

Calendar No. 450

104<sup>TH</sup> CONGRESS  
2<sup>D</sup> SESSION

**H. R. 3107**

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**AN ACT**

To impose sanctions on persons making certain investments directly and significantly contributing to the enhancement of the ability of Iran or Libya to develop its petroleum resources, and on persons exporting certain items that enhance Libya's weapons or aviation capabilities or enhance Libya's ability to develop its petroleum resources, and for other purposes.

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

3 **SECTION 1. SHORT TITLE.**

4        This Act may be cited as the “Iran and Libya Sanc-

5 tions Act of 1996”.

6 **SEC. 2. FINDINGS.**

7        The Congress makes the following findings:

8            (1) The efforts of the Government of Iran to

9            acquire weapons of mass destruction and the means

10           to deliver them and its support of acts of inter-

11           national terrorism endanger the national security

12           and foreign policy interests of the United States and

13           those countries with which the United States shares

14           common strategic and foreign policy objectives.

15           (2) The objective of preventing the proliferation

16           of weapons of mass destruction and acts of inter-

17           national terrorism through existing multilateral and

18           bilateral initiatives requires additional efforts to

19           deny Iran the financial means to sustain its nuclear,

20           chemical, biological, and missile weapons programs.

21           (3) The Government of Iran uses its diplomatic

22           facilities and quasi-governmental institutions outside

23           of Iran to promote acts of international terrorism

24           and assist its nuclear, chemical, biological, and mis-

25           sile weapons programs.

1           (4) The failure of the Government of Libya to  
2           comply with Resolutions 731, 748, and 883 of the  
3           Security Council of the United Nations, its support  
4           of international terrorism, and its efforts to acquire  
5           weapons of mass destruction constitute a threat to  
6           international peace and security that endangers the  
7           national security and foreign policy interests of the  
8           United States and those countries with which it  
9           shares common strategic and foreign policy objec-  
10          tives.

11 **SEC. 3. DECLARATION OF POLICY.**

12          (a) **POLICY WITH RESPECT TO IRAN.**—The Congress  
13          declares that it is the policy of the United States to deny  
14          Iran the ability to support acts of international terrorism  
15          and to fund the development and acquisition of weapons  
16          of mass destruction and the means to deliver them by lim-  
17          iting the development of Iran’s ability to explore for, ex-  
18          tract, refine, or transport by pipeline petroleum resources  
19          of Iran.

20          (b) **POLICY WITH RESPECT TO LIBYA.**—The Con-  
21          gress further declares that it is the policy of the United  
22          States to seek full compliance by Libya with its obligations  
23          under Resolutions 731, 748, and 883 of the Security  
24          Council of the United Nations, including ending all sup-

1 port for acts of international terrorism and efforts to de-  
2 velop or acquire weapons of mass destruction.

3 **SEC. 4. MULTILATERAL REGIME.**

4 (a) MULTILATERAL NEGOTIATIONS.—In order to  
5 further the objectives of section 3, the Congress urges the  
6 President to commence immediately diplomatic efforts,  
7 both in appropriate international fora such as the United  
8 Nations, and bilaterally with allies of the United States,  
9 to establish a multilateral sanctions regime against Iran,  
10 including provisions limiting the development of petroleum  
11 resources, that will inhibit Iran’s efforts to carry out ac-  
12 tivities described in section 2.

13 (b) REPORTS TO CONGRESS.—The President shall re-  
14 port to the appropriate congressional committees, not later  
15 than 1 year after the date of the enactment of this Act,  
16 and periodically thereafter, on the extent that diplomatic  
17 efforts described in subsection (a) have been successful.  
18 Each report shall include—

19 (1) the countries that have agreed to undertake  
20 measures to further the objectives of section 3 with  
21 respect to Iran, and a description of those measures;  
22 and

23 (2) the countries that have not agreed to meas-  
24 ures described in paragraph (1), and, with respect to  
25 those countries, other measures (in addition to that

1 provided in subsection (d)) the President rec-  
2 ommends that the United States take to further the  
3 objectives of section 3 with respect to Iran.

4 (c) WAIVER.—The President may waive the applica-  
5 tion of section 5(a) with respect to nationals of a country  
6 if—

7 (1) that country has agreed to undertake sub-  
8 stantial measures, including economic sanctions,  
9 that will inhibit Iran’s efforts to carry out activities  
10 described in section 2 and information required by  
11 subsection (b)(1) has been included in a report sub-  
12 mitted under subsection (b); and

13 (2) the President, at least 30 days before the  
14 waiver takes effect, notifies the appropriate congres-  
15 sional committees of his intention to exercise the  
16 waiver.

17 (d) ENHANCED SANCTION.—

18 (1) SANCTION.—With respect to nationals of  
19 countries except those with respect to which the  
20 President has exercised the waiver authority of sub-  
21 section (c), at any time after the first report is re-  
22 quired to be submitted under subsection (b), section  
23 5(a) shall be applied by substituting “\$20,000,000”  
24 for “\$40,000,000” each place it appears, and by  
25 substituting “\$5,000,000” for “\$10,000,000”.

1           (2) REPORT TO CONGRESS.—The President  
2 shall report to the appropriate congressional commit-  
3 tees any country with respect to which paragraph  
4 (1) applies.

5           (e) INTERIM REPORT ON MULTILATERAL SANC-  
6 TIONS; MONITORING.—The President, not later than 90  
7 days after the date of the enactment of this Act, shall re-  
8 port to the appropriate congressional committees on—

9           (1) whether the member states of the European  
10 Union, the Republic of Korea, Australia, Israel, or  
11 Japan have legislative or administrative standards  
12 providing for the imposition of trade sanctions on  
13 persons or their affiliates doing business or having  
14 investments in Iran or Libya;

15           (2) the extent and duration of each instance of  
16 the application of such sanctions; and

17           (3) the disposition of any decision with respect  
18 to such sanctions by the World Trade Organization  
19 or its predecessor organization.

20 **SEC. 5. IMPOSITION OF SANCTIONS.**

21           (a) SANCTIONS WITH RESPECT TO IRAN.—Except as  
22 provided in subsection (f), the President shall impose 2  
23 or more of the sanctions described in paragraphs (1)  
24 through (6) of section 6 if the President determines that  
25 a person has, with actual knowledge, on or after the date

1 of the enactment of this Act, made an investment of  
2 \$40,000,000 or more (or any combination of investments  
3 of at least \$10,000,000 each, which in the aggregate  
4 equals or exceeds \$40,000,000 in any 12-month period),  
5 that directly and significantly contributed to the enhance-  
6 ment of Iran's ability to develop petroleum resources of  
7 Iran.

8 (b) SANCTIONS WITH RESPECT TO LIBYA.—

9 (1) TRIGGER OF MANDATORY SANCTIONS.—Ex-  
10 cept as provided in subsection (f), the President  
11 shall impose 2 or more of the sanctions described in  
12 paragraphs (1) through (6) of section 6 if the Presi-  
13 dent determines that a person has, with actual  
14 knowledge, on or after the date of the enactment of  
15 this Act, exported, transferred, or otherwise provided  
16 to Libya any goods, services, technology, or other  
17 items the provision of which is prohibited under  
18 paragraph 4(b) or 5 of Resolution 748 of the Secu-  
19 rity Council of the United Nations, adopted March  
20 31, 1992, or under paragraph 5 or 6 of Resolution  
21 883 of the Security Council of the United Nations,  
22 adopted November 11, 1993, if the provision of such  
23 items significantly and materially—

24 (A) contributed to Libya's ability to ac-  
25 quire chemical, biological, or nuclear weapons

1 or destabilizing numbers and types of advanced  
2 conventional weapons or enhanced Libya's mili-  
3 tary or paramilitary capabilities;

4 (B) contributed to Libya's ability to de-  
5 velop its petroleum resources; or

6 (C) contributed to Libya's ability to main-  
7 tain its aviation capabilities.

8 (2) TRIGGER OF DISCRETIONARY SANCTIONS.—

9 Except as provided in subsection (f), the President  
10 may impose 1 or more of the sanctions described in  
11 paragraphs (1) through (6) of section 6 if the Presi-  
12 dent determines that a person has, with actual  
13 knowledge, on or after the date of the enactment of  
14 this Act, made an investment of \$40,000,000 or  
15 more (or any combination of investments of at least  
16 \$10,000,000 each, which in the aggregate equals or  
17 exceeds \$40,000,000 in any 12-month period), that  
18 directly and significantly contributed to the enhance-  
19 ment of Libya's ability to develop its petroleum re-  
20 sources.

21 (c) PERSONS AGAINST WHICH THE SANCTIONS ARE  
22 TO BE IMPOSED.—The sanctions described in subsections  
23 (a) and (b) shall be imposed on—

1           (1) any person the President determines has  
2 carried out the activities described in subsection (a)  
3 or (b); and

4           (2) any person the President determines—

5                 (A) is a successor entity to the person re-  
6 ferred to in paragraph (1);

7                 (B) is a parent or subsidiary of the person  
8 referred to in paragraph (1) if that parent or  
9 subsidiary, with actual knowledge, engaged in  
10 the activities referred to in paragraph (1); or

11                 (C) is an affiliate of the person referred to  
12 in paragraph (1) if that affiliate, with actual  
13 knowledge, engaged in the activities referred to  
14 in paragraph (1) and if that affiliate is con-  
15 trolled in fact by the person referred to in para-  
16 graph (1).

17 For purposes of this Act, any person or entity described  
18 in this subsection shall be referred to as a “sanctioned  
19 person”.

20           (d) PUBLICATION IN FEDERAL REGISTER.—The  
21 President shall cause to be published in the Federal Reg-  
22 ister a current list of persons and entities on whom sanc-  
23 tions have been imposed under this Act. The removal of  
24 persons or entities from, and the addition of persons and  
25 entities to, the list, shall also be so published.

1           (e) PUBLICATION OF PROJECTS.—The President  
2 shall cause to be published in the Federal Register a list  
3 of all significant projects which have been publicly ten-  
4 dered in the oil and gas sector in Iran.

5           (f) EXCEPTIONS.—The President shall not be re-  
6 quired to apply or maintain the sanctions under subsection  
7 (a) or (b)—

8                 (1) in the case of procurement of defense arti-  
9 cles or defense services—

10                         (A) under existing contracts or sub-  
11 contracts, including the exercise of options for  
12 production quantities to satisfy requirements  
13 essential to the national security of the United  
14 States;

15                         (B) if the President determines in writing  
16 that the person to which the sanctions would  
17 otherwise be applied is a sole source supplier of  
18 the defense articles or services, that the defense  
19 articles or services are essential, and that alter-  
20 native sources are not readily or reasonably  
21 available; or

22                         (C) if the President determines in writing  
23 that such articles or services are essential to the  
24 national security under defense coproduction  
25 agreements;

1           (2) in the case of procurement, to eligible prod-  
2           ucts, as defined in section 308(4) of the Trade  
3           Agreements Act of 1979 (19 U.S.C. 2518(4)), of  
4           any foreign country or instrumentality designated  
5           under section 301(b)(1) of that Act (19 U.S.C.  
6           2511(b)(1));

7           (3) to products, technology, or services provided  
8           under contracts entered into before the date on  
9           which the President publishes in the Federal Reg-  
10          ister the name of the person on whom the sanctions  
11          are to be imposed;

12          (4) to—

13                (A) spare parts which are essential to  
14                United States products or production;

15                (B) component parts, but not finished  
16                products, essential to United States products or  
17                production; or

18                (C) routine servicing and maintenance of  
19                products, to the extent that alternative sources  
20                are not readily or reasonably available;

21          (6) to information and technology essential to  
22          United States products or production; or

23          (7) to medicines, medical supplies, or other hu-  
24          manitarian items.

1 **SEC. 6. DESCRIPTION OF SANCTIONS.**

2 The sanctions to be imposed on a sanctioned person  
3 under section 5 are as follows:

4 (1) EXPORT-IMPORT BANK ASSISTANCE FOR  
5 EXPORTS TO SANCTIONED PERSONS.—The President  
6 may direct the Export-Import Bank of the United  
7 States not to give approval to the issuance of any  
8 guarantee, insurance, extension of credit, or partici-  
9 pation in the extension of credit in connection with  
10 the export of any goods or services to any sanctioned  
11 person.

12 (2) EXPORT SANCTION.—The President may  
13 order the United States Government not to issue  
14 any specific license and not to grant any other spe-  
15 cific permission or authority to export any goods or  
16 technology to a sanctioned person under—

17 (i) the Export Administration Act of 1979;  
18 (ii) the Arms Export Control Act;  
19 (iii) the Atomic Energy Act of 1954; or  
20 (iv) any other statute that requires the  
21 prior review and approval of the United States  
22 Government as a condition for the export or re-  
23 export of goods or services.

24 (3) LOANS FROM UNITED STATES FINANCIAL  
25 INSTITUTIONS.—The United States Government  
26 may prohibit any United States financial institution

1 from making loans or providing credits to any sanc-  
2 tioned person totaling more than \$10,000,000 in  
3 any 12-month period unless such person is engaged  
4 in activities to relieve human suffering and the loans  
5 or credits are provided for such activities.

6 (4) PROHIBITIONS ON FINANCIAL INSTITU-  
7 TIONS.—The following prohibitions may be imposed  
8 against a sanctioned person that is a financial insti-  
9 tution:

10 (A) PROHIBITION ON DESIGNATION AS  
11 PRIMARY DEALER.—Neither the Board of Gov-  
12 ernors of the Federal Reserve System nor the  
13 Federal Reserve Bank of New York may des-  
14 ignate, or permit the continuation of any prior  
15 designation of, such financial institution as a  
16 primary dealer in United States Government  
17 debt instruments.

18 (B) PROHIBITION ON SERVICE AS A RE-  
19 POSITORY OF GOVERNMENT FUNDS.—Such fi-  
20 nancial institution may not serve as agent of  
21 the United States Government or serve as re-  
22 pository for United States Government funds.

23 The imposition of either sanction under subpara-  
24 graph (A) or (B) shall be treated as 1 sanction for  
25 purposes of section 5, and the imposition of both

1 such sanctions shall be treated as 2 sanctions for  
2 purposes of section 5.

3 (5) PROCUREMENT SANCTION.—The United  
4 States Government may not procure, or enter into  
5 any contract for the procurement of, any goods or  
6 services from a sanctioned person.

7 (6) ADDITIONAL SANCTIONS.—The President  
8 may impose sanctions, as appropriate, to restrict im-  
9 ports with respect to a sanctioned person, in accord-  
10 ance with the International Emergency Economic  
11 Powers Act (50 U.S.C. 1701 and following).

12 **SEC. 7. ADVISORY OPINIONS.**

13 The Secretary of State may, upon the request of any  
14 person, issue an advisory opinion to that person as to  
15 whether a proposed activity by that person would subject  
16 that person to sanctions under this Act. Any person who  
17 relies in good faith on such an advisory opinion which  
18 states that the proposed activity would not subject a per-  
19 son to such sanctions, and any person who thereafter en-  
20 gages in such activity, will not be made subject to such  
21 sanctions on account of such activity.

22 **SEC. 8. TERMINATION OF SANCTIONS.**

23 (a) IRAN.—The requirement under section 5(a) to  
24 impose sanctions shall no longer have force or effect with

1 respect to Iran if the President determines and certifies  
2 to the appropriate congressional committees that Iran—

3           (1) has ceased its efforts to design, develop,  
4           manufacture, or acquire—

5                   (A) a nuclear explosive device or related  
6           materials and technology;

7                   (B) chemical and biological weapons; and

8                   (C) ballistic missiles and ballistic missile  
9           launch technology; and

10           (2) has been removed from the list of countries  
11           the governments of which have been determined, for  
12           purposes of section 6(j) of the Export Administra-  
13           tion Act of 1979, to have repeatedly provided sup-  
14           port for acts of international terrorism.

15           (b) LIBYA.—The requirement under section 5(b) to  
16           impose sanctions shall no longer have force or effect with  
17           respect to Libya if the President determines and certifies  
18           to the appropriate congressional committees that Libya  
19           has fulfilled the requirements of United Nations Security  
20           Council Resolution 731, adopted January 21, 1992, Unit-  
21           ed Nations Security Council Resolution 748, adopted  
22           March 31, 1992, and United Nations Security Council  
23           Resolution 883, adopted November 11, 1993.

24 **SEC. 9. DURATION OF SANCTIONS; PRESIDENTIAL WAIVER.**

25           (a) DELAY OF SANCTIONS.—

1           (1) CONSULTATIONS.—If the President makes a  
2           determination described in section 5(a) or 5(b) with  
3           respect to a foreign person, the Congress urges the  
4           President to initiate consultations immediately with  
5           the government with primary jurisdiction over that  
6           foreign person with respect to the imposition of  
7           sanctions under this Act.

8           (2) ACTIONS BY GOVERNMENT OF JURISDIC-  
9           TION.—In order to pursue consultations under para-  
10          graph (1) with the government concerned, the Presi-  
11          dent may delay imposition of sanctions under this  
12          Act for up to 90 days. Following such consultations,  
13          the President shall immediately impose sanctions un-  
14          less the President determines and certifies to the  
15          Congress that the government has taken specific and  
16          effective actions, including, as appropriate, the im-  
17          position of appropriate penalties, to terminate the in-  
18          volvement of the foreign person in the activities that  
19          resulted in the determination by the President under  
20          section 5(a) or 5(b) concerning such person.

21          (3) ADDITIONAL DELAY IN IMPOSITION OF  
22          SANCTIONS.—The President may delay the imposi-  
23          tion of sanctions for up to an additional 90 days if  
24          the President determines and certifies to the Con-  
25          gress that the government with primary jurisdiction

1 over the person concerned is in the process of taking  
2 the actions described in paragraph (2).

3 (4) REPORT TO CONGRESS.—Not later than 90  
4 days after making a determination under section  
5 5(a) or 5(b), the President shall submit to the ap-  
6 propriate congressional committees a report on the  
7 status of consultations with the appropriate foreign  
8 government under this subsection, and the basis for  
9 any determination under paragraph (3).

10 (b) DURATION OF SANCTIONS.—A sanction imposed  
11 under section 5 shall remain in effect—

12 (1) for a period of not less than 2 years from  
13 the date on which it is imposed; or

14 (2) until such time as the President determines  
15 and certifies to the Congress that the person whose  
16 activities were the basis for imposing the sanction is  
17 no longer engaging in such activities and that the  
18 President has received reliable assurances that such  
19 person will not knowingly engage in such activities  
20 in the future, except that such sanction shall remain  
21 in effect for a period of at least 1 year.

22 (c) PRESIDENTIAL WAIVER.—

23 (1) AUTHORITY.—The President may waive the  
24 requirement in section 5 to impose a sanction or  
25 sanctions on a person described in section 5(c), and

1       may waive the continued imposition of a sanction or  
2       sanctions under subsection (b) of this section, 30  
3       days or more after the President determines and so  
4       reports to the appropriate congressional committees  
5       that it is important to the national interest of the  
6       United States to exercise such waiver authority.

7               (2) CONTENTS OF REPORT.—Any report under  
8       paragraph (1) shall provide a specific and detailed  
9       rationale for the determination under paragraph (1),  
10      including—

11                   (A) a description of the conduct that re-  
12                   sulted in the determination under section 5(a)  
13                   or (b), as the case may be;

14                   (B) in the case of a foreign person, an ex-  
15                   planation of the efforts to secure the coopera-  
16                   tion of the government with primary jurisdic-  
17                   tion over the sanctioned person to terminate or,  
18                   as appropriate, penalize the activities that re-  
19                   sulted in the determination under section 5(a)  
20                   or (b), as the case may be;

21                   (C) an estimate as to the significance—

22                           (i) of the provision of the items de-  
23                           scribed in section 5(a) to Iran’s ability to  
24                           develop its petroleum resources, or

1 (ii) of the provision of the items de-  
2 scribed in section 5(b)(1) to the abilities of  
3 Libya described in subparagraph (A), (B),  
4 or (C) of section 5(b)(1), or of the invest-  
5 ment described in section 5(b)(2) on  
6 Libya's ability to develop its petroleum re-  
7 sources,

8 as the case may be; and

9 (D) a statement as to the response of the  
10 United States in the event that the person con-  
11 cerned engages in other activities that would be  
12 subject to section 5(a) or (b).

13 (3) EFFECT OF REPORT ON WAIVER.—If the  
14 President makes a report under paragraph (1) with  
15 respect to a waiver of sanctions on a person de-  
16 scribed in section 5(c), sanctions need not be im-  
17 posed under section 5(a) or (b) on that person dur-  
18 ing the 30-day period referred to in paragraph (1).

19 **SEC. 10. REPORTS REQUIRED.**

20 (a) REPORT ON CERTAIN INTERNATIONAL INITIA-  
21 TIVES.—Not later than 6 months after the date of the en-  
22 actment of this Act, and every 6 months thereafter, the  
23 President shall transmit a report to the appropriate con-  
24 gressional committees describing—

1           (1) the efforts of the President to mount a mul-  
2           tilateral campaign to persuade all countries to pres-  
3           sure Iran to cease its nuclear, chemical, biological,  
4           and missile weapons programs and its support of  
5           acts of international terrorism;

6           (2) the efforts of the President to persuade  
7           other governments to ask Iran to reduce the pres-  
8           ence of Iranian diplomats and representatives of  
9           other government and military or quasi-govern-  
10          mental institutions of Iran and to withdraw any  
11          such diplomats or representatives who participated  
12          in the takeover of the United States embassy in  
13          Tehran on November 4, 1979, or the subsequent  
14          holding of United States hostages for 444 days;

15          (3) the extent to which the International Atom-  
16          ic Energy Agency has established regular inspections  
17          of all nuclear facilities in Iran, including those pres-  
18          ently under construction; and

19          (4) Iran's use of Iranian diplomats and rep-  
20          resentatives of other government and military or  
21          quasi-governmental institutions of Iran to promote  
22          acts of international terrorism or to develop or sus-  
23          tain Iran's nuclear, chemical, biological, and missile  
24          weapons programs.

1 (b) OTHER REPORTS.—The President shall ensure  
2 the continued transmittal to the Congress of reports de-  
3 scribing—

4 (1) the nuclear and other military capabilities  
5 of Iran, as required by section 601(a) of the Nuclear  
6 Non-Proliferation Act of 1978 and section 1607 of  
7 the National Defense Authorization Act for Fiscal  
8 Year 1993; and

9 (2) the support provided by Iran for acts of  
10 international terrorism, as part of the Department  
11 of State’s annual report on international terrorism.

12 **SEC. 11. DETERMINATIONS NOT REVIEWABLE.**

13 A determination to impose sanctions under this Act  
14 shall not be reviewable in any court.

15 **SEC. 12. EXCLUSION OF CERTAIN ACTIVITIES.**

16 Nothing in this Act shall apply to any activities sub-  
17 ject to the reporting requirements of title V of the Na-  
18 tional Security Act of 1947.

19 **SEC. 13. EFFECTIVE DATE; SUNSET.**

20 (a) EFFECTIVE DATE.—This Act shall take effect on  
21 the date of the enactment of this Act.

22 (b) SUNSET.—This Act shall cease to be effective on  
23 the date that is 5 years after the date of the enactment  
24 of this Act.

1 **SEC. 14. DEFINITIONS.**

2 As used in this Act:

3 (1) ACT OF INTERNATIONAL TERRORISM.—The  
4 term “act of international terrorism” means an  
5 act—

6 (A) which is violent or dangerous to  
7 human life and that is a violation of the crimi-  
8 nal laws of the United States or of any State  
9 or that would be a criminal violation if commit-  
10 ted within the jurisdiction of the United States  
11 or any State; and

12 (B) which appears to be intended—

13 (i) to intimidate or coerce a civilian  
14 population;

15 (ii) to influence the policy of a govern-  
16 ment by intimidation or coercion; or

17 (iii) to affect the conduct of a govern-  
18 ment by assassination or kidnapping.

19 (2) APPROPRIATE CONGRESSIONAL COMMIT-  
20 TEES.—The term “appropriate congressional com-  
21 mittees” means the Committee on Finance, the  
22 Committee on Banking, Housing, and Urban Af-  
23 fairs, and the Committee on Foreign Relations of  
24 the Senate and the Committee on Ways and Means,  
25 the Committee on Banking and Financial Services,

1 and the Committee on International Relations of the  
2 House of Representatives.

3 (3) COMPONENT PART.—The term “component  
4 part” has the meaning given that term in section  
5 11A(e)(1) of the Export Administration Act of 1979  
6 (50 U.S.C. App. 2410a(e)(1)).

7 (4) DEVELOP AND DEVELOPMENT.—To “de-  
8 velop”, or the “development” of, petroleum resources  
9 means the exploration for, or the extraction, refin-  
10 ing, or transportation by pipeline of, petroleum re-  
11 sources.

12 (5) FINANCIAL INSTITUTION.—The term “fi-  
13 nancial institution” includes—

14 (A) a depository institution (as defined in  
15 section 3(c)(1) of the Federal Deposit Insur-  
16 ance Act), including a branch or agency of a  
17 foreign bank (as defined in section 1(b)(7) of  
18 the International Banking Act of 1978);

19 (B) a credit union;

20 (C) a securities firm, including a broker or  
21 dealer;

22 (D) an insurance company, including an  
23 agency or underwriter; and

24 (E) any other company that provides fi-  
25 nancial services.

1           (6) FINISHED PRODUCT.—The term “finished  
2 product” has the meaning given that term in section  
3 11A(e)(2) of the Export Administration Act of 1979  
4 (50 U.S.C. App. 2410a(e)(2)).

5           (7) FOREIGN PERSON.—The term “foreign per-  
6 son” means—

7           (A) an individual who is not a United  
8 States person or an alien lawfully admitted for  
9 permanent residence into the United States; or

10           (B) a corporation, partnership, or other  
11 nongovernmental entity which is not a United  
12 States person.

13           (8) GOODS AND TECHNOLOGY.—The terms  
14 “goods” and “technology” have the meanings given  
15 those terms in section 16 of the Export Administra-  
16 tion Act of 1979 (50 U.S.C. App. 2415).

17           (9) INVESTMENT.—The term “investment”  
18 means any of the following activities if such activity  
19 is undertaken pursuant to an agreement, or pursu-  
20 ant to the exercise of rights under such an agree-  
21 ment, that is entered into with the Government of  
22 Iran or a nongovernmental entity in Iran, or with the  
23 Government of Libya or a nongovernmental entity in  
24 Libya, on or after the date of the enactment of this  
25 Act:

1           (A) The entry into a contract that includes  
2           responsibility for the development of petroleum  
3           resources located in Iran or Libya (as the case  
4           may be), or the entry into a contract providing  
5           for the general supervision and guarantee of an-  
6           other person's performance of such a contract.

7           (B) The purchase of a share of ownership,  
8           including an equity interest, in that develop-  
9           ment.

10          (C) The entry into a contract providing for  
11          the participation in royalties, earnings, or prof-  
12          its in that development, without regard to the  
13          form of the participation.

14          The term "investment" does not include the entry  
15          into, performance, or financing of a contract to sell  
16          or purchase goods, services, or technology.

17          (10) IRAN.—The term "Iran" includes any  
18          agency or instrumentality of Iran.

19          (11) IRANIAN DIPLOMATS AND REPRESENTA-  
20          TIVES OF OTHER GOVERNMENT AND MILITARY OR  
21          QUASI-GOVERNMENTAL INSTITUTIONS OF IRAN.—

22          The term "Iranian diplomats and representatives of  
23          other government and military or quasi-govern-  
24          mental institutions of Iran" includes employees, rep-  
25          resentatives, or affiliates of Iran's—

- 1 (A) Foreign Ministry;
- 2 (B) Ministry of Intelligence and Security;
- 3 (C) Revolutionary Guard Corps;
- 4 (D) Crusade for Reconstruction;
- 5 (E) Qods (Jerusalem) Forces;
- 6 (F) Interior Ministry;
- 7 (G) Foundation for the Oppressed and
- 8 Disabled;
- 9 (H) Prophet's Foundation;
- 10 (I) June 5th Foundation;
- 11 (J) Martyr's Foundation;
- 12 (K) Islamic Propagation Organization; and
- 13 (L) Ministry of Islamic Guidance.

14 (12) LIBYA.—The term “Libya” includes any

15 agency or instrumentality of Libya.

16 (13) NUCLEAR EXPLOSIVE DEVICE.—The term

17 “nuclear explosive device” means any device, wheth-

18 er assembled or disassembled, that is designed to

19 produce an instantaneous release of an amount of

20 nuclear energy from special nuclear material (as de-

21 fined in section 11aa. of the Atomic Energy Act of

22 1954) that is greater than the amount of energy

23 that would be released from the detonation of one

24 pound of trinitrotoluene (TNT).

25 (14) PERSON.—The term “person” means—

1 (A) a natural person;

2 (B) a corporation, business association,  
3 partnership, society, trust, any other non-  
4 governmental entity, organization, or group,  
5 and any governmental entity operating as a  
6 business enterprise; and

7 (C) any successor to any entity described  
8 in subparagraph (B).

9 (15) PETROLEUM RESOURCES.—The term “pe-  
10 troleum resources” includes petroleum and natural  
11 gas resources.

12 (16) UNITED STATES OR STATE.—The term  
13 “United States” or “State” means the several  
14 States, the District of Columbia, the Commonwealth  
15 of Puerto Rico, the Commonwealth of the Northern  
16 Mariana Islands, American Samoa, Guam, the Unit-  
17 ed States Virgin Islands, and any other territory or  
18 possession of the United States.

19 (17) UNITED STATES PERSON.—The term  
20 “United States person” means—

21 (A) a natural person who is a citizen of the  
22 United States or who owes permanent alle-  
23 giance to the United States; and

24 (B) a corporation or other legal entity  
25 which is organized under the laws of the United

1 States, any State or territory thereof, or the  
2 District of Columbia, if natural persons de-  
3 scribed in subparagraph (A) own, directly or in-  
4 directly, more than 50 percent of the outstand-  
5 ing capital stock or other beneficial interest in  
6 such legal entity.

Passed the House of Representatives June 19, 1996.

Attest:

ROBIN H. CARLE,

*Clerk.*