

DECEMBER 7, 2017

RULES COMMITTEE PRINT 115–47
TEXT OF H. R. 1638, IRANIAN LEADERSHIP ASSET
TRANSPARENCY ACT

[Showing the text of H. R. 1638 as ordered reported by the
Committee on Financial Services.]

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “Iranian Leadership
3 Asset Transparency Act”.

4 **SEC. 2. FINDINGS.**

5 The Congress finds the following:

6 (1) Iran is characterized by high levels of offi-
7 cial and institutional corruption, and substantial in-
8 volvement by Iran’s security forces, particularly the
9 Islamic Revolutionary Guard Corps (IRGC), in the
10 economy.

11 (2) Many members of Iran’s senior political and
12 military leadership have acquired significant per-
13 sonal and institutional wealth by using their posi-
14 tions to secure control of significant portions of
15 Iran’s national economy.

16 (3) Sanctions relief provided through the Joint
17 Comprehensive Plan of Action has resulted in the re-
18 moval of many Iranian entities that are tied to gov-

1 ernmental corruption from the list of entities sanc-
2 tioned by the United States.

3 (4) The Department of Treasury in 2011 des-
4 ignated the Islamic Republic of Iran’s financial sec-
5 tor as a jurisdiction of primary money laundering
6 concern under section 311 of the USA PATRIOT
7 Act, stating “Treasury has for the first time identi-
8 fied the entire Iranian financial sector; including
9 Iran’s Central Bank, private Iranian banks, and
10 branches, and subsidiaries of Iranian banks oper-
11 ating outside of Iran as posing illicit finance risks
12 for the global financial system.”.

13 (5) Iran continues to be listed by the Financial
14 Action Task Force (FATF) among the “Non-Coop-
15 erative Countries or Territories”—countries which it
16 perceived to be non-cooperative in the global fight
17 against terror finance and money laundering.

18 (6) Iran and North Korea are the only coun-
19 tries listed by the FATF as “Non-Cooperative Coun-
20 tries or Territories” against which FATF countries
21 should take measures.

22 (7) The Transparency International index of
23 perceived public corruption ranks Iran 130th out of
24 168 countries surveyed.

1 (8) The State Department identified Iran as a
2 “major money-laundering country” in its Inter-
3 national Narcotics Control Strategy Report
4 (INCSR) for 2016.

5 (9) The State Department currently identifies
6 Iran, along with Sudan and Syria, as a state sponsor
7 of terrorism, “having repeatedly provided support
8 for acts of international terrorism”.

9 (10) The State Department’s “Country Reports
10 on Terrorism”, published last in July 2017, noted
11 that “Iran continued to sponsor terrorist groups
12 around the world, principally through its Islamic
13 Revolutionary Guard Corps–Qods Force (IRGC–
14 QF). These groups included Lebanese Hizballah,
15 several Iraqi Shia militant groups, Hamas, and Pal-
16 estine Islamic Jihad. Iran, Hizballah, and other Shia
17 militia continued to provide support to the Asad re-
18 gime, dramatically bolstering its capabilities, pro-
19 longing the civil war in Syria, and worsening the
20 human rights and refugee crisis there.”.

21 (11) The Iranian Government’s tolerance of
22 corruption and nepotism in business limits opportu-
23 nities for foreign and domestic investment, particu-
24 larly given the significant involvement of the IRGC
25 in many sectors of Iran’s economy.

1 (12) The IRGC and the leadership-controlled
2 bonyads (foundations) control an estimated one-third
3 of Iran's total economy, including large portions of
4 Iran's telecommunications, construction, and airport
5 and port operations. These operations give the IRGC
6 and bonyads vast funds to support terrorist organi-
7 zations such as Hezbollah and Hamas.

8 (13) By gaining control of major economic sec-
9 tors, the IRGC and bonyads have also served to fur-
10 ther disadvantage the average Iranian.

11 **SEC. 3. REPORT REQUIREMENT RELATING TO ASSETS OF**
12 **IRANIAN LEADERS AND CERTAIN SENIOR PO-**
13 **LITICAL FIGURES.**

14 (a) IN GENERAL.—Not later than 270 days after the
15 date of enactment of this Act, and annually thereafter (or
16 more frequently if the Secretary of the Treasury deter-
17 mines it appropriate based on new information received
18 by the Secretary) for the following 2 years, the Secretary
19 of the Treasury shall, in furtherance of the Secretary's
20 efforts to prevent the financing of terrorism, money laun-
21 dering, or related illicit finance and to make financial in-
22 stitutions' required compliance with remaining sanctions
23 more easily understood, submit a report to the appropriate
24 congressional committees containing—

1 (1) the estimated total funds or assets held in
2 accounts at U.S. and foreign financial institutions
3 that are under direct or indirect control by each nat-
4 ural person described in subsection (b) and a de-
5 scription of such assets;

6 (2) an identification of any equity stake such
7 natural person has in an entity on the Department
8 of the Treasury's list of Specially Designated Na-
9 tionals or in any other sanctioned entity;

10 (3) a description of how such funds or assets or
11 equity interests were acquired, and how they have
12 been used or employed;

13 (4) a description of any new methods or tech-
14 niques used to evade anti-money laundering and re-
15 lated laws, including recommendations to improve
16 techniques to combat illicit uses of the U.S. financial
17 system by each natural person described in sub-
18 section (b);

19 (5) recommendations for how U.S. economic
20 sanctions against Iran may be revised to prevent the
21 funds or assets described under this subsection from
22 being used by the natural persons described in sub-
23 section (b) to contribute to the continued develop-
24 ment, testing, and procurement of ballistic missile
25 technology by Iran;

1 (6) a description of how the Department of the
2 Treasury assesses the impact and effectiveness of
3 U.S. economic sanctions programs against Iran; and

4 (7) recommendations for improving the ability
5 of the Department of the Treasury to rapidly and ef-
6 fectively develop, implement, and enforce additional
7 economic sanctions against Iran if so ordered by the
8 President under the International Emergency Eco-
9 nomic Powers Act or other corresponding legislation.

10 (b) PERSONS DESCRIBED.—The natural persons de-
11 scribed in this subsection are the following:

12 (1) The Supreme Leader of Iran.

13 (2) The President of Iran.

14 (3) Members of the Council of Guardians.

15 (4) Members of the Expediency Council.

16 (5) The Minister of Intelligence and Security.

17 (6) The Commander and the Deputy Com-
18 mander of the IRGC.

19 (7) The Commander and the Deputy Com-
20 mander of the IRGC Ground Forces.

21 (8) The Commander and the Deputy Com-
22 mander of the IRGC Aerospace Force.

23 (9) The Commander and the Deputy Com-
24 mander of the IRGC Navy.

1 (10) The Commander of the Basij-e
2 Mostaz'afin.

3 (11) The Commander of the Qods Force.

4 (12) The Commander in Chief of the Police
5 Force.

6 (13) The head of the IRGC Joint Staff.

7 (14) The Commander of the IRGC Intelligence.

8 (15) The head of the IRGC Imam Hussein Uni-
9 versity.

10 (16) The Supreme Leader's Representative at
11 the IRGC.

12 (17) The Chief Executive Officer and the
13 Chairman of the IRGC Cooperative Foundation.

14 (18) The Commander of the Khatam-al-Anbia
15 Construction Head Quarter.

16 (19) The Chief Executive Officer of the Basij
17 Cooperative Foundation.

18 (20) The head of the Political Bureau of the
19 IRGC.

20 (21) The head of the Atomic Energy Organiza-
21 tion of Iran.

22 (c) FORM OF REPORT; PUBLIC AVAILABILITY.—

23 (1) FORM.—The report required under sub-
24 section (a) shall be submitted in unclassified form
25 but may contain a classified annex.

1 (2) PUBLIC AVAILABILITY.—The unclassified
2 portion of such report shall be made available to the
3 public and posted on the website of the Department
4 of the Treasury—

5 (A) in English, Farsi, Arabic, and Azeri;
6 and

7 (B) in precompressed, easily downloadable
8 versions that are made available in all appro-
9 priate formats.

10 (d) SOURCES OF INFORMATION.—In preparing a re-
11 port described under subsection (a), the Secretary of the
12 Treasury may use any credible publication, database, web-
13 based resource, public information compiled by any gov-
14 ernment agency, and any information collected or com-
15 piled by a nongovernmental organization or other entity
16 provided to or made available to the Secretary, that the
17 Secretary finds credible.

18 (e) DEFINITIONS.—For purposes of this section:

19 (1) APPROPRIATE CONGRESSIONAL COMMIT-
20 TEES.—The term “appropriate congressional com-
21 mittees” means the Committees on Financial Serv-
22 ices and Foreign Affairs of the House of Represent-
23 atives and the Committees on Banking, Housing,
24 and Urban Affairs and Foreign Relations of the
25 Senate.

1 (2) FUNDS.—The term “funds” means—

2 (A) cash;

3 (B) equity;

4 (C) any other intangible asset whose value
5 is derived from a contractual claim, including
6 bank deposits, bonds, stocks, a security as de-
7 fined in section 2(a) of the Securities Act of
8 1933 (15 U.S.C. 77b(a)), or a security or an
9 equity security as defined in section 3(a) of the
10 Securities Exchange Act of 1934 (15 U.S.C.
11 78c(a)); and

12 (D) anything else that the Secretary deter-
13 mines appropriate.

14 **SEC. 4. SENSE OF CONGRESS.**

15 It is the sense of Congress that in preparing the re-
16 ports required under section 3, the Secretary of the Treas-
17 ury should consider acquiring information from sources
18 that—

19 (1) collect and, if necessary, translate high-ve-
20 racity, official records; or

21 (2) provide search and analysis tools that en-
22 able law enforcement to have new insights into com-
23 mercial and financial relationships.

