

S.L.C.  
*M. A.*

AMENDMENT NO. \_\_\_\_\_ Calendar No. \_\_\_\_\_

Purpose: In the nature of a substitute.

**IN THE SENATE OF THE UNITED STATES—115th Cong., 1st Sess.**

**S. 1595**

To amend the Hizballah International Financing Prevention Act of 2015 to impose additional sanctions with respect to Hizballah, and for other purposes.

Referred to the Committee on \_\_\_\_\_ and ordered to be printed

Ordered to lie on the table and to be printed

AMENDMENT IN THE NATURE OF A SUBSTITUTE intended to be proposed by Mr. RUBIO (for himself, Mrs. SHAIHEEN, Mr. CRAPO, Mr. KAINE, Mr. CORNYN, Mr. MENENDEZ, Mr. PERDUE, Ms. HEITKAMP, Mr. BLUNT, Mr. TESTER, Mrs. CAPITO, Mr. BLUMENTHAL, Mr. MORAN, Mr. GARDNER, Mr. BOOZMAN, Mrs. ERNST, Mr. KENNEDY, Mr. WICKER, Mr. ROUNDS, and Mr. HELLER)

Viz:

1 Strike all after the enacting clause and insert the following:  
2

3 **SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

4 (a) SHORT TITLE.—This Act may be cited as the  
5 “Hizballah International Financing Prevention Amend-  
6 ments Act of 2017”.

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

Sec. 1. Short title; table of contents.

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

Sec. 101. Mandatory sanctions with respect to fundraising and recruitment activities for Hizballah.

Sec. 102. Modification of report with respect to financial institutions that engage in certain transactions.

Sec. 103. Sanctions against agencies and instrumentalities of foreign states that support Hizballah.

TITLE II—NARCOTICS TRAFFICKING AND SIGNIFICANT TRANSNATIONAL CRIMINAL ACTIVITIES OF HIZBALLAH

Sec. 201. Blocking of property of Hizballah.

Sec. 202. Report on racketeering activities engaged in by Hizballah.

Sec. 203. Modification of report on activities of foreign governments to disrupt global logistics networks and fundraising, financing, and money laundering activities of Hizballah.

Sec. 204. Report on combating the illicit tobacco trafficking networks used by Hizballah.

TITLE III—GENERAL PROVISIONS

Sec. 301. Regulatory authority.

Sec. 302. Exceptions.

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

5 **SEC. 101. MANDATORY SANCTIONS WITH RESPECT TO**  
6 **FUNDRAISING AND RECRUITMENT ACTIVI-**  
7 **TIES FOR HIZBALLAH.**

8 (a) IN GENERAL.—Section 101 of the Hizballah  
9 International Financing Prevention Act of 2015 (Public  
10 Law 114–102; 50 U.S.C. 1701 note) is amended to read  
11 as follows:

1 **“SEC. 101. MANDATORY SANCTIONS WITH RESPECT TO**  
2 **FUNDRAISING AND RECRUITMENT ACTIVI-**  
3 **TIES FOR HIZBALLAH.**

4 “(a) IN GENERAL.—The President shall impose the  
5 sanctions described in subsection (b) with respect to any  
6 foreign person that the President determines knowingly  
7 provides significant financial, material, or technological  
8 support for—

9 “(1) Bayt al-Mal, Jihad al-Bina, the Islamic  
10 Resistance Support Association, or any successor or  
11 affiliate thereof as designated by the President;

12 “(2) al-Manar TV, al Nour Radio, or the Leba-  
13 nese Media Group, or any successor or affiliate  
14 thereof as designated by the President;

15 “(3) a foreign person determined by the Presi-  
16 dent to be engaged in fundraising or recruitment ac-  
17 tivities for Hizballah; or

18 “(4) a foreign person owned or controlled by a  
19 foreign person described in paragraph (1), (2), or  
20 (3).

21 “(b) SANCTIONS DESCRIBED.—

22 “(1) IN GENERAL.—The sanctions described in  
23 this subsection are the following:

24 “(A) ASSET BLOCKING.—The exercise of  
25 all powers granted to the President by the  
26 International Emergency Economic Powers Act

1 (50 U.S.C. 1701 et seq.) (except that the re-  
2 quirements of section 202 of such Act (50  
3 U.S.C. 1701) shall not apply) to the extent nec-  
4 essary to block and prohibit all transactions in  
5 all property and interests in property of a for-  
6 eign person determined by the President to be  
7 subject to subsection (a) if such property and  
8 interests in property are in the United States,  
9 come within the United States, or are or come  
10 within the possession or control of a United  
11 States person.

12 “(B) ALIENS INELIGIBLE FOR VISAS, AD-  
13 MISSION, OR PAROLE.—

14 “(i) VISAS, ADMISSION, OR PAROLE.—  
15 An alien who the President determines is  
16 subject to subsection (a) is—

17 “(I) inadmissible to the United  
18 States;

19 “(II) ineligible to receive a visa  
20 or other documentation to enter the  
21 United States; and

22 “(III) otherwise ineligible to be  
23 admitted or paroled into the United  
24 States or to receive any other benefit

1 under the Immigration and Nation-  
2 ality Act (8 U.S.C. 1101 et seq.).

3 “(ii) CURRENT VISAS REVOKED.—

4 “(I) IN GENERAL.—The issuing  
5 consular officer, the Secretary of  
6 State, or the Secretary of Homeland  
7 Security shall revoke any visa or other  
8 entry documentation issued to an  
9 alien who the President determines is  
10 subject to subsection (a), regardless of  
11 when issued.

12 “(II) EFFECT OF REVOCATION.—  
13 A revocation under subclause (I) shall  
14 take effect immediately and shall  
15 automatically cancel any other valid  
16 visa or entry documentation that is in  
17 the possession of the alien.

18 “(2) PENALTIES.—The penalties provided for  
19 in subsections (b) and (c) of section 206 of the  
20 International Emergency Economic Powers Act (50  
21 U.S.C. 1705) shall apply to a person that violates,  
22 attempts to violate, conspires to violate, or causes a  
23 violation of regulations prescribed under paragraph  
24 (1)(A) to the same extent that such penalties apply

1 to a person that commits an unlawful act described  
2 in subsection (a) of such section 206.

3 “(c) IMPLEMENTATION.—The President may exercise  
4 all authorities provided under sections 203 and 205 of the  
5 International Emergency Economic Powers Act (50  
6 U.S.C. 1702 and 1704) to carry out this section.

7 “(d) PROCEDURES FOR JUDICIAL REVIEW OF CLAS-  
8 SIFIED INFORMATION.—

9 “(1) IN GENERAL.—If a finding under this sec-  
10 tion, or a prohibition, condition, or penalty imposed  
11 as a result of any such finding, is based on classified  
12 information (as defined in section 1(a) of the Classi-  
13 fied Information Procedures Act (18 U.S.C. App.))  
14 and a court reviews the finding or the imposition of  
15 the prohibition, condition, or penalty, the President  
16 may submit such information to the court ex parte  
17 and in camera.

18 “(2) RULE OF CONSTRUCTION.—Nothing in  
19 this subsection shall be construed to confer or imply  
20 any right to judicial review of any finding under this  
21 section or any prohibition, condition, or penalty im-  
22 posed as a result of any such finding.

23 “(e) WAIVER.—

24 “(1) IN GENERAL.—The President may, for pe-  
25 riods not to exceed 180 days, waive the imposition

1 of sanctions under this section if the President cer-  
2 tifies to the appropriate congressional committees  
3 that such waiver is in the national security interests  
4 of the United States.

5 “(2) BRIEFING.—Not later than 30 days after  
6 the issuance of a waiver under paragraph (1) with  
7 respect to a foreign person, and every 180 days  
8 thereafter while the waiver remains in effect, the  
9 President shall brief the appropriate congressional  
10 committees on the status of the involvement of the  
11 foreign person in activities described in subsection  
12 (a).

13 “(f) REPORT.—Not later than 90 days after the date  
14 of the enactment of the Hizballah International Financing  
15 Prevention Amendments Act of 2017, and every 180 days  
16 thereafter for the following 5 years, the President shall  
17 submit to the appropriate congressional committees a re-  
18 port that lists the foreign persons that the President de-  
19 termines are described in subsection (a).

20 “(g) DEFINITIONS.—In this section:

21 “(1) ADMITTED; ALIEN.—The terms ‘admitted’  
22 and ‘alien’ have meanings given those terms in sec-  
23 tion 101 of the Immigration and Nationality Act (8  
24 U.S.C. 1101).

1           “(2) APPROPRIATE CONGRESSIONAL COMMIT-  
2           TEES.—The term ‘appropriate congressional com-  
3           mittees’ means—

4                   “(A) the Committee on Foreign Affairs,  
5                   the Committee on Ways and Means, the Com-  
6                   mittee on the Judiciary, and the Committee on  
7                   Financial Services of the House of Representa-  
8                   tives; and

9                   “(B) the Committee on Foreign Relations,  
10                  the Committee on Finance, the Committee on  
11                  Banking, Housing, and Urban Affairs, and the  
12                  Committee on the Judiciary of the Senate.

13           “(3) ENTITY.—The term ‘entity’ means a part-  
14           nership, association, corporation, or other organiza-  
15           tion, group, or subgroup.

16           “(4) HIZBALLAH.—The term ‘Hizballah’ has  
17           the meaning given such term in section 102(f).

18           “(5) PERSON.—The term ‘person’ means an in-  
19           dividual or entity.

20           “(6) UNITED STATES PERSON.—The term  
21           ‘United States person’ means a United States cit-  
22           izen, permanent resident alien, entity organized  
23           under the laws of the United States (including for-  
24           eign branches), or a person in the United States.”.

1 (b) CLERICAL AMENDMENT.—The table of contents  
2 for the Hizballah International Financing Prevention Act  
3 of 2015 is amended by striking the item relating to section  
4 101 and inserting the following new item:

“Sec. 101. Mandatory sanctions with respect to fundraising and recruitment activities for Hizballah.”.

5 **SEC. 102. MODIFICATION OF REPORT WITH RESPECT TO FI-**  
6 **NANCIAL INSTITUTIONS THAT ENGAGE IN**  
7 **CERTAIN TRANSACTIONS.**

8 Subsection (d) of section 102 of the Hizballah Inter-  
9 national Financing Prevention Act of 2015 (Public Law  
10 114–102; 50 U.S.C. 1701 note) is amended to read as  
11 follows:

12 “(d) REPORT ON FINANCIAL INSTITUTIONS ORGA-  
13 NIZED UNDER THE LAWS OF STATE SPONSORS OF TER-  
14 RORISM.—

15 “(1) IN GENERAL.—Not later than 90 days  
16 after the date of the enactment of the Hizballah  
17 International Financing Prevention Amendments  
18 Act of 2017, and every 180 days thereafter for the  
19 following 5 years, the President shall submit to the  
20 appropriate congressional committees a report  
21 that—

22 “(A) identifies each foreign financial insti-  
23 tution described in paragraph (2) that the

1 President determines engages in one or more  
2 activities described in subsection (a)(2);

3 “(B) provides a detailed description of  
4 each such activity; and

5 “(C) contains a determination with respect  
6 to each such foreign financial institution that is  
7 identified under subparagraph (A) as engaging  
8 in one or more activities described in subsection  
9 (a)(2) as to whether such foreign financial in-  
10 stitution is in violation of Executive Order  
11 13224 (50 U.S.C. 1701 note; relating to block-  
12 ing property and prohibiting transactions with  
13 persons who commit, threaten to commit, or  
14 support terrorism) by reason of engaging in one  
15 or more such activities.

16 “(2) FOREIGN FINANCIAL INSTITUTION DE-  
17 SCRIBED.—

18 “(A) IN GENERAL.—A foreign financial in-  
19 stitution described in this paragraph is a for-  
20 eign financial institution—

21 “(i) that, wherever located, is—

22 “(I) organized under the laws of  
23 a state sponsor of terrorism or any ju-  
24 risdiction within a state sponsor of  
25 terrorism;

1 “(II) owned or controlled by the  
2 government of a state sponsor of ter-  
3 rorism;

4 “(III) located in the territory of  
5 a state sponsor of terrorism; or

6 “(IV) owned or controlled by a  
7 foreign financial institution described  
8 in subelause (I), (II), or (III); and

9 “(ii) the capitalization of which ex-  
10 ceeds \$10,000,000.

11 “(B) STATE SPONSOR OF TERRORISM.—In  
12 this paragraph, the term ‘state sponsor of ter-  
13 rorism’ means a country the government of  
14 which the Secretary of State has determined is  
15 a government that has repeatedly provided sup-  
16 port for acts of international terrorism for pur-  
17 poses of—

18 “(i) section 6(j) of the Export Admin-  
19 istration Act of 1979 (50 U.S.C. 4605(j))  
20 (as continued in effect pursuant to the  
21 International Emergency Economic Powers  
22 Act (50 U.S.C. 1701 et seq.));

23 “(ii) section 620A of the Foreign As-  
24 sistance Act of 1961 (22 U.S.C. 2371);

1                   “(iii) section 40 of the Arms Export  
2                   Control Act (22 U.S.C. 2780); or

3                   “(iv) any other provision of law.”.

4 **SEC. 103. SANCTIONS AGAINST AGENCIES AND INSTRUMEN-**  
5 **TALITIES OF FOREIGN STATES THAT SUP-**  
6 **PORT HIZBALLAH.**

7           (a) IN GENERAL.—Title I of the Hizballah Inter-  
8 national Financing Prevention Act of 2015 (Public Law  
9 114–102; 50 U.S.C. 1701 note) is amended by adding at  
10 the end the following:

11 **“SEC. 103. SANCTIONS AGAINST AGENCIES AND INSTRU-**  
12 **MENTALITIES OF FOREIGN STATES THAT**  
13 **SUPPORT HIZBALLAH.**

14           “(a) IN GENERAL.—Not later than 180 days after  
15 the date of the enactment of this section, and as appro-  
16 priate thereafter, the President shall block and prohibit  
17 all transactions in all property and interests in property  
18 of any agency or instrumentality of a foreign state de-  
19 scribed in subsection (b) if such property and interests in  
20 property are in the United States, come within the United  
21 States, or are or come within the possession or control  
22 of a United States person.

23           “(b) AGENCY OR INSTRUMENTALITY OF A FOREIGN  
24 STATE DESCRIBED.—An agency or instrumentality of a  
25 foreign state described in this subsection is an agency or

1 instrumentality of a foreign state that the President deter-  
2 mines knowingly provides significant financial, material,  
3 or technological support for, goods or services to or in sup-  
4 port of, or arms or related material to—

5           “(1) Hizballah;

6           “(2) an entity owned or controlled by Hizballah;

7           or

8           “(3) an entity that the President determines  
9           has acted for or on behalf of Hizballah.

10          “(c) PENALTIES.—The penalties provided for in sub-  
11 sections (b) and (c) of section 206 of the International  
12 Emergency Economic Powers Act (50 U.S.C. 1705) shall  
13 apply to a person that violates, attempts to violate, con-  
14 spires to violate, or causes a violation of regulations pre-  
15 scribed under subsection (a) to the same extent that such  
16 penalties apply to a person that commits an unlawful act  
17 described in subsection (a) of such section 206.

18          “(d) IMPLEMENTATION.—The President may exer-  
19 cise all authorities provided under sections 203 and 205  
20 of the International Emergency Economic Powers Act (50  
21 U.S.C. 1702 and 1704) to carry out this section.

22          “(e) PROCEDURES FOR JUDICIAL REVIEW OF CLAS-  
23 SIFIED INFORMATION.—

24               “(1) IN GENERAL.—If a finding under this sec-  
25               tion, or a prohibition, condition, or penalty imposed

1 as a result of any such finding, is based on classified  
2 information (as defined in section 1(a) of the Classi-  
3 fied Information Procedures Act (18 U.S.C. App.))  
4 and a court reviews the finding or the imposition of  
5 the prohibition, condition, or penalty, the President  
6 may submit such information to the court ex parte  
7 and in camera.

8 “(2) RULE OF CONSTRUCTION.—Nothing in  
9 this subsection shall be construed to confer or imply  
10 any right to judicial review of any finding under this  
11 section or any prohibition, condition, or penalty im-  
12 posed as a result of any such finding.

13 “(f) WAIVER.—

14 “(1) IN GENERAL.—The President may, for pe-  
15 riods not to exceed 180 days, waive the imposition  
16 of sanctions under this section with respect to an  
17 agency or instrumentality of a foreign state if the  
18 President certifies to the appropriate congressional  
19 committees that such waiver is in the national secu-  
20 rity interests of the United States.

21 “(2) BRIEFING.—Not later than 30 days after  
22 the issuance of a waiver under paragraph (1) with  
23 respect to an agency or instrumentality of a foreign  
24 state, and every 180 days thereafter while the waiver  
25 remains in effect, the President shall brief the ap-

1       appropriate congressional committees on the status of  
2       the involvement of the agency or instrumentality in  
3       activities described in subsection (b).

4       “(g) DEFINITIONS.—In this section:

5               “(1) AGENCY OR INSTRUMENTALITY OF A FOR-  
6       EIGN STATE; FOREIGN STATE.—The terms ‘agency  
7       or instrumentality of a foreign state’ and ‘foreign  
8       state’ have the meanings given those terms in sec-  
9       tion 1603 of title 28, United States Code.

10              “(2) APPROPRIATE CONGRESSIONAL COMMIT-  
11       TEES.—The term ‘appropriate congressional com-  
12       mittees’ means—

13                      “(A) the Committee on Foreign Affairs,  
14                      the Committee on Financial Services, the Com-  
15                      mittee on Ways and Means, and the Committee  
16                      on the Judiciary of the House of Representa-  
17                      tives; and

18                      “(B) the Committee on Foreign Relations,  
19                      the Committee on Banking, Housing, and  
20                      Urban Affairs, and the Committee on the Judi-  
21                      ciary of the Senate.

22              “(3) ARMS OR RELATED MATERIAL.—The term  
23       ‘arms or related material’ means—

1           “(A) nuclear, biological, chemical, or radio-  
2           logical weapons or materials or components of  
3           such weapons;

4           “(B) ballistic or cruise missile weapons or  
5           materials or components of such weapons;

6           “(C) destabilizing numbers and types of  
7           advanced conventional weapons;

8           “(D) defense articles or defense services,  
9           as those terms are defined in paragraphs (3)  
10          and (4), respectively, of section 47 of the Arms  
11          Export Control Act (22 U.S.C. 2794);

12          “(E) defense information, as that term is  
13          defined in section 644 of the Foreign Assist-  
14          ance Act of 1961 (22 U.S.C. 2403); or

15          “(F) items designated by the President for  
16          purposes of the United States Munitions List  
17          under section 38(a)(1) of the Arms Export  
18          Control Act (22 U.S.C. 2778(a)(1)).

19          “(4) HIZBALLAH.—The term ‘Hizballah’ has  
20          the meaning given that term in section 102(f).”.

21          (b) CLERICAL AMENDMENT.—The table of contents  
22          for the Hizballah International Financing Prevention Act  
23          of 2015 is amended by inserting after the item relating  
24          to section 102 the following new item:

          “Sec. 103. Sanctions against agencies and instrumentalities of foreign states  
          that support Hizballah.”.

1 **TITLE II—NARCOTICS TRAF-**  
2 **FICKING AND SIGNIFICANT**  
3 **TRANSNATIONAL CRIMINAL**  
4 **ACTIVITIES OF HIZBALLAH**

5 **SEC. 201. BLOCKING OF PROPERTY OF HIZBALLAH.**

6 (a) IN GENERAL.—Section 201 of the Hizballah  
7 International Financing Prevention Act of 2015 (Public  
8 Law 114–102; 50 U.S.C. 1701 note) is amended to read  
9 as follows:

10 **“SEC. 201. BLOCKING OF PROPERTY OF HIZBALLAH.**

11 “(a) FINDINGS.—Congress finds that Hizballah con-  
12 ducts narcotics trafficking and significant transnational  
13 criminal activities.

14 “(b) BLOCKING OF PROPERTY.—Not later than 180  
15 days after the date of the enactment of the Hizballah  
16 International Financing Prevention Amendments Act of  
17 2017, and as appropriate thereafter, the President shall  
18 block and prohibit all transactions in all property and in-  
19 terests in property of Hizballah if such property and inter-  
20 ests in property are in the United States, come within the  
21 United States, or are or come within the possession or  
22 control of a United States person.

23 “(c) PENALTIES.—The penalties provided for in sub-  
24 sections (b) and (c) of section 206 of the International  
25 Emergency Economic Powers Act (50 U.S.C. 1705) shall

1 apply to a person that violates, attempts to violate, con-  
2 spires to violate, or causes a violation of regulations pre-  
3 scribed under subsection (b) to the same extent that such  
4 penalties apply to a person that commits an unlawful act  
5 described in subsection (a) of such section 206.

6 “(d) IMPLEMENTATION.—The President may exer-  
7 cise all authorities provided under sections 203 and 205  
8 of the International Emergency Economic Powers Act (50  
9 U.S.C. 1702 and 1704) to carry out this section.

10 “(e) PROCEDURES FOR JUDICIAL REVIEW OF CLAS-  
11 SIFIED INFORMATION.—

12 “(1) IN GENERAL.—If a finding under this sec-  
13 tion, or a prohibition, condition, or penalty imposed  
14 as a result of any such finding, is based on classified  
15 information (as defined in section 1(a) of the Classi-  
16 fied Information Procedures Act (18 U.S.C. App.))  
17 and a court reviews the finding or the imposition of  
18 the prohibition, condition, or penalty, the President  
19 may submit such information to the court *ex parte*  
20 and *in camera*.

21 “(2) RULE OF CONSTRUCTION.—Nothing in  
22 this subsection shall be construed to confer or imply  
23 any right to judicial review of any finding under this  
24 section or any prohibition, condition, or penalty im-  
25 posed as a result of any such finding.

1       “(f) WAIVER.—The President may, for periods not  
2 to exceed 180 days, waive the imposition of sanctions  
3 under this section if the President certifies to the appro-  
4 priate congressional committees that such waiver is in the  
5 national security interests of the United States.

6       “(g) DEFINITION.—In this section, the term  
7 ‘Hizballah’ has the meaning given that term in section  
8 102(f).”.

9       (b) CLERICAL AMENDMENTS.—The table of contents  
10 for the Hizballah International Financing Prevention Act  
11 of 2015 is amended—

12               (1) by striking the item relating to title II and  
13       inserting the following:

“TITLE II—IMPOSITION OF SANCTIONS WITH RESPECT TO  
HIZBALLAH AND REPORTS RELATING TO NARCOTICS TRAF-  
FICKING AND SIGNIFICANT TRANSNATIONAL CRIMINAL ACTIVI-  
TIES OF HIZBALLAH.”; AND

14               (2) by striking the item relating to section 201  
15       and inserting the following:

“Sec. 201. Blocking of property of Hizballah.”.

16 **SEC. 202. REPORT ON RACKETEERING ACTIVITIES EN-**  
17 **GAGED IN BY HIZBALLAH.**

18       (a) IN GENERAL.—Section 202 of the Hizballah  
19 International Financing Prevention Act of 2015 (Public  
20 Law 114–102; 50 U.S.C. 1701 note) is amended to read  
21 as follows:

1 **“SEC. 202. REPORT ON RACKETEERING ACTIVITIES EN-**  
2 **GAGED IN BY HIZBALLAH.**

3 “(a) IN GENERAL.—Not later than 180 days after  
4 the date of the enactment of the Hizballah International  
5 Financing Prevention Amendments Act of 2017, and an-  
6 nually thereafter for the following 5 years, the President  
7 shall submit to the appropriate congressional committees  
8 a report on the following:

9 “(1) Activities that Hizballah, and agents and  
10 affiliates of Hizballah, have engaged in that are  
11 racketeering activities.

12 “(2) The extent to which Hizballah, and agents  
13 and affiliates of Hizballah, engage in a pattern of  
14 such racketeering activities.

15 “(b) FORM OF REPORT.—Each report required under  
16 subsection (a) shall be submitted in an unclassified form  
17 but may contain a classified annex.

18 “(c) DEFINITIONS.—In this section:

19 “(1) APPROPRIATE CONGRESSIONAL COMMIT-  
20 TEES.—The term ‘appropriate congressional com-  
21 mittees’ means—

22 “(A) the Committee on the Judiciary, the  
23 Committee on Foreign Affairs, and the Com-  
24 mittee on Financial Services of the House of  
25 Representatives; and



1 Hizballah International Financing Prevention  
2 Amendments Act of 2017, and annually there-  
3 after for the following 5 years”;

4 (B) in subparagraph (D)(ii)(II), by strik-  
5 ing “and” at the end;

6 (C) in subparagraph (E), by striking “and  
7 free-trade zones.” and inserting “free-trade  
8 zones, business partnerships and joint ventures,  
9 and other investments in small and medium-  
10 sized enterprises;”; and

11 (D) by adding at the end the following:

12 “(F) a list of jurisdictions outside of Leb-  
13 anon that expressly consent to, or with knowl-  
14 edge allow, the use of their territory by  
15 Hizballah to carry out terrorist activities, in-  
16 cluding training, financing, and recruitment;

17 “(G) a description of the total aggregate  
18 revenues and remittances that Hizballah re-  
19 ceives from the global logistics networks of  
20 Hizballah.”;

21 (2) by redesignating subsections (b) and (c) as  
22 subsections (c) and (d), respectively;

23 (3) by inserting after subsection (a) the fol-  
24 lowing:

25 “(b) ENHANCED DUE DILIGENCE.—

1           “(1) IN GENERAL.—The President shall pre-  
2           scribe, as necessary, enhanced due diligence policies,  
3           procedures, and controls for United States financial  
4           institutions, and foreign financial institutions main-  
5           taining correspondent accounts or payable-through  
6           accounts with United States financial institutions,  
7           that the President determines provide significant fi-  
8           nancial services for persons and entities operating in  
9           a jurisdiction included in the list required under sub-  
10          section (a)(1)(F) if the President determines and re-  
11          ports to the appropriate congressional committees  
12          that it is in the national security interest of the  
13          United States to do so.

14          “(2) DEFINITIONS.—In this subsection, the  
15          terms ‘correspondent account’ and ‘payable-through  
16          account’ have the meanings given those terms in sec-  
17          tion 5318A of title 31, United States Code.”; and

18          (4) in subsection (c), as redesignated by para-  
19          graph (2) by adding before the period at the end the  
20          following: “and on any requirements for enhanced  
21          due diligence prescribed under subsection (b)”.

22          (b) REPORT ON ESTIMATED NET WORTH OF SENIOR  
23          HIZBALLAH MEMBERS.—

24          (1) IN GENERAL.—Not later than 180 days  
25          after the date of the enactment of this Act, and not

1 less frequently than annually thereafter for the fol-  
2 lowing 2 years, the President shall submit to the ap-  
3 propriate congressional committees a report that  
4 contains—

5 (A) the estimated total net worth of each  
6 individual described in paragraph (2); and

7 (B) a description of how funds of each in-  
8 dividual described in paragraph (2) were ac-  
9 quired, and how such funds have been used or  
10 employed.

11 (2) INDIVIDUALS DESCRIBED.—The individuals  
12 described in this paragraph are the following:

13 (A) The Secretary General of Hizballah.

14 (B) Any other individual that the Presi-  
15 dent determines is a senior foreign political fig-  
16 ure of Hizballah.

17 (3) FORM OF REPORT; PUBLIC AVAILABILITY.—

18 (A) FORM.—The report required under  
19 paragraph (1) shall be submitted in unclassified  
20 form but may contain a classified annex.

21 (B) PUBLIC AVAILABILITY.—The unclassi-  
22 fied portion of the report required under para-  
23 graph (1) shall be made available to the public  
24 in precompressed, easily downloadable versions

1           that are made available in all appropriate for-  
2           mats.

3           (4) SOURCES OF INFORMATION.—In preparing  
4           the report required under paragraph (1), the Presi-  
5           dent may use any credible publication, database, or  
6           web-based resource, and any credible information  
7           compiled by any government agency, nongovern-  
8           mental organization, or other entity provided to or  
9           made available to the President.

10          (5) DEFINITIONS.—In this subsection:

11           (A) APPROPRIATE CONGRESSIONAL COM-  
12           MITTEES.—The term “appropriate congress-  
13           sional committees” means—

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

17               (ii) the Committee on Foreign Rela-  
18               tions and the Committee on Banking,  
19               Housing, and Urban Affairs of the Senate.

20           (B) FUNDS.—The term “funds” means—

21               (i) cash;

22               (ii) equity;

23               (iii) any other intangible asset the  
24               value of which is derived from a contrac-  
25               tual claim, including bank deposits, bonds,

1 stocks, a security (as defined in section  
2 2(a) of the Securities Act of 1933 (15  
3 U.S.C. 77b(a))), or a security or an equity  
4 security (as those terms are defined in sec-  
5 tion 3(a) of the Securities Exchange Act of  
6 1934 (15 U.S.C. 78c(a))); and

7 (iv) anything else of value that the  
8 Secretary of the Treasury determines to be  
9 appropriate.

10 (C) SENIOR FOREIGN POLITICAL FIG-  
11 URE.—The term “senior foreign political fig-  
12 ure” has the meaning given that term in section  
13 1010.605 of title 31, Code of Federal Regula-  
14 tions (or any successor regulation).

15 **SEC. 204. REPORT ON COMBATING THE ILLICIT TOBACCO**  
16 **TRAFFICKING NETWORKS USED BY**  
17 **HIZBALLAH.**

18 (a) IN GENERAL.—Not later than 180 days after the  
19 date of the enactment of this Act, the President shall sub-  
20 mit to the appropriate congressional committees a report  
21 on combating the illicit tobacco trafficking networks used  
22 by Hizballah to finance their operations, as described in  
23 the report submitted to Congress in December 2015 by  
24 the Department of State, the Department of Justice, the  
25 Department of the Treasury, the Department of Home-

1 land Security, and the Department of Health and Human  
2 Services entitled, “The Global Illicit Trade in Tobacco: A  
3 Threat to National Security.”.

4 (b) MATTERS TO BE ADDRESSED.—The report re-  
5 quired by subsection (a) shall include the following:

6 (1) A description of the steps to be taken by  
7 Federal agencies to combat the illicit tobacco traf-  
8 ficking networks used by Hizballah.

9 (2) A description of the steps to be taken to en-  
10 gage State and local law enforcement authorities in  
11 efforts to combat illicit tobacco trafficking networks  
12 used by Hizballah operating within the United  
13 States.

14 (3) A description of the steps to be taken to en-  
15 gage foreign government law enforcement and intel-  
16 ligence authorities in efforts to combat illicit tobacco  
17 trafficking networks used by Hizballah operating  
18 outside the United States.

19 (4) Recommendations for legislative or adminis-  
20 trative action, as appropriate, to address the threat  
21 of illicit tobacco trafficking networks.

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

1           (1) the Committee on Foreign Affairs, the  
2           Committee on Armed Services, the Committee on  
3           Homeland Security, the Committee on the Judiciary,  
4           the Committee on Financial Services, and the Com-  
5           mittee on Ways and Means of the House of Rep-  
6           resentatives; and

7           (2) the Committee on Foreign Relations, the  
8           Committee on Armed Services, the Committee on  
9           Homeland Security and Governmental Affairs, the  
10          Committee on the Judiciary, the Committee on  
11          Banking, Housing, and Urban Affairs, and the Com-  
12          mittee on Finance of the Senate.

### 13                           **TITLE III—GENERAL** 14                           **PROVISIONS**

#### 15   **SEC. 301. REGULATORY AUTHORITY.**

16          (a) **IN GENERAL.**—The President shall, not later  
17          than 180 days after the date of the enactment of this Act,  
18          prescribe regulations as necessary for the implementation  
19          of this Act and the amendments made by this Act.

20          (b) **NOTIFICATION TO CONGRESS.**—Not later than 10  
21          days before the prescription of regulations under sub-  
22          section (a), the President shall notify the appropriate con-  
23          gressional committees regarding the proposed regulations  
24          and the provisions of this Act and the amendments made  
25          by this Act that the regulations are implementing.

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

4 (1) the Committee on Foreign Affairs and the  
5 Committee on Financial Services of the House of  
6 Representatives; and

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

10 **SEC. 302. EXCEPTIONS.**

11 (a) IN GENERAL.—This Act and the amendments  
12 made by this Act shall not apply to the following:

13 (1) Any authorized intelligence, law enforce-  
14 ment, or national security activities of the United  
15 States.

16 (2) Any transaction necessary to comply with  
17 United States obligations under—

18 (A) the Agreement between the United Na-  
19 tions and the United States of America regard-  
20 ing the Headquarters of the United Nations,  
21 signed at Lake Success June 26, 1947, and en-  
22 tered into force November 21, 1947;

23 (B) the Convention on Consular Relations,  
24 done at Vienna April 24, 1963, and entered  
25 into force March 19, 1967; or

1 (C) any other international treaty.

2 (b) EXCEPTION RELATING TO IMPORTATION OF  
3 GOODS.—The authorities and requirements to impose  
4 sanctions under this Act and the amendments made by  
5 this Act shall not include the authority or requirement to  
6 impose sanctions on the importation of goods.