118TH CONGRESS
2d Session
HOUSE OF REPRESENTATIVES
REPT. 118–460
Part 1

IRAN SANCTIONS ACCOUNTABILITY ACT OF 2023

APRIL 15, 2024.—Ordered to be printed

Mr. MCHENRY, from the Committee on Financial Services, submitted the following

REPORT

[To accompany H.R. 6015]

[Including cost estimate of the Congressional Budget Office]

The Committee on Financial Services, to whom was referred the bill (H.R. 6015) to require the President to prevent the abuse of financial sanctions exemptions by Iran, and for other purposes, having considered the same, reports favorably thereon with an amendment and recommends that the bill as amended do pass.

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The amendment is as follows:

Strike all after the enacting clause and insert the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the “Iran Sanctions Accountability Act of 2023”.

49–006

SEC. 2. REGULATIONS REQUIRED.

(a) IN GENERAL.—Not later than 180 days after the date of the enactment of this section, the President shall issue regulations to ensure that each transaction described under section 1244(e) or 1247(c) of the National Defense Authorization Act for Fiscal Year 2013 (22 U.S.C. 8803(e) or 8806(c)) or section 1245(d)(2) of the National Defense Authorization Act for Fiscal Year 2012 (22 U.S.C. 8513a(d)(2)) does not facilitate, directly or indirectly—

(1) support for acts of international terrorism; or

(2) the proliferation of weapons of mass destruction.

(b) REPORT.—Beginning on the date that is 1 year after the date on which the President issues regulations pursuant to subsection (a), and every 2 years thereafter for 6 years, the President shall submit to the Congress a report that evaluates the efficacy of the regulations issued by the President pursuant to subsection (a).

(c) RULE OF CONSTRUCTION.—Nothing in section 1244(e) or 1247(c) of the National Defense Authorization Act for Fiscal Year 2013 (22 U.S.C. 8803(e) or 8806(c)) or section 1245(d)(2) of the National Defense Authorization Act for Fiscal Year 2012 (22 U.S.C. 8513a(d)(2)) may be construed to prohibit the imposition of sanctions with respect to a transaction if the President finds, consistent with the regulations issued pursuant to subsection (a), that such transaction would facilitate, directly or indirectly—

(1) support for acts of international terrorism; or

(2) the proliferation of weapons of mass destruction.

(d) VOICE AND VOTE.—

(1) IN GENERAL.—The Secretary of the Treasury shall instruct the United States Executive Director at the World Bank to use the voice and vote of the United States to oppose the provision of financial assistance to the government of the Islamic Republic of Iran.

(2) SUNSET.—This subsection shall have no force or effect on the date that is the earlier of—

(A) the date that is 7 years after the date of the enactment of this section;

(B) the date that is 30 days after the date that the Secretary of the Treasury reports to Congress that reasonable grounds do not exist for concluding that the Islamic Republic of Iran is a jurisdiction of primary money laundering concern; or

(C) the date that is 30 days after the date that the President finds and reports to the Congress that the government of Iran has ceased to provide support for acts of international terrorism.

PURPOSE AND SUMMARY

Introduced on October 20, 2023, by Representative Blaine Luetkemeyer, H.R. 6015, the *Iran Sanctions Accountability Act of 2023*, would require the President to prescribe regulations to ensure that humanitarian exemptions involving Iran sanctions do not facilitate acts of international terrorism, transactions with sanctioned persons, or the proliferation of weapons of mass destruction.

BACKGROUND AND NEED FOR LEGISLATION

Whether they are imposed through the International Emergency Economic Powers Act (IEEPA) or other statutes, U.S. sanctions typically include exceptions for the sale of agricultural commodities, food, medicine, and medical devices. The intent is to wield sanctions against bad actors, including a government like Iran's, without exacerbating the suffering of civilian populations. At the same time, Tehran is largely indifferent to this suffering, making it essential for the U.S. to ensure that exempted humanitarian trade does not facilitate the government's support for terrorism or weapons proliferation. H.R. 6015 would require the President to promulgate formal regulations with this objective in mind. Such rules may include enhanced know-your-customer procedures, recordkeeping requirements, or other measures, which are especially important given Iran's designation as a jurisdiction of primary money laundering concern.

RELATED HEARING

Pursuant to clause 3(c)(6) of rule XIII, the following hearing was used to develop H.R. 6015: The Subcommittee on National Security, Illicit Finance, and International Financial Institutions of the Committee on Financial Services held a hearing on October 25, 2023, titled "How America and Its Allies Can Stop Hamas, Hezbollah, and Iran from Evading Sanctions and Financing Terror."

COMMITTEE CONSIDERATION

The Committee on Financial Services met in open session on November 14, 2023, and ordered H.R. 6015 to be reported favorably to the House as amended by a recorded vote of 50 ayes to 0 nays (Record vote no. FC–116), a quorum being present. Before the question was called to order the bill favorably reported, the Committee adopted an amendment in the nature of a substitute offered by Mr. Luetkemeyer by voice vote.

COMMITTEE VOTES

Clause 3(b) of rule XIII of the Rules of the House of Representatives requires the Committee to list the record votes on the order to report legislation and amendments thereto. H.R. 6015 was ordered reported favorably to the House as amended by a recorded vote of 50 ayes to 0 nays (Record vote no. FC–116), a quorum being present.

Record vote no. FC- 116

Representative	Yea	Nay	Present	Representative	Yea	Nay	Present
Mr. McHenry	X			Ms. Waters	X		
Mr. Hill	X			Mrs. Velázquez	X		
Mr. Lucas	X			Mr. Sherman	X		
Mr. Sessions	X			Mr. Meeks	X		
Mr. Posey	X			Mr. Scott	X		
Mr. Luetkemeyer	X			Mr. Lynch	X		
Mr. Huizenga	X			Mr. Green	X		
Mrs. Wagner	X			Mr. Cleaver	X		
Mr. Barr	X			Mr. Himes			
Mr. Williams (TX)	X			Mr. Foster	X		
Mr. Emmer	X			Mrs. Beatty	X		
Mr. Loudermilk	X			Mr. Vargas	X		
Mr. Mooney	X			Mr. Gottheimer	X		
Mr. Davidson	X			Mr. Gonzalez	X		
Mr. Rose	X			Mr. Casten	X		
Mr. Steil	X			Ms. Pressley	X		
Mr. Timmons	X			Mr. Horsford	X		
Mr. Norman	X			Ms. Tlaib	X		
Mr. Meuser	X			Mr. Torres	X		
Mr. Fitzgerald	X			Ms. Garcia	X		
Mr. Garbarino				Ms. Williams (GA)	X		
Mrs. Kim	X			Mr. Nickel	X		
Mr. Donalds	X			Ms. Pettersen	X		
Mr. Flood	X						
Mr. Lawler	X						
Mr. Nunn	X						
Ms. De La Cruz	X						
Mrs. Houchin	X						
Mr. Ogles	X						

COMMITTEE OVERISGHT FINDINGS

Pursuant to clause 3(c) of rule XIII of the Rules of the House of Representatives, the findings and recommendations of the Committee, based on oversight activities under clause 2(b)(1) of rule X of the Rules of the House of Representatives, are incorporated in the descriptive portions of this report.

PERFORMANCE GOALS AND OBJECTIVES

Pursuant to clause 3(c)(4) of rule XIII of the Rules of the House of Representatives, the goal of H.R. 6015 is to require the President to prescribe regulations to ensure that humanitarian exemptions involving Iran sanctions do not facilitate acts of international terrorism, transactions with sanctioned persons, or the proliferation of weapons of mass destruction.

CONGRESSIONAL BUDGET OFFICE ESTIMATES

Pursuant to clause 3(c)(3) of rule XIII of the Rules of the House of Representatives, the following is the cost estimate provided by the Congressional Budget Office pursuant to section 402 of the Congressional Budget Act of 1974:

H.R. 6015, Iran Sanctions Accountability Act of 2023
As ordered reported by the House Committee on Financial Services on November 14, 2023

By Fiscal Year, Millions of Dollars	2024	2024-2028	2024-2033
Direct Spending (Outlays)	0	0	0
Revenues	0	0	0
Increase or Decrease (-) in the Deficit	0	0	0
Spending Subject to Appropriation (Outlays)	*	*	*

Increases *net direct spending* in any of the four consecutive 10-year periods beginning in 2034?	No	Statutory pay-as-you-go procedures apply?	No
		Mandate Effects	
Increases *on-budget deficits* in any of the four consecutive 10-year periods beginning in 2034?	No	Contains intergovernmental mandate?	No
		Contains private-sector mandate?	No

* = between zero and $500,000.

NEW BUDGET AUTHORITY, ENTITLEMENT AUTHORITY, AND TAX EXPENDITURES

Pursuant to clause 3(c)(2) of rule XIII of the Rules of the House of Representatives, the Committee adopts as its own the estimate of new budget authority, entitlement authority, or tax expenditures or revenues contained in the cost estimate prepared by the Director of the Congressional Budget Office pursuant to section 402 of the Congressional Budget Act of 1973.

FEDERAL MANDATES STATEMENT

Pursuant to section 423 of the Unfunded Mandates Reform Act, the Committee adopts as its own the estimate of the Federal mandates prepared by the Director of the Congressional Budget Office.

ADVISORY COMMITTEE STATEMENT

No advisory committees within the meaning of section 5(b) of the Federal Advisory Committee Act were created by this legislation.

APPLICABILITY TO LEGISLATIVE BRANCH

The Committee finds that the legislation does not relate to the terms and conditions of employment or access to public services or accommodations within the meaning of section 102(b)(3) of the Congressional Accountability Act.

EARMARK IDENTIFICATION

Pursuant to clause 9 of rule XXI of the Rules of the House of Representatives, the Committee has carefully reviewed the provisions of the bill and states that the provisions of the bill do not contain any congressional earmarks, limited tax benefits, or limited tariff benefits within the meaning of the rule.

DUPLICATION OF FEDERAL PROGRAMS

Pursuant to clause 3(c)(5) of rule XIII of the Rules of the House of Representatives, the Committee states that no provision of the bill establishes or reauthorizes a program of the Federal Government known to be duplicative of another Federal program, including any program that was included in a report to Congress pursuant to section 21 of the Public Law 111–139 or the most recent Catalog of Federal Domestic Assistance.

SECTION-BY-SECTION ANALYSIS OF THE LEGISLATION

Section 1. Short title

This Act may be cited as the "Iran Sanctions Accountability Act of 2023".

Section 2. Regulations required

Within 180 days of enactment, the President shall issue regulations to ensure that transactions do not directly or indirectly facilitate: (1) the purchase of goods or services involving a person designated for the imposition of sanctions pursuant to the International Emergency Economic Powers Act; (2) support for acts of international terrorism; or (3) the proliferation of weapons of mass destruction.

One year after the President issues regulations, and every two years thereafter for a period of 6 years, the President shall submit to Congress a report that evaluates the efficacy of the regulations issued.

The Secretary of the Department of the Treasury shall instruct the United States Executive Director at the World Bank to use the voice and vote of the U.S. to oppose the provision of financial assistance to the Islamic Republic of Iran.

This legislation has a sunset of the date that is the earlier of:

- 7 years after enactment;
- 30 days after the date that the Secretary of the Department of the Treasury reports to Congress that reasonable grounds do not exist for concluding that the Islamic Republic

of Iran is a jurisdiction of primary money laundering concern; or

- the date that is 30 days after the date that the President finds and reports to Congress that the government of Iran has ceased to provide support for the acts of international terrorism.

EXCHANGE OF LETTERS

MICHAEL T. McCAUL, TEXAS
CHAIRMAN

GREGORY W. MEEKS, NEW YORK
RANKING MEMBER

One Hundred Eighteenth Congress
U.S. House of Representatives
Committee on Foreign Affairs
2170 Rayburn House Office Building
Washington, DC 20515

April 14, 2024

The Honorable Patrick McHenry
Chairman
Committee on Financial Services
2129 Rayburn House Office Building
Washington, DC 20515

Dear Chairman McHenry:

Thank you for consulting with the Foreign Affairs Committee on H.R. 6015, the *Iran Sanctions Accountability Act of 2023*. I agree that the Foreign Affairs Committee may be discharged from further consideration so that the measure may proceed expeditiously to the House floor, subject to the understanding that this does not in any way diminish or alter the primary jurisdiction of the Foreign Affairs Committee over this measure, or affect the committee's jurisdictional prerogatives on similar legislation in the future.

I respectfully request that our letters on this bill be placed into the *Congressional Record* during floor consideration. I appreciate your cooperation regarding this legislation and look forward to continuing to work together as this measure moves through the legislative process.

Sincerely,

Michael T. McCaul

MICHAEL T. McCAUL
Chairman

CC: Hon. Gregory Meeks, Ranking Member, Committee on Foreign Affairs
Hon. Maxine Waters, Ranking Member, Committee on Financial Services
Hon. Mike Johnson, Speaker, U.S. House of Representatives
Hon. Jason Smith, Parliamentarian, U.S. House of Representatives

PATRICK McHENRY, NC
CHAIRMAN

MAXINE WATERS, CA
RANKING MEMBER

United States House of Representatives
One Hundred Eighteenth Congress
Committee on Financial Services
2129 Rayburn House Office Building
Washington, DC 20515

April 14, 2024

The Honorable Michael McCaul
Chairman
Committee on Foreign Affairs
U.S. House of Representatives
2170 Rayburn House Office Building
Washington, D.C. 20515

Dear Chairman McCaul:

Thank you for agreeing to be discharged from further consideration of H.R. 6015, the *Iran Sanctions Accountability Act of 2023,* so that it may proceed expeditiously to the House Floor. I agree that by foregoing consideration of H.R. 6015 at this time, you do not waive any jurisdiction over the subject matter contained in this or similar legislation, and that you will be appropriately consulted and involved on this or similar legislation as it moves forward.

As discussed, I will seek to place a copy of our exchange of letters on this bill in the *Congressional Record* during floor consideration thereof.

Sincerely,

Patrick McHenry
Chairman
Committee on Financial Services

cc: The Honorable Maxine Waters, Ranking Member, Committee on Financial Services
The Honorable Gregory Meeks, Ranking Member, Committee on Foreign Affairs
The Honorable Mike Johnson, Speaker of the House
The Honorable Jason Smith, Parliamentarian

JAMES COMER, KENTUCKY
CHAIRMAN

ONE HUNDRED EIGHTEENTH CONGRESS

JAMIE RASKIN, MARYLAND
RANKING MINORITY MEMBER

Congress of the United States

House of Representatives

COMMITTEE ON OVERSIGHT AND ACCOUNTABILITY
2157 RAYBURN HOUSE OFFICE BUILDING
WASHINGTON, DC 20515–6143

MAJORITY (202) 225–5074
MINORITY (202) 225–5051

https://oversight.house.gov

April 15, 2024

The Honorable Patrick McHenry
Chairman
Committee on Financial Services
2129 Rayburn House Office Building
Washington, DC 20515

Dear Chairman McHenry:

Thank you for consulting with the Committee on Oversight and Accountability. The Committee on Oversight and Accountability agrees to be discharged from further consideration of H.R. 6015, the *Iran Sanctions Accountability Act of 2023,* so that it may proceed expeditiously to the House Floor.

I agree that by foregoing consideration of H.R. 6015 at this time, the Committee on Oversight and Accountability does not waive any jurisdiction over the subject matter contained in this or similar legislation. The Committee on Oversight and Accountability should be appropriately consulted and involved on this or similar legislation as it moves forward. I support your effort to represent the House Committee on Oversight and Accountability on the conference committee if a conference on the bill becomes necessary.

As discussed, I appreciate your inclusion of a copy of our exchange of letters on this bill in the bill report filed by the Committee on Financial Services and in the *Congressional Record* during House floor consideration thereof. I appreciate your cooperation regarding this bill and look forward to future opportunities to work together on matters of shared jurisdiction.

Sincerely,

James Comer

James Comer
Chairman
Committee on Oversight and Accountability

cc: The Honorable Mike Johnson, Speaker
House of Representatives

The Honorable Maxine Waters, Ranking Member
Committee on Financial Services

The Honorable Jamie Raskin, Ranking Member
Committee on Oversight and Accountability

Jason Smith, Parliamentarian
House of Representatives

PATRICK McHENRY, NC
CHAIRMAN

MAXINE WATERS, CA
RANKING MEMBER

United States House of Representatives
One Hundred Eighteenth Congress
Committee on Financial Services
2129 Rayburn House Office Building
Washington, DC 20515

April 14, 2024

The Honorable James Comer
Chairman
Committee on Oversight and Accountability
U.S. House of Representatives
2157 Rayburn House Office Building
Washington, D.C. 20515

Dear Chairman Comer:

Thank you for agreeing to be discharged from further consideration of H.R. 6015, the *Iran Sanctions Accountability Act of 2023,* so that it may proceed expeditiously to the House Floor. I agree that by foregoing consideration of H.R. 6015 at this time, you do not waive any jurisdiction over the subject matter contained in this or similar legislation, and that you will be appropriately consulted and involved on this or similar legislation as it moves forward.

As discussed, I will seek to place a copy of our exchange of letters on this bill in the *Congressional Record* during floor consideration thereof.

Sincerely,

Patrick T. McHenry

Patrick McHenry
Chairman
Committee on Financial Services

cc: The Honorable Maxine Waters, Ranking Member, Committee on Financial Services
The Honorable Jamie Raskin, Ranking Member, Committee on Oversight and Accountability
The Honorable Mike Johnson, Speaker of the House
The Honorable Jason Smith, Parliamentarian

JASON SMITH
MISSOURI,
CHAIRMAN

MARK ROMAN, STAFF DIRECTOR
(202) 225–3625

RICHARD E. NEAL
MASSACHUSETTS,
RANKING MEMBER

BRANDON CASEY, STAFF DIRECTOR
(202) 225–4021

U.S. House of Representatives

COMMITTEE ON WAYS AND MEANS
1139 LONGWORTH HOUSE OFFICE BUILDING
Washington, DC 20515

April 15, 2024

The Honorable Patrick McHenry
Chairman
Committee on Financial Services
2129 Rayburn House Office Building
Washington, D.C. 20515

Dear Chairman McHenry,

I am writing with respect to H.R. 6015, the "Iran Sanctions Accountability Act of 2023." As you noted, the Committee on Ways and Means was granted an additional referral on this bill. I agree to forego action on this bill so that it may proceed expeditiously to the House floor for consideration.

The Committee on Ways and Means takes this action with the mutual understanding that we do not waive any jurisdiction over the subject matter contained in this or similar legislation, and the Committee will be appropriately consulted and involved as the bill or similar legislation moves forward so that we may address any remaining issues that fall within our jurisdiction. The Committee also reserves the right to seek appointment of an appropriate number of conferees to any House-Senate conference involving this or similar legislation, and requests your support for such request.

Finally, I would appreciate your response to this letter confirming this understanding and would ask that a copy of our exchange of letters on this matter be included in the *Congressional Record* during floor consideration of H.R. 6015.

Sincerely,

Jason Smith
Chairman

cc: The Honorable Mike Johnson, Speaker, U.S. House of Representatives
The Honorable Richard Neal, Ranking Member, Committee on Ways and Means
The Honorable Maxine Waters, Ranking Member, Committee on Financial Services
Mr. Jason Smith, Parliamentarian, U.S. House of Representatives

PATRICK McHENRY, NC
CHAIRMAN

MAXINE WATERS, CA
RANKING MEMBER

United States House of Representatives
One Hundred Eighteenth Congress
Committee on Financial Services
2129 Rayburn House Office Building
Washington, DC 20515

April 14, 2024

The Honorable Jason Smith
Chairman
Committee on Ways and Means
U.S. House of Representatives
1139 Longworth House Office Building
Washington, D.C. 20515

Dear Chairman Smith:

Thank you for agreeing to be discharged from further consideration of H.R. 6015, the *Iran Sanctions Accountability Act of 2023,* so that it may proceed expeditiously to the House Floor. I agree that by foregoing consideration of H.R. 6015 at this time, you do not waive any jurisdiction over the subject matter contained in this or similar legislation, and that you will be appropriately consulted and involved on this or similar legislation as it moves forward.

As discussed, I will seek to place a copy of our exchange of letters on this bill in the *Congressional Record* during floor consideration thereof.

Sincerely,

Patrick McHenry
Chairman
Committee on Financial Services

cc: The Honorable Maxine Waters, Ranking Member, Committee on Financial Services
The Honorable Richard Neal, Ranking Member, Committee on Ways and Means
The Honorable Mike Johnson, Speaker of the House
The Honorable Jason Smith, Parliamentarian