.

(c) Exceptions and Special Rules.—


(2) Compliance with United Nations Headquarters Agreement.—Subsection (b)(2) shall
not apply to the head of state of Iran, or necessary
staff of that head of state, if admission to the
United States is necessary to permit the United
States to comply with the Agreement regarding the
Headquarters of the United Nations, signed at Lake
Success June 26, 1947, and entered into force No-
vember 21, 1947, between the United Nations and
the United States.

(d) **Applicability of Additional Sanctions.**—A
person with respect to which the President imposes sanc-
tions under subsection (a) shall be considered an agent
or affiliate of the IRGC for purposes of sections 104 and
104A of the Comprehensive Iran Sanctions, Account-
ability, and Divestment Act of 2010 (22 U.S.C. 8513 and
8513b).

**SEC. 106. ADDITIONAL MEASURES ON MAHAN AIR.**

(a) **In General.**—The President shall require each
covered person to provide a certification to the President
that the person does not conduct transactions with any
entity that provides, directly or indirectly, goods, services,
technology, or financial services, including the sale or pro-
vision of aircraft or aircraft parts, fuel, ramp assistance,
baggage or cargo handling, catering, refueling, ticketing,
check-in services, crew handling, or other services related
to flight operations—
(1) to Mahan Air or its agents or affiliates;

(2) for aircraft owned or operated by Mahan Air or its agents or affiliates; or

(3) to a person described in section 105(a).

(b) REPORTS REQUIRED.—

(1) DNI LIST.—

(A) IN GENERAL.—Not later than 90 days after the date of the enactment of the Act, and annually thereafter, the Director of National Intelligence, in consultation with the Secretary of the Treasury, shall submit to Congress a list of each entity described in subsection (a).

(B) FORM OF LIST.—Each list required by subparagraph (A) shall be submitted in unclassified form, but may include a classified annex if necessary.

(2) REPORT.—

(A) IN GENERAL.—Not later than 90 days after the date of the enactment of the Act, and annually thereafter, the President shall submit to Congress a report that includes—

(i) a list of countries where aircraft of Mahan Air or its agents or affiliates land;

(ii) a description of the efforts of the President to encourage countries to pro-
hibit aircraft of Mahan Air or its agents or affiliates from landing in the territory of those countries; and

(iii) if the President has not imposed sanctions under section 105(a) with respect to any entity described in subsection (a), an explanation for why the President has not imposed such sanctions.

(B) FORM OF REPORT.—Each report required by subparagraph (A) shall be submitted in unclassified form, but may include a classified annex if necessary.

(3) GOVERNMENT ACCOUNTABILITY OFFICE REPORT.—

(A) IN GENERAL.—The Comptroller General of the United States shall—

(i) conduct a review of the certifications required by subsection (a), the lists required by paragraph (1), and the reports required by paragraph (2); and

(ii) not later than 60 days after the submission of each list required by paragraph (1) and each report required by paragraph (2), submit to Congress a report—
(I) on the review conducted under clause (i); and

(II) assessing the implementation of section 105.

(B) Consultations.—In preparing the report required by subparagraph (A)(ii), the Comptroller General shall consult with non-governmental organizations.

e) Covered Person Defined.—In this section, the term “covered person” means—

(1) an air carrier or foreign air carrier, as those terms are defined in section 40102 of title 49, United States Code; or

(2) a United States person that exports aircraft or components for aircraft.

SEC. 107. MODIFICATION AND EXTENSION OF REPORTING REQUIREMENTS ON THE USE OF CERTAIN IRANIAN SEAPORTS BY FOREIGN VESSELS AND USE OF FOREIGN AIRPORTS BY SANCTIONED IRANIAN AIR CARRIERS.

(a) In General.—Section 1252(a) of the Iran Freedom and Counter-Proliferation Act of 2012 (22 U.S.C. 8808(a)) is amended—

(1) in the matter preceding paragraph (1), by striking “2016” and inserting “2019”;
(2) in paragraph (1), by striking “and” at the end;

(3) in paragraph (2), by striking the period at the end and inserting “; and”;

(4) by adding at the end the following:

“(3) a description of all efforts the Department of State has made to encourage other countries to prohibit the use of air space and airports by Iranian air carriers described in paragraph (2) during the period specified in subsection (b).”.

(b) Effective Date.—The amendments made by subsection (a) take effect on the date of the enactment of this Act and apply with respect to reports required to be submitted under section 1252(a) of the Iran Freedom and Counter-Proliferation Act of 2012 on or after such date of enactment.

Subtitle B—Other Provisions

SEC. 111. AUTHORITY OF STATES AND LOCAL GOVERNMENTS TO DIVEST FROM PERSONS THAT ENGAGE IN INVESTMENT OR BUSINESS ACTIVITIES WITH IRAN’S REVOLUTIONARY GUARD CORPS.

(a) In General.—Subtitle B of title III of the Iran Threat Reduction and Syria Human Rights Act of 2012
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(Public Law 112–158; 126 Stat. 1247) is amended by adding at the end the following:

“SEC. 313. AUTHORITY OF STATES AND LOCAL GOVERNMENTS TO DIVEST FROM PERSONS THAT ENGAGE IN INVESTMENT OR BUSINESS ACTIVITIES WITH IRAN’S REVOLUTIONARY GUARD CORPS.

“(a) Sense of Congress.—It is the sense of Congress that the United States should support the decision of any State or local government that for moral, prudential, or reputational reasons divests from, or prohibits the investment of assets of the State or local government in, a person that engages in investment or business activities with Iran’s Revolutionary Guard Corps or a person described in subsection (c), as long as Iran’s Revolutionary Guard Corps is subject to economic sanctions imposed by the United States.

“(b) Authority To Divest.—Notwithstanding any other provision of law, a State or local government may adopt and enforce measures that meet the requirements of subsection (e) to divest the assets of the State or local government from, or prohibit investment of the assets of the State or local government in, any person that the State or local government determines, using credible information available to the public, engages in investment or
business activities described in subsection (d) with Iran’s Revolutionary Guard Corps or a person described in subsection (c).

“(c) PERSONS DESCRIBED.—A person described in this subsection is—

“(1) an entity, regardless of whether the entity is included on the list of specially designated nationals and blocked persons maintained by the Office of Foreign Assets Control of the Department of the Treasury, that is owned, directly or indirectly, by a 25 percent or greater interest—

“(A) by Iran’s Revolutionary Guard Corps or an agent or affiliate of Iran’s Revolutionary Guard Corps; or

“(B) collectively by a group of individuals that are members of Iran’s Revolutionary Guard Corps or an agent or affiliate of Iran’s Revolutionary Guard Corps, even if none of such individuals hold a 25 percent or greater interest in the entity;

“(2) a person that controls, manages, or directs an entity described in paragraph (1); or

“(3) an individual who is on the board of directors of an entity described in paragraph (1); or
“(4) a person on the IRGC Watch List required by section 104 of the Iran Nonnuclear Sanctions Act of 2017.

“(d) INVESTMENT OR BUSINESS ACTIVITIES DESCRIBED.—A person engages in investment or business activities with Iran’s Revolutionary Guard Corps or a person described in subsection (e) if the person—

“(1) has a financial investment in Iran’s Revolutionary Guard Corps or such a person;

“(2) owns, in whole or in part, such a person;

or

“(3) is a financial institution that extends credit or financing to another person, for 45 days or more, if that person will use the credit or financing for investment in a person described in subsection (e).

“(e) REQUIREMENTS.—Any measure taken by a State or local government under subsection (b) shall meet the following requirements:

“(1) NOTICE.—The State or local government shall provide written notice to each person to which a measure is to be applied.

“(2) TIMING.—The measure shall apply to a person not earlier than the date that is 90 days
after the date on which written notice is provided to
the person under paragraph (1).

“(3) Opportunity for hearing.—The State
or local government shall provide an opportunity to
comment in writing to each person to which a meas-
ure is to be applied. If the person demonstrates to
the State or local government that the person does
not engage in investment or business activities de-
scribed in subsection (d) with Iran’s Revolutionary
Guard Corps or a person described in subsection (c),
the measure shall not apply to the person.

“(4) Sense of Congress on avoiding erro-
neous targeting.—It is the sense of Congress
that a State or local government should not adopt
a measure under subsection (b) with respect to a
person unless the State or local government has
made every effort to avoid erroneously targeting the
person and has verified that the person engages in
investment or business activities described in sub-
section (d) with Iran’s Revolutionary Guard Corps
or a person described in subsection (c).

“(f) Notice to Department of Justice.—Not
later than 30 days after adopting a measure pursuant to
subsection (b), a State or local government shall submit
written notice to the Attorney General describing the measure.

“(g) NONPREEMPTION.—A measure of a State or local government authorized under subsection (b) or (i) is not preempted by any Federal law or regulation.

“(h) EFFECTIVE DATE.—

“(1) IN GENERAL.—Except as provided in paragraph (2) or subsection (i), this section applies to measures adopted by a State or local government before, on, or after the date of the enactment of the Iran Nonnuclear Sanctions Act of 2017.

“(2) NOTICE REQUIREMENTS.—Except as provided in subsection (i), subsections (e) and (f) apply to measures adopted by a State or local government on or after the date of the enactment of the Iran Nonnuclear Sanctions Act of 2017.

“(i) AUTHORIZATION FOR PRIOR ENACTED MEASURES.—

“(1) IN GENERAL.—Notwithstanding any other provision of this section or any other provision of law, a State or local government may enforce a measure (without regard to the requirements of subsection (e), except as provided in paragraph (2)) adopted by the State or local government before the date of the enactment of the Iran Nonnuclear Sane-
tions Act of 2017 that provides for the divestment of assets of the State or local government from, or prohibits the investment of the assets of the State or local government in, any person that the State or local government determines, using credible information available to the public, engages in investment or business activities with Iran’s Revolutionary Guard Corps or a person described in subsection (c) (determined without regard to subsection (d)) or other business or investment activities that are identified in the measure.

“(2) Application of notice requirements.—A measure described in paragraph (1) shall be subject to the requirements of paragraphs (1) and (2) and the first sentence of paragraph (3) of subsection (e) on and after the date that is 2 years after the date of the enactment of the Iran Nonnuclear Sanctions Act of 2017.

“(j) Rule of construction.—Nothing in this section or any other provision of law authorizing sanctions with respect to Iran shall be construed to abridge the authority of a State to issue and enforce rules governing the safety, soundness, and solvency of a financial institution subject to its jurisdiction or the business of insurance pur-
suant to the Act of March 9, 1945 (15 U.S.C. 1011 et seq.) (commonly known as the ‘McCarran-Ferguson Act’).

“(k) DEFINITIONS.—In this section:

“(1) Assets.—

“(A) IN GENERAL.—Except as provided in paragraph (B), the term ‘assets’ refers to public monies and includes any pension, retirement, annuity, or endowment fund, or similar instrument, that is controlled by a State or local government.

“(B) EXCEPTION.—The term ‘assets’ does not include employee benefit plans covered by title I of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1001 et seq.).

“(2) INVESTMENT.—The ‘investment’ includes—

“(A) a commitment or contribution of funds or property;

“(B) a loan or other extension of credit;

and

“(C) the entry into or renewal of a contract for goods or services.”.

(b) CLERICAL AMENDMENT.—The table of contents for the Iran Threat Reduction and Syria Human Rights
Act of 2012 is amended by adding after the item relating to section 312 the following:

“Sec. 313. Authority of States and local governments to divest from persons that engage in investment or business activities with Iran’s Revolutionary Guard Corps.”.

SEC. 112. SAFE HARBOR FOR CHANGES IN INVESTMENT POLICIES BY ASSET MANAGERS.

Section 13(c)(1) of the Investment Company Act of 1940 (15 U.S.C. 80a–13(c)(1)) is amended—

(1) in subparagraph (A), by striking “; or” and inserting a semicolon;

(2) in subparagraph (B), by striking the period at the end and inserting “; or”; and

(3) by adding at the end the following:

“(C) engage in investment or business activities described in subsection (d) of section 313 of the Iran Threat Reduction and Syria Human Rights Act of 2012 with Iran’s Revolutionary Guard Corps or a person described in subsection (c) of that section.”.

Subtitle C—Termination

SEC. 121. TERMINATION.

This title and the amendments made by this title shall terminate on the date that is 30 days after the date on which the President makes the certification described in section 401(a) of the Comprehensive Iran Sanctions,
Accountability, and Divestment Act of 2010 (22 U.S.C. 8551(a)).

TITLE II—SANCTIONS RELATING TO HUMAN RIGHTS ABUSES IN IRAN

SEC. 201. FINDINGS.

Congress makes the following findings:

(1) According to Freedom House, none of the elections held in Iran after the Islamic revolution in 1979 have been regarded as free or fair.

(2) According to the October 2015 report by the United Nations Special Rapporteur on the situation of human rights in the Islamic Republic of Iran, Iran continues to execute more individuals per capita than any other country in the world. Executions have been rising at an exponential rate since 2005 and peaked in 2015, when human rights groups reported a shocking 830 executions between January and November 2015, and as many as 1,084 executions during the entire year.

(3) According to an October 2015 United Nations report on human rights in Iran, “Some 150 Sunni Muslims are in prison on charges related to their beliefs and religion activities. More than 30 are
on death row after having been convicted of ‘enmity against God’ in unfair judicial proceedings.”.

(4) In 2015, Iran was rated as “not free” in a report on the freedom of the press by Freedom House for a lack of flow of independent information and the inability of news outlets, whether through print, broadcast, or the Internet, to operate freely and without fear of repercussions.

(5) Journalists, social media activists, writers, and human rights activists are routinely arrested and interrogated by Iran’s Revolutionary Guard Corps, the Ministry of Intelligence, and cyber-policing units.

(6) According to the Committee to Protect Journalists—

(A) from the 2015 prison census, Iran is one of the leading jailers of journalists, with 19 behind bars;

(B) Iran ranks as first among countries from which journalists have fled into exile between 2009 and 2015; and

(C) in 2015, Iran ranked number 7 among the top 10 most censored countries in the world.
(7) According to the United Nations Special Rapporteur on the situation of human rights in the Islamic Republic of Iran, as of January 2014, there were 895 political prisoners and prisoners of conscience unjustly detained in Iran.

(8) On February 22, 2016, 80-year-old Baquer Namazi, a United States citizen and the father of imprisoned dual United States-Iran citizen Siamak Namazi, was arrested while visiting family in Tehran and taken to Evin Prison without charge. Baquer Namazi suffers from a serious heart condition that requires special medical attention.

(9) On January 12, 2016, Iran’s Revolutionary Guard Corps unjustly detained 10 United States sailors whose vessel had misnavigated into Iranian territorial waters but had a right to innocent passage under international law. While the United States sailors were released after 16 hours, Iran’s Revolutionary Guard Corps released humiliating videos of the capture of the sailors at gunpoint and their detention for propagandistic purposes.

(10) On October 15, 2015, Siamak Namazi was arrested while visiting Tehran and detained in Evin Prison, where he remains held by Iranian officials without charge.
(11) In July 2014, Jason Rezaian, a reporter from the United States working for the Washington Post, was unjustly arrested and held in Iran while his health deteriorated until his release on January 16, 2016.

(12) On January 27, 2013, Saeed Abedini, a pastor from the United States, was sentenced to an 8-year prison term in Iran based on charges relating to his Christian faith and had been unjustly incarcerated since September 26, 2012, despite serious health issues until his release on January 16, 2016.

(13) In August 2011, Amir Hekmati, a veteran of the Armed Forces of the United States, was unjustly detained while visiting his family in Iran and remained in a prison in Iran on false espionage charges until his release on January 16, 2016.

(14) In March 2007, Robert Levinson, a former agent of the Federal Bureau of Investigation, disappeared in Iran during a business trip and Iran has refused to cooperate in the investigation into his disappearance. Mr. Levinson is the longest unjustly held United States citizens in history.

(15) The principal leaders of the Green Revolution in Iran, Mir Hussein Moussavi and Mehdi
Karroubi, have been under house arrest since February 2011.

(16) The United States has designated Iran as a country of particular concern for religious freedom pursuant to section 402(b)(1) of the International Religious Freedom Act of 1998 (22 U.S.C. 6442(b)(1)) for severe violations of religious freedom in every year from 1999 through 2015.

(17) In 2015, the United States Commission on International Religious Freedom found in its annual report that the Government of Iran “continues to engage in systematic, ongoing, and egregious violations of religious freedom, including prolonged detention, torture, and executions based primarily or entirely upon the religion of the accused”.

(18) The Government of Iran continues to propagate anti-Semitism and target members of the Jewish community, and reinstated, in 2014, a Holocaust denial conference, which had been cancelled the previous year.

(19) On January 27, 2016, as the world marked International Holocaust Remembrance Day, Iranian Supreme Leader Ali Khamenei published a video denying the Holocaust on his official website.
Members of the Baha’i Faith in Iran, estimated to number between 300,000 and 350,000, are not recognized as a religious minority under the Constitution of Iran, enjoy virtually no rights under the law, and are banned from practicing their faith. Throughout 2014 and 2015, Iranian authorities shut down numerous Baha’i-owned businesses across the country.

More than 100 Baha’is are being held in prison solely because of their religious beliefs, including the Baha’i leaders Fariba Kamalabadi, Jamaloddin Khanjani, Afif Naemi, Saeid Rezaie, Mahvash Sabet, Behrouz Tavakkoli, and Vahid Tizfahm.

Christians, particularly converts and underground house church leaders, face sustained persecution, arrests, legal harassment, and long-term prison sentences. Since 2010, more than 500 Christians have been arrested or detained.

Officials of the United States have stated that the human rights record of Iran is “abysmal” and the Department of State has reported that there has been “little meaningful improvement in human rights in Iran under the new government, including
torture, political imprisonment, and harassment of religious and ethnic minorities”.

(24) According to the Country Reports on Human Rights Practices for 2014 of the Department of State, Iranian law states that same-sex sexual activity is punishable by death, flogging, or other punishments. Iranian authorities “harassed, arrested, and detained individuals they suspected of being gay”. While detained, lesbian, gay, bisexual, and transgender individuals have reported physical abuse and torture by security officers, including sexual assault and rape.

SEC. 202. EXPANSION OF LIST OF PERSONS INVOLVED IN HUMAN RIGHTS ABUSES IN IRAN.

(a) IN GENERAL.—Section 105 of the Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010 (22 U.S.C. 8514) is amended—

(1) in the section heading, by striking “CERTAIN PERSONS WHO ARE RESPONSIBLE FOR OR COMPLICIT” and inserting “PERSONS INVOLVED”;

(2) in subsection (b)—

(A) in the subsection heading, by striking “WHO ARE RESPONSIBLE FOR OR COMPLICIT” and inserting “INVOLVED”;

(B) by striking paragraph (1) and inserting the following:

“(1) IN GENERAL.—Not later than 90 days after the date of the enactment of the Iran Non-nuclear Sanctions Act of 2017, the President shall submit to the appropriate congressional committees a list of persons the President determines have committed or facilitated, directly or indirectly, human rights abuses or other acts of violence, intimidation, or harassment, on behalf of the Government of Iran on or after June 12, 2009, regardless of whether such abuses or acts occurred in Iran.”; and
SEC. 203. IDENTIFICATION OF, AND IMPOSITION OF SANCTIONS WITH RESPECT TO, CERTAIN IRANIAN INDIVIDUALS.

(a) In general.—Section 221 of the Iran Threat Reduction and Syria Human Rights Act of 2012 (22 U.S.C. 8727) is amended to read as follows:
"SEC. 221. IDENTIFICATION OF, AND IMPOSITION OF SANCTIONS WITH RESPECT TO, CERTAIN IRANIAN INDIVIDUALS.

"(a) IDENTIFICATION OF INDIVIDUALS.—Not later than 90 days after the date of the enactment of the Iran Nonnuclear Sanctions Act of 2017, and every 180 days thereafter, the President shall submit to the appropriate congressional committees and publish in the Federal Register a list of all individuals the President determines are described in subsection (b).

"(b) INDIVIDUALS DESCRIBED.—An individual described in this subsection is—

"(1) the Supreme Leader of Iran;

"(2) the President of Iran;

"(3) a current or former key official, manager, or director of an entity that is owned or controlled after November 14, 1979, by—

"(A) the Supreme Leader of Iran;

"(B) the Office of the Supreme Leader of Iran;

"(C) the President of Iran;

"(D) the Office of the President of Iran;

"(E) Iran’s Revolutionary Guard Corps;

"(F) the Basij-e Motaz’afin;

"(G) the Guardian Council;
“(H) the Ministry of Intelligence and Security of Iran;

“(I) the Atomic Energy Organization of Iran;

“(J) the Islamic Consultative Assembly of Iran;

“(K) the Assembly of Experts of Iran;

“(L) the Ministry of Defense and Armed Forces Logistics of Iran;

“(M) the Ministry of Justice of Iran;

“(N) the Ministry of Interior of Iran;

“(O) the prison system of Iran;

“(P) the judicial system of Iran, including the Islamic Revolutionary Courts; or

“(Q) any citizen of Iran included on the list of specially designated nationals and blocked persons maintained by the Office of Foreign Assets Control of the Department of the Treasury;

“(4) a citizen of Iran indicted in a foreign country for, or otherwise suspected of, participation in a terrorist attack;

“(5) an individual involved in the kidnapping or unjust detention of a United States citizen, includ-
ing a United States citizen who is also a citizen of
another country; or

“(6) a politically exposed individual associated
with an individual described in any of paragraphs
(1) through (5) who is not a United States person.

“(e) EXCLUSION FROM UNITED STATES.—Except as
provided in subsection (f), the Secretary of State shall
deny a visa to, and the Secretary of Homeland Security
shall exclude from the United States, any alien who is on
the list required by subsection (a).

“(d) BLOCKING OF PROPERTY.—Except as provided
in subsection (f), the President shall block and prohibit
all transactions in all property and interests in property
of any individual who is on the list required by subsection
(a) if such property and interests in property are in the
United States, come within the United States, or are or
come within the possession or control of a United States
person.

“(e) REPORT.—

“(1) IN GENERAL.—Not later than 90 days
after the date of the enactment of the Iran Non-
nuclear Sanctions Act of 2017, and every 90 days
thereafter, the President shall submit to the appro-
priate congressional committees a report that de-
scribes the efforts the President has taken during
the 90 days preceding the submission of the report to locate and block all property and interests in property of any individual who is on the list required by subsection (a).

“(2) Form of Report.—Each report required by paragraph (1) shall be submitted in unclassified form, but may include a classified annex if necessary.

“(f) Exceptions.—

“(1) In General.—The President may not include an individual on the list required by subsection (a) if the President determines that, during the 10-year period preceding the determination, the individual has not in any way engaged in, facilitated, or otherwise supported—

“(A) human rights abuses;
“(B) acts of international terrorism; or
“(C) the proliferation of weapons of mass destruction.

“(2) Compliance with United Nations Headquarters Agreement.—Subsection (c) shall not apply to the head of state of Iran, or necessary staff of that head of state, if admission to the United States is necessary to permit the United States to comply with the Agreement regarding the
Headquarters of the United Nations, signed at Lake
Success June 26, 1947, and entered into force No-

vember 21, 1947, between the United Nations and
the United States.

“(g) Waiver.—

“(1) In general.—The President may waive
the application of subsection (c) or (d) with respect
to an individual for a period of 180 days, and may
renew that waiver for additional periods of 180 days,
if the President—

“(A) determines that the waiver is vital to
the national security of the United States; and

“(B) not less than 7 days before the waiv-
er or the renewal of the waiver, as the case may
be, takes effect, submits a report to the appro-
piate congressional committees on the waiver
and the reason for the waiver.

“(2) Limitation on waiver authority.—The
President may not exercise the waiver authority pro-
vided under paragraph (1) to implement any inter-
national agreement with Iran unless, before exer-
cising the waiver authority, the agreement is ap-
proved through the enactment of a joint resolution
or the Senate provides its advice and consent with
respect to the agreement pursuant to section 2 of ar-
ticle II of the Constitution of the United States.

“(3) FORM OF REPORT.—Each report sub-
mitted under paragraph (1)(B) shall be submitted in
unclassified form, but may include a classified annex
if necessary.

“(h) DEFINITIONS.—In this section:

“(1) OWN OR CONTROL.—The term ‘own or
control’ means, with respect to an entity—

“(A) to hold more than 25 percent of the
equity interest by vote or value in the entity;

“(B) to hold any seats on the board of di-
rectors of the entity; or

“(C) to otherwise control the actions, poli-
cies, or personnel decisions of the entity.

“(2) POLITICALLY EXPOSED INDIVIDUAL.—

“(A) IN GENERAL.—The term ‘politically
exposed individual’ includes a current or former
senior political figure, the immediate family of
such a figure, and close associates of such a fig-
ure.

“(B) ADDITIONAL DEFINITIONS.—For
purposes of subparagraph (A):
“(i) CLOSE ASSOCIATE.—The term ‘close associate’, with respect to a senior political figure—

“(I) means an individual who is widely and publicly known to maintain an unusually close relationship with the senior political figure; and

“(II) includes an individual who is in a position to conduct substantial domestic and international financial transactions on behalf of the senior political figure.

“(ii) IMMEDIATE FAMILY.—The term ‘immediate family’, with respect to a senior foreign political figure, means the parents, siblings, spouse, children, and in-laws of the senior political figure.

“(iii) SENIOR POLITICAL FIGURE.—The term ‘senior political figure’ means a senior official in the executive, legislative, administrative, military, or judicial branches of the Government of Iran (whether elected or not), a senior official of a major political party in Iran, or a senior
executive of an entity owned or controlled by the Government of Iran.”.

(b) CLERICAL AMENDMENT.—The table of contents for the Iran Threat Reduction and Syria Human Rights Act of 2012 (22 U.S.C. 8701 et seq.) is amended by striking the item relating to section 221 and inserting the following:

“Sec. 221. Identification of, and imposition of sanctions with respect to, certain Iranian individuals.”.

SEC. 204. IMPOSITION OF SANCTIONS WITH RESPECT TO PERSONS WHO CONDUCT TRANSACTIONS WITH OR ON BEHALF OF CERTAIN IRANIAN INDIVIDUALS.

(a) IN GENERAL.—Subtitle B of title II of the Iran Threat Reduction and Syria Human Rights Act of 2012 (22 U.S.C. 8721 et seq.) is amended by inserting after section 221 the following:

“SEC. 221A. IMPOSITION OF SANCTIONS WITH RESPECT TO PERSONS WHO CONDUCT TRANSACTIONS WITH OR ON BEHALF OF CERTAIN IRANIAN INDIVIDUALS.

“(a) SALE, SUPPLY, OR TRANSFER OF GOODS AND SERVICES.—The President shall impose five or more of the sanctions described in section 6(a) of the Iran Sanctions Act of 1996 (Public Law 104–172; 50 U.S.C. 1701 note) with respect to a person that knowingly, on or after
the date that is 120 days after the date of the enactment of the Iran Nonnuclear Sanctions Act of 2017, sells, supplies, or transfers goods or services to an individual who is on the list required by section 221(a).

“(b) Facilitation of Certain Transactions.—

The President shall prohibit the opening, and prohibit or impose strict conditions on the maintaining, in the United States of a correspondent account or a payable-through account by any foreign financial institution that has knowingly conducted or facilitated a significant financial transaction on behalf of an individual who is on the list required by section 221(a).

“(c) Waiver.—

“(1) In General.—The President may waive the application of subsection (a) or (b) with respect to a person for a period of 180 days, and may renew that waiver for additional periods of 180 days, if the President—

“(A) determines that the waiver is vital to the national security of the United States; and

“(B) not less than 7 days before the waiver or the renewal of the waiver, as the case may be, takes effect, submits a report to the appropriate congressional committees on the waiver and the reason for the waiver.
“(2) LIMITATION ON WAIVER AUTHORITY.—The President may not exercise the waiver authority provided under paragraph (1) to implement any international agreement with Iran unless, before exercising the waiver authority, the agreement is approved through the enactment of a joint resolution or the Senate provides its advice and consent with respect to the agreement pursuant to section 2 of article II of the Constitution of the United States.

“(3) FORM OF REPORT.—Each report submitted under paragraph (1)(B) shall be submitted in unclassified form, but may include a classified annex if necessary.

“(d) APPLICATION OF CERTAIN PROVISIONS OF THE IRAN SANCTIONS ACT OF 1996.—The following provisions of the Iran Sanctions Act of 1996 (Public Law 104–172; 50 U.S.C. 1701 note) shall apply with respect to the imposition of sanctions under subsection (a) to the same extent that such provisions apply with respect to the imposition of sanctions under section 5(a) of the Iran Sanctions Act of 1996:

“(1) Subsections (c), (d), and (f) of section 5.
“(2) Section 8.
“(3) Section 11.
“(4) Section 12.
“(5) Section 13(b).

“(e) Definitions.—In this Act:

“(1) Account; correspondent account; payable-through account.—The terms ‘account’, ‘correspondent account’, and ‘payable-through account’ have the meanings given those terms in section 5318A of title 31, United States Code.

“(2) Foreign financial institution.—The term ‘foreign financial institution’ has the meaning given that term in section 561.308 of title 31, Code of Federal Regulations (or any corresponding similar regulation or ruling).”.

(b) Clerical Amendment.—The table of contents for the Iran Threat Reduction and Syria Human Rights Act of 2012 (22 U.S.C. 8701 et seq.) is amended by inserting after the item relating to section 221 the following:

“Sec. 221A. Imposition of sanctions with respect to persons who conduct transactions with or on behalf of certain Iranian individuals.”.
SEC. 205. MANDATORY SANCTIONS WITH RESPECT TO FINANCIAL INSTITUTIONS THAT ENGAGE IN CERTAIN TRANSACTIONS ON BEHALF OF PERSONS INVOLVED IN HUMAN RIGHTS ABUSES OR THAT EXPORT SENSITIVE TECHNOLOGY TO IRAN.

(a) In General.—Section 104(e)(2) of the Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010 (22 U.S.C. 8513(e)(2)) is amended—

(1) in subparagraph (D), by striking “or” at the end;

(2) in subparagraph (E), by striking the period at the end and inserting “; or”; and

(3) by adding at the end the following:

“(F) facilitates a significant transaction or transactions or provides significant financial services for—

“(i) a person that is subject to sanctions under section 105(c), 105A(c), 105B(c), or 105C(a); or

“(ii) a person that exports sensitive technology to Iran and is subject to the prohibition on procurement contracts as described in section 106.”.

(b) Effective Date.—The amendments made by subsection (a) take effect on the date of the enactment
of this Act and apply with respect to any activity described in subparagraph (F) of section 104(c)(2) of the Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010, as added by subsection (a)(3), initiated on or after the date that is 90 days after such date of enactment.

(c) REGULATIONS.—Not later than 90 days after the date of the enactment of this Act, the Secretary of the Treasury shall prescribe regulations to carry out the amendments made by subsection (a).

SEC. 206. UNITED STATES SUPPORT FOR THE PEOPLE OF IRAN.

(a) IN GENERAL.—Subtitle B of title IV of the Iran Threat Reduction and Syria Human Rights Act of 2012 (22 U.S.C. 8751 et seq.) is amended by adding at the end the following:

“SEC. 416. UNITED STATES SUPPORT FOR THE PEOPLE OF IRAN.

“(a) POLICY OF THE UNITED STATES.—It is the policy of the United States—

“(1) to support the efforts of the people of Iran to promote the establishment of basic freedoms in Iran;

“(2) to lay the foundation for the emergence of a freely elected, open, and democratic political sys-
tem in Iran that is not a threat to its neighbors or to the United States and to work with all citizens of Iran who seek to establish such a political system;

“(3) to support the emergence of a government in Iran that does not oppress the people of Iran and does not persecute, intimidate, arrest, imprison, or execute dissidents or minorities;

“(4) to advocate on behalf of those in Iran persecuted for their religion or belief;

“(5) to assist the people of Iran to produce, access, and share information freely and safely through the Internet and other media; and

“(6) to defeat all attempts by the Government of Iran to jam or otherwise obstruct international satellite broadcast signals.

“(b) SENSE OF CONGRESS.—It is the sense of Congress that—

“(1) the United States should support citizens of Iran that actively work to advance political, economic, and social reforms, including freedom of the press, freedom of assembly, freedom of religion, and representative government;

“(2) the President should use all available non-violent means to support citizens of Iran that advo-
cate for pluralistic, prosperous, and participatory societies;

“(3) programs of the Department of State to support reform in Iran have not resulted in a more democratic Iran;

“(4) the Government of Iran continues to play a pernicious role in the Middle East, undermining democratic consolidation in Iraq, supporting international terrorism through Hezbollah, and aiding the autocratic regime of Bashar al-Assad in Syria;

“(5) the Secretary of State should make every effort to deliver support directly to people working in Iran to implement programs carried out using assistance provided by the Department of State when possible and all possible means of delivering such assistance should be used; and

“(6) oversight, management, and implementation of programs of the Department of State to support reform in Iran should be under the direction of the Special Coordinator on Human Rights and Democracy in Iran established under section 207 of the Iran Nonnuclear Sanctions Act of 2017, in consultation with the Assistant Secretary of State for Democracy, Human Rights, and Labor.

“(c) Assistance To Support Reform in Iran.—
“(1) ASSISTANCE AUTHORIZED.—Notwithstanding any other provision of law, the Secretary of State may provide assistance (including through the award of grants) to individuals and entities working in Iran for the purpose of supporting and promoting the rule of law, good governance, civil society, and economic opportunity in Iran.

“(2) ELIGIBILITY FOR ASSISTANCE.—Assistance authorized under this subsection should be provided only to an individual or entity that—

“(A) officially opposes the use of violence and terrorism and has not been designated as a foreign terrorist organization under section 219 of the Immigration and Nationality Act (8 U.S.C. 1189) at any time during the 4-year period ending on the date of the enactment of the Iran Nonnuclear Sanctions Act of 2017;

“(B) advocates the adherence by Iran to nonproliferation regimes for nuclear, chemical, and biological weapons and materiel, and ballistic missiles;

“(C) is dedicated to democratic values and supports the adoption of a democratic form of government in Iran;
“(D) is dedicated to respect for human rights, including the fundamental equality of women; and

“(E) supports freedom of the press, freedom of speech, freedom of association, and freedom of religion.

“(3) NOTIFICATION REQUIREMENT.—Not later than 15 days before each obligation of assistance under this subsection, the Secretary of State shall notify the Committee on Foreign Relations and the Committee on Appropriations of the Senate and the Committee on Foreign Affairs and the Committee on Appropriations of the House of Representatives in accordance with the procedures applicable to reprogramming notifications under section 634A of the Foreign Assistance Act of 1961 (22 U.S.C. 2394–1).

“(4) AUTHORIZATION OF APPROPRIATIONS.—Of the amounts made available to carry out chapter 4 of part II of the Foreign Assistance Act of 1961 (22 U.S.C. 2346 et seq.; relating to the Economic Support Fund) for fiscal year 2015, not less than $32,000,000 shall be made available to the Secretary of State to carry out this subsection.
“(5) TERMINATION.—The authority to provide assistance under this subsection shall expire on December 31, 2020.

“(d) REPORTS.—

“(1) IN GENERAL.—Not later than 60 days after the date of the enactment of the Iran Non-nuclear Sanctions Act of 2017, and every 180 days thereafter, the Secretary of State shall submit to the appropriate congressional committees a report on the implementation of this section that includes the following:

“(A) An identification of the actions the President has taken during the 180-day period immediately preceding the submission of the report to advance each of the policies described in subsection (a).

“(B) A clear strategy for advancing political, economic, and social reform in Iran that includes benchmarks for success that lead to a set of identified discrete goals and objectives.

“(C) A plan to monitor and evaluate the effectiveness of the provision of assistance authorized under subsection (c), including measures of effectiveness.
“(D) The status of the programming of assistance under subsection (e).

“(E) An analysis of any past programming of assistance under subsection (e) and its effectiveness with respect to supporting and promoting the rule of law, good governance, civil society, and economic opportunity in Iran.

“(2) FORM OF REPORT.—Each report required by paragraph (1) shall be submitted in unclassified form, but may include a classified annex if necessary.”.

(b) CLERICAL AMENDMENT.—The table of contents for the Iran Threat Reduction and Syria Human Rights Act of 2012 is amended by inserting after the item relating to section 415 the following:

“Sec. 416. United States support for the people of Iran.”.

SEC. 207. UNITED STATES SPECIAL COORDINATOR ON HUMAN RIGHTS AND DEMOCRACY IN IRAN.

(a) DESIGNATION.—The President shall designate within the Department of State a Special Coordinator on Human Rights and Democracy in Iran (in this section referred to as the “Special Coordinator”).

(b) CONSULTATION AND QUALIFICATIONS.—Before the President designates a Special Coordinator under subsection (a), the Secretary of State shall consult with the chairmen and ranking members of the appropriate con-
gressional committees. The role of Special Coordinator should be filled by an official of the Department of State appointed by and serving at the pleasure of the President in a position not lower than Under Secretary on the day before the date of the enactment of this Act.

(c) DUTIES.—The Special Coordinator shall carry out the following duties:

(1) Coordinate the activities of the United States Government that promote human rights, democracy, political freedom, and religious freedom inside Iran.

(2) Coordinate the activities of the United States Government that promote human rights, political freedom, and religious freedom for Iranian refugees and asylees living outside Iran.


(4) Coordinate the documentation and publicizing of political dissidents and cases of human rights abuse inside Iran.

(5) Coordinate multilateral efforts to build international support for the promotion of human
rights, democracy, political freedom, and religious freedom in Iran, including broadcasting, Internet access, and dissemination of information.

(6) Encourage the United Nations, multilateral organizations, and human rights nongovernmental organizations to more robustly investigate and report on human rights abuses in Iran.

(7) Encourage foreign governments to downgrade or sever diplomatic relations with the Government of Iran, enact economic sanctions, and assist Iranian dissidents in response to the continued violations of human rights by the Government of Iran.


(9) Coordinate all programs funded under the Iran Freedom Support Act (Public Law 109–293; 22 U.S.C. 2151 note).

(d) Authority.—

(1) COORDINATION OF ACTIVITIES.—The Special Coordinator shall coordinate all activities related
to Iran carried out by the Bureau of Near Eastern Affairs, the Bureau of Democracy, Human Rights and Labor, and the Bureau of Population, Refugees and Migration of the Department of State, the Ambassador-at-Large for International Religious Freedom, the Special Envoy to Monitor and Combat Anti-Semitism, the United States Commission on International Religious Freedom, the National Endowment for Democracy, and the Broadcasting Board of Governors.

(2) COORDINATION OF USE OF FUNDS.—The Special Coordinator shall coordinate and oversee the obligation and expenditure of funds related to human rights, democracy, Internet freedom, and broadcasting activities in Iran, including funds made available for such purposes to the Middle East Partnership Initiative, the United States Commission on International Religious Freedom, the Broader Middle East and North Africa Initiative, the Human Rights and Democracy Fund, and the Near Eastern Regional Democracy Fund.

(c) DIPLOMATIC REPRESENTATION.—Subject to the direction of the President and the Secretary of State, the Special Coordinator shall represent the United States in matters and cases relevant to the promotion of human
rights, democracy, political freedom, and religious freedom in Iran in—

(1) contacts with foreign governments, intergovernmental organizations, and specialized agencies of the United Nations, the Organization for Security and Co-operation in Europe, and other international organizations of which the United States is a member; and

(2) multilateral conferences and meetings relevant to the promotion of human rights, democracy, political freedom, and religious freedom in Iran.

(f) CONSULTATIONS.—The Special Coordinator shall consult with Congress, domestic and international non-governmental organizations, labor organizations, and multilateral organizations and institutions as the Special Coordinator considers appropriate to fulfill the purposes of this section.

(g) FUNDING.—From amounts made available for the Department of State for Near East Affairs in fiscal years before fiscal year 2016, the Secretary of State shall provide to the Special Coordinator such sums as may be necessary for fiscal year 2016 for the hiring of staff, for the conduct of investigations, and for necessary travel to carry out this section.
APPROPRIATE CONGRESSIONAL COMMITTEES

In this section, the term “appropriate congressional committees” means—

(1) the Committee on Foreign Relations and the Committee on Appropriations of the Senate; and

(2) the Committee on Foreign Affairs and the Committee on Appropriations of the House of Representatives.

SEC. 208. BROADCASTING TO IRAN.

(a) IN GENERAL.—Radio Free Europe/Radio Liberty and the Voice of America services broadcasting to Iran shall—

(1) provide news and information that is accessible, credible, comprehensive, and accurate;

(2) emphasize investigative and analytical journalism provided by Iranian or pro-Iranian media outlets; and

(3) strengthen civil society by promoting democratic processes, respect for human rights, and freedom of the press and expression.

(b) PROGRAMMING SURGE.—Radio Free Europe/Radio Liberty and Voice of America programming to Iran shall—

(1) provide programming content 24 hours a day and 7 days a week to target populations using
all available and effective distribution outlets, including at least 12 hours a day of original television and video content, not including live video streaming of breaking news;

(2) create mobile platforms with an embedded proxy to offer the people of Iran the opportunity to securely listen to programming;

(3) increase number of staffers based in the region to allow for more direct contact with the people of Iran;

(4) expand the use, audience, and audience engagement of mobile news and multimedia platforms by the Voice of America and the Radio Farda service of Radio Free Europe/Radio Liberty, including through Internet-based social networking platforms; and

(5) establish fellowships for Iranian journalists who have fled the country to learn about free, competitive media and be trained in surrogate reporting.

(c) Authorization of Appropriations.—There are authorized to be appropriated for fiscal year 2017, in addition to funds otherwise made available for such purposes, $10,000,000 to carry out Iran-focused programming by Radio Free Europe/Radio Liberty and the Voice of America, for the purpose of bolstering existing United
States programming to the people of Iran and increasing programming capacity and jamming circumvention technology to overcome any disruptions to service.

SEC. 209. REPORT ON UNITED STATES CITIZENS DETAINED BY IRAN.

(a) IN GENERAL.—Not later than 90 days after the date of the enactment of this Act, and every 180 days thereafter, the President shall submit to the appropriate congressional committees a report on United States citizens, including dual citizens, detained by Iran or groups supported by Iran that includes—

(1) information regarding any officials of the Government of Iran involved in any way in the detentions; and

(2) a summary of efforts the United States Government has taken to secure the swift release of those United States citizens, including United States citizens who are also citizens of other countries.

(b) FORM OF REPORT.—The report required by subsection (a) shall be submitted in unclassified form, but may include a classified annex if necessary.

(c) APPROPRIATE CONGRESSIONAL COMMITTEES DEFINED.—In this section, the term “appropriate congressional committees” has the meaning given that term in

SEC. 210. SENSE OF CONGRESS ON ESTABLISHMENT OF MULTILATERAL MECHANISM TO PROMOTE HUMAN RIGHTS IN IRAN.

It is the sense of Congress that the United States should work with the European Union and other countries with a common commitment to fundamental rights and freedoms to explore the possibility of establishing a formal multilateral mechanism to advocate for the promotion of human rights, democracy, political freedom, and religious freedom in Iran.

SEC. 211. SENSE OF CONGRESS ON ROLE OF THE UNITED NATIONS IN PROMOTING HUMAN RIGHTS IN IRAN.

It is the sense of Congress that—

(1) the United Nations has a significant role to play in promoting and improving human rights in Iran;

(2) the United States should continue to support the work of the United Nations Special Rapporteur on the situation of human rights in the Islamic Republic of Iran; and

(3) the egregious human rights violations in Iran warrant country-specific attention and contin-
ued reporting by the Special Rapporteur on the situ-
ation of human rights in the Islamic Republic of
Iran, the Special Rapporteur on torture and other
cruel, inhuman, or degrading treatment or punish-
ment, the Working Group on Arbitrary Detention,
the Special Rapporteur on extrajudicial, summary,
or arbitrary executions, the Special Rapporteur on
the promotion and protection of the right to freedom
of opinion and expression, the Special Rapporteur on
freedom of religion or belief, and the Special
Rapporteur on violence against women, its causes,
and consequences, of the United Nations.

TITLE III—SANCTIONS WITH RESPECT TO THE BALLISTIC MISSILE PROGRAM OF IRAN

SEC. 301. FINDINGS.

Congress finds the following:

(1) On April 2, 2015, President Barack Obama
said, “Other American sanctions on Iran for its sup-
port of terrorism, its human rights abuses, its bal-
listic missile program, will continue to be fully en-
forced.”.

(2) On July 7, 2015, General Martin Dempsey,
then-Chairman of the Joint Chiefs of Staff, said,
“Under no circumstances should we relieve the pres-
sure on Iran relative to ballistic missile capabilities.”

(3) On July 29, 2015, in his role as the top military officer in the United States and advisor to the President, General Dempsey confirmed that his military recommendation was that sanctions relating to the ballistic missile program of Iran not be lifted.

(4) The Government of Iran and Iran's Revolutionary Guard Corps have been responsible for the repeated testing of illegal ballistic missiles capable of carrying a nuclear device, including observed tests in October and November 2015 and March 2016, violating United Nations Security Council resolutions.

(5) On October 14, 2015, Samantha Power, United States Ambassador to the United Nations, said, “One of the really important features in implementation of the recent Iran deal to dismantle Iran’s nuclear program is going to have to be enforcement of the resolutions and the standards that remain on the books.”

(6) On December 11, 2015, the United Nations Panel of Experts concluded that the missile launch on October 10, 2015, “was a violation by Iran of paragraph 9 of Security Council resolution 1929 (2010)”.
(7) On January 17, 2016, Adam Szubin, Acting Under Secretary for Terrorism and Financial Intelligence, stated, "Iran’s ballistic missile program poses a significant threat to regional and global security, and it will continue to be subject to international sanctions. We have consistently made clear that the United States will vigorously press sanctions against Iranian activities outside of the Joint Comprehensive Plan of Action—including those related to Iran’s support for terrorism, regional destabilization, human rights abuses, and ballistic missile program.”.

(8) On February 9, 2016, James Clapper, Director of National Intelligence, testified that, "We judge that Tehran would choose ballistic missiles as its preferred method of delivering nuclear weapons, if it builds them. Iran’s ballistic missiles are inherently capable of delivering WMD, and Tehran already has the largest inventory of ballistic missiles in the Middle East. Iran’s progress on space launch vehicles—along with its desire to deter the United States and its allies—provides Tehran with the means and motivation to develop longer-range missiles, including ICBMs.”.
(9) On March 9, 2016, Iran reportedly fired two Qadr ballistic missiles with a range of more than 1,000 miles and according to public reports, the missiles were marked with a statement in Hebrew reading, “Israel must be wiped off the arena of time.”.

(10) On March 11, 2016, Ambassador Power called the recent ballistic missile launches by Iran “provocative and destabilizing” and called on the international community to “degrade Iran’s missile program”.

(11) On March 14, 2016, Ambassador Power said that the recent ballistic missile launches by Iran were “in defiance of provisions of UN Security Council Resolution 2231”.

(12) Iran has demonstrated the ability to launch multiple rockets from fortified underground facilities and mobile launch sites not previously known.

(13) The ongoing procurement by Iran of technologies needed to boost the range, accuracy, and payloads of its diverse ballistic missile arsenal represents a threat to deployed personnel of the United States and allies of the United States in Europe and the Middle East, including Israel.
(14) Ashton Carter, Secretary of Defense, testified in a hearing before the Armed Services Committee of the Senate on July 7, 2015, that, “[T]he reason that we want to stop Iran from having an ICBM program is that the I in ICBM stands for intercontinental, which means having the capability to fly from Iran to the United States, and we don’t want that. That’s why we oppose ICBMs.”

(15) Through recent ballistic missile launch tests the Government of Iran has shown blatant disregard for international laws and its intention to continue tests of that nature throughout the implementation of the Joint Comprehensive Plan of Action.

(16) The banking sector of Iran has facilitated the financing of the ballistic missile programs in Iran and evidence has not been provided that entities in that sector have ceased facilitating the financing of those programs.

(17) Iran has been able to amass a large arsenal of ballistic missiles through its illicit smuggling networks and domestic manufacturing capabilities that have been supported and maintained by Iran’s Revolutionary Guard Corps and specific sectors of the economy of Iran.
(18) Penetration by Iran’s Revolutionary Guard Corps into the economy of Iran is well documented including investments in the construction, automotive, telecommunications, electronics, mining, metallurgy, and petrochemical sectors of the economy of Iran.

(19) Items procured through sectors of Iran specified in paragraph (18) have dual use applications that are currently being used to create ballistic missiles in Iran and will continue to be a source of materials for the creation of future weapons.

(20) In order to curb future illicit activity by Iran, the Government of the United States and the international community must take action against persons that facilitate and profit from the illegal acquisition of ballistic missile parts and technology in support of the missile programs of Iran.

SEC. 302. SENSE OF CONGRESS.

It is the sense of Congress that—

(1) the ballistic missile program of Iran represents a serious threat to allies of the United States in the Middle East and Europe, members of the Armed Forces deployed in those regions, and ultimately the United States;
(2) the testing and production by Iran of ballistic missiles capable of carrying a nuclear device is a clear violation of United Nations Security Council Resolution 2231 (2015), which was unanimously adopted by the international community;

(3) Iran is using its space launch program to develop the capabilities necessary to deploy an intercontinental ballistic missile that could threaten the United States, and the Director of National Intelligence has assessed that Iran would use ballistic missiles as its “preferred method of delivering nuclear weapons”; and

(4) the Government of the United States should impose tough primary and secondary sanctions against any sector of the economy of Iran or any Iranian person that directly or indirectly supports the ballistic missile program of Iran as well as any foreign person or financial institution that engages in transactions or trade that support that program.

SEC. 303. EXPANSION OF SANCTIONS WITH RESPECT TO EFFORTS BY IRAN TO ACQUIRE BALLISTIC MISSILE AND RELATED TECHNOLOGY.

(a) CERTAIN PERSONS.—Section 1604(a) of the Iran-Iraq Arms Non-Proliferation Act of 1992 (Public Law 102–484; 50 U.S.C. 1701 note) is amended, in the
matter preceding paragraph (1), by inserting ‘‘, to acquire ballistic missile or related technology,’’ after ‘‘nuclear weapons’’.

(b) FOREIGN COUNTRIES.—Section 1605(a) of the Iran-Iraq Arms Non-Proliferation Act of 1992 (Public Law 102–484; 50 U.S.C. 1701 note) is amended, in the matter preceding paragraph (1), by inserting ‘‘, to acquire ballistic missile or related technology,’’ after ‘‘nuclear weapons’’.

SEC. 304. IMPOSITION OF SANCTIONS WITH RESPECT TO BALLISTIC MISSILE PROGRAM OF IRAN.

(a) IN GENERAL.—Title II of the Iran Threat Reduction and Syria Human Rights Act of 2012 (22 U.S.C. 8721 et seq.) is amended by adding at the end the following:

“Subtitle C—Measures Relating to Ballistic Missile Program of Iran

“SEC. 231. DEFINITIONS.

“(a) IN GENERAL.—In this subtitle:

“(1) AGRICULTURAL COMMODITY.—The term ‘‘agricultural commodity’’ has the meaning given that term in section 102 of the Agricultural Trade Act of 1978 (7 U.S.C. 5602).
“(2) APPROPRIATE COMMITTEES OF CONGRESS.—The term ‘appropriate committees of Congress’ means—

“(A) the committees specified in section 14(2) of the Iran Sanctions Act of 1996 (Public Law 104–172; 50 U.S.C. 1701 note); and

“(B) the congressional defense committees, as defined in section 101 of title 10, United States Code.

“(3) CORRESPONDENT ACCOUNT; PAYABLE-THROUGH ACCOUNT.—The terms ‘correspondent account’ and ‘payable-through account’ have the meanings given those terms in section 5318A of title 31, United States Code.

“(4) FOREIGN FINANCIAL INSTITUTION.—The term ‘foreign financial institution’ has the meaning of that term as determined by the Secretary of the Treasury pursuant to section 104(i) of the Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010 (22 U.S.C. 8513(i)).

“(5) GOOD.—The term ‘good’ has the meaning given that term in section 16 of the Export Administration Act of 1979 (50 U.S.C. 4618) (as continued in effect pursuant to the International Emergency Economic Powers Act (50 U.S.C. 1701 et seq.)).
“(6) GOVERNMENT.—The term ‘Government’, with respect to a foreign country, includes any agencies or instrumentalities of that Government and any entities controlled by that Government.

“(7) MEDICAL DEVICE.—The term ‘medical device’ has the meaning given the term ‘device’ in section 201 of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 321).

“(8) MEDICINE.—The term ‘medicine’ has the meaning given the term ‘drug’ in section 201 of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 321).

“(b) DETERMINATIONS OF SIGNIFICANCE.—For purposes of this subtitle, in determining if financial transactions or financial services are significant, the President may consider the totality of the facts and circumstances, including factors similar to the factors set forth in section 561.404 of title 31, Code of Federal Regulations (or any corresponding similar regulation or ruling).

“SEC. 232. IMPOSITION OF SANCTIONS WITH RESPECT TO PERSONS THAT SUPPORT THE BALLISTIC MISSILE PROGRAM OF IRAN.

“(a) IDENTIFICATION OF PERSONS.—

“(1) IN GENERAL.—Not later than 120 days after the date of the enactment of the Iran Non-
nuclear Sanctions Act of 2017, and not less frequently than once every 180 days thereafter, the President shall, in coordination with the Secretary of Defense, the Director of National Intelligence, the Secretary of the Treasury, and the Secretary of State, submit to the appropriate committees of Congress a report identifying persons that have knowingly aided the Government of Iran in the development of the ballistic missile program of Iran.

“(2) ELEMENTS.—Each report required by paragraph (1) shall include the following:

“(A) An identification of persons (disaggregated by Iranian and non-Iranian persons) that have knowingly aided the Government of Iran in the development of the ballistic missile program of Iran, including persons that have—

“(i) knowingly engaged in the direct or indirect provision of material support to such program;

“(ii) knowingly facilitated, supported, or engaged in activities to further the development of such program;
“(iii) knowingly transmitted information relating to ballistic missiles to the Government of Iran; or

“(iv) otherwise knowingly aided such program.

“(B) A description of the character and significance of the cooperation of each person identified under subparagraph (A) with the Government of Iran with respect to such program.

“(C) An assessment of the cooperation of the Government of the Democratic People’s Republic of Korea with the Government of Iran with respect to such program.

“(3) CLASSIFIED ANNEX.—Each report required by paragraph (1) shall be submitted in unclassified form, but may contain a classified annex.

“(b) BLOCKING OF PROPERTY.—

“(1) IN GENERAL.—Not later than 15 days after submitting a report required by subsection (a)(1), the President shall, in accordance with the International Emergency Economic Powers Act (50 U.S.C. 1701 et seq.), block and prohibit all transactions in all property and interests in property of any person specified in such report if such property
and interests in property are in the United States, come within the United States, or are or come within the possession or control of a United States person.


“(c) EXCLUSION FROM UNITED STATES.—

“(1) IN GENERAL.—Except as provided in paragraph (2), the Secretary of State shall deny a visa to, and the Secretary of Homeland Security shall exclude from the United States, any alien subject to blocking of property and interests in property under subsection (b).

“(2) COMPLIANCE WITH UNITED NATIONS HEADQUARTERS AGREEMENT.—Paragraph (1) shall not apply to the head of state of Iran, or necessary staff of that head of state, if admission to the United States is necessary to permit the United States to comply with the Agreement regarding the Headquarters of the United Nations, signed at Lake Success June 26, 1947, and entered into force No-

“(d) FACILITATION OF CERTAIN TRANSACTIONS.—
The President shall prohibit the opening, and prohibit or impose strict conditions on the maintaining, in the United States of a correspondent account or a payable-through account by a foreign financial institution that the President determines knowingly, on or after the date that is 180 days after the date of the enactment of the Iran Non-nuclear Sanctions Act of 2017, conducts or facilitates a significant financial transaction for a person subject to blocking of property and interests in property under subsection (b).

“SEC. 233. BLOCKING OF PROPERTY OF PERSONS AFFILIATED WITH CERTAIN IRANIAN ENTITIES.

“(a) Blocking of Property.—

“(1) IN GENERAL.—The President shall, in accordance with the International Emergency Economic Powers Act (50 U.S.C. 1701 et seq.), block and prohibit all transactions in all property and interests in property of any person described in paragraph (3) if such property and interests in property are in the United States, come within the United States, or are or come within the possession or control of a United States person.

“(3) PERSONS DESCRIBED.—A person described in this paragraph is—

“(A) an entity that is owned, directly or indirectly, by a 25 percent or greater interest—

“(i) by the Aerospace Industries Organization, the Shahid Hemmat Industrial Group, the Shahid Bakeri Industrial Group, or any agent or affiliate of such organization or group; or

“(ii) collectively by a group of individuals that hold an interest in the Aerospace Industries Organization, the Shahid Hemmat Industrial Group, the Shahid Bakeri Industrial Group, or any agent or affiliate of such organization or group, even if none of those individuals hold a 25 percent or greater interest in the entity;

“(B) a person that controls, manages, or directs an entity described in subparagraph (A); or
“(C) an individual who is on the board of directors of an entity described in subparagraph (A).

“(b) FACILITATION OF CERTAIN TRANSACTIONS.— The President shall prohibit the opening, and prohibit or impose strict conditions on the maintaining, in the United States of a correspondent account or a payable-through account by a foreign financial institution that the President determines knowingly, on or after the date that is 180 days after the date of the enactment of the Iran Non-nuclear Sanctions Act of 2017, conducts or facilitates a significant financial transaction for a person subject to blocking of property and interests in property under subsection (a).

“(c) IRAN MISSILE PROLIFERATION WATCH LIST.—

“(1) IN GENERAL.—Not later than 90 days after the date of the enactment of the Iran Non-nuclear Sanctions Act of 2017, and not less frequently than annually thereafter, the Secretary of the Treasury shall submit to the appropriate committees of Congress and publish in the Federal Register a list of—

“(A) each entity in which the Aerospace Industries Organization, the Shahid Hemmat Industrial Group, the Shahid Bakeri Industrial
Group, or any agent or affiliate of such organization or group has an ownership interest of more than 0 percent and less than 25 percent;

“(B) each entity in which the Aerospace Industries Organization, the Shahid Hemmat Industrial Group, the Shahid Bakeri Industrial Group, or any agent or affiliate of such organization or group does not have an ownership interest but maintains a presence on the board of directors of the entity or otherwise influences the actions, policies, or personnel decisions of the entity; and

“(C) each person that controls, manages, or directs an entity described in subparagraph (A) or (B).

“(2) Reference.—The list required by paragraph (1) may be referred to as the ‘Iran Missile Proliferation Watch List’.

“(d) Comptroller General Report.—

“(1) In General.—The Comptroller General of the United States shall—

“(A) conduct a review of each list required by subsection (e)(1); and

“(B) not later than 60 days after each such list is submitted to the appropriate com-
mittees of Congress under that subsection, submit to the appropriate committees of Congress a report on the review conducted under subparagraph (A) that includes a list of persons not included in that list that qualify for inclusion in that list, as determined by the Comptroller General.

“(2) CONSULTATIONS.—In preparing the report required by paragraph (1)(B), the Comptroller General shall consult with nongovernmental organizations.

“SEC. 234. IMPOSITION OF SANCTIONS WITH RESPECT TO CERTAIN PERSONS INVOLVED IN BALLISTIC MISSILE ACTIVITIES.

“(a) CERTIFICATION.—Not later than 120 days after the date of the enactment of the Iran Nonnuclear Sanctions Act of 2017, and not less frequently than once every 180 days thereafter, the President shall submit to the appropriate committees of Congress a certification that each person listed in an annex of United Nations Security Council Resolution 1737 (2006), 1747 (2007), or 1929 (2010) is not directly or indirectly facilitating, supporting, or involved with the development of or transfer to Iran of ballistic missiles or technology, parts, components, or technology information relating to ballistic missiles.
“(b) Blocking of Property.—

“(1) In General.—If the President is unable to make a certification under subsection (a) with respect to a person and the person is not currently subject to sanctions with respect to Iran under any other provision of law, the President shall, not later than 15 days after that certification would have been required under that subsection—

“(A) in accordance with the International Emergency Economic Powers Act (50 U.S.C. 1701 et seq.), block and prohibit all transactions in all property and interests in property of that person if such property and interests in property are in the United States, come within the United States, or are or come within the possession or control of a United States person; and

“(B) publish in the Federal Register a report describing the reason why the President was unable to make a certification with respect to that person.

“(2) Inapplicability of National Emergency Requirement.—The requirements under section 202 of the International Emergency Eco-
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nomic Powers Act (50 U.S.C. 1701) shall not apply
for purposes of this subsection.

“(c) EXCLUSION FROM UNITED STATES.—

“(1) IN GENERAL.—Except as provided in para-
graph (2), the Secretary of State shall deny a visa
to, and the Secretary of Homeland Security shall ex-
clude from the United States, any alien subject to
blocking of property and interests in property under
subsection (b).

“(2) COMPLIANCE WITH UNITED NATIONS
HEADQUARTERS AGREEMENT.—Paragraph (1) shall
not apply to the head of state of Iran, or necessary
staff of that head of state, if admission to the
United States is necessary to permit the United
States to comply with the Agreement regarding the
Headquarters of the United Nations, signed at Lake
Success June 26, 1947, and entered into force No-
vember 21, 1947, between the United Nations and
the United States.

“(d) FACILITATION OF CERTAIN TRANSACTIONS.—
The President shall prohibit the opening, and prohibit or
impose strict conditions on the maintaining, in the United
States of a correspondent account or a payable-through
account by a foreign financial institution that the Presi-
dent determines knowingly, on or after the date that is
180 days after the date of the enactment of the Iran Non-nuclear Sanctions Act of 2017, conducts or facilitates a significant financial transaction for a person subject to blocking of property and interests in property under subsection (b).

“SEC. 235. IMPOSITION OF SANCTIONS WITH RESPECT TO CERTAIN SECTORS OF IRAN THAT SUPPORT THE BALLISTIC MISSILE PROGRAM OF IRAN.

“(a) List of Sectors.—

“(1) In general.—Not later than 120 days after the date of the enactment of the Iran Non-nuclear Sanctions Act of 2017, and not less frequently than once every 180 days thereafter, the President shall submit to the appropriate committees of Congress and publish in the Federal Register a list of the sectors of the economy of Iran that are directly or indirectly facilitating, supporting, or involved with the development of or transfer to Iran of ballistic missiles or technology, parts, components, or technology information relating to ballistic missiles.

“(2) Certain sectors.—

“(A) In general.—Not later than 120 days after the date of enactment of the Iran Nonnuclear Sanctions Act of 2017, the Presi-
dent shall submit to the appropriate committees
of Congress a determination as to whether each
of the automotive, chemical, computer science,
construction, electronic, energy, metallurgy,
mining, petrochemical, research (including uni-
versities and research institutions), and tele-
communications sectors of Iran meet the cri-
teria specified in paragraph (1).

“(B) INCLUSION IN INITIAL LIST.—If the
President determines under subparagraph (A)
that the sectors of the economy of Iran speci-
fied in such subparagraph meet the criteria
specified in paragraph (1), that sector shall be
included in the initial list submitted and pub-
lished under that paragraph.

“(b) SANCTIONS WITH RESPECT TO SPECIFIED SEC-
TORS OF IRAN.—

“(1) BLOCKING OF PROPERTY.—

“(A) IN GENERAL.—The President shall,
in accordance with the International Emergency
Economic Powers Act (50 U.S.C. 1701 et seq.),
block and prohibit all transactions in all prop-
erty and interests in property of any person de-
scribed in paragraph (4) if such property and
interests in property are in the United States,
come within the United States, or are or come within the possession or control of a United States person.


“(2) Exclusion from United States.—

“(A) In general.—Except as provided in subparagraph (B), the Secretary of State shall deny a visa to, and the Secretary of Homeland Security shall exclude from the United States, any alien that is a person described in paragraph (4).

“(B) Compliance with United Nations headquarters agreement.—Subparagraph (A) shall not apply to the head of state of Iran, or necessary staff of that head of state, if admission to the United States is necessary to permit the United States to comply with the Agreement regarding the Headquarters of the United Nations, signed at Lake Success June 26, 1947, and entered into force November 21,

“(3) FACILITATION OF CERTAIN TRANSACTIONS.—Except as provided in this section, the President shall prohibit the opening, and prohibit or impose strict conditions on the maintaining, in the United States of a correspondent account or a payable-through account by a foreign financial institution that the President determines knowingly, on or after the date that is 180 days after the date of the enactment of the Iran Nonnuclear Sanctions Act of 2017, conducts or facilitates a significant financial transaction for a person described in paragraph (4).

“(4) PERSONS DESCRIBED.—A person is described in this paragraph if the President determines that the person, on or after the date that is 180 days after the date of the enactment of the Iran Nonnuclear Sanctions Act of 2017—

“(A) operates in a sector of the economy of Iran included in the most recent list published by the President under subsection (a);

“(B) knowingly provides significant financial, material, technological, or other support to, or goods or services in support of, any activity
or transaction on behalf of or for the benefit of
a person described in subparagraph (A); or

“(C) is owned or controlled by a person de-
scribed in subparagraph (A).

“(c) HUMANITARIAN EXCEPTION.—The President
may not impose sanctions under this section with respect
to any person for conducting or facilitating a transaction
for the sale of agricultural commodities, food, medicine,
or medical devices to Iran or for the provision of humani-
tarian assistance to the people of Iran.

“SEC. 236. IDENTIFICATION OF FOREIGN PERSONS THAT
SUPPORT THE BALLISTIC MISSILE PROGRAM
OF IRAN IN CERTAIN SECTORS OF IRAN.

“(a) In General.—Not later than 120 days after
the date of the enactment of the Iran Nonnuclear San-
tions Act of 2017, and not less frequently than annually
thereafter, the President shall submit to the appropriate
committees of Congress and publish in the Federal Reg-
ister a list of all foreign persons that have, based on cred-
ible information, directly or indirectly facilitated, sup-
ported, or been involved with the development of ballistic
missiles or technology, parts, components, or technology
information related to ballistic missiles in the following
sectors of the economy of Iran during the period specified
in subsection (b):
“(1) Automotive.
“(2) Chemical.
“(3) Computer Science.
“(4) Construction.
“(5) Electronic.
“(6) Energy.
“(7) Metallurgy.
“(8) Mining.
“(9) Petrochemical.
“(10) Research (including universities and research institutions).
“(11) Telecommunications.
“(12) Any other sector of the economy of Iran identified under section 235(a).
“(b) PERIOD SPECIFIED.—The period specified in this subsection is—
“(1) with respect to the first list submitted under subsection (a), the period beginning on the date of the enactment of the Iran Nonnuclear Sanctions Act of 2017 and ending on the date that is 120 days after such date of enactment; and
“(2) with respect to each subsequent list submitted under such subsection, the one-year period preceding the submission of the list.
“(c) COMPTROLLER GENERAL REPORT.—
“(1) IN GENERAL.—With respect to each list submitted under subsection (a), not later than 120 days after the list is submitted under that subsection, the Comptroller General of the United States shall submit to the appropriate committees of Congress—

“(A) an assessment of the processes followed by the President in preparing the list;

“(B) an assessment of the foreign persons included in the list; and

“(C) a list of persons not included in the list that qualify for inclusion in the list, as determined by the Comptroller General.

“(2) CONSULTATIONS.—In preparing the report required by paragraph (1), the Comptroller General shall consult with nongovernmental organizations.

“(d) CREDIBLE INFORMATION DEFINED.—In this section, the term ‘credible information’ has the meaning given that term in section 14 of the Iran Sanctions Act of 1996 (Public Law 104–172; 50 U.S.C. 1701 note).”.

(b) CLERICAL AMENDMENT.—The table of contents for the Iran Threat Reduction and Syria Human Rights Act of 2012 is amended by inserting after the item relating to section 224 the following:

“Subtitle C—Measures Relating to Ballistic Missile Program of Iran

Sec. 231. Definitions.
“Sec. 232. Imposition of sanctions with respect to persons that support the ballistic missile program of Iran.

“Sec. 233. Blocking of property of persons affiliated with certain Iranian entities.

“Sec. 234. Imposition of sanctions with respect to certain persons involved in ballistic missile activities.

“Sec. 235. Imposition of sanctions with respect to certain sectors of Iran that support the ballistic missile program of Iran.

“Sec. 236. Identification of foreign persons that support the ballistic missile program of Iran in certain sectors of Iran.”

SEC. 305. EXPANSION OF MANDATORY SANCTIONS WITH
RESPECT TO FINANCIAL INSTITUTIONS THAT
ENGAGE IN CERTAIN TRANSACTIONS RELATING
TO BALLISTIC MISSILE CAPABILITIES OF
IRAN.

Section 104 of the Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010 (22 U.S.C. 8513) is amended—

(1) in subsection (c)(2)—

(A) in subparagraph (A)—

(i) in clause (i), by striking “; or” and inserting a semicolon;

(ii) by redesignating clause (ii) as clause (iii); and

(iii) by inserting after clause (i) the following:

“(ii) to acquire or develop ballistic missiles and capabilities and launch technology relating to ballistic missiles; or”;

and

and
(B) in subparagraph (E)(ii)—

(i) in subclause (I), by striking “; or” and inserting a semicolon;

(ii) by redesignating subclause (II) as subclause (III); and

(iii) by inserting after subclause (I) the following:

“(II) Iran’s development of ballistic missiles and capabilities and launch technology relating to ballistic missiles; or”; and

(2) in subsection (f)—

(A) by redesignating paragraphs (1) and (2) as subparagraphs (A) and (B), respectively, and moving those subparagraphs, as so redesignated, two ems to the right;

(B) by striking “WAIVER.—The” and inserting “WAIVER.—

“(1) IN GENERAL.—Except as provided in paragraph (2), the”; and

(C) by adding at the end the following:

“(2) EXCEPTION.—The Secretary of the Treasury may not waive under paragraph (1) the application of a prohibition or condition imposed with re-
spect to an activity described in subparagraph (A)(ii) or (E)(ii)(II) of subsection (c)(2).”.

SEC. 306. DISCLOSURE TO THE SECURITIES AND EXCHANGE COMMISSION OF ACTIVITIES WITH CERTAIN SECTORS OF IRAN THAT SUPPORT THE BALLISTIC MISSILE PROGRAM OF IRAN.

(a) In General.—Section 13(r)(1) of the Securities Exchange Act of 1934 (15 U.S.C. 78m(r)(1)) is amended—

(1) in subparagraph (C), by striking “; or” and inserting a semicolon;

(2) by redesignating subparagraph (D) as subparagraph (E); and

(3) by inserting after subparagraph (C) the following:

“(D) knowingly engaged in any activity for which sanctions may be imposed under section 235 of the Iran Threat Reduction and Syria Human Rights Act of 2012;”.

(b) Investigations.—Section 13(r)(5)(A) of the Securities Exchange Act of 1934 is amended by striking “an Executive order specified in clause (i) or (ii) of paragraph (1)(D)” and inserting “section 235 of the Iran Threat Reduction and Syria Human Rights Act of 2012, an Execu-
tive order specified in clause (i) or (ii) of paragraph (1)(E)”.

(c) CONFORMING AMENDMENT.—Section 13(r)(5) of the Securities Exchange Act of 1934 is amended, in the matter preceding subparagraph (A), by striking “subparagraph (D)(iii)” and inserting “subparagraph (E)(iii)”.

(d) EFFECTIVE DATE.—The amendments made by this section shall take effect with respect to reports required to be filed with the Securities and Exchange Commission after the date that is 180 days after the date of the enactment of this Act.

SEC. 307. REGULATIONS.

Not later than 90 days after the date of the enactment of this Act, the President shall prescribe regulations to carry out this title and the amendments made by this title.

TITLE IV—SANCTIONS WITH RESPECT TO CERTAIN IRANIAN TRANSACTIONS

Subtitle A—Sanctions Relating to Iran’s Support of Terrorism

SEC. 401. FINDINGS.

Congress makes the following findings:

(1) The Financial Action Task Force, an inter-governmental body the purpose of which is to de-
velop and promote national and international policies
to combat money laundering and terrorist financing—

(A) has noted it is concerned about Iran’s
failure to address the risk of terrorist financing
and serious threat that failure poses to the in-
tegrity of the international financial system;

(B) since February 25, 2009, has called on
its members and urged all jurisdictions to apply
countermeasures against Iran to protect finan-
cial sectors from money laundering and financ-
ing of terrorism risks emanating from Iran; and

(C) states that it “urges jurisdictions to
protect against correspondent relationships
being used to bypass or evade countermeasures
and risk mitigation practices and to take into
account [money laundering and terrorist financ-
ing (ML/FT)] risks when considering requests
by Iranian financial institutions to open
branches and subsidiaries in their jurisdiction.
Due to the continuing terrorist financing threat
emanating from Iran, jurisdictions should con-
sider the steps already taken and possible addi-
tional safeguards or strengthen existing ones.”
(2) The Financial Action Task Force renewed its call for countermeasures on February 19, 2016, and called on Iran to address its deficiencies with respect to measures countering money laundering and terrorist financing.

(3) The Financial Crimes Enforcement Network of the Department of the Treasury on November 25, 2011, issued a notice of finding that Iran is a jurisdiction of primary money laundering concern pursuant to section 5318A of title 31, United States Code.

(4) The Financial Crimes Enforcement Network on November 28, 2011, issued a notice of proposed rulemaking that stated the intent to impose special measures against Iran under that section.

(5) Section 1245 of the National Defense Authorization Act for Fiscal Year 2012 (22 U.S.C. 8513a) designated the financial sector of Iran as a primary money laundering concern, but did not impose special measures pursuant to that designation.
SEC. 402. SPECIAL MEASURES WITH RESPECT TO IRAN RELATING TO ITS DESIGNATION AS A JURISDICTION OF PRIMARY MONEY LAUNDERING CONCERN.

(a) Prohibition on Direct Use of Correspondent Accounts.—A covered financial institution shall terminate any correspondent account that—

(1) is established, maintained, administered, or managed in the United States for, or on behalf of, an Iranian banking institution; and

(2) is not blocked under any Executive order issued pursuant to the International Emergency Economic Powers Act (50 U.S.C. 1701 et seq.).

(b) Special Due Diligence Measures for Correspondent Accounts.—

(1) In general.—A covered financial institution shall apply special due diligence measures to correspondent accounts of the financial institution that are reasonably designed to guard against the improper indirect use of such accounts by Iranian banking institutions.

(2) Requirements.—The special due diligence measures a covered financial institution is required to apply to correspondent accounts under paragraph (1) shall include, at a minimum—
(A) notifying the holders of such accounts that the covered financial institution knows or has reason to know provide services to Iranian banking institutions, that such holders generally may not provide Iranian banking institutions with access to such accounts; and

(B) taking reasonable steps to identify any indirect use of such accounts by Iranian banking institutions, to the extent that such indirect use can be determined from transactional records maintained by the covered financial institution in the normal course of business.

(3) Risk-based approach.—A covered financial institution shall take a risk-based approach when deciding what, if any, other due diligence measures the financial institution should adopt to guard against the improper indirect use of its correspondent accounts by Iranian banking institutions.

(4) Response to indirect access by Iranian banking institutions.—A covered financial institution that obtains credible information that a correspondent account is being used by a foreign bank to provide indirect access to an Iranian banking institution, shall—
(A) take all appropriate steps to prevent such indirect access, including notifying the holder of the account under paragraph (2)(A); and

(B) if necessary, terminate the account.

(c) RECORDKEEPING AND REPORTING.—

(1) IN GENERAL.—A covered financial institution shall document its compliance with the notice requirement set forth in subsection (b)(2)(A).

(2) RULE OF CONSTRUCTION.—Nothing in this section shall require a covered financial institution to report any information not otherwise required to be reported by law or regulation.

(d) TERMINATION.—This section shall terminate on the date that is 30 days after the date on which the President submits to Congress—

(1) the certification described in section 401(a) of the Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010 (22 U.S.C. 8551(a)); and

(2) a certification that the Financial Action Task Force has lifted its call for countermeasures against Iran and Iran has become a member of a regional body of the Financial Action Task Force.

(e) DEFINITIONS.—In this section:
(1) CORRESPONDENT ACCOUNT.—The term “correspondent account” has the meaning given that term in section 1010.605 of title 31, Code of Federal Regulations (as in effect on the day before the date of the enactment of this Act).

(2) COVERED FINANCIAL INSTITUTION.—The term “covered financial institution” has the meaning given that term under paragraphs (1) and (2) of section 1010.605(e) of title 31, Code of Federal Regulations (as in effect on the day before the date of the enactment of this Act).

(3) FOREIGN BANK.—The term “foreign bank” has the meaning given that term in section 1010.100(u) of title 31, Code of Federal Regulations (as in effect on the day before the date of the enactment of this Act).

(4) IRANIAN BANKING INSTITUTION.—The term “Iranian banking institution” means—

(A) any foreign bank chartered by Iran, including—

(i) any branches, offices, or subsidiaries of such a bank operating in any jurisdiction; and

(ii) any branch or office within Iran of any foreign bank licensed by Iran;
(B) the Central Bank of Iran; and

(C) any foreign bank of which more than

50 percent of the voting stock or analogous in-

terest is owned by two or more foreign banks

chartered by Iran.

Subtitle B—Prohibition on and
Other Sanctions Relating to
Transactions With Iran

SEC. 411. PROHIBITION ON FACILITATION OF CERTAIN
TRANSACTIIONS INVOLVING THE GOVERN-
MENT OF IRAN OR IRANIAN PERSONS.

(a) In General.—The President shall not issue any
license under the International Emergency Economic Pow-
ers Act (50 U.S.C. 1701 et seq.) that permits a person—

(1) to conduct an offshore United States dollar
 clearing system for transactions involving the Gov-
ernment of Iran or an Iranian person; or

(2) to provide United States dollars for any off-
shore United States dollar clearing system conducted
 or overseen by a foreign government or a foreign fi-
nancial institution for transactions involving the
 Government of Iran or an Iranian person.

(b) Foreign Financial Institution Defined.—
In this section, the term “foreign financial institution” has
the meaning of that term as determined by the Secretary
of the Treasury pursuant to section 104(i) of the Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010 (22 U.S.C. 8513(i)).

SEC. 412. REPORTS ON, AND AUTHORIZATION OF IMPOSITION OF SANCTIONS WITH RESPECT TO, OFF-SHORE UNITED STATES DOLLAR CLEARING FOR TRANSACTIONS INVOLVING THE GOVERNMENT OF IRAN OR IRANIAN PERSONS.

(a) Reports Required.—

(1) In general.—Not later than 60 days after the date of the enactment of this Act, and not less frequently than once every 90 days thereafter, the Secretary of the Treasury shall submit to the appropriate congressional committees and publish in the Federal Register a report that contains—

(A) a list of any financial institutions that the Secretary has identified as—

(i) operating an offshore United States dollar clearing system that conducts transactions involving the Government of Iran or an Iranian person; or

(ii) participating in a transaction described in clause (i) through a system described in that clause; and
(B) a detailed assessment of the status of efforts by the Secretary to prevent the conduct of transactions described in subparagraph (A)(i) through systems described in that subparagraph.

(2) FORM OF REPORT.—Each report submitted under paragraph (1) shall be submitted in unclassified form but may contain a classified annex.

(b) IMPOSITION OF SANCTIONS.—

(1) IN GENERAL.—The President shall, in accordance with the International Emergency Economic Powers Act (50 U.S.C. 1701 et seq.), block and prohibit all transactions in all property and interests in property of any financial institution specified in the most recent list submitted under subsection (a)(1)(A) if such property and interests in property are in the United States, come within the United States, or are or come within the possession or control of a United States person.

(2) ADDITIONAL SANCTIONS.—The President may impose additional sanctions under the International Emergency Economic Powers Act (50 U.S.C. 1701 et seq.) with respect to a financial institution that is subject to sanctions under paragraph (1).
(c) Appropriate Congressional Committees Defined.—In this section, the term “appropriate congressional committees” has the meaning given that term in section 14 of the Iran Sanctions Act of 1996 (Public Law 104–172; 50 U.S.C. 1701 note).

SEC. 413. CLARIFICATION THAT FREEZING OF ASSETS OF IRANIAN FINANCIAL INSTITUTIONS INCLUDES ASSETS IN POSSESSION OR CONTROL OF A UNITED STATES PERSON PURSUANT TO A U-TURN TRANSACTION.

Section 1245(c) of the National Defense Authorization Act for Fiscal Year 2012 (22 U.S.C. 8513a(c)) is amended—

(1) by striking “The President” and inserting “(1) IN GENERAL.—The President”; and

(2) by adding at the end the following:

“(2) Treatment of Certain Transactions.—

“(A) U-Turn Transactions.—Property that comes within the possession or control of a United States person pursuant to a transfer of funds that arises from, and is ordinarily incident and necessary to give effect to, an underlying transaction shall be considered to come
within the possession or control of that person for purposes of paragraph (1).

“(B) Book transfers.—A transfer of funds or other property for the benefit of an Iranian financial institution that is made between accounts of the same financial institution shall be considered property or interests in property of that Iranian financial institution for purposes of paragraph (1) even if that Iranian financial institution is not the direct recipient of the transfer.”.

**TITLE V—MISCELLANEOUS**

**SEC. 501. MODIFICATION OF REQUIREMENTS RELATING TO STATE SPONSORS OF TERRORISM.**

(a) Requirement To Comply With All Provisions of Law Relating to State Sponsors of Terrorism.—In making a determination to rescind the designation of a country as a state sponsor of terrorism, the President shall comply with all requirements under this Act, section 620A of the Foreign Assistance Act of 1961 (22 U.S.C. 2371), section 40 of the Arms Export Control Act (22 U.S.C. 2780), section 6(j) of the Export Administration Act of 1979 (50 U.S.C. 4605(j)) (as in effect pursuant to the International Emergency Economic Powers Act (50 U.S.C. 1701 et seq.)), and any other provision
of law relating to countries the governments of which pro-
vide support for acts of international terrorism, with re-
spect to the rescission.

(b) ADDITIONAL REQUIREMENTS FOR REMOVAL.—

(1) IN GENERAL.—Not later than 15 days be-
fore the President submits to Congress a report
under section 620A(c) of the Foreign Assistance Act
of 1961 (22 U.S.C. 2371(c)), section 40(f) of the
Arms Export Control Act (22 U.S.C. 2780(f)), or
section 6(j) of the Export Administration Act of
1979 (50 U.S.C. 4605(j)) (as in effect pursuant to
the International Emergency Economic Powers Act
(50 U.S.C. 1701 et seq.) relating to the rescission
of the designation of a country as a state sponsor
of terrorism, the President shall submit to the
Speaker of the House of Representatives, the minor-
ity leader of the House, the majority leader of the
Senate, the minority leader of the Senate, and the
appropriate congressional committees a report certi-
fying that—

(A) the government of the country does
not provide safe haven or assistance of any kind
to terrorists or other violent fugitives from
other countries;
(B) the Secretary of State and the Director of National Intelligence agree that the government of the country has ceased all support, directly or indirectly, to any terrorist or terrorist organization, including public statements of support for any such terrorist or terrorist organization during the 36-month period immediately preceding the submission of the report;

(C) the government of the country has not provided direct or indirect support to another country on the state sponsor of terrorism list during that 36-month period;

(D) the government of the country has not unjustly detained during that 36-month period, and is not unjustly detaining on the date of the report, United States citizens, including dual citizens; and

(E) there has been a fundamental change in the leadership and policies of the government of the country.

(2) FORM OF REPORT.—Each report described in paragraph (1) shall be submitted in unclassified form, but may include a classified annex if necessary.
(c) Extended Period Before Removal From List Takes Effect.—

(1) Foreign Assistance Act of 1961.—Section 620A(c)(2) of the Foreign Assistance Act of 1961 (22 U.S.C. 2371(c)(2)) is amended in the matter preceding subparagraph (A) by striking “45 days” and inserting “180 days”.

(2) Arms Export Control Act.—Section 40(f)(1)(B) of the Arms Export Control Act (22 U.S.C. 2780(f)(1)(B)) is amended in the matter preceding clause (i) by striking “45 days” and inserting “180 days”.


(d) Resolution of Disapproval.—

(1) In general.—The rescission of the designation of a country as a state sponsor of terrorism shall not become effective if, during the 180-day period following the submission of a report under section 620A(c) of the Foreign Assistance Act of 1961
(22 U.S.C. 2371(c)), section 40(f) of the Arms Export Control Act (22 U.S.C. 2780(f)), or section 6(j) of the Export Administration Act of 1979 (50 U.S.C. 4605(j)) (as in effect pursuant to the International Emergency Economic Powers Act (50 U.S.C. 1701 et seq.)) relating to the rescission, Congress enacts a joint resolution stating in substance that the Congress disapproves the rescission.

(2) Procedures in the Senate.—Any joint resolution described paragraph (1) shall be considered in the Senate under the procedures set forth in section 601 of the International Security Assistance and Arms Export Control Act of 1976 (Public Law 94–329; 90 Stat. 765) for consideration of joint resolutions.

(3) Rules of Senate.—Paragraph (2) is enacted by Congress—

(A) as an exercise of the rulemaking power of the Senate and as such is deemed a part of the rules of the Senate, but applicable only with the respect to the procedure to be followed in the Senate in the case of a joint resolution described in paragraph (1), and supersedes other rules only to the extent that it is inconsistent with such rules; and
(B) with full recognition of the constitutional right of the Senate to change the rules at any time, in the same manner and to the same extent as in the case of any other rule of the Senate.

(e) **RE-DESIGNATION OF COUNTRIES PREVIOUSLY DESIGNATED AS STATE SPONSORS OF TERRORISM.**—During the 5-year period beginning on the date on which the designation of the country as a state sponsor of terrorism is rescinded, the President shall redesignate the country as a state sponsor of terrorism upon the assessment of the Director of National Intelligence that the government of the country has—

(1) directly or indirectly supported acts of international terrorism;

(2) given direct or indirect support to a terrorist or terrorist organization, including providing safe haven or assistance to a terrorist or terrorist organization;

(3) given direct or indirect support to another country designated as a state sponsor of terrorism; or

(4) provided direct or indirect support, training, materials, or advice on nuclear, biological, or chem-
ical weapons or ballistic missile programs to another
country designated as a state sponsor of terrorism.

(f) REPORT.—

(1) IN GENERAL.—The Director of National In-
telligence assessment referred to in subsection (e)
shall be submitted in a report to the President and
the appropriate congressional committees.

(2) FORM OF REPORT.—The report required by
paragraph (1) shall be submitted in unclassified
form, but may include a classified annex if nec-
essary.

(g) DEFINITIONS.—In this section:

(1) APPROPRIATE CONGRESSIONAL COMMIT-
TEEES DEFINED.—The term “appropriate congress-
ional committees” means—

(A) the committees specified in section
14(2) of the Iran Sanctions Act of 1996 (Public
Law 104–172; 50 U.S.C. 1701 note);

(B) the Committee on Armed Services and
the Select Committee on Intelligence of the
Senate; and

(C) the Committee on Armed Services and
the Permanent Select Committee on Intelligence
of the House of Representatives.
(2) STATE SPONSOR OF TERRORISM.—The term “state sponsor of terrorism” means any foreign country if the Secretary of State has determined that the government of the country has repeatedly provided support for acts of international terrorism pursuant to—


(B) section 40(d) of the Arms Export Control Act (22 U.S.C. 2780(d));

(C) section 620A(a) of the Foreign Assistance Act of 1961 (22 U.S.C. 2371(a)); or

(D) any other provision of law.