

# Union Calendar No. 296

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

# H. R. 3662

**[Report No. 114-393, Part I]**

To enhance congressional oversight over the administration of sanctions against certain Iranian terrorism financiers, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

OCTOBER 1, 2015

Mr. RUSSELL (for himself, Mr. BRAT, Mr. WESTERMAN, Mrs. BLACK, Mr. HURD of Texas, Mr. ROUZER, Mr. MEEHAN, Mr. YOHO, Mr. GRAVES of Louisiana, Mrs. BROOKS of Indiana, Mr. GRAVES of Missouri, Mr. HARDY, Mr. JODY B. HICE of Georgia, Mr. BURGESS, Mr. FITZPATRICK, Mr. DESJARLAIS, Mr. DESANTIS, Mr. GIBBS, Ms. JENKINS of Kansas, Mr. MESSER, and Mr. LOUDERMILK) 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

JANUARY 11, 2016

Additional sponsors: Mr. ABRAHAM, Mr. WILSON of South Carolina, Mr. CURBELO of Florida, Mr. GIBSON, Mr. PALMER, Mrs. HARTZLER, Mr. ALLEN, Mr. BISHOP of Michigan, Mr. BOST, Mr. BUCSHON, Mr. NUNES, Mrs. WALORSKI, Mr. PERRY, Mr. MEADOWS, Mr. ZINKE, Mr. GOSAR, Mr. SESSIONS, Mr. WOMACK, Mr. LUCAS, Mr. GOODLATTE, Mr. BARLETTA, Ms. MCSALLY, Mrs. McMORRIS RODGERS, Ms. STEFANIK, Mr. POSEY, Mr. LANCE, Mr. JOHNSON of Ohio, Mr. LAMALFA, Mr. ROSKAM, Mrs. BLACKBURN, Mr. CRAMER, Mr. DOLD, Mr. CHAFFETZ, Mr. CARTER of Georgia, Mr. COOK, Mr. BYRNE, Mr. FLORES, Mr. PEARCE, Mr. NEWHOUSE, Mr. JENKINS of West Virginia, Mr. THOMPSON of Pennsylvania, and Mr. POMPEO

JANUARY 11, 2016

Reported from the Committee on Foreign Affairs

JANUARY 11, 2016

The Committee on Financial Services discharged; committed to the Committee of the Whole House on the State of the Union and ordered to be printed

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## **A BILL**

To enhance congressional oversight over the administration of sanctions against certain Iranian terrorism financiers, 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 Terror Finance  
5 Transparency Act”.

6 **SEC. 2. CERTIFICATION REQUIREMENT FOR REMOVAL OF**  
7                   **FOREIGN FINANCIAL INSTITUTIONS, INCLUD-**  
8                   **ING IRANIAN FINANCIAL INSTITUTIONS,**  
9                   **FROM THE LIST OF SPECIALLY DESIGNATED**  
10                   **NATIONALS AND BLOCKED PERSONS.**

11       (a) IN GENERAL.—On or after July 19, 2015, the  
12 President may not remove a foreign financial institution,  
13 including an Iranian financial institution, described in  
14 subsection (b) from the list of specially designated nation-  
15 als and blocked persons maintained by the Office of For-  
16 eign Asset Control of the Department of the Treasury un-  
17 less and until the President submits to the appropriate  
18 congressional committees a certification described in sub-  
19 section (c) with respect to the foreign financial institution.

20       (b) COVERED INSTITUTIONS.—A foreign financial in-  
21 stitution, including an Iranian financial institution, de-  
22 scribed in this subsection is a foreign financial institution  
23 listed in Attachment 3 or Attachment 4 to Annex II of  
24 the Joint Comprehensive Plan of Action.

1           (c) CERTIFICATION.—The President may remove a  
2 foreign financial institution, including an Iranian financial  
3 institution, described in subsection (b) from the list of spe-  
4 cially designated nationals and blocked persons main-  
5 tained by the Office of Foreign Asset Control of the De-  
6 partment of the Treasury if the President submits to the  
7 appropriate congressional committees a certification that  
8 the foreign financial institution—

9           (1) has not knowingly, directly or indirectly, fa-  
10 cilitated a significant transaction or transactions or  
11 provided significant financial services for or on be-  
12 half of—

13           (A) Iran’s Revolutionary Guard Corps or  
14 any of its agents or affiliates whose property or  
15 interests in property are blocked pursuant to  
16 the International Emergency Economic Powers  
17 Act (50 U.S.C. 1701 et seq.);

18           (B) a foreign terrorist organization for or  
19 on behalf of a person whose property or inter-  
20 ests in property have been blocked pursuant to  
21 Executive Order 13224 (66 Fed. Reg. 49079;  
22 relating to blocking property and prohibiting  
23 transactions with persons who commit, threaten  
24 to commit, or support terrorism); and

1 (C) a person whose property or interests in  
2 property are blocked pursuant to the Inter-  
3 national Emergency Economic Powers Act in  
4 connection with Iran’s proliferation of weapons  
5 of mass destruction or delivery systems for  
6 weapons of mass destruction, or to further  
7 Iran’s development of ballistic missiles and de-  
8 stabilizing types and amounts of conventional  
9 weapons; and

10 (2) no longer knowingly engages in illicit or de-  
11 ceptive financial transactions or other activities.

12 (d) FORM.—A certification described in subsection  
13 (c) shall be submitted in unclassified form, but may con-  
14 tain a classified annex.

15 (e) DEFINITIONS.—In this section:

16 (1) FOREIGN FINANCIAL INSTITUTION.—The  
17 term “foreign financial institution” has the meaning  
18 given such term in section 1010.605 of title 31,  
19 Code of Federal Regulations.

20 (2) FOREIGN TERRORIST ORGANIZATION.—The  
21 term “foreign terrorist organization” means any or-  
22 ganization designated by the Secretary of State as a  
23 foreign terrorist organization in accordance with sec-  
24 tion 219(a) of the Immigration and Nationality Act  
25 (8 U.S.C. 1189(a)).

1           (3) IRANIAN FINANCIAL INSTITUTION.—The  
2           term “Iranian financial institution” has the meaning  
3           given the term in section 104A(d)(3) of the Com-  
4           prehensive Iran Sanctions, Accountability, and Di-  
5           vestment Act of 2010 (22 U.S.C. 8513b(d)(3)).

6 **SEC. 3. CERTIFICATION REQUIREMENT FOR REMOVAL OF**  
7                                   **CERTAIN FOREIGN PERSONS FROM THE LIST**  
8                                   **OF SPECIALLY DESIGNATED NATIONALS AND**  
9                                   **BLOCKED PERSONS.**

10          (a) IN GENERAL.—On or after July 19, 2015, the  
11          President may not remove a foreign person described in  
12          subsection (b) from the list of specially designated nation-  
13          als and blocked persons maintained by the Office of For-  
14          eign Asset Control of the Department of the Treasury  
15          until the President submits to the appropriate congres-  
16          sional committees a certification described in subsection  
17          (c) with respect to the foreign person.

18          (b) COVERED PERSONS AND ENTITIES.—A foreign  
19          person described in this subsection is a foreign person list-  
20          ed in Attachment 3 or Attachment 4 to Annex II of the  
21          Joint Comprehensive Plan of Action.

22          (c) CERTIFICATION.—The President may remove a  
23          foreign person described in subsection (b) from the list  
24          of specially designated nationals and blocked persons  
25          maintained by the Office of Foreign Asset Control of the

1 Department of the Treasury if the President submits to  
2 the appropriate congressional committees a certification  
3 that the foreign person—

4 (1) has not knowingly assisted in, sponsored, or  
5 provided financial, material, or technological support  
6 for, or financial or other services to or in support of  
7 terrorism or a terrorist organization; and

8 (2) has not knowingly engaged in significant ac-  
9 tivities or transactions that have materially contrib-  
10 uted to the Government of Iran’s proliferation of  
11 weapons of mass destruction or their means of deliv-  
12 ery (including missiles capable of delivering such  
13 weapons), including any efforts to manufacture, ac-  
14 quire, possess, develop, transport, transfer, or use  
15 such item.

16 (d) FORM.—A certification described in subsection  
17 (c) shall be submitted in unclassified form, but may con-  
18 tain a classified annex.

19 (e) DEFINITIONS.—In this section:

20 (1) FOREIGN PERSON.—The term “foreign per-  
21 son”—

22 (A) means—

23 (i) an individual who is not a United  
24 States person;

1 (ii) a corporation, partnership, or  
2 other nongovernmental entity which is not  
3 a United States person; or

4 (iii) any representative, agent or in-  
5 strumentality of, or an individual working  
6 on behalf of a foreign government; but

7 (B) does not include a foreign financial in-  
8 stitution, including an Iranian financial institu-  
9 tion, described in section 2(b).

10 (2) UNITED STATES PERSON.—The term  
11 “United States person” means—

12 (A) a United States citizen or an alien law-  
13 fully admitted for permanent residence to the  
14 United States; or

15 (B) an entity organized under the laws of  
16 the United States or of any jurisdiction within  
17 the United States, including a foreign branch of  
18 such an entity.

19 **SEC. 4. CERTIFICATION REQUIREMENT FOR REMOVAL OF**  
20 **DESIGNATION OF IRAN AS A JURISDICTION**  
21 **OF PRIMARY MONEY LAUNDERING CONCERN.**

22 (a) IN GENERAL.—The President may not remove  
23 the designation of Iran as a jurisdiction of primary money  
24 laundering concern pursuant to section 5318A of title 31,  
25 United States Code, unless the President submits to the



1 appropriate congressional committees a certification de-  
2 scribed in subsection (b) with respect to Iran.

3 (b) CERTIFICATION.—The President may remove the  
4 designation of Iran as a jurisdiction of primary money  
5 laundering concern if the President submits to the appro-  
6 priate congressional committees a certification that the  
7 Government of Iran is no longer engaged in support for  
8 terrorism, pursuit of weapons of mass destruction, and  
9 any illicit and deceptive financial activities.

10 (c) FORM.—The certification described in subsection  
11 (b) shall be submitted in unclassified form, but may con-  
12 tain a classified annex.

13 (d) DEFINITION.—In this section, the term “appro-  
14 priate congressional committees” means—

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

18 (2) the Committee on Banking, Housing, and  
19 Urban Affairs of the Senate.

20 **SEC. 5. APPLICABILITY OF CONGRESSIONAL REVIEW OF**  
21 **CERTAIN AGENCY RULEMAKING RELATING**  
22 **TO IRAN.**

23 (a) IN GENERAL.—Notwithstanding any other provi-  
24 sion of law, any rule to amend or otherwise alter a covered  
25 regulatory provision as defined in subsection (c) that is

1 published on or after the date of the enactment of this  
2 Act shall be deemed to be a rule or major rule (as the  
3 case may be) for purposes of chapter 8 of title 5, United  
4 States Code, and shall be subject to all applicable require-  
5 ments of chapter 8 of title 5, United States Code.

6 (b) QUARTERLY REPORTS.—Not later than 60 days  
7 after the date of the enactment of this Act, and every 90  
8 days thereafter, the head of the applicable department or  
9 agency of the Federal Government shall submit to the ap-  
10 propriate congressional committees a report on the oper-  
11 ation of the licensing system under each covered regu-  
12 latory provision as defined in subsection (c) for the pre-  
13 ceding 2-year period, including—

14 (1) the number and types of licenses applied  
15 for;

16 (2) the number and types of licenses approved;

17 (3) a summary of each license approved;

18 (4) a summary of transactions conducted pur-  
19 suant to a general license;

20 (5) the average amount of time elapsed from  
21 the date of filing of a license application until the  
22 date of its approval;

23 (6) the extent to which the licensing procedures  
24 were effectively implemented; and

1 (7) a description of comments received from in-  
2 terested parties about the extent to which the licens-  
3 ing procedures were effective, after the applicable  
4 department or agency holds a public 30-day com-  
5 ment period.

6 (c) DEFINITION.—In this section, the term “covered  
7 regulatory provision” means any provision of part 535,  
8 560, 561, or 1060 of title 31, Code of Federal Regula-  
9 tions, as such part was in effect on June 1, 2015.

10 **SEC. 6. PROHIBITIONS AND CONDITIONS WITH RESPECT TO**  
11 **CERTAIN ACCOUNTS HELD BY FOREIGN FI-**  
12 **NANCIAL INSTITUTIONS.**

13 Section 104(c)(2)(A)(ii) of the Comprehensive Iran  
14 Sanctions, Accountability, and Divestment Act of 2010  
15 (22 U.S.C. 8513(c)(2)(A)(ii)) is amended by adding at the  
16 end before the semicolon the following: “, including  
17 Hezbollah, Hamas, the Palestinian Islamic Jihad, and any  
18 affiliates or successors thereof”.

19 **SEC. 7. DEFINITIONS.**

20 In this Act:

21 (1) APPROPRIATE CONGRESSIONAL COMMIT-  
22 TEES.—The term “appropriate congressional com-  
23 mittees” has the meaning given the term in section  
24 14(2) of the Iran Sanctions Act of 1996 (Public  
25 Law 104–172; 50 U.S.C. 1701 note).

1           (2) JOINT COMPREHENSIVE PLAN OF ACTION.—  
2           The term “Joint Comprehensive Plan of Action”  
3           means the Joint Comprehensive Plan of Action,  
4           signed at Vienna July 14, 2015, by Iran and by the  
5           People’s Republic of China, France, Germany, the  
6           Russian Federation, the United Kingdom and the  
7           United States, with the High Representative of the  
8           European Union for Foreign Affairs and Security  
9           Policy, and all implementing materials and agree-  
10          ments related to the Joint Comprehensive Plan of  
11          Action, and transmitted by the President to Con-  
12          gress on July 19, 2015, pursuant to section 135(a)  
13          of the Atomic Energy Act of 1954, as amended by  
14          the Iran Nuclear Agreement Review Act of 2015  
15          (Public Law 114–17; 129 Stat. 201).



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