

114TH CONGRESS
1ST SESSION

H. R. 2297

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

IN THE HOUSE OF REPRESENTATIVES

MAY 13, 2015

Mr. ROYCE (for himself, Mr. ENGEL, Mr. MEADOWS, Mr. DEUTCH, and Mr. ZELDIN) introduced the following bill; which was referred to the Committee on Foreign Affairs, and in addition to the Committee on Financial Services, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

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

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

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

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

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

- Sec. 1. Short title and table of contents.
 Sec. 2. Statement of policy.

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

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

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

- Sec. 201. Report on designation of Hezbollah as a significant foreign narcotics trafficker.
 Sec. 202. Report on designation of Hezbollah as a significant transnational criminal organization.
 Sec. 203. Rewards for Justice and Hezbollah’s fundraising, financing, and money laundering activities.
 Sec. 204. Report on activities of foreign governments to disrupt global logistics networks and fundraising, financing, and money laundering activities of Hezbollah.
 Sec. 205. Appropriate congressional committees defined.

TITLE III—MISCELLANEOUS PROVISIONS

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

1 SEC. 2. STATEMENT OF POLICY.

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

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

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

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

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

8 Not later than 30 days after the date of the enact-
9 ment of this Act and annually thereafter, the Secretary
10 of State shall provide to the Committee on Foreign Affairs
11 of the House of Representatives and the Committee on
12 Foreign Relations of the Senate a briefing on the fol-
13 lowing:

14 (1) The activities of all satellite, broadcast,
15 Internet, or other providers that knowingly provide
16 material support to al-Manar TV, and any affiliates
17 or successors thereof.

18 (2) With respect to all providers described in
19 paragraph (1)—

20 (A) an identification of those providers
21 that have been sanctioned pursuant to Execu-
22 tive Order No. 13224 (September 23, 2001);
23 and

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

1 executive Order No. 13224 and, with respect to
2 each such provider, the reason why sanctions
3 have not been imposed.

4 **SEC. 102. SANCTIONS WITH RESPECT TO FINANCIAL INSTI-**
5 **TUTIONS THAT ENGAGE IN CERTAIN TRANS-**
6 **ACTIONS.**

7 (a) PROHIBITIONS AND CONDITIONS WITH RESPECT
8 TO CERTAIN ACCOUNTS HELD BY FOREIGN FINANCIAL
9 INSTITUTIONS.—

10 (1) IN GENERAL.—Not later than 120 days
11 after the date of the enactment of this Act, the Sec-
12 retary of the Treasury, with the concurrence of the
13 Secretary of State and in consultation with the
14 heads of other applicable departments and agencies,
15 shall prohibit, or impose strict conditions on, the
16 opening or maintaining in the United States of a
17 correspondent account or a payable-through account
18 by a foreign financial institution that the Secretary
19 determines, on or after the date of the enactment of
20 this Act, engages in an activity described in para-
21 graph (2).

22 (2) ACTIVITIES DESCRIBED.—A foreign finan-
23 cial institution engages in an activity described in
24 this paragraph if the foreign financial institution—

1 (A) knowingly facilitates a significant
2 transaction or transactions for Hezbollah;

3 (B) knowingly facilitates a significant
4 transaction or transactions of a person des-
5 ignated for acting on behalf of or at the direc-
6 tion of, or owned or controlled by, Hezbollah;

7 (C) knowingly engages in money laun-
8 dering to carry out an activity described in sub-
9 paragraph (A) or (B);

10 (D) knowingly facilitates a significant
11 transaction or transactions or provides signifi-
12 cant financial services to carry out an activity
13 described in subparagraph (A), (B), or (C), in-
14 cluding—

15 (i) facilitating a significant trans-
16 action or transactions; or

17 (ii) providing significant financial
18 services that involve a transaction of cov-
19 ered goods; or

20 (E)(i) knowingly facilitates, or participates
21 or assists in, an activity described in subpara-
22 graph (A), (B), (C), or (D), including by acting
23 on behalf of, at the direction of, or as an inter-
24 mediary for, or otherwise assisting, another per-

1 son with respect to the activity described in any
2 such subparagraph;

3 (ii) knowingly attempts or conspires to fa-
4 cilitate or participate in an activity described in
5 subparagraph (A), (B), (C), or (D); or

6 (iii) is owned or controlled by a foreign fi-
7 nancial institution that the Secretary finds
8 knowingly engages in an activity described in
9 subparagraph (A), (B), (C), or (D).

10 (3) PENALTIES.—The penalties provided for in
11 subsections (b) and (c) of section 206 of the Inter-
12 national Emergency Economic Powers Act (50
13 U.S.C. 1705) shall apply to a person that violates,
14 attempts to violate, conspires to violate, or causes a
15 violation of regulations prescribed under paragraph
16 (4) of this subsection to the same extent that such
17 penalties apply to a person that commits an unlaw-
18 ful act described in subsection (a) of such section
19 206(a).

20 (4) REGULATIONS.—The Secretary of the
21 Treasury shall prescribe and implement regulations
22 to carry out this subsection.

23 (b) WAIVER.—

24 (1) IN GENERAL.—The Secretary of the Treas-
25 ury, with the concurrence of the Secretary of State

1 and in consultation with the heads of other applica-
2 ble departments and agencies, may waive, on a case-
3 by-case basis, the application of a prohibition or con-
4 dition imposed with respect to a foreign financial in-
5 stitution pursuant to subsection (a) for a period of
6 not more than 180 days, and may renew such waiver
7 for additional periods of not more than 180 days, on
8 and after the date that the Secretary of the Treas-
9 ury, with the concurrence of the Secretary of
10 State—

11 (A) determines that such a waiver is in the
12 national security interests of the United States;
13 and

14 (B) submits to the appropriate congres-
15 sional committees a report describing the rea-
16 sons for such determination.

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

20 (c) PROVISIONS RELATING TO FOREIGN FINANCIAL
21 INSTITUTIONS.—

22 (1) REPORT.—Not later than 45 days after the
23 date of the enactment of this Act and every 180
24 days thereafter, the Secretary of the Treasury shall

1 submit to the appropriate congressional committees
2 a report that—

3 (A) identifies each foreign central bank
4 that the Secretary determines engages in one or
5 more activities described in subsection
6 (a)(2)(D); and

7 (B) provides a detailed description of each
8 such activity.

9 (2) SPECIAL RULE TO ALLOW FOR TERMI-
10 NATION OF SANCTIONABLE ACTIVITY.—The Sec-
11 retary of the Treasury shall not be required to apply
12 sanctions to a foreign financial institution described
13 in subsection (a) if the Secretary, with the concur-
14 rence of the Secretary of State and in consultation
15 with the heads of other applicable departments and
16 agencies, certifies in writing to the appropriate con-
17 gressional committees that—

18 (A) such foreign financial institution—

19 (i) is no longer engaging in the activ-
20 ity described in subsection (a)(2); or

21 (ii) has taken and is continuing to
22 take significant verifiable steps toward ter-
23 minating the activity described in such
24 subsection; and

1 (B) the Secretary has received reliable as-
2 surances from the government with primary ju-
3 risdiction over such foreign financial institution
4 that such foreign financial institution will not
5 engage in any activity described in such sub-
6 section in the future.

7 (d) DEFINITIONS.—

8 (1) IN GENERAL.—In this section:

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

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

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

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

24 (C) COVERED GOODS.—The term “covered
25 goods” has the meaning given the term in sec-

1 tion 1027.100 of title 31, Code of Federal Reg-
2 ulations.

3 (D) FINANCIAL INSTITUTION.—The term
4 “financial institution” means a financial insti-
5 tution specified in subparagraph (A), (B), (C),
6 (D), (E), (F), (G), (H), (I), (J), (K), (M), (N),
7 (P), (R), (T), (Y), or (Z) of section 5312(a)(2)
8 of title 31, United States Code.

9 (E) FOREIGN FINANCIAL INSTITUTION;
10 DOMESTIC FINANCIAL INSTITUTION.—

11 (i) FOREIGN FINANCIAL INSTITU-
12 TION.—The term “foreign financial institu-
13 tion” has the meaning of such term in sec-
14 tion 1010.605 of title 31, Code of Federal
15 Regulations, and includes a foreign central
16 bank.

17 (ii) DOMESTIC FINANCIAL INSTITU-
18 TION.—The term “domestic financial insti-
19 tution” has the meaning of such term as
20 determined by the Secretary of the Treas-
21 ury.

22 (F) HEZBOLLAH.—The term “Hezbollah”
23 means—

24 (i) any person—

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

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

13 (ii) the entity designated by the Sec-
14 retary of State as a foreign terrorist orga-
15 nization pursuant to section 219 of the Im-
16 migration and Nationality Act (8 U.S.C.
17 1189).

18 (G) MONEY LAUNDERING.—The term
19 “money laundering” means any of the activities
20 described in paragraph (1), (2), or (3) of sec-
21 tion 1956(a) of title 18, United States Code,
22 with respect to which penalties may be imposed
23 pursuant to such section.

24 (2) OTHER DEFINITIONS.—The Secretary of
25 the Treasury may further define the terms used in

1 this section in the regulations prescribed under this
2 section.

3 **TITLE II—REPORTS ON DES-**
4 **IGNATION OF HEZBOLLAH AS**
5 **A SIGNIFICANT FOREIGN**
6 **NARCOTICS TRAFFICKER AND**
7 **A SIGNIFICANT**
8 **TRANSNATIONAL CRIMINAL**
9 **ORGANIZATION**

10 **SEC. 201. REPORT ON DESIGNATION OF HEZBOLLAH AS A**
11 **SIGNIFICANT FOREIGN NARCOTICS TRAF-**
12 **FICKER.**

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

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

1 **SEC. 202. REPORT ON DESIGNATION OF HEZBOLLAH AS A**
2 **SIGNIFICANT TRANSNATIONAL CRIMINAL OR-**
3 **GANIZATION.**

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

6 (1) Hezbollah meets the criteria for designation
7 as a significant transnational criminal organization
8 under Executive Order No. 13581 (76 Fed. Reg.
9 44757); and

10 (2) the President should so designate Hezbollah
11 as a significant transnational criminal organization.

12 (b) REPORT.—

13 (1) REPORT REQUIRED.—Not later than 120
14 days after the date of the enactment of this Act, the
15 President shall transmit to the appropriate commit-
16 tees of Congress a detailed report on whether the
17 Hezbollah meets the criteria for designation as a sig-
18 nificant transnational criminal organization under
19 Executive Order No. 13581 (76 Fed. Reg. 44757),
20 and if the President determines that Hezbollah does
21 not meet such criteria, a detailed justification as to
22 which criteria have not been met.

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

1 **SEC. 203. REWARDS FOR JUSTICE AND HEZBOLLAH'S FUND-**
2 **RAISING, FINANCING, AND MONEY LAUN-**
3 **DERING ACTIVITIES.**

4 (a) REPORT.—Not later than 90 days after the date
5 of the enactment of this Act, the Secretary of State shall
6 submit to the appropriate congressional committees a re-
7 port that details actions taken by the Department of State
8 through the Department of State rewards program under
9 section 36 of the State Department Basic Authorities Act
10 (22 U.S.C. 2708) to obtain information on fundraising,
11 financing, and money laundering activities of Hezbollah
12 and its agents and affiliates.

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

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

21 (1) the Committee on Foreign Affairs and the
22 Committee on Financial Services of the House of
23 Representatives; and

24 (2) the Committee on Foreign Relations and
25 the Committee on Banking, Housing, and Urban Af-
26 fairs of the Senate.

1 **SEC. 204. REPORT ON ACTIVITIES OF FOREIGN GOVERN-**
2 **MENTS TO DISRUPT GLOBAL LOGISTICS NET-**
3 **WORKS AND FUNDRAISING, FINANCING, AND**
4 **MONEY LAUNDERING ACTIVITIES OF**
5 **HEZBOLLAH.**

6 (a) REPORT.—

7 (1) IN GENERAL.—Not later than 90 days after
8 the date of the enactment of this Act, the President
9 shall transmit to the appropriate congressional com-
10 mittees a report that includes—

11 (A) a list of countries that support
12 Hezbollah, or in which Hezbollah maintains im-
13 portant portions of its global logistics networks;

14 (B) with respect to each country on the list
15 required by subparagraph (A)—

16 (i) an assessment of whether the gov-
17 ernment of such country is taking ade-
18 quate measures to disrupt the global logis-
19 tics networks of Hezbollah within the terri-
20 tory of such country; and

21 (ii) in the case of a country the gov-
22 ernment of which is not taking adequate
23 measures to disrupt such networks—

24 (I) an assessment of the reasons
25 such government is not taking such
26 adequate measures; and

1 (II) a description of measures
2 being taken by the United States to
3 encourage such government to im-
4 prove measures to disrupt such net-
5 works;

6 (C) a list of countries in which Hezbollah,
7 or any of its agents or affiliates, conducts sig-
8 nificant fundraising, financing, or money laun-
9 dering activities;

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

12 (i) an assessment of whether the gov-
13 ernment of such country is taking ade-
14 quate measures to disrupt the fundraising,
15 financing, or money laundering activities of
16 Hezbollah and its agents and affiliates
17 within the territory of such country; and

18 (ii) in the case of a country the gov-
19 ernment of which is not taking adequate
20 measures to disrupt such activities—

21 (I) an assessment of the reasons
22 such government is not taking such
23 adequate measures; and

24 (II) a description of measures
25 being taken by the United States to

1 encourage such government to im-
2 prove measures to disrupt such activi-
3 ties; and

4 (E) a list of methods that Hezbollah, or
5 any of its agents or affiliates, utilizes to raise
6 or transfer funds, including trade-based money
7 laundering, the use of foreign exchange houses,
8 and free-trade zones.

9 (2) FORM.—The report required by paragraph
10 (1) shall be submitted in unclassified form to the
11 greatest extent possible, and may contain a classified
12 annex.

13 (3) GLOBAL LOGISTICS NETWORKS OF
14 HEZBOLLAH.—In this subsection, the term “global
15 logistics networks of Hezbollah”, “global logistics
16 networks”, or “networks” means financial, material,
17 or technological support for, or financial or other
18 services in support of, Hezbollah.

19 (b) BRIEFING ON HEZBOLLAH’S ASSETS AND AC-
20 TIVITIES RELATED TO FUNDRAISING, FINANCING, AND
21 MONEY LAUNDERING WORLDWIDE.—Not later than 90
22 days after the date of the enactment of this Act and every
23 180 days thereafter, the Secretary of State, the Secretary
24 of the Treasury, and the heads (or their designees) of
25 other applicable Federal departments and agencies shall

1 provide to the appropriate congressional committees a
2 briefing on the disposition of Hezbollah’s assets and activi-
3 ties related to fundraising, financing, and money laun-
4 dering worldwide.

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

8 (1) the Committee on Foreign Affairs, the
9 Committee on Financial Services, and the Perma-
10 nent Select Committee on Intelligence of the House
11 of Representatives; and

12 (2) the Committee on Foreign Relations, the
13 Committee on Banking, Housing, and Urban Af-
14 fairs, and the Select Committee on Intelligence of
15 the Senate.

16 **SEC. 205. APPROPRIATE CONGRESSIONAL COMMITTEES**
17 **DEFINED.**

18 Except as otherwise provided, in this title, the term
19 “appropriate congressional committees” means—

20 (1) the Committee on Foreign Affairs, the
21 Committee on Financial Services, and the Com-
22 mittee on the Judiciary of the House of Representa-
23 tives; and

1 (2) the Committee on Foreign Relations, the
2 Committee on Finance, and the Committee on the
3 Judiciary of the Senate.

4 **TITLE III—MISCELLANEOUS**
5 **PROVISIONS**

6 **SEC. 301. RULE OF CONSTRUCTION.**

7 Nothing in this Act or any amendment made by this
8 Act shall apply to the authorized intelligence activities of
9 the United States.

10 **SEC. 302. REGULATORY AUTHORITY.**

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

15 (b) NOTIFICATION TO CONGRESS.—Not less than 10
16 days before the promulgation of regulations under sub-
17 section (a), the President shall notify the appropriate con-
18 gressional committees (as such term is defined in section
19 203) of the proposed regulations and the provisions of this
20 Act and the amendments made by this Act that the regula-
21 tions are implementing.

22 **SEC. 303. TERMINATION.**

23 This Act shall terminate on the date that is 30 days
24 after the date on which the President certifies to Congress
25 that Hezbollah—

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

4 (2) is no longer listed in the Annex to Executive
5 Order No. 13224 (September 23, 2001; relating to
6 blocking property and prohibiting transactions with
7 persons who commit, threaten to commit, or support
8 terrorism); and

9 (3) poses no significant threat to United States
10 national security, interests, or allies.

○