

Union Calendar No. 273

118TH CONGRESS
1ST SESSION

H. R. 6245

[Report No. 118–334]

To require the Secretary of the Treasury to report on financial institutions' involvement with officials of the Iranian Government, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

NOVEMBER 6, 2023

Mr. HILL (for himself and Mr. VARGAS) introduced the following bill; which
was referred to the Committee on Financial Services

DECEMBER 19, 2023

Additional sponsors: Ms. DE LA CRUZ and Mr. SESSIONS

DECEMBER 19, 2023

Reported with an amendment, committed to the Committee of the Whole
House on the State of the Union, and ordered to be printed

[Strike out all after the enacting clause and insert the part printed in *italie*]

[For text of introduced bill, see copy of bill as introduced on November 6, 2023]

A BILL

To require the Secretary of the Treasury to report on financial institutions' involvement with officials of the Iranian Government, 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 “Holding Iranian Lead-*
5 *ers Accountable Act of 2023”.*

6 **SEC. 2. FINDINGS.**

7 *The Congress finds the following:*

8 *(1) Iran is characterized by high levels of official*
9 *and institutional corruption, and substantial involve-*
10 *ment by Iran’s security forces, particularly the Is-*
11 *lamic Revolutionary Guard Corps (IRGC), in the*
12 *economy.*

13 *(2) The Department of Treasury in 2019 des-*
14 *ignated the Islamic Republic of Iran’s financial sector*
15 *as a jurisdiction of primary money laundering con-*
16 *cern, concluding, “Iran has developed covert methods*
17 *for accessing the international financial system and*
18 *pursuing its malign activities, including misusing*
19 *banks and exchange houses, operating procurement*
20 *networks that utilize front or shell companies, exploit-*
21 *ing commercial shipping, and masking illicit trans-*
22 *actions using senior officials, including those at the*
23 *Central Bank of Iran (CBI).”.*

24 *(3) In June 2019, the Financial Action Task*
25 *Force (FATF) urged all jurisdictions to require in-*

1 *creased supervisory examination for branches and*
 2 *subsidiaries of financial institutions based in Iran.*
 3 *The FATF later called upon its members to introduce*
 4 *enhanced relevant reporting mechanisms or system-*
 5 *atic reporting of financial transactions, and require*
 6 *increased external audit requirements, for financial*
 7 *groups with respect to any of their branches and sub-*
 8 *sidaries located in Iran.*

9 *(4) According to the State Department’s “Country*
 10 *Reports on Terrorism” in 2021, “Iran continued*
 11 *to be the leading state sponsor of terrorism, facili-*
 12 *tating a wide range of terrorist and other illicit ac-*
 13 *tivities around the world. Regionally, Iran supported*
 14 *acts of terrorism in Bahrain, Iraq, Lebanon, Syria,*
 15 *and Yemen through proxies and partner groups such*
 16 *as Hizballah and Hamas.”.*

17 **SEC. 3. REPORT ON FINANCIAL INSTITUTIONS AND ASSETS**

18 **CONNECTED TO CERTAIN IRANIAN OFFI-**
 19 **CIALS.**

20 *(a) FINANCIAL INSTITUTIONS AND ASSETS REPORT.—*

21 *(1) IN GENERAL.—Not later than 180 days after*
 22 *the date of the enactment of this Act, and every 2*
 23 *years thereafter, the President shall submit a report*
 24 *to the appropriate Members of Congress containing—*

1 (A) the estimated total funds or assets that
2 are under direct or indirect control by each of
3 the natural persons described under subsection
4 (b), and a description of such funds or assets, ex-
5 cept that the President may limit coverage of the
6 report to not fewer than 5 of such natural per-
7 sons in order to meet the submission deadline de-
8 scribed under this paragraph;

9 (B) a description of how such funds or as-
10 sets were acquired, and how they have been used
11 or employed;

12 (C) a list of any non-Iranian financial in-
13 stitutions that—

14 (i) maintain an account in connection
15 with funds or assets described in subpara-
16 graph (A); or

17 (ii) knowingly provide significant fi-
18 nancial services to a natural person covered
19 by the report; and

20 (D) a description of any illicit or corrupt
21 means employed to acquire or use such funds or
22 assets.

23 (2) *EXEMPTIONS.*—The requirements described
24 under paragraph (1) may not be applied with respect

1 to a natural person or a financial institution, as the
2 case may be, if the President determines:

3 (A) *The funds or assets described under sub-*
4 *paragraph (A) of paragraph (1) were acquired*
5 *through legal or noncorrupt means.*

6 (B) *The natural person has agreed to pro-*
7 *vide significant cooperation to the United States*
8 *for an important national security or law en-*
9 *forcement purpose with respect to Iran.*

10 (C) *A financial institution that would oth-*
11 *erwise be listed in the report required by para-*
12 *graph (1) has agreed to—*

13 (i) *no longer maintain an account de-*
14 *scribed under subparagraph (C)(i) of para-*
15 *graph (1);*

16 (ii) *no longer provide significant fi-*
17 *nancial services to a natural person covered*
18 *by the report; or*

19 (iii) *provide significant cooperation to*
20 *the United States for an important national*
21 *security or law enforcement purpose with*
22 *respect to Iran.*

23 (3) *WAIVER.—The President may waive for up*
24 *to 1 year at a time any requirement under paragraph*
25 *(1) with respect to a natural person or a financial in-*

1 stitution after reporting in writing to the appropriate
2 Members of Congress that the waiver is in the na-
3 tional interest of the United States, with a detailed
4 explanation of the reasons therefor.

5 (b) *PERSONS DESCRIBED.*—The natural persons de-
6 scribed in this subsection are the following:

7 (1) *The Supreme Leader of Iran.*

8 (2) *The President of Iran.*

9 (3) *The members of the Council of Guardians.*

10 (4) *The members of the Expediency Council.*

11 (5) *The Minister of Intelligence and Security.*

12 (6) *The Commander and the Deputy Commander*
13 *of the IRGC.*

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

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

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

20 (10) *The Commander of the Basij-e-Mostaz'afin.*

21 (11) *The Commander of the Qods Force.*

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

24 (13) *The head of the IRGC Joint Staff.*

25 (14) *The Commander of the IRGC Intelligence.*

1 (15) *The head of the IRGC Imam Hussein Uni-*
2 *versity.*

3 (16) *The Supreme Leader's Representative at the*
4 *IRGC.*

5 (17) *The Chief Executive Officer and the Chair-*
6 *man of the IRGC Cooperative Foundation.*

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

9 (19) *The Chief Executive Officer of the Basij Co-*
10 *operative Foundation.*

11 (20) *The head of the Political Bureau of the*
12 *IRGC.*

13 (21) *The senior leadership as determined by the*
14 *President of the following groups:*

15 (A) *Hizballah.*

16 (B) *Hamas.*

17 (C) *Palestinian Islamic Jihad.*

18 (D) *Kata'ib Hizballah.*

19 (c) *FORM OF REPORT; PUBLIC AVAILABILITY.—*

20 (1) *FORM.—The report required under subsection*
21 *(a) and any waiver under subsection (a)(3) shall be*
22 *submitted in unclassified form but may contain a*
23 *classified annex.*

24 (2) *PUBLIC AVAILABILITY.—The Secretary shall*
25 *make the unclassified portion of such report public if*

1 *the Secretary notifies the appropriate Members of*
2 *Congress that the publication is in the national inter-*
3 *est of the United States and would substantially pro-*
4 *mote—*

5 *(A) deterring or sanctioning official corrup-*
6 *tion in Iran;*

7 *(B) holding natural persons or financial in-*
8 *stitutions listed in the report accountable to the*
9 *people of Iran;*

10 *(C) combating money laundering or the fi-*
11 *nancing of terrorism; or*

12 *(D) achieving any other strategic objective*
13 *with respect to the Government of Iran.*

14 *(3) FORMAT OF PUBLICLY AVAILABLE RE-*
15 *PORTS.—If the Secretary makes the unclassified por-*
16 *tion of a report public pursuant to paragraph (2), the*
17 *Secretary shall make it available to the public on the*
18 *website of the Department of the Treasury—*

19 *(A) in English, Farsi, Arabic, and Azeri;*
20 *and*

21 *(B) in precompressed, easily downloadable*
22 *versions that are made available in all appro-*
23 *priate formats.*

1 **SEC. 4. RESTRICTIONS ON CERTAIN FINANCIAL INSTITU-**
2 **TIONS.**

3 (a) *IN GENERAL.*—Not later than the date that is 90
4 days after submitting a report described under section
5 3(a)(1), the Secretary shall undertake the following with re-
6 spect to a financial institution that is described under sec-
7 tion 3(a)(1)(C) and listed in the report:

8 (1) *If the financial institution is a United States*
9 *financial institution, require the closure of any ac-*
10 *count described in section 3(a)(1)(C)(i), and prohibit*
11 *the provision of significant financial services, directly*
12 *or indirectly, to a natural person covered by the re-*
13 *port.*

14 (2) *If the financial institution is a foreign fi-*
15 *nancial institution, actively seek the closure of any*
16 *account described in section 3(a)(1)(C)(i), and the*
17 *cessation of significant financial services to a natural*
18 *person covered by the report, using any existing au-*
19 *thorities of the Secretary, as appropriate.*

20 (b) *SUSPENSION.*—The Secretary may suspend the ap-
21 plication of subsection (a) with respect to a financial insti-
22 tution upon reporting to the appropriate Members of Con-
23 gress that the suspension is in the national interest of the
24 United States, with a detailed explanation of the reasons
25 therefor.

1 **SEC. 5. EXCEPTIONS FOR NATIONAL SECURITY; IMPLEMEN-**
2 **TATION AUTHORITY.**

3 *The following activities shall be exempt from require-*
4 *ments under sections 3 and 4:*

5 *(1) Any activity subject to the reporting require-*
6 *ments under title V of the National Security Act of*
7 *1947 (50 U.S.C. 3091 et seq.), or to any authorized*
8 *intelligence activities of the United States.*

9 *(2) The admission of an alien to the United*
10 *States if such admission is necessary to comply with*
11 *United States obligations under the Agreement be-*
12 *tween the United Nations and the United States of*
13 *America regarding the Headquarters of the United*
14 *Nations, signed at Lake Success June 26, 1947, and*
15 *entered into force November 21, 1947, or under the*
16 *Convention on Consular Relations, done at Vienna*
17 *April 24, 1963, and entered into force March 19,*
18 *1967, or other applicable international obligations of*
19 *the United States.*

20 *(3) The conduct or facilitation of a transaction*
21 *for the sale of agricultural commodities, food, medi-*
22 *cine, or medical devices to Iran or for the provision*
23 *of humanitarian assistance to the people of Iran, in-*
24 *cluding engaging in a financial transaction relating*
25 *to humanitarian assistance or for humanitarian pur-*
26 *poses or transporting goods or services that are nec-*

1 *essary to carry out operations relating to humani-*
2 *tarian assistance or humanitarian purposes.*

3 **SEC. 6. SUNSET.**

4 *The provisions of this Act shall have no force or effect*
5 *on the earlier of—*

6 *(1) the date that is 5 years after the date of en-*
7 *actment of this Act; or*

8 *(2) 30 days after the Secretary reports in writ-*
9 *ing to the appropriate Members of Congress that—*

10 *(A) Iran is not a jurisdiction of primary*
11 *money laundering concern; or*

12 *(B) the Government of Iran is providing*
13 *significant cooperation to the United States for*
14 *the purpose of preventing acts of international*
15 *terrorism, or for the promotion of any other stra-*
16 *tegic objective that is important to the national*
17 *interest of the United States, as specified in the*
18 *report by the Secretary.*

19 **SEC. 7. DEFINITIONS.**

20 *For purposes of this Act:*

21 *(1) APPROPRIATE MEMBERS OF CONGRESS.—The*
22 *term “appropriate Members of Congress” means the*
23 *Speaker and Minority Leader of the House of Rep-*
24 *resentatives, the Majority Leader and Minority Lead-*
25 *er of the Senate, the Chairman and Ranking Member*

1 *of the Committee on Financial Services of the House*
 2 *of Representatives, and the Chairman and Ranking*
 3 *Member of the Committee on Banking, Housing, and*
 4 *Urban Affairs of the Senate.*

5 (2) *FINANCIAL INSTITUTION.*—*The term “finan-*
 6 *cial institution” means a United States financial in-*
 7 *stitution or a foreign financial institution.*

8 (3) *FOREIGN FINANCIAL INSTITUTION.*—*The term*
 9 *“foreign financial institution” has the meaning given*
 10 *that term in section 561.308 of title 31, Code of Fed-*
 11 *eral Regulations.*

12 (4) *FUNDS.*—*The term “funds” means—*

13 (A) *cash;*

14 (B) *equity;*

15 (C) *any other asset whose value is derived*
 16 *from a contractual claim, including bank depos-*
 17 *its, bonds, stocks, a security as defined in section*
 18 *2(a) of the Securities Act of 1933 (15 U.S.C.*
 19 *77b(a)), or a security or an equity security as*
 20 *defined in section 3(a) of the Securities Ex-*
 21 *change Act of 1934 (15 U.S.C. 78c(a)); and*

22 (D) *anything else that the Secretary deter-*
 23 *mines appropriate.*

24 (5) *KNOWINGLY.*—*The term “knowingly” with*
 25 *respect to conduct, a circumstance, or a result, means*

1 *that a person has actual knowledge, or should have*
2 *known, of the conduct, the circumstance, or the result.*

3 (6) *SECRETARY.*—*The term “Secretary” means*
4 *the Secretary of the Treasury.*

5 (7) *UNITED STATES FINANCIAL INSTITUTION.*—
6 *The term “United States financial institution” has*
7 *the meaning given the term “U.S. financial institu-*
8 *tion” under section 561.309 of title 31, Code of Fed-*
9 *eral Regulations.*

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