H. R. 1850

To impose sanctions with respect to foreign support for Palestinian terrorism, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

MARCH 21, 2019

Mr. Mast (for himself, Mr. Gottheimer, Mr. McCaul, Mr. Weber of Texas, Ms. Wasserman Schultz, Mr. Gaetz, Mr. Fitzpatrick, Mr. Wilson of South Carolina, Mr. Meadows, Mr. Latta, Mr. Schneider, Mr. Suozzi, Mr. Chabot, and Mr. Engel) 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 impose sanctions with respect to foreign support for Palestinian terrorism, and for other purposes.

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

SECTION 1. SHORT TITLE.

This Act may be cited as the “Palestinian International Terrorism Support Prevention Act of 2019”.

SECTION 2. STATEMENT OF POLICY.

It shall be the policy of the United States—
(1) to prevent Hamas, the Palestinian Islamic
Jihad, or any affiliate or successor thereof from ac-
cessing its international support networks; and

(2) to oppose Hamas, the Palestinian Islamic
Jihad, or any affiliate or successor thereof from at-
tempting to use goods, including medicine and dual
use items, to smuggle weapons and other materials
to further acts of terrorism.

SEC. 3. IMPOSITION OF SANCTIONS WITH RESPECT TO FOR-
EIGN PERSONS AND AGENCIES AND INSTRU-
MENTALITIES OF FOREIGN STATES SUP-
PORTING HAMAS, THE PALESTINIAN ISLAMIC
JIHAD, OR ANY AFFILIATE OR SUCCESSOR
THEREOF.

(a) IDENTIFICATION.—

(1) IN GENERAL.—Not later than 180 days
after the date of the enactment of this Act, and an-
ually thereafter for a period not to exceed 3 years,
the President shall submit to the appropriate con-
gressional committees a report that identifies each
foreign person or agency or instrumentality of a for-

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(A) knowingly assists in, sponsors, or pro-
vides significant financial or material support
for, or financial or other services to or in sup-
port of, the terrorist activities of any person described in paragraph (2); or

(B) directly or indirectly, knowingly and materially engaged in a significant transaction with any person described in paragraph (2).

(2) PERSON DESCRIBED.—A person described in this paragraph is a foreign person that the President determines—

(A) is a senior member of Hamas, the Palestinian Islamic Jihad, or any affiliate or successor thereof;

(B) is a senior member of a foreign terrorist organization designated pursuant to section 219 of the Immigration and Nationality Act (8 U.S.C. 1189) whose members directly or indirectly support the terrorist activities of Hamas, the Palestinian Islamic Jihad, or any affiliate or successor thereof by knowingly engaging in a significant transaction with, or providing financial or material support for Hamas, the Palestinian Islamic Jihad, or any affiliate or successor thereof, or any person described in subparagraph (A); or

(C) directly or indirectly, supports the terrorist activities of Hamas, the Palestinian Is-
Islamic Jihad, or any affiliate or successor thereof by knowingly and materially assisting, sponsoring, or providing financial or material support for, or goods or services to or in support of, Hamas, the Palestinian Islamic Jihad, or any affiliate or successor thereof, or any person described in subparagraph (A) or (B).

(3) FORM OF REPORT.—Each report required under paragraph (1) shall be submitted in unclassified form, but may contain a classified annex.

(4) EXCEPTION.—

(A) IN GENERAL.—The President shall not be required to identify a foreign person or an agency or instrumentality of a foreign state in a report pursuant to paragraph (1)(B) if—

(i) the foreign person or agency or instrumentality of a foreign state notifies the United States Government in advance that it proposes to engage in a significant transaction as described in paragraph (1)(B); and

(ii) the President determines and notifies the appropriate congressional committees in a classified form not less than 15 days prior to the foreign person or agency
or instrumentality of a foreign state engaging in the significant transaction that the significant transaction is in the national interests of the United States.

(B) NON-APPLICABILITY.—Subparagraph (A) shall not apply with respect to—

(i) an agency or instrumentality of a foreign state which the Secretary of State determines has repeatedly provided support for acts of international terrorism pursuant to section 1754(c) of the Export Reform Control Act of 2018, section 40 of the Arms Export Control Act, section 620A of the Foreign Assistance Act of 1961, or any other provision of law; or

(ii) any significant transaction described in paragraph (1)(B) that involves, directly or indirectly, a foreign state described in clause (i).

(b) IMPOSITION OF SANCTIONS.—

(1) IN GENERAL.—The President shall impose two or more of the sanctions described in paragraph (2) with respect to a foreign person or an agency or instrumentality of a foreign state identified pursuant to subsection (a).
(2) SANCTIONS DESCRIBED.—The sanctions referred to in paragraph (1) are the following:

(A) The President may direct the Export-Import Bank of the United States not to give approval to the issuance of any guarantee, insurance, extension of credit, or participation in the extension of credit in connection with the export of any goods or services to the foreign person or agency or instrumentality of the foreign state, and the Export-Import Bank of the United States shall comply with any such direction.

(B) No sales of any defense articles, defense services, or design and construction services under the Arms Export Control Act (22 U.S.C. 2751 et seq.) may be made to the foreign person or agency or instrumentality of the foreign state.

(C) No licenses for export of any item on the United States Munitions List that include the foreign person or agency or instrumentality of the foreign state as a party to the license may be granted.

(D) No exports may be permitted to the foreign person or agency or instrumentality of
the foreign state of any goods or technologies controlled for national security reasons under the Export Administration Regulations, except that such prohibition shall not apply to any transaction subject to the reporting requirements of title V of the National Security Act of 1947 (50 U.S.C. 413 et seq.; relating to congressional oversight of intelligence activities).

(E) The President shall prohibit any United States financial institution from making loans or providing any credit or financing totaling more than $10,000,000 to the foreign person or agency or instrumentality of the foreign state, except that this subparagraph shall not apply—

(i) to any transaction subject to the reporting requirements of title V of the National Security Act of 1947 (50 U.S.C. 413 et seq.; relating to congressional oversight of intelligence activities);

(ii) to the provision of medicines, medical equipment, and humanitarian assistance; or

(iii) to any credit, credit guarantee, or financial assistance provided by the De-
partment of Agriculture to support the
purchase of food or other agricultural com-
modities.

(F)(i) The President may exercise all pow-
ers granted to the President by the Inter-
national Emergency Economic Powers Act (50
U.S.C. 1701 et seq.) (except that the require-
ments of section 202 of such Act (50 U.S.C.
1701) shall not apply) to the extent necessary
to block and prohibit all transactions in all
property and interests in property of a foreign
person or agency or instrumentality of the for-

gien state if such property and interests in

roperty are in the United States, come within

the United States, or are or come within the
possession or control of a United States person.

(ii) The penalties provided for in sub-
sections (b) and (c) of section 206 of the Inter-
national Emergency Economic Powers Act (50
U.S.C. 1705) shall apply to a person that
knowingly violates, attempts to violate, con-
spires to violate, or causes a violation of regula-
tions promulgated under section 6(b) to carry
out clause (i) to the same extent that such pen-
alties apply to a person that knowingly commits
an unlawful act described in section 206(a) of that Act.

(iii) The President may exercise all authorities provided to the President under sections 203 and 205 of the International Emergency Economic Powers Act (50 U.S.C. 1702 and 1704) for purposes of carrying out clause (i).

(3) EXCEPTION.—The President shall not be required to apply sanctions with respect to a foreign person or an agency or instrumentality of a foreign state identified pursuant to subsection (a) if the President certifies in writing to the appropriate congressional committees that—

(A) the foreign person or agency or instrumentality of the foreign state—

(i) is no longer carrying out activities or transactions for which the sanctions were imposed pursuant to this subsection; or

(ii) has taken and is continuing to take significant verifiable steps toward terminating the activities or transactions for which the sanctions were imposed pursuant to this subsection; and
(B) the President has received reliable ass-
surances from the foreign person or agency or
instrumentality of the foreign state that it will
not carry out any activities or transactions for
which sanctions may be imposed pursuant to
this subsection in the future.

(c) WAIVER.—

(1) IN GENERAL.—The President may waive,
on a case by case basis and for a period of not more
than 180 days, a requirement under subsection (b)
to impose or maintain sanctions with respect to a
foreign person or agency or instrumentality of a for-

(A) determines that the waiver is in the
national security interest of the United States;

and

(B) not less than 30 days before the waiv-
er takes effect, submits to the appropriate con-
gressional committees a report on the waiver
and the justification for the waiver.

(2) RENEWAL OF WAIVER.—The President
may, on a case by case basis, renew a waiver under
paragraph (1) for additional periods of not more
than 180 days if the President—
(A) determines that the renewal of the waiver is in the national security interest of the United States; and

(B) not less than 15 days before the waiver expires, submits to the appropriate congressional committees a report on the renewal of the waiver and the justification for the renewal of the waiver.

(d) Rule of Construction.—The authority to impose sanctions under subsection (b) with respect to a foreign person or an agency or instrumentality of a foreign state identified pursuant to subsection (a) is in addition to the authority to impose sanctions under any other provision of law with respect to foreign persons or agencies or instrumentalities of foreign states that directly or indirectly support international terrorism.

(e) Definitions.—In this section:

(1) Foreign State.—The term “foreign state” has the meaning given such term in section 1603(a) of title 28, United States Code.

(2) Agency or Instrumentality.—The term “agency or instrumentality” has the meaning given such term in section 1603(b) of title 28, United States Code.
(f) Effective Date.—This section shall take effect on the date of the enactment of this Act and apply with respect to activities and transactions described in subsection (a) that are carried out on or after such date of enactment.

SEC. 4. IMPOSITION OF SANCTIONS WITH RESPECT TO FOREIGN GOVERNMENTS THAT PROVIDE MATERIAL SUPPORT FOR THE TERRORIST ACTIVITIES OF HAMAS, THE PALESTINIAN ISLAMIC JIHAD, OR ANY AFFILIATE OR SUCCESSOR THEREOF.

(a) Identification.—

(1) In general.—Not later than 180 days after the date of the enactment of this Act, and every 180 days thereafter, the President shall submit to the appropriate congressional committees a report that identifies the following:

(A) Each government of a foreign country—

(i) with respect to which the Secretary of State determines has repeatedly provided support for acts of international terrorism pursuant to section 1754(e) of the Export Control Reform Act of 2018, section 40 of the Arms Export Control Act,
section 620A of the Foreign Assistance Act of 1961, or any other provision of law; and

(ii) with respect to which the President determines has provided direct or indirect material support for the terrorist activities of Hamas, the Palestinian Islamic Jihad, or any affiliate or successor thereof.

(B) Each government of a foreign country that—

(i) is not identified under subparagraph (A); and

(ii) the President determines engaged in a significant transaction so as to contribute knowingly and materially to the efforts by the government of a foreign country described in subparagraph (A)(i) to provide direct or indirect material support for the terrorist activities of Hamas, the Palestinian Islamic Jihad, or any affiliate or successor thereof.

(2) FORM OF REPORT.—Each report submitted under paragraph (1) shall be submitted in unclassified form but may contain a classified annex.

(b) IMPOSITION OF SANCTIONS.—
(1) IN GENERAL.—The President shall impose the following sanctions with respect to each government of a foreign country identified pursuant to subparagraph (A) or (B) of subsection (a)(1):

(A) The United States Government shall suspend, for a period of one year, United States assistance to the government of the foreign country.

(B) The Secretary of the Treasury shall instruct the United States Executive Director to each appropriate international financial institution to oppose, and vote against, for a period of one year, the extension by such institution of any loan or financial or technical assistance to the government of the foreign country.

(C) No item on the United States Munitions List (established pursuant to section 38 of the Arms Export Control Act (22 U.S.C. 2778)) or the Commerce Control List set forth in Supplement No. 1 to part 774 of title 15, Code of Federal Regulations, may be exported to the government of the foreign country for a period of one year.

(2) EXCEPTIONS.—The President shall not be required to apply sanctions with respect to the gov-
ernment of a foreign country pursuant to paragraph (1)—

(A) with respect to materials intended to be used by United States military or civilian personnel at military facilities in the country; or

(B) if the application of such sanctions would prevent the United States from meeting the terms of any status of forces agreement to which the United States is a party.

(c) IMPOSITION OF ADDITIONAL SANCTIONS WITH RESPECT TO FOREIGN GOVERNMENTS IDENTIFIED UNDER SUBSECTION (a)(1)(A).—The President shall impose the following additional sanctions with respect to each government of a foreign country identified pursuant to subsection (a)(1)(A):

(1) The President shall, pursuant to such regulations as the President may prescribe, prohibit any transactions in foreign exchange that are subject to the jurisdiction of the United States and in which the government of the foreign country has any interest.

(2) The President shall, pursuant to such regulations as the President may prescribe, prohibit any transfers of credit or payments between one or more financial institutions or by, through, or to any finan-
cial institution, to the extent that such transfers or payments are subject to the jurisdiction of the United States and involve any interest of the government of the foreign country.

(d) WAIVER.—

(1) IN GENERAL.—The President may waive, on a case by case basis and for a period of not more than 180 days, a requirement under subsection (b) or (e) to impose or maintain sanctions with respect to a foreign government identified pursuant to subparagraph (A) or (B) of subsection (a)(1) if the President—

(A) determines that the waiver is in the national security interest of the United States; and

(B) not less than 30 days before the waiver takes effect, submits to the appropriate congressional committees a report on the waiver and the justification for the waiver.

(2) RENEWAL OF WAIVER.—The President may, on a case by case basis, renew a waiver under paragraph (1) for additional periods of not more than 180 days if the President—
(A) determines that the renewal of the waiver is in the national security interest of the United States; and

(B) not less than 15 days before the waiver expires, submits to the appropriate congressional committees a report on the renewal of the waiver and the justification for the renewal of the waiver.

(e) RULE OF CONSTRUCTION.—The authority to impose sanctions under subsection (b) or (c) with respect to each government of a foreign country identified pursuant to subparagraph (A) or (B) of subsection (a)(1) is in addition to the authority to impose sanctions under any other provision of law with respect to governments of foreign countries that provide material support to foreign terrorist organizations designated pursuant to section 219 of the Immigration and Nationality Act (8 U.S.C. 1189).

(f) TERMINATION.—The President may terminate any sanctions imposed with respect to the government of a foreign country pursuant to subsection (b) or (c) if the President determines and notifies the appropriate congressional committees that the government of the foreign country is no longer carrying out activities or transactions for which the sanctions were imposed and has provided
assurances to the United States Government that it will not carry out the activities or transactions in the future.

(g) EFFECTIVE DATE.—This section shall take effect on the date of the enactment of this Act and apply with respect to activities and transactions described in subparagraph (A) or (B) of subsection (a)(1) that are carried out on or after such date of enactment.

SEC. 5. EXEMPTIONS FROM SANCTIONS UNDER SECTIONS 3 AND 4 RELATING TO PROVISION OF HUMANITARIAN ASSISTANCE.

(a) SANCTIONS UNDER SECTION 3.—The following activities shall be exempt from sanctions under section 3:

(1) The conduct or facilitation of a transaction for the sale of agricultural commodities, food, medicine, or medical devices to a foreign person described in section 3(a)(2).

(2) The provision of humanitarian assistance to a foreign person described in section 3(a)(2), including engaging in a financial transaction relating to humanitarian assistance or for humanitarian purposes or transporting goods or services that are necessary to carry out operations relating to humanitarian assistance or humanitarian purposes.

(b) SANCTIONS UNDER SECTION 4.—The following activities shall be exempt from sanctions under section 4:
(1) The conduct or facilitation of a transaction for the sale of agricultural commodities, food, medicine, or medical devices to Hamas, the Palestinian Islamic Jihad, or any affiliate or successor thereof described in section 4(a)(1).

(2) The provision of humanitarian assistance to Hamas, the Palestinian Islamic Jihad, or any affiliate or successor thereof described in section 4(a)(1), including engaging in a financial transaction relating to humanitarian assistance or for humanitarian purposes or transporting goods or services that are necessary to carry out operations relating to humanitarian assistance or humanitarian purposes.

SEC. 6. REPORT ON ACTIVITIES OF FOREIGN COUNTRIES TO DISRUPT GLOBAL FUNDRAISING, FINANCING, AND MONEY LAUNDERING ACTIVITIES OF HAMAS, THE PALESTINIAN ISLAMIC JIHAD, OR ANY AFFILIATE OR SUCCESSOR THEREOF.

(a) Report.—

(1) In general.—Not later than 180 days after the date of the enactment of this Act, the President shall submit to the appropriate congressional committees a report that includes—
(A) a list of foreign countries that support Hamas, the Palestinian Islamic Jihad, or any affiliate or successor thereof, or in which Hamas maintains important portions of its financial networks;

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

(i) an assessment of whether the government of the country is taking adequate measures to freeze the assets of Hamas, the Palestinian Islamic Jihad, or any affiliate or successor thereof within the territory of the country; and

(ii) in the case of a country the government of which is not taking adequate measures to freeze the assets of Hamas—

(I) an assessment of the reasons that government is not taking adequate measures to freeze those assets; and

(II) a description of measures being taken by the United States Government to encourage that government to freeze those assets;
(C) a list of foreign countries in which Hamas, the Palestinian Islamic Jihad, or any affiliate or successor thereof, conducts significant fundraising, financing, or money laundering activities;

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

(i) an assessment of whether the government of the country is taking adequate measures to disrupt the fundraising, financing, or money laundering activities of Hamas, the Palestinian Islamic Jihad, or any affiliate or successor thereof within the territory of the country; and

(ii) in the case of a country the government of which is not taking adequate measures to disrupt those activities—

(I) an assessment of the reasons that government is not taking adequate measures to disrupt those activities; and

(II) a description of measures being taken by the United States Government to encourage that govern-
ment to improve measures to disrupt
those activities; and

(E) a list of foreign countries from which
Hamas, the Palestinian Islamic Jihad, or any
affiliate or successor thereof, acquires surveil-
ランス equipment, electronic monitoring equip-
ment, or other means to inhibit communication
or political expression in Gaza.

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

(b) BRIEFING.—Not later than 180 days after the
date of the enactment of this Act, and every 180 days
thereafter for a period not to exceed 3 years, the Secretary
of State, the Secretary of the Treasury, and the heads of
other applicable Federal departments and agencies (or
their designees) shall provide to the appropriate congress-
ional committees a briefing on the disposition of the as-
sets and activities of Hamas, the Palestinian Islamic
Jihad, or any successor or affiliate thereof related to fund-
raising, financing, and money laundering worldwide.

(e) DEFINITION.—In this section, the term “appro-
priate congressional committees” means—
(1) the Committee on Foreign Affairs, the Committee on Financial Services, and the Permanent Select Committee on Intelligence of the House of Representatives; and

(2) the Committee on Foreign Relations, the Committee on Banking, Housing, and Urban Affairs, and the Select Committee on Intelligence of the Senate.

SEC. 7. MISCELLANEOUS PROVISIONS.

(a) Rule of Construction.—Nothing in this Act shall be construed to apply to the authorized intelligence activities of the United States.

(b) Regulatory Authority.—The President shall, not later than 180 days after the date of the enactment of this Act, promulgate regulations as are necessary for the implementation of this Act.

(c) Termination.—This Act shall terminate beginning—

(1) 30 days after the date on which the President certifies to the appropriate congressional committees that Hamas and the Palestinian Islamic Jihad, or any successor or affiliate thereof—

(A) are no longer designated as a foreign terrorist organization pursuant to section 219
of the Immigration and Nationality Act (8
U.S.C. 1189);

(B) are no longer subject to sanctions pur-
suant to—

(i) Executive Order 12947 (January
23, 1995; relating to prohibiting trans-
actions with terrorists who threaten to dis-
rupt the Middle East peace process); and

(ii) Executive Order 13224 (Sep-
tember 23, 2001; relating to blocking prop-
erty and prohibiting transactions with per-
sons who commit, threaten to commit, or
support terrorism); and

(C) meet the criteria described in para-
graphs (1) through (4) of section 9 of the Pal-
estinian Anti-Terrorism Act of 2006 (22 U.S.C.
2378b note); or

(2) 3 years after the date of the enactment of
this Act,

whichever occurs earlier.

SEC. 8. DEFINITIONS.

Except as otherwise provided, in this Act:

(1) ADMITTED.—The term “admitted” has the
meaning given such term in section 101(a)(13)(A) of
the Immigration and Nationality Act (8 U.S.C. 1101(a)(13)(A)).

(2) Appropriate Congressional Committees.—The term “appropriate congressional committees” means the Committee on Foreign Affairs of the House of Representatives and the Committee on Foreign Relations of the Senate.

(3) Foreign Person.—The term “foreign person” means—

(A) an individual who is not a United States person; or

(B) a corporation, partnership, or other nongovernmental entity which is not a United States person.

(4) Material Support.—The term “material support” has the meaning given the term “material support or resources” in section 2339A of title 18, United States Code.

(5) Person.—The term “person” means an individual or entity.

(6) United States Person.—The term “United States person” means—

(A) a United States citizen or an alien lawfully admitted for permanent residence to the United States; or
(B) an entity organized under the laws of the United States or of any jurisdiction within the United States, including a foreign branch of such an entity.