H. R. 5461

IN THE SENATE OF THE UNITED STATES

SEPTEMBER 22, 2016

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

AN ACT

To require the Secretary of the Treasury to submit a report to the appropriate congressional committees on the estimated total assets under direct or indirect control by certain senior Iranian leaders and other figures, 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,
SECTION 1. SHORT TITLE.

This Act may be cited as the “Iranian Leadership Asset Transparency Act”.

SEC. 2. FINDINGS.

The Congress finds the following:

(1) Iran is characterized by high levels of official and institutional corruption, and substantial involvement by Iran’s security forces, particularly the Islamic Revolutionary Guard Corps (IRGC), in the economy.

(2) Many members of Iran’s senior political and military leadership have acquired significant personal and institutional wealth by using their positions to secure control of significant portions of Iran’s national economy.

(3) Sanctions relief provided through the Joint Comprehensive Plan of Action has resulted in the removal of many Iranian entities that are tied to governmental corruption from the list of entities sanctioned by the United States.

(4) The Department of Treasury in 2011 designated the Islamic Republic of Iran’s financial sector as a jurisdiction of primary money laundering concern under section 311 of the USA PATRIOT Act, stating “Treasury has for the first time identified the entire Iranian financial sector; including
Iran’s Central Bank, private Iranian banks, and branches, and subsidiaries of Iranian banks operating outside of Iran as posing illicit finance risks for the global financial system.”.

(5) Iran continues to be listed by the Financial Action Task Force (FATF) among the “Non-Cooperative Countries or Territories” — countries which it perceived to be non-cooperative in the global fight against terror finance and money laundering.

(6) Iran and North Korea are the only countries listed by the FATF as “Non-Cooperative Countries or Territories” against which FATF countries should take measures.

(7) The Transparency International index of perceived public corruption ranks Iran 130th out of 168 countries surveyed.

(8) The State Department identified Iran as a country/jurisdiction of “primary concern” for money laundering in its 2014 International Narcotics Control Strategy Report (INCSR).

(9) The State Department currently identifies Iran, along with Sudan and Syria, as a state sponsor of terrorism, “having repeatedly provided support for acts of international terrorism”.

(10) The State Department’s “Country Reports on Terrorism”, published last in June 2015 noted that “Iran continued to sponsor terrorist groups around the world, principally through its Islamic Revolutionary Guard Corps–Qods Force (IRGC–QF). These groups included Lebanese Hizballah, several Iraqi Shia militant groups, Hamas, and Palestine Islamic Jihad. Iran, Hizballah, and other Shia militia continued to provide support to the Asad regime, dramatically bolstering its capabilities, prolonging the civil war in Syria, and worsening the human rights and refugee crisis there.”.

(11) The Iranian Government’s tolerance of corruption and nepotism in business limits opportunities for foreign and domestic investment, particularly given the significant involvement of the IRGC in many sectors of Iran’s economy.

(12) The IRGC and the leadership-controlled bonyads (foundations) control an estimated one-third of Iran’s total economy, including large portions of Iran’s telecommunications, construction, and airport and port operations. These operations give the IRGC and bonyads vast funds to support terrorist organizations such as Hezbollah and Hamas.
(13) By gaining control of major economic sectors, the IRGC and bonyads have also served to further disadvantage the average Iranian.

SEC. 3. REPORT REQUIREMENT RELATING TO ASSETS OF IRANIAN LEADERS AND CERTAIN SENIOR POLITICAL FIGURES.

(a) IN GENERAL.—Not later than 270 days after the date of enactment of this Act, and annually thereafter (or more frequently if the Secretary of the Treasury determines it appropriate based on new information received by the Secretary) for the following 2 years, the Secretary of the Treasury shall, in furtherance of the Secretary’s efforts to prevent the financing of terrorism, money laundering, or related illicit finance and to make financial institutions’ required compliance with remaining sanctions more easily understood, submit a report to the appropriate congressional committees containing—

(1) the estimated total funds or assets held in accounts at U.S. and foreign financial institutions that are under direct or indirect control by each natural person described in subsection (b) and a description of such assets;

(2) an identification of any equity stake such natural person has in an entity on the Department
of the Treasury’s list of Specially Designated Na-

tionals or in any other sanctioned entity;

(3) a description of how such funds or assets or

equity interests were acquired, and how they have

been used or employed;

(4) a description of any new methods or tech-
niques used to evade anti-money laundering and re-
lated laws, including recommendations to improve

techniques to combat illicit uses of the U.S. financial

system by each natural person described in sub-

section (b);

(5) recommendations for how U.S. economic

sanctions against Iran may be revised to prevent the

funds or assets described under this subsection from

being used by the natural persons described in sub-

section (b) to contribute to the continued develop-

ment, testing, and procurement of ballistic missile

technology by Iran;

(6) a description of how the Department of the

Treasury assesses the impact and effectiveness of

U.S. economic sanctions programs against Iran; and

(7) recommendations for improving the ability

of the Department of the Treasury to rapidly and ef-

fectively develop, implement, and enforce additional

economic sanctions against Iran if so ordered by the
President under the International Emergency Economic Powers Act or other corresponding legislation.

(b) **PERSONS DESCRIBED.**—The natural persons described in this subsection are the following:

(1) The Supreme Leader of Iran.

(2) The President of Iran.

(3) Members of the Council of Guardians.

(4) Members of the Expediency Council.

(5) The Minister of Intelligence and Security.

(6) The Commander and the Deputy Commander of the IRGC.

(7) The Commander and the Deputy Commander of the IRGC Ground Forces.

(8) The Commander and the Deputy Commander of the IRGC Aerospace Force.

(9) The Commander and the Deputy Commander of the IRGC Navy.


(11) The Commander of the Qods Force.

(12) The Commander in Chief of the Police Force.

(13) The head of the IRGC Joint Staff.

(14) The Commander of the IRGC Intelligence.
(15) The head of the IRGC Imam Hussein University.

(16) The Supreme Leader’s Representative at the IRGC.

(17) The Chief Executive Officer and the Chairman of the IRGC Cooperative Foundation.

(18) The Commander of the Khatam-al-Anbia Construction Head Quarter.

(19) The Chief Executive Officer of the Basij Cooperative Foundation.

(20) The head of the Political Bureau of the IRGC.

(21) The head of the Atomic Energy Organization of Iran.

(c) FORM OF REPORT; PUBLIC AVAILABILITY.—

(1) FORM.—The report required under subsection (a) shall be submitted in unclassified form but may contain a classified annex.

(2) PUBLIC AVAILABILITY.—The unclassified portion of such report shall be made available to the public and posted on the website of the Department of the Treasury—

(A) in English, Farsi, Arabic, and Azeri; and
(B) in precompressed, easily downloadable versions that are made available in all appropriate formats.

(d) SOURCES OF INFORMATION.—In preparing a report described under subsection (a), the Secretary of the Treasury may utilize any credible publication, database, web-based resource, and any credible information compiled by any government agency, nongovernmental organization, or other entity provided to or made available to the Secretary.

(e) DEFINITIONS.—For purposes of this section:

(1) APPROPRIATE CONGRESSIONAL COMMITTEES.—The term “appropriate congressional committees” means the Committees on Financial Services and Foreign Affairs of the House of Representatives and the Committees on Banking, Housing, and Urban Affairs and Foreign Relations of the Senate.

(2) FUNDS.—The term “funds” means—

(A) cash;

(B) equity;

(C) any other intangible asset whose value is derived from a contractual claim, including bank deposits, bonds, stocks, a security as defined in section 2(a) of the Securities Act of
1933 (15 U.S.C. 77b(a)), or a security or an equity security as defined in section 3(a) of the Securities Exchange Act of 1934 (15 U.S.C. 78c(a)); and (D) anything else that the Secretary determines appropriate.

Passed the House of Representatives September 21, 2016.

Attest: KAREN L. HAAS, Clerk.