

112TH CONGRESS
1ST SESSION

H. R. 3508

To require the President to impose sanctions on foreign financial institutions that conduct transactions with the Central Bank of Iran.

IN THE HOUSE OF REPRESENTATIVES

NOVEMBER 22, 2011

Mr. FLAKE (for himself and Mr. MCINTYRE) introduced the following bill; which was referred to the Committee on Foreign Affairs, and in addition to the Committee on Financial Services, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To require the President to impose sanctions on foreign financial institutions that conduct transactions with the Central Bank of Iran.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

1 **SECTION 1. IMPOSITION OF SANCTIONS ON FOREIGN FI-**
2 **NANCIAL INSTITUTIONS THAT CONDUCT**
3 **TRANSACTIONS WITH THE CENTRAL BANK OF**
4 **IRAN.**

5 Section 104 of the Comprehensive Iran Sanctions,
6 Accountability, and Divestment Act of 2010 (22 U.S.C.
7 8513) is amended—

8 (1) by redesignating subsections (h) and (i) as
9 subsections (i) and (j), respectively; and

10 (2) by inserting after subsection (g) the fol-
11 lowing new subsection:

12 “(h) IMPOSITION OF SANCTIONS ON FOREIGN FI-
13 NANCIAL INSTITUTIONS THAT CONDUCT TRANSACTIONS
14 WITH THE CENTRAL BANK OF IRAN.—

15 “(1) IN GENERAL.—Subject to paragraphs (2),
16 (3), and (4), not later than 30 days after the date
17 of the enactment of this subsection, the President
18 shall—

19 “(A) prohibit the opening or maintaining
20 in the United States of a correspondent account
21 or a payable-through account by a foreign fi-
22 nancial institution that the President deter-
23 mines has knowingly conducted any financial
24 transaction with the Central Bank of Iran; and

25 “(B) freeze and prohibit all transactions in
26 all property and interests in property of each

1 such foreign financial institution if such prop-
2 erty and interests in property are in the United
3 States, come within the United States, or are or
4 come within the possession or control of a
5 United States person.

6 “(2) EXCEPTION FOR SALES OF FOOD, MEDI-
7 CINE, AND MEDICAL DEVICES.—The President may
8 not impose sanctions under paragraph (1) on a for-
9 eign financial institution for engaging in a trans-
10 action with the Central Bank of Iran for the sale of
11 food, medicine, or medical devices to Iran.

12 “(3) APPLICABILITY.—

13 “(A) IN GENERAL.—Except as provided in
14 subparagraph (B), paragraph (1) applies with
15 respect to financial transactions commenced on
16 or after the date of the enactment of this sub-
17 section.

18 “(B) PETROLEUM TRANSACTIONS.—Para-
19 graph (1) applies with respect to financial
20 transactions for the purchase of petroleum or
21 petroleum products through the Central Bank
22 of Iran commenced on or after the date that is
23 180 days after the date of the enactment of this
24 subsection.

25 “(4) WAIVER.—

1 “(A) IN GENERAL.—The President may
2 waive the application of paragraph (1) with re-
3 spect to a foreign financial institution for a pe-
4 riod of not more than 60 days, and may renew
5 that waiver for additional periods of not more
6 than 60 days, if the President determines and
7 reports to the appropriate congressional com-
8 mittees every 60 days that the waiver is nec-
9 essary to the national security interest of the
10 United States.

11 “(B) FORM.—A report submitted pursuant
12 to subparagraph (A) shall be submitted in un-
13 classified form, but may contain a classified
14 annex.

15 “(5) FOREIGN FINANCIAL INSTITUTION.—For
16 purposes of this subsection, the term ‘foreign finan-
17 cial institution’ includes a financial institution owned
18 or controlled by a foreign government.”.

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