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111TH CONGRESS
1ST SESSION

H. R. 1367

To strengthen the liability of parent companies for violations of sanctions by foreign entities, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

MARCH 5, 2009

Mr. WEINER introduced the following bill; which was referred to the Committee on Foreign Affairs

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A BILL

To strengthen the liability of parent companies for violations of sanctions by foreign entities, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Stop Business with Terrorists Act of 2009''.

SEC. 2. DEFINITIONS.

In this Act:

(1) ENTITY.—The term ''entity'' means a partnership, association, trust, joint venture, corporation, or other organization.

(2) PARENT COMPANY.—The term ''parent company'' means an entity that is a United States person and—

(A) the entity owns, directly or indirectly, more than 50 percent of the equity interest by vote or value in another entity;

(B) board members or employees of the entity hold a majority of board seats of another entity; or

(C) the entity otherwise controls or is able to control the actions, policies, or personnel decisions of another entity.

(3) 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) an entity that 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 entity.

SEC. 3. LIABILITY OF PARENT COMPANIES FOR VIOLATIONS OF SANCTIONS BY FOREIGN ENTITIES.

(a) IN GENERAL.—In any case in which an entity engages in an act outside the United States that, if committed in the United States or by a United States person, would violate the provisions of Executive Order 12959 (50 U.S.C. 1701 note) or Executive Order 13059 (50 U.S.C. 1701 note), or any other prohibition on transactions with respect to Iran imposed under the authority of the International Emergency Economic Powers Act (50 U.S.C. 1701 et seq.), the parent company of the entity shall be subject to the penalties for the act to the same extent as if the parent company had engaged in the act.

(b) APPLICABILITY.—Subsection (a) shall not apply to a parent company of an entity on which the President imposed a penalty for a violation described in subsection (a) that was in effect on the date of the enactment of this Act if the parent company divests or terminates its business with such entity not later than 90 days after such date of enactment.

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