

114TH CONGRESS
1ST SESSION

H. R. 2297

IN THE SENATE OF THE UNITED STATES

MAY 18, 2015

Received, read twice and referred to the Committee on Banking, Housing, and
Urban Affairs

AN ACT

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,*

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

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

5 (b) TABLE OF CONTENTS.—The table of contents for
 6 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 SIG-
 NIFICANT FOREIGN NARCOTICS TRAFFICKER AND A SIGNIFI-
 CANT 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 ac-
 tivities of Hezbollah.

Sec. 205. Appropriate congressional committees defined.

TITLE III—MISCELLANEOUS PROVISIONS

Sec. 301. Rule of construction.

Sec. 302. Regulatory authority.

Sec. 303. Termination.

7 **SEC. 2. STATEMENT OF POLICY.**

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

9 (1) prevent Hezbollah’s global logistics and fi-
 10 nancial network from operating in order to curtail
 11 funding of its domestic and international activities;
 12 and

1 (2) utilize all available diplomatic, legislative,
2 and executive avenues to combat the global criminal
3 activities of Hezbollah as a means to block that or-
4 ganization's ability to fund its global terrorist activi-
5 ties.

6 **TITLE I—PREVENTION OF AC-**
7 **CESS BY HEZBOLLAH TO**
8 **INTERNATIONAL FINANCIAL**
9 **AND OTHER INSTITUTIONS**

10 **SEC. 101. BRIEFING ON IMPOSITION OF SANCTIONS ON**
11 **CERTAIN SATELLITE PROVIDERS THAT**
12 **CARRY AL-MANAR TV.**

13 Not later than 30 days after the date of the enact-
14 ment of this Act and annually thereafter, the Secretary
15 of State shall provide to the Committee on Foreign Affairs
16 of the House of Representatives and the Committee on
17 Foreign Relations of the Senate a briefing on the fol-
18 lowing:

19 (1) The activities of all satellite, broadcast,
20 Internet, or other providers that knowingly provide
21 material support to al-Manar TV, and any affiliates
22 or successors thereof.

23 (2) With respect to all providers described in
24 paragraph (1)—

1 (A) an identification of those providers
2 that have been sanctioned pursuant to Execu-
3 tive Order No. 13224 (September 23, 2001);
4 and

5 (B) an identification of those providers
6 that have not been sanctioned pursuant to Ex-
7 ecutive Order No. 13224 and, with respect to
8 each such provider, the reason why sanctions
9 have not been imposed.

10 **SEC. 102. SANCTIONS WITH RESPECT TO FINANCIAL INSTI-**
11 **TUTIONS THAT ENGAGE IN CERTAIN TRANS-**
12 **ACTIONS.**

13 (a) PROHIBITIONS AND CONDITIONS WITH RESPECT
14 TO CERTAIN ACCOUNTS HELD BY FOREIGN FINANCIAL
15 INSTITUTIONS.—

16 (1) IN GENERAL.—Not later than 120 days
17 after the date of the enactment of this Act, the Sec-
18 retary of the Treasury, with the concurrence of the
19 Secretary of State and in consultation with the
20 heads of other applicable departments and agencies,
21 shall prohibit, or impose strict conditions on, the
22 opening or maintaining in the United States of a
23 correspondent account or a payable-through account
24 by a foreign financial institution that the Secretary
25 determines, on or after the date of the enactment of

1 this Act, engages in an activity described in para-
2 graph (2).

3 (2) ACTIVITIES DESCRIBED.—A foreign finan-
4 cial institution engages in an activity described in
5 this paragraph if the foreign financial institution—

6 (A) knowingly facilitates a significant
7 transaction or transactions for Hezbollah;

8 (B) knowingly facilitates a significant
9 transaction or transactions of a person des-
10 ignated for acting on behalf of or at the direc-
11 tion of, or owned or controlled by, Hezbollah;

12 (C) knowingly engages in money laun-
13 dering to carry out an activity described in sub-
14 paragraph (A) or (B);

15 (D) knowingly facilitates a significant
16 transaction or transactions or provides signifi-
17 cant financial services to carry out an activity
18 described in subparagraph (A), (B), or (C), in-
19 cluding—

20 (i) facilitating a significant trans-
21 action or transactions; or

22 (ii) providing significant financial
23 services that involve a transaction of cov-
24 ered goods; or

1 (E)(i) knowingly facilitates, or participates
2 or assists in, an activity described in subpara-
3 graph (A), (B), (C), or (D), including by acting
4 on behalf of, at the direction of, or as an inter-
5 mediary for, or otherwise assisting, another per-
6 son with respect to the activity described in any
7 such subparagraph;

8 (ii) knowingly attempts or conspires to fa-
9 cilitate or participate in an activity described in
10 subparagraph (A), (B), (C), or (D); or

11 (iii) is owned or controlled by a foreign fi-
12 nancial institution that the Secretary finds
13 knowingly engages in an activity described in
14 subparagraph (A), (B), (C), or (D).

15 (3) PENALTIES.—The penalties provided for in
16 subsections (b) and (c) of section 206 of the Inter-
17 national Emergency Economic Powers Act (50
18 U.S.C. 1705) shall apply to a person that violates,
19 attempts to violate, conspires to violate, or causes a
20 violation of regulations prescribed under paragraph
21 (4) of this subsection to the same extent that such
22 penalties apply to a person that commits an unlaw-
23 ful act described in subsection (a) of such section
24 206(a).

1 (4) REGULATIONS.—The Secretary of the
2 Treasury shall prescribe and implement regulations
3 to carry out this subsection.

4 (b) WAIVER.—

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

17 (A) determines that such a waiver is in the
18 national security interests of the United States;
19 and

20 (B) submits to the appropriate congres-
21 sional committees a report describing the rea-
22 sons for such determination.

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

1 (c) PROVISIONS RELATING TO FOREIGN FINANCIAL
2 INSTITUTIONS.—

3 (1) REPORT.—Not later than 45 days after the
4 date of the enactment of this Act and every 180
5 days thereafter, the Secretary of the Treasury shall
6 submit to the appropriate congressional committees
7 a report that—

8 (A) identifies each foreign central bank
9 that the Secretary determines engages in one or
10 more activities described in subsection
11 (a)(2)(D); and

12 (B) provides a detailed description of each
13 such activity.

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

23 (A) such foreign financial institution—

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

1 (ii) has taken and is continuing to
2 take significant verifiable steps toward ter-
3 minating the activity described in such
4 subsection; and

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

11 (d) DEFINITIONS.—

12 (1) IN GENERAL.—In this section:

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

19 (B) APPROPRIATE CONGRESSIONAL COM-
20 MITTEES.—The term “appropriate congres-
21 sional committees” means—

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

1 (ii) the Committee on Foreign Rela-
2 tions and the Committee on Banking,
3 Housing, and Urban Affairs of the Senate.

4 (C) COVERED GOODS.—The term “covered
5 goods” has the meaning given the term in sec-
6 tion 1027.100 of title 31, Code of Federal Reg-
7 ulations.

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

14 (E) FOREIGN FINANCIAL INSTITUTION;
15 DOMESTIC FINANCIAL INSTITUTION.—

16 (i) FOREIGN FINANCIAL INSTITU-
17 TION.—The term “foreign financial institu-
18 tion” has the meaning of such term in sec-
19 tion 1010.605 of title 31, Code of Federal
20 Regulations, and includes a foreign central
21 bank.

22 (ii) DOMESTIC FINANCIAL INSTITU-
23 TION.—The term “domestic financial insti-
24 tution” has the meaning of such term as

determined by the Secretary of the Treasury.

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

(i) any person—

(I) the property of or interests in property of which are blocked pursuant to the International Emergency Economic Powers Act (50 U.S.C. 1701 et seq.); and

(II) who is identified on the list of specially designated nationals and blocked persons maintained by the Office of Foreign Asset Control of the Department of the Treasury as an agent, instrumentality, or affiliate of Hezbollah; and

(ii) the entity designated by the Secretary of State as a foreign terrorist organization pursuant to section 219 of the Immigration and Nationality Act (8 U.S.C. 1189).

(G) MONEY LAUNDERING.—The term “money laundering” means any of the activities described in paragraph (1), (2), or (3) of sec-

1 tion 1956(a) of title 18, United States Code,
2 with respect to which penalties may be imposed
3 pursuant to such section.

4 (2) OTHER DEFINITIONS.—The Secretary of
5 the Treasury may further define the terms used in
6 this section in the regulations prescribed under this
7 section.

8 **TITLE II—REPORTS ON DES-**
9 **IGNATION OF HEZBOLLAH AS**
10 **A SIGNIFICANT FOREIGN**
11 **NARCOTICS TRAFFICKER AND**
12 **A SIGNIFICANT TRANS-**
13 **NATIONAL CRIMINAL ORGA-**
14 **NIZATION**

15 **SEC. 201. REPORT ON DESIGNATION OF HEZBOLLAH AS A**
16 **SIGNIFICANT FOREIGN NARCOTICS TRAF-**
17 **FICKER.**

18 (a) REPORT REQUIRED.—Not later than 120 days
19 after the date of the enactment of this Act, the President
20 shall transmit to the appropriate congressional committees
21 a detailed report on whether Hezbollah meets the criteria
22 for designation under the Foreign Narcotics Kingpin Des-
23 ignation Act (21 U.S.C. 1901 et seq.) as a significant for-
24 eign narcotics trafficker, and if the President determines

1 that Hezbollah does not meet such criteria, a detailed justification as to which criteria have not been met.

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

6 **SEC. 202. REPORT ON DESIGNATION OF HEZBOLLAH AS A**
7 **SIGNIFICANT TRANSNATIONAL CRIMINAL OR-**
8 **GANIZATION.**

9 (a) SENSE OF CONGRESS.—It is the sense of Congress that—

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

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

17 (b) REPORT.—

18 (1) REPORT REQUIRED.—Not later than 120 days after the date of the enactment of this Act, the President shall transmit to the appropriate committees of Congress a detailed report on whether the Hezbollah meets the criteria for designation as a significant transnational criminal organization under Executive Order No. 13581 (76 Fed. Reg. 44757), and if the President determines that Hezbollah does

1 not meet such criteria, a detailed justification as to
2 which criteria have not been met.

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

6 **SEC. 203. REWARDS FOR JUSTICE AND HEZBOLLAH'S FUND-**
7 **RAISING, FINANCING, AND MONEY LAUN-**
8 **DERING ACTIVITIES.**

9 (a) REPORT.—Not later than 90 days after the date
10 of the enactment of this Act, the Secretary of State shall
11 submit to the appropriate congressional committees a re-
12 port that details actions taken by the Department of State
13 through the Department of State rewards program under
14 section 36 of the State Department Basic Authorities Act
15 (22 U.S.C. 2708) to obtain information on fundraising,
16 financing, and money laundering activities of Hezbollah
17 and its agents and affiliates.

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

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

1 (1) the Committee on Foreign Affairs and the
2 Committee on Financial Services of the House of
3 Representatives; and

4 (2) the Committee on Foreign Relations and
5 the Committee on Banking, Housing, and Urban Af-
6 fairs of the Senate.

7 **SEC. 204. REPORT ON ACTIVITIES OF FOREIGN GOVERN-**
8 **MENTS TO DISRUPT GLOBAL LOGISTICS NET-**
9 **WORKS AND FUNDRAISING, FINANCING, AND**
10 **MONEY LAUNDERING ACTIVITIES OF**
11 **HEZBOLLAH.**

12 (a) REPORT.—

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

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

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

22 (i) an assessment of whether the gov-
23 ernment of such country is taking ade-
24 quate measures to disrupt the global logis-

1 ties networks of Hezbollah within the terri-
2 tory of such country; and

3 (ii) in the case of a country the gov-
4 ernment of which is not taking adequate
5 measures to disrupt such networks—

6 (I) an assessment of the reasons
7 such government is not taking such
8 adequate measures; and

9 (II) a description of measures
10 being taken by the United States to
11 encourage such government to im-
12 prove measures to disrupt such net-
13 works;

14 (C) a list of countries in which Hezbollah,
15 or any of its agents or affiliates, conducts sig-
16 nificant fundraising, financing, or money laun-
17 dering activities;

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

20 (i) an assessment of whether the gov-
21 ernment of such country is taking ade-
22 quate measures to disrupt the fundraising,
23 financing, or money laundering activities of
24 Hezbollah and its agents and affiliates
25 within the territory of such country; and

1 (ii) in the case of a country the gov-
2 ernment of which is not taking adequate
3 measures to disrupt such activities—

4 (I) an assessment of the reasons
5 such government is not taking such
6 adequate measures; and

7 (II) a description of measures
8 being taken by the United States to
9 encourage such government to im-
10 prove measures to disrupt such activi-
11 ties; and

12 (E) a list of methods that Hezbollah, or
13 any of its agents or affiliates, utilizes to raise
14 or transfer funds, including trade-based money
15 laundering, the use of foreign exchange houses,
16 and free-trade zones.

17 (2) FORM.—The report required by paragraph
18 (1) shall be submitted in unclassified form to the
19 greatest extent possible, and may contain a classified
20 annex.

21 (3) GLOBAL LOGISTICS NETWORKS OF
22 HEZBOLLAH.—In this subsection, the term “global
23 logistics networks of Hezbollah”, “global logistics
24 networks”, or “networks” means financial, material,

1 or technological support for, or financial or other
2 services in support of, Hezbollah.

3 (b) BRIEFING ON HEZBOLLAH’S ASSETS AND AC-
4 TIVITIES RELATED TO FUNDRAISING, FINANCING, AND
5 MONEY LAUNDERING WORLDWIDE.—Not later than 90
6 days after the date of the enactment of this Act and every
7 180 days thereafter, the Secretary of State, the Secretary
8 of the Treasury, and the heads (or their designees) of
9 other applicable Federal departments and agencies shall
10 provide to the appropriate congressional committees a
11 briefing on the disposition of Hezbollah’s assets and activi-
12 ties related to fundraising, financing, and money laun-
13 dering worldwide.

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

17 (1) the Committee on Foreign Affairs, the
18 Committee on Financial Services, and the Perma-
19 nent Select Committee on Intelligence of the House
20 of Representatives; and

21 (2) the Committee on Foreign Relations, the
22 Committee on Banking, Housing, and Urban Af-
23 fairs, and the Select Committee on Intelligence of
24 the Senate.

1 **SEC. 205. APPROPRIATE CONGRESSIONAL COMMITTEES**

2 **DEFINED.**

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

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

9 (2) the Committee on Foreign Relations, the
10 Committee on Finance, and the Committee on the
11 Judiciary of the Senate.

12 **TITLE III—MISCELLANEOUS**
13 **PROVISIONS**

14 **SEC. 301. RULE OF CONSTRUCTION.**

15 Nothing in this Act or any amendment made by this
16 Act shall apply to the authorized intelligence activities of
17 the United States.

18 **SEC. 302. REGULATORY AUTHORITY.**

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

23 (b) NOTIFICATION TO CONGRESS.—Not less than 10
24 days before the promulgation of regulations under sub-
25 section (a), the President shall notify the appropriate con-
26 gressional committees (as such term is defined in section

1 203) of the proposed regulations and the provisions of this
2 Act and the amendments made by this Act that the regula-
3 tions are implementing.

4 **SEC. 303. TERMINATION.**

5 This Act shall terminate on the date that is 30 days
6 after the date on which the President certifies to Congress
7 that Hezbollah—

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

11 (2) is no longer listed in the Annex to Executive
12 Order No. 13224 (September 23, 2001; relating to
13 blocking property and prohibiting transactions with
14 persons who commit, threaten to commit, or support
15 terrorism); and

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

Passed the House of Representatives May 14, 2015.

Attest: KAREN L. HAAS,
Clerk.

By ROBERT F. REEVES,
Deputy Clerk.