

**CIRCULAR REF: 2010/017**

**CIRCULATED TO ALL MEMBERS, BROKERS AND DIRECTORS  
ATTENTION INSURANCE DEPARTMENT**

**5 JULY 2010  
MJS**

## **IRAN - US SANCTIONS - REFINED PETROLEUM PRODUCTS**

On 1 July 2010 the USA enacted legislation targeting amongst other things the importation of refined petroleum products into Iran. The legislation formerly referred to as the Iran Refined Petroleum Sanctions Act (or IRPSA) now goes under the title the Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010 (or "CISAD").

The introduction of such legislation had been anticipated and Members are referred to the [Association's circular dated Tuesday, 23rd February 2010](#).

CISAD is now signed into law and effective.

A copy of President Obama's statement concerning the legislation is attached.

A copy of the Act is attached.

Amongst other things CISAD makes it illegal to ship or to insure the shipments of Refined Petroleum Products into Iran. Refined Petroleum Products are defined by CISAD to include "...diesel, gasoline, jet fuel (including naptha-type and kerosene-type jet fuel), and aviation gasoline."

It appears that the Act may also apply to any form of support for the development of Iran's direct domestic refining capability. This could include the shipment of materials, provision of services, technical support, or finance for such development.

Businesses which break that law are likely to find that their dollar transactions are blocked by the US banking system. It follows that what is essentially a piece of US domestic legislation can be enforced against any business entity – including North of England and its Shipowner and Charterer Members – which trade in dollars. There are also participants in the IG Reinsurance Programme domiciled in the US which we believe are now unable to participate in the pooling of any liabilities arising out of the trade to Iran of RPP.

## **CIRCULAR**

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Members are reminded that pursuant to the condition of entry endorsed on their certificates of entry for the 2010 policy year their insurance will cease:

*“...where by operation of law the Association is prohibited or prevented from providing Insurance to the [Member / Ship] (the reference to “operation of law” includes any direction, regulation, sanction or other measure issued or implemented by any government, authority or power in a position to require, compel or enforce compliance therewith by the Association or its Members, Directors, Managers, officers, employees, servants or agents).”*

Members who are performing or intend to perform voyages carrying Refined Petroleum Products to Iran should notify the club (Mike Salthouse, Mark Robinson or Graham Anderson) as soon as practicable.

An International Group circular is expected to be issued in due course.

MIKE SALTHOUSE  
DIRECTOR - North Insurance Management Limited  
As Managers on behalf of the North of England P&I Association Limited

The White House

Office of the Press Secretary

For Immediate Release

July 01, 2010

## **Statement by the President on H.R. 2194**

Today, I have signed into law H.R. 2194, the "Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010". This Act builds upon the recently passed United Nations Security Council Resolution and its strong foundation for new multilateral sanctions. It is designed to pressure Iran by requiring sanctions on those persons investing in Iran's development of petroleum resources and exporting to Iran refined petroleum and items needed to strengthen Iran's refined petroleum production capability. Further, it requires sanctions on financial institutions facilitating certain activities involving Iran, the Islamic Revolutionary Guard Corps, or other sanctioned persons. The Act also puts in place new authorities to demonstrate the strong and sustained commitment of the United States to advancing the universal rights of all Iranians, and to sanction those who have abused their rights.

The Act provides a powerful tool against Iran's development of nuclear weapons and support of terrorism, while at the same time preserving flexibility to time and calibrate sanctions. In particular, it provides new authority for addressing the situation of those countries that are closely cooperating in multilateral efforts to constrain Iran. The Act appropriately provides this special authority to waive the application of petroleum-related sanctions provisions to a person from such a closely cooperating country, out of recognition for the key role such a country plays in ongoing multilateral efforts to constrain Iran. The Act permits the President to exercise this authority flexibly, as warranted, and when vital to the national security interests of the United States.

**BARACK OBAMA**

THE WHITE HOUSE,  
July 1, 2010.

111TH CONGRESS } 2d Session	HOUSE OF REPRESENTATIVES SENATE	{ REPORT 111-_____
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COMPREHENSIVE IRAN SANCTIONS, ACCOUNTABILITY,  
AND DIVESTMENT ACT OF 2010

\_\_\_\_\_, 2010.—Ordered to be printed

\_\_\_\_\_, from the committee of conference,  
submitted the following

CONFERENCE REPORT

[To accompany H. R. 2194]

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 2194), to amend the Iran Sanctions Act of 1996 to enhance United States diplomatic efforts with respect to Iran by expanding economic sanctions against Iran, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment, insert the following:

**1 SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

2 (a) SHORT TITLE.—This Act may be cited as the  
3 “Comprehensive Iran Sanctions, Accountability, and Di-  
4 vestment Act of 2010”.

5 (b) TABLE OF CONTENTS.—The table of contents for  
6 this Act is as follows:

## 2

- Sec. 1. Short title; table of contents.
- Sec. 2. Findings.
- Sec. 3. Sense of Congress regarding the need to impose additional sanctions with respect to Iran.

## TITLE I—SANCTIONS

- Sec. 101. Definitions.
- Sec. 102. Expansion of sanctions under the Iran Sanctions Act of 1996.
- Sec. 103. Economic sanctions relating to Iran.
- Sec. 104. Mandatory sanctions with respect to financial institutions that engage in certain transactions.
- Sec. 105. Imposition of sanctions on certain persons who are responsible for or complicit in human rights abuses committed against citizens of Iran or their family members after the June 12, 2009, elections in Iran.
- Sec. 106. Prohibition on procurement contracts with persons that export sensitive technology to Iran.
- Sec. 107. Harmonization of criminal penalties for violations of sanctions.
- Sec. 108. Authority to implement United Nations Security Council resolutions imposing sanctions with respect to Iran.
- Sec. 109. Increased capacity for efforts to combat unlawful or terrorist financing.
- Sec. 110. Reports on investments in the energy sector of Iran.
- Sec. 111. Reports on certain activities of foreign export credit agencies and of the Export-Import Bank of the United States.
- Sec. 112. Sense of Congress regarding Iran's Revolutionary Guard Corps and its affiliates.
- Sec. 113. Sense of Congress regarding Iran and Hezbollah.
- Sec. 114. Sense of Congress regarding the imposition of multilateral sanctions with respect to Iran.

## TITLE II—DIVESTMENT FROM CERTAIN COMPANIES THAT INVEST IN IRAN

- Sec. 201. Definitions.
- Sec. 202. Authority of State and local governments to divest from certain companies that invest in Iran.
- Sec. 203. Safe harbor for changes of investment policies by asset managers.
- Sec. 204. Sense of Congress regarding certain ERISA plan investments.
- Sec. 205. Technical corrections to Sudan Accountability and Divestment Act of 2007.

## TITLE III—PREVENTION OF DIVERSION OF CERTAIN GOODS, SERVICES, AND TECHNOLOGIES TO IRAN

- Sec. 301. Definitions.

## 3

Sec. 302. Identification of countries of concern with respect to the diversion of certain goods, services, and technologies to or through Iran.

Sec. 303. Destinations of Diversion Concern.

Sec. 304. Report on expanding diversion concern system to address the diversion of United States origin goods, services, and technologies to certain countries other than Iran.

Sec. 305. Enforcement authority.

## TITLE IV—GENERAL PROVISIONS

Sec. 401. General provisions.

1 **SEC. 2. FINDINGS.**

2 Congress makes the following findings:

3 (1) The illicit nuclear activities of the Govern-  
4 ment of Iran, combined with its development of un-  
5 conventional weapons and ballistic missiles and its  
6 support for international terrorism, represent a  
7 threat to the security of the United States, its  
8 strong ally Israel, and other allies of the United  
9 States around the world.

10 (2) The United States and other responsible  
11 countries have a vital interest in working together to  
12 prevent the Government of Iran from acquiring a  
13 nuclear weapons capability.

14 (3) The International Atomic Energy Agency  
15 has repeatedly called attention to Iran's illicit nu-  
16 clear activities and, as a result, the United Nations

1 Security Council has adopted a range of sanctions  
2 designed to encourage the Government of Iran to  
3 suspend those activities and comply with its obliga-  
4 tions under the Treaty on the Non-Proliferation of  
5 Nuclear Weapons, done at Washington, London, and  
6 Moscow July 1, 1968, and entered into force March  
7 5, 1970 (commonly known as the “Nuclear Non-  
8 Proliferation Treaty”).

9 (4) The serious and urgent nature of the threat  
10 from Iran demands that the United States work to-  
11 gether with its allies to do everything possible—dip-  
12 lomatically, politically, and economically—to prevent  
13 Iran from acquiring a nuclear weapons capability.

14 (5) The United States and its major European  
15 allies, including the United Kingdom, France, and  
16 Germany, have advocated that sanctions be strength-  
17 ened should international diplomatic efforts fail to  
18 achieve verifiable suspension of Iran’s uranium en-  
19 richment program and an end to its nuclear weapons  
20 program and other illicit nuclear activities.

1           (6) The Government of Iran continues to en-  
2           gage in serious, systematic, and ongoing violations of  
3           human rights, including suppression of freedom of  
4           expression and religious freedom, illegitimately pro-  
5           longed detention, torture, and executions. Such vio-  
6           lations have increased in the aftermath of the fraud-  
7           ulent presidential election in Iran on June 12, 2009.

8           (7) The Government of Iran has been unrespon-  
9           sive to President Obama's unprecedented and seri-  
10          ous efforts at engagement, revealing that the Gov-  
11          ernment of Iran is not interested in a diplomatic res-  
12          olution, as made clear, for example, by the following:

13               (A) Iran's apparent rejection of the  
14               Tehran Research Reactor plan, generously of-  
15               fered by the United States and its partners, of  
16               potentially great benefit to the people of Iran,  
17               and endorsed by Iran's own negotiators in Oc-  
18               tober 2009.

19               (B) Iran's ongoing clandestine nuclear pro-  
20               gram, as evidenced by its work on the secret  
21               uranium enrichment facility at Qom, its subse-



1           quent refusal to cooperate fully with inspectors  
2           from the International Atomic Energy Agency,  
3           and its announcement that it would build 10  
4           new uranium enrichment facilities.

5           (C) Iran's official notification to the Inter-  
6           national Atomic Energy Agency that it would  
7           enrich uranium to the 20 percent level, followed  
8           soon thereafter by its providing to that Agency  
9           a laboratory result showing that Iran had in-  
10          deed enriched some uranium to 19.8 percent.

11          (D) A February 18, 2010, report by the  
12          International Atomic Energy Agency expressing  
13          "concerns about the possible existence in Iran  
14          of past or current undisclosed activities related  
15          to the development of a nuclear payload for a  
16          missile. These alleged activities consist of a  
17          number of projects and sub-projects, covering  
18          nuclear and missile related aspects, run by mili-  
19          tary-related organizations."

20          (E) A May 31, 2010, report by the Inter-  
21          national Atomic Energy Agency expressing con-

1 continuing strong concerns about Iran's lack of co-  
2 operation with the Agency's verification efforts  
3 and Iran's ongoing enrichment activities, which  
4 are contrary to the longstanding demands of  
5 the Agency and the United Nations Security  
6 Council.

7 (F) Iran's announcement in April 2010  
8 that it had developed a new, faster generation  
9 of centrifuges for enriching uranium.

10 (G) Iran's ongoing arms exports to, and  
11 support for, terrorists in direct contravention of  
12 United Nations Security Council resolutions.

13 (H) Iran's July 31, 2009, arrest of 3  
14 young citizens of the United States on spying  
15 charges.

16 (8) There is an increasing interest by State  
17 governments, local governments, educational institu-  
18 tions, and private institutions, business firms, and  
19 other investors to disassociate themselves from com-  
20 panies that conduct business activities in the energy  
21 sector of Iran, since such business activities may di-

1       rectly or indirectly support the efforts of the Govern-  
2       ment of Iran to achieve a nuclear weapons capa-  
3       bility.

4           (9) Black market proliferation networks con-  
5       tinue to flourish in the Middle East, allowing coun-  
6       tries like Iran to gain access to sensitive dual-use  
7       technologies.

8           (10) Economic sanctions imposed pursuant to  
9       the provisions of this Act, the Iran Sanctions Act of  
10      1996, as amended by this Act, and the International  
11      Emergency Economic Powers Act (50 U.S.C. 1701  
12      et seq.), and other authorities available to the  
13      United States to impose economic sanctions to pre-  
14      vent Iran from developing nuclear weapons, are nec-  
15      essary to protect the essential security interests of  
16      the United States.

17   **SEC. 3. SENSE OF CONGRESS REGARDING THE NEED TO IM-**  
18                   **POSE ADDITIONAL SANCTIONS WITH RE-**  
19                   **SPECT TO IRAN.**

20       It is the sense of Congress that—

1           (1) international diplomatic efforts to address  
2       Iran's illicit nuclear efforts and support for inter-  
3       national terrorism are more likely to be effective if  
4       strong additional sanctions are imposed on the Gov-  
5       ernment of Iran;

6           (2) the concerns of the United States regarding  
7       Iran are strictly the result of the actions of the Gov-  
8       ernment of Iran;

9           (3) the revelation in September 2009 that Iran  
10      is developing a secret uranium enrichment site on a  
11      base of Iran's Revolutionary Guard Corps near Qom,  
12      which appears to have no civilian application, high-  
13      lights the urgency that Iran—

14           (A) disclose the full nature of its nuclear  
15      program, including any other secret locations;  
16      and

17           (B) provide the International Atomic En-  
18      ergy Agency unfettered access to its facilities  
19      pursuant to Iran's legal obligations under the  
20      Treaty on the Non-Proliferation of Nuclear  
21      Weapons, done at Washington, London, and

1 Moscow July 1, 1968, and entered into force  
2 March 5, 1970 (commonly known as the “Nu-  
3 clear Non-Proliferation Treaty”) and Iran’s  
4 safeguards agreement with the International  
5 Atomic Energy Agency;

6 (4) because of the involvement of Iran’s Revolu-  
7 tionary Guard Corps in Iran’s nuclear program,  
8 international terrorism, and domestic human rights  
9 abuses, the President should impose the full range  
10 of applicable sanctions on—

11 (A) any individual or entity that is an  
12 agent, alias, front, instrumentality, representa-  
13 tive, official, or affiliate of Iran’s Revolutionary  
14 Guard Corps; and

15 (B) any individual or entity that has con-  
16 ducted any commercial transaction or financial  
17 transaction with an individual or entity de-  
18 scribed in subparagraph (A);

19 (5) additional measures should be adopted by  
20 the United States to prevent the diversion of sen-  
21 sitive dual-use technologies to Iran;

1 (6) the President should—

2 (A) continue to urge the Government of  
3 Iran to respect the internationally recognized  
4 human rights and religious freedoms of its citi-  
5 zens;

6 (B) identify the officials of the Government  
7 of Iran and other individuals who are respon-  
8 sible for continuing and severe violations of  
9 human rights and religious freedom in Iran;  
10 and

11 (C) take appropriate measures to respond  
12 to such violations, including by—

13 (i) prohibiting officials and other indi-  
14 viduals the President identifies as being re-  
15 sponsible for such violations from entry  
16 into the United States; and

17 (ii) freezing the assets of the officials  
18 and other individuals described in clause  
19 (i);

20 (7) additional funding should be provided to the  
21 Secretary of State to document, collect, and dissemi-

1       nate information about human rights abuses in Iran,  
2       including serious abuses that have taken place since  
3       the presidential election in Iran on June 12, 2009;

4               (8) with respect to nongovernmental organiza-  
5       tions based in the United States—

6               (A) such organizations are essential to pro-  
7       moting human rights and humanitarian goals  
8       around the world;

9               (B) it is in the national interest of the  
10       United States to allow responsible nongovern-  
11       mental organizations based in the United States  
12       to establish and carry out operations in Iran to  
13       promote civil society and foster humanitarian  
14       goodwill among the people of Iran; and

15              (C) the United States should ensure that  
16       the organizations described in subparagraph  
17       (B) are not unnecessarily hindered from work-  
18       ing in Iran to provide humanitarian, human  
19       rights, and people-to-people assistance, as ap-  
20       propriate, to the people of Iran;

1           (9) the United States should not issue a license  
2       pursuant to an agreement for cooperation (as de-  
3       fined in section 11 b. of the Atomic Energy Act of  
4       1954 (42 U.S.C. 2014(b))) for the export of nuclear  
5       material, facilities, components, or other goods, serv-  
6       ices, or technology that are or would be subject to  
7       such an agreement to a country that is providing  
8       similar nuclear material, facilities, components, or  
9       other goods, services, or technology to another coun-  
10      try that is not in full compliance with its obligations  
11      under the Nuclear Non-Proliferation Treaty, includ-  
12      ing its obligations under the safeguards agreement  
13      between that country and the International Atomic  
14      Energy Agency, unless the President determines  
15      that the provision of such similar nuclear material,  
16      facilities, components, or other goods, services, or  
17      technology to such other country does not undermine  
18      the nonproliferation policies and objectives of the  
19      United States; and

20           (10) the people of the United States—



1 (A) have feelings of friendship for the peo-  
2 ple of Iran;

3 (B) regret that developments in recent dec-  
4 ades have created impediments to that friend-  
5 ship; and

6 (C) hold the people of Iran, their culture,  
7 and their ancient and rich history in the highest  
8 esteem.

9 **TITLE I—SANCTIONS**

10 **SEC. 101. DEFINITIONS.**

11 In this title:

12 (1) AGRICULTURAL COMMODITY.—The term  
13 “agricultural commodity” has the meaning given  
14 that term in section 102 of the Agricultural Trade  
15 Act of 1978 (7 U.S.C. 5602).

16 (2) APPROPRIATE CONGRESSIONAL COMMIT-  
17 TEES.—The term “appropriate congressional com-  
18 mittees” has the meaning given that term in section  
19 14 of the Iran Sanctions Act of 1996 (Public Law  
20 104–172; 50 U.S.C. 1701 note), as amended by sec-  
21 tion 102 of this Act.

1           (3) EXECUTIVE AGENCY.—The term “executive  
2       agency” has the meaning given that term in section  
3       4 of the Office of Federal Procurement Policy Act  
4       (41 U.S.C. 403).

5           (4) FAMILY MEMBER.—The term “family mem-  
6       ber” means, with respect to an individual, a spouse,  
7       child, parent, sibling, grandchild, or grandparent of  
8       the individual.

9           (5) IRANIAN DIPLOMATS AND REPRESENTA-  
10       TIVES OF OTHER GOVERNMENT AND MILITARY OR  
11       QUASI-GOVERNMENTAL INSTITUTIONS OF IRAN.—  
12       The term “Iranian diplomat or representative of an-  
13       other government or military or quasi-governmental  
14       institution of Iran” means any of the Iranian dip-  
15       lomats and representatives of other government and  
16       military or quasi-governmental institutions of Iran  
17       (as that term is defined in section 14 of the Iran  
18       Sanctions Act of 1996 (Public Law 104–172; 50  
19       U.S.C. 1701 note)).

20           (6) KNOWINGLY.—The term “knowingly”, with  
21       respect to conduct, a circumstance, or a result,

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

4 (7) MEDICAL DEVICE.—The term “medical de-  
5 vice” has the meaning given the term “device” in  
6 section 201 of the Federal Food, Drug, and Cos-  
7 metic Act (21 U.S.C. 321).

8 (8) MEDICINE.—The term “medicine” has the  
9 meaning given the term “drug” in section 201 of the  
10 Federal Food, Drug, and Cosmetic Act (21 U.S.C.  
11 321).

12 (9) STATE.—The term “State” means each of  
13 the several States, the District of Columbia, the  
14 Commonwealth of Puerto Rico, the Commonwealth  
15 of the Northern Mariana Islands, American Samoa,  
16 Guam, the United States Virgin Islands, and any  
17 other territory or possession of the United States.

18 (10) UNITED STATES PERSON.—The term  
19 “United States person” means—

20 (A) a natural person who is a citizen or  
21 resident of the United States or a national of

1 the United States (as defined in section 101(a)  
2 of the Immigration and Nationality Act (8  
3 U.S.C. 1101(a)); and

4 (B) an entity that is organized under the  
5 laws of the United States or any State.

6 **SEC. 102. EXPANSION OF SANCTIONS UNDER THE IRAN**  
7 **SANCTIONS ACT OF 1996.**

8 (a) IN GENERAL.—Section 5 of the Iran Sanctions  
9 Act of 1996 (Public Law 104–172; 50 U.S.C. 1701 note)  
10 is amended—

11 (1) by striking subsection (a) and inserting the  
12 following:

13 “(a) SANCTIONS WITH RESPECT TO THE DEVELOP-  
14 MENT OF PETROLEUM RESOURCES OF IRAN, PRODUC-  
15 TION OF REFINED PETROLEUM PRODUCTS IN IRAN, AND  
16 EXPORTATION OF REFINED PETROLEUM PRODUCTS TO  
17 IRAN.—

18 “(1) DEVELOPMENT OF PETROLEUM RE-  
19 SOURCES OF IRAN.—

20 “(A) IN GENERAL.—Except as provided in  
21 subsection (f), the President shall impose 3 or

1 more of the sanctions described in section 6(a)  
2 with respect to a person if the President deter-  
3 mines that the person knowingly, on or after  
4 the date of the enactment of the Comprehensive  
5 Iran Sanctions, Accountability, and Divestment  
6 Act of 2010—

7 “(i) makes an investment described in  
8 subparagraph (B) of \$20,000,000 or more;  
9 or

10 “(ii) makes a combination of invest-  
11 ments described in subparagraph (B) in a  
12 12-month period if each such investment is  
13 of at least \$5,000,000 and such invest-  
14 ments equal or exceed \$20,000,000 in the  
15 aggregate.

16 “(B) INVESTMENT DESCRIBED.—An in-  
17 vestment described in this subparagraph is an  
18 investment that directly and significantly con-  
19 tributes to the enhancement of Iran’s ability to  
20 develop petroleum resources.

1           “(2) PRODUCTION OF REFINED PETROLEUM  
2       PRODUCTS.—

3           “(A) IN GENERAL.—Except as provided in  
4       subsection (f), the President shall impose 3 or  
5       more of the sanctions described in section 6(a)  
6       with respect to a person if the President deter-  
7       mines that the person knowingly, on or after  
8       the date of the enactment of the Comprehensive  
9       Iran Sanctions, Accountability, and Divestment  
10      Act of 2010, sells, leases, or provides to Iran  
11      goods, services, technology, information, or sup-  
12      port described in subparagraph (B)—

13           “(i) any of which has a fair market  
14      value of \$1,000,000 or more; or

15           “(ii) that, during a 12-month period,  
16      have an aggregate fair market value of  
17      \$5,000,000 or more.

18           “(B) GOODS, SERVICES, TECHNOLOGY, IN-  
19      FORMATION, OR SUPPORT DESCRIBED.—Goods,  
20      services, technology, information, or support de-  
21      scribed in this subparagraph are goods, serv-

1           ices, technology, information, or support that  
2           could directly and significantly facilitate the  
3           maintenance or expansion of Iran’s domestic  
4           production of refined petroleum products, in-  
5           cluding any direct and significant assistance  
6           with respect to the construction, modernization,  
7           or repair of petroleum refineries.

8           “(3) EXPORTATION OF REFINED PETROLEUM  
9           PRODUCTS TO IRAN.—

10               “(A) IN GENERAL.—Except as provided in  
11           subsection (f), the President shall impose 3 or  
12           more of the sanctions described in section 6(a)  
13           with respect to a person if the President deter-  
14           mines that the person knowingly, on or after  
15           the date of the enactment of the Comprehensive  
16           Iran Sanctions, Accountability, and Divestment  
17           Act of 2010—

18               “(i) sells or provides to Iran refined  
19           petroleum products—

20               “(I) that have a fair market  
21           value of \$1,000,000 or more; or

1 “(II) that, during a 12-month pe-  
2 riod, have an aggregate fair market  
3 value of \$5,000,000 or more; or

4 “(ii) sells, leases, or provides to Iran  
5 goods, services, technology, information, or  
6 support described in subparagraph (B)—

7 “(I) any of which has a fair mar-  
8 ket value of \$1,000,000 or more; or

9 “(II) that, during a 12-month pe-  
10 riod, have an aggregate fair market  
11 value of \$5,000,000 or more.

12 “(B) GOODS, SERVICES, TECHNOLOGY, IN-  
13 FORMATION, OR SUPPORT DESCRIBED.—Goods,  
14 services, technology, information, or support de-  
15 scribed in this subparagraph are goods, serv-  
16 ices, technology, information, or support that  
17 could directly and significantly contribute to the  
18 enhancement of Iran’s ability to import refined  
19 petroleum products, including—

20 “(i) except as provided in subpara-  
21 graph (C), underwriting or entering into a



1 contract to provide insurance or reinsur-  
2 ance for the sale, lease, or provision of  
3 such goods, services, technology, informa-  
4 tion, or support;

5 “(ii) financing or brokering such sale,  
6 lease, or provision; or

7 “(iii) providing ships or shipping serv-  
8 ices to deliver refined petroleum products  
9 to Iran.

10 “(C) EXCEPTION FOR UNDERWRITERS AND  
11 INSURANCE PROVIDERS EXERCISING DUE DILI-  
12 GENCE.—The President may not impose sanc-  
13 tions under this paragraph with respect to a  
14 person that provides underwriting services or  
15 insurance or reinsurance if the President deter-  
16 mines that the person has exercised due dili-  
17 gence in establishing and enforcing official poli-  
18 cies, procedures, and controls to ensure that the  
19 person does not underwrite or enter into a con-  
20 tract to provide insurance or reinsurance for  
21 the sale, lease, or provision of goods, services,

1 technology, information, or support described in  
2 subparagraph (B).”;

3 (2) in subsection (b)—

4 (A) by redesignating paragraphs (1) and  
5 (2) as subparagraphs (A) and (B), respectively,  
6 and moving such subparagraphs, as so redesign-  
7 nated, 2 ems to the right;

8 (B) by striking “The President shall im-  
9 pose” and inserting the following:

10 “(1) IN GENERAL.—The President shall im-  
11 pose”; and

12 (C) in paragraph (1), as redesignated by  
13 subparagraph (B) of this paragraph, by striking  
14 “two or more” and all that follows through “of  
15 this Act” and inserting “3 or more of the sanc-  
16 tions described in section 6(a) if the President  
17 determines that a person has, on or after the  
18 date of the enactment of the Comprehensive  
19 Iran Sanctions, Accountability, and Divestment  
20 Act of 2010”; and

21 (D) by adding at the end the following:

1           “(2) ADDITIONAL MANDATORY SANCTIONS RE-  
2           LATING TO TRANSFER OF NUCLEAR TECHNOLOGY.—

3           “(A) IN GENERAL.—Except as provided in  
4           subparagraphs (B) and (C), in any case in  
5           which a person is subject to sanctions under  
6           paragraph (1) because of an activity described  
7           in that paragraph that relates to the acquisition  
8           or development of nuclear weapons or related  
9           technology or of missiles or advanced conven-  
10          tional weapons that are designed or modified to  
11          deliver a nuclear weapon, no license may be  
12          issued for the export, and no approval may be  
13          given for the transfer or retransfer, directly or  
14          indirectly, to the country the government of  
15          which has primary jurisdiction over the person,  
16          of any nuclear material, facilities, components,  
17          or other goods, services, or technology that are  
18          or would be subject to an agreement for co-  
19          operation between the United States and that  
20          government.

1           “(B) EXCEPTION.—The sanctions de-  
2           scribed in subparagraph (A) shall not apply  
3           with respect to a country the government of  
4           which has primary jurisdiction over a person  
5           that engages in an activity described in that  
6           subparagraph if the President determines and  
7           notifies the appropriate congressional commit-  
8           tees that the government of the country—

9                       “(i) does not know or have reason to  
10                      know about the activity; or

11                     “(ii) has taken, or is taking, all rea-  
12                     sonable steps necessary to prevent a recur-  
13                     rence of the activity and to penalize the  
14                     person for the activity.

15           “(C) INDIVIDUAL APPROVAL.—Notwith-  
16           standing subparagraph (A), the President may,  
17           on a case-by-case basis, approve the issuance of  
18           a license for the export, or approve the transfer  
19           or retransfer, of any nuclear material, facilities,  
20           components, or other goods, services, or tech-  
21           nology that are or would be subject to an agree-

1           ment for cooperation, to a person in a country  
2           to which subparagraph (A) applies (other than  
3           a person that is subject to the sanctions under  
4           paragraph (1)) if the President—

5                       “(i) determines that such approval is  
6                       vital to the national security interests of  
7                       the United States; and

8                       “(ii) not later than 15 days before  
9                       issuing such license or approving such  
10                      transfer or retransfer, submits to the Com-  
11                      mittee on Foreign Affairs of the House of  
12                      Representatives and the Committee on  
13                      Foreign Relations of the Senate the jus-  
14                      tification for approving such license, trans-  
15                      fer, or retransfer.

16                      “(D) CONSTRUCTION.—The restrictions in  
17                      subparagraph (A) shall apply in addition to all  
18                      other applicable procedures, requirements, and  
19                      restrictions contained in the Atomic Energy Act  
20                      of 1954 and other related laws.

1           “(E) DEFINITION.—In this paragraph, the  
2           term ‘agreement for cooperation’ has the mean-  
3           ing given that term in section 11 b. of the  
4           Atomic Energy Act of 1954 (42 U.S.C.  
5           2014(b)).

6           “(F) APPLICABILITY.—The sanctions  
7           under subparagraph (A) shall apply only in a  
8           case in which a person is subject to sanctions  
9           under paragraph (1) because of an activity de-  
10          scribed in that paragraph in which the person  
11          engages on or after the date of the enactment  
12          of the Comprehensive Iran Sanctions, Account-  
13          ability, and Divestment Act of 2010.”;  
14          (3) in subsection (c)—

15                (A) by striking “(b)” each place it appears  
16                and inserting “(b)(1)”; and

17                (B) by striking paragraph (2) and insert-  
18                ing the following:

19                “(2) any person that—

20                        “(A) is a successor entity to the person re-  
21                        ferred to in paragraph (1);

1           “(B) owns or controls the person referred  
2           to in paragraph (1), if the person that owns or  
3           controls the person referred to in paragraph (1)  
4           had actual knowledge or should have known  
5           that the person referred to in paragraph (1) en-  
6           gaged in the activities referred to in that para-  
7           graph; or

8           “(C) is owned or controlled by, or under  
9           common ownership or control with, the person  
10          referred to in paragraph (1), if the person  
11          owned or controlled by, or under common own-  
12          ership or control with (as the case may be), the  
13          person referred to in paragraph (1) knowingly  
14          engaged in the activities referred to in that  
15          paragraph.”; and

16          (4) in subsection (f)(2), by striking “section  
17          301(b)(1) of that Act (19 U.S.C. 2511(b)(1))” and  
18          inserting “section 301(b) of that Act (19 U.S.C.  
19          2511(b))”.

20          (b) DESCRIPTION OF SANCTIONS.—Section 6 of such  
21          Act is amended—

1           (1) by striking “The sanctions to be imposed”  
2           and inserting the following:

3           “(a) IN GENERAL.—The sanctions to be imposed”;

4           (2) in subsection (a), as redesignated by para-  
5           graph (1)—

6           (A) by redesignating paragraph (6) as  
7           paragraph (9); and

8           (B) by inserting after paragraph (5) the  
9           following:

10          “(6) FOREIGN EXCHANGE.—The President  
11          may, pursuant to such regulations as the President  
12          may prescribe, prohibit any transactions in foreign  
13          exchange that are subject to the jurisdiction of the  
14          United States and in which the sanctioned person  
15          has any interest.

16          “(7) BANKING TRANSACTIONS.—The President  
17          may, pursuant to such regulations as the President  
18          may prescribe, prohibit any transfers of credit or  
19          payments between financial institutions or by,  
20          through, or to any financial institution, to the extent  
21          that such transfers or payments are subject to the



1 jurisdiction of the United States and involve any in-  
2 terest of the sanctioned person.

3 “(8) PROPERTY TRANSACTIONS.—The Presi-  
4 dent may, pursuant to such regulations as the Presi-  
5 dent may prescribe, prohibit any person from—

6 “(A) acquiring, holding, withholding,  
7 using, transferring, withdrawing, transporting,  
8 importing, or exporting any property that is  
9 subject to the jurisdiction of the United States  
10 and with respect to which the sanctioned person  
11 has any interest;

12 “(B) dealing in or exercising any right,  
13 power, or privilege with respect to such prop-  
14 erty; or

15 “(C) conducting any transaction involving  
16 such property.”; and

17 (3) by adding at the end the following:

18 “(b) ADDITIONAL MEASURE RELATING TO GOVERN-  
19 MENT CONTRACTS.—

20 “(1) MODIFICATION OF FEDERAL ACQUISITION  
21 REGULATION.—Not later than 90 days after the

1 date of the enactment of the Comprehensive Iran  
2 Sanctions, Accountability, and Divestment Act of  
3 2010, the Federal Acquisition Regulation issued  
4 pursuant to section 25 of the Office of Federal Pro-  
5 curement Policy Act (41 U.S.C. 421) shall be re-  
6 vised to require a certification from each person that  
7 is a prospective contractor that the person does not  
8 engage in any activity for which sanctions may be  
9 imposed under section 5.

10 “(2) REMEDIES.—

11 “(A) IN GENERAL.—If the head of an ex-  
12 ecutive agency determines that a person has  
13 submitted a false certification under paragraph  
14 (1) after the date on which the Federal Acquisi-  
15 tion Regulation is revised to implement the re-  
16 quirements of this subsection, the head of that  
17 executive agency shall terminate a contract with  
18 such person or debar or suspend such person  
19 from eligibility for Federal contracts for a pe-  
20 riod of not more than 3 years. Any such debar-  
21 ment or suspension shall be subject to the pro-

1           cedures that apply to debarment and suspen-  
2           sion under the Federal Acquisition Regulation  
3           under subpart 9.4 of part 9 of title 48, Code of  
4           Federal Regulations.

5           “(B) INCLUSION ON LIST OF PARTIES EX-  
6           CLUDED FROM FEDERAL PROCUREMENT AND  
7           NONPROCUREMENT PROGRAMS.—The Adminis-  
8           trator of General Services shall include on the  
9           List of Parties Excluded from Federal Procure-  
10          ment and Nonprocurement Programs main-  
11          tained by the Administrator under part 9 of the  
12          Federal Acquisition Regulation issued pursuant  
13          to section 25 of the Office of Federal Procure-  
14          ment Policy Act (41 U.S.C. 421) each person  
15          that is debarred, suspended, or proposed for de-  
16          barment or suspension by the head of an execu-  
17          tive agency on the basis of a determination of  
18          a false certification under subparagraph (A).

19          “(3) CLARIFICATION REGARDING CERTAIN  
20          PRODUCTS.—The remedies set forth in paragraph  
21          (2) shall not apply with respect to the procurement

1 of eligible products, as defined in section 308(4) of  
2 the Trade Agreements Act of 1974 (19 U.S.C.  
3 2518(4)), of any foreign country or instrumentality  
4 designated under section 301(b) of that Act (19  
5 U.S.C. 2511(b)).

6 “(4) RULE OF CONSTRUCTION.—This sub-  
7 section shall not be construed to limit the use of  
8 other remedies available to the head of an executive  
9 agency or any other official of the Federal Govern-  
10 ment on the basis of a determination of a false cer-  
11 tification under paragraph (1).

12 “(5) WAIVERS.—The President may on a case-  
13 by-case basis waive the requirement that a person  
14 make a certification under paragraph (1) if the  
15 President determines and certifies in writing to the  
16 appropriate congressional committees that it is in  
17 the national interest of the United States to do so.

18 “(6) EXECUTIVE AGENCY DEFINED.—In this  
19 subsection, the term ‘executive agency’ has the  
20 meaning given that term in section 4 of the Office  
21 of Federal Procurement Policy Act (41 U.S.C. 403).

1           “(7) APPLICABILITY.—The revisions to the  
2       Federal Acquisition Regulation required under para-  
3       graph (1) shall apply with respect to contracts for  
4       which solicitations are issued on or after the date  
5       that is 90 days after the date of the enactment of  
6       the Comprehensive Iran Sanctions, Accountability,  
7       and Divestment Act of 2010.”.

8       (c) PRESIDENTIAL WAIVER.—Section 9 of such Act  
9       is amended—

10           (1) in subsection (a), by striking “5(b)” each  
11       place it appears and inserting “5(b)(1)”; and

12           (2) in subsection (c)—

13                (A) in paragraph (1), by striking “impor-  
14       tant to the national interest” and inserting  
15       “necessary to the national interest”; and

16                (B) in paragraph (2), by striking subpara-  
17       graph (C) and inserting the following:

18                   “(C) an estimate of the significance of the  
19       conduct of the person in contributing to the  
20       ability of Iran to, as the case may be—

1                   “(i) develop petroleum resources,  
2                   produce refined petroleum products, or im-  
3                   port refined petroleum products; or

4                   “(ii) acquire or develop—

5                         “(I) chemical, biological, or nu-  
6                         clear weapons or related technologies;  
7                         or

8                         “(II) destabilizing numbers and  
9                         types of advanced conventional weap-  
10                         ons; and”.

11       (d) REPORTS ON GLOBAL TRADE RELATING TO  
12 IRAN.—Section 10 of such Act is amended by adding at  
13 the end the following:

14       “(d) REPORTS ON GLOBAL TRADE RELATING TO  
15 IRAN.—Not later than 90 days after the date of the enact-  
16 ment of the Comprehensive Iran Sanctions, Account-  
17 ability, and Divestment Act of 2010, and annually there-  
18 after, the President shall submit to the appropriate con-  
19 gressional committees a report, with respect to the most  
20 recent 12-month period for which data are available, on  
21 the dollar value amount of trade, including in the energy

1 sector, between Iran and each country maintaining mem-  
2 bership in the Group of 20 Finance Ministers and Central  
3 Bank Governors.”.

4 (e) EXTENSION OF IRAN SANCTIONS ACT OF 1996.—  
5 Section 13(b) of such Act is amended by striking “Decem-  
6 ber 31, 2011” and inserting “December 31, 2016”.

7 (f) CLARIFICATION AND EXPANSION OF DEFINI-  
8 TIONS.—Section 14 of such Act is amended—

9 (1) in paragraph (2), by striking “the Com-  
10 mittee on Banking and Financial Services, and the  
11 Committee on International Relations” and inserting  
12 “the Committee on Financial Services, and the Com-  
13 mittee on Foreign Affairs”;

14 (2) in paragraph (9), in the flush text following  
15 subparagraph (C), by striking “The term ‘invest-  
16 ment’ does not include” and all that follows through  
17 “technology.”;

18 (3) by redesignating paragraphs (12), (13),  
19 (14), (15), and (16) as paragraphs (13), (14), (15),  
20 (17), and (18), respectively;

1           (4) by inserting after paragraph (11) the fol-  
2       lowing:

3           “(12) KNOWINGLY.—The term ‘knowingly’,  
4       with respect to conduct, a circumstance, or a result,  
5       means that a person has actual knowledge, or should  
6       have known, of the conduct, the circumstance, or the  
7       result.”;

8           (5) in paragraph (14), as redesignated by para-  
9       graph (3) of this subsection—

10           (A) by redesignating subparagraphs (A),  
11           (B), and (C) as clauses (i), (ii), and (iii), re-  
12           spectively, and moving such clauses, as so re-  
13           designated, 2 ems to the right;

14           (B) by striking “The term ‘person’  
15           means—” and inserting the following:

16           “(A) IN GENERAL.—The term ‘person’  
17           means—”;

18           (C) in subparagraph (A), as redesignated  
19       by this paragraph—

20           (i) in clause (ii), by inserting “finan-  
21           cial institution, insurer, underwriter, guar-



1                   antor, and any other business organiza-  
2                   tion,” after “trust,”; and

3                   (ii) in clause (iii), by striking “sub-  
4                   paragraph (B)” and inserting “clause (ii)”;  
5                   and

6                   (D) by adding at the end the following:

7                   “(B) APPLICATION TO GOVERNMENTAL  
8                   ENTITIES.—The term ‘person’ does not include  
9                   a government or governmental entity that is not  
10                  operating as a business enterprise.”;

11                  (6) in paragraph (15), as redesignated by para-  
12                  graph (3) of this subsection, by striking “petroleum  
13                  and natural gas resources” and inserting “petro-  
14                  leum, refined petroleum products, oil or liquefied  
15                  natural gas, natural gas resources, oil or liquefied  
16                  natural gas tankers, and products used to construct  
17                  or maintain pipelines used to transport oil or lique-  
18                  fied natural gas”; and

19                  (7) by inserting after paragraph (15), as so re-  
20                  designated, the following:

1           “(16) REFINED PETROLEUM PRODUCTS.—The  
2           term ‘refined petroleum products’ means diesel, gas-  
3           oline, jet fuel (including naphtha-type and kerosene-  
4           type jet fuel), and aviation gasoline.”.

5           (g) WAIVER FOR CERTAIN COUNTRIES; MANDATORY  
6           INVESTIGATIONS AND REPORTING; CONFORMING AMEND-  
7           MENTS.—Section 4 of such Act is amended—

8           (1) in subsection (b)(2), by striking “(in addi-  
9           tion to that provided in subsection (d))”;

10          (2) in subsection (c)—

11           (A) in paragraph (1)—

12           (i) by striking “The President may”  
13           and inserting the following:

14           “(A) GENERAL WAIVER.—The President  
15           may”; and

16           (ii) by adding at the end the fol-  
17           lowing:

18           “(B) WAIVER WITH RESPECT TO COUN-  
19           TRIES THAT COOPERATE IN MULTILATERAL EF-  
20           FORTS WITH RESPECT TO IRAN.—The President  
21           may, on a case by case basis, waive for a period

1 of not more than 12 months the application of  
2 section 5(a) with respect to a person if the  
3 President, at least 30 days before the waiver is  
4 to take effect—

5 “(i) certifies to the appropriate con-  
6 gressional committees that—

7 “(I) the government with pri-  
8 mary jurisdiction over the person is  
9 closely cooperating with the United  
10 States in multilateral efforts to pre-  
11 vent Iran from—

12 “(aa) acquiring or devel-  
13 oping chemical, biological, or nu-  
14 clear weapons or related tech-  
15 nologies; or

16 “(bb) acquiring or devel-  
17 oping destabilizing numbers and  
18 types of advanced conventional  
19 weapons; and

1                   “(II) such a waiver is vital to the  
2                   national security interests of the  
3                   United States; and

4                   “(ii) submits to the appropriate con-  
5                   gressional committees a report identi-  
6                   fying—

7                   “(I) the person with respect to  
8                   which the President waives the appli-  
9                   cation of sanctions; and

10                  “(II) the actions taken by the  
11                  government described in clause (i)(I)  
12                  to cooperate in multilateral efforts de-  
13                  scribed in that clause.”; and

14                  (B) by striking paragraph (2) and insert-  
15                  ing the following:

16                  “(2) SUBSEQUENT RENEWAL OF WAIVER.—At  
17                  the conclusion of the period of a waiver under sub-  
18                  paragraph (A) or (B) of paragraph (1), the Presi-  
19                  dent may renew the waiver—

20                  “(A) if the President determines, in ac-  
21                  cordance with subparagraph (A) or (B) of that

1 paragraph (as the case may be), that the waiver  
2 is appropriate; and

3 “(B)(i) in the case of a waiver under sub-  
4 paragraph (A) of paragraph (1), for subsequent  
5 periods of not more than six months each; and

6 “(ii) in the case of a waiver under sub-  
7 paragraph (B) of paragraph (1), for subsequent  
8 periods of not more than 12 months each.”;

9 (3) by striking subsection (d);

10 (4) by redesignating subsections (e) and (f) as  
11 subsections (d) and (e), respectively; and

12 (5) in subsection (e), as redesignated by para-  
13 graph (4) of this subsection—

14 (A) in paragraph (1)—

15 (i) by striking “should initiate” and  
16 inserting “shall initiate”; and

17 (ii) by striking “investment activity in  
18 Iran as” and inserting “an activity”;

19 (B) in paragraph (2)—

1 (i) by striking “should determine”  
2 and inserting “shall (unless paragraph (3)  
3 applies) determine”; and

4 (ii) by striking “investment activity in  
5 Iran as” and inserting “an activity”; and  
6 (C) by adding at the end the following:

7 “(3) SPECIAL RULE.—The President need not  
8 initiate an investigation, and may terminate an in-  
9 vestigation, under this subsection if the President  
10 certifies in writing to the appropriate congressional  
11 committees that—

12 “(A) the person whose activity was the  
13 basis for the investigation is no longer engaging  
14 in the activity or has taken significant steps to-  
15 ward stopping the activity; and

16 “(B) the President has received reliable as-  
17 surances that the person will not knowingly en-  
18 gage in an activity described in section 5(a) in  
19 the future.”.

20 (h) EFFECTIVE DATE.—

1           (1) IN GENERAL.—The amendments made by  
2 this section shall—

3           (A) take effect on the date of the enact-  
4 ment of this Act; and

5           (B) except as provided in this subsection  
6 or section 6(b)(7) of the Iran Sanctions Act of  
7 1996, as amended by subsection (b) of this sec-  
8 tion, apply with respect to an investment or ac-  
9 tivity described in subsection (a) or (b) of sec-  
10 tion 5 of the Iran Sanctions Act of 1996, as  
11 amended by this section, that is commenced on  
12 or after such date of enactment.

13          (2) APPLICABILITY TO ONGOING INVESTMENTS  
14 PROHIBITED UNDER PRIOR LAW.—A person that  
15 makes an investment described in section 5(a) of the  
16 Iran Sanctions Act of 1996, as in effect on the day  
17 before the date of the enactment of this Act, that is  
18 commenced before such date of enactment and con-  
19 tinues on or after such date of enactment, shall, ex-  
20 cept as provided in paragraph (4), be subject to the

1 provisions of the Iran Sanctions Act of 1996, as in  
2 effect on the day before such date of enactment.

3 (3) APPLICABILITY TO ONGOING ACTIVITIES RE-  
4 LATING TO CHEMICAL, BIOLOGICAL, OR NUCLEAR  
5 WEAPONS OR RELATED TECHNOLOGIES.—A person  
6 that, before the date of the enactment of this Act,  
7 commenced an activity described in section 5(b) of  
8 the Iran Sanctions Act of 1996, as in effect on the  
9 day before such date of enactment, and continues  
10 the activity on or after such date of enactment, shall  
11 be subject to the provisions of the Iran Sanctions  
12 Act of 1996, as amended by this Act.

13 (4) APPLICABILITY OF MANDATORY INVESTIGA-  
14 TIONS TO INVESTMENTS.—The amendments made  
15 by subsection (g)(5) of this section shall apply on  
16 and after the date of the enactment of this Act—

17 (A) with respect to an investment de-  
18 scribed in section 5(a)(1) of the Iran Sanctions  
19 Act of 1996, as amended by subsection (a) of  
20 this section, that is commenced on or after such  
21 date of enactment; and



1 (B) with respect to an investment de-  
2 scribed in section 5(a) of the Iran Sanctions  
3 Act of 1996, as in effect on the day before the  
4 date of the enactment of this Act, that is com-  
5 menced before such date of enactment and con-  
6 tinues on or after such date of enactment.

7 (5) APPLICABILITY OF MANDATORY INVESTIGA-  
8 TIONS TO ACTIVITIES RELATING TO PETROLEUM.—

9 (A) IN GENERAL.—Except as provided in  
10 subparagraph (B), the amendments made by  
11 subsection (g)(5) of this section shall apply on  
12 and after the date that is 1 year after the date  
13 of the enactment of this Act with respect to an  
14 activity described in paragraph (2) or (3) of  
15 section 5(a) of the Iran Sanctions Act of 1996,  
16 as amended by subsection (a) of this section,  
17 that is commenced on or after the date that is  
18 1 year after the date of the enactment of this  
19 Act or the date on which the President fails to  
20 submit a certification that is required under  
21 subparagraph (B) (whichever is applicable).

1 (B) SPECIAL RULE FOR DELAY OF EFFEC-  
2 TIVE DATE.—

3 (i) REPORTING REQUIREMENT.—Not  
4 later than 30 days before the date that is  
5 1 year after the date of the enactment of  
6 this Act, the President shall submit to the  
7 appropriate congressional committees a re-  
8 port describing—

9 (I) the diplomatic and other ef-  
10 forts of the President—

11 (aa) to dissuade foreign per-  
12 sons from engaging in activities  
13 described in paragraph (2) or (3)  
14 of section 5(a) of the Iran Sanc-  
15 tions Act of 1996, as amended by  
16 subsection (a) of this section; and

17 (bb) to encourage other gov-  
18 ernments to dissuade persons  
19 over which those governments  
20 have jurisdiction from engaging  
21 in such activities;

1 (II) the successes and failures of  
2 the efforts described in subclause (I);  
3 and

4 (III) each investigation under  
5 section 4(e) of the Iran Sanctions Act  
6 of 1996, as amended by subsection  
7 (g)(5) of this section and as in effect  
8 pursuant to subparagraph (C) of this  
9 paragraph, or any other review of an  
10 activity described in paragraph (2) or  
11 (3) of section 5(a) of the Iran Sanc-  
12 tions Act of 1996, as amended by sub-  
13 section (a) of this section, that is ini-  
14 tiated or ongoing during the period  
15 beginning on the date of the enact-  
16 ment of this Act and ending on the  
17 date on which the President is re-  
18 quired to submit the report.

19 (ii) CERTIFICATION.—If the President  
20 submits to the appropriate congressional  
21 committees, with the report required by

1 clause (i), a certification that there was a  
2 substantial reduction in activities described  
3 in paragraphs (2) and (3) of section 5(a)  
4 of the Iran Sanctions Act of 1996, as  
5 amended by subsection (a) of this section,  
6 during the period described in clause  
7 (i)(III), the effective date provided for in  
8 subparagraph (A) shall be delayed for a  
9 180-day period beginning after the date  
10 provided for in that subparagraph.

11 (iii) SUBSEQUENT REPORTS AND  
12 DELAYS.—The effective date provided for  
13 in subparagraph (A) shall be delayed for  
14 additional 180-day periods occurring after  
15 the end of the 180-day period provided for  
16 under clause (ii), if, not later than 30 days  
17 before the 180-day period preceding such  
18 additional 180-day period expires, the  
19 President submits to the appropriate con-  
20 gressional committees—

1           (I) a report containing the mat-  
2           ters required in the report under  
3           clause (i) for the period beginning on  
4           the date on which the preceding re-  
5           port was required to be submitted  
6           under clause (i) or this clause (as the  
7           case may be) and ending on the date  
8           on which the President is required to  
9           submit the most recent report under  
10          this clause; and

11          (II) a certification that, during  
12          the period described in subclause (I),  
13          there was (as compared to the period  
14          for which the preceding report was  
15          submitted under this subparagraph) a  
16          progressive reduction in activities de-  
17          scribed in paragraphs (2) and (3) of  
18          section 5(a) of the Iran Sanctions Act  
19          of 1996, as amended by subsection (a)  
20          of this section.

1 (iv) CONSEQUENCE OF FAILURE TO  
2 CERTIFY.—If the President does not make  
3 a certification at a time required by this  
4 subparagraph—

5 (I) the amendments made by  
6 subsection (g)(5) of this section shall  
7 apply on and after the date on which  
8 the certification was required to be  
9 submitted by this subparagraph, with  
10 respect to an activity described in  
11 paragraph (2) or (3) of section 5(a) of  
12 the Iran Sanctions Act of 1996, as  
13 amended by subsection (a) of this sec-  
14 tion, that—

15 (aa) is referenced in the  
16 most recent report required to be  
17 submitted under this subpara-  
18 graph; or

19 (bb) is commenced on or  
20 after the date on which such

1                   most recent report is required to  
2                   be submitted; and

3                   (II) not later than 45 days after  
4                   the date on which the certification  
5                   was required to be submitted by this  
6                   subparagraph, the President shall  
7                   make a determination under para-  
8                   graph (2) or (3) of section 5(a) of the  
9                   Iran Sanctions Act of 1996 (as the  
10                  case may be), as amended by sub-  
11                  section (a) of this section, with re-  
12                  spect to relevant activities described  
13                  in subclause (I)(aa).

14                  (C) APPLICABILITY OF PERMISSIVE INVES-  
15                  TIGATIONS.—During the 1-year period begin-  
16                  ning on the date of the enactment of this Act  
17                  and during any 180-day period during which  
18                  the effective date provided for in subparagraph  
19                  (A) is delayed pursuant to subparagraph (B),  
20                  section 4(e) of the Iran Sanctions Act of 1996,  
21                  as amended by subsection (g)(5) of this section,

1 shall be applied, with respect to an activity de-  
2 scribed in paragraph (2) or (3) of section 5(a)  
3 of the Iran Sanctions Act of 1996, as amended  
4 by subsection (a) of this section, by substituting  
5 “should” for “shall” each place it appears.

6 (6) WAIVER AUTHORITY.—The amendments  
7 made by subsection (c) shall not be construed to af-  
8 fect any exercise of the authority under section 9(c)  
9 of the Iran Sanctions Act of 1996, as in effect on  
10 the day before the date of the enactment of this Act.

11 **SEC. 103. ECONOMIC SANCTIONS RELATING TO IRAN.**

12 (a) IN GENERAL.—Notwithstanding section 101 of  
13 the Iran Freedom Support Act (Public Law 109–293; 120  
14 Stat. 1344), and in addition to any other sanction in ef-  
15 fect, beginning on the date that is 90 days after the date  
16 of the enactment of this Act, the economic sanctions de-  
17 scribed in subsection (b) shall apply with respect to Iran.

18 (b) SANCTIONS.—The sanctions described in this  
19 subsection are the following:

20 (1) PROHIBITION ON IMPORTS.—



1 (A) IN GENERAL.—Except as provided in  
2 subparagraph (B), no good or service of Iranian  
3 origin may be imported directly or indirectly  
4 into the United States.

5 (B) EXCEPTIONS.—The exceptions pro-  
6 vided for in section 203(b) of the International  
7 Emergency Economic Powers Act (50 U.S.C.  
8 1702(b)), including the exception for informa-  
9 tion and informational materials, shall apply to  
10 the prohibition in subparagraph (A) of this  
11 paragraph to the same extent that such excep-  
12 tions apply to the authority provided under sec-  
13 tion 203(a) of that Act.

14 (2) PROHIBITION ON EXPORTS.—

15 (A) IN GENERAL.—Except as provided in  
16 subparagraph (B), no good, service, or tech-  
17 nology of United States origin may be exported  
18 to Iran from the United States or by a United  
19 States person, wherever located.

20 (B) EXCEPTIONS.—

1 (i) PERSONAL COMMUNICATIONS; AR-  
2 TICLES TO RELIEVE HUMAN SUFFERING;  
3 INFORMATION AND INFORMATIONAL MATE-  
4 RIALS; TRANSACTIONS INCIDENT TO TRAV-  
5 EL.—The exceptions provided for in sec-  
6 tion 203(b) of the International Emer-  
7 gency Economic Powers Act (50 U.S.C.  
8 1702(b)), including the exception for infor-  
9 mation and informational materials, shall  
10 apply to the prohibition in subparagraph  
11 (A) of this paragraph to the same extent  
12 that such exceptions apply to the authority  
13 provided under section 203(a) of that Act.

14 (ii) FOOD; MEDICINE; HUMANITARIAN  
15 ASSISTANCE.—The prohibition in subpara-  
16 graph (A) shall not apply to the expor-  
17 tation of—

18 (I) agricultural commodities,  
19 food, medicine, or medical devices; or

1 (II) articles exported to Iran to  
2 provide humanitarian assistance to  
3 the people of Iran.

4 (iii) INTERNET COMMUNICATIONS.—  
5 The prohibition in subparagraph (A) shall  
6 not apply to the exportation of—

7 (I) services incident to the ex-  
8 change of personal communications  
9 over the Internet or software nec-  
10 essary to enable such services, as pro-  
11 vided for in section 560.540 of title  
12 31, Code of Federal Regulations (or  
13 any corresponding similar regulation  
14 or ruling);

15 (II) hardware necessary to enable  
16 such services; or

17 (III) hardware, software, or tech-  
18 nology necessary for access to the  
19 Internet.

20 (iv) GOODS, SERVICES, OR TECH-  
21 NOLOGIES NECESSARY TO ENSURE THE

1           SAFE OPERATION OF COMMERCIAL AIR-  
2           CRAFT.—The prohibition in subparagraph  
3           (A) shall not apply to the exportation of  
4           goods, services, or technologies necessary  
5           to ensure the safe operation of commercial  
6           aircraft produced in the United States or  
7           commercial aircraft into which aircraft  
8           components produced in the United States  
9           are incorporated, if the exportation of such  
10          goods, services, or technologies is approved  
11          by the Secretary of the Treasury, in con-  
12          sultation with the Secretary of Commerce,  
13          pursuant to regulations issued by the Sec-  
14          retary of the Treasury regarding the ex-  
15          portation of such goods, services, or tech-  
16          nologies, if appropriate.

17                 (v) GOODS, SERVICES, OR TECH-  
18                 NOLOGIES EXPORTED TO SUPPORT INTER-  
19                 NATIONAL ORGANIZATIONS.—The prohibi-  
20                 tion in subparagraph (A) shall not apply to

1 the exportation of goods, services, or tech-  
2 nologies that—

3 (I) are provided to the Inter-  
4 national Atomic Energy Agency and  
5 are necessary to support activities of  
6 that Agency in Iran; or

7 (II) are necessary to support ac-  
8 tivities, including the activities of non-  
9 governmental organizations, relating  
10 to promoting democracy in Iran.

11 (vi) EXPORTS IN THE NATIONAL IN-  
12 TEREST.—The prohibition in subparagraph  
13 (A) shall not apply to the exportation of  
14 goods, services, or technologies if the  
15 President determines the exportation of  
16 such goods, services, or technologies to be  
17 in the national interest of the United  
18 States.

19 (3) FREEZING ASSETS.—

20 (A) IN GENERAL.—At such time as the  
21 President determines that a person in Iran, in-

1 cluding an Iranian diplomat or representative of  
2 another government or military or quasi-govern-  
3 mental institution of Iran (including Iran's Rev-  
4 olutionary Guard Corps and its affiliates), satis-  
5 fies the criteria for designation with respect to  
6 the imposition of sanctions under the authority  
7 of the International Emergency Economic Pow-  
8 ers Act (50 U.S.C. 1701 et seq.), the President  
9 shall take such action as may be necessary to  
10 freeze, as soon as possible—

11 (i) the funds and other assets belong-  
12 ing to that person; and

13 (ii) any funds or other assets that  
14 person transfers, on or after the date on  
15 which the President determines the person  
16 satisfies such criteria, to any family mem-  
17 ber or associate acting for or on behalf of  
18 the person.

19 (B) REPORTS TO THE OFFICE OF FOREIGN  
20 ASSETS CONTROL.—The action described in  
21 subparagraph (A) includes requiring any United

1 States financial institution that holds funds or  
2 assets of a person described in that subpara-  
3 graph or funds or assets that person transfers  
4 to a family member or associate described in  
5 that subparagraph to report promptly to the  
6 Office of Foreign Assets Control information  
7 regarding such funds and assets.

8 (C) REPORTS TO CONGRESS.—Not later  
9 than 14 days after a decision is made to freeze  
10 the funds or assets of any person under sub-  
11 paragraph (A), the President shall report the  
12 name of the person to the appropriate congres-  
13 sional committees. Such a report may contain a  
14 classified annex.

15 (D) TERMINATION.—The President shall  
16 release assets or funds frozen under subpara-  
17 graph (A) if the person to which the assets or  
18 funds belong or the person that transfers the  
19 assets or funds as described in subparagraph  
20 (A)(ii) (as the case may be) no longer satisfies  
21 the criteria for designation with respect to the

1           imposition of sanctions under the authority of  
2           the International Emergency Economic Powers  
3           Act (50 U.S.C. 1701 et seq.).

4           (E) UNITED STATES FINANCIAL INSTITU-  
5           TION DEFINED.—In this paragraph, the term  
6           “United States financial institution” means a  
7           financial institution (as defined in section 14 of  
8           the Iran Sanctions Act of 1996 (Public Law  
9           104–172; 50 U.S.C. 1701 note)) that is a  
10          United States person.

11          (c) PENALTIES.—The penalties provided for in sub-  
12          sections (b) and (c) of section 206 of the International  
13          Emergency Economic Powers Act (50 U.S.C. 1705) shall  
14          apply to a person that violates, attempts to violate, con-  
15          spires to violate, or causes a violation of this section or  
16          regulations prescribed under this section to the same ex-  
17          tent that such penalties apply to a person that commits  
18          an unlawful act described in section 206(a) of that Act.

19          (d) REGULATORY AUTHORITY.—

20               (1) IN GENERAL.—The President shall pre-  
21          scribe regulations to carry out this section, which



1       may include regulatory exceptions to the sanctions  
2       described in subsection (b).

3           (2) APPLICABILITY OF CERTAIN REGULA-  
4       TIONS.—No exception to the prohibition under sub-  
5       section (b)(1) may be made for the commercial im-  
6       portation of an Iranian origin good described in sec-  
7       tion 560.534(a) of title 31, Code of Federal Regula-  
8       tions (as in effect on the day before the date of the  
9       enactment of this Act), unless the President—

10           (A) prescribes a regulation providing for  
11       such an exception on or after the date of the  
12       enactment of this Act; and

13           (B) submits to the appropriate congres-  
14       sional committees—

15               (i) a certification in writing that the  
16       exception is in the national interest of the  
17       United States; and

18               (ii) a report describing the reasons for  
19       the exception.

1 **SEC. 104. MANDATORY SANCTIONS WITH RESPECT TO FI-**  
2 **NANCIAL INSTITUTIONS THAT ENGAGE IN**  
3 **CERTAIN TRANSACTIONS.**

4 (a) FINDINGS.—Congress makes the following find-  
5 ings:

6 (1) The Financial Action Task Force is an  
7 intergovernmental body whose purpose is to develop  
8 and promote national and international policies to  
9 combat money laundering and terrorist financing.

10 (2) Thirty-three countries, plus the European  
11 Commission and the Cooperation Council for the  
12 Arab States of the Gulf, belong to the Financial Ac-  
13 tion Task Force. The member countries of the Fi-  
14 nancial Action Task Force include the United  
15 States, Canada, most countries in western Europe,  
16 Russia, the People's Republic of China, Japan,  
17 South Korea, Argentina, and Brazil.

18 (3) In 2008 the Financial Action Task Force  
19 extended its mandate to include addressing “new  
20 and emerging threats such as proliferation financ-  
21 ing”, meaning the financing of the proliferation of

1 weapons of mass destruction, and published “guid-  
2 ance papers” for members to assist them in imple-  
3 menting various United Nations Security Council  
4 resolutions dealing with weapons of mass destruc-  
5 tion, including United Nations Security Council Res-  
6 olutions 1737 (2006) and 1803 (2008), which deal  
7 specifically with proliferation by Iran.

8 (4) The Financial Action Task Force has re-  
9 peatedly called on members—

10 (A) to advise financial institutions in their  
11 jurisdictions to give special attention to busi-  
12 ness relationships and transactions with Iran,  
13 including Iranian companies and financial insti-  
14 tutions;

15 (B) to apply effective countermeasures to  
16 protect their financial sectors from risks relat-  
17 ing to money laundering and financing of ter-  
18 rorism that emanate from Iran;

19 (C) to protect against correspondent rela-  
20 tionships being used by Iran and Iranian com-  
21 panies and financial institutions to bypass or

1           evade countermeasures and risk-mitigation  
2           practices; and

3           (D) to take into account risks relating to  
4           money laundering and financing of terrorism  
5           when considering requests by Iranian financial  
6           institutions to open branches and subsidiaries  
7           in their jurisdictions.

8           (5) At a February 2010 meeting of the Finan-  
9           cial Action Task Force, the Task Force called on  
10          members to apply countermeasures “to protect the  
11          international financial system from the ongoing and  
12          substantial money laundering and terrorist financing  
13          (ML/TF) risks” emanating from Iran.

14          (b) SENSE OF CONGRESS REGARDING THE IMPOSI-  
15          TION OF SANCTIONS ON THE CENTRAL BANK OF IRAN.—  
16          Congress—

17               (1) acknowledges the efforts of the United Na-  
18               tions Security Council to impose limitations on  
19               transactions involving Iranian financial institutions,  
20               including the Central Bank of Iran; and

1           (2) urges the President, in the strongest terms,  
2       to consider immediately using the authority of the  
3       President to impose sanctions on the Central Bank  
4       of Iran and any other Iranian financial institution  
5       engaged in proliferation activities or support of ter-  
6       rorist groups.

7       (c) PROHIBITIONS AND CONDITIONS WITH RESPECT  
8       TO CERTAIN ACCOUNTS HELD BY FOREIGN FINANCIAL  
9       INSTITUTIONS.—

10           (1) IN GENERAL.—Not later than 90 days after  
11       the date of the enactment of this Act, the Secretary  
12       of the Treasury shall prescribe regulations to pro-  
13       hibit, or impose strict conditions on, the opening or  
14       maintaining in the United States of a correspondent  
15       account or a payable-through account by a foreign  
16       financial institution that the Secretary finds know-  
17       ingly engages in an activity described in paragraph  
18       (2).

19           (2) ACTIVITIES DESCRIBED.—A foreign finan-  
20       cial institution engages in an activity described in  
21       this paragraph if the foreign financial institution—

1 (A) facilitates the efforts of the Govern-  
2 ment of Iran (including efforts of Iran's Revo-  
3 lutionary Guard Corps or any of its agents or  
4 affiliates)—

5 (i) to acquire or develop weapons of  
6 mass destruction or delivery systems for  
7 weapons of mass destruction; or

8 (ii) to provide support for organiza-  
9 tions designated as foreign terrorist orga-  
10 nizations under section 219(a) of the Im-  
11 migration and Nationality Act (8 U.S.C.  
12 1189(a)) or support for acts of inter-  
13 national terrorism (as defined in section 14  
14 of the Iran Sanctions Act of 1996 (Public  
15 Law 104–172; 50 U.S.C. 1701 note));

16 (B) facilitates the activities of a person  
17 subject to financial sanctions pursuant to  
18 United Nations Security Council Resolution  
19 1737 (2006), 1747 (2007), 1803 (2008), or  
20 1929 (2010), or any other resolution that is

1           agreed to by the Security Council and imposes  
2           sanctions with respect to Iran;

3           (C) engages in money laundering to carry  
4           out an activity described in subparagraph (A)  
5           or (B);

6           (D) facilitates efforts by the Central Bank  
7           of Iran or any other Iranian financial institu-  
8           tion to carry out an activity described in sub-  
9           paragraph (A) or (B); or

10          (E) facilitates a significant transaction or  
11          transactions or provides significant financial  
12          services for—

13               (i) Iran's Revolutionary Guard Corps  
14               or any of its agents or affiliates whose  
15               property or interests in property are  
16               blocked pursuant to the International  
17               Emergency Economic Powers Act (50  
18               U.S.C. 1701 et seq.); or

19               (ii) a financial institution whose prop-  
20               erty or interests in property are blocked  
21               pursuant to that Act in connection with—

1 (I) Iran's proliferation of weap-  
2 ons of mass destruction or delivery  
3 systems for weapons of mass destruc-  
4 tion; or

5 (II) Iran's support for inter-  
6 national terrorism.

7 (3) PENALTIES.—The penalties provided for in  
8 subsections (b) and (c) of section 206 of the Inter-  
9 national Emergency Economic Powers Act (50  
10 U.S.C. 1705) shall apply to a person that violates,  
11 attempts to violate, conspires to violate, or causes a  
12 violation of regulations prescribed under paragraph  
13 (1) of this subsection to the same extent that such  
14 penalties apply to a person that commits an unlaw-  
15 ful act described in section 206(a) of that Act.

16 (d) PENALTIES FOR DOMESTIC FINANCIAL INSTITU-  
17 TIONS FOR ACTIONS OF PERSONS OWNED OR CON-  
18 TROLLED BY SUCH FINANCIAL INSTITUTIONS.—

19 (1) IN GENERAL.—Not later than 90 days after  
20 the date of the enactment of this Act, the Secretary  
21 of the Treasury shall prescribe regulations to pro-



1       hibit any person owned or controlled by a domestic  
2       financial institution from knowingly engaging in a  
3       transaction or transactions with or benefitting Iran's  
4       Revolutionary Guard Corps or any of its agents or  
5       affiliates whose property or interests in property are  
6       blocked pursuant to the International Emergency  
7       Economic Powers Act (50 U.S.C. 1701 et seq.).

8               (2) PENALTIES.—The penalties provided for in  
9       section 206(b) of the International Emergency Eco-  
10      nomic Powers Act (50 U.S.C. 1705(b)) shall apply  
11      to a domestic financial institution to the same extent  
12      that such penalties apply to a person that commits  
13      an unlawful act described in section 206(a) of that  
14      Act if—

15               (A) a person owned or controlled by the  
16      domestic financial institution violates, attempts  
17      to violate, conspires to violate, or causes a viola-  
18      tion of regulations prescribed under paragraph  
19      (1) of this subsection; and

20               (B) the domestic financial institution knew  
21      or should have known that the person violated,

1           attempted to violate, conspired to violate, or  
2           caused a violation of such regulations.

3       (e) REQUIREMENTS FOR FINANCIAL INSTITUTIONS  
4 MAINTAINING ACCOUNTS FOR FOREIGN FINANCIAL IN-  
5 STITUTIONS.—

6           (1) IN GENERAL.—The Secretary of the Treas-  
7       ury shall prescribe regulations to require a domestic  
8       financial institution maintaining a correspondent ac-  
9       count or payable-through account in the United  
10      States for a foreign financial institution to do one or  
11      more of the following:

12           (A) Perform an audit of activities de-  
13       scribed in subsection (c)(2) that may be carried  
14       out by the foreign financial institution.

15           (B) Report to the Department of the  
16       Treasury with respect to transactions or other  
17       financial services provided with respect to any  
18       such activity.

19           (C) Certify, to the best of the knowledge of  
20       the domestic financial institution, that the for-

1           eign financial institution is not knowingly en-  
2           gaging in any such activity.

3           (D) Establish due diligence policies, proce-  
4           dures, and controls, such as the due diligence  
5           policies, procedures, and controls described in  
6           section 5318(i) of title 31, United States Code,  
7           reasonably designed to detect whether the Sec-  
8           retary of the Treasury has found the foreign fi-  
9           nancial institution to knowingly engage in any  
10          such activity.

11          (2) PENALTIES.—The penalties provided for in  
12          sections 5321(a) and 5322 of title 31, United States  
13          Code, shall apply to a person that violates a regula-  
14          tion prescribed under paragraph (1) of this sub-  
15          section, in the same manner and to the same extent  
16          as such penalties would apply to any person that is  
17          otherwise subject to such section 5321(a) or 5322.

18          (f) WAIVER.—The Secretary of the Treasury may  
19          waive the application of a prohibition or condition imposed  
20          with respect to a foreign financial institution pursuant to  
21          subsection (c) or the imposition of a penalty under sub-

1 section (d) with respect to a domestic financial institution  
2 on and after the date that is 30 days after the Secretary—

3 (1) determines that such a waiver is necessary  
4 to the national interest of the United States; and

5 (2) submits to the appropriate congressional  
6 committees a report describing the reasons for the  
7 determination.

8 (g) PROCEDURES FOR JUDICIAL REVIEW OF CLASSI-  
9 FIED INFORMATION.—

10 (1) IN GENERAL.—If a finding under sub-  
11 section (c)(1), a prohibition, condition, or penalty  
12 imposed as a result of any such finding, or a penalty  
13 imposed under subsection (d), is based on classified  
14 information (as defined in section 1(a) of the Classi-  
15 fied Information Procedures Act (18 U.S.C. App.))  
16 and a court reviews the finding or the imposition of  
17 the prohibition, condition, or penalty, the Secretary  
18 of the Treasury may submit such information to the  
19 court ex parte and in camera.

20 (2) RULE OF CONSTRUCTION.—Nothing in this  
21 subsection shall be construed to confer or imply any

1 right to judicial review of any finding under sub-  
2 section (c)(1), any prohibition, condition, or penalty  
3 imposed as a result of any such finding, or any pen-  
4 alty imposed under subsection (d).

5 (h) CONSULTATIONS IN IMPLEMENTATION OF REGU-  
6 LATIONS.—In implementing this section and the regula-  
7 tions prescribed under this section, the Secretary of the  
8 Treasury—

9 (1) shall consult with the Secretary of State;  
10 and

11 (2) may, in the sole discretion of the Secretary  
12 of the Treasury, consult with such other agencies  
13 and departments and such other interested parties  
14 as the Secretary considers appropriate.

15 (i) DEFINITIONS.—

16 (1) IN GENERAL.—In this section:

17 (A) ACCOUNT; CORRESPONDENT ACCOUNT;  
18 PAYABLE-THROUGH ACCOUNT.—The terms “ac-  
19 count”, “correspondent account”, and “payable-  
20 through account” have the meanings given

1 those terms in section 5318A of title 31, United  
2 States Code.

3 (B) AGENT.—The term “agent” includes  
4 an entity established by a person for purposes  
5 of conducting transactions on behalf of the per-  
6 son in order to conceal the identity of the per-  
7 son.

8 (C) FINANCIAL INSTITUTION.—The term  
9 “financial institution” means a financial insti-  
10 tution specified in subparagraph (A), (B), (C),  
11 (D), (E), (F), (G), (H), (I), (J), (M), or (Y) of  
12 section 5312(a)(2) of title 31, United States  
13 Code.

14 (D) FOREIGN FINANCIAL INSTITUTION;  
15 DOMESTIC FINANCIAL INSTITUTION.—The  
16 terms “foreign financial institution” and “do-  
17 mestic financial institution” shall have the  
18 meanings of those terms as determined by the  
19 Secretary of the Treasury.

20 (E) MONEY LAUNDERING.—The term  
21 “money laundering” means the movement of il-

1           licit cash or cash equivalent proceeds into, out  
2           of, or through a country, or into, out of, or  
3           through a financial institution.

4           (2) OTHER DEFINITIONS.—The Secretary of  
5           the Treasury may further define the terms used in  
6           this section in the regulations prescribed under this  
7           section.

8   **SEC. 105. IMPOSITION OF SANCTIONS ON CERTAIN PER-**  
9                   **SONS WHO ARE RESPONSIBLE FOR OR**  
10                  **COMPLICIT IN HUMAN RIGHTS ABUSES COM-**  
11                  **MITTED AGAINST CITIZENS OF IRAN OR**  
12                  **THEIR FAMILY MEMBERS AFTER THE JUNE**  
13                  **12, 2009, ELECTIONS IN IRAN.**

14           (a) IN GENERAL.—The President shall impose sanc-  
15           tions described in subsection (c) with respect to each per-  
16           son on the list required by subsection (b).

17           (b) LIST OF PERSONS WHO ARE RESPONSIBLE FOR  
18           OR COMPLICIT IN CERTAIN HUMAN RIGHTS ABUSES.—

19           (1) IN GENERAL.—Not later than 90 days after  
20           the date of the enactment of this Act, the President  
21           shall submit to the appropriate congressional com-

1       mittees a list of persons who are officials of the Gov-  
2       ernment of Iran or persons acting on behalf of that  
3       Government (including members of paramilitary or-  
4       ganizations such as Ansar-e-Hezbollah and Basij-e  
5       Mostaz'afin), that the President determines, based  
6       on credible evidence, are responsible for or complicit  
7       in, or responsible for ordering, controlling, or other-  
8       wise directing, the commission of serious human  
9       rights abuses against citizens of Iran or their family  
10      members on or after June 12, 2009, regardless of  
11      whether such abuses occurred in Iran.

12           (2) UPDATES OF LIST.—The President shall  
13      submit to the appropriate congressional committees  
14      an updated list under paragraph (1) periodically and  
15      as new information becomes available.

16           (3) FORM OF REPORT; PUBLIC AVAILABILITY.—

17           (A) FORM.—The list required by para-  
18      graph (1) shall be submitted in unclassified  
19      form but may contain a classified annex.

20           (B) PUBLIC AVAILABILITY.—The unclassi-  
21      fied portion of the list required by paragraph



1           (1) shall be made available to the public and  
2           posted on the websites of the Department of the  
3           Treasury and the Department of State.

4           (4) CONSIDERATION OF DATA FROM OTHER  
5           COUNTRIES AND NONGOVERNMENTAL ORGANIZA-  
6           TIONS.—In preparing the list required by paragraph  
7           (1), the President shall consider credible data al-  
8           ready obtained by other countries and nongovern-  
9           mental organizations, including organizations in  
10          Iran, that monitor the human rights abuses of the  
11          Government of Iran.

12          (c) SANCTIONS DESCRIBED.—The sanctions de-  
13          scribed in this subsection are ineligibility for a visa to  
14          enter the United States and sanctions pursuant to the  
15          International Emergency Economic Powers Act (50  
16          U.S.C. 1701 et seq.), including blocking of property and  
17          restrictions or prohibitions on financial transactions and  
18          the exportation and importation of property, subject to  
19          such regulations as the President may prescribe, including  
20          regulatory exceptions to permit the United States to com-  
21          ply with the Agreement between the United Nations and

1 the United States of America regarding the Headquarters  
2 of the United Nations, signed June 26, 1947, and entered  
3 into force November 21, 1947, and other applicable inter-  
4 national obligations.

5 (d) TERMINATION OF SANCTIONS.—The provisions of  
6 this section shall terminate on the date on which the Presi-  
7 dent determines and certifies to the appropriate congres-  
8 sional committees that the Government of Iran has—

9 (1) unconditionally released all political pris-  
10 oners, including the citizens of Iran detained in the  
11 aftermath of the June 12, 2009, presidential election  
12 in Iran;

13 (2) ceased its practices of violence, unlawful de-  
14 tention, torture, and abuse of citizens of Iran while  
15 engaging in peaceful political activity; and

16 (3) conducted a transparent investigation into  
17 the killings, arrests, and abuse of peaceful political  
18 activists that occurred in the aftermath of the June  
19 12, 2009, presidential election in Iran and pros-  
20 ecuted the individuals responsible for such killings,  
21 arrests, and abuse.

1 **SEC. 106. PROHIBITION ON PROCUREMENT CONTRACTS**  
2 **WITH PERSONS THAT EXPORT SENSITIVE**  
3 **TECHNOLOGY TO IRAN.**

4 (a) IN GENERAL.—Except as provided in subsection  
5 (b), and pursuant to such regulations as the President  
6 may prescribe, the head of an executive agency may not  
7 enter into or renew a contract, on or after the date that  
8 is 90 days after the date of the enactment of this Act,  
9 for the procurement of goods or services with a person  
10 that exports sensitive technology to Iran.

11 (b) EXCEPTION RELATING TO CERTAIN PROCURE-  
12 MENT AGREEMENTS.—The prohibition under subsection  
13 (a) shall not apply to eligible products, as defined in sec-  
14 tion 308(4) of the Trade Agreements Act of 1979 (19  
15 U.S.C. 2518(4)), of any foreign country or instrumentality  
16 designated under section 301(b) of that Act (19 U.S.C.  
17 2511(b)).

18 (c) SENSITIVE TECHNOLOGY DEFINED.—

19 (1) IN GENERAL.—The term “sensitive tech-  
20 nology” means hardware, software, telecommuni-

1        cations equipment, or any other technology, that the  
2        President determines is to be used specifically—

3                (A) to restrict the free flow of unbiased in-  
4        formation in Iran; or

5                (B) to disrupt, monitor, or otherwise re-  
6        strict speech of the people of Iran.

7        (2) EXCEPTION.—The term “sensitive tech-  
8        nology” does not include information or informa-  
9        tional materials the exportation of which the Presi-  
10       dent does not have the authority to regulate or pro-  
11       hibit pursuant to section 203(b)(3) of the Inter-  
12       national Emergency Economic Powers Act (50  
13       U.S.C. 1702(b)(3)).

14   **SEC. 107. HARMONIZATION OF CRIMINAL PENALTIES FOR**  
15   **VIOLATIONS OF SANCTIONS.**

16        (a) IN GENERAL.—

17                (1) VIOLATIONS OF UNITED NATIONS SECURITY  
18        COUNCIL RESOLUTIONS IMPOSING SANCTIONS.—Sec-  
19        tion 5(b) of the United Nations Participation Act of  
20        1945 (22 U.S.C. 287c(b)) is amended—

1           (A) by striking “find not more than  
2           \$10,000” and inserting “fined not more than  
3           \$1,000,000”; and

4           (B) by striking “ten years” and all that  
5           follows and inserting “20 years, or both.”.

6           (2) VIOLATIONS OF CONTROLS ON EXPORTS  
7           AND IMPORTS OF DEFENSE ARTICLES AND DEFENSE  
8           SERVICES.—Section 38(c) of the Arms Export Con-  
9           trol Act (22 U.S.C. 2778(c)) is amended by striking  
10          “ten years” and inserting “20 years”.

11          (3) VIOLATIONS OF PROHIBITION ON TRANS-  
12          ACTIONS WITH COUNTRIES THAT SUPPORT ACTS OF  
13          INTERNATIONAL TERRORISM.—Section 40(j) of the  
14          Arms Export Control Act (22 U.S.C. 2780(j)) is  
15          amended by striking “10 years” and inserting “20  
16          years”.

17          (4) VIOLATIONS OF THE TRADING WITH THE  
18          ENEMY ACT.—Section 16(a) of the Trading with the  
19          enemy Act (50 U.S.C. App. 16(a)) is amended by  
20          striking “if a natural person” and all that follows

1       and inserting “if a natural person, be imprisoned for  
2       not more than 20 years, or both.”.

3       (b) STUDY BY UNITED STATES SENTENCING COM-  
4 MISSION.—Not later than 1 year after the date of the en-  
5 actment of this Act, the United States Sentencing Com-  
6 mission, pursuant to the authority under sections 994 and  
7 995 of title 28, United States Code, and the responsibility  
8 of the United States Sentencing Commission to advise  
9 Congress on sentencing policy under section 995(a)(20)  
10 of title 28, United States Code, shall study and submit  
11 to Congress a report on the impact and advisability of im-  
12 posing a mandatory minimum sentence for violations of—

13               (1) section 5(a) of the United Nations Partici-  
14       pation Act of 1945 (22 U.S.C. 287c(a));

15               (2) sections 38, 39, and 40 of the Arms Export  
16       Control Act (22 U.S.C. 2778, 2779, and 2780); and

17               (3) the Trading with the enemy Act (50 U.S.C.  
18       App. 1 et seq.).

1   **SEC. 108. AUTHORITY TO IMPLEMENT UNITED NATIONS SE-**  
2                           **CURITY COUNCIL RESOLUTIONS IMPOSING**  
3                           **SANCTIONS WITH RESPECT TO IRAN.**

4       In addition to any other authority of the President  
5 with respect to implementing resolutions of the United  
6 Nations Security Council, the President may prescribe  
7 such regulations as may be necessary to implement a reso-  
8 lution that is agreed to by the United Nations Security  
9 Council and imposes sanctions with respect to Iran.

10   **SEC. 109. INCREASED CAPACITY FOR EFFORTS TO COMBAT**  
11                           **UNLAWFUL OR TERRORIST FINANCING.**

12       (a) FINDING.—Congress finds that the work of the  
13 Office of Terrorism and Financial Intelligence of the De-  
14 partment of the Treasury, which includes the Office of  
15 Foreign Assets Control and the Financial Crimes Enforce-  
16 ment Network, is critical to ensuring that the inter-  
17 national financial system is not used for purposes of sup-  
18 porting terrorism and developing weapons of mass de-  
19 struction.

20       (b) AUTHORIZATION OF APPROPRIATIONS FOR OF-  
21 FICE OF TERRORISM AND FINANCIAL INTELLIGENCE.—

1 There are authorized to be appropriated to the Secretary  
2 of the Treasury for the Office of Terrorism and Financial  
3 Intelligence—

4 (1) \$102,613,000 for fiscal year 2011; and

5 (2) such sums as may be necessary for each of  
6 the fiscal years 2012 and 2013.

7 (c) AUTHORIZATION OF APPROPRIATIONS FOR THE  
8 FINANCIAL CRIMES ENFORCEMENT NETWORK.—Section  
9 310(d)(1) of title 31, United States Code, is amended by  
10 striking “such sums as may be necessary for fiscal years  
11 2002, 2003, 2004, and 2005” and inserting  
12 “\$100,419,000 for fiscal year 2011 and such sums as may  
13 be necessary for each of the fiscal years 2012 and 2013”.

14 (d) AUTHORIZATION OF APPROPRIATIONS FOR BU-  
15 REAU OF INDUSTRY AND SECURITY OF THE DEPARTMENT  
16 OF COMMERCE.—There are authorized to be appropriated  
17 to the Secretary of Commerce for the Bureau of Industry  
18 and Security of the Department of Commerce—

19 (1) \$113,000,000 for fiscal year 2011; and

20 (2) such sums as may be necessary for each of  
21 the fiscal years 2012 and 2013.



1   **SEC. 110. REPORTS ON INVESTMENTS IN THE ENERGY SEC-**  
2                           **TOR OF IRAN.**

3           (a) IN GENERAL.—Not later than 90 days after the  
4   date of the enactment of this Act, the President shall sub-  
5   mit to the appropriate congressional committees a report  
6   on investments in the energy sector of Iran that were  
7   made on or after January 1, 2006, and before the date  
8   that is 60 days after such date of enactment.

9           (b) UPDATED REPORTS.—Not later than 180 days  
10  after submitting the report required by subsection (a), and  
11  every 180 days thereafter, the President shall submit to  
12  the appropriate congressional committees a report on in-  
13  vestments in the energy sector of Iran that were made  
14  during the 180-day period beginning on the date that is  
15  30 days before the date on which the preceding report was  
16  required to be submitted by this section.

17   **SEC. 111. REPORTS ON CERTAIN ACTIVITIES OF FOREIGN**  
18                           **EXPORT CREDIT AGENCIES AND OF THE EX-**  
19                           **PORT-IMPORT BANK OF THE UNITED STATES.**

20           (a) REPORT ON CERTAIN ACTIVITIES OF EXPORT  
21  CREDIT AGENCIES OF FOREIGN COUNTRIES.—

1           (1) IN GENERAL.—Not later than 90 days after  
2       the date of the enactment of this Act, the President  
3       shall submit to the appropriate congressional com-  
4       mittees a report on any activity of an export credit  
5       agency of a foreign country that is an activity com-  
6       parable to an activity described in subsection (a) or  
7       (b) of section 5 of the Iran Sanctions Act of 1996,  
8       as amended by section 102 of this Act.

9           (2) UPDATES.—The President shall update the  
10      report required by paragraph (1) as new information  
11      becomes available with respect to the activities of ex-  
12      port credit agencies of foreign countries.

13      (b) REPORT ON CERTAIN FINANCING BY THE EX-  
14      PORT-IMPORT BANK OF THE UNITED STATES.—Not later  
15      than 30 days (or, in extraordinary circumstances, not later  
16      than 15 days) before the Export-Import Bank of the  
17      United States approves financing (including loans, guar-  
18      antees, other credits, insurance, and reinsurance) in which  
19      an export credit agency of a foreign country identified in  
20      the report required by subsection (a) will participate, the

1 President shall submit to the appropriate congressional  
2 committees a report identifying—

3 (1) the export credit agency of the foreign  
4 country; and

5 (2) the beneficiaries of the financing.

6 **SEC. 112. SENSE OF CONGRESS REGARDING IRAN'S REVO-**  
7 **LUTIONARY GUARD CORPS AND ITS AFFILI-**  
8 **ATES.**

9 It is the sense of Congress that the United States  
10 should—

11 (1) continue to target Iran's Revolutionary  
12 Guard Corps persistently with economic sanctions  
13 for its support for terrorism, its role in proliferation,  
14 and its oppressive activities against the people of  
15 Iran; and

16 (2) impose sanctions, including travel restric-  
17 tions, sanctions authorized pursuant to this Act or  
18 the Iran Sanctions Act of 1996, as amended by sec-  
19 tion 102 of this Act, and the full range of sanctions  
20 available to the President under the International

1       Emergency Economic Powers Act (50 U.S.C. 1701  
2       et seq.), on—

3               (A) any foreign individual or entity that is  
4               an agent, alias, front, instrumentality, official,  
5               or affiliate of Iran's Revolutionary Guard Corps  
6               and is designated for the imposition of sanc-  
7               tions by the President;

8               (B) any individual or entity that—

9                       (i) has provided material support to  
10                      any individual or entity described in sub-  
11                      paragraph (A); or

12                     (ii) has conducted any financial or  
13                     commercial transaction with any such indi-  
14                     vidual or entity; and

15               (C) any foreign government found by the  
16       President—

17                     (i) to be providing material support to  
18                     any such individual or entity; or

19                     (ii) to have conducted any commercial  
20                     transaction or financial transaction with  
21                     any such individual or entity.

1 **SEC. 113. SENSE OF CONGRESS REGARDING IRAN AND**  
2 **HEZBOLLAH.**

3 It is the sense of Congress that the United States  
4 should—

5 (1) continue to counter support received by  
6 Hezbollah from the Government of Iran and other  
7 foreign governments in response to Hezbollah's ter-  
8 rorist activities and the threat Hezbollah poses to  
9 Israel, the democratic sovereignty of Lebanon, and  
10 the national security interests of the United States;

11 (2) impose the full range of sanctions available  
12 to the President under the International Emergency  
13 Economic Powers Act (50 U.S.C. 1701 et seq.) on  
14 Hezbollah, affiliates and supporters of Hezbollah  
15 designated for the imposition of sanctions under that  
16 Act, and persons providing Hezbollah with commer-  
17 cial, financial, or other services;

18 (3) urge the European Union, individual coun-  
19 tries in Europe, and other countries to classify  
20 Hezbollah as a terrorist organization to facilitate the  
21 disruption of Hezbollah's operations; and

1           (4) renew international efforts to disarm  
2   Hezbollah and disband its militias in Lebanon, as  
3   called for by United Nations Security Council Reso-  
4   lutions 1559 (2004) and 1701 (2006).

5 **SEC. 114. SENSE OF CONGRESS REGARDING THE IMPOSI-**  
6 **TION OF MULTILATERAL SANCTIONS WITH**  
7 **RESPECT TO IRAN.**

8       It is the sense of Congress that—

9           (1) in general, effective multilateral sanctions  
10   are preferable to unilateral sanctions in order to  
11   achieve desired results from countries such as Iran;

12          (2) the President should continue to work with  
13   allies of the United States to impose such sanctions  
14   as may be necessary to prevent the Government of  
15   Iran from acquiring a nuclear weapons capability;  
16   and

17          (3) the United States should continue to con-  
18   sult with the 5 permanent members of the United  
19   Nations Security Council and Germany (commonly  
20   referred to as the “P5-plus-1”) and other interested  
21   countries regarding imposing new sanctions with re-

1 spect to Iran in the event that diplomatic efforts to  
2 prevent Iran from acquiring a nuclear weapons capa-  
3 bility fail.

4 **TITLE II—DIVESTMENT FROM**  
5 **CERTAIN COMPANIES THAT**  
6 **INVEST IN IRAN**

7 **SEC. 201. DEFINITIONS.**

8 In this title:

9 (1) **ENERGY SECTOR OF IRAN.**—The term “en-  
10 ergy sector of Iran” refers to activities to develop  
11 petroleum or natural gas resources or nuclear power  
12 in Iran.

13 (2) **FINANCIAL INSTITUTION.**—The term “fi-  
14 nancial institution” has the meaning given that term  
15 in section 14 of the Iran Sanctions Act of 1996  
16 (Public Law 104–172; 50 U.S.C. 1701 note).

17 (3) **IRAN.**—The term “Iran” includes the Gov-  
18 ernment of Iran and any agency or instrumentality  
19 of Iran.

20 (4) **PERSON.**—The term “person” means—

1 (A) a natural person, corporation, com-  
2 pany, business association, partnership, society,  
3 trust, or any other nongovernmental entity, or-  
4 ganization, or group;

5 (B) any governmental entity or instrumen-  
6 tality of a government, including a multilateral  
7 development institution (as defined in section  
8 1701(c)(3) of the International Financial Insti-  
9 tutions Act (22 U.S.C. 262r(c)(3))); and

10 (C) any successor, subunit, parent entity,  
11 or subsidiary of, or any entity under common  
12 ownership or control with, any entity described  
13 in subparagraph (A) or (B).

14 (5) STATE.—The term “State” means each of  
15 the several States, the District of Columbia, the  
16 Commonwealth of Puerto Rico, the Commonwealth  
17 of the Northern Mariana Islands, American Samoa,  
18 Guam, the United States Virgin Islands, and any  
19 other territory or possession of the United States.

20 (6) STATE OR LOCAL GOVERNMENT.—The term  
21 “State or local government” includes—



1 (A) any State and any agency or instru-  
2 mentality thereof;

3 (B) any local government within a State,  
4 and any agency or instrumentality thereof;

5 (C) any other governmental instrumen-  
6 tality of a State or locality; and

7 (D) any public institution of higher edu-  
8 cation within the meaning of the Higher Edu-  
9 cation Act of 1965 (20 U.S.C. 1001 et seq.).

10 **SEC. 202. AUTHORITY OF STATE AND LOCAL GOVERN-**  
11 **MENTS TO DIVEST FROM CERTAIN COMPA-**  
12 **NIES THAT INVEST IN IRAN.**

13 (a) SENSE OF CONGRESS.—It is the sense of Con-  
14 gress that the United States should support the decision  
15 of any State or local government that for moral, pruden-  
16 tial, or reputational reasons divests from, or prohibits the  
17 investment of assets of the State or local government in,  
18 a person that engages in investment activities in the en-  
19 ergy sector of Iran, as long as Iran is subject to economic  
20 sanctions imposed by the United States.

1       (b) **AUTHORITY TO DIVEST.**—Notwithstanding any  
2 other provision of law, a State or local government may  
3 adopt and enforce measures that meet the requirements  
4 of subsection (d) to divest the assets of the State or local  
5 government from, or prohibit investment of the assets of  
6 the State or local government in, any person that the  
7 State or local government determines, using credible infor-  
8 mation available to the public, engages in investment ac-  
9 tivities in Iran described in subsection (c).

10       (c) **INVESTMENT ACTIVITIES DESCRIBED.**—A person  
11 engages in investment activities in Iran described in this  
12 subsection if the person—

13           (1) has an investment of \$20,000,000 or more  
14 in the energy sector of Iran, including in a person  
15 that provides oil or liquified natural gas tankers, or  
16 products used to construct or maintain pipelines  
17 used to transport oil or liquified natural gas, for the  
18 energy sector of Iran; or

19           (2) is a financial institution that extends  
20 \$20,000,000 or more in credit to another person, for

1       45 days or more, if that person will use the credit  
2       for investment in the energy sector of Iran.

3       (d) REQUIREMENTS.—Any measure taken by a State  
4       or local government under subsection (b) shall meet the  
5       following requirements:

6           (1) NOTICE.—The State or local government  
7       shall provide written notice to each person to which  
8       a measure is to be applied.

9           (2) TIMING.—The measure shall apply to a per-  
10      son not earlier than the date that is 90 days after  
11      the date on which written notice is provided to the  
12      person under paragraph (1).

13          (3) OPPORTUNITY FOR HEARING.—The State  
14      or local government shall provide an opportunity to  
15      comment in writing to each person to which a meas-  
16      ure is to be applied. If the person demonstrates to  
17      the State or local government that the person does  
18      not engage in investment activities in Iran described  
19      in subsection (c), the measure shall not apply to the  
20      person.

1           (4) SENSE OF CONGRESS ON AVOIDING ERRO-  
2       NEOUS TARGETING.—It is the sense of Congress  
3       that a State or local government should not adopt  
4       a measure under subsection (b) with respect to a  
5       person unless the State or local government has  
6       made every effort to avoid erroneously targeting the  
7       person and has verified that the person engages in  
8       investment activities in Iran described in subsection  
9       (c).

10       (e) NOTICE TO DEPARTMENT OF JUSTICE.—Not  
11       later than 30 days after adopting a measure pursuant to  
12       subsection (b), a State or local government shall submit  
13       written notice to the Attorney General describing the  
14       measure.

15       (f) NONPREEMPTION.—A measure of a State or local  
16       government authorized under subsection (b) or (i) is not  
17       preempted by any Federal law or regulation.

18       (g) DEFINITIONS.—In this section:

19           (1) ASSETS.—

20               (A) IN GENERAL.—Except as provided in  
21       subparagraph (B), the term “assets” refers to

1 public monies and includes any pension, retire-  
2 ment, annuity, or endowment fund, or similar  
3 instrument, that is controlled by a State or  
4 local government.

5 (B) EXCEPTION.—The term “assets” does  
6 not include employee benefit plans covered by  
7 title I of the Employee Retirement Income Se-  
8 curity Act of 1974 (29 U.S.C. 1001 et seq.).

9 (2) INVESTMENT.—The “investment” in-  
10 cludes—

11 (A) a commitment or contribution of funds  
12 or property;

13 (B) a loan or other extension of credit; and

14 (C) the entry into or renewal of a contract  
15 for goods or services.

16 (h) EFFECTIVE DATE.—

17 (1) IN GENERAL.—Except as provided in para-  
18 graph (2) or subsection (i), this section applies to  
19 measures adopted by a State or local government be-  
20 fore, on, or after the date of the enactment of this  
21 Act.

1           (2) NOTICE REQUIREMENTS.—Except as pro-  
2       vided in subsection (i), subsections (d) and (e) apply  
3       to measures adopted by a State or local government  
4       on or after the date of the enactment of this Act.

5       (i) AUTHORIZATION FOR PRIOR ENACTED MEAS-  
6       URES.—

7           (1) IN GENERAL.—Notwithstanding any other  
8       provision of this section or any other provision of  
9       law, a State or local government may enforce a  
10      measure (without regard to the requirements of sub-  
11      section (d), except as provided in paragraph (2))  
12      adopted by the State or local government before the  
13      date of the enactment of this Act that provides for  
14      the divestment of assets of the State or local govern-  
15      ment from, or prohibits the investment of the assets  
16      of the State or local government in, any person that  
17      the State or local government determines, using  
18      credible information available to the public, engages  
19      in investment activities in Iran (determined without  
20      regard to subsection (c)) or other business activities  
21      in Iran that are identified in the measure.

1           (2) APPLICATION OF NOTICE REQUIRE-  
2       MENTS.—A measure described in paragraph (1)  
3       shall be subject to the requirements of paragraphs  
4       (1) and (2) and the first sentence of paragraph (3)  
5       of subsection (d) on and after the date that is 2  
6       years after the date of the enactment of this Act.

7       **SEC. 203. SAFE HARBOR FOR CHANGES OF INVESTMENT**  
8                               **POLICIES BY ASSET MANAGERS.**

9       (a) IN GENERAL.—Section 13(c)(1) of the Invest-  
10      ment Company Act of 1940 (15 U.S.C. 80a–13(c)(1)) is  
11      amended to read as follows:

12           “(1) IN GENERAL.—Notwithstanding any other  
13      provision of Federal or State law, no person may  
14      bring any civil, criminal, or administrative action  
15      against any registered investment company, or any  
16      employee, officer, director, or investment adviser  
17      thereof, based solely upon the investment company  
18      divesting from, or avoiding investing in, securities  
19      issued by persons that the investment company de-  
20      termines, using credible information available to the  
21      public—

1           “(A) conduct or have direct investments in  
2           business operations in Sudan described in sec-  
3           tion 3(d) of the Sudan Accountability and Di-  
4           vestment Act of 2007 (50 U.S.C. 1701 note); or

5           “(B) engage in investment activities in  
6           Iran described in section 202(c) of the Com-  
7           prehensive Iran Sanctions, Accountability, and  
8           Divestment Act of 2010.”.

9       (b) SEC REGULATIONS.—Not later than 120 days  
10   after the date of the enactment of this Act, the Securities  
11   and Exchange Commission shall issue any revisions the  
12   Commission determines to be necessary to the regulations  
13   requiring disclosure by each registered investment com-  
14   pany that divests itself of securities in accordance with  
15   section 13(c) of the Investment Company Act of 1940 to  
16   include divestments of securities in accordance with para-  
17   graph (1)(B) of such section, as added by subsection (a)  
18   of this section.



1 **SEC. 204. SENSE OF CONGRESS REGARDING CERTAIN**  
2 **ERISA PLAN INVESTMENTS.**

3 It is the sense of Congress that a fiduciary of an em-  
4 ployee benefit plan, as defined in section 3(3) of the Em-  
5 ployee Retirement Income Security Act of 1974 (29  
6 U.S.C. 1002(3)), may divest plan assets from, or avoid  
7 investing plan assets in, any person the fiduciary deter-  
8 mines engages in investment activities in Iran described  
9 in section 202(c) of this Act, without breaching the re-  
10 sponsibilities, obligations, or duties imposed upon the fidu-  
11 ciary by subparagraph (A) or (B) of section 404(a)(1) of  
12 the Employee Retirement Income Security Act of 1974  
13 (29 U.S.C. 1104(a)(1)), if—

14 (1) the fiduciary makes such determination  
15 using credible information that is available to the  
16 public; and

17 (2) the fiduciary prudently determines that the  
18 result of such divestment or avoidance of investment  
19 would not be expected to provide the employee ben-  
20 efit plan with—

- 1 (A) a lower rate of return than alternative  
2 investments with commensurate degrees of risk;  
3 or  
4 (B) a higher degree of risk than alter-  
5 native investments with commensurate rates of  
6 return.

7 **SEC. 205. TECHNICAL CORRECTIONS TO SUDAN ACCOUNT-**  
8 **ABILITY AND DIVESTMENT ACT OF 2007.**

9 (a) ERISA PLAN INVESTMENTS.—Section 5 of the  
10 Sudan Accountability and Divestment Act of 2007 (Public  
11 Law 110–174; 50 U.S.C. 1701 note) is amended—

12 (1) by striking “section 404 of the Employee  
13 Retirement Income Security Act of 1974 (29 U.S.C.  
14 1104)” and inserting “subparagraph (A) or (B) of  
15 section 404(a)(1) of the Employee Retirement In-  
16 come Security Act of 1974 (29 U.S.C. 1104(a)(1))”;  
17 and

18 (2) by striking paragraph (2) and inserting the  
19 following:

20 “(2) the fiduciary prudently determines that the  
21 result of such divestment or avoidance of investment

1 would not be expected to provide the employee ben-  
2 efit plan with—

3 “(A) a lower rate of return than alter-  
4 native investments with commensurate degrees  
5 of risk; or

6 “(B) a higher degree of risk than alter-  
7 native investments with commensurate rates of  
8 return.”.

9 (b) SAFE HARBOR FOR CHANGES OF INVESTMENT  
10 POLICIES BY ASSET MANAGERS.—

11 (1) IN GENERAL.—Section 13(c)(2)(A) of the  
12 Investment Company Act of 1940 (15 U.S.C. 80a–  
13 13(c)(2)(A)) is amended to read as follows:

14 “(A) RULE OF CONSTRUCTION.—Nothing  
15 in paragraph (1) shall be construed to create,  
16 imply, diminish, change, or affect in any way  
17 whether or not a private right of action exists  
18 under subsection (a) or any other provision of  
19 this Act.”.

20 (2) APPLICABILITY.—The amendment made by  
21 paragraph (1) shall apply as if included in the

1 Sudan Accountability and Divestment Act of 2007  
2 (Public Law 110–174; 50 U.S.C. 1701 note).

3 **TITLE III—PREVENTION OF DI-**  
4 **VERSION OF CERTAIN GOODS,**  
5 **SERVICES, AND TECH-**  
6 **NOLOGIES TO IRAN**

7 **SEC. 301. DEFINITIONS.**

8 In this title:

9 (1) **ALLOW.**—The term “allow”, with respect to  
10 the diversion through a country of goods, services, or  
11 technologies, means the government of the country  
12 knows or has reason to know that the territory of  
13 the country is being used for such diversion.

14 (2) **APPROPRIATE CONGRESSIONAL COMMIT-**  
15 **TEES.**—The term “appropriate congressional com-  
16 mittees” means—

17 (A) the Committee on Banking, Housing,  
18 and Urban Affairs, the Committee on Foreign  
19 Relations, and the Select Committee on Intel-  
20 ligence of the Senate; and

1 (B) the Committee on Foreign Affairs and  
2 the Permanent Select Committee on Intelligence  
3 of the House of Representatives.

4 (3) COMMERCE CONTROL LIST.—The term  
5 “Commerce Control List” means the list maintained  
6 pursuant to part 774 of the Export Administration  
7 Regulations (or any corresponding similar regulation  
8 or ruling).

9 (4) DIVERT; DIVERSION.—The terms “divert”  
10 and “diversion” refer to the transfer or release, di-  
11 rectly or indirectly, of a good, service, or technology  
12 to an end-user or an intermediary that is not an au-  
13 thorized recipient of the good, service, or technology.

14 (5) END-USER.—The term “end-user”, with re-  
15 spect to a good, service, or technology, means the  
16 person that receives and ultimately uses the good,  
17 service, or technology.

18 (6) EXPORT ADMINISTRATION REGULATIONS.—  
19 The term “Export Administration Regulations”  
20 means subchapter C of chapter VII of title 15, Code

1 of Federal Regulations (or any corresponding similar  
2 regulation or ruling).

3 (7) GOVERNMENT.—The term “government”  
4 includes any agency or instrumentality of a govern-  
5 ment.

6 (8) INTERMEDIARY.—The term “intermediary”  
7 means a person that receives a good, service, or  
8 technology while the good, service, or technology is  
9 in transit to the end-user of the good, service, or  
10 technology.

11 (9) INTERNATIONAL TRAFFIC IN ARMS REGULA-  
12 TIONS.—The term “International Traffic in Arms  
13 Regulations” means subchapter M of chapter I of  
14 title 22, Code of Federal Regulations (or any cor-  
15 responding similar regulation or ruling).

16 (10) IRAN.—The term “Iran” includes the Gov-  
17 ernment of Iran and any agency or instrumentality  
18 of Iran.

19 (11) IRANIAN END-USER.—The term “Iranian  
20 end-user” means an end-user that is the Govern-

1       ment of Iran or a person in, or an agency or instru-  
2       mentality of, Iran.

3           (12) IRANIAN INTERMEDIARY.—The term “Ira-  
4       nian intermediary” means an intermediary that is  
5       the Government of Iran or a person in, or an agency  
6       or instrumentality of, Iran.

7           (13) STATE SPONSOR OF TERRORISM.—The  
8       term “state sponsor of terrorism” means any coun-  
9       try the government of which the Secretary of State  
10      has determined has repeatedly provided support for  
11      acts of international terrorism pursuant to—

12           (A) section 6(j)(1)(A) of the Export Ad-  
13      ministration Act of 1979 (50 U.S.C. App.  
14      2405(j)(1)(A)) (or any successor thereto);

15           (B) section 40(d) of the Arms Export Con-  
16      trol Act (22 U.S.C. 2780(d)); or

17           (C) section 620A(a) of the Foreign Assist-  
18      ance Act of 1961 (22 U.S.C. 2371(a)).

19           (14) UNITED STATES MUNITIONS LIST.—The  
20      term “United States Munitions List” means the list  
21      maintained pursuant to part 121 of the Inter-

1 national Traffic in Arms Regulations (or any cor-  
2 responding similar regulation or ruling).

3 **SEC. 302. IDENTIFICATION OF COUNTRIES OF CONCERN**  
4 **WITH RESPECT TO THE DIVERSION OF CER-**  
5 **TAIN GOODS, SERVICES, AND TECHNOLOGIES**  
6 **TO OR THROUGH IRAN.**

7 (a) IN GENERAL.—Not later than 180 days after the  
8 date of the enactment of this Act, the Director of National  
9 Intelligence shall submit to the President, the Secretary  
10 of Defense, the Secretary of Commerce, the Secretary of  
11 State, the Secretary of the Treasury, and the appropriate  
12 congressional committees a report that identifies each  
13 country the government of which the Director believes,  
14 based on all information available to the Director, is allow-  
15 ing the diversion through the country of goods, services,  
16 or technologies described in subsection (b) to Iranian end-  
17 users or Iranian intermediaries.

18 (b) GOODS, SERVICES, AND TECHNOLOGIES DE-  
19 SCRIBED.—Goods, services, or technologies described in  
20 this subsection are goods, services, or technologies—

21 (1) that—



- 1 (A) originated in the United States;
- 2 (B) would make a material contribution to
- 3 Iran's—
- 4 (i) development of nuclear, chemical,
- 5 or biological weapons;
- 6 (ii) ballistic missile or advanced con-
- 7 ventional weapons capabilities; or
- 8 (iii) support for international ter-
- 9 rorism; and
- 10 (C) are—
- 11 (i) items on the Commerce Control
- 12 List or services related to those items; or
- 13 (ii) defense articles or defense services
- 14 on the United States Munitions List; or
- 15 (2) that are prohibited for export to Iran under
- 16 a resolution of the United Nations Security Council.
- 17 (c) UPDATES.—The Director of National Intelligence
- 18 shall update the report required by subsection (a)—
- 19 (1) as new information becomes available; and
- 20 (2) not less frequently than annually.

1 (d) FORM.—The report required by subsection (a)  
2 and the updates required by subsection (c) may be sub-  
3 mitted in classified form.

4 **SEC. 303. DESTINATIONS OF DIVERSION CONCERN.**

5 (a) DESIGNATION.—

6 (1) IN GENERAL.—The President shall des-  
7 ignate a country as a Destination of Diversion Con-  
8 cern if the President determines that the govern-  
9 ment of the country allows substantial diversion of  
10 goods, services, or technologies described in section  
11 302(b) through the country to Iranian end-users or  
12 Iranian intermediaries.

13 (2) DETERMINATION OF SUBSTANTIAL.—For  
14 purposes of paragraph (1), the President shall deter-  
15 mine whether the government of a country allows  
16 substantial diversion of goods, services, or tech-  
17 nologies described in section 302(b) through the  
18 country to Iranian end-users or Iranian inter-  
19 mediaries based on criteria that include—

1 (A) the volume of such goods, services, and  
2 technologies that are diverted through the coun-  
3 try to such end-users or intermediaries;

4 (B) the inadequacy of the export controls  
5 of the country;

6 (C) the unwillingness or demonstrated in-  
7 ability of the government of the country to con-  
8 trol the diversion of such goods, services, and  
9 technologies to such end-users or inter-  
10 mediaries; and

11 (D) the unwillingness or inability of the  
12 government of the country to cooperate with the  
13 United States in efforts to interdict the diver-  
14 sion of such goods, services, or technologies to  
15 such end-users or intermediaries.

16 (b) REPORT ON DESIGNATION.—Upon designating a  
17 country as a Destination of Diversion Concern under sub-  
18 section (a), the President shall submit to the appropriate  
19 congressional committees a report—

20 (1) notifying those committees of the designa-  
21 tion of the country; and

1           (2) containing a list of the goods, services, and  
2           technologies described in section 302(b) that the  
3           President determines are diverted through the coun-  
4           try to Iranian end-users or Iranian intermediaries.

5           (c) LICENSING REQUIREMENT.—Not later than 45  
6           days after submitting a report required by subsection (b)  
7           with respect to a country designated as a Destination of  
8           Diversion Concern under subsection (a), the President  
9           shall require a license under the Export Administration  
10          Regulations or the International Traffic in Arms Regula-  
11          tions (whichever is applicable) to export to that country  
12          a good, service, or technology on the list required under  
13          subsection (b)(2), with the presumption that any applica-  
14          tion for such a license will be denied.

15          (d) DELAY OF IMPOSITION OF LICENSING REQUIRE-  
16          MENT.—

17               (1) IN GENERAL.—The President may delay the  
18               imposition of the licensing requirement under sub-  
19               section (c) with respect to a country designated as  
20               a Destination of Diversion Concern under subsection  
21               (a) for a 12-month period if the President—

1 (A) determines that the government of the  
2 country is taking steps—

3 (i) to institute an export control sys-  
4 tem or strengthen the export control sys-  
5 tem of the country;

6 (ii) to interdict the diversion of goods,  
7 services, or technologies described in sec-  
8 tion 302(b) through the country to Iranian  
9 end-users or Iranian intermediaries; and

10 (iii) to comply with and enforce  
11 United Nations Security Council Resolu-  
12 tions 1696 (2006), 1737 (2006), 1747  
13 (2007), 1803 (2008), and 1929 (2010),  
14 and any other resolution that is agreed to  
15 by the Security Council and imposes sanc-  
16 tions with respect to Iran;

17 (B) determines that it is appropriate to  
18 carry out government-to-government activities  
19 to strengthen the export control system of the  
20 country; and

1           (C) submits to the appropriate congres-  
2           sional committees a report describing the steps  
3           specified in subparagraph (A) being taken by  
4           the government of the country.

5           (2) ADDITIONAL 12-MONTH PERIODS.—The  
6           President may delay the imposition of the licensing  
7           requirement under subsection (c) with respect to a  
8           country designated as a Destination of Diversion  
9           Concern under subsection (a) for additional 12-  
10          month periods after the 12-month period referred to  
11          in paragraph (1) if the President, for each such 12-  
12          month period—

13                 (A) makes the determinations described in  
14                 subparagraphs (A) and (B) of paragraph (1)  
15                 with respect to the country; and

16                 (B) submits to the appropriate congres-  
17                 sional committees an updated version of the re-  
18                 port required by subparagraph (C) of para-  
19                 graph (1).

20           (3) STRENGTHENING EXPORT CONTROL SYS-  
21          TEMS.—If the President determines under para-

1 graph (1)(B) that is it appropriate to carry out gov-  
2 ernment-to-government activities to strengthen the  
3 export control system of a country designated as a  
4 Destination of Diversion Concern under subsection  
5 (a), the United States shall initiate government-to-  
6 government activities that may include—

7 (A) cooperation by agencies and depart-  
8 ments of the United States with counterpart  
9 agencies and departments in the country—

10 (i) to develop or strengthen the export  
11 control system of the country;

12 (ii) to strengthen cooperation among  
13 agencies of the country and with the  
14 United States and facilitate enforcement of  
15 the export control system of the country;  
16 and

17 (iii) to promote information and data  
18 exchanges among agencies of the country  
19 and with the United States;

1 (B) training officials of the country to  
2 strengthen the export control systems of the  
3 country—

4 (i) to facilitate legitimate trade in  
5 goods, services, and technologies; and

6 (ii) to prevent terrorists and state  
7 sponsors of terrorism, including Iran, from  
8 obtaining nuclear, biological, and chemical  
9 weapons, defense technologies, components  
10 for improvised explosive devices, and other  
11 defense articles; and

12 (C) encouraging the government of the  
13 country to participate in the Proliferation Secu-  
14 rity Initiative, such as by entering into a ship  
15 boarding agreement pursuant to the Initiative.

16 (e) TERMINATION OF DESIGNATION.—The designa-  
17 tion of a country as a Destination of Diversion Concern  
18 under subsection (a) shall terminate on the date on which  
19 the President determines, and certifies to the appropriate  
20 congressional committees, that the country has adequately  
21 strengthened the export control system of the country to



1 prevent the diversion of goods, services, and technologies  
2 described in section 302(b) to Iranian end-users or Iranian  
3 intermediaries.

4 (f) FORM OF REPORTS.—A report required by sub-  
5 section (b) or (d) may be submitted in classified form.

6 **SEC. 304. REPORT ON EXPANDING DIVERSION CONCERN**  
7 **SYSTEM TO ADDRESS THE DIVERSION OF**  
8 **UNITED STATES ORIGIN GOODS, SERVICES,**  
9 **AND TECHNOLOGIES TO CERTAIN COUN-**  
10 **TRIES OTHER THAN IRAN.**

11 (a) IN GENERAL.—Not later than 1 year after the  
12 date of the enactment of this Act, the President shall sub-  
13 mit to the appropriate congressional committees a report  
14 that—

15 (1) identifies any country that the President de-  
16 termines is allowing the diversion, in violation of  
17 United States law, of items on the Commerce Con-  
18 trol List or services related to those items, or de-  
19 fense articles or defense services on the United  
20 States Munitions List, that originated in the United  
21 States to another country if such other country—

1 (A) is seeking to obtain nuclear, biological,  
2 or chemical weapons, or ballistic missiles; or

3 (B) provides support for acts of inter-  
4 national terrorism; and

5 (2) assesses the feasibility and advisability of  
6 expanding the system established under section 303  
7 for designating countries as Destinations of Diver-  
8 sion Concern to include countries identified under  
9 paragraph (1).

10 (b) FORM.—The report required by subsection (a)  
11 may be submitted in classified form.

12 **SEC. 305. ENFORCEMENT AUTHORITY.**

13 The Secretary of Commerce may designate any em-  
14 ployee of the Office of Export Enforcement of the Depart-  
15 ment of Commerce to conduct activities specified in  
16 clauses (i), (ii), and (iii) of section 12(a)(3)(B) of the Ex-  
17 port Administration Act of 1979 (50 U.S.C. App.  
18 2411(a)(3)(B)) when the employee is carrying out activi-  
19 ties to enforce—

20 (1) the provisions of the Export Administration  
21 Act of 1979 (50 U.S.C. App. 2401 et seq.) (as in

1 effect pursuant to the International Emergency Eco-  
2 nomic Powers Act (50 U.S.C. 1701 et seq.);

3 (2) the provisions of this title, or any other pro-  
4 vision of law relating to export controls, with respect  
5 to which the Secretary of Commerce has enforce-  
6 ment responsibility; or

7 (3) any license, order, or regulation issued  
8 under—

9 (A) the Export Administration Act of 1979  
10 (50 U.S.C. App. 2401 et seq.) (as in effect pur-  
11 suant to the International Emergency Economic  
12 Powers Act (50 U.S.C. 1701 et seq.)); or

13 (B) a provision of law referred to in para-  
14 graph (2).

15 **TITLE IV—GENERAL**  
16 **PROVISIONS**

17 **SEC. 401. GENERAL PROVISIONS.**

18 (a) SUNSET.—The provisions of this Act (other than  
19 section 105 and the amendments made by sections 102,  
20 107, 109, and 205) shall terminate, and section  
21 13(c)(1)(B) of the Investment Company Act of 1940, as

1 added by section 203(a), shall cease to be effective, on the  
2 date that is 30 days after the date on which the President  
3 certifies to Congress that—

4 (1) the Government of Iran has ceased pro-  
5 viding support for acts of international terrorism  
6 and no longer satisfies the requirements for designa-  
7 tion as a state sponsor of terrorism (as defined in  
8 section 301) under—

9 (A) section 6(j)(1)(A) of the Export Ad-  
10 ministration Act of 1979 (50 U.S.C. App.  
11 2405(j)(1)(A)) (or any successor thereto);

12 (B) section 40(d) of the Arms Export Con-  
13 trol Act (22 U.S.C. 2780(d)); or

14 (C) section 620A(a) of the Foreign Assist-  
15 ance Act of 1961 (22 U.S.C. 2371(a)); and

16 (2) Iran has ceased the pursuit, acquisition,  
17 and development of nuclear, biological, and chemical  
18 weapons and ballistic missiles and ballistic missile  
19 launch technology.

20 (b) PRESIDENTIAL WAIVERS.—

1           (1) IN GENERAL.—The President may waive  
2       the application of sanctions under section 103(b),  
3       the requirement to impose or maintain sanctions  
4       with respect to a person under section 105(a), the  
5       requirement to include a person on the list required  
6       by section 105(b), the application of the prohibition  
7       under section 106(a), or the imposition of the licens-  
8       ing requirement under section 303(c) with respect to  
9       a country designated as a Destination of Diversion  
10      Concern under section 303(a), if the President de-  
11      termines that such a waiver is in the national inter-  
12      est of the United States.

13           (2) REPORTS.—

14           (A) IN GENERAL.—If the President waives  
15       the application of a provision pursuant to para-  
16       graph (1), the President shall submit to the ap-  
17       propriate congressional committees a report de-  
18       scribing the reasons for the waiver.

19           (B) SPECIAL RULE FOR REPORT ON  
20       WAIVING IMPOSITION OF LICENSING REQUIRE-  
21       MENT UNDER SECTION 303(c).—In any case in

1           which the President waives, pursuant to para-  
2           graph (1), the imposition of the licensing re-  
3           quirement under section 303(c) with respect to  
4           a country designated as a Destination of Diver-  
5           sion Concern under section 303(a), the Presi-  
6           dent shall include in the report required by sub-  
7           paragraph (A) of this paragraph an assessment  
8           of whether the government of the country is  
9           taking the steps described in subparagraph (A)  
10          of section 303(d)(1).

11       (c) AUTHORIZATIONS OF APPROPRIATIONS.—

12           (1) AUTHORIZATION OF APPROPRIATIONS FOR  
13       THE DEPARTMENT OF STATE AND THE DEPART-  
14       MENT OF THE TREASURY.—There are authorized to  
15       be appropriated to the Secretary of State and to the  
16       Secretary of the Treasury such sums as may be nec-  
17       essary to implement the provisions of, and amend-  
18       ments made by, titles I and III of this Act.

19           (2) AUTHORIZATION OF APPROPRIATIONS FOR  
20       THE DEPARTMENT OF COMMERCE.—There are au-  
21       thorized to be appropriated to the Secretary of Com-

1           merce such sums as may be necessary to carry out

2           title III.  
And the Senate agree to the same.