

## Addendum



# U.S.-Iranian Relations: An Analytic Compendium of U.S. Policies, Laws, and Regulations



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## Introduction

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This is an addendum to the volume “U.S.-Iranian Relations: An Analytic Compendium of U.S. Policies, Laws, and Regulations. Since the publication of that volume in February 2010, a number of significant developments have occurred. Most notable were the passage of U.N. Security Council Resolution 1929 in June 2010, and the enactment of the Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010, signed into law on July 1, 2010. On July 27, 2010, the European Union followed suit on these two actions by imposing its own sanctions on Iran which mirror those called for by Resolution 1929. Several other countries, including Australia, Canada, Japan, and South Korea, subsequently announced their own sanctions similar to those of the EU, but perhaps less comprehensive.

The overall effect of the imposition of these extensive and diverse sanctions has been to instill apparent new confidence in the international community that, after several years of discussion and minor actions, a global consensus was emerging to sanction Iran. With this has been a growing belief that, perhaps, sanctions could potentially produce new flexibility on the part of Iran to agree to limits on its nuclear program.

This addendum includes the text of Resolution 1929, the text of the Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010 (CISADA, P.L. 111-195) – minus those provisions (Section 102 of CISADA) that amend the Iran Sanctions Act. Also provided is the text of the Iran Sanctions Act, incorporating the amendments to it made by Section 102 of CISADA. This addendum does not contain text of any EU or other country sanctions against Iran. The

United States government is bound by its own laws and by U.N. Security Council Resolutions, as a member state of the United Nations, but is not generally bound by laws or regulations enacted by other countries.

The author of this paper, Dr. Kenneth Katzman, did so in his capacity as an expert on Iran and on sanctions against Iran, and it does not reflect the views of the Congressional Research Service, any Member or Committee of the U.S. Congress or the sponsors of this publication. The author would like to thank the Atlantic Council of the United States, which assisted in the research and publication of this addendum, and the United States Institute of Peace, which funded it.

### **U.N. Security Council Resolution 1929 (June 9, 2010)**

U.N. Security Council Resolution 1929 was the first Resolution in two years to impose actual new sanctions against Iran. (The last one was Resolution 1803 of March 3, 2008). The Resolution was enacted after exhaustive U.S. diplomacy intended to overcome Russia’s and China’s objections to any U.N. sanctions that would harm Iran’s civilian economy or population.

What was produced in Resolution 1929 was a formula under which very few new sanctions against Iran were made mandatory, but a great many new sanctions were authorized or called for by the Resolution. This structure enabled countries such as China and Russia to follow only the letter of the Resolution, while allowing the United States

and its allies to go far further in imposing sweeping new bilateral and multilateral sanctions against Iran.

Among the most significant *mandatory* sanctions are:

- A prohibition on allowing Iran to invest in uranium mining, nuclear technologies, and nuclear capable ballistic missile technology in other countries.
- A ban on sales to Iran of most categories of heavy weaponry, although with an exemption for the sale of advanced air defense systems.
- A mandatory ban on worldwide travel by Iranians named in Resolution 1929 and Iranians previously subjected to a non-mandatory travel ban.

A few other sanctions against Iran are made subject to a determination by a U.N. member state that an Iranian action is for the purpose of furthering its WMD programs or circumventing U.N. Resolutions. For example, countries are required to bar their companies from doing any business with Iran, or from allowing Iran to open branches of its banks abroad, if doing so could further its WMD programs. Countries are also authorized to inspect shipping on the high seas, subject to concurrence of the country whose flag the ship flies under, if such shipments are suspected of carrying items that are banned for export to or import from Iran by previous resolutions.

## Country Responses to Non-Binding Language of Resolution 1929

Much of the U.S. intent of Resolution 1929 was to set up for further multilateral sanctions against Iran by like-minded countries, particularly in Europe. The pre-ambular language of Resolution 1929 accomplished that objective in by “noting the potential connection between Iran’s revenues derived from its energy sector and the funding of Iran’s proliferation-sensitive nuclear activities...”

Drawing that connection set the stage for a highly significant action by the European Union. On July 27, 2010, the EU announced a major package of binding sanctions on Iran, the product of months of technical talks among EU experts and working groups. The most significant measures announced by the EU, and with similar measures

announced by Japan and South Korea in September 2010, included:

- A ban by EU companies of sales to Iran of energy-related equipment and services, including services for Iran-owned projects outside Iran.
- A ban on EU financing of energy projects in Iran. Together with the first point, above, this amounts to a ban on EU firms from entering into projects in Iran to explore for and extract energy resources there.
- A ban on medium term and long term financing for trade with Iran (letters of credit) and financing guarantees for these credits by European export financing guarantee agencies.
- A ban on EU country aid or loans to Iran, including voting to provide such aid through international financial institutions.
- A ban on insurance or reinsurance for Iranian firms, including shipping companies. Also imposed was a ban on flights to and from EU states by Iran Air Cargo.
- A ban on the opening of any new branches or offices of Iranian banks in the EU states, and on EU banks from opening new offices or accounts in Iran. Transfers of funds between EU and Iranian banks exceeding about \$50,000 now require EU regulator authorization.

## Text of Resolution 1929

### THE FULL TEXT OF RESOLUTION 1929 (2010) READS AS FOLLOWS:

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“The Security Council,

“Recalling the Statement of its President, S/PRST/2006/15, and its resolutions 1696 (2006), 1737 (2006), 1747 (2007), 1803 (2008), 1835 (2008), and 1887 (2009) and reaffirming their provisions,

“Reaffirming its commitment to the Treaty on the Non-Proliferation of Nuclear Weapons, the need for all States Party to that Treaty to comply fully with all their obligations, and recalling the right of States Party, in conformity with Articles I and II of that Treaty, to develop research, production and use of nuclear energy for peaceful purposes without discrimination,

“Recalling the resolution of the IAEA Board of Governors (GOV/2006/14), which states that a solution to the Iranian nuclear issue would contribute to global non-proliferation efforts and to realizing the objective of a Middle East free of weapons of mass destruction, including their means of delivery,

"Noting with serious concern that, as confirmed by the reports of 27 February 2006 (GOV/2006/15), 8 June 2006 (GOV/2006/38), 31 August 2006 (GOV/2006/53), 14 November 2006 (GOV/2006/64), 22 February 2007 (GOV/2007/8), 23 May 2007 (GOV/2007/122), 30 August 2007 (GOV/2007/48), 15 November 2007 (GOV/2007/58), 22 February 2008 (GOV/2008/4), 26 May 2008 (GOV/2008/115), 15 September 2008 (GOV/2008/38), 19 November 2008 (GOV/2008/59), 19 February 2009 (GOV/2009/8), 5 June 2009 (GOV/2009/35), 28 August 2009 (GOV/2009/55), 16 November 2009 (GOV/2009/74), 18 February 2010 (GOV/2010/10) and 31 May 2010 (GOV/2010/28) of the Director General of the International Atomic Energy Agency (IAEA), Iran has not established full and sustained suspension of all enrichment-related and reprocessing activities and heavy-water-related projects as set out in resolutions 1696 (2006), 1737 (2006), 1747 (2007) and 1803 (2008) nor resumed its cooperation with the IAEA under the Additional Protocol, nor cooperated with the IAEA in connection with the remaining issues of concern, which need to be clarified to exclude the possibility of military dimensions of Iran's nuclear programme, nor taken the other steps required by the IAEA Board of Governors, nor complied with the provisions of Security Council resolutions 1696 (2006), 1737 (2006), 1747 (2007) and 1803 (2008) and which are essential to build confidence, and deploring Iran's refusal to take these steps,

"Reaffirming that outstanding issues can be best resolved and confidence built in the exclusively peaceful nature of Iran's nuclear programme by Iran responding positively to all the calls which the Council and the IAEA Board of Governors have made on Iran,

"Noting with serious concern the role of elements of the Islamic Revolutionary Guard Corps (IRGC, also known as "Army of the Guardians of the Islamic Revolution"), including those specified in Annex D and E of resolution 1737 (2006), Annex I of resolution 1747 (2007) and Annex II of this resolution, in Iran's proliferation sensitive nuclear activities and the development of nuclear weapon delivery systems,

"Noting with serious concern that Iran has constructed an enrichment facility at Qom in breach of its obligations to suspend all enrichment-related activities, and that Iran failed to notify it to the IAEA until September 2009, which is inconsistent with its obligations under the Subsidiary Arrangements to its Safeguards Agreement,

"Also noting the resolution of the IAEA Board of Governors (GOV/2009/82), which urges Iran to suspend immediately construction at Qom, and to clarify the facility's purpose, chronology of design and construction, and calls upon Iran to confirm, as requested by the IAEA, that it has not taken a decision to construct, or authorize construction of, any other nuclear facility which has as yet not been declared to the IAEA,

"Noting with serious concern that Iran has enriched uranium to 20 per cent, and did so without notifying the IAEA with sufficient time for it to adjust the existing safeguards procedures,

"Noting with concern that Iran has taken issue with the IAEA's right to verify design information which had been provided by Iran pursuant to the modified Code 3.1, and emphasizing that in accordance with Article 39 of Iran's Safeguards Agreement Code 3.1 cannot be modified nor suspended unilaterally and that the IAEA's right to verify design information provided

to it is a continuing right, which is not dependent on the stage of construction of, or the presence of nuclear material at, a facility,

"Reiterating its determination to reinforce the authority of the IAEA, strongly supporting the role of the IAEA Board of Governors, and commending the IAEA for its efforts to resolve outstanding issues relating to Iran's nuclear programme,

"Expressing the conviction that the suspension set out in paragraph 2 of resolution 1737 (2006) as well as full, verified Iranian compliance with the requirements set out by the IAEA Board of Governors would contribute to a diplomatic, negotiated solution that guarantees Iran's nuclear programme is for exclusively peaceful purposes,

"Emphasizing the importance of political and diplomatic efforts to find a negotiated solution guaranteeing that Iran's nuclear programme is exclusively for peaceful purposes and noting in this regard the efforts of Turkey and Brazil towards an agreement with Iran on the Tehran Research Reactor that could serve as a confidence-building measure,

"Emphasizing also, however, in the context of these efforts, the importance of Iran addressing the core issues related to its nuclear programme,

"Stressing that China, France, Germany, the Russian Federation, the United Kingdom and the United States are willing to take further concrete measures on exploring an overall strategy of resolving the Iranian nuclear issue through negotiation on the basis of their June 2006 proposals (S/2006/521) and their June 2008 proposals (INFCIRC/730), and noting the confirmation by these countries that once the confidence of the international community in the exclusively peaceful nature of Iran's nuclear programme is restored it will be treated in the same manner as that of any Non-Nuclear Weapon State Party to the Treaty on the Non Proliferation of Nuclear Weapons,

"Welcoming the guidance issued by the Financial Action Task Force (FATF) to assist States in implementing their financial obligations under resolutions 1737 (2006) and 1803 (2008), and recalling in particular the need to exercise vigilance over transactions involving Iranian banks, including the Central Bank of Iran, so as to prevent such transactions contributing to proliferation-sensitive nuclear activities, or to the development of nuclear weapon delivery systems,

"Recognizing that access to diverse, reliable energy is critical for sustainable growth and development, while noting the potential connection between Iran's revenues derived from its energy sector and the funding of Iran's proliferation-sensitive nuclear activities, and further noting that chemical process equipment and materials required for the petrochemical industry have much in common with those required for certain sensitive nuclear fuel cycle activities,

"Having regard to States' rights and obligations relating to international trade,

"Recalling that the law of the sea, as reflected in the United Nations Convention on the Law of the Sea (1982), sets out the legal framework applicable to ocean activities,

“Calling for the ratification of the Comprehensive Nuclear-Test-Ban Treaty by Iran at an early date,

“Determined to give effect to its decisions by adopting appropriate measures to persuade Iran to comply with resolutions 1696 (2006), 1737 (2006), 1747 (2007) and 1803 (2008) and with the requirements of the IAEA, and also to constrain Iran’s development of sensitive technologies in support of its nuclear and missile programmes, until such time as the Security Council determines that the objectives of these resolutions have been met,

“Concerned by the proliferation risks presented by the Iranian nuclear programme and mindful of its primary responsibility under the Charter of the United Nations for the maintenance of international peace and security,

“Stressing that nothing in this resolution compels States to take measures or actions exceeding the scope of this resolution, including the use of force or the threat of force,

“Acting under Article 41 of Chapter VII of the Charter of the United Nations,

- “1. Affirms that Iran has so far failed to meet the requirements of the IAEA Board of Governors and to comply with resolutions 1696 (2006), 1737 (2006), 1747 (2007) and 1803 (2008);
- “2. Affirms that Iran shall without further delay take the steps required by the IAEA Board of Governors in its resolutions GOV/2006/14 and GOV/2009/82, which are essential to build confidence in the exclusively peaceful purpose of its nuclear programme, to resolve outstanding questions and to address the serious concerns raised by the construction of an enrichment facility at Qom in breach of its obligations to suspend all enrichment-related activities, and, in this context, further affirms its decision that Iran shall without delay take the steps required in paragraph 2 of resolution 1737 (2006);
- “3. Reaffirms that Iran shall cooperate fully with the IAEA on all outstanding issues, particularly those which give rise to concerns about the possible military dimensions of the Iranian nuclear programme, including by providing access without delay to all sites, equipment, persons and documents requested by the IAEA, and stresses the importance of ensuring that the IAEA have all necessary resources and authority for the fulfilment of its work in Iran;
- “4. Requests the Director General of the IAEA to communicate to the Security Council all his reports on the application of safeguards in Iran;
- “5. Decides that Iran shall without delay comply fully and without qualification with its IAEA Safeguards Agreement, including through the application of modified Code 3.1 of the Subsidiary Arrangement to its Safeguards Agreement, calls upon Iran to act strictly in accordance with the provisions of the Additional Protocol to its IAEA Safeguards Agreement that it signed on 18 December

2003, calls upon Iran to ratify promptly the Additional Protocol, and reaffirms that, in accordance with Articles 24 and 39 of Iran’s Safeguards Agreement, Iran’s Safeguards Agreement and its Subsidiary Arrangement, including modified Code 3.1, cannot be amended or changed unilaterally by Iran, and notes that there is no mechanism in the Agreement for the suspension of any of the provisions in the Subsidiary Arrangement;

- “6. Reaffirms that, in accordance with Iran’s obligations under previous resolutions to suspend all reprocessing, heavy water-related and enrichment-related activities, Iran shall not begin construction on any new uranium-enrichment, reprocessing, or heavy water-related facility and shall discontinue any ongoing construction of any uranium-enrichment, reprocessing, or heavy water-related facility;
- “7. Decides that Iran shall not acquire an interest in any commercial activity in another State involving uranium mining, production or use of nuclear materials and technology as listed in INFCIRC/254/Rev.9/Part 1, in particular uranium-enrichment and reprocessing activities, all heavy-water activities or technology-related to ballistic missiles capable of delivering nuclear weapons, and further decides that all States shall prohibit such investment in territories under their jurisdiction by Iran, its nationals, and entities incorporated in Iran or subject to its jurisdiction, or by persons or entities acting on their behalf or at their direction, or by entities owned or controlled by them;
- “8. Decides that all States shall prevent the direct or indirect supply, sale or transfer to Iran, from or through their territories or by their nationals or individuals subject to their jurisdiction, or using their flag vessels or aircraft, and whether or not originating in their territories, of any battle tanks, armoured combat vehicles, large calibre artillery systems, combat aircraft, attack helicopters, warships, missiles or missile systems as defined for the purpose of the United Nations Register of Conventional Arms, or related materiel, including spare parts, or items as determined by the Security Council or the Committee established pursuant to resolution 1737 (2006) (“the Committee”), decides further that all States shall prevent the provision to Iran by their nationals or from or through their territories of technical training, financial resources or services, advice, other services or assistance related to the supply, sale, transfer, provision, manufacture, maintenance or use of such arms and related materiel, and, in this context, calls upon all States to exercise vigilance and restraint over the supply, sale, transfer, provision, manufacture and use of all other arms and related materiel;
- “9. Decides that Iran shall not undertake any activity related to ballistic missiles capable of delivering nuclear weapons, including launches using ballistic missile technology, and that States shall take all necessary measures to prevent the transfer of technology or technical assistance to Iran related to such activities;

- “10. Decides that all States shall take the necessary measures to prevent the entry into or transit through their territories of individuals designated in Annex C, D and E of resolution 1737 (2006), Annex I of resolution 1747 (2007), Annex I of resolution 1803 (2008) and Annexes I and II of this resolution, or by the Security Council or the Committee pursuant to paragraph 10 of resolution 1737 (2006), except where such entry or transit is for activities directly related to the provision to Iran of items in subparagraphs 3(b)(i) and (ii) of resolution 1737 (2006) in accordance with paragraph 3 of resolution 1737 (2006), underlines that nothing in this paragraph shall oblige a State to refuse its own nationals entry into its territory, and decides that the measures imposed in this paragraph shall not apply when the Committee determines on a case-by-case basis that such travel is justified on the grounds of humanitarian need, including religious obligations, or where the Committee concludes that an exemption would otherwise further the objectives of this resolution, including where Article XV of the IAEA Statute is engaged;
- “11. Decides that the measures specified in paragraphs 12, 13, 14 and 15 of resolution 1737 (2006) shall apply also to the individuals and entities listed in Annex I of this resolution and to any individuals or entities acting on their behalf or at their direction, and to entities owned or controlled by them, including through illicit means, and to any individuals and entities determined by the Council or the Committee to have assisted designated individuals or entities in evading sanctions of, or in violating the provisions of, resolutions 1737 (2006), 1747 (2007), 1803 (2008) or this resolution;
- “12. Decides that the measures specified in paragraphs 12, 13, 14 and 15 of resolution 1737 (2006) shall apply also to the Islamic Revolutionary Guard Corps (IRGC, also known as “Army of the Guardians of the Islamic Revolution”) individuals and entities specified in Annex II, and to any individuals or entities acting on their behalf or at their direction, and to entities owned or controlled by them, including through illicit means, and calls upon all States to exercise vigilance over those transactions involving the IRGC that could contribute to Iran’s proliferation-sensitive nuclear activities or the development of nuclear weapon delivery systems;
- “13. Decides that for the purposes of the measures specified in paragraphs 3, 4, 5, 6 and 7 of resolution 1737 (2006), the list of items in S/2006/814 shall be superseded by the list of items in INFCIRC/254/Rev.9/Part 1 and INFCIRC/254/Rev.7/Part 2, and any further items if the State determines that they could contribute to enrichment-related, reprocessing or heavy water-related activities or to the development of nuclear weapon delivery systems, and further decides that for the purposes of the measures specified in paragraphs 3, 4, 5, 6 and 7 of resolution 1737 (2006), the list of items contained in S/2006/815 shall be superseded by the list of items contained in S/2010/263;
- “14. Calls upon all States to inspect, in accordance with their national authorities and legislation and consistent with international law, in particular the law of the sea and relevant international civil aviation agreements, all cargo to and from Iran, in their territory, including seaports and airports, if the State concerned has information that provides reasonable grounds to believe the cargo contains items the supply, sale, transfer, or export of which is prohibited by paragraphs 3, 4 or 7 of resolution 1737 (2006), paragraph 5 of resolution 1747 (2007), paragraph 8 of resolution 1803 (2008) or paragraphs 8 or 9 of this resolution, for the purpose of ensuring strict implementation of those provisions;
- “15. Notes that States, consistent with international law, in particular the law of the sea, may request inspections of vessels on the high seas with the consent of the flag State, and calls upon all States to cooperate in such inspections if there is information that provides reasonable grounds to believe the vessel is carrying items the supply, sale, transfer, or export of which is prohibited by paragraphs 3, 4 or 7 of resolution 1737 (2006), paragraph 5 of resolution 1747 (2007), paragraph 8 of resolution 1803 (2008) or paragraphs 8 or 9 of this resolution, for the purpose of ensuring strict implementation of those provisions;
- “16. Decides to authorize all States to, and that all States shall, seize and dispose of (such as through destruction, rendering inoperable, storage or transferring to a State other than the originating or destination States for disposal) items the supply, sale, transfer, or export of which is prohibited by paragraphs 3, 4 or 7 of resolution 1737 (2006), paragraph 5 of resolution 1747 (2007), paragraph 8 of resolution 1803 (2008) or paragraphs 8 or 9 of this resolution that are identified in inspections pursuant to paragraphs 14 or 15 of this resolution, in a manner that is not inconsistent with their obligations under applicable Security Council resolutions, including resolution 1540 (2004), as well as any obligations of parties to the NPT, and decides further that all States shall cooperate in such efforts;
- “17. Requires any State, when it undertakes an inspection pursuant to paragraphs 14 or 15 above to submit to the Committee within five working days an initial written report containing, in particular, explanation of the grounds for the inspections, the results of such inspections and whether or not cooperation was provided, and, if items prohibited for transfer are found, further requires such States to submit to the Committee, at a later stage, a subsequent written report containing relevant details on the inspection, seizure and disposal, and relevant details of the transfer, including a description of the items, their origin and intended destination, if this information is not in the initial report;
- “18. Decides that all States shall prohibit the provision by their nationals or from their territory of bunkering services, such as provision of fuel or supplies, or other servicing of vessels, to Iranian-owned or -contracted vessels, including chartered vessels, if they have information that provides reasonable grounds to believe they are carrying items the supply, sale, transfer,

or export of which is prohibited by paragraphs 3, 4 or 7 of resolution 1737 (2006), paragraph 5 of resolution 1747 (2007), paragraph 8 of resolution 1803 (2008) or paragraphs 8 or 9 of this resolution, unless provision of such services is necessary for humanitarian purposes or until such time as the cargo has been inspected, and seized and disposed of if necessary, and underlines that this paragraph is not intended to affect legal economic activities;

- “19. Decides that the measures specified in paragraphs 12, 13, 14 and 15 of resolution 1737 (2006) shall also apply to the entities of the Islamic Republic of Iran Shipping Lines (IRISL) as specified in Annex III and to any person or entity acting on their behalf or at their direction, and to entities owned or controlled by them, including through illicit means, or determined by the Council or the Committee to have assisted them in evading the sanctions of, or in violating the provisions of, resolutions 1737 (2006), 1747 (2007), 1803 (2008) or this resolution;
- “20. Requests all Member States to communicate to the Committee any information available on transfers or activity by Iran Air’s cargo division or vessels owned or operated by the Islamic Republic of Iran Shipping Lines (IRISL) to other companies that may have been undertaken in order to evade the sanctions of, or in violation of the provisions of, resolutions 1737 (2006), 1747 (2007), 1803 (2008) or this resolution, including renaming or re-registering of aircraft, vessels or ships, and requests the Committee to make that information widely available;
- “21. Calls upon all States, in addition to implementing their obligations pursuant to resolutions 1737 (2006), 1747 (2007), 1803 (2008) and this resolution, to prevent the provision of financial services, including insurance or re-insurance, or the transfer to, through, or from their territory, or to or by their nationals or entities organized under their laws (including branches abroad), or persons or financial institutions in their territory, of any financial or other assets or resources if they have information that provides reasonable grounds to believe that such services, assets or resources could contribute to Iran’s proliferation-sensitive nuclear activities, or the development of nuclear weapon delivery systems, including by freezing any financial or other assets or resources on their territories or that hereafter come within their territories, or that are subject to their jurisdiction or that hereafter become subject to their jurisdiction, that are related to such programmes or activities and applying enhanced monitoring to prevent all such transactions in accordance with their national authorities and legislation;
- “22. Decides that all States shall require their nationals, persons subject to their jurisdiction and firms incorporated in their territory or subject to their jurisdiction to exercise vigilance when doing business with entities incorporated in Iran or subject to Iran’s jurisdiction, including those of the IRGC and IRISL, and any individuals or entities acting on their behalf or at their direction, and entities owned or controlled by them, including through

illicit means, if they have information that provides reasonable grounds to believe that such business could contribute to Iran’s proliferation-sensitive nuclear activities or the development of nuclear weapon delivery systems or to violations of resolutions 1737 (2006), 1747 (2007), 1803 (2008) or this resolution;

- “23. Calls upon States to take appropriate measures that prohibit in their territories the opening of new branches, subsidiaries, or representative offices of Iranian banks, and also that prohibit Iranian banks from establishing new joint ventures, taking an ownership interest in or establishing or maintaining correspondent relationships with banks in their jurisdiction to prevent the provision of financial services if they have information that provides reasonable grounds to believe that these activities could contribute to Iran’s proliferation-sensitive nuclear activities or the development of nuclear weapon delivery systems;
- “24. Calls upon States to take appropriate measures that prohibit financial institutions within their territories or under their jurisdiction from opening representative offices or subsidiaries or banking accounts in Iran if they have information that provides reasonable grounds to believe that such financial services could contribute to Iran’s proliferation-sensitive nuclear activities or the development of nuclear weapon delivery systems;
- “25. Deplores the violations of the prohibitions of paragraph 5 of resolution 1747 (2007) that have been reported to the Committee since the adoption of resolution 1747 (2007), and commends States that have taken action to respond to these violations and report them to the Committee;
- “26. Directs the Committee to respond effectively to violations of the measures decided in resolutions 1737 (2006), 1747 (2007), 1803 (2008) and this resolution, and recalls that the Committee may designate individuals and entities who have assisted designated persons or entities in evading sanctions of, or in violating the provisions of, these resolutions;
- “27. Decides that the Committee shall intensify its efforts to promote the full implementation of resolutions 1737 (2006), 1747 (2007), 1803 (2008) and this resolution, including through a work programme covering compliance, investigations, outreach, dialogue, assistance and cooperation, to be submitted to the Council within forty-five days of the adoption of this resolution;
- “28. Decides that the mandate of the Committee as set out in paragraph 18 of resolution 1737 (2006), as amended by paragraph 14 of resolution 1803 (2008), shall also apply to the measures decided in this resolution, including to receive reports from States submitted pursuant to paragraph 17 above;
- “29. Requests the Secretary-General to create for an initial period of one year, in consultation with the Committee, a group of up to eight experts (“Panel of Experts”), under the direction of the Committee, to carry out the following tasks: (a) assist the Committee in carrying out its mandate as specified in



paragraph 18 of resolution 1737 (2006) and paragraph 28 of this resolution; (b) gather, examine and analyse information from States, relevant United Nations bodies and other interested parties regarding the implementation of the measures decided in resolutions 1737 (2006), 1747 (2007), 1803 (2008) and this resolution, in particular incidents of non compliance; (c) make recommendations on actions the Council, or the Committee or State, may consider to improve implementation of the relevant measures; and (d) provide to the Council an interim report on its work no later than 90 days after the Panel's appointment, and a final report to the Council no later than 30 days prior to the termination of its mandate with its findings and recommendations;

- "30. Urges all States, relevant United Nations bodies and other interested parties, to cooperate fully with the Committee and the Panel of Experts, in particular by supplying any information at their disposal on the implementation of the measures decided in resolutions 1737 (2006), 1747 (2007), 1803 (2008) and this resolution, in particular incidents of non-compliance;
- "31. Calls upon all States to report to the Committee within 60 days of the adoption of this resolution on the steps they have taken with a view to implementing effectively paragraphs 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 21, 22, 23 and 24;
- "32. Stresses the willingness of China, France, Germany, the Russian Federation, the United Kingdom and the United States to further enhance diplomatic efforts to promote dialogue and consultations, including to resume dialogue with Iran on the nuclear issue without preconditions, most recently in their meeting with Iran in Geneva on 1 October 2009, with a view to seeking a comprehensive, long-term and proper solution of this issue on the basis of the proposal made by China, France, Germany, the Russian Federation, the United Kingdom and the United States on 14 June 2008, which would allow for the development of relations and wider cooperation with Iran based on mutual respect and the establishment of international confidence in the exclusively peaceful nature of Iran's nuclear programme and, inter alia, starting formal negotiations with Iran on the basis of the June 2008 proposal, and acknowledges with appreciation that the June 2008 proposal, as attached in Annex IV to this resolution, remains on the table;
- "33. Encourages the High Representative of the European Union for Foreign Affairs and Security Policy to continue communication with Iran in support of political and diplomatic efforts to find a negotiated solution, including relevant proposals by China, France, Germany, the Russian Federation, the United Kingdom and the United States with a view to create necessary conditions for resuming talks, and encourages Iran to respond positively to such proposals;
- "34. Commends the Director General of the IAEA for his 21 October 2009 proposal of a draft Agreement between the IAEA and the Governments of the Republic of France, the Islamic Republic of Iran and the Russian Federation for Assistance in Securing Nuclear Fuel for a Research Reactor in Iran for the Supply of Nuclear Fuel to the Tehran Research Reactor, regrets that Iran has not responded constructively to the 21 October 2009 proposal, and encourages the IAEA to continue exploring such measures to build confidence consistent with and in furtherance of the Council's resolutions;
- "35. Emphasizes the importance of all States, including Iran, taking the necessary measures to ensure that no claim shall lie at the instance of the Government of Iran, or of any person or entity in Iran, or of persons or entities designated pursuant to resolution 1737 (2006) and related resolutions, or any person claiming through or for the benefit of any such person or entity, in connection with any contract or other transaction where its performance was prevented by reason of the measures imposed by resolutions 1737 (2006), 1747 (2007), 1803 (2008) and this resolution;
- "36. Requests within 90 days a report from the Director General of the IAEA on whether Iran has established full and sustained suspension of all activities mentioned in resolution 1737 (2006), as well as on the process of Iranian compliance with all the steps required by the IAEA Board of Governors and with other provisions of resolutions 1737 (2006), 1747 (2007), 1803 (2008) and of this resolution, to the IAEA Board of Governors and in parallel to the Security Council for its consideration;
- "37. Affirms that it shall review Iran's actions in light of the report referred to in paragraph 36 above, to be submitted within 90 days, and: (a) that it shall suspend the implementation of measures if and for so long as Iran suspends all enrichment-related and reprocessing activities, including research and development, as verified by the IAEA, to allow for negotiations in good faith in order to reach an early and mutually acceptable outcome; (b) that it shall terminate the measures specified in paragraphs 3, 4, 5, 6, 7 and 12 of resolution 1737 (2006), as well as in paragraphs 2, 4, 5, 6 and 7 of resolution 1747 (2007), paragraphs 3, 5, 7, 8, 9, 10 and 11 of resolution 1803 (2008), and in paragraphs 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 21, 22, 23 and 24 above, as soon as it determines, following receipt of the report referred to in the paragraph above, that Iran has fully complied with its obligations under the relevant resolutions of the Security Council and met the requirements of the IAEA Board of Governors, as confirmed by the IAEA Board of Governors; (c) that it shall, in the event that the report shows that Iran has not complied with resolutions 1737 (2006), 1747 (2007), 1803 (2008) and this resolution, adopt further appropriate measures under Article 41 of Chapter VII of the Charter of the United Nations to persuade Iran to comply with these resolutions and the requirements of the IAEA, and underlines that further decisions will be required should such additional measures be necessary;
- "38. Decides to remain seized of the matter."

## Resolution Annex I

Individuals and entities involved in nuclear or ballistic missile activities

### Entities

1. **Amin Industrial Complex:** Amin Industrial Complex sought temperature controllers which may be used in nuclear research and operational/production facilities. Amin Industrial Complex is owned, or controlled by, or acts on behalf of, the Defense Industries Organization (DIO), which was designated in resolution 1737 (2006).  
  
Location: P.O. Box 91735-549, Mashad, Iran; Amin Industrial Estate, Khalage Rd., Seyedi District, Mashad, Iran; Kaveh Complex, Khalaj Rd., Seyedi St., Mashad, Iran  
  
A.K.A.: Amin Industrial Compound and Amin Industrial Company
2. **Armament Industries Group:** Armament Industries Group (AIG) manufacturers and services a variety of small arms and light weapons, including large- and medium-calibre guns and related technology. AIG conducts the majority of its procurement activity through Hadid Industries Complex.  
  
Location: Sepah Islam Road, Karaj Special Road Km 10, Iran; Pasdaran Ave., P.O. Box 19585/777, Tehran, Iran
3. **Defense Technology and Science Research Center:** Defense Technology and Science Research Center (DTSRC) is owned or controlled by, or acts on behalf of, Iran's Ministry of Defense and Armed Forces Logistics (MODAFL), which oversees Iran's defence R&D, production, maintenance, exports, and procurement.  
  
Location: Pasdaran Ave, PO Box 19585/777, Tehran, Iran
4. **Doostan International Company:** Doostan International Company (DICO) supplies elements to Iran's ballistic missile program.
5. **Farasakht Industries:** Farasakht Industries is owned or controlled by, or act on behalf of, the Iran Aircraft Manufacturing Company, which in turn is owned or controlled by MODAFL.  
  
Location: P.O. Box 83145-311, Kilometer 28, Esfahan-Tehran Freeway, Shahin Shahr, Esfahan, Iran
6. **First East Export Bank, P.L.C.:** First East Export Bank, PLC is owned or controlled by, or acts on behalf of, Bank Mellat. Over the last seven years, Bank Mellat has facilitated hundreds of millions of dollars in transactions for Iranian nuclear, missile, and defense entities.  
  
Location: Unit Level 10 (B1), Main Office Tower, Financial Park Labuan, Jalan Merdeka, 87000 WP Labuan, Malaysia; Business Registration Number LL06889 (Malaysia)
7. **Kaveh Cutting Tools Company:** Kaveh Cutting Tools Company is owned or controlled by, or acts on behalf of, the DIO.  
  
Location: 3rd Km of Khalaj Road, Seyyedi Street, Mashad 91638, Iran; Km 4 of Khalaj Road, End of Seyedi Street, Mashad, Iran; P.O. Box 91735-549, Mashad, Iran; Khalaj Rd., End of Seyyedi Alley, Mashad, Iran; Moqan St., Pasdaran St., Pasdaran Cross Rd., Tehran, Iran
8. **M. Babaie Industries:** M. Babaie Industries is subordinate to Shahid Ahmad Kazemi Industries Group (formally the Air Defense Missile Industries Group) of Iran's Aerospace Industries Organization (AIO). AIO controls the missile organizations Shahid Hemmat Industrial Group (SHIG) and the Shahid Bakeri Industrial Group (SBIG), both of which were designated in resolution 1737 (2006).  
  
Location: P.O. Box 16535-76, Tehran, 16548, Iran
9. **Malek Ashtar University:** A subordinate of the DTRSC within MODAFL. This includes research groups previously falling under the Physics Research Center (PHRC). IAEA inspectors have not been allowed to interview staff or see documents under the control of this organization to resolve the outstanding issue of the possible military dimension to Iran's nuclear program.  
  
Location: Corner of Imam Ali Highway and Babaei Highway, Tehran, Iran
10. **Ministry of Defense Logistics Export:** Ministry of Defense Logistics Export (MODLEX) sells Iranian-produced arms to customers around the world in contravention of resolution 1747 (2007), which prohibits Iran from selling arms or related materiel.  
  
Location: PO Box 16315-189, Tehran, Iran; located on the west side of Dabestan Street, Abbas Abad District, Tehran, Iran
11. **Mizan Machinery Manufacturing:** Mizan Machinery Manufacturing (3M) is owned or controlled by, or acts on behalf of, SHIG.  
  
Location: P.O. Box 16595-365, Tehran, Iran  
  
A.K.A.: 3MG
12. **Modern Industries Technique Company:** Modern Industries Technique Company (MITEC) is responsible for design and construction of the IR-40 heavy water reactor in Arak. MITEC has spearheaded procurement for the construction of the IR-40 heavy water reactor.  
  
Location: Arak, Iran  
  
A.K.A.: Rahkar Company, Rahkar Industries, Rahkar Sanaye Company, Rahkar Sanaye Novin
13. **Nuclear Research Center for Agriculture and Medicine:** The Nuclear Research Center for Agriculture and Medicine (NFRPC) is a large research component of the Atomic Energy Organization of

Iran (AEOI), which was designated in resolution 1737 (2006). The NFRPC is AEOI's center for the development of nuclear fuel and is involved in enrichment-related activities.

Location: P.O. Box 31585-4395, Karaj, Iran

A.K.A.: Center for Agricultural Research and Nuclear Medicine; Karaji Agricultural and Medical Research Center

14. Pejman Industrial Services Corporation: Pejman Industrial Services Corporation is owned or controlled by, or acts on behalf of, SBIG.

Location: P.O. Box 16785-195, Tehran, Iran

15. Sabalan Company: Sabalan is a cover name for SHIG.

Location: Damavand Tehran Highway, Tehran, Iran

16. Sahand Aluminum Parts Industrial Company (SAPICO): SAPICO is a cover name for SHIG.

Location: Damavand Tehran Highway, Tehran, Iran

17. Shahid Karrazi Industries: Shahid Karrazi Industries is owned or controlled by, or act on behalf of, SBIG.

Location: Tehran, Iran

18. Shahid Sattari Industries: Shahid Sattari Industries is owned or controlled by, or acts on behalf of, SBIG.

Location: Southeast Tehran, Iran

A.K.A.: Shahid Sattari Group Equipment Industries

19. Shahid Sayyade Shirazi Industries: Shahid Sayyade Shirazi Industries (SSSI) is owned or controlled by, or acts on behalf of, the DIO.

Location: Next To Nirou Battery Mfg. Co, Shahid Babaii Expressway, Nobonyad Square, Tehran, Iran; Pasdaran St., P.O. Box 16765, Tehran 1835, Iran; Babaei Highway — Next to Niru M.F.G, Tehran, Iran

20. Special Industries Group: Special Industries Group (SIG) is a subordinate of DIO.

Location: Pasdaran Avenue, PO Box 19585/777, Tehran, Iran

21. Tiz Pars: Tiz Pars is a cover name for SHIG. Between April and July 2007, Tiz Pars attempted to procure a five axis laser welding and cutting machine, which could make a material contribution to Iran's missile program, on behalf of SHIG.

Location: Damavand Tehran Highway, Tehran, Iran

22. Yazd Metallurgy Industries: Yazd Metallurgy Industries (YMI) is a subordinate of DIO.

Location: Pasdaran Avenue, Next To Telecommunication Industry, Tehran 16588, Iran; Postal Box 89195/878, Yazd, Iran; P.O. Box 89195-678, Yazd, Iran; Km 5 of Taft Road, Yazd, Iran

A.K.A.: Yazd Ammunition Manufacturing and Metallurgy Industries, Directorate of Yazd Ammunition and Metallurgy Industries

## Individuals

Javad Rahiqi: Head of the Atomic Energy Organization of Iran (AEOI) Esfahan Nuclear Technology Center (additional information: DOB: 24 April 1954; POB: Marshad).

## Resolution Annex II

Entities owned, controlled, or acting on behalf of the Islamic Revolutionary Guard Corps

1. Fater (or Faater) Institute: Khatam al-Anbiya (KAA) subsidiary. Fater has worked with foreign suppliers, likely on behalf of other KAA companies on IRGC projects in Iran.
2. Gharagahe Sazandegi Ghaem: Gharagahe Sazandegi Ghaem is owned or controlled by KAA.
3. Ghorb Karbala: Ghorb Karbala is owned or controlled by KAA.
4. Ghorb Nooh: Ghorb Nooh is owned or controlled by KAA.
5. Hara Company: Owned or controlled by Ghorb Nooh.
6. Imensazan Consultant Engineers Institute: Owned or controlled by, or acts on behalf of, KAA.
7. Khatam al-Anbiya Construction Headquarters: Khatam al-Anbiya Construction Headquarters (KAA) is an IRGC-owned company involved in large scale civil and military construction projects and other engineering activities. It undertakes a significant amount of work on Passive Defense Organization projects. In particular, KAA subsidiaries were heavily involved in the construction of the uranium enrichment site at Qom/Fordow.
8. Makin: Makin is owned or controlled by or acting on behalf of KAA, and is a subsidiary of KAA.
9. Omran Sahel: Owned or controlled by Ghorb Nooh.
10. Oriental Oil Kish: Oriental Oil Kish is owned or controlled by or acting on behalf of KAA.
11. Rah Sahel: Rah Sahel is owned or controlled by or acting on behalf of KAA.
12. Rahab Engineering Institute: Rahab is owned or controlled by or acting on behalf of KAA, and is a subsidiary of KAA.
13. Sahel Consultant Engineers: Owned or controlled by Ghorb Nooh.

14. Sepanir: Sepanir is owned or controlled by or acting on behalf of KAA.
15. Sepasad Engineering Company: Sepasad Engineering Company is owned or controlled by or acting on behalf of KAA.

### Resolution Annex III

Entities owned, controlled, or acting on behalf of the Islamic Republic of Iran Shipping Lines (IRISL)

1. Irano Hind Shipping Company  
Location: 18 Mehrshad Street, Sadaghat Street, Opposite of Park Mellat, Vali-e-Asr Ave., Tehran, Iran; 265, Next to Mehrshad, Sedaghat St., Opposite of Mellat Park, Vali Asr Ave., Tehran 1A001, Iran
2. IRISL Benelux NV  
Location: Noorderlaan 139, B-2030, Antwerp, Belgium; V.A.T. Number BE480224531 (Belgium)
3. South Shipping Line Iran (SSL)  
Location: Apt. No. 7, 3rd Floor, No. 2, 4th Alley, Gandi Ave., Tehran, Iran; Qaem Magham Farahani St., Tehran, Iran

### Resolution Annex IV

Proposal to the Islamic Republic of Iran by China, France, Germany, the Russian Federation, the United Kingdom of Great Britain and Northern Ireland, the United States of America and the European Union

Presented to the Iranian authorities on 14 June 2008 Teheran

### Possible Areas of Cooperation with Iran

In order to seek a comprehensive, long-term and proper solution of the Iranian nuclear issue consistent with relevant UN Security Council resolutions and building further upon the proposal presented to Iran in June 2006, which remains on the table, the elements below are proposed as topics for negotiations between China, France, Germany, Iran, Russia, the United Kingdom, and the United States, joined by the High Representative of the European Union, as long as Iran verifiably suspends its enrichment-related and reprocessing activities, pursuant to OP 15 and OP 19(a) of UNSCR 1803. In the perspective of such negotiations, we also expect Iran to heed the requirements of the UNSC and the IAEA. For their part, China, France, Germany, Russia, the United Kingdom, the United States and the European Union High Representative state their readiness:

to recognize Iran's right to develop research, production and use of nuclear energy for peaceful purposes in conformity with its NPT obligations;

to treat Iran's nuclear programme in the same manner as that of any Non-nuclear Weapon State Party to the NPT once international confidence in the exclusively peaceful nature of Iran's nuclear programme is restored.

### Nuclear Energy

- Reaffirmation of Iran's right to nuclear energy for exclusively peaceful purposes in conformity with its obligations under the NPT.
- Provision of technological and financial assistance necessary for Iran's peaceful use of nuclear energy, support for the resumption of technical cooperation projects in Iran by the IAEA.
- Support for construction of LWR based on state-of-the-art technology.
- Support for R&D in nuclear energy as international confidence is gradually restored.
- Provision of legally binding nuclear fuel supply guarantees.
- Cooperation with regard to management of spent fuel and radioactive waste.

### Political

- Improving the six countries' and the EU's relations with Iran and building up mutual trust.
- Encouragement of direct contact and dialogue with Iran.
- Support Iran in playing an important and constructive role in international affairs.
- Promotion of dialogue and cooperation on non-proliferation, regional security and stabilization issues.
- Work with Iran and others in the region to encourage confidence-building measures and regional security.
- Establishment of appropriate consultation and cooperation mechanisms.
- Support for a conference on regional security issues.
- Reaffirmation that a solution to the Iranian nuclear issue would contribute to non-proliferation efforts and to realizing the objective of a Middle East free of weapons of mass destruction, including their means of delivery.
- Reaffirmation of the obligation under the UN Charter to refrain in their international relations from the threat or use of force against the territorial integrity or political independence of any State or in any other manner inconsistent with the Charter of the United Nations.
- Cooperation on Afghanistan, including on intensified cooperation in the fight against drug trafficking, support for programmes on the return of Afghan refugees to Afghanistan; cooperation on reconstruction of Afghanistan; cooperation on guarding the Iran-Afghan border.

## Economic

Steps towards the normalization of trade and economic relations, such as improving Iran's access to the international economy, markets and capital through practical support for full integration into international structures, including the World Trade Organization, and to create the framework for increased direct investment in Iran and trade with Iran.

## Energy Partnership

Steps towards the normalization of cooperation with Iran in the area of energy: establishment of a long-term and wide-ranging strategic energy partnership between Iran and the European Union and other willing partners, with concrete and practical applications/measures.

## Agriculture

- Support for agricultural development in Iran.
- Facilitation of Iran's complete self-sufficiency in food through cooperation in modern technology.

## Environment, Infrastructure

- Civilian Projects in the field of environmental protection, infrastructure, science and technology, and high-tech:
- Development of transport infrastructure, including international transport corridors.
- Support for modernization of Iran's telecommunication infrastructure, including by possible removal of relevant export restrictions.

## Civil Aviation

- Civil aviation cooperation, including the possible removal of restrictions on manufacturers exporting aircraft to Iran:
- Enabling Iran to renew its civil aviation fleet;
- Assisting Iran to ensure that Iranian aircraft meet international safety standards.

## Economic, Social and Human Development/Humanitarian issues

- Provide, as necessary, assistance to Iran's economic and social development and humanitarian need.
- Cooperation/technical support in education in areas of benefit to Iran:
- Supporting Iranians to take courses, placements or degrees in areas such as civil engineering, agriculture and environmental studies;

- Supporting partnerships between Higher Education Institutions e.g. public health, rural livelihoods, joint scientific projects, public administration, history and philosophy.
- Cooperation in the field of development of effective emergency response capabilities (e.g. seismology, earthquake research, disaster control etc.).
- Cooperation within the framework of a "dialogue among civilizations".

## Implementation Mechanism

- Constitution of joint monitoring groups for the implementation of a future agreement.

\* **THE 6334TH MEETING WAS CLOSED.**

## ***The Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010 (H.R. 2194, P.L. 111-95, signed July 1, 2010)***

The intent of the Comprehensive Iran Sanctions, Accountability, and Divestment Act (CISADA) was to weaken Iran economically and politically by exerting pressure on a key perceived vulnerability – its approximately 30% dependence on imports of gasoline. The core of CISADA, as introduced in both the House and the Senate, was to amend the Iran Sanctions Act (P.L. 104-172) to make sanctionable the sale of threshold amounts of gasoline to Iran, in addition to the sanctionable activity already in the existing Iran Sanctions Act.

As the legislation moved through Congress, provisions were added beyond amending ISA, and affecting many different aspects of existing Iran sanctions laws and regulations. Below is provided the text of the major provisions of CISADA, with the exception of Section 102. That Section amends the Iran Sanctions Act. Below is provided the text of ISA as it now stands, with the CISADA Section 102 amendments incorporated. The most significant provisions of all of CISADA are:

### Amendments to the Iran Sanctions Act

- Makes the sale of gasoline (including jet fuel), and equipment and services that Iran could use to make or import gasoline, of over \$1 million (or over \$5 million aggregate value in one year) by a foreign firm sanctionable.
- Adds three sanctions to the menu of possible sanctions against violators of ISA, and mandates the imposition of *three sanctions out of nine* in the total menu.
- Requires companies to certify to the U.S. government that they are not in violation of ISA as a condition of receiving a U.S. government contract.
- Limits the ability of an Administration to delay investigation of potential violations, and makes mandatory a determination of violations within 180 days of the start of such investigation.
- Eliminates the need to investigate or sanction a potential violator if a firm has ended or pledged to end any violating activity.

### Other Important Provisions

- Modifies the U.S. ban on trade with Iran (executive order) to end the exemption that, since 2001, has allowed the importation of Iranian luxury goods to the United States. At the same time, creates a new exemption to the export ban to facilitate sale to Iran of gear that can be used (presumably by the democratic opposition) to communicate via the Internet.
- Mandates new regulations to prohibit U.S. banking transactions with any foreign bank that is conducting business with Iran’s Revolutionary Guard or with Iranian entities that are sanctioned by U.N. resolutions.
- Makes ineligible for travel to the United States and blocks U.S. property of any Iranian official determined to be committing serious human rights abuses.
- Prohibits U.S. contracts with any firm that sells to Iran equipment that can be used to monitor or censor use of the Internet by Iranian citizens.
- Provides protections from investor lawsuits for managers of investments funds who divest from firms that undertake potentially sanctionable business relations with Iran.

- Restricts high technology exports to countries determined to be unable or unwilling to prevent the leakage of U.S. technology to Iran.

**HOUSE REPORT 111-512 - COMPREHENSIVE IRAN  
SANCTIONS, ACCOUNTABILITY, AND DIVESTMENT  
ACT OF 2010**

89-006

**111TH CONGRESS**  
*Report*  
**HOUSE OF REPRESENTATIVES**

2d Session

111-512

—COMPREHENSIVE IRAN SANCTIONS, ACCOUNTABILITY, AND  
DIVESTMENT ACT OF 2010

June 23, 2010- Ordered to be printed

*Mr. BERMAN, from the committee of conference, submitted the following*  
CONFERENCE REPORT

[To accompany H.R. 2194]

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

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

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

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

- (a) Short Title- This Act may be cited as the ‘Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010’.
- (b) Table of Contents- The table of contents for this Act is as follows:

Sec. 1. Short title; table of contents.

Sec. 2. Findings.

Sec. 3. Sense of Congress regarding the need to impose additional sanctions with respect to Iran.

### TITLE I—SANCTIONS

Sec. 101. Definitions.

Sec. 102. Expansion of sanctions under the Iran Sanctions Act of 1996.

Sec. 103. Economic sanctions relating to Iran.

Sec. 104. Mandatory sanctions with respect to financial institutions that engage in certain transactions.

Sec. 105. Imposition of sanctions on certain persons who are responsible for or complicit in human rights abuses committed against citizens of Iran or their family members after the June 12, 2009, elections in Iran.

Sec. 106. Prohibition on procurement contracts with persons that export sensitive technology to Iran.

Sec. 107. Harmonization of criminal penalties for violations of sanctions.

Sec. 108. Authority to implement United Nations Security Council resolutions imposing sanctions with respect to Iran.

Sec. 109. Increased capacity for efforts to combat unlawful or terrorist financing.

Sec. 110. Reports on investments in the energy sector of Iran.

Sec. 111. Reports on certain activities of foreign export credit agencies and of the Export-Import Bank of the United States.

Sec. 112. Sense of Congress regarding Iran's Revolutionary Guard Corps and its affiliates.

Sec. 113. Sense of Congress regarding Iran and Hezbollah.

Sec. 114. Sense of Congress regarding the imposition of multilateral sanctions with respect to Iran.

Sec. 115. Report on providing compensation for victims of international terrorism.

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

Sec. 201. Definitions.

Sec. 202. Authority of State and local governments to divest from certain companies that invest in Iran.

Sec. 203. Safe harbor for changes of investment policies by asset managers.

Sec. 204. Sense of Congress regarding certain ERISA plan investments.

Sec. 205. Technical corrections to Sudan Accountability and Divestment Act of 2007.

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

Sec. 301. Definitions.

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

Sec. 303. Destinations of Diversion Concern.

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

Sec. 305. Enforcement authority.

## **TITLE IV—GENERAL PROVISIONS**

Sec. 401. General provisions.

Sec. 402. Determination of budgetary effects.

### **SEC. 2. FINDINGS.**

Congress makes the following findings:

- (1) The illicit nuclear activities of the Government of Iran, combined with its development of unconventional weapons and ballistic missiles and its support for international terrorism, represent a threat to the security of the United States, its strong ally Israel, and other allies of the United States around the world.
- (2) The United States and other responsible countries have a vital interest in working together to prevent the Government of Iran from acquiring a nuclear weapons capability.
- (3) The International Atomic Energy Agency has repeatedly called attention to Iran's illicit nuclear activities and, as a result, the United Nations Security Council has adopted a range of sanctions designed to encourage the Government of Iran to suspend those activities and comply with its obligations under the Treaty on the Non-Proliferation of Nuclear Weapons, done at Washington, London, and Moscow July 1, 1968, and entered into force March 5, 1970 (commonly known as the 'Nuclear Non-Proliferation Treaty').
- (4) The serious and urgent nature of the threat from Iran demands that the United States work together with its allies to do everything possible—diplomatically, politically, and economically—to prevent Iran from acquiring a nuclear weapons capability.
- (5) The United States and its major European allies, including the United Kingdom, France, and Germany, have advocated that sanctions be strengthened should international diplomatic efforts fail to achieve verifiable suspension of Iran's uranium enrichment program and an end to its nuclear weapons program and other illicit nuclear activities.
- (6) The Government of Iran continues to engage in serious, systematic, and ongoing violations of human rights, including suppression of freedom of expression and religious freedom, illegitimately prolonged detention, torture, and executions. Such violations have increased in the aftermath of the fraudulent presidential election in Iran on June 12, 2009.
- (7) The Government of Iran has been unresponsive to President Obama's unprecedented and serious efforts at engagement, revealing that the Government of Iran is not interested in a diplomatic resolution, as made clear, for example, by the following:
  - (A) Iran's apparent rejection of the Tehran Research Reactor plan, generously offered by the United States and its partners, of potentially great benefit to the people of Iran, and endorsed by Iran's own negotiators in October 2009.
  - (B) Iran's ongoing clandestine nuclear program, as evidenced by its work on the secret uranium enrichment facility at Qom, its subsequent refusal to cooperate fully with inspectors from the International Atomic Energy Agency, and its announcement that it would build 10 new uranium enrichment facilities.

- (C) Iran's official notification to the International Atomic Energy Agency that it would enrich uranium to the 20 percent level, followed soon thereafter by its providing to that Agency a laboratory result showing that Iran had indeed enriched some uranium to 19.8 percent.
- (D) A February 18, 2010, report by the International Atomic Energy Agency expressing 'concerns about the possible existence in Iran of past or current undisclosed activities related to the development of a nuclear payload for a missile. These alleged activities consist of a number of projects and sub-projects, covering nuclear and missile related aspects, run by military-related organizations.'
- (E) A May 31, 2010, report by the International Atomic Energy Agency expressing continuing strong concerns about Iran's lack of cooperation with the Agency's verification efforts and Iran's ongoing enrichment activities, which are contrary to the longstanding demands of the Agency and the United Nations Security Council.
- (F) Iran's announcement in April 2010 that it had developed a new, faster generation of centrifuges for enriching uranium.
- (G) Iran's ongoing arms exports to, and support for, terrorists in direct contravention of United Nations Security Council resolutions.
- (H) Iran's July 31, 2009, arrest of 3 young citizens of the United States on spying charges.
- (8) There is an increasing interest by State governments, local governments, educational institutions, and private institutions, business firms, and other investors to disassociate themselves from companies that conduct business activities in the energy sector of Iran, since such business activities may directly or indirectly support the efforts of the Government of Iran to achieve a nuclear weapons capability.
- (9) Black market proliferation networks continue to flourish in the Middle East, allowing countries like Iran to gain access to sensitive dual-use technologies.
- (10) Economic sanctions imposed pursuant to the provisions of this Act, the Iran Sanctions Act of 1996, as amended by this Act, and the International Emergency Economic Powers Act (50 U.S.C. 1701 et seq.), and other authorities available to the United States to impose economic sanctions to prevent Iran from developing nuclear weapons, are necessary to protect the essential security interests of the United States.

**SEC. 3. SENSE OF CONGRESS REGARDING THE NEED TO IMPOSE ADDITIONAL SANCTIONS WITH RESPECT TO IRAN.**

It is the sense of Congress that—

- (1) international diplomatic efforts to address Iran's illicit nuclear efforts and support for international terrorism are more likely to be effective if strong additional sanctions are imposed on the Government of Iran;
- (2) the concerns of the United States regarding Iran are strictly the result of the actions of the Government of Iran;
- (3) the revelation in September 2009 that Iran is developing a secret uranium enrichment site on a base of Iran's Revolutionary Guard Corps near Qom, which appears to have no civilian application, highlights the urgency that Iran—
  - (A) disclose the full nature of its nuclear program, including any other secret locations; and
  - (B) provide the International Atomic Energy Agency unfettered access to its facilities pursuant to Iran's legal obligations under the Treaty on the Non-Proliferation of Nuclear Weapons, done at Washington, London, and Moscow July 1, 1968, and entered into force March 5, 1970 (commonly known as the 'Nuclear Non-Proliferation Treaty') and Iran's safeguards agreement with the International Atomic Energy Agency;
- (4) because of the involvement of Iran's Revolutionary Guard Corps in Iran's nuclear program, international terrorism, and domestic human rights abuses, the President should impose the full range of applicable sanctions on—
  - (A) any individual or entity that is an agent, alias, front, instrumentality, representative, official, or affiliate of Iran's Revolutionary Guard Corps; and
  - (B) any individual or entity that has conducted any commercial transaction or financial transaction with an individual or entity described in subparagraph (A);
- (5) additional measures should be adopted by the United States to prevent the diversion of sensitive dual-use technologies to Iran;
- (6) the President should—
  - (A) continue to urge the Government of Iran to respect the internationally recognized human rights and religious freedoms of its citizens;
  - (B) identify the officials of the Government of Iran and other individuals who are responsible for continuing and severe violations of human rights and religious freedom in Iran; and
  - (C) take appropriate measures to respond to such violations, including by—
    - (i) prohibiting officials and other individuals the President identifies as being responsible for such violations from entry into the United States; and
    - (ii) freezing the assets of the officials and other individuals described in clause (i);



- (7) additional funding should be provided to the Secretary of State to document, collect, and disseminate information about human rights abuses in Iran, including serious abuses that have taken place since the presidential election in Iran on June 12, 2009;
- (8) with respect to nongovernmental organizations based in the United States—
- (A) many of such organizations are essential to promoting human rights and humanitarian goals around the world;
- (B) it is in the national interest of the United States to allow responsible nongovernmental organizations based in the United States to establish and carry out operations in Iran to promote civil society and foster humanitarian goodwill among the people of Iran; and
- (C) the United States should ensure that the organizations described in subparagraph (B) are not unnecessarily hindered from working in Iran to provide humanitarian, human rights, and people-to-people assistance, as appropriate, to the people of Iran;
- (9) the United States should not issue a license pursuant to an agreement for cooperation (as defined in section 11 b. of the Atomic Energy Act of 1954 (42 U.S.C. 2014(b))) for the export of nuclear material, facilities, components, or other goods, services, or technology that are or would be subject to such an agreement to a country that is providing similar nuclear material, facilities, components, or other goods, services, or technology to another country that is not in full compliance with its obligations under the Nuclear Non-Proliferation Treaty, including its obligations under the safeguards agreement between that country and the International Atomic Energy Agency, unless the President determines that the provision of such similar nuclear material, facilities, components, or other goods, services, or technology to such other country does not undermine the nonproliferation policies and objectives of the United States; and
- (10) the people of the United States—
- (A) have feelings of friendship for the people of Iran;
- (B) regret that developments in recent decades have created impediments to that friendship; and
- (C) hold the people of Iran, their culture, and their ancient and rich history in the highest esteem.
- (3) EXECUTIVE AGENCY- The term 'executive agency' has the meaning given that term in section 4 of the Office of Federal Procurement Policy Act (41 U.S.C. 403).
- (4) FAMILY MEMBER- The term 'family member' means, with respect to an individual, a spouse, child, parent, sibling, grandchild, or grandparent of the individual.
- (5) IRANIAN DIPLOMATS AND REPRESENTATIVES OF OTHER GOVERNMENT AND MILITARY OR QUASI-GOVERNMENTAL INSTITUTIONS OF IRAN- The term 'Iranian diplomat or representative of another government or military or quasi-governmental institution of Iran' means any of the Iranian diplomats and representatives of other government and military or quasi-governmental institutions of Iran (as that term is defined in section 14 of the Iran Sanctions Act of 1996 (Public Law 104-172; 50 U.S.C. 1701 note)).
- (6) KNOWINGLY- The term 'knowingly', with respect to conduct, a circumstance, or a result, means that a person has actual knowledge, or should have known, of the conduct, the circumstance, or the result.
- (7) MEDICAL DEVICE- The term 'medical device' has the meaning given the term 'device' in section 201 of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 321).
- (8) MEDICINE- The term 'medicine' has the meaning given the term 'drug' in section 201 of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 321).
- (9) STATE- The term 'State' means each of the several States, the District of Columbia, the Commonwealth of Puerto Rico, the Commonwealth of the Northern Mariana Islands, American Samoa, Guam, the United States Virgin Islands, and any other territory or possession of the United States.
- (10) UNITED STATES PERSON- The term 'United States person' means—
- (A) a natural person who is a citizen or resident of the United States or a national of the United States (as defined in section 101(a) of the Immigration and Nationality Act (8 U.S.C. 1101(a)); and
- (B) an entity that is organized under the laws of the United States or any State.

## TITLE I—SANCTIONS

### SEC. 101. DEFINITIONS.

In this title:

- (1) AGRICULTURAL COMMODITY- The term 'agricultural commodity' has the meaning given that term in section 102 of the Agricultural Trade Act of 1978 (7 U.S.C. 5602).
- (2) APPROPRIATE CONGRESSIONAL COMMITTEES- The term 'appropriate congressional committees' has the meaning given that term in section 14 of the Iran Sanctions Act of 1996 (Public Law 104-172; 50 U.S.C. 1701 note), as amended by section 102 of this Act.

### SEC. 102. EXPANSION OF SANCTIONS UNDER THE IRAN SANCTIONS ACT OF 1996.

(Text not provided here, but are reflected in the text of ISA as it now stands, incorporating these amendments, provided below.)

### SEC. 103. ECONOMIC SANCTIONS RELATING TO IRAN.

- (a) In General- Notwithstanding section 101 of the Iran Freedom Support Act (Public Law 109-293; 120 Stat. 1344), and in addition to any other sanction in effect, beginning on the date that is 90 days after the date of the enactment of this Act, the economic sanctions described in subsection (b) shall apply with respect to Iran.
- (b) Sanctions- The sanctions described in this subsection are the following:
- (1) PROHIBITION ON IMPORTS-

- (A) IN GENERAL- Except as provided in subparagraph (B), no good or service of Iranian origin may be imported directly or indirectly into the United States.
  - (B) EXCEPTIONS- The exceptions provided for in section 203(b) of the International Emergency Economic Powers Act (50 U.S.C. 1702(b)), including the exception for information and informational materials, shall apply to the prohibition in subparagraph (A) of this paragraph to the same extent that such exceptions apply to the authority provided under section 203(a) of that Act.
- (2) PROHIBITION ON EXPORTS-
- (A) IN GENERAL- Except as provided in subparagraph (B), no good, service, or technology of United States origin may be exported to Iran from the United States or by a United States person, wherever located.
  - (B) EXCEPTIONS-
    - (i) PERSONAL COMMUNICATIONS; ARTICLES TO RELIEVE HUMAN SUFFERING; INFORMATION AND INFORMATIONAL MATERIALS; TRANSACTIONS INCIDENT TO TRAVEL- The exceptions provided for in section 203(b) of the International Emergency Economic Powers Act (50 U.S.C. 1702(b)), including the exception for information and informational materials, shall apply to the prohibition in subparagraph (A) of this paragraph to the same extent that such exceptions apply to the authority provided under section 203(a) of that Act.
    - (ii) FOOD; MEDICINE; HUMANITARIAN ASSISTANCE- The prohibition in subparagraph (A) shall not apply to the exportation of–
      - (I) agricultural commodities, food, medicine, or medical devices; or
      - (II) articles exported to Iran to provide humanitarian assistance to the people of Iran.
    - (iii) INTERNET COMMUNICATIONS- The prohibition in subparagraph (A) shall not apply to the exportation of–
      - (I) services incident to the exchange of personal communications over the Internet or software necessary to enable such services, as provided for in section 560.540 of title 31, Code of Federal Regulations (or any corresponding similar regulation or ruling);
      - (II) hardware necessary to enable such services; or
      - (III) hardware, software, or technology necessary for access to the Internet.
    - (iv) GOODS, SERVICES, OR TECHNOLOGIES NECESSARY TO ENSURE THE SAFE OPERATION OF COMMERCIAL AIRCRAFT- The prohibition in subparagraph (A) shall not apply to the exportation of goods, services, or technologies necessary to ensure the safe operation of commercial aircraft produced in the United States or commercial aircraft into which aircraft components produced in the United States are incorporated, if the exportation of such goods, services, or technologies is approved by the Secretary of the Treasury, in consultation with the Secretary of Commerce, pursuant to regulations issued by the Secretary of the Treasury regarding the exportation of such goods, services, or technologies, if appropriate.
- (v) GOODS, SERVICES, OR TECHNOLOGIES EXPORTED TO SUPPORT INTERNATIONAL ORGANIZATIONS- The prohibition in subparagraph (A) shall not apply to the exportation of goods, services, or technologies that–
    - (I) are provided to the International Atomic Energy Agency and are necessary to support activities of that Agency in Iran; or
    - (II) are necessary to support activities, including the activities of nongovernmental organizations, relating to promoting democracy in Iran.
  - (vi) EXPORTS IN THE NATIONAL INTEREST- The prohibition in subparagraph (A) shall not apply to the exportation of goods, services, or technologies if the President determines the exportation of such goods, services, or technologies to be in the national interest of the United States.
- (3) FREEZING ASSETS-
- (A) IN GENERAL- At such time as the President determines that a person in Iran, including an Iranian diplomat or representative of another government or military or quasi-governmental institution of Iran (including Iran's Revolutionary Guard Corps and its affiliates), satisfies the criteria for designation with respect to the imposition of sanctions under the authority of the International Emergency Economic Powers Act (50 U.S.C. 1701 et seq.), the President shall take such action as may be necessary to freeze, as soon as possible–
    - (i) the funds and other assets belonging to that person; and
    - (ii) any funds or other assets that person transfers, on or after the date on which the President determines the person satisfies such criteria, to any family member or associate acting for or on behalf of the person.
  - (B) REPORTS TO THE OFFICE OF FOREIGN ASSETS CONTROL- The action described in subparagraph (A) includes requiring any United States financial institution that holds funds or assets of a person described in that subparagraph or funds or assets that person transfers to a family member or associate described in that subparagraph to report promptly to the Office of Foreign Assets Control information regarding such funds and assets.
  - (C) REPORTS TO CONGRESS- Not later than 14 days after a decision is made to freeze the funds or assets of any person under subparagraph (A), the President shall report the name of the person to the appropriate congressional committees. Such a report may contain a classified annex.
  - (D) TERMINATION- The President shall release assets or funds frozen under subparagraph (A) if the person to which the assets or funds belong or the person that transfers the assets or funds as described in subparagraph (A)(ii) (as the case may be) no longer satisfies the criteria for designation with respect to the

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

- (E) UNITED STATES FINANCIAL INSTITUTION DEFINED- In this paragraph, the term 'United States financial institution' means a financial institution (as defined in section 14 of the Iran Sanctions Act of 1996 (Public Law 104-172; 50 U.S.C. 1701 note)) that is a United States person.
- (c) Penalties- The penalties provided for in subsections (b) and (c) of section 206 of the International Emergency Economic Powers Act (50 U.S.C. 1705) shall apply to a person that violates, attempts to violate, conspires to violate, or causes a violation of this section or regulations prescribed under this section to the same extent that such penalties apply to a person that commits an unlawful act described in section 206(a) of that Act.
- (d) Regulatory Authority-
- (1) IN GENERAL- The President shall prescribe regulations to carry out this section, which may include regulatory exceptions to the sanctions described in subsection (b).
  - (2) APPLICABILITY OF CERTAIN REGULATIONS- No exception to the prohibition under subsection (b)(1) may be made for the commercial importation of an Iranian origin good described in section 560.534(a) of title 31, Code of Federal Regulations (as in effect on the day before the date of the enactment of this Act), unless the President—
    - (A) prescribes a regulation providing for such an exception on or after the date of the enactment of this Act; and
    - (B) submits to the appropriate congressional committees—
      - (i) a certification in writing that the exception is in the national interest of the United States; and
      - (ii) a report describing the reasons for the exception.
- United Nations Security Council Resolutions 1737 (2006) and 1803 (2008), which deal specifically with proliferation by Iran.
- (4) The Financial Action Task Force has repeatedly called on members—
- (A) to advise financial institutions in their jurisdictions to give special attention to business relationships and transactions with Iran, including Iranian companies and financial institutions;
  - (B) to apply effective countermeasures to protect their financial sectors from risks relating to money laundering and financing of terrorism that emanate from Iran;
  - (C) to protect against correspondent relationships being used by Iran and Iranian companies and financial institutions to bypass or evade countermeasures and risk-mitigation practices; and
  - (D) to take into account risks relating to money laundering and financing of terrorism when considering requests by Iranian financial institutions to open branches and subsidiaries in their jurisdictions.
- (5) At a February 2010 meeting of the Financial Action Task Force, the Task Force called on members to apply countermeasures 'to protect the international financial system from the ongoing and substantial money laundering and terrorist financing (ML/TF) risks' emanating from Iran.
- (b) Sense of Congress Regarding the Imposition of Sanctions on the Central Bank of Iran- Congress—
- (1) acknowledges the efforts of the United Nations Security Council to impose limitations on transactions involving Iranian financial institutions, including the Central Bank of Iran; and
  - (2) urges the President, in the strongest terms, to consider immediately using the authority of the President to impose sanctions on the Central Bank of Iran and any other Iranian financial institution engaged in proliferation activities or support of terrorist groups.
- (c) Prohibitions and Conditions With Respect to Certain Accounts Held by Foreign Financial Institutions-
- (1) IN GENERAL- Not later than 90 days after the date of the enactment of this Act, the Secretary of the Treasury shall prescribe regulations to prohibit, or impose strict conditions on, the opening or maintaining in the United States of a correspondent account or a payable-through account by a foreign financial institution that the Secretary finds knowingly engages in an activity described in paragraph (2).
  - (2) ACTIVITIES DESCRIBED- A foreign financial institution engages in an activity described in this paragraph if the foreign financial institution—
- SEC. 104. MANDATORY SANCTIONS WITH RESPECT TO FINANCIAL INSTITUTIONS THAT ENGAGE IN CERTAIN TRANSACTIONS.**
- (a) Findings- Congress makes the following findings:
- (1) The Financial Action Task Force is an intergovernmental body whose purpose is to develop and promote national and international policies to combat money laundering and terrorist financing.
  - (2) Thirty-three countries, plus the European Commission and the Cooperation Council for the Arab States of the Gulf, belong to the Financial Action Task Force. The member countries of the Financial Action Task Force include the United States, Canada, most countries in western Europe, Russia, the People's Republic of China, Japan, South Korea, Argentina, and Brazil.
  - (3) In 2008 the Financial Action Task Force extended its mandate to include addressing 'new and emerging threats such as proliferation financing', meaning the financing of the proliferation of weapons of mass destruction, and published 'guidance papers' for members to assist them in implementing various United Nations Security Council resolutions dealing with weapons of mass destruction, including

- (A) facilitates the efforts of the Government of Iran (including efforts of Iran's Revolutionary Guard Corps or any of its agents or affiliates)—
    - (i) to acquire or develop weapons of mass destruction or delivery systems for weapons of mass destruction; or
    - (ii) to provide support for organizations designated as foreign terrorist organizations under section 219(a) of the Immigration and Nationality Act (8 U.S.C. 1189(a)) or support for acts of international terrorism (as defined in section 14 of the Iran Sanctions Act of 1996 (Public Law 104-172; 50 U.S.C. 1701 note));
  - (B) facilitates the activities of a person subject to financial sanctions pursuant to United Nations Security Council Resolution 1737 (2006), 1747 (2007), 1803 (2008), or 1929 (2010), or any other resolution that is agreed to by the Security Council and imposes sanctions with respect to Iran;
  - (C) engages in money laundering to carry out an activity described in subparagraph (A) or (B);
  - (D) facilitates efforts by the Central Bank of Iran or any other Iranian financial institution to carry out an activity described in subparagraph (A) or (B); or
  - (E) facilitates a significant transaction or transactions or provides significant financial services for—
    - (i) Iran's Revolutionary Guard Corps or any of its agents or affiliates whose property or interests in property are blocked pursuant to the International Emergency Economic Powers Act (50 U.S.C. 1701 et seq.); or
    - (ii) a financial institution whose property or interests in property are blocked pursuant to that Act in connection with—
      - (I) Iran's proliferation of weapons of mass destruction or delivery systems for weapons of mass destruction; or
      - (II) Iran's support for international terrorism.
- (3) PENALTIES- The penalties provided for in subsections (b) and (c) of section 206 of the International Emergency Economic Powers Act (50 U.S.C. 1705) shall apply to a person that violates, attempts to violate, conspires to violate, or causes a violation of regulations prescribed under paragraph (1) of this subsection to the same extent that such penalties apply to a person that commits an unlawful act described in section 206(a) of that Act.
- (d) Penalties for Domestic Financial Institutions for Actions of Persons Owned or Controlled by Such Financial Institutions-
- (1) IN GENERAL- Not later than 90 days after the date of the enactment of this Act, the Secretary of the Treasury shall prescribe regulations to prohibit any person owned or controlled by a domestic financial institution from knowingly engaging in a transaction or transactions with or benefitting Iran's Revolutionary Guard Corps or any of its agents or affiliates whose property or interests in property are blocked pursuant to the International Emergency Economic Powers Act (50 U.S.C. 1701 et seq.).
- (2) PENALTIES- The penalties provided for in section 206(b) of the International Emergency Economic Powers Act (50 U.S.C. 1705(b)) shall apply to a domestic financial institution to the same extent that such penalties apply to a person that commits an unlawful act described in section 206(a) of that Act if—
    - (A) a person owned or controlled by the domestic financial institution violates, attempts to violate, conspires to violate, or causes a violation of regulations prescribed under paragraph (1) of this subsection; and
    - (B) the domestic financial institution knew or should have known that the person violated, attempted to violate, conspired to violate, or caused a violation of such regulations.
- (e) Requirements for Financial Institutions Maintaining Accounts for Foreign Financial Institutions-
- (1) IN GENERAL- The Secretary of the Treasury shall prescribe regulations to require a domestic financial institution maintaining a correspondent account or payable-through account in the United States for a foreign financial institution to do one or more of the following:
    - (A) Perform an audit of activities described in subsection (c)(2) that may be carried out by the foreign financial institution.
    - (B) Report to the Department of the Treasury with respect to transactions or other financial services provided with respect to any such activity.
    - (C) Certify, to the best of the knowledge of the domestic financial institution, that the foreign financial institution is not knowingly engaging in any such activity.
    - (D) Establish due diligence policies, procedures, and controls, such as the due diligence policies, procedures, and controls described in section 5318(i) of title 31, United States Code, reasonably designed to detect whether the Secretary of the Treasury has found the foreign financial institution to knowingly engage in any such activity.
  - (2) PENALTIES- The penalties provided for in sections 5321(a) and 5322 of title 31, United States Code, shall apply to a person that violates a regulation prescribed under paragraph (1) of this subsection, in the same manner and to the same extent as such penalties would apply to any person that is otherwise subject to such section 5321(a) or 5322.
- (f) Waiver- The Secretary of the Treasury may waive the application of a prohibition or condition imposed with respect to a foreign financial institution pursuant to subsection (c) or the imposition of a penalty under subsection (d) with respect to a domestic financial institution on and after the date that is 30 days after the Secretary—
- (1) determines that such a waiver is necessary to the national interest of the United States; and
  - (2) submits to the appropriate congressional committees a report describing the reasons for the determination.
- (g) Procedures for Judicial Review of Classified Information-

- (1) IN GENERAL- If a finding under subsection (c)(1), a prohibition, condition, or penalty imposed as a result of any such finding, or a penalty imposed under subsection (d), is based on classified information (as defined in section 1(a) of the Classified Information Procedures Act (18 U.S.C. App.)) and a court reviews the finding or the imposition of the prohibition, condition, or penalty, the Secretary of the Treasury may submit such information to the court ex parte and in camera.
- (2) RULE OF CONSTRUCTION- Nothing in this subsection shall be construed to confer or imply any right to judicial review of any finding under subsection (c)(1), any prohibition, condition, or penalty imposed as a result of any such finding, or any penalty imposed under subsection (d).
- (h) Consultations in Implementation of Regulations- In implementing this section and the regulations prescribed under this section, the Secretary of the Treasury—
  - (1) shall consult with the Secretary of State; and
  - (2) may, in the sole discretion of the Secretary of the Treasury, consult with such other agencies and departments and such other interested parties as the Secretary considers appropriate.
- (i) Definitions-
  - (1) IN GENERAL- In this section:
    - (A) ACCOUNT; CORRESPONDENT ACCOUNT; PAYABLE-THROUGH ACCOUNT- The terms ‘account’, ‘correspondent account’, and ‘payable-through account’ have the meanings given those terms in section 5318A of title 31, United States Code.
    - (B) AGENT- The term ‘agent’ includes an entity established by a person for purposes of conducting transactions on behalf of the person in order to conceal the identity of the person.
    - (C) FINANCIAL INSTITUTION- The term ‘financial institution’ means a financial institution specified in subparagraph (A), (B), (C), (D), (E), (F), (G), (H), (I), (J), (M), or (Y) of section 5312(a)(2) of title 31, United States Code.
    - (D) FOREIGN FINANCIAL INSTITUTION; DOMESTIC FINANCIAL INSTITUTION- The terms ‘foreign financial institution’ and ‘domestic financial institution’ shall have the meanings of those terms as determined by the Secretary of the Treasury.
    - (E) MONEY LAUNDERING- The term ‘money laundering’ means the movement of illicit cash or cash equivalent proceeds into, out of, or through a country, or into, out of, or through a financial institution.
  - (2) OTHER DEFINITIONS- The Secretary of the Treasury may further define the terms used in this section in the regulations prescribed under this section.

**SEC. 105. IMPOSITION OF SANCTIONS ON CERTAIN PERSONS WHO ARE RESPONSIBLE FOR OR COMPLICIT IN HUMAN RIGHTS ABUSES COMMITTED AGAINST CITIZENS OF IRAN OR THEIR FAMILY MEMBERS AFTER THE JUNE 12, 2009, ELECTIONS IN IRAN.**

- (a) In General- The President shall impose sanctions described in subsection (c) with respect to each person on the list required by subsection (b).
- (b) List of Persons Who Are Responsible for or Complicit in Certain Human Rights Abuses-
  - (1) IN GENERAL- Not later than 90 days after the date of the enactment of this Act, the President shall submit to the appropriate congressional committees a list of persons who are officials of the Government of Iran or persons acting on behalf of that Government (including members of paramilitary organizations such as Ansar-e-Hezbollah and Basij-e Mostaz’afin), that the President determines, based on credible evidence, are responsible for or complicit in, or responsible for ordering, controlling, or otherwise directing, the commission of serious human rights abuses against citizens of Iran or their family members on or after June 12, 2009, regardless of whether such abuses occurred in Iran.
  - (2) UPDATES OF LIST- The President shall submit to the appropriate congressional committees an updated list under paragraph (1)—
    - (A) not later than 270 days after the date of the enactment of this Act and every 180 days thereafter; and
    - (B) as new information becomes available.
  - (3) FORM OF REPORT; PUBLIC AVAILABILITY-
    - (A) FORM- The list required by paragraph (1) shall be submitted in unclassified form but may contain a classified annex.
    - (B) PUBLIC AVAILABILITY- The unclassified portion of the list required by paragraph (1) shall be made available to the public and posted on the websites of the Department of the Treasury and the Department of State.
  - (4) CONSIDERATION OF DATA FROM OTHER COUNTRIES AND NONGOVERNMENTAL ORGANIZATIONS- In preparing the list required by paragraph (1), the President shall consider credible data already obtained by other countries and nongovernmental organizations, including organizations in Iran, that monitor the human rights abuses of the Government of Iran.
- (c) Sanctions Described- The sanctions described in this subsection are ineligibility for a visa to enter the United States and sanctions pursuant to the International Emergency Economic Powers Act (50 U.S.C. 1701 et seq.), including blocking of property and restrictions or prohibitions on financial transactions and the exportation and importation of property, subject to such regulations as the President may prescribe, including regulatory exceptions to permit the United States to comply with the Agreement between the United Nations and the United States of America regarding the Headquarters of the United Nations, signed June 26, 1947, and entered into force November 21, 1947, and other applicable international obligations.

- (d) Termination of Sanctions- The provisions of this section shall terminate on the date on which the President determines and certifies to the appropriate congressional committees that the Government of Iran has—
- (1) unconditionally released all political prisoners, including the citizens of Iran detained in the aftermath of the June 12, 2009, presidential election in Iran;
  - (2) ceased its practices of violence, unlawful detention, torture, and abuse of citizens of Iran while engaging in peaceful political activity;
  - (3) conducted a transparent investigation into the killings, arrests, and abuse of peaceful political activists that occurred in the aftermath of the June 12, 2009, presidential election in Iran and prosecuted the individuals responsible for such killings, arrests, and abuse; and
  - (4) made public commitments to, and is making demonstrable progress toward—
    - (A) establishing an independent judiciary; and
    - (B) respecting the human rights and basic freedoms recognized in the Universal Declaration of Human Rights.

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

- (a) In General- Except as provided in subsection (b), and pursuant to such regulations as the President may prescribe, the head of an executive agency may not enter into or renew a contract, on or after the date that is 90 days after the date of the enactment of this Act, for the procurement of goods or services with a person that exports sensitive technology to Iran.
- (b) Authorization to Exempt Certain Products- The President is authorized to exempt from the prohibition under subsection (a) only eligible products, as defined in section 308(4) of the Trade Agreements Act of 1979 (19 U.S.C. 2518(4)), of any foreign country or instrumentality designated under section 301(b) of that Act (19 U.S.C. 2511(b)).
- (c) Sensitive Technology Defined-
- (1) IN GENERAL- The term ‘sensitive technology’ means hardware, software, telecommunications equipment, or any other technology, that the President determines is to be used specifically—
    - (A) to restrict the free flow of unbiased information in Iran; or
    - (B) to disrupt, monitor, or otherwise restrict speech of the people of Iran.
  - (2) EXCEPTION- The term ‘sensitive technology’ does not include information or informational materials the exportation of which the President does not have the authority to regulate or prohibit pursuant to section 203(b)(3) of the International Emergency Economic Powers Act (50 U.S.C. 1702(b)(3)).
- (d) Government Accountability Office Report on Effect of Procurement Prohibition- Not later than 1 year after the date of the enactment of this Act, the Comptroller General of the United States shall submit to the appropriate congressional committees, the Committee on Armed Services of the Senate, and the Committee on Armed Services of the House of Representatives, a report assessing the extent to which

executive agencies would have entered into or renewed contracts for the procurement of goods or services with persons that export sensitive technology to Iran if the prohibition under subsection (a) were not in effect.

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

- (a) In General-
- (1) VIOLATIONS OF UNITED NATIONS SECURITY COUNCIL RESOLUTIONS IMPOSING SANCTIONS- Section 5(b) of the United Nations Participation Act of 1945 (22 U.S.C. 287c(b)) is amended—
    - (A) by striking ‘find not more than \$10,000’ and inserting ‘fined not more than \$1,000,000’; and
    - (B) by striking ‘ten years’ and all that follows and inserting ‘20 years, or both.’.
  - (2) VIOLATIONS OF CONTROLS ON EXPORTS AND IMPORTS OF DEFENSE ARTICLES AND DEFENSE SERVICES- Section 38(c) of the Arms Export Control Act (22 U.S.C. 2778(c)) is amended by striking ‘ten years’ and inserting ‘20 years’.
  - (3) VIOLATIONS OF PROHIBITION ON TRANSACTIONS WITH COUNTRIES THAT SUPPORT ACTS OF INTERNATIONAL TERRORISM- Section 40(j) of the Arms Export Control Act (22 U.S.C. 2780(j)) is amended by striking ‘10 years’ and inserting ‘20 years’.
  - (4) VIOLATIONS OF THE TRADING WITH THE ENEMY ACT- Section 16(a) of the Trading with the enemy Act (50 U.S.C. App. 16(a)) is amended by striking ‘if a natural person’ and all that follows and inserting ‘if a natural person, be imprisoned for not more than 20 years, or both.’.
- (b) Study by United States Sentencing Commission- Not later than 1 year after the date of the enactment of this Act, the United States Sentencing Commission, pursuant to the authority under sections 994 and 995 of title 28, United States Code, and the responsibility of the United States Sentencing Commission to advise Congress on sentencing policy under section 995(a)(20) of title 28, United States Code, shall study and submit to Congress a report on the impact and advisability of imposing a mandatory minimum sentence for violations of—
- (1) section 5(a) of the United Nations Participation Act of 1945 (22 U.S.C. 287c(a));
  - (2) sections 38, 39, and 40 of the Arms Export Control Act (22 U.S.C. 2778, 2779, and 2780); and
  - (3) the Trading with the enemy Act (50 U.S.C. App. 1 et seq.).

**SEC. 108. AUTHORITY TO IMPLEMENT UNITED NATIONS SECURITY COUNCIL RESOLUTIONS IMPOSING SANCTIONS WITH RESPECT TO IRAN.**

In addition to any other authority of the President with respect to implementing resolutions of the United Nations Security Council, the President may prescribe such regulations as may be necessary to implement a resolution that is agreed to by the United Nations Security Council and imposes sanctions with respect to Iran.

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

- (a) Findings- Congress finds the following:
- (1) The work of the Office of Terrorism and Financial Intelligence of the Department of the Treasury, which includes the Office of Foreign Assets Control and the Financial Crimes Enforcement Network, is critical to ensuring that the international financial system is not used for purposes of supporting terrorism and developing weapons of mass destruction.
  - (2) The Secretary of the Treasury has designated, including most recently on June 16, 2010, various Iranian individuals and banking, military, energy, and shipping entities as proliferators of weapons of mass destruction pursuant to Executive Order 13382 (50 U.S.C. 1701 note), thereby blocking transactions subject to the jurisdiction of the United States by those individuals and entities and their supporters.
  - (3) The Secretary of the Treasury has also identified an array of entities in the insurance, petroleum, and petrochemicals industries that the Secretary has determined to be owned or controlled by the Government of Iran and added those entities to the list contained in Appendix A to part 560 of title 31, Code of Federal Regulations (commonly known as the 'Iranian Transactions Regulations'), thereby prohibiting transactions between United States persons and those entities.
- (b) Authorization of Appropriations for Office of Terrorism and Financial Intelligence- There are authorized to be appropriated to the Secretary of the Treasury for the Office of Terrorism and Financial Intelligence—
- (1) \$102,613,000 for fiscal year 2011; and
  - (2) such sums as may be necessary for each of the fiscal years 2012 and 2013.
- (c) Authorization of Appropriations for the Financial Crimes Enforcement Network- Section 310(d)(1) of title 31, United States Code, is amended by striking 'such sums as may be necessary for fiscal years 2002, 2003, 2004, and 2005' and inserting '\$100,419,000 for fiscal year 2011 and such sums as may be necessary for each of the fiscal years 2012 and 2013'.
- (d) Authorization of Appropriations for Bureau of Industry and Security of the Department of Commerce- There are authorized to be appropriated to the Secretary of Commerce for the Bureau of Industry and Security of the Department of Commerce—
- (1) \$113,000,000 for fiscal year 2011; and
  - (2) such sums as may be necessary for each of the fiscal years 2012 and 2013.

## **SEC. 110. REPORTS ON INVESTMENTS IN THE ENERGY SECTOR OF IRAN.**

- (a) Initial Report-
- (1) IN GENERAL- Not later than 90 days after the date of the enactment of this Act, the President shall submit to the appropriate congressional committees a report—

- (A) on investments in the energy sector of Iran that were made during the period described in paragraph (2); and
  - (B) that contains—
    - (i) an estimate of the volume of energy-related resources (other than refined petroleum), including ethanol, that Iran imported during the period described in paragraph (2); and
    - (ii) a list of all significant known energy-related joint ventures, investments, and partnerships located outside Iran that involve Iranian entities in partnership with entities from other countries, including an identification of the entities from other countries; and
    - (iii) an estimate of—
      - (I) the total value of each such joint venture, investment, and partnership; and
      - (II) the percentage of each such joint venture, investment, and partnership owned by an Iranian entity.
  - (2) PERIOD DESCRIBED- The period described in this paragraph is the period beginning on January 1, 2006, and ending on the date that is 60 days after the date of the enactment of this Act.
- (b) Updated Reports- Not later than 180 days after submitting the report required by subsection (a), and every 180 days thereafter, the President shall submit to the appropriate congressional committees a report containing the matters required in the report under subsection (a)(1) for the 180-day period beginning on the date that is 30 days before the date on which the preceding report was required to be submitted by this section.

## **SEC. 111. REPORTS ON CERTAIN ACTIVITIES OF FOREIGN EXPORT CREDIT AGENCIES AND OF THE EXPORT-IMPORT BANK OF THE UNITED STATES.**

- (a) Report on Certain Activities of Export Credit Agencies of Foreign Countries-
- (1) IN GENERAL- Not later than 90 days after the date of the enactment of this Act, the President shall submit to the appropriate congressional committees a report on any activity of an export credit agency of a foreign country that is an activity comparable to an activity described in subsection (a) or (b) of section 5 of the Iran Sanctions Act of 1996, as amended by section 102 of this Act.
  - (2) UPDATES- The President shall update the report required by paragraph (1) as new information becomes available with respect to the activities of export credit agencies of foreign countries.
- (b) Report on Certain Financing by the Export-Import Bank of the United States- Not later than 30 days (or, in extraordinary circumstances, not later than 15 days) before the Export-Import Bank of the United States approves cofinancing (including loans, guarantees, other credits, insurance, and reinsurance) in which an export credit agency of a foreign country identified in the report required by subsection (a) will participate, the President shall submit to the appropriate congressional committees a report identifying—

- (1) the export credit agency of the foreign country; and
- (2) the beneficiaries of the financing.

**SEC. 112. SENSE OF CONGRESS REGARDING IRAN'S REVOLUTIONARY GUARD CORPS AND ITS AFFILIATES.**

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

- (1) persistently target Iran's Revolutionary Guard Corps and its affiliates with economic sanctions for its support for terrorism, its role in proliferation, and its oppressive activities against the people of Iran;
- (2) identify, as soon as possible—
  - (A) any foreign individual or entity that is an agent, alias, front, instrumentality, official, or affiliate of Iran's Revolutionary Guard Corps;
  - (B) any individual or entity that—
    - (i) has provided material support to any individual or entity described in subparagraph (A); or
    - (ii) has conducted any financial or commercial transaction with any such individual or entity; and
  - (C) any foreign government that—
    - (i) provides material support to any such individual or entity; or
    - (ii) conducts any commercial transaction or financial transaction with any such individual or entity; and
- (3) immediately impose sanctions, including travel restrictions, sanctions authorized pursuant to this Act or the Iran Sanctions Act of 1996, as amended by section 102 of this Act, and the full range of sanctions available to the President under the International Emergency Economic Powers Act (50 U.S.C. 1701 et seq.), on the individuals, entities, and governments described in paragraph (2).

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

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

- (1) continue to counter support received by Hezbollah from the Government of Iran and other foreign governments in response to Hezbollah's terrorist activities and the threat Hezbollah poses to Israel, the democratic sovereignty of Lebanon, and the national security interests of the United States;
- (2) impose the full range of sanctions available to the President under the International Emergency Economic Powers Act (50 U.S.C. 1701 et seq.) on Hezbollah, affiliates and supporters of Hezbollah designated for the imposition of sanctions under that Act, and persons providing Hezbollah with commercial, financial, or other services;
- (3) urge the European Union, individual countries in Europe, and other countries to classify Hezbollah as a terrorist organization to facilitate the disruption of Hezbollah's operations; and

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

**SEC. 114. SENSE OF CONGRESS REGARDING THE IMPOSITION OF MULTILATERAL SANCTIONS WITH RESPECT TO IRAN.**

It is the sense of Congress that—

- (1) in general, effective multilateral sanctions are preferable to unilateral sanctions in order to achieve desired results from countries such as Iran; and
- (2) the President should continue to work with allies of the United States to impose such sanctions as may be necessary to prevent the Government of Iran from acquiring a nuclear weapons capability.

**SEC. 115. REPORT ON PROVIDING COMPENSATION FOR VICTIMS OF INTERNATIONAL TERRORISM.**

Not later than 180 days after the date of the enactment of this Act, the President shall submit to the appropriate congressional committees a report on equitable methods for providing compensation on a comprehensive basis to victims of acts of international terrorism who are citizens or residents of the United States or nationals of the United States (as defined in section 101(a) of the Immigration and Nationality Act (8 U.S.C. 1101(a)).

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

**SEC. 201. DEFINITIONS.**

In this title:

- (1) ENERGY SECTOR OF IRAN- The term 'energy sector of Iran' refers to activities to develop petroleum or natural gas resources or nuclear power in Iran.
- (2) FINANCIAL INSTITUTION- The term 'financial institution' has the meaning given that term in section 14 of the Iran Sanctions Act of 1996 (Public Law 104-172; 50 U.S.C. 1701 note).
- (3) IRAN- The term 'Iran' includes the Government of Iran and any agency or instrumentality of Iran.
- (4) PERSON- The term 'person' means—
  - (A) a natural person, corporation, company, business association, partnership, society, trust, or any other nongovernmental entity, organization, or group;
  - (B) any governmental entity or instrumentality of a government, including a multilateral development institution (as defined in section 1701(c)(3) of the International Financial Institutions Act (22 U.S.C. 262r(c)(3))); and
  - (C) any successor, subunit, parent entity, or subsidiary of, or any entity under common ownership or control with, any entity described in subparagraph (A) or (B).



- (5) STATE- The term 'State' means each of the several States, the District of Columbia, the Commonwealth of Puerto Rico, the Commonwealth of the Northern Mariana Islands, American Samoa, Guam, the United States Virgin Islands, and any other territory or possession of the United States.
- (6) STATE OR LOCAL GOVERNMENT- The term 'State or local government' includes—
  - (A) any State and any agency or instrumentality thereof;
  - (B) any local government within a State, and any agency or instrumentality thereof;
  - (C) any other governmental instrumentality of a State or locality; and
  - (D) any public institution of higher education within the meaning of the Higher Education Act of 1965 (20 U.S.C. 1001 et seq.).

**SEC. 202. AUTHORITY OF STATE AND LOCAL GOVERNMENTS TO DIVEST FROM CERTAIN COMPANIES THAT INVEST IN IRAN.**

- (a) Sense of Congress- It is the sense of Congress that the United States should support the decision of any State or local government that for moral, prudential, or reputational reasons divests from, or prohibits the investment of assets of the State or local government in, a person that engages in investment activities in the energy sector of Iran, as long as Iran is subject to economic sanctions imposed by the United States.
- (b) Authority to Divest- Notwithstanding any other provision of law, a State or local government may adopt and enforce measures that meet the requirements of subsection (d) to divest the assets of the State or local government from, or prohibit investment of the assets of the State or local government in, any person that the State or local government determines, using credible information available to the public, engages in investment activities in Iran described in subsection (c).
- (c) Investment Activities Described- A person engages in investment activities in Iran described in this subsection if the person—
  - (1) has an investment of \$20,000,000 or more in the energy sector of Iran, including in a person that provides oil or liquified natural gas tankers, or products used to construct or maintain pipelines used to transport oil or liquified natural gas, for the energy sector of Iran; or
  - (2) is a financial institution that extends \$20,000,000 or more in credit to another person, for 45 days or more, if that person will use the credit for investment in the energy sector of Iran.
- (d) Requirements- Any measure taken by a State or local government under subsection (b) shall meet the following requirements:
  - (1) NOTICE- The State or local government shall provide written notice to each person to which a measure is to be applied.
  - (2) TIMING- The measure shall apply to a person not earlier than the date that is 90 days after the date on which written notice is provided to the person under paragraph (1).
  - (3) OPPORTUNITY FOR HEARING- The State or local government shall provide an opportunity to comment in writing to each person to which a measure is to be applied. If the person demonstrates to

- the State or local government that the person does not engage in investment activities in Iran described in subsection (c), the measure shall not apply to the person.
- (4) SENSE OF CONGRESS ON AVOIDING ERRONEOUS TARGETING- It is the sense of Congress that a State or local government should not adopt a measure under subsection (b) with respect to a person unless the State or local government has made every effort to avoid erroneously targeting the person and has verified that the person engages in investment activities in Iran described in subsection (c).
- (e) Notice to Department of Justice- Not later than 30 days after adopting a measure pursuant to subsection (b), a State or local government shall submit written notice to the Attorney General describing the measure.
- (f) Nonpreemption- A measure of a State or local government authorized under subsection (b) or (i) is not preempted by any Federal law or regulation.
- (g) Definitions- In this section:
  - (1) ASSETS-
    - (A) IN GENERAL- Except as provided in subparagraph (B), the term 'assets' refers to public monies and includes any pension, retirement, annuity, or endowment fund, or similar instrument, that is controlled by a State or local government.
    - (B) EXCEPTION- The term 'assets' does not include employee benefit plans covered by title I of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1001 et seq.).
  - (2) INVESTMENT- The 'investment' includes—
    - (A) a commitment or contribution of funds or property;
    - (B) a loan or other extension of credit; and
    - (C) the entry into or renewal of a contract for goods or services.
- (h) Effective Date-
  - (1) IN GENERAL- Except as provided in paragraph (2) or subsection (i), this section applies to measures adopted by a State or local government before, on, or after the date of the enactment of this Act.
  - (2) NOTICE REQUIREMENTS- Except as provided in subsection (i), subsections (d) and (e) apply to measures adopted by a State or local government on or after the date of the enactment of this Act.
- (i) Authorization for Prior Enacted Measures-
  - (1) IN GENERAL- Notwithstanding any other provision of this section or any other provision of law, a State or local government may enforce a measure (without regard to the requirements of subsection (d), except as provided in paragraph (2)) adopted by the State or local government before the date of the enactment of this Act that provides for the divestment of assets of the State or local government from, or prohibits the investment of the assets of the State or local government in, any person that the State or local government determines, using credible information available to the public, engages in investment activities in Iran (determined without regard to subsection (c)) or other business activities in Iran that are identified in the measure.

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

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

- (a) In General- Section 13(c)(1) of the Investment Company Act of 1940 (15 U.S.C. 80a-13(c)(1)) is amended to read as follows:
  - ‘(1) IN GENERAL- Notwithstanding any other provision of Federal or State law, no person may bring any civil, criminal, or administrative action against any registered investment company, or any employee, officer, director, or investment adviser thereof, based solely upon the investment company divesting from, or avoiding investing in, securities issued by persons that the investment company determines, using credible information available to the public—
    - ‘(A) conduct or have direct investments in business operations in Sudan described in section 3(d) of the Sudan Accountability and Divestment Act of 2007 (50 U.S.C. 1701 note); or
    - ‘(B) engage in investment activities in Iran described in section 202(c) of the Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010.’.
- (b) SEC Regulations- Not later than 120 days after the date of the enactment of this Act, the Securities and Exchange Commission shall issue any revisions the Commission determines to be necessary to the regulations requiring disclosure by each registered investment company that divests itself of securities in accordance with section 13(c) of the Investment Company Act of 1940 to include divestments of securities in accordance with paragraph (1)(B) of such section, as added by subsection (a) of this section.

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

It is the sense of Congress that a fiduciary of an employee benefit plan, as defined in section 3(3) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1002(3)), may divest plan assets from, or avoid investing plan assets in, any person the fiduciary determines engages in investment activities in Iran described in section 202(c) of this Act, without breaching the responsibilities, obligations, or duties imposed upon the fiduciary by subparagraph (A) or (B) of section 404(a)(1) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1104(a)(1)), if—

- (1) the fiduciary makes such determination using credible information that is available to the public; and
- (2) the fiduciary prudently determines that the result of such divestment or avoidance of investment would not be expected to provide the employee benefit plan with—
  - (A) a lower rate of return than alternative investments with commensurate degrees of risk; or

- (B) a higher degree of risk than alternative investments with commensurate rates of return.

**SEC. 205. TECHNICAL CORRECTIONS TO SUDAN ACCOUNTABILITY AND DIVESTMENT ACT OF 2007.**

- (a) ERISA Plan Investments- Section 5 of the Sudan Accountability and Divestment Act of 2007 (Public Law 110-174; 50 U.S.C. 1701 note) is amended—
  - (1) by striking ‘section 404 of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1104)’ and inserting ‘subparagraph (A) or (B) of section 404(a)(1) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1104(a)(1))’; and
  - (2) by striking paragraph (2) and inserting the following:
    - ‘(2) the fiduciary prudently determines that the result of such divestment or avoidance of investment would not be expected to provide the employee benefit plan with—
      - ‘(A) a lower rate of return than alternative investments with commensurate degrees of risk; or
      - ‘(B) a higher degree of risk than alternative investments with commensurate rates of return.’.
- (b) Safe Harbor for Changes of Investment Policies by Asset Managers-
  - (1) IN GENERAL- Section 13(c)(2)(A) of the Investment Company Act of 1940 (15 U.S.C. 80a-13(c)(2)(A)) is amended to read as follows:
    - ‘(A) RULE OF CONSTRUCTION- Nothing in paragraph (1) shall be construed to create, imply, diminish, change, or affect in any way whether or not a private right of action exists under subsection (a) or any other provision of this Act.’.
  - (2) APPLICABILITY- The amendment made by paragraph (1) shall apply as if included in the Sudan Accountability and Divestment Act of 2007 (Public Law 110-174; 50 U.S.C. 1701 note).

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

**SEC. 301. DEFINITIONS.**

In this title:

- (1) ALLOW- The term ‘allow’, with respect to the diversion through a country of goods, services, or technologies, means the government of the country knows or has reason to know that the territory of the country is being used for such diversion.
- (2) APPROPRIATE CONGRESSIONAL COMMITTEES- The term ‘appropriate congressional committees’ means—
  - (A) the Committee on Banking, Housing, and Urban Affairs, the Committee on Foreign Relations, and the Select Committee on Intelligence of the Senate; and
  - (B) the Committee on Foreign Affairs and the Permanent Select Committee on Intelligence of the House of Representatives.

- (3) **COMMERCE CONTROL LIST**- The term 'Commerce Control List' means the list maintained pursuant to part 774 of the Export Administration Regulations (or any corresponding similar regulation or ruling).
- (4) **DIVERT; DIVERSION**- The terms 'divert' and 'diversion' refer to the transfer or release, directly or indirectly, of a good, service, or technology to an end-user or an intermediary that is not an authorized recipient of the good, service, or technology.
- (5) **END-USER**- The term 'end-user', with respect to a good, service, or technology, means the person that receives and ultimately uses the good, service, or technology.
- (6) **EXPORT ADMINISTRATION REGULATIONS**- The term 'Export Administration Regulations' means subchapter C of chapter VII of title 15, Code of Federal Regulations (or any corresponding similar regulation or ruling).
- (7) **GOVERNMENT**- The term 'government' includes any agency or instrumentality of a government.
- (8) **INTERMEDIARY**- The term 'intermediary' means a person that receives a good, service, or technology while the good, service, or technology is in transit to the end-user of the good, service, or technology.
- (9) **INTERNATIONAL TRAFFIC IN ARMS REGULATIONS**- The term 'International Traffic in Arms Regulations' means subchapter M of chapter I of title 22, Code of Federal Regulations (or any corresponding similar regulation or ruling).
- (10) **IRAN**- The term 'Iran' includes the Government of Iran and any agency or instrumentality of Iran.
- (11) **IRANIAN END-USER**- The term 'Iranian end-user' means an end-user that is the Government of Iran or a person in, or an agency or instrumentality of, Iran.
- (12) **IRANIAN INTERMEDIARY**- The term 'Iranian intermediary' means an intermediary that is the Government of Iran or a person in, or an agency or instrumentality of, Iran.
- (13) **STATE SPONSOR OF TERRORISM**- The term 'state sponsor of terrorism' means any country the government of which the Secretary of State has determined has repeatedly provided support for acts of international terrorism pursuant to—
- (A) section 6(j)(1)(A) of the Export Administration Act of 1979 (50 U.S.C. App. 2405(j)(1)(A)) (or any successor thereto);
- (B) section 40(d) of the Arms Export Control Act (22 U.S.C. 2780(d)); or
- (C) section 620A(a) of the Foreign Assistance Act of 1961 (22 U.S.C. 2371(a)).
- (14) **UNITED STATES MUNITIONS LIST**- The term 'United States Munitions List' means the list maintained pursuant to part 121 of the International Traffic in Arms Regulations (or any corresponding similar regulation or ruling).

### **SEC. 302. IDENTIFICATION OF COUNTRIES OF CONCERN WITH RESPECT TO THE DIVERSION OF CERTAIN GOODS, SERVICES, AND TECHNOLOGIES TO OR THROUGH IRAN.**

- (a) **In General**- Not later than 180 days after the date of the enactment of this Act, the Director of National Intelligence shall submit to the President, the Secretary of Defense, the Secretary of Commerce, the Secretary of State, the Secretary of the Treasury, and the appropriate congressional committees a report that identifies each country the government of which the Director believes, based on all information available to the Director, is allowing the diversion through the country of goods, services, or technologies described in subsection (b) to Iranian end-users or Iranian intermediaries.
- (b) **Goods, Services, and Technologies Described**- Goods, services, or technologies described in this subsection are goods, services, or technologies—
- (1) **that**—
- (A) originated in the United States;
- (B) would make a material contribution to Iran's—
- (i) development of nuclear, chemical, or biological weapons;
- (ii) ballistic missile or advanced conventional weapons capabilities; or
- (iii) support for international terrorism; and
- (C) **are**—
- (i) items on the Commerce Control List or services related to those items; or
- (ii) defense articles or defense services on the United States Munitions List; or
- (2) **that are prohibited for export to Iran under a resolution of the United Nations Security Council.**
- (c) **Updates**- The Director of National Intelligence shall update the report required by subsection (a)—
- (1) as new information becomes available; and
- (2) not less frequently than annually.
- (d) **Form**- The report required by subsection (a) and the updates required by subsection (c) may be submitted in classified form.

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

- (a) **Designation**-
- (1) **IN GENERAL**- The President shall designate a country as a Destination of Diversion Concern if the President determines that the government of the country allows substantial diversion of goods, services, or technologies described in section 302(b) through the country to Iranian end-users or Iranian intermediaries.
- (2) **DETERMINATION OF SUBSTANTIAL**- For purposes of paragraph (1), the President shall determine whether the government of a country allows substantial diversion of goods, services, or technologies described in section 302(b) through the country to Iranian end-users or Iranian intermediaries based on criteria that include—

- (A) the volume of such goods, services, and technologies that are diverted through the country to such end-users or intermediaries;
  - (B) the inadequacy of the export controls of the country;
  - (C) the unwillingness or demonstrated inability of the government of the country to control the diversion of such goods, services, and technologies to such end-users or intermediaries; and
  - (D) the unwillingness or inability of the government of the country to cooperate with the United States in efforts to interdict the diversion of such goods, services, or technologies to such end-users or intermediaries.
- (b) Report on Designation- Upon designating a country as a Destination of Diversion Concern under subsection (a), the President shall submit to the appropriate congressional committees a report—
- (1) notifying those committees of the designation of the country; and
  - (2) containing a list of the goods, services, and technologies described in section 302(b) that the President determines are diverted through the country to Iranian end-users or Iranian intermediaries.
- (c) Licensing Requirement- Not later than 45 days after submitting a report required by subsection (b) with respect to a country designated as a Destination of Diversion Concern under subsection (a), the President shall require a license under the Export Administration Regulations or the International Traffic in Arms Regulations (whichever is applicable) to export to that country a good, service, or technology on the list required under subsection (b)(2), with the presumption that any application for such a license will be denied.
- (d) Delay of Imposition of Licensing Requirement-
- (1) IN GENERAL- The President may delay the imposition of the licensing requirement under subsection (c) with respect to a country designated as a Destination of Diversion Concern under subsection (a) for a 12-month period if the President—
    - (A) determines that the government of the country is taking steps—
      - (i) to institute an export control system or strengthen the export control system of the country;
      - (ii) to interdict the diversion of goods, services, or technologies described in section 302(b) through the country to Iranian end-users or Iranian intermediaries; and
      - (iii) to comply with and enforce United Nations Security Council Resolutions 1696 (2006), 1737 (2006), 1747 (2007), 1803 (2008), and 1929 (2010), and any other resolution that is agreed to by the Security Council and imposes sanctions with respect to Iran;
    - (B) determines that it is appropriate to carry out government-to-government activities to strengthen the export control system of the country; and
    - (C) submits to the appropriate congressional committees a report describing the steps specified in subparagraph (A) being taken by the government of the country.
  - (2) ADDITIONAL 12-MONTH PERIODS- The President may delay the imposition of the licensing requirement under subsection (c) with respect to a country designated as a Destination of Diversion Concern under subsection (a) for additional 12-month periods after the 12-month period referred to in paragraph (1) if the President, for each such 12-month period—
    - (A) makes the determinations described in subparagraphs (A) and (B) of paragraph (1) with respect to the country; and
    - (B) submits to the appropriate congressional committees an updated version of the report required by subparagraph (C) of paragraph (1).
- (3) STRENGTHENING EXPORT CONTROL SYSTEMS- If the President determines under paragraph (1)(B) that it is appropriate to carry out government-to-government activities to strengthen the export control system of a country designated as a Destination of Diversion Concern under subsection (a), the United States shall initiate government-to-government activities that may include—
- (A) cooperation by agencies and departments of the United States with counterpart agencies and departments in the country—
    - (i) to develop or strengthen the export control system of the country;
    - (ii) to strengthen cooperation among agencies of the country and with the United States and facilitate enforcement of the export control system of the country; and
    - (iii) to promote information and data exchanges among agencies of the country and with the United States;
  - (B) training officials of the country to strengthen the export control systems of the country—
    - (i) to facilitate legitimate trade in goods, services, and technologies; and
    - (ii) to prevent terrorists and state sponsors of terrorism, including Iran, from obtaining nuclear, biological, and chemical weapons, defense technologies, components for improvised explosive devices, and other defense articles; and
  - (C) encouraging the government of the country to participate in the Proliferation Security Initiative, such as by entering into a ship boarding agreement pursuant to the Initiative.
- (e) Termination of Designation- The designation of a country as a Destination of Diversion Concern under subsection (a) shall terminate on the date on which the President determines, and certifies to the appropriate congressional committees, that the country has adequately strengthened the export control system of the country to prevent the diversion of goods, services, and technologies described in section 302(b) to Iranian end-users or Iranian intermediaries.
- (f) Form of Reports- A report required by subsection (b) or (d) may be submitted in classified form.

**SEC. 304. REPORT ON EXPANDING DIVERSION CONCERN SYSTEM TO ADDRESS THE DIVERSION OF UNITED STATES ORIGIN GOODS, SERVICES, AND TECHNOLOGIES TO CERTAIN COUNTRIES OTHER THAN IRAN.**

- (a) In General- Not later than 1 year after the date of the enactment of this Act, the President shall submit to the appropriate congressional committees a report that—
- (1) identifies any country that the President determines is allowing the diversion, in violation of United States law, of items on the Commerce Control List or services related to those items, or defense articles or defense services on the United States Munitions List, that originated in the United States to another country if such other country—
    - (A) is seeking to obtain nuclear, biological, or chemical weapons, or ballistic missiles; or
    - (B) provides support for acts of international terrorism; and
  - (2) assesses the feasibility and advisability of expanding the system established under section 303 for designating countries as Destinations of Diversion Concern to include countries identified under paragraph (1).
- (b) Form- The report required by subsection (a) may be submitted in classified form.

**SEC. 305. ENFORCEMENT AUTHORITY.**

The Secretary of Commerce may designate any employee of the Office of Export Enforcement of the Department of Commerce to conduct activities specified in clauses (i), (ii), and (iii) of section 12(a)(3)(B) of the Export Administration Act of 1979 (50 U.S.C. App. 2411(a)(3)(B)) when the employee is carrying out activities to enforce—

- (1) the provisions of the Export Administration Act of 1979 (50 U.S.C. App. 2401 et seq.) (as in effect pursuant to the International Emergency Economic Powers Act (50 U.S.C. 1701 et seq.));
- (2) the provisions of this title, or any other provision of law relating to export controls, with respect to which the Secretary of Commerce has enforcement responsibility; or
- (3) any license, order, or regulation issued under—
  - (A) the Export Administration Act of 1979 (50 U.S.C. App. 2401 et seq.) (as in effect pursuant to the International Emergency Economic Powers Act (50 U.S.C. 1701 et seq.)); or
  - (B) a provision of law referred to in paragraph (2).

**TITLE IV—GENERAL PROVISIONS**

**SEC. 401. GENERAL PROVISIONS.**

- (a) Sunset- The provisions of this Act (other than sections 105 and 305 and the amendments made by sections 102, 107, 109, and 205) shall terminate, and section 13(c)(1)(B) of the Investment Company Act of 1940, as added by section 203(a), shall cease to be effective, on the date that is 30 days after the date on which the President certifies to Congress that—

- (1) the Government of Iran has ceased providing support for acts of international terrorism and no longer satisfies the requirements for designation as a state sponsor of terrorism (as defined in section 301) under—
    - (A) section 6(j)(1)(A) of the Export Administration Act of 1979 (50 U.S.C. App. 2405(j)(1)(A)) (or any successor thereto);
    - (B) section 40(d) of the Arms Export Control Act (22 U.S.C. 2780(d)); or
    - (C) section 620A(a) of the Foreign Assistance Act of 1961 (22 U.S.C. 2371(a)); and
  - (2) Iran has ceased the pursuit, acquisition, and development of nuclear, biological, and chemical weapons and ballistic missiles and ballistic missile launch technology.
- (b) Presidential Waivers-
- (1) IN GENERAL- The President may waive the application of sanctions under section 103(b), the requirement to impose or maintain sanctions with respect to a person under section 105(a), the requirement to include a person on the list required by section 105(b), the application of the prohibition under section 106(a), or the imposition of the licensing requirement under section 303(c) with respect to a country designated as a Destination of Diversion Concern under section 303(a), if the President determines that such a waiver is in the national interest of the United States.
  - (2) REPORTS-
    - (A) IN GENERAL- If the President waives the application of a provision pursuant to paragraph (1), the President shall submit to the appropriate congressional committees a report describing the reasons for the waiver.
    - (B) SPECIAL RULE FOR REPORT ON WAIVING IMPOSITION OF LICENSING REQUIREMENT UNDER SECTION 303(c)- In any case in which the President waives, pursuant to paragraph (1), the imposition of the licensing requirement under section 303(c) with respect to a country designated as a Destination of Diversion Concern under section 303(a), the President shall include in the report required by subparagraph (A) of this paragraph an assessment of whether the government of the country is taking the steps described in subparagraph (A) of section 303(d)(1).
- (c) Authorizations of Appropriations-
- (1) AUTHORIZATION OF APPROPRIATIONS FOR THE DEPARTMENT OF STATE AND THE DEPARTMENT OF THE TREASURY- There are authorized to be appropriated to the Secretary of State and to the Secretary of the Treasury such sums as may be necessary to implement the provisions of, and amendments made by, titles I and III of this Act.
  - (2) AUTHORIZATION OF APPROPRIATIONS FOR THE DEPARTMENT OF COMMERCE- There are authorized to be appropriated to the Secretary of Commerce such sums as may be necessary to carry out title III.

**SEC. 402. DETERMINATION OF BUDGETARY EFFECTS.**

The budgetary effects of this Act, for the purpose of complying with the Statutory Pay-As-You-Go-Act of 2010, shall be determined by reference to the latest statement titled ‘Budgetary Effects of PAYGO Legislation’ for this Act, jointly submitted for printing in the Congressional Record by the Chairmen of the House and Senate Budget Committees, provided that such statement has been submitted prior to the vote on passage in the House acting first on this conference report or amendment between the Houses.

**The Iran Sanctions Act as Amended by P.L. 111-195**

As noted above, a substantial part of CISADA is devoted to expanding the authorities of the Iran Sanctions Act. In particular, as discussed above, the amended Iran Sanctions Act now makes sanctionable not only investment in Iran’s energy sector, but also sales to Iran of gasoline and equipment and services that Iran could use to make its own gasoline or to import gasoline (including aviation fuel). In addition, as noted above, certain provisions that allow the President to waive sanctions against a company that is determined to be a violator were added.

The full text of the Iran Sanctions Act as it previously existed was contained in the Compendium published in February 2010. Below is the text of the Iran Sanctions Act as it now stands, incorporating the amendments added by CISADA (P.L. 111-195, Section 102).

**TEXT:**

**SEC. 1. SHORT TITLE.**

This Act may be cited as the “Iran Sanctions Act of 1996”.

**SEC. 2. FINDINGS.**

The Congress makes the following findings:

- (1) The efforts of the Government of Iran to acquire weapons of mass destruction and the means to deliver them and its support of acts of international terrorism endanger the national security and foreign policy interests of the United States and those countries with which the United States shares common strategic and foreign policy objectives.
- (2) The objective of preventing the proliferation of weapons of mass destruction and acts of international terrorism through existing multilateral and bilateral initiatives requires additional efforts to deny Iran the financial means to sustain its nuclear, chemical, biological, and missile weapons programs.
- (3) The Government of Iran uses its diplomatic facilities and quasi-governmental institutions outside of Iran to promote acts of international terrorism and assist its nuclear, chemical, biological, and missile weapons programs.

**SEC. 3. DECLARATION OF POLICY.**

The Congress declares that it is the policy of the United States to deny Iran the ability to support acts of international terrorism and to fund the development and acquisition of weapons of mass destruction and the means to deliver them by limiting the development of Iran’s ability to explore for, extract, refine, or transport by pipeline petroleum resources of Iran.

**SEC. 4. MULTILATERAL REGIME.**

- (a) Multilateral Negotiations—In order to further the objectives of section 3, the Congress urges the President to commence immediately diplomatic efforts, both in appropriate international fora such as the United Nations, and bilaterally with allies of the United States, to establish a multilateral sanctions regime against Iran, including provisions limiting the development of petroleum resources, that will inhibit Iran’s efforts to carry out activities described in section 2.
- (b) Reports to Congress—The President shall report to the appropriate congressional committees, not later than 1 year after the date of the enactment of this Act, and periodically thereafter, on the extent that diplomatic efforts described in subsection (a) have been successful. Each report shall include—
  - (1) the countries that have agreed to undertake measures to further the objectives of section 3 with respect to Iran, and a description of those measures; and
  - (2) the countries that have not agreed to measures described in paragraph (1), and, with respect to those countries, other measures the President recommends that the United States take to further the objectives of section 3 with respect to Iran.
- (c) Waiver—
  - (1) In general.
    - (A) General waiver—The President may, on a case by case basis, waive for a period of not more than six months the application of section 5(a) with respect to a national of a country, if the President certifies to the appropriate congressional committees at least 30 days before such waiver is to take effect that such waiver is vital to the national security interests of the United States.
    - (B) Waiver with respect to persons in countries that cooperate in multilateral efforts with respect to Iran—The President may, on a case by case basis, waive for a period of not more than 12 months the application of section 5(a) with respect to a person if the President, at least 30 days before the waiver is to take effect—
      - (i) certifies to the appropriate congressional committees that—
        - (l) the government with primary jurisdiction over the person is closely cooperating with the United States in multilateral efforts to prevent Iran from—
          - (aa) acquiring or developing chemical, biological, or nuclear weapons or related technologies; or

- (bb) acquiring or developing destabilizing numbers and types of advanced conventional weapons; and
  - (ll) such a waiver is vital to the national security interests of the United States; and
- (ii) submits to the appropriate congressional committees a report identifying—
  - (l) the person with respect to which the President waives the application of sanctions; and
  - (ll) the actions taken by the government described in clause (i)(l) to cooperate in multilateral efforts described in that clause.
- (2) Subsequent renewal of waiver—At the conclusion of the period of a waiver under subparagraph (A) or (B) of paragraph (1), the President may renew the waiver—
  - (A) if the President determines, in accordance with subparagraph (A) or (B) of that paragraph (as the case may be), that the waiver is appropriate; and
  - (B) (i) in the case of a waiver under subparagraph (A) of paragraph (1), for subsequent periods of not more than six months each; and
  - (ii) in the case of a waiver under subparagraph (B) of paragraph (1), for subsequent periods of not more than 12 months each.
- (d) Interim Report on Multilateral Sanctions; Monitoring—The President, not later than 90 days after the date of the enactment of this Act, shall report to the appropriate congressional committees on—
  - (1) whether the member states of the European Union, the Republic of Korea, Australia, Israel, or Japan have legislative or administrative standards providing for the imposition of trade sanctions on persons or their affiliates doing business or having investments in Iran or Libya;
  - (2) the extent and duration of each instance of the application of such sanctions; and
  - (3) the disposition of any decision with respect to such sanctions by the World Trade Organization or its predecessor organization.
- (e) Investigations—
  - (1) In general—The President shall initiate an investigation into the possible imposition of sanctions under section 5(a) against a person upon receipt by the United States of credible information indicating that such person is engaged in an activity described in such section.
  - (2) Determination and notification—Not later than 180 days after an investigation is initiated in accordance with paragraph (1), the President shall (unless paragraph (3) applies) determine, pursuant to section 5(a), if a person has engaged in an activity described in such section and shall notify the appropriate congressional committees of the basis for any such determination.
  - (3) Special rule—The President need not initiate an investigation, and may terminate an investigation, under this subsection if the President certifies in writing to the appropriate congressional committees that—

- (A) the person whose activity was the basis for the investigation is no longer engaging in the activity or has taken significant verifiable steps toward stopping the activity; and
- (B) the President has received reliable assurances that the person will not knowingly engage in an activity described in section 5(a) in the future.

## SEC. 5. IMPOSITION OF SANCTIONS.

- (a) Sanctions With Respect to the Development of Petroleum Resources of Iran, Production of Refined Petroleum Products in Iran, and Exportation of Refined Petroleum Products to Iran—
  - (1) Development of petroleum resources of Iran—
    - (A) In general—Except as provided in subsection (f), the President shall impose 3 or more of the sanctions described in section 6(a) with respect to a person if the President determines that the person knowingly, on or after the date of the enactment of the Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010—
      - (i) makes an investment described in subparagraph (B) of \$20,000,000 or more; or
      - (ii) makes a combination of investments described in subparagraph (B) in a 12-month period if each such investment is of at least \$5,000,000 and such investments equal or exceed \$20,000,000 in the aggregate.
    - (B) Investment described—An investment described in this subparagraph is an investment that directly and significantly contributes to the enhancement of Iran’s ability to develop petroleum resources.
  - (2) Product of refined petroleum products—
    - (A) In general—Except as provided in subsection (f), the President shall impose 3 or more of the sanctions described in section 6(a) with respect to a person if the President determines that the person knowingly, on or after the date of the enactment of the Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010, sells, leases, or provides to Iran goods, services, technology, information, or support described in subparagraph (B)—
      - (i) any of which has a fair market value of \$1,000,000 or more; or
      - (ii) that, during a 12-month period, have an aggregate fair market value of \$5,000,000 or more.
    - (B) Goods, services, technology, information, or support described—Goods, services, technology, information, or support described in this subparagraph are goods, services, technology, information, or support that could directly and significantly facilitate the maintenance or expansion of Iran’s domestic production of refined petroleum products, including any direct and significant assistance with respect to the construction, modernization, or repair of petroleum refineries.

- (3) Exportation of refined petroleum products to Iran—
  - (A) In general— Except as provided in subsection (f), the President shall impose 3 or more of the sanctions described in section 6(a) with respect to a person if the President determines that the person knowingly, on or after the date of the enactment of the Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010—
    - (i) sells or provides to Iran refined petroleum products—
      - (I) that have a fair market value of \$1,000,000 or more; or
      - (II) that, during a 12-month period, have an aggregate fair market value of \$5,000,000 or more; or
    - (ii) sells, leases, or provides to Iran goods, services, technology, information, or support described in subparagraph (B)—
      - (I) any of which has a fair market value of \$1,000,000 or more; or
      - (II) that, during a 12-month period, have an aggregate fair market value of \$5,000,000 or more.
  - (B) Goods, services, technology, information, or support described—Goods, services, technology, information, or support described in this subparagraph are goods, services, technology, information, or support that could directly and significantly contribute to the enhancement of Iran’s ability to import refined petroleum products, including—
    - (i) except as provided in subparagraph (C), underwriting or entering into a contract to provide insurance or reinsurance for the sale, lease, or provision of such goods, services, technology, information, or support;
    - (ii) financing or brokering such sale, lease, or provision; or
    - (iii) providing ships or shipping services to deliver refined petroleum products to Iran.
  - (C) Exception for underwriters and insurance providers exercising due diligence—The President may not impose sanctions under this paragraph with respect to a person that provides underwriting services or insurance or reinsurance if the President determines that the person has exercised due diligence in establishing and enforcing official policies, procedures, and controls to ensure that the person does not underwrite or enter into a contract to provide insurance or reinsurance for the sale, lease, or provision of goods, services, technology, information, or support described in subparagraph (B).
- (b) Mandatory Sanctions With Respect to Development of Weapons of Mass Destruction or Other Military Capabilities.
  - (1) In general—The President shall impose 3 or more of the sanctions described in section 6(a) if the President determines that a person has, on or after the date of the enactment of the Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010, exported, transferred, or otherwise provided to Iran any goods, services, technology, or other items knowing that the provision of such goods, services, technology, or other items would contribute materially to the ability of Iran to—
    - (A) acquire or develop chemical, biological, or nuclear weapons or related technologies; or
    - (B) acquire or develop destabilizing numbers and types of advanced conventional weapons.
  - (2) Additional mandatory sanctions relating to transfer of nuclear technology—
    - (A) In general—Except as provided in subparagraphs (B) and (C), in any case in which a person is subject to sanctions under paragraph (1) because of an activity described in that paragraph that relates to the acquisition or development of nuclear weapons or related technology or of missiles or advanced conventional weapons that are designed or modified to deliver a nuclear weapon, no license may be issued for the export, and no approval may be given for the transfer or retransfer, directly or indirectly, to the country the government of which has primary jurisdiction over the person, of any nuclear material, facilities, components, or other goods, services, or technology that are or would be subject to an agreement for cooperation between the United States and that government.
    - (B) Exception—The sanctions described in subparagraph (A) shall not apply with respect to a country the government of which has primary jurisdiction over a person that engages in an activity described in that subparagraph if the President determines and notifies the appropriate congressional committees that the government of the country—
      - (i) does not know or have reason to know about the activity; or
      - (ii) has taken, or is taking, all reasonable steps necessary to prevent a recurrence of the activity and to penalize the person for the activity.
    - (C) Individual approval—Notwithstanding subparagraph (A), the President may, on a case-by-case basis, approve the issuance of a license for the export, or approve the transfer or retransfer, of any nuclear material, facilities, components, or other goods, services, or technology that are or would be subject to an agreement for cooperation, to a person in a country to which subparagraph (A) applies (other than a person that is subject to the sanctions under paragraph (1)) if the President—
      - (i) determines that such approval is vital to the national security interests of the United States; and
      - (ii) not later than 15 days before issuing such license or approving such transfer or retransfer, submits to the Committee on Foreign Affairs of the House of Representatives and the Committee on Foreign Relations of the Senate the justification for approving such license, transfer, or retransfer.
    - (D) Construction— The restrictions in subparagraph (A) shall apply in addition to all other applicable procedures, requirements, and restrictions contained in the Atomic Energy Act of 1954 and other related laws.



- (E) Definition— In this paragraph, the term “agreement for cooperation” has the meaning given that term in section 11 b. of the Atomic Energy Act of 1954 (42 U.S.C. 2014(b)).
  - (F) Applicability— The sanctions under subparagraph (A) shall apply only in a case in which a person is subject to sanctions under paragraph (1) because of an activity described in that paragraph in which the person engages on or after the date of the enactment of the Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010.
- (c) Persons Against Which the Sanctions Are To Be Imposed—The sanctions described in subsections (a) and (b)(1) shall be imposed on—
- (1) any person the President determines has carried out the activities described in subsection (a) or (b)(1); and
  - (2) any person that—
    - (A) is a successor entity to the person referred to in paragraph (1);
    - (B) owns or controls the person referred to in paragraph (1), if the person that owns or controls the person referred to in paragraph (1) had actual knowledge or should have known that the person referred to in paragraph (1) engaged in the activities referred to in that paragraph; or
    - (C) is owned or controlled by, or under common ownership or control with, the person referred to in paragraph (1), if the person owned or controlled by, or under common ownership or control with (as the case may be), the person referred to in paragraph (1) knowingly engaged in the activities referred to in that paragraph.
- For purposes of this Act, any person or entity described in this subsection shall be referred to as a “sanctioned person”.
- (d) Publication in Federal Register—The President shall cause to be published in the Federal Register a current list of persons and entities on whom sanctions have been imposed under this Act. The removal of persons or entities from, and the addition of persons and entities to, the list, shall also be so published.
- (e) Publication of Projects—The President shall cause to be published in the Federal Register a list of all significant projects which have been publicly tendered in the oil and gas sector in Iran.
- (f) Exceptions—The President shall not be required to apply or maintain the sanctions under subsection (a) or (b)(1)—
- (1) in the case of procurement of defense articles or defense services—
    - (A) under existing contracts or subcontracts, including the exercise of options for production quantities to satisfy requirements essential to the national security of the United States;
    - (B) if the President determines in writing that the person to which the sanctions would otherwise be applied is a sole source supplier of the defense articles or services, that the defense articles or services are essential, and that alternative sources are not readily or reasonably available; or
    - (C) if the President determines in writing that such articles or services are essential to the national security under defense coproduction agreements;
  - (2) in the case of procurement, to eligible products, as defined in section 308(4) of the Trade Agreements Act of 1979 (19 U.S.C. 2518(4)), of any foreign country or instrumentality designated under section 301(b) of that Act (19 U.S.C. 2511(b));
  - (3) to products, technology, or services provided under contracts entered into before the date on which the President publishes in the Federal Register the name of the person on whom the sanctions are to be imposed;
  - (4) to—
    - (A) spare parts which are essential to United States products or production;
    - (B) component parts, but not finished products, essential to United States products or production; or
    - (C) routine servicing and maintenance of products, to the extent that alternative sources are not readily or reasonably available;
  - (6) to information and technology essential to United States products or production; or
  - (7) to medicines, medical supplies, or other humanitarian items.

**SEC. 6. DESCRIPTION OF SANCTIONS.**

- (a) In General—The sanctions to be imposed on a sanctioned person under section 5 are as follows:
- (1) Export-import bank assistance for exports to sanctioned persons—The President may direct the Export-Import Bank of the United States not to give approval to the issuance of any guarantee, insurance, extension of credit, or participation in the extension of credit in connection with the export of any goods or services to any sanctioned person.
  - (2) Export sanction—The President may order the United States Government not to issue any specific license and not to grant any other specific permission or authority to export any goods or technology to a sanctioned person under—
    - (i) the Export Administration Act of 1979;
    - (ii) the Arms Export Control Act;
    - (iii) the Atomic Energy Act of 1954; or
    - (iv) any other statute that requires the prior review and approval of the United States Government as a condition for the export or reexport of goods or services.
  - (3) Loans from United States financial institutions—The United States Government may prohibit any United States financial institution from making loans or providing credits to any sanctioned person totaling more than \$10,000,000 in any 12-month period unless such person is engaged in activities to relieve human suffering and the loans or credits are provided for such activities.
  - (4) Prohibitions on financial institutions—The following prohibitions may be imposed against a sanctioned person that is a financial institution:

- (A) Prohibition on designation as primary dealer—Neither the Board of Governors of the Federal Reserve System nor the Federal Reserve Bank of New York may designate, or permit the continuation of any prior designation of, such financial institution as a primary dealer in United States Government debt instruments.
- (B) Prohibition on service as a repository of government funds—Such financial institution may not serve as agent of the United States Government or serve as repository for United States Government funds.

The imposition of either sanction under subparagraph (A) or (B) shall be treated as 1 sanction for purposes of section 5, and the imposition of both such sanctions shall be treated as 2 sanctions for purposes of section 5.

- (5) Procurement sanction—The United States Government may not procure, or enter into any contract for the procurement of, any goods or services from a sanctioned person.
- (6) Foreign exchange—The President may, pursuant to such regulations as the President may prescribe, prohibit any transactions in foreign exchange that are subject to the jurisdiction of the United States and in which the sanctioned person has any interest.
- (7) Banking transactions—The President may, pursuant to such regulations as the President may prescribe, prohibit any transfers of credit or payments between financial institutions or by, through, or to any financial institution, to the extent that such transfers or payments are subject to the jurisdiction of the United States and involve any interest of the sanctioned person.
- (8) Property Transactions—The President may, pursuant to such regulations as the President may prescribe, prohibit any person from—
  - (A) acquiring, holding, withholding, using, transferring, withdrawing, transporting, importing, or exporting any property that is subject to the jurisdiction of the United States and with respect to which the sanctioned person has any interest;
  - (B) dealing in or exercising any right, power, or privilege with respect to such property; or
  - (C) conducting any transaction involving such property.
- (9) Additional sanctions—The President may impose sanctions, as appropriate, to restrict imports with respect to a sanctioned person, in accordance with the International Emergency Economic Powers Act (50 U.S.C. 1701 and following).
- (b) Additional Measure Relating To Government Contracts—
  - (1) Modification of federal acquisition regulation—Not later than 90 days after the date of the enactment of the Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010, the Federal Acquisition Regulation issued pursuant to section 25 of the Office of Federal Procurement Policy Act (41 U.S.C. 421) shall be revised to require a certification from each person that is a prospective contractor that the person, and any person owned or controlled by the person, does not engage in any activity for which sanctions may be imposed under section 5.

- (2) Remedies—
  - (A) In general—If the head of an executive agency determines that a person has submitted a false certification under paragraph (1) on or after the date on which the revision of the Federal Acquisition Regulation required by this subsection becomes effective, the head of that executive agency shall terminate a contract with such person or debar or suspend such person from eligibility for Federal contracts for a period of not more than 3 years. Any such debarment or suspension shall be subject to the procedures that apply to debarment and suspension under the Federal Acquisition Regulation under subpart 9.4 of part 9 of title 48, Code of Federal Regulations.
  - (B) Inclusion on list of parties excluded from federal procurement and nonprocurement programs—The Administrator of General Services shall include on the List of Parties Excluded from Federal Procurement and Nonprocurement Programs maintained by the Administrator under part 9 of the Federal Acquisition Regulation issued pursuant to section 25 of the Office of Federal Procurement Policy Act (41 U.S.C. 421) each person that is debarred, suspended, or proposed for debarment or suspension by the head of an executive agency on the basis of a determination of a false certification under subparagraph (A).
- (3) Clarification regarding certain products—The remedies set forth in paragraph (2) shall not apply with respect to the procurement of eligible products, as defined in section 308(4) of the Trade Agreements Act of 1974 (19 U.S.C. 2518(4)), of any foreign country or instrumentality designated under section 301(b) of that Act (19 U.S.C. 2511(b)).
- (4) Rule of construction—This subsection shall not be construed to limit the use of other remedies available to the head of an executive agency or any other official of the Federal Government on the basis of a determination of a false certification under paragraph (1).
- (5) Waivers—The President may on a case-by-case basis waive the requirement that a person make a certification under paragraph (1) if the President determines and certifies in writing to the appropriate congressional committees, the Committee on Armed Services of the Senate, and the Committee on Armed Services of the House of Representatives, that it is in the national interest of the United States to do so.
- (6) Executive agency defined—In this subsection, the term “executive agency” has the meaning given that term in section 4 of the Office of Federal Procurement Policy Act (41 U.S.C. 403).
- (7) Applicability—The revisions to the Federal Acquisition Regulation required under paragraph (1) shall apply with respect to contracts for which solicitations are issued on or after the date that is 90 days after the date of the enactment of the Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010.

**SEC. 7. ADVISORY OPINIONS.**

The Secretary of State may, upon the request of any person, issue an advisory opinion to that person as to whether a proposed activity by that person would subject that person to sanctions under this Act. Any person who relies in good faith on such an advisory opinion which states that the proposed activity would not subject a person to such sanctions, and any person who thereafter engages in such activity, will not be made subject to such sanctions on account of such activity.

**SEC. 8. TERMINATION OF SANCTIONS.**

The requirement under section 5(a) to impose sanctions shall no longer have force or effect with respect to Iran if the President determines and certifies to the appropriate congressional committees that Iran—

- (1) has ceased its efforts to design, develop, manufacture, or acquire—
  - (A) a nuclear explosive device or related materials and technology;
  - (B) chemical and biological weapons; and
  - (C) ballistic missiles and ballistic missile launch technology;
- (2) has been removed from the list of countries the governments of which have been determined, for purposes of section 6(j) of the Export Administration Act of 1979, to have repeatedly provided support for acts of international terrorism; and
- (3) poses no significant threat to United States national security, interests, or allies.

**SEC. 9. DURATION OF SANCTIONS;****PRESIDENTIAL WAIVER.**

(a) Delay of Sanctions—

- (1) Consultations—If the President makes a determination described in section 5(a) or 5(b) 5(b)(1) with respect to a foreign person, the Congress urges the President to initiate consultations immediately with the government with primary jurisdiction over that foreign person with respect to the imposition of sanctions under this Act.
- (2) Actions by government of jurisdiction—In order to pursue consultations under paragraph (1) with the government concerned, the President may delay imposition of sanctions under this Act for up to 90 days. Following such consultations, the President shall immediately impose sanctions unless the President determines and certifies to the Congress that the government has taken specific and effective actions, including, as appropriate, the imposition of appropriate penalties, to terminate the involvement of the foreign person in the activities that resulted in the determination by the President under section 5(a) or 5(b)(1) concerning such person.
- (3) Additional delay in imposition of sanctions—The President may delay the imposition of sanctions for up to an additional 90 days if the President determines and certifies to the Congress that the government with primary jurisdiction over the person concerned is in the process of taking the actions described in paragraph (2).

- (4) Report to Congress—Not later than 90 days after making a determination under section 5(a) or 5(b)(1), the President shall submit to the appropriate congressional committees a report on the status of consultations with the appropriate foreign government under this subsection, and the basis for any determination under paragraph (3).
- (b) Duration of Sanctions—A sanction imposed under section 5 shall remain in effect—
- (1) for a period of not less than 2 years from the date on which it is imposed; or
  - (2) until such time as the President determines and certifies to the Congress that the person whose activities were the basis for imposing the sanction is no longer engaging in such activities and that the President has received reliable assurances that such person will not knowingly engage in such activities in the future, except that such sanction shall remain in effect for a period of at least 1 year.
- (c) Presidential Waiver—
- (1) Authority—The President may waive the requirement in section 5 to impose a sanction or sanctions on a person described in section 5(c), and may waive the continued imposition of a sanction or sanctions under subsection (b) of this section, 30 days or more after the President determines and so reports to the appropriate congressional committees that it is necessary to the national interest of the United States to exercise such waiver authority.
  - (2) Contents of report—Any report under paragraph (1) shall provide a specific and detailed rationale for the determination under paragraph (1), including—
    - (A) a description of the conduct that resulted in the determination under section 5(a) or (b) section 5(a) or 5(b)(1), as the case may be;
    - (B) in the case of a foreign person, an explanation of the efforts to secure the cooperation of the government with primary jurisdiction over the sanctioned person to terminate or, as appropriate, penalize the activities that resulted in the determination under section 5(a) or (b) section 5(a) or 5(b)(1), as the case may be;
    - (C) an estimate of the significance of the conduct of the person in contributing to the ability of Iran to, as the case may be—
      - (i) develop petroleum resources, produce refined petroleum products, or import refined petroleum products; or
      - (ii) acquire or develop—
        - (I) chemical, biological, or nuclear weapons or related technologies; or
        - (II) destabilizing numbers and types of advanced conventional weapons;
    - (D) a statement as to the response of the United States in the event that the person concerned engages in other activities that would be subject to section 5(a) or 5(b)(1).

- (3) Effect of report on waiver—If the President makes a report under paragraph (1) with respect to a waiver of sanctions on a person described in section 5(c), sanctions need not be imposed under section 5(a) or 5(b)(1) on that person during the 30-day period referred to in paragraph (1).

**SEC. 10. REPORTS REQUIRED.**

- (a) Report on Certain International Initiatives—Not later than 6 months after the date of the enactment of this Act, and every 6 months thereafter, the President shall transmit a report to the appropriate congressional committees describing—
  - (1) the efforts of the President to mount a multilateral campaign to persuade all countries to pressure Iran to cease its nuclear, chemical, biological, and missile weapons programs and its support of acts of international terrorism;
  - (2) the efforts of the President to persuade other governments to ask Iran to reduce the presence of Iranian diplomats and representatives of other government and military or quasi-governmental institutions of Iran and to withdraw any such diplomats or representatives who participated in the takeover of the United States embassy in Tehran on November 4, 1979, or the subsequent holding of United States hostages for 444 days;
  - (3) the extent to which the International Atomic Energy Agency has established regular inspections of all nuclear facilities in Iran, including those presently under construction; and
  - (4) Iran’s use of Iranian diplomats and representatives of other government and military or quasi-governmental institutions of Iran to promote acts of international terrorism or to develop or sustain Iran’s nuclear, chemical, biological, and missile weapons programs.
- (b) Report on Effectiveness of Actions Under This Act—Not earlier than 24 months, and not later than 30 months, after the date of the enactment of the ILSA Extension Act of 2001, the President shall transmit to Congress a report that describes—
  - (1) the extent to which actions relating to trade taken pursuant to this Act—
    - (A) have been effective in achieving the objectives of section 3 and any other foreign policy or national security objectives of the United States with respect to Iran; and
    - (B) have affected humanitarian interests in Iran, the country in which the sanctioned person is located, or in other countries; and
  - (2) the impact of actions relating to trade taken pursuant to this Act on other national security, economic, and foreign policy interests of the United States, including relations with countries friendly to the United States, and on the United States economy.

The President may include in the report the President’s recommendation on whether or not this Act should be terminated or modified.

- (c) Other Reports—The President shall ensure the continued transmittal to the Congress of reports describing—
  - (1) the nuclear and other military capabilities of Iran, as required by section 601(a) of the Nuclear Non-Proliferation Act of 1978 and section 1607 of the National Defense Authorization Act for Fiscal Year 1993; and

- (2) the support provided by Iran for acts of international terrorism, as part of the Department of State’s annual report on international terrorism.
- (d) Reports on Global Trade Relating to Iran—Not later than 90 days after the date of the enactment of the Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010, and annually thereafter, the President shall submit to the appropriate congressional committees a report, with respect to the most recent 12-month period for which data are available, on the dollar value amount of trade, including in the energy sector, between Iran and each country maintaining membership in the Group of 20 Finance Ministers and Central Bank Governors.

**SEC. 11. DETERMINATIONS NOT REVIEWABLE.**

A determination to impose sanctions under this Act shall not be reviewable in any court.

**SEC. 12. EXCLUSION OF CERTAIN ACTIVITIES.**

Nothing in this Act shall apply to any activities subject to the reporting requirements of title V of the National Security Act of 1947.

**SEC. 13. EFFECTIVE DATE; SUNSET.**

- (a) Effective Date—This Act shall take effect on the date of the enactment of this Act.
- (b) Sunset—This Act shall cease to be effective on December 31, 2016.

**SEC. 14. DEFINITIONS.**

As used in this Act:

- (1) Act of international terrorism—The term “act of international terrorism” means an act—
  - (A) which is violent or dangerous to human life and that is a violation of the criminal laws of the United States or of any State or that would be a criminal violation if committed within the jurisdiction of the United States or any State; and
  - (B) which appears to be intended—
    - (i) to intimidate or coerce a civilian population;
    - (ii) to influence the policy of a government by intimidation or coercion; or
    - (iii) to affect the conduct of a government by assassination or kidnapping.
- (2) Appropriate congressional committees—The term “appropriate congressional committees” means the Committee on Finance, the Committee on Banking, Housing, and Urban Affairs, and the Committee on Foreign Relations of the Senate and the Committee on Ways and Means, the Committee on Financial Services, and the Committee on Foreign Affairs of the House of Representatives.
- (3) Component part—The term “component part” has the meaning given that term in section 11A(e)(1) of the Export Administration Act of 1979 (50 U.S.C. App. 2410a(e)(1)).
- (4) Develop and development—To “develop”, or the “development” of, petroleum resources means the exploration for, or the extraction,

refining, or transportation by pipeline of, petroleum resources.

- (5) Financial institution—The term “financial institution” includes—
  - (A) a depository institution (as defined in section 3(c)(1) of the Federal Deposit Insurance Act), including a branch or agency of a foreign bank (as defined in section 1(b)(7) of the International Banking Act of 1978);
  - (B) a credit union;
  - (C) a securities firm, including a broker or dealer;
  - (D) an insurance company, including an agency or underwriter; and
  - (E) any other company that provides financial services.
- (6) Finished product—The term “finished product” has the meaning given that term in section 11A(e)(2) of the Export Administration Act of 1979 (50 U.S.C. App. 2410a(e)(2)).
- (7) Foreign person—The term “foreign person” means—
  - (A) an individual who is not a United States person or an alien lawfully admitted for permanent residence into the United States; or
  - (B) a corporation, partnership, or other nongovernmental entity which is not a United States person.
- (8) Goods and technology—The terms “goods” and “technology” have the meanings given those terms in section 16 of the Export Administration Act of 1979 (50 U.S.C. App. 2415).
- (9) Investment—The term “investment” means any of the following activities if such activity is undertaken pursuant to an agreement, or pursuant to the exercise of rights under such an agreement, that is entered into with the Government of Iran or a nongovernmental entity in Iran on or after the date of the enactment of this Act:
  - (A) The entry into a contract that includes responsibility for the development of petroleum resources located in Iran, or the entry into a contract providing for the general supervision and guarantee of another person’s performance of such a contract.
  - (B) The purchase of a share of ownership, including an equity interest, in that development.
  - (C) The entry into a contract providing for the participation in royalties, earnings, or profits in that development, without regard to the form of the participation.

For purposes of this paragraph, an amendment or other modification that is made, on or after June 13, 2001, to an agreement or contract shall be treated as the entry of an agreement or contract.

- (10) Iran—The term “Iran” includes any agency or instrumentality of Iran.
- (11) Iranian diplomats and representatives of other government and military or quasi-governmental institutions of Iran.—The term “Iranian diplomats and representatives of other government and military or quasi-governmental institutions of Iran” includes employees, representatives, or affiliates of Iran’s—
  - (A) Foreign Ministry;
  - (B) Ministry of Intelligence and Security;
  - (C) Revolutionary Guard Corps;
  - (D) Crusade for Reconstruction;
  - (E) Qods (Jerusalem) Forces;

- (F) Interior Ministry;
- (G) Foundation for the Oppressed and Disabled;
- (H) Prophet’s Foundation;
- (I) June 5th Foundation;
- (J) Martyr’s Foundation;
- (K) Islamic Propagation Organization; and

(L) Ministry of Islamic Guidance.(12) Knowingly—The term “knowingly”, with respect to conduct, a circumstance, or a result, means that a person has actual knowledge, or should have known, of the conduct, the circumstance, or the result.

- (13) Nuclear explosive device—The term “nuclear explosive device” means any device, whether assembled or disassembled, that is designed to produce an instantaneous release of an amount of nuclear energy from special nuclear material (as defined in section 11(aa) of the Atomic Energy Act of 1954) that is greater than the amount of energy that would be released from the detonation of one pound of trinitrotoluene (TNT).
- (14) Person—
  - (A) In general—The term “person” means—
    - (i) a natural person;
    - (ii) a corporation, business association, partnership, society, trust, financial institution, insurer, underwriter, guarantor, and any other business organization, any other nongovernmental entity, organization, or group, and any governmental entity operating as a business enterprise; and
    - (iii) any successor to any entity described in clause (ii).
  - (B) Application to governmental entities—The term “person” does not include a government or governmental entity that is not operating as a business enterprise.
- (15) Petroleum resources—The term “petroleum resources” includes petroleum, refined petroleum products, oil or liquefied natural gas, natural gas resources, oil or liquefied natural gas tankers, and products used to construct or maintain pipelines used to transport oil or liquefied natural gas.
- (16) Refined petroleum products—The term “refined petroleum products” means diesel, gasoline, jet fuel (including naphtha-type and kerosene-type jet fuel), and aviation gasoline.
- (17) United States or State—The term “United States” or “State” means the several States, the District of Columbia, the Commonwealth of Puerto Rico, the Commonwealth of the Northern Mariana Islands, American Samoa, Guam, the United States Virgin Islands, and any other territory or possession of the United States.
- (18) United States person—The term “United States person” means—
  - (A) a natural person who is a citizen of the United States or who owes permanent allegiance to the United States; and
  - (B) a corporation or other legal entity which is organized under the laws of the United States, any State or territory thereof, or the District of Columbia, if natural persons described in subparagraph (A) own, directly or indirectly, more than 50 percent of the outstanding capital stock or other beneficial interest in such legal entity.