

DECEMBER 7, 2017

**RULES COMMITTEE PRINT 115–48**  
**TEXT OF H. R. 4324, STRENGTHENING**  
**OVERSIGHT OF IRAN’S ACCESS TO FINANCE ACT**

**[Showing the text of H. R. 4324 as ordered reported by the  
Committee on Financial Services.]**

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “Strengthening Over-  
3 sight of Iran’s Access to Finance Act”.

4 **SEC. 2. FINDINGS.**

5 The Congress finds the following:

6 (1) Under the Joint Comprehensive Plan of Ac-  
7 tion (JCPOA), informally known as the Iran nuclear  
8 deal, the Obama administration agreed to license the  
9 sale of commercial passenger aircraft to Iran, the  
10 world’s foremost state sponsor of terrorism and a ju-  
11 risdiction of primary money laundering concern.

12 (2) In April 2015, prior to the adoption of the  
13 JCPOA, Secretary of the Treasury Jacob Lew, in  
14 publicly advocating for its provisions, stated: “Make  
15 no mistake: deal or no deal, we will continue to use  
16 all our available tools, including sanctions, to  
17 counter Iran’s menacing behavior. Iran knows that  
18 our host of sanctions focused on its support for ter-

1       rorism and its violations of human rights are not,  
2       and have never been, up for discussion.”.

3           (3) In March 2016 remarks to the Carnegie  
4       Endowment for International Peace, Secretary Lew,  
5       in reference to U.S. commitments under the  
6       JCPOA, stated: “While we have lifted the nuclear  
7       sanctions, we continue to enforce sanctions directed  
8       at support for terrorism and regional destabilization,  
9       and missile and human rights violations.”.

10          (4) In an April 2016 forum at the Council on  
11       Foreign Relations, Secretary Lew stated that, under  
12       the JCPOA, the U.S. committed to lifting its nu-  
13       clear sanctions, “but the U.S. financial system is not  
14       open to Iran, and that is not something that is going  
15       to change”.

16          (5) In September 2016, the Department of the  
17       Treasury’s Office of Foreign Assets Control (OFAC)  
18       issued licenses permitting the export of up to 97 air-  
19       craft for use by Iran Air, the Islamic Republic of  
20       Iran’s flagship state-owned carrier. These licenses  
21       included authorization for U.S. financial institutions  
22       “to engage in all transactions necessary to provide  
23       financing or other financial services” in order to ef-  
24       fectuate the sales. In November 2016, OFAC li-  
25       censed an additional 106 aircraft for purchase by

1 Iran Air, which are also eligible for financing au-  
2 thorized by OFAC.

3 (6) The Department of the Treasury had sanc-  
4 tioned Iran Air in 2011 for its use of commercial  
5 passenger aircraft to transport rockets, missiles, and  
6 other military cargo on behalf of the Islamic Revolu-  
7 tionary Guard Corps (IRGC) and Iran's Ministry of  
8 Defense and Armed Forces Logistics, both of which  
9 had been designated under Executive Order 13382  
10 for weapons proliferation-related activities. In Octo-  
11 ber 2017, the IRGC went on to be designated under  
12 Executive Order 13224 for its support of the IRGC-  
13 Qods Force, which has provided support to terrorist  
14 groups such as Hizballah, Hamas, and the Taliban.

15 (7) Among Iran Air's sanctionable activities,  
16 the airline delivered missile or rocket components to  
17 the Assad government in Syria, which like Iran is  
18 classified as a state sponsor of terrorism.

19 (8) The Assad regime is responsible for a civil  
20 conflict that has claimed an estimated 400,000 lives,  
21 including through the government's deployment of  
22 chemical weapons and barrel bombs against un-  
23 armed civilians and children.

24 (9) Despite being delisted in 2016, Iran Air has  
25 continued to fly known weapons resupply routes to

1 government-controlled areas of Syria. According to  
2 research by the Foundation for Defense of Democ-  
3 racies, between Implementation Day of the JCPOA  
4 on January 16, 2016, and May 4, 2017, Iran Air  
5 operated at least 134 flights to Syria, which in-  
6 cluded stops in Abadan, Iran, a suspected IRGC  
7 logistical hub for airlifts to the Assad regime.

8 (10) In November 2016 correspondence to the  
9 Chairman of the House Committee on Financial  
10 Services, the Department of the Treasury noted that  
11 the commitment to delist Iran Air under the JCPOA  
12 “does not affect our ability to designate, or re-des-  
13 ignate, any Iranian airline that engages in  
14 sanctionable activity. The United States retains the  
15 ability to designate any individual or entity that en-  
16 engages in sanctionable activities under our authorities  
17 targeting conduct outside the scope of the JCPOA,  
18 including Iran’s support for terrorism, human rights  
19 abuses, ballistic missile program, and other desta-  
20 bilizing activities in the region.”.

21 (11) In April 2017, Iran announced a deal for  
22 Aseman Airlines to purchase up to 60 commercial  
23 aircraft, a transaction that would require authoriza-  
24 tion by OFAC. Aseman Airlines’ chief executive offi-

1 cer, Hossein Alaei, has for decades served as a sen-  
2 ior member of the IRGC.

3 **SEC. 3. CERTIFICATIONS FOR AIRCRAFT-RELATED TRANS-**  
4 **ACTIONS BY UNITED STATES AND FOREIGN**  
5 **FINANCIAL INSTITUTIONS.**

6 (a) IN GENERAL.—Not later than 30 days after au-  
7 thorizing a transaction by a United States or foreign fi-  
8 nancial institution in connection with the export or re-ex-  
9 port of a commercial passenger aircraft to Iran (or, for  
10 an authorization made after January 16, 2016, but before  
11 the date of the enactment of this Act, not later than 60  
12 days after such date of enactment), and every 180 days  
13 thereafter for the duration of the authorization, the Sec-  
14 retary of the Treasury shall submit the report described  
15 under subsection (b) to the appropriate congressional com-  
16 mittees.

17 (b) REPORT WITH RESPECT TO FINANCIAL INSTITU-  
18 TIONS' IRAN-RELATED TRANSACTIONS AND DUE DILI-  
19 GENCE.—With respect to a financial institution and a  
20 transaction described under subsection (a), a report is de-  
21 scribed under this subsection if it contains—

22 (1) a list of financial institutions that, since  
23 January 16, 2016, have conducted transactions au-  
24 thorized by the Secretary in connection with the ex-

1 port or re-export of commercial passenger aircraft to  
2 Iran;

3 (2) either—

4 (A) a certification that—

5 (i) the transaction does not pose a  
6 significant money laundering or terrorism  
7 financing risk to the United States finan-  
8 cial system;

9 (ii) the transaction will not benefit an  
10 Iranian person that, since the date that is  
11 one year preceding the date of the certifi-  
12 cation—

13 (I) has knowingly transported  
14 items used for the proliferation of  
15 weapons of mass destruction, includ-  
16 ing systems designed in whole or in  
17 part for the delivery of such weapons;  
18 or

19 (II) has knowingly provided  
20 transportation services or material  
21 support for, or on behalf of, any per-  
22 son designated under Executive Or-  
23 ders 13224, 13382, or 13572; and

24 (iii) any financial institution described  
25 under subsection (b)(1) has had since the

1 date such authorization was made, or, if  
2 the authorization is no longer in effect,  
3 had for the duration of such authorization,  
4 appropriate policies, procedures, and proc-  
5 esses in place to avoid engaging in  
6 sanctionable activities that may result from  
7 the financial institutions' exposure to Iran;  
8 or

9 (B) a statement that the Secretary is un-  
10 able to make the certification described under  
11 subparagraph (A) and a notice that the Sec-  
12 retary will, not later than 60 days after the  
13 date the determination is submitted to the ap-  
14 propriate congressional committees, issue a re-  
15 port on non-certification described under sub-  
16 section (c) to the appropriate congressional  
17 committees.

18 (c) REPORT ON NON-CERTIFICATION.—With respect  
19 to a financial institution and a transaction described  
20 under subsection (a), a report on non-certification is de-  
21 scribed under this subsection if it contains—

22 (1) a detailed explanation for why the Secretary  
23 is unable to make the certification described under  
24 subsection (b)(2);

1           (2) a notification of whether the Secretary  
2 will—

3           (A) not amend the authorization of the  
4 transaction with respect to a financial institu-  
5 tion, notwithstanding such non-certification;

6           (B) suspend the authorization until the  
7 Secretary is able to make such certification;

8           (C) revoke the authorization; or

9           (D) otherwise amend the authorization;  
10 and

11           (3) an explanation of the reasons for any action  
12 to be taken described under paragraph (2).

13           (d) WAIVER.—The President may waive, on a case-  
14 by-case basis, the provisions of this Act for up to one year  
15 at a time upon certifying to the appropriate congressional  
16 committees that—

17           (1) the Government of Iran has—

18           (A) made substantial progress towards  
19 combating money laundering and terrorism fi-  
20 nancing risk emanating from Iran; or

21           (B) has significantly reduced Iran's—

22           (i) destabilizing activities in the re-  
23 gion; or

24           (ii) material support for terrorist  
25 groups; or



1           (2) such waiver is important to the national se-  
2           curity interests of the United States, with an expla-  
3           nation of the reasons therefor.

4           (e) TERMINATION.—This section shall cease to be ef-  
5           fective on the date that is 30 days after the date on which  
6           the President certifies to the appropriate congressional  
7           committees that—

8           (1)(A) the Secretary does not find, under sec-  
9           tion 5318A of title 31, United States Code, that rea-  
10          sonable grounds exist for concluding that Iran is a  
11          jurisdiction of primary money laundering concern;  
12          and

13          (B) Iran has ceased providing support for acts  
14          of international terrorism; or

15          (2) terminating the provisions of this section is  
16          vital to the national security interests of the United  
17          States, with an explanation of the reasons therefor.

18          (f) 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, and  
24          Urban Affairs and Foreign Relations of the Senate.

1           (2) FINANCIAL INSTITUTION.—The term “fi-  
2           nancial institution” means a United States financial  
3           institution or a foreign financial institution.

4           (3) FOREIGN FINANCIAL INSTITUTION.—The  
5           term “foreign financial institution” has the meaning  
6           given that term under section 561.308 of title 31,  
7           Code of Federal Regulations.

8           (4) KNOWINGLY.—The term “knowingly”, with  
9           respect to conduct, a circumstance, or a result,  
10          means that a person has actual knowledge, or should  
11          have known, of the conduct, the circumstance, or the  
12          result.

13          (5) SECRETARY.—The term “Secretary” means  
14          the Secretary of the Treasury.

15          (6) UNITED STATES FINANCIAL INSTITUTION.—  
16          The term “United States financial institution” has  
17          the meaning given the term “U.S. financial institu-  
18          tion” under section 561.309 of title 31, Code of  
19          Federal Regulations.

