To impose sanctions with respect to Iranian financial institutions and the development and use of Iranian digital currency, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

DECEMBER 17, 2018

Mr. Gallagher (for himself, Ms. Stefanik, Mrs. Walorski, Mr. Lamborn, Mr. King of New York, Mr. Bacon, and Mr. Banks of Indiana) introduced the following bill; which was referred to the Committee on Foreign Affairs, and in addition to the Committees on Financial Services, the Judiciary, Ways and Means, and Oversight and Government Reform, 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 impose sanctions with respect to Iranian financial institutions and the development and use of Iranian digital currency, and for other purposes.

1 Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

2 SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

3 (a) Short Title.—This Act may be cited as the “Blocking Iran Illicit Finance Act”.

4 (b) Table of Contents.—The table of contents for this Act is as follows:

H. R. 7321

To impose sanctions with respect to Iranian financial institutions and the development and use of Iranian digital currency, and for other purposes.
TITLE I—STRENGTHENING EXISTING SANCTIONS WITH RESPECT TO IRAN TO ACCOUNT FOR ALL SANCTIONABLE ACTIVITY, INCLUDING HUMAN RIGHTS ABUSES

Sec. 101. Findings.
Sec. 102. Expansion of prohibitions on correspondent accounts or payable-through accounts for foreign financial institutions that facilitate transactions or provide financial services for certain Iranian financial institutions.
Sec. 103. Expansion of sanctions with respect to persons knowingly and directly providing specialized financial messaging services to, or enabling or facilitating direct or indirect access to such messaging services for, the Central Bank of Iran, other designated Iranian banks, or Iranian financial institutions removed from the list of specially designated persons pursuant to the implementation of the Joint Comprehensive Plan of Action.

TITLE II—NEW SANCTIONS AUTHORITIES WITH RESPECT TO IRANIAN BANKS

Sec. 201. Findings.
Sec. 202. Issuance of final rule regarding application of special measures with respect to Iran in connection with designation as jurisdiction of primary money laundering concern.
Sec. 203. Imposition of sanctions with respect to financial sector of Iran.
Sec. 204. Authorization of imposition of terrorism-related sanctions with respect to Iranian financial institutions.

TITLE III—SANCTIONS WITH RESPECT TO THE DEVELOPMENT AND USE OF IRANIAN DIGITAL CURRENCY

Sec. 301. Definitions.
Sec. 302. Findings.
Sec. 303. Prohibition on transactions related to, provision of financing for, and other dealings in Iranian digital currency.
Sec. 304. Sanctions with respect to foreign persons that engage in significant transactions for the sale, supply, or transfer to Iran of significant goods or services used in connection with the development of Iranian digital currency.
Sec. 305. Sanctions with respect to foreign persons that conduct or facilitate significant transactions related to the purchase or sale of Iranian digital currency or maintain significant amounts in Iranian digital currency.
TITLE I—STRENGTHENING EXISTING SANCTIONS WITH RESPECT TO IRAN TO ACCOUNT FOR ALL SANCTIONABLE ACTIVITY, INCLUDING HUMAN RIGHTS ABUSES

SEC. 101. FINDINGS.

Congress finds the following:

(1) On November 5, 2018, the Secretary of the Treasury for the first time sanctioned Iranian banks for having materially assisted, sponsored, or provided financial, material, or technological support for, or goods or services to or in support of the human rights abuses of the Government of Iran, including—

(A) Ghavamin Bank, for providing services to the Law Enforcement Forces of Iran, which had been designated for complicity “in serious human rights abuses in Iran, including operating detention centers where detained protestors were deprived of basic needs such as medical care”; and

(B) Ayandeh Bank, for providing services to the Islamic Republic of Iran Broadcasting, Iran’s state-media apparatus, which had been
designated for “restricting or denying the free
flow of information to or from the Iranian peo-
ple . . . [and] was implicated in censoring mul-
tiple media outlets and airing forced confessions
from political detainees”.

(2) Section 220 of the Iran Threat Reduction
and Syria Human Rights Act of 2012 (22 U.S.C.
8726) authorizes the imposition of sanctions with re-
spect to persons who knowingly and directly provide
specialized financial messaging services to, or know-
ingly enable or facilitate direct or indirect access to
such messaging services for, the Central Bank of
Iran or certain other sanctioned Iranian financial in-
stitutions.

SEC. 102. EXPANSION OF PROHIBITIONS ON COR-
RESPONDENT ACCOUNTS OR PAYABLE-
THROUGH ACCOUNTS FOR FOREIGN FINAN-
CIAL INSTITUTIONS THAT FACILITATE
TRANSACTIONS OR PROVIDE FINANCIAL
SERVICES FOR CERTAIN IRANIAN FINANCIAL
INSTITUTIONS.

Section 104(c)(2)(E) of the Comprehensive Iran
Sanctions, Accountability, and Divestment Act of 2010
(22 U.S.C. 8513(c)(2)(E)) is amended—
(1) in clause (i), by striking “or” at the end;
(2) in clause (ii)(II), by striking the period at the end and inserting ‘‘; or’’; and

(3) by adding at the end the following:

‘‘(iii) an Iranian financial institution included on the list of specially designated nationals and blocked persons maintained by the Office of Foreign Assets Control of the Department of the Treasury.’’.

SEC. 103. EXPANSION OF SANCTIONS WITH RESPECT TO PERSONS KNOWINGLY AND DIRECTLY PROVIDING SPECIALIZED FINANCIAL MESSAGING SERVICES TO, OR ENABLING OR FACILITATING DIRECT OR INDIRECT ACCESS TO SUCH MESSAGING SERVICES FOR, THE CENTRAL BANK OF IRAN, OTHER DESIGNATED IRANIAN BANKS, OR IRANIAN FINANCIAL INSTITUTIONS REMOVED FROM THE LIST OF SPECIALLY DESIGNATED PERSONS PURSUANT TO THE IMPLEMENTATION OF THE JOINT COMPREHENSIVE PLAN OF ACTION.

(a) IN GENERAL.—Section 220 of the Iran Threat Reduction and Syria Human Rights Act of 2012 (22 U.S.C. 8726) is amended—

(1) in the section header, by striking ‘‘AUTHORIZATION OF’’;
(2) in subsection (b)—

(A) in paragraph (1)—

(i) in subparagraph (A), by striking “or a financial institution described in section 104(c)(2)(E)(ii) of the Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010 (22 U.S.C. 8513(c)(2)(E)(ii))” and inserting “, a financial institution described in clause (ii) or (iii) of section 104(c)(2)(E) of the Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010 (22 U.S.C. 8513(c)(2)(E)), or a financial institution that was removed from the list of specially designated nationals and blocked persons maintained by the Office of Foreign Assets Control of the Department of the Treasury pursuant to the implementation of the Joint Comprehensive Plan of Action”; and

(ii) in subparagraph (B), by striking “that section” and inserting “subparagraph (A)”; and

(B) in paragraph (2), by striking “or a financial institution described in section 104(c)(2)(E)(ii) of the Comprehensive Iran
Sanctions, Accountability, and Divestment Act of 2010 (22 U.S.C. 8513(c)(2)(E)(ii))” and inserting “, a financial institution described in clause (ii) or (iii) of section 104(c)(2)(E) of the Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010 (22 U.S.C. 8513(c)(2)(E)), or a financial institution that was removed from the list of specially designated nationals and blocked persons maintained by the Office of Foreign Assets Control of the Department of the Treasury pursuant to the implementation of the Joint Comprehensive Plan of Action’’;

(3) in subsection (e)—

(A) in the subsection header, by striking “AUTHORIZATION OF IMPOSITION” and inserting “IMPOSITION”;

(B) in paragraph (1)—

(i) by striking “the date that is 90 days after the date of the enactment of this Act” and inserting “the date of the enactment of the Blocking Iran Illicit Finance Act”;

(ii) by striking “or a financial institution described in paragraph (2)(E)(ii) of
section 104(c) of the Comprehensive Iran
Sanctions, Accountability, and Divestment
Act of 2010 (22 U.S.C. 8513(c))” and in-
serting “a financial institution described
in clause (ii) or (iii) of paragraph (2)(E) of
section 104(c) of the Comprehensive Iran
Sanctions, Accountability, and Divestment
Act of 2010 (22 U.S.C. 8513(c)), or a fi-
nancial institution that was removed from
the list of specially designated nationals
and blocked persons maintained by the Of-
fice of Foreign Assets Control of the De-
partment of the Treasury pursuant to the
implementation of the Joint Comprehen-
sive Plan of Action”; and

(iii) by striking “the President may”
and inserting “the President shall”; and

(C) in paragraph (2)—

(i) in the matter preceding subpara-
graph (A), by striking “section
104(c)(2)(E)(ii) of the Comprehensive Iran
Sanctions, Accountability, and Divestment
Act of 2010 (22 U.S.C.
8513(c)(2)(E)(ii))” and inserting “that
paragraph”; and

(4) by adding at the end the following:

“(e) JOINT COMPREHENSIVE PLAN OF ACTION DEFINED.—In this section, the term ‘Joint Comprehensive Plan of Action’ means the Joint Comprehensive Plan of Action agreed to at Vienna on July 14, 2015, by Iran and by France, Germany, the Russian Federation, the People’s Republic of China, the United Kingdom, and the United States, and all implementing materials and agreements related to the Joint Comprehensive Plan of Action.”.

(b) CLERICAL AMENDMENT.—The table of contents for the Iran Threat Reduction and Syria Human Rights Act of 2012 is amended by striking the item relating to section 220 and inserting the following:

“Sec. 220. Reports on, and imposition of sanctions with respect to, the provision of specialized financial messaging services to the Central Bank of Iran and other sanctioned Iranian financial institutions.”.
TITLE II—NEW SANCTIONS AUTHORITY WITH RESPECT TO IRANIAN BANKS

SEC. 201. FINDINGS.

Congress finds the following:

(1) On May 8, 2018, the President issued National Security Presidential Memorandum 11 entitled “Ceasing United States Participation in the Joint Comprehensive Plan of Action and Taking Additional Action to Counter Iran’s Malign Influence and Deny Iran All Paths to a Nuclear Weapon”, that—

(A) established that “it is in the national interest of the United States to re-impose sanctions lifted or waived in connection with the JCPOA as expeditiously as possible”; and

(B) instructed the Secretary of State and the Secretary of the Treasury to “immediately begin taking steps to reimpose all United States sanctions lifted or waived in connection with the JCPOA, including those under the National Defense Authorization Act for Fiscal Year 2012, the Iran Sanctions Act of 1996, the Iran Threat Reduction and Syria Human Rights Act
of 2012, and the Iran Freedom and Counter-
proliferation Act of 2012”.

(2) Section 1245(b) of the National Defense 
Authorization Act for Fiscal Year 2012 (22 U.S.C. 
8513a(b)) designated the financial sector of Iran, in-
cluding the Central Bank of Iran, as a jurisdiction 
of primary money laundering concern for purposes 
of section 5318A of title 31, United States Code, 
“because of the threat to government and financial 
institutions resulting from the illicit activities of the 
Government of Iran, including its pursuit of nuclear 
weapons, support for international terrorism, and ef-
forts to deceive responsible financial institutions and 
evade sanctions”.

(3) Since October 2007, the Financial Action 
Task Force, an intergovernmental organization that 
sets standards and promotes implementation of 
measures to combat money laundering, terrorist fi-
nancing, and related threats to the integrity of the 
international financial system, identified Iran as pos-
ing a “significant vulnerability within the inter-
national financial system” due to deficiencies in 
Iran’s antimonery laundering efforts and efforts to 
combat the financing of terrorism (collectively known 
as Iran’s AML/CFT regime).
(4) On November 25, 2011, the Secretary of the Treasury issued a finding under section 5318A of title 31, United States Code, that reasonable grounds exist for concluding that Iran is a jurisdiction of primary money laundering concern.

(5) Since June 2016, the Financial Action Task Force has “welcomed Iran’s high-level political commitment to address its strategic AML/CFT deficiencies, and its decision to seek technical assistance in the implementation of the Action Plan”, but—

(A) on September 2, 2017, Iranian Defense Minister Amir Hatami stated that Iran would increase its support for terrorist groups such as Hezbollah, stating that “perhaps the main fear of the arrogant powers about our relationship with the resistance axis is that they do not want such a pattern to see the light of day”; 

(B) on October 8, 2018, the Iranian parliament approved a bill authorizing Iran to join the International Convention for the Suppression of the Financing of Terrorism, but included exemptions for continued financing of terror organizations such as Hamas and Hezbollah; and
(C) On October 19, 2018, the Financial Action Task Force issued a statement noting that “Iran’s action plan expired in January 2018 . . . [and] the majority of the Action Plan remains outstanding . . . Until Iran implements the measures required to address the deficiencies identified in the Action Plan, the FATF will remain concerned with the terrorist financing risk emanating from Iran and the threat this poses to the international financial system.”.

(6) On October 11, 2018, the Financial Crimes Enforcement Network issued an advisory that “Some of the methods used by the Iranian regime to access the financial system through covert means and to further its malign activities include misusing banks and exchange houses, operating procurement networks that utilize front or shell companies, exploiting commercial shipping, and masking illicit transactions using senior officials . . . FinCEN expects that Iranian financial institutions, the Iranian regime, and its officials will increase their efforts to evade U.S. sanctions to fund malign activities and secure hard currency for the Government of Iran,
following the re-imposition of sanctions lifted under the JCPOA.”.

SEC. 202. ISSUANCE OF FINAL RULE REGARDING APPLICATION OF SPECIAL MEASURES WITH RESPECT TO IRAN IN CONNECTION WITH DESIGNATION AS JURISDICTION OF PRIMARY MONEY LAUNDERING CONCERN.

Not later than 90 days after the date of the enactment of this Act, the Secretary of the Treasury shall issue a final rule pursuant to section 5318A of title 31, United States Code, that—

(1) applies the measures described in paragraph (5) of subsection (b) of that section with respect to Iran; and

(2) applies such other measures described in that subsection with respect to Iran as the Secretary considers appropriate.

SEC. 203. IMPOSITION OF SANCTIONS WITH RESPECT TO FINANCIAL SECTOR OF IRAN.

(a) SANCTIONS WITH RESPECT TO SECTORS OF THE ECONOMY OF IRAN.—

(1) IN GENERAL.—Section 1244 of the Iran Freedom and Counter-Proliferation Act of 2012 (22 U.S.C. 8803) is amended—
(A) in the section header, by striking “AND SHIPBUILDING” and inserting “SHIPBUILDING, AND FINANCIAL”;

(B) in subsection (a)(1), by striking “and shipbuilding” and inserting “shipbuilding, and financial”;

(C) in subsection (b)—

(i) in the subsection header, by striking “AND SHIPBUILDING” and inserting “SHIPBUILDING, AND FINANCIAL”; and

(ii) by striking “and shipbuilding” and inserting “shipbuilding, and financial”;

(D) in subsection (c)—

(i) in the subsection header, by striking “AND SHIPBUILDING” and inserting “SHIPBUILDING, AND FINANCIAL”;

(ii) in paragraph (2)—

(I) in subparagraph (A), by striking “or shipbuilding” and inserting “shipbuilding, or financial”; and

(II) in subparagraph (C)—

(aa) in clause (i), by striking “or shipbuilding” and inserting “shipbuilding, or financial”; and
(bb) in clause (iii), by striking “(other than an Iranian financial institution described in paragraph (3))”; and

(iii) by striking paragraph (3); and

(E) in subsection (d)—

(i) in the subsection header, by striking “AND SHIPBUILDING” and inserting “SHIPBUILDING, AND FINANCIAL”; and

(ii) in paragraph (3), by striking “or shipbuilding” and inserting “shipbuilding, or financial”.

(2) CLERICAL AMENDMENT.—The table of contents for the Iran Freedom and Counter-Proliferation Act of 2012 is amended by striking the item relating to section 1244 and inserting the following:

“Sec. 1244. Imposition of sanctions with respect to the energy, shipping, shipbuilding, and financial sectors of Iran.”.

(b) SANCTIONS WITH RESPECT TO SALE, SUPPLY, OR TRANSFER OF CERTAIN MATERIALS.—

(1) IN GENERAL.—Section 1245 of the Iran Freedom and Counter-Proliferation Act of 2012 (22 U.S.C. 8804) is amended—

(A) in subsection (a)(1)(C)(i)—
(i) in subclause (I), by striking “or shipbuilding” and inserting “shipbuilding, or financial”; and

(ii) in subclause (II), by striking “(other than an Iranian financial institution described in subsection (b))”; 

(B) by striking subsection (b); and 

(C) by redesignating subsections (c) through (h) as subsections (b) through (g), respectively.

(2) CONFORMING AMENDMENTS.—

(A) IN GENERAL.—Such section is further amended—

(i) in subsection (a)(1)—

(I) in subparagraph (B)—

(aa) by striking “subsection (d)” and inserting “subsection (c)”; and 

(bb) by striking “subsection (e)(1)” and inserting “subsection (d)(1)”;

(II) in subparagraph (C)—

(aa) in the matter preceding clause (i), by striking “subsection
(d)” and inserting “subsection (e)”;

(bb) in clause (i)—

(AA) in subclause (I), by striking “subsection (e)(2)” and inserting “subsection (d)(2)”;

(BB) in subclause (III), by striking “subsection (e)(3)” and inserting “subsection (d)(3)”;

(ii) in subsection (d), as redesignated by paragraph (1)(C)—

(I) in paragraph (1)(A), by striking “subsection (d)” and inserting “subsection (e)”;

(II) in paragraph (3), by striking “subsection (d)” and inserting “subsection (e)”;

(iii) in subsection (e), as so redesignated, by striking “subsection (a) or (c)” and inserting “subsection (a) or (b)”.

(B) SANCTIONS WITH RESPECT TO UNDERWRITING SERVICES OR INSURANCE OR REINSURANCE.—Section 1246(a)(1)(B)(ii) of the Iran
Freedom and Counter-Proliferation Act of 2012

(22 U.S.C. 8805(a)(1)(B)(ii)) is amended by striking “section 1245(d)” and inserting “section 1245(e)”.

(C) Application of Iran Sanctions Act of 1996.—Section 1253(c) of the Iran Freedom and Counter-Proliferation Act of 2012 (22 U.S.C. 8809(c)) is amended by striking “1245(g)” and inserting “1245(f)”.

(c) Sanctions With Respect to Underwriting Services or Insurance or Reinsurance.—

(1) In general.—Section 1246 of the Iran Freedom and Counter-Proliferation Act of 2012 (22 U.S.C. 8805) is amended—

(A) in subsection (a)(1)—

(i) in subparagraph (B)(i), by striking “or shipbuilding” and inserting “shipbuilding, or financial”; and

(ii) in subparagraph (C), by striking “(other than an Iranian financial institution described in subsection (b))”;

(B) by striking subsection (b); and

(C) by redesignating subsections (c), (d), and (e) as subsections (b), (c), and (d), respectively.
(2) CONFORMING AMENDMENT.—Section 1253(c) of the Iran Freedom and Counter-Proliferation Act of 2012 (22 U.S.C. 8809(c)) is amended by striking “1246(e)” and inserting “1246(d)”.

SEC. 204. AUTHORIZATION OF IMPOSITION OF TERRORISM-RELATED SANCTIONS WITH RESPECT TO IRANIAN FINANCIAL INSTITUTIONS.

(a) IN GENERAL.—The Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010 (22 U.S.C. 8501 et seq.) is amended by inserting after section 104A the following:

"SEC. 104B. AUTHORIZATION OF IMPOSITION OF TERRORISM-RELATED SANCTIONS WITH RESPECT TO IRANIAN FINANCIAL INSTITUTIONS.

"(a) IN GENERAL.—The President may impose the sanctions described in subsection (b) with respect to an Iranian financial institution and any foreign person that is an official, agent, or affiliate of an Iranian financial institution.

"(b) SANCTIONS DESCRIBED.—The sanctions described in this subsection are sanctions applicable with respect to a foreign person pursuant to Executive Order No. 13224 (50 U.S.C. 1701 note; relating to blocking property..."
and prohibiting transactions with persons who commit, threaten to commit, or support terrorism).

“(c) **Iranian Financial Institution Defined.**—In this section, the term ‘Iranian financial institution’ has the meaning given that term in section 104A(d)(3).”.

(b) **Clerical Amendment.**—The table of contents for the Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010 (22 U.S.C. 8501 et seq.) is amended by inserting after the item relating to section 104A the following:

“Sec. 104B. Authorization of imposition of terrorism-related sanctions with respect to Iranian financial institutions.”.

**TITLE III—SANCTIONS WITH RESPECT TO THE DEVELOPMENT AND USE OF IRANIAN DIGITAL CURRENCY**

**SEC. 301. DEFINITIONS.**

In this title:

(1) **Correspondent Account; Payable-Through Account.**—The terms “correspondent account” and “payable-through account” have the meanings given those terms in section 5318A of title 31, United States Code.

(2) **Digital Currency Exchange.**—The term “digital currency exchange” means any organization, association, or group of persons, whether incor-
porated or unincorporated, which constitutes, maintains, or provides a market place or facilities for bringing together purchasers and sellers of digital currencies or for otherwise performing with respect to digital currencies the functions commonly performed by an exchange as that term is generally understood, and includes the market place and the market facilities maintained by such digital currency exchange.

(3) FOREIGN PERSON.—The term “foreign person” means a person that is not a United States person.

(4) IRANIAN DIGITAL CURRENCY.—The term “Iranian digital currency” means any digital currency, digital coin, or digital token that was issued by, for, or on behalf of the Government of Iran.

(5) UNITED STATES PERSON.—The term “United States person” means any United States citizen, permanent resident alien, entity organized under the laws of the United States or any jurisdiction within the United States (including foreign branches), or person in the United States.

SEC. 302. FINDINGS.

Congress makes the following findings:
(1) On February 13, 2018, the Under Secretary of the Treasury for Terrorism and Financial Intelligence stated that “Rogue regimes like Venezuela experiment with and use digital and virtual currencies to hide their ill-gotten gains and finance their illicit activities. Recently, for example, Venezuela announced plans to create the ‘petro’ digital currency to try and sidestep our powerful sanctions.”.

(2) In April 2018, the Minister of Information and Communications Technology of Iran stated that “the experimental model was ready” for a digital currency developed by the Government of Iran.

(3) In June 2018, the Deputy for Management and Investment at the Directorate for Scientific and Technological Affairs of Iran stated that “We are trying to prepare the grounds to use a domestic digital currency in the country . . . This currency would facilitate the transfer of money (to and from) anywhere in the world. Besides, it can help us at the time of sanctions.”.

(4) In October 2018, the head of the Civil Defense Organization of Iran stated that “cryptocurrencies can help bypass certain sanctions through untraceable banking operations”.

•HR 7321 IH
SEC. 303. PROHIBITION ON TRANSACTIONS RELATED TO, PROVISION OF FINANCING FOR, AND OTHER DEALINGS IN IRANIAN DIGITAL CURRENCY.

(a) In General.—All transactions related to, provision of financing for, and other dealings in Iranian digital currency by a United States person or within the United States are prohibited.

(b) Penalties.—The penalties provided for in subsections (b) and (c) of section 206 of the International Emergency Economic Powers Act (50 U.S.C. 1705) shall apply to a person that knowingly violates, attempts to violate, conspires to violate, or causes a violation of subsection (a) to the same extent that such penalties apply to a person that knowingly commits an unlawful act described in section 206(a) of such Act.

SEC. 304. SANCTIONS WITH RESPECT TO FOREIGN PERSONS THAT ENGAGE IN SIGNIFICANT TRANSACTIONS FOR THE SALE, SUPPLY, OR TRANSFER TO IRAN OF SIGNIFICANT GOODS OR SERVICES USED IN CONNECTION WITH THE DEVELOPMENT OF IRANIAN DIGITAL CURRENCY.

The President shall impose 5 or more of the sanctions described in section 6(a) of the Iran Sanctions Act of 1996 (Public Law 104–172; 50 U.S.C. 1701 note) with respect to any foreign person that the President determines know-
ingly engages, on or after the date of the enactment of this Act, in a significant transaction for the sale, supply, or transfer to Iran of significant goods or services, or technological support, used in connection with the development of Iranian digital currency.

SEC. 305. SANCTIONS WITH RESPECT TO FOREIGN PERSONS THAT CONDUCT OR FACILITATE SIGNIFICANT TRANSACTIONS RELATED TO THE PURCHASE OR SALE OF IRANIAN DIGITAL CURRENCY OR MAINTAIN SIGNIFICANT AMOUNTS IN IRANIAN DIGITAL CURRENCY.

(a) IN GENERAL.—The President may impose the sanctions described in subsection (b) with respect to a foreign person if the President determines that the foreign person, on or after the date of the enactment of this Act—

(1) knowingly conducts or facilitates any significant transaction related to the purchase or sale of Iranian digital currency or a derivative, swap, future, forward, or other similar contract the value of which is based on the exchange rate of Iranian digital currency; or

(2) maintains significant amounts denominated in Iranian digital currency outside the territory of Iran.
(b) Sanctions Described.—The sanctions to be imposed on a foreign person under this subsection are the following:

(1) Correspondent and payable-through account limitations.—With respect to any digital currency exchange subject to sanctions under subsection (a), prohibiting the opening, and imposing strict conditions on the maintaining, in the United States of a correspondent account or payable-through account by the digital currency exchange.

(2) Blocking of property.—Blocking and prohibiting all transactions in all property and interests in property of the foreign person if such property and interests in property are in the United States, come within the United States, or are or come within the possession or control of a United States person.

(3) Visa ban.—With respect to a foreign person who is an alien, inadmissibility to the United States and ineligibility to receive a visa or other documentation to enter the United States.

(c) Exception to Comply With United Nations Headquarters Agreement and Other International Obligations.—The sanctions under subsection (b)(3) may not be imposed on an individual if ad-
mitting that individual to the United States is necessary to permit the United States to comply with the Agreement regarding the Headquarters of the United Nations, signed at Lake Success June 26, 1947, and entered into force November 21, 1947, between the United Nations and the United States, or with other applicable international obligations.

SEC. 306. REPORT ON PROGRESS OF GOVERNMENT OF IRAN IN CREATING A SOVEREIGN CRYPTOCURRENCY.

(a) IN GENERAL.—Not later than 120 days after the date of the enactment of this Act, the Secretary of the Treasury shall submit to Congress a report on the status of the progress of the Government of Iran in creating a sovereign cryptocurrency.

(b) ELEMENTS.—The report required by paragraph (1) shall include the following:

(1) An assessment of the progress of the Government of Iran in creating a sovereign cryptocurrency.

(2) A description of the technical details of what is being developed, including whether the Government of Iran intends to—

(A) fork an existing blockchain or create a new one;
(B) make the blockchain open or closed; or
(C) involve the Central Bank of Iran.

(3) An assessment of the state and non-state actors that are assisting the Government of Iran in creating a sovereign cryptocurrency, including the governments of the People’s Republic of China, the Russian Federation, the Bolivarian Republic of Venezuela, and the Republic of Turkey.

(4) An assessment of the effect that successful development, deployment, and maintenance by the Government of Iran of a sovereign cryptocurrency would have on the effectiveness of existing United States sanctions with respect to Iran.

(5) An assessment of the technology and infrastructure that the Government of Iran would need to develop, deploy, and maintain a national digital currency, including a cryptocurrency.

(6) An identification of the countries that have agreed to assist the United States in blocking efforts to bypass or evade United States sanctions relating to Iran or bypass or evade countermeasures and risk mitigation practices outlined by the Financial Action Task Force.