

113TH CONGRESS
1ST SESSION

S. 892

To amend the Iran Threat Reduction and Syria Human Rights Act of 2012 to impose sanctions with respect to certain transactions in foreign currencies, and for other purposes.

IN THE SENATE OF THE UNITED STATES

MAY 8, 2013

Mr. KIRK (for himself, Mr. MANCHIN, Ms. COLLINS, Mr. NELSON, and Mr. CORNYN) introduced the following bill; which was read twice and referred to the Committee on Banking, Housing, and Urban Affairs

A BILL

To amend the Iran Threat Reduction and Syria Human Rights Act of 2012 to impose sanctions with respect to certain transactions in foreign currencies, and for other purposes.

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

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Iran Sanctions Loop-
5 hole Elimination Act of 2013”.

1 **SEC. 2. IMPOSITION OF SANCTIONS WITH RESPECT TO CER-**
 2 **TAIN TRANSACTIONS IN FOREIGN CUR-**
 3 **RENCIES.**

4 (a) IMPOSITION OF SANCTIONS.—Subtitle B of title
 5 II of the Iran Threat Reduction and Syria Human Rights
 6 Act of 2012 (22 U.S.C. 8721 et seq.) is amended by in-
 7 serting after section 220 the following:

8 **“SEC. 220A. IMPOSITION OF SANCTIONS WITH RESPECT TO**
 9 **CERTAIN TRANSACTIONS IN FOREIGN CUR-**
 10 **RENCIES.**

11 “(a) IN GENERAL.—The President—

12 “(1) shall prohibit the opening, and prohibit or
 13 impose strict conditions on the maintaining, in the
 14 United States of a correspondent account or a pay-
 15 able-through account by a foreign financial institu-
 16 tion that is a person described in subsection (b); and

17 “(2) may impose sanctions pursuant to the
 18 International Emergency Economic Powers Act (50
 19 U.S.C. 1701 et seq.) with respect to any other per-
 20 son described in subsection (b).

21 “(b) PERSON DESCRIBED.—A person described in
 22 this subsection is a person the President determines has,
 23 on or after May 9, 2013—

24 “(1) knowingly conducted or facilitated a sig-
 25 nificant transaction involving the currency of a coun-
 26 try other than the country in which the person is op-

erating at the time of the transaction with, for, or
on behalf of—

“(A) the Central Bank of Iran or another
Iranian financial institution designated by the
Secretary of the Treasury for the imposition of
sanctions pursuant to the International Emer-
gency Economic Powers Act (50 U.S.C. 1701 et
seq.); or

“(B) a person described in section
1244(c)(2) of the Iran Freedom and Counter-
Proliferation Act (22 U.S.C. 8803(c)(2)) (other
than a person described in subparagraph
(C)(iii) of that section); or

“(2) knowingly transferred funds for, or held
funds on behalf of, a person described in paragraph
(1) in relation to a transaction described in that
paragraph, without regard to the currency of those
funds.

“(c) WAIVER.—

“(1) IN GENERAL.—The President may waive
the application of subsection (a) with respect to a
person for a period of not more than 180 days, and
may renew that waiver for additional periods of not
more than 180 days, if the President—

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

3 “(B) not less than 7 days before the waiver
4 or the renewal of the waiver, as the case may
5 be, takes effect, submits a report to the appropriate congressional committees on the waiver
6 and the reason for the waiver.

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

11 “(d) RULE OF CONSTRUCTION.—Nothing in this section shall be construed to prohibit any person from, or
12 authorize or require the imposition of sanctions with respect to any person for, conducting or facilitating any
13 transaction in the currency of the country in which the
14 person is operating at the time of the transaction for the
15 sale of agricultural commodities, food, medicine, or medical devices.

19 “(e) DEFINITIONS.—In this section:

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

1 “(2) AGRICULTURAL COMMODITY.—The term
2 ‘agricultural commodity’ has the meaning given that
3 term in section 102 of the Agricultural Trade Act of
4 1978 (7 U.S.C. 5602).

5 “(3) FOREIGN FINANCIAL INSTITUTION.—The
6 term ‘foreign financial institution’ has the meaning
7 given that term in section 561.308 of title 31, Code
8 of Federal Regulations (or any corresponding similar
9 regulation or ruling).

10 “(4) IRANIAN FINANCIAL INSTITUTION.—The
11 term ‘Iranian financial institution’ has the meaning
12 given that term in section 104A(d) of the Com-
13 prehensive Iran Sanctions, Accountability, and Di-
14 vestment Act of 2010 (22 U.S.C. 8513b(d)).

15 “(5) MEDICAL DEVICE.—The term ‘medical de-
16 vice’ has the meaning given the term ‘device’ in sec-
17 tion 201 of the Federal Food, Drug, and Cosmetic
18 Act (21 U.S.C. 321).

19 “(6) MEDICINE.—The term ‘medicine’ has the
20 meaning given the term ‘drug’ in section 201 of the
21 Federal Food, Drug, and Cosmetic Act (21 U.S.C.
22 321).

23 “(7) TRANSACTION.—The term ‘transaction’ in-
24 cludes a foreign exchange swap, a foreign exchange

1 forward, and any other type of currency exchange or
 2 conversion or derivative instrument.”.

3 (b) CONFORMING AMENDMENTS.—

4 (1) IMPLEMENTATION.—Section 601(a)(1) of
 5 the Iran Threat Reduction and Syria Human Rights
 6 Act of 2012 (22 U.S.C. 8781(a)(1)) is amended by
 7 inserting “220A,” after “220,”.

8 (2) PENALTIES.—Section 601(b)(2)(A) of such
 9 Act (22 U.S.C. 8781(b)(2)(A)) is amended by strik-
 10 ing “and 220,” and inserting “220, and 220A,”.

11 (3) TERMINATION.—Section 605(a) of such Act
 12 (22 U.S.C. 8785(a)) is amended by inserting
 13 “220A,” after “220,”.

14 (c) CLERICAL AMENDMENT.—The table of contents
 15 for the Iran Threat Reduction and Syria Human Rights
 16 Act of 2012 is amended by inserting after the item relat-
 17 ing to section 220 the following:

“Sec. 220A. Imposition of sanctions with respect to certain transactions in for-
 eign currencies.”.

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