

114TH CONGRESS
2D SESSION

S. 2726

To hold Iran accountable for its state sponsorship of terrorism and other threatening activities and for its human rights abuses, and for other purposes.

IN THE SENATE OF THE UNITED STATES

MARCH 17, 2016

Mr. KIRK (for himself, Mr. RUBIO, Ms. AYOTTE, Mr. COATS, Mr. GARDNER, Mr. McCONNELL, Mr. CORNYN, Mr. PORTMAN, Mr. ROBERTS, Mr. SASSE, Mr. COTTON, Mr. CRUZ, Mr. MORAN, Mr. ISAKSON, Ms. MURKOWSKI, and Mr. PERDUE) introduced the following bill; which was read twice and referred to the Committee on Foreign Relations

A BILL

To hold Iran accountable for its state sponsorship of terrorism and other threatening activities and for its human rights abuses, and for other purposes.

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

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

4 (a) SHORT TITLE.—This Act may be cited as the
5 “Iran Terrorism and Human Rights Sanctions Act of
6 2016”.

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

- Sec. 1. Short title; table of contents.
- Sec. 2. Definitions.
- Sec. 3. Findings.
- Sec. 4. Statement of policy.

TITLE I—SANCTIONS WITH RESPECT TO ENTITIES OWNED BY
IRAN'S REVOLUTIONARY GUARD CORPS

Subtitle A—Iran's Revolutionary Guard Corps Sanctions, Watch List, and
Report

- Sec. 101. Findings.
- Sec. 102. Imposition of sanctions with respect to the IRGC.
- Sec. 103. Imposition of sanctions against entities owned in whole or in part by
IRGC.
- Sec. 104. IRGC watch list and report.
- Sec. 105. Imposition of sanctions against Mahan Air.
- Sec. 106. Additional measures on Mahan Air.
- Sec. 107. Modification and extension of reporting requirements on the use of
certain Iranian seaports by foreign vessels and use of foreign
airports by sanctioned Iranian air carriers.

Subtitle B—Other Provisions

- Sec. 111. Authority of States and local governments to divest from persons that
engage in investment or business activities with Iran's Revolu-
tionary Guard Corps.
- Sec. 112. Safe harbor for changes in investment policies by asset managers.

Subtitle C—Termination

- Sec. 121. Termination.

TITLE II—SANCTIONS RELATING TO IRAN'S SUPPORT OF
TERRORISM

- Sec. 201. Findings.
- Sec. 202. Special measures with respect to Iran relating to its designation as
a jurisdiction of primary money laundering concern.
- Sec. 203. Modification of requirements relating to state sponsors of terrorism.

TITLE III—SANCTIONS RELATING TO HUMAN RIGHTS ABUSES IN
IRAN

- Sec. 301. Findings.
- Sec. 302. Expansion of list of persons involved in human rights abuses in Iran.
- Sec. 303. Identification of, and imposition of sanctions with respect to, certain
Iranian individuals.
- Sec. 304. Imposition of sanctions with respect to persons who conduct trans-
actions with or on behalf of certain Iranian individuals.
- Sec. 305. Mandatory sanctions with respect to financial institutions that engage
in certain transactions on behalf of persons involved in human
rights abuses or that export sensitive technology to Iran.
- Sec. 306. United States support for the people of Iran.
- Sec. 307. United States Special Coordinator on Human Rights and Democracy
in Iran.
- Sec. 308. Broadcasting to Iran.
- Sec. 309. Report on United States citizens detained by Iran.

Sec. 310. Sense of Congress on establishment of multilateral mechanism to promote human rights in Iran.

Sec. 311. Sense of Congress on role of the United Nations in promoting human rights in Iran.

1 **SEC. 2. DEFINITIONS.**

2 In this Act:

3 (1) ENTITY.—The term “entity” means any
4 corporation, business association, partnership, trust,
5 society, or any other entity.

6 (2) FOREIGN PERSON.—The term “foreign per-
7 son” means a person that is not a United States
8 person.

9 (3) IRGC.—The term “IRGC” means Iran’s
10 Revolutionary Guard Corps.

11 (4) PERSON.—The term “person” means an in-
12 dividual or entity.

13 (5) UNITED STATES PERSON.—The term
14 “United States person” means—

15 (A) a United States citizen or an alien law-
16 fully admitted for permanent residence to the
17 United States; or

18 (B) an entity organized under the laws of
19 the United States or of any jurisdiction within
20 the United States, including a foreign branch of
21 such an entity.

22 **SEC. 3. FINDINGS.**

23 Congress makes the following findings:

1 (1) Secretary of State John Kerry stated on
2 July 23, 2015, “We will not violate the [Joint Com-
3 prehensive Plan of Action (JCPOA)] if we use our
4 authorities to impose sanctions on Iran for ter-
5 rorism, human rights, missiles, or other nonnuclear
6 reasons. And the JCPOA does not provide Iran any
7 relief from United States sanctions under any of
8 those authorities or other authorities.”.

9 (2) President Barack Obama stated on April 2,
10 2015, “Other American sanctions on Iran for its
11 support for terrorism, its human rights abuses, its
12 ballistic missile program, will continue to be fully en-
13 forced.”.

14 (3) Director of National Intelligence James
15 Clapper wrote on February 9, 2016, “[T]he Islamic
16 Republic of Iran presents an enduring threat to U.S.
17 national interests because of its support to regional
18 terrorist and militant groups and the Assad regime,
19 as well as its development of advanced military capa-
20 bilities. Tehran views itself as leading the ‘axis of re-
21 sistance’ which includes the Assad regime and sub-
22 national groups aligned with Iran, especially Leba-
23 nese Hezbollah and Iraqi Shia militants . . . Tehran
24 might even use American citizens detained when en-
25 tering Iranian territories as bargaining pieces to

1 achieve financial or political concessions in line with
2 their strategic intentions.”.

3 (4) Director of National Intelligence James
4 Clapper wrote on June 3, 2015, “The United States
5 Intelligence Community continues to assess that
6 Iran and Hezbollah directly threaten the interests of
7 the United States and our allies and that Hezbollah
8 remains a global terrorist threat. Iran remains the
9 foremost state sponsor of terrorism and is increasing
10 its ability to influence regional crises and conduct
11 terrorism. Iran is doing this largely through the Is-
12 lamic Revolutionary Guard Corps-Qods Force
13 (IRGC-QF) and Lebanese Hezbollah, as well as the
14 support and use of sectarian political and militant
15 proxies closely aligned with the IRGC-QF and its
16 anti-Western ideology.”.

17 (5) Secretary of the Treasury Jacob Lew stated
18 on July 14, 2015, “We harbor no illusions about the
19 Iranian government’s nefarious activities beyond its
20 nuclear program. Make no mistake: we will continue
21 to impose and aggressively enforce sanctions to com-
22 bat Iran’s support for terrorist groups, its fomenting
23 of violence in the region, and its perpetration of
24 human rights abuses.”.

1 (6) Jake Sullivan, at the time Deputy Assistant
2 to President Obama and National Security Advisor
3 to Vice President Biden, stated on May 1, 2014,
4 “The wording of the Joint Plan of Action . . .
5 speaks to the issue of nuclear-related sanctions. And
6 that word was chosen very carefully, nuclear-related,
7 because we have made clear that sanctions relating
8 to terrorism and sanctions relating to human rights
9 violations are not covered by the discussions that we
10 are having on the nuclear file and that we are pre-
11 pared to continue to follow through on that . . . I
12 can tell you, as a matter of policy, this administra-
13 tion is committed to continuing to enforce and follow
14 through on that set of sanctions.”.

15 (7) Jake Sullivan further stated on May 1,
16 2014, “We must continue to speak out against the
17 gross violations of human rights and fundamental
18 freedoms in Iran and the hateful anti-Semitic rhet-
19 oric from some of its leaders, and we must keep pro-
20 viding support and assistance to those brave Ira-
21 nians seeking to have their voices heard . . . we’ve
22 got to stand up for our values, and we need to stand
23 against the human rights abuses and violations of
24 fundamental freedom, including religious freedom,
25 happening in Iran. And we have to provide real sup-

1 port to those voices on the ground who want to be
2 heard, who want to push for a better future . . .
3 this is an important line of effort that has to con-
4 tinue regardless of what is happening on the nuclear
5 file or on any other issue.”.

6 (8) Iranian Foreign Minister Mohammad Javad
7 Zarif stated on February 4, 2016, “Rebuilding the
8 confidence of the banks that the United States will
9 not re-intervene in their relations with Iran may re-
10 quire some further assurance from the United
11 States.”.

12 **SEC. 4. STATEMENT OF POLICY.**

13 It is the policy of the United States—

14 (1) to continue to impose pressure on the Gov-
15 ernment of Iran for its role as the foremost state
16 sponsor of terrorism, its ongoing human rights
17 abuses against the citizens of Iran and other peo-
18 ples, and its unjust detention of United States citi-
19 zens;

20 (2) to continue to use sanctions as an element
21 of that pressure and to discourage financial institu-
22 tions and entities from engaging in business and
23 commerce with Iranian entities tied to Iran’s Revolu-
24 tionary Guard Corps and to Iranian officials in-
25 volved in human rights abuses;

1 (3) not to encourage any foreign financial insti-
2 tution or other foreign entity to do business in Iran;
3 and

4 (4) not to provide any assurances regarding
5 protections from United States law or penalties to
6 those foreign entities that decide to engage or re-
7 engage in business and commerce with Iran.

8 **TITLE I—SANCTIONS WITH RE-**
9 **SPECT TO ENTITIES OWNED**
10 **BY IRAN’S REVOLUTIONARY**
11 **GUARD CORPS**

12 **Subtitle A—Iran’s Revolutionary**
13 **Guard Corps Sanctions, Watch**
14 **List, and Report**

15 **SEC. 101. FINDINGS.**

16 Congress finds the following:

17 (1) The IRGC threatens the national security of
18 the United States and United States allies.

19 (2) The IRGC is the key entity carrying out the
20 efforts of the Government of Iran to sow chaos and
21 instability throughout the Middle East, including
22 threatening activities against the United States,
23 Israel, and other allies and partners of the United
24 States in the region.

1 (3) The IRGC provides direct sponsorship and
2 support to numerous foreign terrorist organizations,
3 including Hamas, Hezbollah, and Palestinian Islamic
4 Jihad.

5 (4) According to General Joseph Dunford,
6 Chairman of the Joint Chiefs of Staff, the IRGC is
7 responsible for the deaths of more than 500 mem-
8 bers of the United States Armed Forces in Afghani-
9 stan and Iraq, including through the provision of ex-
10 plosive materials to Shia militias in Iraq.

11 (5) The IRGC is complicit in the ongoing
12 slaughter of the people of Syria as it maintains sup-
13 port for, and seeks to preserve, the regime of Bashar
14 al-Assad, which is responsible for hundreds of thou-
15 sands of deaths and millions of displaced citizens of
16 Syria.

17 (6) The Government of Iran and the IRGC
18 have been responsible for the repeated testing of ille-
19 gal ballistic missiles capable of carrying a nuclear
20 device, including observed tests in October and No-
21 vember 2015 and March 2016 that violated United
22 Nations Security Council resolutions.

23 (7) The United States holds the IRGC respon-
24 sible for severe and continuing human rights viola-

1 tions against the people of Iran, including unlawful
2 arrests, torture, and harassment.

3 (8) The United States upholds sanctions
4 against the IRGC for its proliferation-related activi-
5 ties and human rights abuses, and also against
6 Iran’s Revolutionary Guard Corps-Qods Force for its
7 support of terrorism.

8 (9) The Office of Foreign Assets Control of the
9 Department of the Treasury includes the IRGC on
10 the list of specially designated nationals and blocked
11 persons (in this section referred to as the “SDN
12 list”).

13 (10) Pursuant to section 561.405 of title 31,
14 Code of Federal Regulations, entities owned by the
15 IRGC, directly or indirectly, with 50 percent or
16 greater interest are subject to sanctions and may be
17 listed by the Office of Foreign Assets Control on the
18 SDN list. Such entities’ property and interest in
19 property are blocked regardless of whether such enti-
20 ties are included on the SDN List. That regulation,
21 commonly termed the “50 percent rule”, is the
22 standard used by the Office of Foreign Assets Con-
23 trol when determining ownership of entities by
24 blocked or sanctioned persons.

1 (11) Under section 218 of the Iran Threat Re-
2 duction and Syria Human Rights Act of 2012 (22
3 U.S.C. 8725), the term “own or control”, with re-
4 spect to an entity, means—

5 (A) holding more than 50 percent of the
6 equity interest by vote or value in the entity;

7 (B) holding a majority of seats on the
8 board of directors of the entity; or

9 (C) otherwise controlling the actions, poli-
10 cies, or personnel decisions of the entity.

11 (12) The IRGC maintains a powerful and ex-
12 pansive presence throughout Iran’s financial, com-
13 mercial, and oil and energy sectors, owning, control-
14 ling, operating, and influencing Iranian entities
15 while producing revenues estimated in the billions of
16 dollars. According to the Department of the Treas-
17 ury, “The IRGC has a growing presence in Iran’s fi-
18 nancial and commercial sectors and extensive eco-
19 nomic interests in the defense production, construc-
20 tion, and oil industries, controlling billions of dollars
21 in corporate business.”

22 (13) The IRGC has continuously engaged in
23 sanctions evasion and deceptive business practices to
24 conceal its ownership or control of Iranian entities,
25 owning numerous Iranian entities that are not sub-

1 ject to sanctions because the IRGC has less than a
2 50-percent ownership interest, leaving such entities
3 unsanctioned and open to business.

4 (14) As sanctions are lifted pursuant to the
5 Joint Comprehensive Plan of Action and Iran be-
6 comes more open to international commerce, the
7 international community must be aware of any and
8 all entities that are owned, controlled, operated, or
9 influenced by the IRGC or its agents or affiliates,
10 including those entities that do not make the thresh-
11 old to be covered by the “50 percent rule”.

12 (15) There is no prohibition in section 219 of
13 the Immigration and Nationality Act (8 U.S.C.
14 1189) that prevents the Secretary of State from des-
15 ignating entities affiliated with the government of a
16 foreign country as a foreign terrorist organization.

17 (16) The Financial Crimes Enforcement Net-
18 work of the Department of the Treasury issued a
19 notice of proposed rulemaking on August 4, 2014
20 (79 Fed. Reg. 45151; relating to customer due dili-
21 gence requirements for financial institutions), pro-
22 posing to amend chapter X of title 31, Code of Fed-
23 eral Regulations, to provide greater transparency to
24 allow the identification of persons that own, control,
25 and profit from entities to which banks and other fi-

1 nancial institutions provide services. The proposed
2 rule, known also as the “beneficial ownership re-
3 quirement”, would require financial institutions to
4 identify and verify any individual who owns 25 per-
5 cent or more of an entity that is a customer and an
6 individual who controls such an entity.

7 (17) David Cohen, at the time Under Secretary
8 of the Treasury for Terrorism and Financial Intel-
9 ligence, stated on July 30, 2014, “The beneficial
10 ownership requirement is intended to provide us
11 with an important new tool to track down the real
12 people behind companies that abuse our financial
13 system to secretly move and launder their illicit
14 gains. Along with meeting our international commit-
15 ments, this rule would make our financial system
16 more transparent by exposing the activities of illicit
17 actors who will no longer be able to hide behind
18 their anonymity.”.

19 (18) On October 12, 2011, the Department of
20 the Treasury imposed sanctions on Mahan Air for
21 providing financial, material, and technological sup-
22 port to Iran’s Revolutionary Guards Corps-Qods
23 Force. The Department of the Treasury noted that
24 Mahan Air also provides transportation, funds trans-
25 fers, and personal travel services to Iran’s Revolu-

1 tionary Guards Corps-Qods Force. The Department
2 of the Treasury further noted that Mahan Air pro-
3 vides transportation services to Hezbollah, which
4 was designated as a Specially Designated Global
5 Terrorist under Executive Order 13224 (50 U.S.C.
6 1701 note; relating to blocking property and prohib-
7 iting transactions with persons who commit, threat-
8 en to commit, or support terrorism) in October
9 2001, and Mahan Air has transported personnel,
10 weapons, and goods on behalf of Hezbollah.

11 (19) David Cohen, at the time Under Secretary
12 of the Treasury for Terrorism and Financial Intel-
13 ligence, stated on October 12, 2011, “Mahan Air’s
14 close coordination with [Iran’s Revolutionary Guards
15 Corps-Qods Force (IRGC-QF)]—secretly ferrying
16 operatives, weapons and funds on its flights—reveals
17 yet another facet of the IRGC’s extensive infiltration
18 of Iran’s commercial sector to facilitate its support
19 for terrorism. Following the revelation about the
20 IRGC-QF’s use of the international financial system
21 to fund its murder-for-hire plot, today’s action high-
22 lights further the undeniable risks of doing business
23 with Iran.”.

1 **SEC. 102. IMPOSITION OF SANCTIONS WITH RESPECT TO**
2 **THE IRGC.**

3 (a) IN GENERAL.—Beginning on the date that is 90
4 days after the date of the enactment of this Act, the Presi-
5 dent shall impose the sanctions described in subsection (b)
6 with respect to the IRGC and foreign persons that are
7 officials, agents, or affiliates of the IRGC.

8 (b) SANCTIONS DESCRIBED.—The sanctions de-
9 scribed in this subsection are the following:

10 (1) Sanctions applicable with respect to a for-
11 eign person pursuant to Executive Order 13224 (50
12 U.S.C. 1701 note; relating to blocking property and
13 prohibiting transactions with persons who commit,
14 threaten to commit, or support terrorism).

15 (2) Sanctions applicable with respect to an enti-
16 ty that is designated as a foreign terrorist organiza-
17 tion under section 219 of the Immigration and Na-
18 tionality Act (8 U.S.C. 1189).

19 **SEC. 103. IMPOSITION OF SANCTIONS AGAINST ENTITIES**
20 **OWNED IN WHOLE OR IN PART BY IRGC.**

21 (a) IN GENERAL.—The President shall impose the
22 sanctions described in subsection (b) with respect to—

23 (1) an entity, regardless of whether the entity
24 is included on the list of specially designated nation-
25 als and blocked persons maintained by the Office of
26 Foreign Assets Control of the Department of the

1 Treasury, that is owned, directly or indirectly, by a
2 25 percent or greater interest—

3 (A) by the IRGC or an agent or affiliate
4 of the IRGC; or

5 (B) collectively by a group of individuals
6 that are members of the IRGC or an agent or
7 affiliate of the IRGC, even if none of such indi-
8 viduals hold a 25 percent or greater interest in
9 the entity;

10 (2) a person that controls, manages, or directs
11 an entity described in paragraph (1); or

12 (3) an individual who is on the board of direc-
13 tors of an entity described in paragraph (1).

14 (b) SANCTIONS DESCRIBED.—

15 (1) BLOCKING OF PROPERTY.—The President
16 shall block, in accordance with the International
17 Emergency Economic Powers Act (50 U.S.C. 1701
18 et seq.), all transactions in all property and interests
19 in property of any person subject to subsection (a)
20 if such property and interests in property are in the
21 United States, come within the United States, or are
22 or come within the possession or control of a United
23 States person.

24 (2) EXCLUSION FROM UNITED STATES.—The
25 Secretary of State shall deny a visa to, and the Sec-

1 retary of Homeland Security shall exclude from the
2 United States, any person subject to subsection (a)
3 that is an alien.

4 (c) EXCEPTIONS AND SPECIAL RULES.—

5 (1) INAPPLICABILITY OF NATIONAL EMER-
6 GENCY REQUIREMENT.—The requirements of section
7 202 of the International Emergency Economic Pow-
8 ers Act (50 U.S.C. 1701) shall not apply for pur-
9 poses of subsection (b)(1).

10 (2) COMPLIANCE WITH UNITED NATIONS HEAD-
11 QUARTERS AGREEMENT.—Subsection (b)(2) shall
12 not apply to the head of state of Iran, or necessary
13 staff of that head of state, if admission to the
14 United States is necessary to permit the United
15 States to comply with the Agreement regarding the
16 Headquarters of the United Nations, signed at Lake
17 Success June 26, 1947, and entered into force No-
18 vember 21, 1947, between the United Nations and
19 the United States.

20 (d) APPLICABILITY OF ADDITIONAL SANCTIONS.—A
21 person with respect to which the President imposes sanc-
22 tions under subsection (a) shall be considered an agent
23 or affiliate of the IRGC for purposes of sections 104 and
24 104A of the Comprehensive Iran Sanctions, Account-

1 ability, and Divestment Act of 2010 (22 U.S.C. 8513 and
2 8513b).

3 **SEC. 104. IRGC WATCH LIST AND REPORT.**

4 (a) IN GENERAL.—The Secretary of the Treasury
5 shall establish, maintain, and publish in the Federal Reg-
6 ister a list (to be known as the “IRGC Watch List”) of—

7 (1) each entity in which the IRGC or an agent
8 or affiliate of the IRGC has an ownership interest
9 of less than 25 percent;

10 (2) each entity in which the IRGC does not
11 have an ownership interest if the IRGC or an agent
12 or affiliate of the IRGC maintains a presence on the
13 board of directors of the entity or otherwise influ-
14 ences the actions, policies, or personnel decisions of
15 the entity; and

16 (3) each person that controls, manages, or di-
17 rects an entity described in paragraph (1) or (2).

18 (b) REPORTS REQUIRED.—

19 (1) TREASURY REPORT.—

20 (A) IN GENERAL.—Not later than 90 days
21 after the date of the enactment of this Act, and
22 annually thereafter, the Secretary of the Treas-
23 ury shall submit to Congress a report that in-
24 cludes—

1 (i) the list required by subsection (a)
 2 and, in the case of any report submitted
 3 under this subparagraph after the first
 4 such report, any changes to the list since
 5 the submission of the preceding such re-
 6 port; and

7 (ii) an assessment of the role of the
 8 IRGC and its agents and affiliates in, and
 9 its penetration into, the economy of Iran.

10 (B) FORM OF REPORT.—Each report re-
 11 quired by subparagraph (A) shall be submitted
 12 in unclassified form, but may include a classi-
 13 fied annex if necessary.

14 (2) GOVERNMENT ACCOUNTABILITY OFFICE RE-
 15 PORT.—

16 (A) IN GENERAL.—The Comptroller Gen-
 17 eral of the United States shall—

18 (i) conduct a review of the list re-
 19 quired by subsection (a); and

20 (ii) not later than 60 days after each
 21 report required by paragraph (1) is sub-
 22 mitted to Congress, submit to Congress a
 23 report—

24 (I) on the review conducted
 25 under clause (i); and

1 (II) that includes a list of per-
2 sons not included in the list required
3 by subsection (a) that qualify for in-
4 clusion in that list.

5 (B) CONSULTATIONS.—In preparing the
6 report required by subparagraph (A)(ii), the
7 Comptroller General shall consult with non-
8 governmental organizations.

9 **SEC. 105. IMPOSITION OF SANCTIONS AGAINST MAHAN AIR.**

10 (a) IN GENERAL.—The President shall impose the
11 sanctions described in subsection (b) with respect to—

12 (1) a person that provides, directly or indi-
13 rectly, goods, services, technology, or financial serv-
14 ices, including the sale or provision of aircraft or air-
15 craft parts, fuel, ramp assistance, baggage and
16 cargo handling, catering, refueling, ticketing, check-
17 in services, crew handling, or other services related
18 to flight operations, to Mahan Air or its agents or
19 affiliates, or for aircraft of Mahan Air or its agents
20 or affiliates;

21 (2) a person that controls, manages, or directs
22 Mahan Air or any of its agents or affiliates;

23 (3) an individual who is on the board of direc-
24 tors of Mahan Air or any of its agents or affiliates;
25 or

1 (4) an entity in which Mahan Air or an agent
2 or affiliate of Mahan Air that owns, directly or indi-
3 rectly, a 25 percent or greater interest, regardless of
4 whether the entity is included on the list of specially
5 designated nationals and blocked persons maintained
6 by the Office of Foreign Assets Control of the De-
7 partment of the Treasury.

8 (b) SANCTIONS DESCRIBED.—

9 (1) BLOCKING OF PROPERTY.—The President
10 shall block, in accordance with the International
11 Emergency Economic Powers Act (50 U.S.C. 1701
12 et seq.), all transactions in all property and interests
13 in property of any person subject to subsection (a)
14 if such property and interests in property are in the
15 United States, come within the United States, or are
16 or come within the possession or control of a United
17 States person.

18 (2) EXCLUSION FROM UNITED STATES.—The
19 Secretary of State shall deny a visa to, and the Sec-
20 retary of Homeland Security shall exclude from the
21 United States, any person subject to subsection (a)
22 that is an alien.

23 (c) EXCEPTIONS AND SPECIAL RULES.—

24 (1) INAPPLICABILITY OF NATIONAL EMER-
25 GENCY REQUIREMENT.—The requirements of section

1 202 of the International Emergency Economic Pow-
2 ers Act (50 U.S.C. 1701) shall not apply for pur-
3 poses of subsection (b)(1).

4 (2) COMPLIANCE WITH UNITED NATIONS HEAD-
5 QUARTERS AGREEMENT.—Subsection (b)(2) shall
6 not apply to the head of state of Iran, or necessary
7 staff of that head of state, if admission to the
8 United States is necessary to permit the United
9 States to comply with the Agreement regarding the
10 Headquarters of the United Nations, signed at Lake
11 Success June 26, 1947, and entered into force No-
12 vember 21, 1947, between the United Nations and
13 the United States.

14 (d) APPLICABILITY OF ADDITIONAL SANCTIONS.—A
15 person with respect to which the President imposes sanc-
16 tions under subsection (a) shall be considered an agent
17 or affiliate of the IRGC for purposes of sections 104 and
18 104A of the Comprehensive Iran Sanctions, Account-
19 ability, and Divestment Act of 2010 (22 U.S.C. 8513 and
20 8513b).

21 **SEC. 106. ADDITIONAL MEASURES ON MAHAN AIR.**

22 (a) IN GENERAL.—The President shall require each
23 covered person to provide a certification to the President
24 that the person does not conduct transactions with any
25 entity that provides, directly or indirectly, goods, services,

1 technology, or financial services, including the sale or pro-
2 vision of aircraft or aircraft parts, fuel, ramp assistance,
3 baggage or cargo handling, catering, refueling, ticketing,
4 check-in services, crew handling, or other services related
5 to flight operations—

6 (1) to Mahan Air or its agents or affiliates;

7 (2) for aircraft owned or operated by Mahan
8 Air or its agents or affiliates; or

9 (3) to a person described in section 105(a).

10 (b) REPORTS REQUIRED.—

11 (1) DNI LIST.—

12 (A) IN GENERAL.—Not later than 90 days
13 after the date of the enactment of the Act, and
14 annually thereafter, the Director of National
15 Intelligence, in consultation with the Secretary
16 of the Treasury, shall submit to Congress a list
17 of each entity described in subsection (a).

18 (B) FORM OF LIST.—Each list required by
19 subparagraph (A) shall be submitted in unclas-
20 sified form, but may include a classified annex
21 if necessary.

22 (2) REPORT.—

23 (A) IN GENERAL.—Not later than 90 days
24 after the date of the enactment of the Act, and

1 annually thereafter, the President shall submit
2 to Congress a report that includes—

3 (i) a list of countries where aircraft of
4 Mahan Air or its agents or affiliates land;

5 (ii) a description of the efforts of the
6 President to encourage countries to pro-
7 hibit aircraft of Mahan Air or its agents or
8 affiliates from landing in the territory of
9 those countries; and

10 (iii) if the President has not imposed
11 sanctions under section 105(a) with re-
12 spect to any entity described in subsection
13 (a), an explanation for why the President
14 has not imposed such sanctions.

15 (B) FORM OF REPORT.—Each report re-
16 quired by subparagraph (A) shall be submitted
17 in unclassified form, but may include a classi-
18 fied annex if necessary.

19 (3) GOVERNMENT ACCOUNTABILITY OFFICE RE-
20 PORT.—

21 (A) IN GENERAL.—The Comptroller Gen-
22 eral of the United States shall—

23 (i) conduct a review of the certifi-
24 cations required by subsection (a), the lists

1 required by paragraph (1), and the reports
2 required by paragraph (2); and

3 (ii) not later than 60 days after the
4 submission of each list required by para-
5 graph (1) and each report required by
6 paragraph (2), submit to Congress a re-
7 port—

8 (I) on the review conducted
9 under clause (i); and

10 (II) assessing the implementation
11 of section 105.

12 (B) CONSULTATIONS.—In preparing the
13 report required by subparagraph (A)(ii), the
14 Comptroller General shall consult with non-
15 governmental organizations.

16 (c) COVERED PERSON DEFINED.—In this section,
17 the term “covered person” means—

18 (1) an air carrier or foreign air carrier, as those
19 terms are defined in section 40102 of title 49,
20 United States Code; or

21 (2) a United States person that exports aircraft
22 or components for aircraft.

1 **SEC. 107. MODIFICATION AND EXTENSION OF REPORTING**
2 **REQUIREMENTS ON THE USE OF CERTAIN**
3 **IRANIAN SEAPORTS BY FOREIGN VESSELS**
4 **AND USE OF FOREIGN AIRPORTS BY SANC-**
5 **TIONED IRANIAN AIR CARRIERS.**

6 (a) IN GENERAL.—Section 1252(a) of the Iran Free-
7 dom and Counter-Proliferation Act of 2012 (22 U.S.C.
8 8808(a)) is amended—

9 (1) in the matter preceding paragraph (1), by
10 striking “2016” and inserting “2019”;

11 (2) in paragraph (1), by striking “and” at the
12 end;

13 (3) in paragraph (2), by striking the period at
14 the end and inserting “; and”; and

15 (4) by adding at the end the following:

16 “(3) a description of all efforts the Department
17 of State has made to encourage other countries to
18 prohibit the use of air space and airports by Iranian
19 air carriers described in paragraph (2) during the
20 period specified in subsection (b).”.

21 (b) EFFECTIVE DATE.—The amendments made by
22 subsection (a) take effect on the date of the enactment
23 of this Act and apply with respect to reports required to
24 be submitted under section 1252(a) of the Iran Freedom
25 and Counter-Proliferation Act of 2012 on or after such
26 date of enactment.

1 **Subtitle B—Other Provisions**

2 **SEC. 111. AUTHORITY OF STATES AND LOCAL GOVERN-**
3 **MENTS TO DIVEST FROM PERSONS THAT EN-**
4 **GAGE IN INVESTMENT OR BUSINESS ACTIVI-**
5 **TIES WITH IRAN’S REVOLUTIONARY GUARD**
6 **CORPS.**

7 (a) IN GENERAL.—Subtitle B of title III of the Iran
8 Threat Reduction and Syria Human Rights Act of 2012
9 (Public Law 112–158; 126 Stat. 1247) is amended by
10 adding at the end the following:

11 **“SEC. 313. AUTHORITY OF STATES AND LOCAL GOVERN-**
12 **MENTS TO DIVEST FROM PERSONS THAT EN-**
13 **GAGE IN INVESTMENT OR BUSINESS ACTIVI-**
14 **TIES WITH IRAN’S REVOLUTIONARY GUARD**
15 **CORPS.**

16 “(a) SENSE OF CONGRESS.—It is the sense of Con-
17 gress that the United States should support the decision
18 of any State or local government that for moral, pruden-
19 tial, or reputational reasons divests from, or prohibits the
20 investment of assets of the State or local government in,
21 a person that engages in investment or business activities
22 with Iran’s Revolutionary Guard Corps or a person de-
23 scribed in subsection (c), as long as Iran’s Revolutionary
24 Guard Corps is subject to economic sanctions imposed by
25 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 (e) 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 or
9 business activities described in subsection (d) with Iran’s
10 Revolutionary Guard Corps or a person described in sub-
11 section (c).

12 “(c) PERSONS DESCRIBED.—A person described in
13 this subsection is—

14 “(1) an entity, regardless of whether the entity
15 is included on the list of specially designated nation-
16 als and blocked persons maintained by the Office of
17 Foreign Assets Control of the Department of the
18 Treasury, that is owned, directly or indirectly, by a
19 25 percent or greater interest—

20 “(A) by Iran’s Revolutionary Guard Corps
21 or an agent or affiliate of Iran’s Revolutionary
22 Guard Corps; or

23 “(B) collectively by a group of individuals
24 that are members of Iran’s Revolutionary
25 Guard Corps or an agent or affiliate of Iran’s

1 Revolutionary Guard Corps, even if none of
2 such individuals hold a 25 percent or greater
3 interest in the entity;

4 “(2) a person that controls, manages, or directs
5 an entity described in paragraph (1);

6 “(3) an individual who is on the board of direc-
7 tors of an entity described in paragraph (1); or

8 “(4) a person on the IRGC Watch List required
9 by section 104 of the Iran Terrorism and Human
10 Rights Sanctions Act of 2016.

11 “(d) INVESTMENT OR BUSINESS ACTIVITIES DE-
12 SCRIBED.—A person engages in investment or business ac-
13 tivities with Iran’s Revolutionary Guard Corps or a person
14 described in subsection (c) if the person—

15 “(1) has a financial investment in Iran’s Revo-
16 lutionary Guard Corps or such a person;

17 “(2) owns, in whole or in part, such a person;
18 or

19 “(3) is a financial institution that extends cred-
20 it or financing to another person, for 45 days or
21 more, if that person will use the credit or financing
22 for investment in a person described in subsection
23 (c).

1 “(e) REQUIREMENTS.—Any measure taken by a
2 State or local government under subsection (b) shall meet
3 the following requirements:

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

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

11 “(3) OPPORTUNITY FOR HEARING.—The State
12 or local government shall provide an opportunity to
13 comment in writing to each person to which a meas-
14 ure is to be applied. If the person demonstrates to
15 the State or local government that the person does
16 not engage in investment or business activities de-
17 scribed in subsection (d) with Iran’s Revolutionary
18 Guard Corps or a person described in subsection (e),
19 the measure shall not apply to the person.

20 “(4) SENSE OF CONGRESS ON AVOIDING ERRO-
21 NEOUS TARGETING.—It is the sense of Congress
22 that a State or local government should not adopt
23 a measure under subsection (b) with respect to a
24 person unless the State or local government has
25 made every effort to avoid erroneously targeting the

1 person and has verified that the person engages in
2 investment or business activities described in sub-
3 section (d) with Iran’s Revolutionary Guard Corps
4 or a person described in subsection (c).

5 “(f) NOTICE TO DEPARTMENT OF JUSTICE.—Not
6 later than 30 days after adopting a measure pursuant to
7 subsection (b), a State or local government shall submit
8 written notice to the Attorney General describing the
9 measure.

10 “(g) NONPREEMPTION.—A measure of a State or
11 local government authorized under subsection (b) or (i)
12 is not preempted by any Federal law or regulation.

13 “(h) EFFECTIVE DATE.—

14 “(1) IN GENERAL.—Except as provided in para-
15 graph (2) or subsection (i), this section applies to
16 measures adopted by a State or local government be-
17 fore, on, or after the date of the enactment of the
18 Iran Terrorism and Human Rights Sanctions Act of
19 2016.

20 “(2) NOTICE REQUIREMENTS.—Except as pro-
21 vided in subsection (i), subsections (e) and (f) apply
22 to measures adopted by a State or local government
23 on or after the date of the enactment of the Iran
24 Terrorism and Human Rights Sanctions Act of
25 2016.

1 “(i) AUTHORIZATION FOR PRIOR ENACTED MEAS-
2 URES.—

3 “(1) IN GENERAL.—Notwithstanding any other
4 provision of this section or any other provision of
5 law, a State or local government may enforce a
6 measure (without regard to the requirements of sub-
7 section (e), except as provided in paragraph (2))
8 adopted by the State or local government before the
9 date of the enactment of the Iran Terrorism and
10 Human Rights Sanctions Act of 2016 that provides
11 for the divestment of assets of the State or local
12 government from, or prohibits the investment of the
13 assets of the State or local government in, any per-
14 son that the State or local government determines,
15 using credible information available to the public,
16 engages in investment or business activities with
17 Iran’s Revolutionary Guard Corps or a person de-
18 scribed in subsection (c) (determined without regard
19 to subsection (d)) or other business or investment
20 activities that are identified in the measure.

21 “(2) APPLICATION OF NOTICE REQUIRE-
22 MENTS.—A measure described in paragraph (1)
23 shall be subject to the requirements of paragraphs
24 (1) and (2) and the first sentence of paragraph (3)
25 of subsection (e) on and after the date that is 2

1 years after the date of the enactment of the Iran
2 Terrorism and Human Rights Sanctions Act of
3 2016.

4 “(j) RULE OF CONSTRUCTION.—Nothing in this sec-
5 tion or any other provision of law authorizing sanctions
6 with respect to Iran shall be construed to abridge the au-
7 thority of a State to issue and enforce rules governing the
8 safety, soundness, and solvency of a financial institution
9 subject to its jurisdiction or the business of insurance pur-
10 suant to the Act of March 9, 1945 (15 U.S.C. 1011 et
11 seq.) (commonly known as the ‘McCarran-Ferguson Act’).

12 “(k) DEFINITIONS.—In this section:

13 “(1) ASSETS.—

14 “(A) IN GENERAL.—Except as provided in
15 subparagraph (B), the term ‘assets’ refers to
16 public monies and includes any pension, retire-
17 ment, annuity, or endowment fund, or similar
18 instrument, that is controlled by a State or
19 local government.

20 “(B) EXCEPTION.—The term ‘assets’ does
21 not include employee benefit plans covered by
22 title I of the Employee Retirement Income Se-
23 curity Act of 1974 (29 U.S.C. 1001 et seq.).

24 “(2) INVESTMENT.—The ‘investment’ in-
25 cludes—

1 “(A) a commitment or contribution of
2 funds or property;

3 “(B) a loan or other extension of credit;
4 and

5 “(C) the entry into or renewal of a con-
6 tract for goods or services.”.

7 (b) CLERICAL AMENDMENT.—The table of contents
8 for the Iran Threat Reduction and Syria Human Rights
9 Act of 2012 is amended by adding after the item relating
10 to section 312 the following:

“Sec. 313. Authority of States and local governments to divest from persons
that engage in investment or business activities with Iran’s
Revolutionary Guard Corps.”.

11 **SEC. 112. SAFE HARBOR FOR CHANGES IN INVESTMENT**
12 **POLICIES BY ASSET MANAGERS.**

13 Section 13(c)(1) of the Investment Company Act of
14 1940 (15 U.S.C. 80a–13(c)(1)) is amended—

15 (1) in subparagraph (A), by striking “; or” and
16 inserting a semicolon;

17 (2) in subparagraph (B), by striking the period
18 at the end and inserting “; or”; and

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

20 “(C) engage in investment or business ac-
21 tivities described in subsection (d) of section
22 313 of the Iran Threat Reduction and Syria
23 Human Rights Act of 2012 with Iran’s Revolu-

1 tionary Guard Corps or a person described in
2 subsection (c) of that section.”.

3 **Subtitle C—Termination**

4 **SEC. 121. TERMINATION.**

5 This title and the amendments made by this title
6 shall terminate on the date that is 30 days after the date
7 on which the President makes the certification described
8 in section 401(a) of the Comprehensive Iran Sanctions,
9 Accountability, and Divestment Act of 2010 (22 U.S.C.
10 8551(a)).

11 **TITLE II—SANCTIONS RELATING** 12 **TO IRAN’S SUPPORT OF TER-** 13 **RORISM**

14 **SEC. 201. FINDINGS.**

15 Congress makes the following findings:

16 (1) The Financial Action Task Force, an inter-
17 governmental body the purpose of which is to de-
18 velop and promote national and international policies
19 to combat money laundering and terrorist financ-
20 ing—

21 (A) has noted it is concerned about Iran’s
22 failure to address the risk of terrorist financing
23 and serious threat that failure poses to the in-
24 tegrity of the international financial system;

1 (B) since February 25, 2009, has called on
2 its members and urged all jurisdictions to apply
3 countermeasures against Iran to protect finan-
4 cial sectors from money laundering and financ-
5 ing of terrorism risks emanating from Iran; and

6 (C) states that it “urges jurisdictions to
7 protect against correspondent relationships
8 being used to bypass or evade countermeasures
9 and risk mitigation practices and to take into
10 account [money laundering and terrorist financ-
11 ing (ML/FT)] risks when considering requests
12 by Iranian financial institutions to open
13 branches and subsidiaries in their jurisdiction.
14 Due to the continuing terrorist financing threat
15 emanating from Iran, jurisdictions should con-
16 sider the steps already taken and possible addi-
17 tional safeguards or strengthen existing ones.”

18 (2) The Financial Action Task Force renewed
19 its call for countermeasures on February 19, 2016,
20 and called on Iran to address its deficiencies with re-
21 spect to measures countering money laundering and
22 terrorist financing.

23 (3) The Financial Crimes Enforcement Net-
24 work of the Department of the Treasury on Novem-
25 ber 25, 2011, issued a notice of finding that Iran is

1 a jurisdiction of primary money laundering concern
2 pursuant to section 5318A of title 31, United States
3 Code.

4 (4) The Financial Crimes Enforcement Net-
5 work on November 28, 2011, issued a notice of pro-
6 posed rulemaking that stated the intent to impose
7 special measures against Iran under that section.

8 (5) Section 1245 of the National Defense Au-
9 thorization Act for Fiscal Year 2012 (22 U.S.C.
10 8513a) designated the financial sector of Iran as a
11 primary money laundering concern, but did not im-
12 pose special measures pursuant to that designation.

13 **SEC. 202. SPECIAL MEASURES WITH RESPECT TO IRAN RE-**
14 **LATING TO ITS DESIGNATION AS A JURISDIC-**
15 **TION OF PRIMARY MONEY LAUNDERING CON-**
16 **CERN.**

17 (a) PROHIBITION ON DIRECT USE OF COR-
18 RESPONDENT ACCOUNTS.—A covered financial institution
19 shall terminate any correspondent account that—

20 (1) is established, maintained, administered, or
21 managed in the United States for, or on behalf of,
22 an Iranian banking institution; and

23 (2) is not blocked under any Executive order
24 issued pursuant to the International Emergency
25 Economic Powers Act (50 U.S.C. 1701 et seq.).

1 (b) SPECIAL DUE DILIGENCE MEASURES FOR COR-
2 RESPONDENT ACCOUNTS.—

3 (1) IN GENERAL.—A covered financial institu-
4 tion shall apply special due diligence measures to
5 correspondent accounts of the financial institution
6 that are reasonably designed to guard against the
7 improper indirect use of such accounts by Iranian
8 banking institutions.

9 (2) REQUIREMENTS.—The special due diligence
10 measures a covered financial institution is required
11 to apply to correspondent accounts under paragraph
12 (1) shall include, at a minimum—

13 (A) notifying the holders of such accounts
14 that the covered financial institution knows or
15 has reason to know provide services to Iranian
16 banking institutions, that such holders generally
17 may not provide Iranian banking institutions
18 with access to such accounts; and

19 (B) taking reasonable steps to identify any
20 indirect use of such accounts by Iranian bank-
21 ing institutions, to the extent that such indirect
22 use can be determined from transactional
23 records maintained by the covered financial in-
24 stitution in the normal course of business.

1 (3) RISK-BASED APPROACH.—A covered finan-
2 cial institution shall take a risk-based approach
3 when deciding what, if any, other due diligence
4 measures the financial institution should adopt to
5 guard against the improper indirect use of its cor-
6 respondent accounts by Iranian banking institutions.

7 (4) RESPONSE TO INDIRECT ACCESS BY IRA-
8 NIAN BANKING INSTITUTIONS.—A covered financial
9 institution that obtains credible information that a
10 correspondent account is being used by a foreign
11 bank to provide indirect access to an Iranian bank-
12 ing institution, shall—

13 (A) take all appropriate steps to prevent
14 such indirect access, including notifying the
15 holder of the account under paragraph (1)(A);
16 and

17 (B) where necessary, terminate the ac-
18 count.

19 (c) RECORDKEEPING AND REPORTING.—

20 (1) IN GENERAL.—A covered financial institu-
21 tion shall document its compliance with the notice
22 requirement set forth in subsection (b)(2)(A).

23 (2) RULE OF CONSTRUCTION.—Nothing in this
24 section shall require a covered financial institution

1 to report any information not otherwise required to
2 be reported by law or regulation.

3 (d) TERMINATION.—This section shall terminate on
4 the date that is 30 days after the date on which the Presi-
5 dent submits to Congress—

6 (1) the certification described in section 401(a)
7 of the Comprehensive Iran Sanctions, Account-
8 ability, and Divestment Act of 2010 (22 U.S.C.
9 8551(a)); and

10 (2) a certification that the Financial Action
11 Task Force has lifted its call for countermeasures
12 against Iran and Iran has become a member of a re-
13 gional body of the Financial Action Task Force.

14 (e) DEFINITIONS.—In this section:

15 (1) CORRESPONDENT ACCOUNT.—The term
16 “correspondent account” has the meaning given that
17 term in section 1010.605 of title 31, Code of Fed-
18 eral Regulations (as in effect on the day before the
19 date of the enactment of this Act).

20 (2) COVERED FINANCIAL INSTITUTION.—The
21 term “covered financial institution” has the meaning
22 given that term under paragraphs (1) and (2) of
23 section 1010.605(e) of title 31, Code of Federal
24 Regulations (as in effect on the day before the date
25 of the enactment of this Act).

1 (3) FOREIGN BANK.—The term “foreign bank”
2 has the meaning given that term in section
3 1010.100(u) of title 31, Code of Federal Regulations
4 (as in effect on the day before the date of the enact-
5 ment of this Act).

6 (4) IRANIAN BANKING INSTITUTION.—The term
7 “Iranian banking institution” means—

8 (A) any foreign bank chartered by Iran, in-
9 cluding—

10 (i) any branches, offices, or subsidi-
11 aries of such a bank operating in any juris-
12 diction; and

13 (ii) any branch or office within Iran of
14 any foreign bank licensed by Iran;

15 (B) the Central Bank of Iran; and

16 (C) any foreign bank of which more than
17 50 percent of the voting stock or analogous in-
18 terest is owned by two or more foreign banks
19 chartered by Iran.

20 **SEC. 203. MODIFICATION OF REQUIREMENTS RELATING TO**
21 **STATE SPONSORS OF TERRORISM.**

22 (a) REQUIREMENT TO COMPLY WITH ALL PROVI-
23 SIONS OF LAW RELATING TO STATE SPONSORS OF TER-
24 RORISM.—In making a determination to rescind the des-
25 ignation of a country as a state sponsor of terrorism, the

1 President shall comply with all requirements under this
2 Act, section 620A of the Foreign Assistance Act of 1961
3 (22 U.S.C. 2371), section 40 of the Arms Export Control
4 Act (22 U.S.C. 2780), section 6(j) of the Export Adminis-
5 tration Act of 1979 (50 U.S.C. 4605(j)) (as in effect pur-
6 suant to the International Emergency Economic Powers
7 Act (50 U.S.C. 1701 et seq.)), and any other provision
8 of law relating to countries the governments of which pro-
9 vide support for acts of international terrorism, with re-
10 spect to the rescission.

11 (b) ADDITIONAL REQUIREMENTS FOR REMOVAL.—

12 (1) IN GENERAL.—Not later than 15 days be-
13 fore the President submits to Congress a report
14 under section 620A(e) of the Foreign Assistance Act
15 of 1961 (22 U.S.C. 2371(e)), section 40(f) of the
16 Arms Export Control Act (22 U.S.C. 2780(f)), or
17 section 6(j) of the Export Administration Act of
18 1979 (50 U.S.C. 4605(j)) (as in effect pursuant to
19 the International Emergency Economic Powers Act
20 (50 U.S.C. 1701 et seq.)) relating to the rescission
21 of the designation of a country as a state sponsor
22 of terrorism, the President shall submit to the
23 Speaker of the House of Representatives, the minor-
24 ity leader of the House, the majority leader of the
25 Senate, the minority leader of the Senate, and the

1 appropriate congressional committees a report certi-
2 fying that—

3 (A) the government of the country does
4 not provide safe haven or assistance of any kind
5 to terrorists or other violent fugitives from
6 other countries;

7 (B) the Secretary of State and the Direc-
8 tor of National Intelligence agree that the gov-
9 ernment of the country has ceased all support,
10 directly or indirectly, to any terrorist or ter-
11 rorist organization, including public statements
12 of support for any such terrorist or terrorist or-
13 ganization during the 36-month period imme-
14 diately preceding the submission of the report;

15 (C) the government of the country has not
16 provided direct or indirect support to another
17 country on the state sponsor of terrorism list
18 during that 36-month period;

19 (D) the government of the country has not
20 unjustly detained during that 36-month period,
21 and is not unjustly detaining on the date of the
22 report, United States citizens, including dual
23 citizens; and

1 (E) there has been a fundamental change
2 in the leadership and policies of the government
3 of the country.

4 (2) FORM OF REPORT.—Each report described
5 in paragraph (1) shall be submitted in unclassified
6 form, but may include a classified annex if nec-
7 essary.

8 (c) EXTENDED PERIOD BEFORE REMOVAL FROM
9 LIST TAKES EFFECT.—

10 (1) FOREIGN ASSISTANCE ACT OF 1961.—Sec-
11 tion 620A(c)(2) of the Foreign Assistance Act of
12 1961 (22 U.S.C. 2371(c)(2)) is amended in the mat-
13 ter preceding subparagraph (A) by striking “45
14 days” and inserting “180 days”.

15 (2) ARMS EXPORT CONTROL ACT.—Section
16 40(f)(1)(B) of the Arms Export Control Act (22
17 U.S.C. 2780(f)(1)(B)) is amended in the matter pre-
18 ceding clause (i) by striking “45 days” and inserting
19 “180 days”.

20 (3) EXPORT ADMINISTRATION ACT OF 1979.—
21 Section 6(j)(4)(B) of the Export Administration Act
22 of 1979 (50 U.S.C. 4605(j)(4)(B)) (as in effect pur-
23 suant to the International Emergency Economic
24 Powers Act (50 U.S.C. 1701 et seq.)) shall be ap-

1 plied and administered by substituting “180 days”
2 for “45 days”.

3 (d) RESOLUTION OF DISAPPROVAL.—

4 (1) IN GENERAL.—The rescission of the des-
5 ignation of a country as a state sponsor of terrorism
6 shall not become effective if, during the 180-day pe-
7 riod following the submission of a report under sec-
8 tion 620A(c) of the Foreign Assistance Act of 1961
9 (22 U.S.C. 2371(c)), section 40(f) of the Arms Ex-
10 port Control Act (22 U.S.C. 2780(f)), or section 6(j)
11 of the Export Administration Act of 1979 (50
12 U.S.C. 4605(j)) (as in effect pursuant to the Inter-
13 national Emergency Economic Powers Act (50
14 U.S.C. 1701 et seq.)) relating to the rescission, Con-
15 gress enacts a joint resolution stating in substance
16 that the Congress disapproves the rescission.

17 (2) PROCEDURES IN THE SENATE.—Any joint
18 resolution described paragraph (1) shall be consid-
19 ered in the Senate under the procedures set forth in
20 section 601 of the International Security Assistance
21 and Arms Export Control Act of 1976 (Public Law
22 94–329; 90 Stat. 765) for consideration of joint res-
23 olutions.

24 (3) RULES OF SENATE.—Paragraph (2) is en-
25 acted by Congress—

1 (A) as an exercise of the rulemaking power
2 of the Senate and as such is deemed a part of
3 the rules of the Senate, but applicable only with
4 the respect to the procedure to be followed in
5 the Senate in the case of a joint resolution de-
6 scribed in paragraph (1), and supersedes other
7 rules only to the extent that it is inconsistent
8 with such rules; and

9 (B) with full recognition of the constitu-
10 tional right of the Senate to change the rules
11 at any time, in the same manner and to the
12 same extent as in the case of any other rule of
13 the Senate.

14 (e) RE-DESIGNATION OF COUNTRIES PREVIOUSLY
15 DESIGNATED AS STATE SPONSORS OF TERRORISM.—

16 During the 5-year period beginning on the date on which
17 the designation of the country as a state sponsor of ter-
18 rorism is rescinded, the President shall redesignate the
19 country as a state sponsor of terrorism upon the assess-
20 ment of the Director of National Intelligence that the gov-
21 ernment of the country has—

22 (1) directly or indirectly supported acts of inter-
23 national terrorism;

24 (2) given direct or indirect support to a ter-
25 rorist or terrorist organization, including providing

1 safe haven or assistance to a terrorist or terrorist
2 organization;

3 (3) given direct or indirect support to another
4 country designated as a state sponsor of terrorism;
5 or

6 (4) provided direct or indirect support, training,
7 materials, or advice on nuclear, biological, or chem-
8 ical weapons or ballistic missile programs to another
9 country designated as a state sponsor of terrorism.

10 (f) REPORT.—

11 (1) IN GENERAL.—The Director of National In-
12 telligence assessment referred to in subsection (e)
13 shall be submitted in a report to the President and
14 the appropriate congressional committees.

15 (2) FORM OF REPORT.—The report required by
16 paragraph (1) shall be submitted in unclassified
17 form, but may include a classified annex if nec-
18 essary.

19 (g) DEFINITIONS.—In this section:

20 (1) APPROPRIATE CONGRESSIONAL COMMIT-
21 TEES DEFINED.—The term “appropriate congres-
22 sional committees” means—

23 (A) the committees specified in section
24 14(2) of the Iran Sanctions Act of 1996 (Public
25 Law 104–172; 50 U.S.C. 1701 note);

1 (B) the Committee on Armed Services and
2 the Select Committee on Intelligence of the
3 Senate; and

4 (C) the Committee on Armed Services and
5 the Permanent Select Committee on Intelligence
6 of the House of Representatives.

7 (2) STATE SPONSOR OF TERRORISM.—The term
8 “state sponsor of terrorism” means any foreign
9 country if the Secretary of State has determined
10 that the government of the country has repeatedly
11 provided support for acts of international terrorism
12 pursuant to—

13 (A) section 6(j)(1)(A) of the Export Ad-
14 ministration Act of 1979 (50 U.S.C.
15 4605(j)(1)(A)) (as in effect pursuant to the
16 International Emergency Economic Powers Act
17 (50 U.S.C. 1701 et seq.));

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

20 (C) section 620A(a) of the Foreign Assist-
21 ance Act of 1961 (22 U.S.C. 2371(a)); or

22 (D) any other provision of law.

1 **TITLE III—SANCTIONS RELAT-**
2 **ING TO HUMAN RIGHTS**
3 **ABUSES IN IRAN**

4 **SEC. 301. FINDINGS.**

5 Congress makes the following findings:

6 (1) According to Freedom House, none of the
7 elections held in Iran after the Islamic revolution in
8 1979 have been regarded as free or fair.

9 (2) According to the October 2015 report by
10 the United Nations Special Rapporteur on the situa-
11 tion of human rights in the Islamic Republic of Iran,
12 Iran continues to execute more individuals per cap-
13 ita than any other country in the world. Executions
14 have been rising at an exponential rate since 2005
15 and peaked in 2015, when human rights groups re-
16 ported a shocking 830 executions between January
17 and November 2015, and as many as 1,084 execu-
18 tions during the entire year.

19 (3) According to an October 2015 United Na-
20 tions report on human rights in Iran, “Some 150
21 Sunni Muslims are in prison on charges related to
22 their beliefs and religion activities. More than 30 are
23 on death row after having been convicted of ‘enmity
24 against God’ in unfair judicial proceedings.”.

1 (4) In 2015, Iran was rated as “not free” in a
2 report on the freedom of the press by Freedom
3 House for a lack of flow of independent information
4 and the inability of news outlets, whether through
5 print, broadcast, or the Internet, to operate freely
6 and without fear of repercussions.

7 (5) Journalists, social media activists, writers,
8 and human rights activists are routinely arrested
9 and interrogated by Iran’s Revolutionary Guard
10 Corps, the Ministry of Intelligence, and cyber-police
11 ing units.

12 (6) According to the Committee to Protect
13 Journalists—

14 (A) from the 2015 prison census, Iran is
15 one of the leading jailers of journalists, with 19
16 behind bars;

17 (B) Iran ranks as first among countries
18 from which journalists have fled into exile be-
19 tween 2009 and 2015; and

20 (C) in 2015, Iran ranked number 7 among
21 the top 10 most censored countries in the
22 world.

23 (7) According to the United Nations Special
24 Rapporteur on the situation of human rights in the
25 Islamic Republic of Iran, as of January 2014, there

1 were 895 political prisoners and prisoners of con-
2 science unjustly detained in Iran.

3 (8) On February 22, 2016, 80-year-old Baquer
4 Namazi, a United States citizen and the father of
5 imprisoned dual United States-Iran citizen Siamak
6 Namazi, was arrested while visiting family in Tehran
7 and taken to Evin Prison without charge. Baquer
8 Namazi suffers from a serious heart condition that
9 requires special medical attention.

10 (9) On January 12, 2016, Iran's Revolutionary
11 Guard Corps unjustly detained 10 United States
12 sailors whose vessel had misnavigated into Iranian
13 territorial waters but had a right to innocent pas-
14 sage under international law. While the United
15 States sailors were released after 16 hours, Iran's
16 Revolutionary Guard Corps released humiliating vid-
17 eos of the capture of the sailors at gunpoint and
18 their detention for propagandistic purposes.

19 (10) On October 15, 2015, Siamak Namazi was
20 arrested while visiting Tehran and detained in Evin
21 Prison, where he remains held by Iranian officials
22 without charge.

23 (11) In July 2014, Jason Rezaian, a reporter
24 from the United States working for the Washington
25 Post, was unjustly arrested and held in Iran while

1 his health deteriorated until his release on January
2 16, 2016.

3 (12) On January 27, 2013, Saeed Abedini, a
4 pastor from the United States, was sentenced to an
5 8-year prison term in Iran based on charges relating
6 to his Christian faith and had been unjustly incar-
7 cerated since September 26, 2012, despite serious
8 health issues until his release on January 16, 2016.

9 (13) In August 2011, Amir Hekmati, a veteran
10 of the Armed Forces of the United States, was un-
11 justly detained while visiting his family in Iran and
12 remained in a prison in Iran on false espionage
13 charges until his release on January 16, 2016.

14 (14) In March 2007, Robert Levinson, a former
15 agent of the Federal Bureau of Investigation, dis-
16 appeared in Iran during a business trip and Iran
17 has refused to cooperate in the investigation into his
18 disappearance. Mr. Levinson is the longest unjustly
19 held United States citizens in history.

20 (15) The principal leaders of the Green Revolu-
21 tion in Iran, Mir Hussein Moussavi and Mehdi
22 Karroubi, have been under house arrest since Feb-
23 ruary 2011.

24 (16) The United States has designated Iran as
25 a country of particular concern for religious freedom

1 pursuant to section 402(b)(1) of the International
2 Religious Freedom Act of 1998 (22 U.S.C.
3 6442(b)(1)) for severe violations of religious freedom
4 in every year from 1999 through 2015.

5 (17) In 2015, the United States Commission on
6 International Religious Freedom found in its annual
7 report that the Government of Iran “continues to
8 engage in systematic, ongoing, and egregious viola-
9 tions of religious freedom, including prolonged de-
10 tention, torture, and executions based primarily or
11 entirely upon the religion of the accused”.

12 (18) The Government of Iran continues to
13 propagate anti-Semitism and target members of the
14 Jewish community, and reinstated, in 2014, a Holo-
15 caust denial conference, which had been cancelled
16 the previous year.

17 (19) On January 27, 2016, as the world
18 marked International Holocaust Remembrance Day,
19 Iranian Supreme Leader Ali Khamenei published a
20 video denying the Holocaust on his official website.

21 (20) Members of the Baha’i Faith in Iran, esti-
22 mated to number between 300,000 and 350,000, are
23 not recognized as a religious minority under the
24 Constitution of Iran, enjoy virtually no rights under
25 the law, and are banned from practicing their faith.

1 Throughout 2014 and 2015, Iranian authorities
2 shut down numerous Baha'i-owned businesses across
3 the country.

4 (21) More than 100 Baha'is are being held in
5 prison solely because of their religious beliefs, in-
6 cluding the Baha'i leaders Fariba Kamalabadi,
7 Jamaloddin Khanjani, Afif Naemi, Saeid Rezaie,
8 Mahvash Sabet, Behrouz Tavakkoli, and Vahid
9 Tizfahm.

10 (22) Christians, particularly converts and un-
11 derground house church leaders, face sustained per-
12 secution, arrests, legal harassment, and long-term
13 prison sentences. Since 2010, more than 500 Chris-
14 tians have been arrested or detained.

15 (23) Officials of the United States have stated
16 that the human rights record of Iran is "abysmal"
17 and the Department of State has reported that there
18 has been "little meaningful improvement in human
19 rights in Iran under the new government, including
20 torture, political imprisonment, and harassment of
21 religious and ethnic minorities".

22 (24) According to the Country Reports on
23 Human Rights Practices for 2014 of the Depart-
24 ment of State, Iranian law states that same-sex sex-
25 ual activity is punishable by death, flogging, or other

1 punishments. Iranian authorities “harassed, ar-
2 rested, and detained individuals they suspected of
3 being gay”. While detained, lesbian, gay, bisexual,
4 and transgender individuals have reported physical
5 abuse and torture by security officers, including sex-
6 ual assault and rape.

7 (25) The Government of Iran continues to com-
8 mit egregious human rights abuses against its own
9 citizens in violation of its international obligations
10 under the Universal Declaration of Human Rights,
11 the International Covenant on Economic, Social and
12 Cultural Rights, the International Covenant on Civil
13 and Political Rights, and the International Conven-
14 tion on the Elimination of All Forms of Racial Dis-
15 crimination.

16 **SEC. 302. EXPANSION OF LIST OF PERSONS INVOLVED IN**
17 **HUMAN RIGHTS ABUSES IN IRAN.**

18 (a) IN GENERAL.—Section 105 of the Comprehensive
19 Iran Sanctions, Accountability, and Divestment Act of
20 2010 (22 U.S.C. 8514) is amended—

21 (1) in the section heading, by striking “**CER-**
22 **TAIN PERSONS WHO ARE RESPONSIBLE FOR**
23 **OR COMPLICIT**” and inserting “**PERSONS IN-**
24 **VOLVED**”;

25 (2) in subsection (b)—

1 (A) in the subsection heading, by striking
2 “WHO ARE RESPONSIBLE FOR OR COMPLICIT”
3 and inserting “INVOLVED”;

4 (B) by striking paragraph (1) and insert-
5 ing the following:

6 “(1) IN GENERAL.—Not later than 90 days
7 after the date of the enactment of the Iran Ter-
8 rorism and Human Rights Sanctions Act of 2016,
9 the President shall submit to the appropriate con-
10 gressional committees a list of persons the President
11 determines have committed or facilitated, directly or
12 indirectly, human rights abuses or other acts of vio-
13 lence, intimidation, or harassment, on behalf of the
14 Government of Iran on or after June 12, 2009, re-
15 gardless of whether such abuses or acts occurred in
16 Iran.”; and

17 (C) in paragraph (2)(A), by striking “this
18 Act” and inserting “the Iran Terrorism and
19 Human Rights Sanctions Act of 2016”; and

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

21 “(e) INCLUSION OF ACTIONS THAT VIOLATE UNI-
22 VERSAL DECLARATION OF HUMAN RIGHTS.—For pur-
23 poses of subsection (b)(1), the term ‘human rights abuses’
24 includes actions that violate the rights listed in the United

1 Nations Universal Declaration of Human Rights, adopted
2 at Paris December 10, 1948.”.

3 (b) CLERICAL AMENDMENT.—The table of contents
4 for the Comprehensive Iran Sanctions, Accountability, and
5 Divestment Act of 2010 is amended by striking the item
6 relating to section 105 and inserting the following:

“Sec. 105. Imposition of sanctions on persons involved in human rights abuses
committed against citizens of Iran or their family members
after the June 12, 2009, elections in Iran.”.

7 **SEC. 303. IDENTIFICATION OF, AND IMPOSITION OF SANC-**
8 **TIONS WITH RESPECT TO, CERTAIN IRANIAN**
9 **INDIVIDUALS.**

10 (a) IN GENERAL.—Section 221 of the Iran Threat
11 Reduction and Syria Human Rights Act of 2012 (22
12 U.S.C. 8727) is amended to read as follows:

13 **“SEC. 221. IDENTIFICATION OF, AND IMPOSITION OF SANC-**
14 **TIONS WITH RESPECT TO, CERTAIN IRANIAN**
15 **INDIVIDUALS.**

16 “(a) IDENTIFICATION OF INDIVIDUALS.—Not later
17 than 90 days after the date of the enactment of the Iran
18 Terrorism and Human Rights Sanctions Act of 2016, and
19 every 180 days thereafter, the President shall submit to
20 the appropriate congressional committees and publish in
21 the Federal Register a list of all individuals the President
22 determines are described in subsection (b).

23 “(b) INDIVIDUALS DESCRIBED.—An individual de-
24 scribed in this subsection is—

1 “(1) the Supreme Leader of Iran;

2 “(2) the President of Iran;

3 “(3) a current or former key official, manager,
4 or director of an entity that is owned or controlled
5 after November 14, 1979, by—

6 “(A) the Supreme Leader of Iran;

7 “(B) the Office of the Supreme Leader of
8 Iran;

9 “(C) the President of Iran;

10 “(D) the Office of the President of Iran;

11 “(E) Iran’s Revolutionary Guard Corps;

12 “(F) the Basij-e Motaz’afin;

13 “(G) the Guardian Council;

14 “(H) the Ministry of Intelligence and Se-
15 curity of Iran;

16 “(I) the Atomic Energy Organization of
17 Iran;

18 “(J) the Islamic Consultative Assembly of
19 Iran;

20 “(K) the Assembly of Experts of Iran;

21 “(L) the Ministry of Defense and Armed
22 Forces Logistics of Iran;

23 “(M) the Ministry of Justice of Iran;

24 “(N) the Ministry of Interior of Iran;

25 “(O) the prison system of Iran;

1 “(P) the judicial system of Iran, including
2 the Islamic Revolutionary Courts; or

3 “(Q) any citizen of Iran included on the
4 list of specially designated nationals and
5 blocked persons maintained by the Office of
6 Foreign Assets Control of the Department of
7 the Treasury;

8 “(4) a citizen of Iran indicted in a foreign coun-
9 try for, or otherwise suspected of, participation in a
10 terrorist attack;

11 “(5) an individual involved in the kidnapping or
12 unjust detention of a United States citizen, includ-
13 ing a United States citizen who is also a citizen of
14 another country; or

15 “(6) a politically exposed individual associated
16 with an individual described in any of paragraphs
17 (1) through (5) who is not a United States person.

18 “(c) EXCLUSION FROM UNITED STATES.—Except as
19 provided in subsection (f), the Secretary of State shall
20 deny a visa to, and the Secretary of Homeland Security
21 shall exclude from the United States, any alien who is on
22 the list required by subsection (a).

23 “(d) BLOCKING OF PROPERTY.—Except as provided
24 in subsection (f), the President shall block and prohibit
25 all transactions in all property and interests in property

1 of any individual who is on the list required by subsection
2 (a) if such property and interests in property are in the
3 United States, come within the United States, or are or
4 come within the possession or control of a United States
5 person.

6 “(e) REPORT.—

7 “(1) IN GENERAL.—Not later than 90 days
8 after the date of the enactment of the Iran Ter-
9 rorism and Human Rights Sanctions Act of 2016,
10 and every 90 days thereafter, the President shall
11 submit to the appropriate congressional committees
12 a report that describes the efforts the President has
13 taken during the 90 days preceding the submission
14 of the report to locate and block all property and in-
15 terests in property of any individual who is on the
16 list required by subsection (a).

17 “(2) FORM OF REPORT.—Each report required
18 by paragraph (1) shall be submitted in unclassified
19 form, but may include a classified annex if nec-
20 essary.

21 “(f) EXCEPTIONS.—

22 “(1) IN GENERAL.—The President may not in-
23 clude an individual on the list required by subsection
24 (a) if the President determines that, during the 10-
25 year period preceding the determination, the indi-

1 vidual has not in any way engaged in, facilitated, or
2 otherwise supported—

3 “(A) human rights abuses;

4 “(B) acts of international terrorism; or

5 “(C) the proliferation of weapons of mass
6 destruction.

7 “(2) COMPLIANCE WITH UNITED NATIONS
8 HEADQUARTERS AGREEMENT.—Subsection (c) shall
9 not apply to the head of state of Iran, or necessary
10 staff of that head of state, if admission to the
11 United States is necessary to permit the United
12 States to comply with the Agreement regarding the
13 Headquarters of the United Nations, signed at Lake
14 Success June 26, 1947, and entered into force No-
15 vember 21, 1947, between the United Nations and
16 the United States.

17 “(g) WAIVER.—

18 “(1) IN GENERAL.—The President may waive
19 the application of subsection (c) or (d) with respect
20 to an individual for a period of 180 days, and may
21 renew that waiver for additional periods of 180 days,
22 if the President—

23 “(A) determines that the waiver is vital to
24 the national security of the United States; and

1 “(B) not less than 7 days before the waiver
2 or the renewal of the waiver, as the case may
3 be, takes effect, submits a report to the appropriate congressional committees on the waiver
4 and the reason for the waiver.
5

6 “(2) LIMITATION ON WAIVER AUTHORITY.—The
7 President may not exercise the waiver authority provided under paragraph (1) to implement any international agreement with Iran unless, before exercising the waiver authority, the agreement is approved through the enactment of a joint resolution
8 or the Senate provides its advice and consent with respect to the agreement pursuant to section 2 of article II of the Constitution of the United States.
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15 “(3) FORM OF REPORT.—Each report submitted under paragraph (1)(B) shall be submitted in unclassified form, but may include a classified annex
16 if necessary.
17
18

19 “(h) DEFINITIONS.—In this section:

20 “(1) OWN OR CONTROL.—The term ‘own or control’ means, with respect to an entity—
21

22 “(A) to hold more than 25 percent of the equity interest by vote or value in the entity;
23

24 “(B) to hold any seats on the board of directors of the entity; or
25

1 “(C) to otherwise control the actions, poli-
2 cies, or personnel decisions of the entity.

3 “(2) POLITICALLY EXPOSED INDIVIDUAL.—

4 “(A) IN GENERAL.—The term ‘politically
5 exposed individual’ includes a current or former
6 senior political figure, the immediate family of
7 such a figure, and close associates of such a fig-
8 ure.

9 “(B) ADDITIONAL DEFINITIONS.—For
10 purposes of subparagraph (A):

11 “(i) CLOSE ASSOCIATE.—The term
12 ‘close associate’, with respect to a senior
13 political figure—

14 “(I) means an individual who is
15 widely and publicly known to maintain
16 an unusually close relationship with
17 the senior political figure; and

18 “(II) includes an individual who
19 is in a position to conduct substantial
20 domestic and international financial
21 transactions on behalf of the senior
22 political figure.

23 “(ii) IMMEDIATE FAMILY.—The term
24 ‘immediate family’, with respect to a senior
25 foreign political figure, means the parents,

1 siblings, spouse, children, and in-laws of
2 the senior political figure.

3 “(iii) SENIOR POLITICAL FIGURE.—
4 The term ‘senior political figure’ means a
5 senior official in the executive, legislative,
6 administrative, military, or judicial
7 branches of the Government of Iran
8 (whether elected or not), a senior official of
9 a major political party in Iran, or a senior
10 executive of an entity owned or controlled
11 by the Government of Iran.”.

12 (b) CLERICAL AMENDMENT.—The table of contents
13 for the Iran Threat Reduction and Syria Human Rights
14 Act of 2012 (22 U.S.C. 8701 et seq.) is amended by strik-
15 ing the item relating to section 221 and inserting the fol-
16 lowing:

“Sec. 221. Identification of, and imposition of sanctions with respect to, certain
Iranian individuals.”.

17 **SEC. 304. IMPOSITION OF SANCTIONS WITH RESPECT TO**
18 **PERSONS WHO CONDUCT TRANSACTIONS**
19 **WITH OR ON BEHALF OF CERTAIN IRANIAN**
20 **INDIVIDUALS.**

21 (a) IN GENERAL.—Subtitle B of title II of the Iran
22 Threat Reduction and Syria Human Rights Act of 2012
23 (22 U.S.C. 8721 et seq.) is amended by inserting after
24 section 221 the following:

1 **“SEC. 221A. IMPOSITION OF SANCTIONS WITH RESPECT TO**
2 **PERSONS WHO CONDUCT TRANSACTIONS**
3 **WITH OR ON BEHALF OF CERTAIN IRANIAN**
4 **INDIVIDUALS.**

5 “(a) SALE, SUPPLY, OR TRANSFER OF GOODS AND
6 SERVICES.—The President shall impose five or more of
7 the sanctions described in section 6(a) of the Iran Sanc-
8 tions Act of 1996 (Public Law 104–172; 50 U.S.C. 1701
9 note) with respect to a person that knowingly, on or after
10 the date that is 120 days after the date of the enactment
11 of the Iran Terrorism and Human Rights Sanctions Act
12 of 2016, sells, supplies, or transfers goods or services to
13 an individual who is on the list required by section 221(a).

14 “(b) FACILITATION OF CERTAIN TRANSACTIONS.—
15 The President shall prohibit the opening, and prohibit or
16 impose strict conditions on the maintaining, in the United
17 States of a correspondent account or a payable-through
18 account by any foreign financial institution that has know-
19 ingly conducted or facilitated a significant financial trans-
20 action on behalf of an individual who is on the list required
21 by section 221(a).

22 “(c) WAIVER.—

23 “(1) IN GENERAL.—The President may waive
24 the application of subsection (a) or (b) with respect
25 to a person for a period of 180 days, and may renew

1 that waiver for additional periods of 180 days, if the
2 President—

3 “(A) determines that the waiver is vital to
4 the national security of the United States; and

5 “(B) not less than 7 days before the waiv-
6 er or the renewal of the waiver, as the case may
7 be, takes effect, submits a report to the appro-
8 priate congressional committees on the waiver
9 and the reason for the waiver.

10 “(2) LIMITATION ON WAIVER AUTHORITY.—The
11 President may not exercise the waiver authority pro-
12 vided under paragraph (1) to implement any inter-
13 national agreement with Iran unless, before exer-
14 cising the waiver authority, the agreement is ap-
15 proved through the enactment of a joint resolution
16 or the Senate provides its advice and consent with
17 respect to the agreement pursuant to section 2 of ar-
18 ticle II of the Constitution of the United States.

19 “(3) FORM OF REPORT.—Each report sub-
20 mitted under paragraph (1)(B) shall be submitted in
21 unclassified form, but may include a classified annex
22 if necessary.

23 “(d) APPLICATION OF CERTAIN PROVISIONS OF THE
24 IRAN SANCTIONS ACT OF 1996.—The following provisions
25 of the Iran Sanctions Act of 1996 (Public Law 104–172;

1 50 U.S.C. 1701 note) shall apply with respect to the im-
2 sition of sanctions under subsection (a) to the same extent
3 that such provisions apply with respect to the imposition
4 of sanctions under section 5(a) of the Iran Sanctions Act
5 of 1996:

6 “(1) Subsections (c), (d), and (f) of section 5.

7 “(2) Section 8.

8 “(3) Section 11.

9 “(4) Section 12.

10 “(5) Section 13(b).

11 “(e) DEFINITIONS.—In this Act:

12 “(1) ACCOUNT; CORRESPONDENT ACCOUNT;
13 PAYABLE-THROUGH ACCOUNT.—The terms ‘ac-
14 count’, ‘correspondent account’, and ‘payable-
15 through account’ have the meanings given those
16 terms in section 5318A of title 31, United States
17 Code.

18 “(2) FOREIGN FINANCIAL INSTITUTION.—The
19 term ‘foreign financial institution’ has the meaning
20 given that term in section 561.308 of title 31, Code
21 of Federal Regulations (or any corresponding similar
22 regulation or ruling).”.

23 (b) CLERICAL AMENDMENT.—The table of contents
24 for the Iran Threat Reduction and Syria Human Rights

1 Act of 2012 (22 U.S.C. 8701 et seq.) is amended by in-
 2 serting after the item relating to section 221 the following:

“Sec. 221A. Imposition of sanctions with respect to persons who conduct trans-
 actions with or on behalf of certain Iranian individuals.”.

3 **SEC. 305. MANDATORY SANCTIONS WITH RESPECT TO FI-**
 4 **NANCIAL INSTITUTIONS THAT ENGAGE IN**
 5 **CERTAIN TRANSACTIONS ON BEHALF OF**
 6 **PERSONS INVOLVED IN HUMAN RIGHTS**
 7 **ABUSES OR THAT EXPORT SENSITIVE TECH-**
 8 **NOLOGY TO IRAN.**

9 (a) IN GENERAL.—Section 104(c)(2) of the Com-
 10 prehensive Iran Sanctions, Accountability, and Divestment
 11 Act of 2010 (22 U.S.C. 8513(c)(2)) is amended—

12 (1) in subparagraph (D), by striking “or” at
 13 the end;

14 (2) in subparagraph (E), by striking the period
 15 at the end and inserting “; or”; and

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

17 “(F) facilitates a significant transaction or
 18 transactions or provides significant financial
 19 services for—

20 “(i) a person that is subject to sanc-
 21 tions under section 105(c), 105A(c),
 22 105B(c), or 105C(a); or

23 “(ii) a person that exports sensitive
 24 technology to Iran and is subject to the

1 prohibition on procurement contracts as
2 described in section 106.”.

3 (b) EFFECTIVE DATE.—The amendments made by
4 subsection (a) take effect on the date of the enactment
5 of this Act and apply with respect to any activity described
6 in subparagraph (F) of section 104(c)(2) of the Com-
7 prehensive Iran Sanctions, Accountability, and Divestment
8 Act of 2010, as added by subsection (a)(3), initiated on
9 or after the date that is 90 days after such date of enact-
10 ment.

11 (c) REGULATIONS.—Not later than 90 days after the
12 date of the enactment of this Act, the Secretary of the
13 Treasury shall prescribe regulations to carry out the
14 amendments made by subsection (a).

15 **SEC. 306. UNITED STATES SUPPORT FOR THE PEOPLE OF**
16 **IRAN.**

17 (a) IN GENERAL.—Subtitle B of title IV of the Iran
18 Threat Reduction and Syria Human Rights Act of 2012
19 (22 U.S.C. 8751 et seq.) is amended by adding at the end
20 the following:

21 **“SEC. 416. UNITED STATES SUPPORT FOR THE PEOPLE OF**
22 **IRAN.**

23 “(a) POLICY OF THE UNITED STATES.—It is the pol-
24 icy of the United States—

1 “(1) to support the efforts of the people of Iran
2 to promote the establishment of basic freedoms in
3 Iran;

4 “(2) to lay the foundation for the emergence of
5 a freely elected, open, and democratic political sys-
6 tem in Iran that is not a threat to its neighbors or
7 to the United States and to work with all citizens of
8 Iran who seek to establish such a political system;

9 “(3) to support the emergence of a government
10 in Iran that does not oppress the people of Iran and
11 does not persecute, intimidate, arrest, imprison, or
12 execute dissidents or minorities;

13 “(4) to advocate on behalf of those in Iran per-
14 secuted for their religion or belief;

15 “(5) to assist the people of Iran to produce, ac-
16 cess, and share information freely and safely
17 through the Internet and other media; and

18 “(6) to defeat all attempts by the Government
19 of Iran to jam or otherwise obstruct international
20 satellite broadcast signals.

21 “(b) SENSE OF CONGRESS.—It is the sense of Con-
22 gress that—

23 “(1) the United States should support citizens
24 of Iran that actively work to advance political, eco-
25 nomic, and social reforms, including freedom of the

1 press, freedom of assembly, freedom of religion, and
2 representative government;

3 “(2) the President should use all available non-
4 violent means to support citizens of Iran that advo-
5 cate for pluralistic, prosperous, and participatory so-
6 cieties;

7 “(3) programs of the Department of State to
8 support reform in Iran have not resulted in a more
9 democratic Iran;

10 “(4) the Government of Iran continues to play
11 a pernicious role in the Middle East, undermining
12 democratic consolidation in Iraq, supporting inter-
13 national terrorism through Hezbollah, and aiding
14 the autocratic regime of Bashar al-Assad in Syria;

15 “(5) the Secretary of State should make every
16 effort to deliver support directly to people working
17 in Iran to implement programs carried out using as-
18 sistance provided by the Department of State when
19 possible and all possible means of delivering such as-
20 sistance should be used; and

21 “(6) oversight, management, and implementa-
22 tion of programs of the Department of State to sup-
23 port reform in Iran should be under the direction of
24 the Special Coordinator on Human Rights and De-
25 mocracy in Iran established under section 407 of the

1 Iran Terrorism and Human Rights Sanctions Act of
2 2016, in consultation with the Assistant Secretary of
3 State for Democracy, Human Rights, and Labor.

4 “(c) ASSISTANCE TO SUPPORT REFORM IN IRAN.—

5 “(1) ASSISTANCE AUTHORIZED.—Notwithstand-
6 ing any other provision of law, the Secretary of
7 State may provide assistance (including through the
8 award of grants) to individuals and entities working
9 in Iran for the purpose of supporting and promoting
10 the rule of law, good governance, civil society, and
11 economic opportunity in Iran.

12 “(2) ELIGIBILITY FOR ASSISTANCE.—Assist-
13 ance authorized under this subsection should be pro-
14 vided only to an individual or entity that—

15 “(A) officially opposes the use of violence
16 and terrorism and has not been designated as
17 a foreign terrorist organization under section
18 219 of the Immigration and Nationality Act (8
19 U.S.C. 1189) at any time during the 4-year pe-
20 riod ending on the date of the enactment of the
21 Iran Terrorism and Human Rights Sanctions
22 Act of 2016;

23 “(B) advocates the adherence by Iran to
24 nonproliferation regimes for nuclear, chemical,

1 and biological weapons and materiel, and bal-
2 listic missiles;

3 “(C) is dedicated to democratic values and
4 supports the adoption of a democratic form of
5 government in Iran;

6 “(D) is dedicated to respect for human
7 rights, including the fundamental equality of
8 women; and

9 “(E) supports freedom of the press, free-
10 dom of speech, freedom of association, and free-
11 dom of religion.

12 “(3) NOTIFICATION REQUIREMENT.—Not later
13 than 15 days before each obligation of assistance
14 under this subsection, the Secretary of State shall
15 notify the Committee on Foreign Relations and the
16 Committee on Appropriations of the Senate and the
17 Committee on Foreign Affairs and the Committee on
18 Appropriations of the House of Representatives in
19 accordance with the procedures applicable to re-
20 programming notifications under section 634A of
21 the Foreign Assistance Act of 1961 (22 U.S.C.
22 2394–1).

23 “(4) AUTHORIZATION OF APPROPRIATIONS.—Of
24 the amounts made available to carry out chapter 4
25 of part II of the Foreign Assistance Act of 1961 (22

1 U.S.C. 2346 et seq.; relating to the Economic Sup-
2 port Fund) for fiscal year 2015, not less than
3 \$32,000,000 shall be made available to the Sec-
4 retary of State to carry out this subsection.

5 “(5) TERMINATION.—The authority to provide
6 assistance under this subsection shall expire on De-
7 cember 31, 2020.

8 “(d) REPORTS.—

9 “(1) IN GENERAL.—Not later than 60 days
10 after the date of the enactment of the Iran Ter-
11 rorism and Human Rights Sanctions Act of 2016,
12 and every 180 days thereafter, the Secretary of
13 State shall submit to the appropriate congressional
14 committees a report on the implementation of this
15 section that includes the following:

16 “(A) An identification of the actions the
17 President has taken during the 180-day period
18 immediately preceding the submission of the re-
19 port to advance each of the policies described in
20 subsection (a).

21 “(B) A clear strategy for advancing polit-
22 ical, economic, and social reform in Iran that
23 includes benchmarks for success that lead to a
24 set of identified discrete goals and objectives.

1 “(C) A plan to monitor and evaluate the
2 effectiveness of the provision of assistance au-
3 thorized under subsection (c), including meas-
4 ures of effectiveness.

5 “(D) The status of the programming of as-
6 sistance under subsection (c).

7 “(E) An analysis of any past programming
8 of assistance under subsection (c) and its effec-
9 tiveness with respect to supporting and pro-
10 moting the rule of law, good governance, civil
11 society, and economic opportunity in Iran.

12 “(2) FORM OF REPORT.—Each report required
13 by paragraph (1) shall be submitted in unclassified
14 form, but may include a classified annex if nec-
15 essary.”.

16 (b) CLERICAL AMENDMENT.—The table of contents
17 for the Iran Threat Reduction and Syria Human Rights
18 Act of 2012 is amended by inserting after the item relat-
19 ing to section 415 the following:

“Sec. 416. United States support for the people of Iran.”.

20 **SEC. 307. UNITED STATES SPECIAL COORDINATOR ON**
21 **HUMAN RIGHTS AND DEMOCRACY IN IRAN.**

22 (a) DESIGNATION.—The President shall designate
23 within the Department of State a Special Coordinator on
24 Human Rights and Democracy in Iran (in this section re-
25 ferred to as the “Special Coordinator”).

1 (b) CONSULTATION AND QUALIFICATIONS.—Before
2 the President designates a Special Coordinator under sub-
3 section (a), the Secretary of State shall consult with the
4 chairmen and ranking members of the appropriate con-
5 gressional committees. The role of Special Coordinator
6 should be filled by an official of the Department of State
7 appointed by and serving at the pleasure of the President
8 in a position not lower than Under Secretary on the day
9 before the date of the enactment of this Act.

10 (c) DUTIES.—The Special Coordinator shall carry out
11 the following duties:

12 (1) Coordinate the activities of the United
13 States Government that promote human rights, de-
14 mocracy, political freedom, and religious freedom in-
15 side Iran.

16 (2) Coordinate the activities of the United
17 States Government that promote human rights, po-
18 litical freedom, and religious freedom for Iranian
19 refugees and asylees living outside Iran.

20 (3) Ensure the comprehensive investigation and
21 designation of Iranian human rights abusers in ac-
22 cordance with section 105 of the Comprehensive
23 Iran Sanctions, Accountability, and Divestment Act
24 of 2010 (22 U.S.C. 8514).

1 (4) Coordinate the documentation and publi-
2 cizing of political dissidents and cases of human
3 rights abuse inside Iran.

4 (5) Coordinate multilateral efforts to build
5 international support for the promotion of human
6 rights, democracy, political freedom, and religious
7 freedom in Iran, including broadcasting, Internet ac-
8 cess, and dissemination of information.

9 (6) Encourage the United Nations, multilateral
10 organizations, and human rights nongovernmental
11 organizations to more robustly investigate and re-
12 port on human rights abuses in Iran.

13 (7) Encourage foreign governments to down-
14 grade or sever diplomatic relations with the Govern-
15 ment of Iran, enact economic sanctions, and assist
16 Iranian dissidents in response to the continued viola-
17 tions of human rights by the Government of Iran.

18 (8) Encourage foreign governments to expel
19 Iran from international fora and organizations with
20 a human rights component, including the United
21 Nations Commission on the Status of Women, the
22 United Nations Educational, Scientific and Cultural
23 Organization, the United Nations Children's Fund,
24 and the International Labour Organization.

1 (9) Coordinate all programs funded under the
2 Iran Freedom Support Act (Public Law 109–293;
3 22 U.S.C. 2151 note).

4 (d) AUTHORITY.—

5 (1) COORDINATION OF ACTIVITIES.—The Spe-
6 cial Coordinator shall coordinate all activities related
7 to Iran carried out by the Bureau of Near Eastern
8 Affairs, the Bureau of Democracy, Human Rights
9 and Labor, and the Bureau of Population, Refugees
10 and Migration of the Department of State, the Am-
11 bassador-at-Large for International Religious Free-
12 dom, the Special Envoy to Monitor and Combat
13 Anti-Semitism, the United States Commission on
14 International Religious Freedom, the National En-
15 dowment for Democracy, and the Broadcasting
16 Board of Governors.

17 (2) COORDINATION OF USE OF FUNDS.—The
18 Special Coordinator shall coordinate and oversee the
19 obligation and expenditure of funds related to
20 human rights, democracy, Internet freedom, and
21 broadcasting activities in Iran, including funds made
22 available for such purposes to the Middle East Part-
23 nership Initiative, the United States Commission on
24 International Religious Freedom, the Broader Mid-
25 dle East and North Africa Initiative, the Human

1 Rights and Democracy Fund, and the Near Eastern
2 Regional Democracy Fund.

3 (e) DIPLOMATIC REPRESENTATION.—Subject to the
4 direction of the President and the Secretary of State, the
5 Special Coordinator shall represent the United States in
6 matters and cases relevant to the promotion of human
7 rights, democracy, political freedom, and religious freedom
8 in Iran in—

9 (1) contacts with foreign governments, intergov-
10 ernmental organizations, and specialized agencies of
11 the United Nations, the Organization for Security
12 and Co-operation in Europe, and other international
13 organizations of which the United States is a mem-
14 ber; and

15 (2) multilateral conferences and meetings rel-
16 evant to the promotion of human rights, democracy,
17 political freedom, and religious freedom in Iran.

18 (f) CONSULTATIONS.—The Special Coordinator shall
19 consult with Congress, domestic and international non-
20 governmental organizations, labor organizations, and mul-
21 tilateral organizations and institutions as the Special Co-
22 ordinator considers appropriate to fulfill the purposes of
23 this section.

24 (g) FUNDING.—From amounts made available for
25 the Department of State for Near East Affairs in fiscal

1 years before fiscal year 2016, the Secretary of State shall
2 provide to the Special Coordinator such sums as may be
3 necessary for fiscal year 2016 for the hiring of staff, for
4 the conduct of investigations, and for necessary travel to
5 carry out this section.

6 (h) APPROPRIATE CONGRESSIONAL COMMITTEES
7 DEFINED.—In this section, the term “appropriate con-
8 gressional committees” means—

9 (1) the Committee on Foreign Relations and
10 the Committee on Appropriations of the Senate; and

11 (2) the Committee on Foreign Affairs and the
12 Committee on Appropriations of the House of Rep-
13 resentatives.

14 **SEC. 308. BROADCASTING TO IRAN.**

15 (a) IN GENERAL.—Radio Free Europe/Radio Liberty
16 and the Voice of America services broadcasting to Iran
17 shall—

18 (1) provide news and information that is acces-
19 sible, credible, comprehensive, and accurate;

20 (2) emphasize investigative and analytical jour-
21 nalism provided by Iranian or pro-Iranian media
22 outlets; and

23 (3) strengthen civil society by promoting demo-
24 cratic processes, respect for human rights, and free-
25 dom of the press and expression.

1 (b) PROGRAMMING SURGE.—Radio Free Europe/
2 Radio Liberty and Voice of America programming to Iran
3 shall—

4 (1) provide programming content 24 hours a
5 day and 7 days a week to target populations using
6 all available and effective distribution outlets, includ-
7 ing at least 12 hours a day of original television and
8 video content, not including live video streaming of
9 breaking news;

10 (2) create mobile platforms with an embedded
11 proxy to offer the people of Iran the opportunity to
12 securely listen to programming;

13 (3) increase number of staffers based in the re-
14 gion to allow for more direct contact with the people
15 of Iran;

16 (4) expand the use, audience, and audience en-
17 gagement of mobile news and multimedia platforms
18 by the Voice of America and the Radio Farda serv-
19 ice of Radio Free Europe/Radio Liberty, including
20 through Internet-based social networking platforms;
21 and

22 (5) establish fellowships for Iranian journalists
23 who have fled the country to learn about free, com-
24 petitive media and be trained in surrogate reporting.

1 (c) AUTHORIZATION OF APPROPRIATIONS.—There
2 are authorized to be appropriated for fiscal year 2016, in
3 addition to funds otherwise made available for such pur-
4 poses, \$10,000,000 to carry out Iran-focused program-
5 ming by Radio Free Europe/Radio Liberty and the Voice
6 of America, for the purpose of bolstering existing United
7 States programming to the people of Iran and increasing
8 programming capacity and jamming circumvention tech-
9 nology to overcome any disruptions to service.

10 **SEC. 309. REPORT ON UNITED STATES CITIZENS DETAINED**
11 **BY IRAN.**

12 (a) IN GENERAL.—Not later than 90 days after the
13 date of the enactment of this Act, and every 180 days
14 thereafter, the President shall submit to the appropriate
15 congressional committees a report on United States citi-
16 zens, including dual citizens, detained by Iran or groups
17 supported by Iran that includes—

18 (1) information regarding any officials of the
19 Government of Iran involved in any way in the de-
20 tentions; and

21 (2) a summary of efforts the United States
22 Government has taken to secure the swift release of
23 those United States citizens, including United States
24 citizens who are also citizens of other countries.

1 (b) FORM OF REPORT.—The report required by sub-
2 section (a) shall be submitted in unclassified form, but
3 may include a classified annex if necessary.

4 (c) APPROPRIATE CONGRESSIONAL COMMITTEES DE-
5 FINED.—In this section, the term “appropriate congres-
6 sional committees” has the meaning given that term in
7 section 14 of the Iran Sanctions Act of 1996 (Public Law
8 104–172; 50 U.S.C. 1701 note).

9 **SEC. 310. SENSE OF CONGRESS ON ESTABLISHMENT OF**
10 **MULTILATERAL MECHANISM TO PROMOTE**
11 **HUMAN RIGHTS IN IRAN.**

12 It is the sense of Congress that the United States
13 should work with the European Union and other countries
14 with a common commitment to fundamental rights and
15 freedoms to explore the possibility of establishing a formal
16 multilateral mechanism to advocate for the promotion of
17 human rights, democracy, political freedom, and religious
18 freedom in Iran.

19 **SEC. 311. SENSE OF CONGRESS ON ROLE OF THE UNITED**
20 **NATIONS IN PROMOTING HUMAN RIGHTS IN**
21 **IRAN.**

22 It is the sense of Congress that—

23 (1) the United Nations has a significant role to
24 play in promoting and improving human rights in
25 Iran;

1 (2) the United States should continue to sup-
2 port the work of the United Nations Special
3 Rapporteur on the situation of human rights in the
4 Islamic Republic of Iran; and

5 (3) the egregious human rights violations in
6 Iran warrant country-specific attention and contin-
7 ued reporting by the Special Rapporteur on the situ-
8 ation of human rights in the Islamic Republic of
9 Iran, the Special Rapporteur on torture and other
10 cruel, inhuman, or degrading treatment or punish-
11 ment, the Working Group on Arbitrary Detention,
12 the Special Rapporteur on extrajudicial, summary,
13 or arbitrary executions, the Special Rapporteur on
14 the promotion and protection of the right to freedom
15 of opinion and expression, the Special Rapporteur on
16 freedom of religion or belief, and the Special
17 Rapporteur on violence against women, its causes,
18 and consequences, of the United Nations.

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