To protect the American and Iranian peoples as well as the global economy from Iran’s systematic abjuration of international legal standards on human and civil rights, its support for international terrorism, and the corrosive economic malfeasance of Iran’s Revolutionary Guard Corps, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

Mr. Nunes introduced the following bill; which was referred to the Committee on

A BILL

To protect the American and Iranian peoples as well as the global economy from Iran’s systematic abjuration of international legal standards on human and civil rights, its support for international terrorism, and the corrosive economic malfeasance of Iran’s Revolutionary Guard Corps, and for other purposes.

1 Be it enacted by the Senate and House of Representa-
2 tives of the United States of America in Congress assembled,
3 SECTION 1. SHORT TITLE.
4 This Act may be cited as the “IRGC Sanctions Act”.
SEC. 2. FINDINGS.

Congress finds the following:

(1) The Iranian people have been seeking political and economic freedom since 1979, and attempted to gain it during the 2009 Green Revolution.

(2) The Iranian Government, through Iran’s Revolutionary Guard Corps (IRGC) and its Basij militia auxiliaries, violently crushed the 2009 Green Revolution, thwarting the legitimate aspirations to political and economic freedom of the Iranian people through terrorism, extrajudicial killings, arbitrary imprisonment, and torture.

(3) The Iranian Government systematically discriminates against religious and ethnic minorities, including Bahais, Christians, Jews, Sufis, Zoroastrians, Kurds, Arabs, Baluchis, Turkmen, and Azeris, among others and denies them freedom to emigrate.

(4) The United States designated the Government of Iran as a state sponsor of terrorism in 1984 and identified the IRGC and the IRGC–Quds Force as principle agents of Iran’s support for international terrorism.

(5) The IRGC has, since its inception in 1979, steadily used its illegitimate power and threat of ar-
bitary detention, torture, and extrajudicial killing to gain dominance over a substantial proportion of Iran’s economy, the proceeds from which are being used to finance international terrorism, and to repress the legitimate aspirations to political and economic freedom of the Iranian people.

(6) The IRGC has a substantial and growing presence in Iran’s financial and commercial sectors and extensive economic interests in the defense production, construction, and oil industries, among others, controlling billions of dollars in corporate business, among others.

(7) The IRGC directly owns substantial shares in 14 companies publicly traded on the Tehran Stock Exchange with a combined value of $17 billion. There are an additional 13 publicly traded companies with significant ownership by the IRGC, the Armed Forces, and the Basij militia. Taken together, these 27 companies are worth more than 20 percent of the Tehran Stock Exchange.

(8) In addition, the IRGC controls hundreds of Iranian privately-held companies in nearly all sectors of the Iranian economy.

(9) Because of the authority wielded by the IRGC, including the ability to arbitrarily detain, in-
carcerate, torture, and kill Iranian citizens, Western legal norms for evaluating control of business enti-
ties do not apply. Thus, IRGC influence over Iranian economic activity may be vastly more pervasive than may be mathematically calculated using standard Western methodologies.

(10) The Joint Comprehensive Plan of Action’s termination of sanctions on Iran will inevitably open the global economy to these corporations, broadening the scope of the ability of the IRGC to profit, including through international money-laundering, and to use its increasing economic resources to conduct ter-
rorist attacks around the globe.

SEC. 3. STATEMENT OF POLICY.

It shall be the policy of the United States that—

(1) in order to protect United States citizens and businesses and the international community from the expanding terrorist, financial, and commer-
cial network of Iran’s Revolutionary Guard Corps (IRGC), also known as the Army of the Guardians of the Iranian Revolution and the Iranian Revolu-
tionary Guard Corps, and to assist Iranian entre-
preneurs, businesses, workers, and farmers who want to participate lawfully in the global economy, the United States shall seek to prevent the IRGC
from obtaining financial benefit from Iran’s post-
Joint Comprehensive Plan of Action access to the
global economy; and

(2) any and all financial transactions with sub-
sidiaries or affiliates of the IRGC shall be treated as
a financial transaction with the IRGC as a whole.

SEC. 4. CONGRESSIONAL APPROVAL OF RESCISSION OF DE-
TERMINATION OF STATE SPONSORS OF TERRORISM.

(a) ARMS EXPORT CONTROL ACT.—Section
40(f)(2)(A) of the Arms Export Control Act (22 U.S.C.
2780(f)(2)(A)) is amended to read as follows:

“(A) In addition to meeting the requirements of
subparagraph (A) and (B) of paragraph (1), a deter-
mination made by the Secretary of State under sub-
section (d) may be rescinded only if Congress, within
45 days after receipt of a report under paragraph
(1)(B) with respect to a proposed rescission of such
determination, enacts a joint resolution the matter
after the resolving clause of which is as follows:
‘That the proposed rescission of the determination
under section 40(d) of the Arms Export Control Act
pursuant to the report submitted to the Congress on
______ is hereby approved.’, the blank to be com-
pleted with the appropriate date.”.
(b) FOREIGN ASSISTANCE ACT OF 1961.—Section 620A of the Foreign Assistance Act of 1961 (22 U.S.C. 2371) is amended—

(1) by redesignating subsection (d) as subsection (e); and

(2) by inserting after subsection (c) the following:

“(d) ADDITIONAL REQUIREMENT WITH RESPECT TO RESCISSION.—

“(1) IN GENERAL.—In addition to meeting the requirements of paragraphs (1) and (2) of subsection (c), a determination made by the Secretary of State under subsection (a) may be rescinded only if Congress, within 45 days after receipt of a report under subsection (c)(2) with respect to a proposed rescission of such determination, enacts a joint resolution the matter after the resolving clause of which is as follows: ‘That the proposed rescission of the determination under section 620A(a) of the Foreign Assistance Act of 1961 pursuant to the report submitted to the Congress on ______ is hereby approved.’, the blank to be completed with the appropriate date.

“(2) CONGRESSIONAL PROCEDURES.—A joint resolution described in paragraph (1) and introduced
within the appropriate 45-day period shall be consid-
ered in the Senate and the House of Representatives
in accordance with paragraphs (3) through (7) of
section 8066(e) of the Department of Defense Ap-
propriations Act (as contained in Public Law 98–
473), except that references in such paragraphs to
the Committees on Appropriations of the House of
Representatives and the Senate shall be deemed to
be references to the Committee on Foreign Affairs
of the House of Representatives and the Committee
on Foreign Relations of the Senate, respectively.”.

(c) Export Administration Act of 1979.—Sec-
tion 6(j) of the Export Administration Act of 1979 (50
U.S.C. App. 2405) (as continued in effect pursuant to the
International Emergency Economic Powers Act) is amend-
ed—

(1) by redesignating paragraphs (5) and (6) as
paragraphs (6) and (7), respectively; and

(2) by inserting after paragraph (4) the fol-
lowing:

“(5)(A) In addition to meeting the require-
ments of subparagraphs (A) and (B) of paragraph
(4), a determination made by the Secretary of State
under paragraph (1)(A) may be rescinded only if
Congress, within 45 days after receipt of a report
under paragraph (4)(B) with respect to a proposed rescission of such determination, enacts a joint resolution the matter after the resolving clause of which is as follows: ‘That the proposed rescission of the determination under section 6(j)(1)(A) of the Export Administration Act of 1979 (as continued in effect pursuant to the International Emergency Economic Powers Act) pursuant to the report submitted to the Congress on ______ is hereby approved.’, the blank to be completed with the appropriate date.

“(B) A joint resolution described in subparagraph (A) and introduced within the appropriate 45-day period shall be considered in the Senate and the House of Representatives in accordance with paragraphs (3) through (7) of section 8066(c) of the Department of Defense Appropriations Act (as contained in Public Law 98–473), except that references in such paragraphs to the Committees on Appropriations of the House of Representatives and the Senate shall be deemed to be references to the Committee on Foreign Affairs of the House of Representatives and the Committee on Foreign Relations of the Senate, respectively.”.

(d) EFFECTIVE DATE.—The amendments made by subsections (a), (b), and (c) take effect on the date of the
enactment of this Act and apply with respect to a proposed
rescission of a determination of the Secretary of State
under section 40(d) of the Arms Export Control Act, sec-
tion 620A of the Foreign Assistance Act of 1961, or sec-
tion 6(j) of the Export Administration Act of 1979 (as
continued in effect pursuant to the International Emer-
gency Economic Powers Act), respectively, that is con-
tained in any report submitted under any such section on
or after such date of enactment.

SEC. 5. APPLICATION OF TITLE IV OF THE TRADE ACT OF
1974 TO IRAN.

On and after the date of the enactment of this Act,
title IV of the Trade Act of 1974 (19 U.S.C. 2431 et seq.)
shall apply to Iran.

SEC. 6. PROHIBITIONS ON FINANCIAL TRANSACTIONS WITH
IRAN’S REVOLUTIONARY GUARD CORPS AND
ITS AFFILIATES AND ENTITIES OWNED OR
CONTROLLED BY IRAN’S REVOLUTIONARY
GUARD CORPS AND ITS AFFILIATES.

(a) IN GENERAL.—Title III of the Iran Threat Re-
duction and Syria Human Rights Act of 2012 (22 U.S.C.
8741 et seq.) is amended by adding at the end the fol-
lowing:
“Subtitle C—Prohibitions on Financial Transactions With Iran’s Revolutionary Guard Corps and Its Affiliates and Entities Owned or Controlled by Iran’s Revolutionary Guard Corps and Its Affiliates

“SEC. 321. PROHIBITIONS ON FINANCIAL TRANSACTIONS WITH IRAN’S REVOLUTIONARY GUARD CORPS AND ITS AFFILIATES AND ENTITIES OWNED OR CONTROLLED BY IRAN’S REVOLUTIONARY GUARD CORPS AND ITS AFFILIATES.

“(a) In General.—Except as provided in subsections (b) and (c), beginning on the date that is 30 days after the date of the enactment of the IRGC Sanctions Act, and notwithstanding any other provision of law, a United States person may not knowingly engage in any financial transaction with, or transfer of funds to, any of the following:

“(1) Iran’s Revolutionary Guard Corps or any subdivision of Iran’s Revolutionary Guard Corps, including Iran’s Revolutionary Guard Corps—Quds Force.
“(2) Any person that is an agent, alias, front, instrumentality, or affiliate of any entity specified in paragraph (1).

“(3) Any person that is owned or controlled by an entity specified in paragraph (1) or a person specified in paragraph (2).

“(4) Any natural person who is a representative, official, or senior member of any entity specified in paragraph (1).

“(5) Any person—

“(A) for the purpose of avoiding a financial transaction with, or transfer of funds to, an individual or entity specified in any of paragraphs (1) through (4); or

“(B) for the benefit of an individual or entity specified in any of paragraphs (1) through (4).

“(b) EXCEPTION UNDER TITLE V OF NATIONAL SECURITY ACT OF 1947.—The prohibitions on financial transactions and transfers of funds under subsection (a) shall not apply with respect to any activities subject to reporting requirements under title V of the National Security Act of 1947.

“(c) IMPLEMENTATION; PENALTIES.—
“(1) IMPLEMENTATION.—The President shall exercise all authorities under sections 203 and 205 of the International Emergency Economic Powers Act (50 U.S.C. 1702 and 1704) to carry out this section, except that the President—

“(A) shall not issue any general license authorizing, or otherwise authorize, any activity prohibited under subsection (a); and

“(B) shall require any United States person seeking to engage in a financial transaction or transfer of funds prohibited under subsection (a) to submit a written request to the Office of Foreign Assets Control of the Department of the Treasury.

“(2) PENALTIES.—A person that violates, attempts to violate, conspires to violate, or causes a violation of subsection (a) or any regulation, license, or order issued to carry out subsection (a) shall be subject to the penalties set forth in subsections (b) and (c) of section 206 of the International Emergency Economic Powers Act (50 U.S.C. 1705) to the same extent as a person that commits an unlawful act described in subsection (a) of that section.

“(d) CODIFICATION OF SPECIALLY DESIGNATED NATIONALS AND BLOCKED PERSONS.—On or after the date
of the enactment of the IRGC Sanctions Act, any person that meets any of the criteria of paragraphs (2) through (5) of subsection (a) and is included on the list of specially designated nationals and blocked persons maintained by the Office of Foreign Assets Control of the Department of the Treasury, may not be removed from such list unless there is enacted a joint resolution stating that there exists convincing evidence that Iran’s Revolutionary Guard Corps is completely divested from the person and providing for the removal of such person from such list.

“(e) DEFINITIONS.—In this section:

“(1) CONTROLLED.—The term ‘controlled’ means, with respect to a person, to possess, directly or indirectly, the power to direct or cause the direction of the management and policies of the person, whether through—

“(A) ownership of the person;

“(B) a member or members of the board of directors of the person; or

“(C) threat of arbitrary detention, imprisonment, torture, or killing, or otherwise.

“(2) KNOWINGLY.—The term ‘knowingly’, with respect to conduct, a circumstance, or a result, has the meaning given that term in section 101 of the

“(3) OWNED OR OWNERSHIP.—The term ‘owned’ or ‘ownership’ means, with respect to a person—

“(A) to hold more than 10 percent of the equity interest by vote or value in the person;

“(B) to hold a majority of seats on the board of directors of the person; or

“(C) to otherwise direct the actions, policies, or personnel decisions of the person.

“(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; 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) UNITED STATES PERSON.—The term ‘United States person’ has the meaning given such term in section 101 of the Comprehensive Iran

“SEC. 322. REPORT ON THE ROLE OF IRAN’S REVOLUTIONARY GUARD CORPS IN THE ECONOMY AND FOREIGN RELATIONSHIPS OF IRAN.

“Not later than 90 days after the date of the enactment of the IRGC Sanctions Act, and on a quarterly basis thereafter, the President shall submit to Congress a report that—

“(1) describes all financial and commercial activities of Iran’s Revolutionary Guard Corps or any subdivision of Iran’s Revolutionary Guard Corps, including Iran’s Revolutionary Guard Corps–Quds Force, and any person that is an agent, alias, front, instrumentality, or affiliate of any such entity; and

“(2) contains the watch list established and updated under section 323.

“SEC. 323. WATCH LIST OF CERTAIN PERSONS TRANSITIONING ON OR OFF THE LIST OF SPECIALLY DESIGNATED NATIONALS AND BLOCKED PERSONS.

“(a) ESTABLISHMENT.—The President shall establish and update as appropriate a watch list of—

“(1) persons that the President determines meet any of the criteria of paragraphs (2) through
(5) of section 321(a) and are not included on the list of specially designated nationals and blocked persons maintained by the Office of Foreign Assets Control of the Department of the Treasury; and

“(2) persons that are Iranian persons that meet the requirements described in section 321(a)(3) and have been removed from the list of specially designated nationals and blocked persons maintained by the Office of Foreign Assets Control of the Department of the Treasury in accordance with the terms of United Nations Security Council Resolution 2231 (2015) and the Joint Comprehensive Plan of Action.

“(b) REMOVAL.—Except as provided in subsection (a)(2), the President may remove a person listed on the watch list described in subsection (a) if—

“(1) on or after the date of the enactment of the IRGC Sanctions Act, the person is included on the list of specially designated nationals and blocked persons maintained by the Office of Foreign Assets Control of the Department of the Treasury; or

“(2) the person no longer meets any of the criteria of paragraphs (2) through (5) of section 321(a).

“(c) DEFINITION.—In this section, the term ‘Joint Comprehensive Plan of Action’ means the Joint Com-
1 Comprehensive Plan of Action, agreed to at Vienna July 14, 2015, by Iran and by the People’s Republic of China, France, Germany, the Russian Federation, the United Kingdom and the United States, with the High Representative of the European Union for Foreign Affairs and Security Policy, and all implementing materials and agreements related to the Joint Comprehensive Plan of Action.”.

(b) CLERICAL AMENDMENT.—The table of contents for the Iran Threat Reduction and Syria Human Rights Act of 2012 is amended by inserting at the end of the items relating to title III the following:

“Subtitle C—Prohibitions on Financial Transactions With Iran’s Revolutionary Guard Corps and Its Affiliates and Entities Owned or Controlled by Iran’s Revolutionary Guard Corps and Its Affiliates

“Sec. 321. Prohibitions on financial transactions with Iran’s Revolutionary Guard Corps and its affiliates and entities owned or controlled by Iran’s Revolutionary Guard Corps and its affiliates.

“Sec. 322. Report on the role of Iran’s Revolutionary Guard Corps in the economy and foreign relationships of Iran.

“Sec. 323. Watch list of certain persons transitioning on or off the list of specially designated nationals and blocked persons.”.

SEC. 7. DISCLOSURES TO THE SECURITIES AND EXCHANGE COMMISSION RELATING TO SANCTIONABLE ACTIVITIES.

(a) IN GENERAL.—Section 13(r) of the Securities Exchange Act of 1934 (15 U.S.C. 78m(r)) is amended—

(1) in paragraph (1)—

(A) in subparagraph (C), by striking “or” at the end;
(B) in subparagraph (D)(iii), by striking period at the end and inserting “; or”; and

(C) by adding at the end the following:

“(E) knowingly engaged in any financial transaction with, or transferred funds to—

“(i) Iran’s Revolutionary Guard Corps or any subdivision of Iran’s Revolutionary Guard Corps, including Iran’s Revolutionary Guard Corps–Quds Force;

“(ii) any person that is an agent, alias, front, instrumentality, or affiliate of any entity specified in clause (i);

“(iii) any person that is owned or controlled by an entity specified in clause (i) or a person specified in clause (ii);

“(iv) any natural person who is a representative, official, or senior member of any entity specified in clause (i); or

“(v) any person—

“(I) for the purpose of avoiding a financial transaction with, or transfer of funds to, an individual or entity specified in any of clauses (i) through (iv); or
“(II) for the benefit of an individual or entity specified in any of clauses (i) through (iv).”;

(2) by redesignating paragraph (6) as paragraph (8); and

(3) by inserting after paragraph (5) the following:

“(6) TREATMENT OF PERSONS RELYING ON REGULATION D.—Any person that is not required to file an annual or quarterly report under subsection (a) but that offers or sells securities in reliance on an exemption provided under Regulation D (17 C.F.R. 230.500 et seq.) shall file a quarterly report with the Commission containing the information required by paragraph (2) if, during the previous quarter, the person or any affiliate of the person took any action described in paragraph (1)(E).

“(7) DEFINITIONS.—In paragraph (1)(E), the terms ‘controlled’, ‘knowingly’, and ‘owned’ have the respective meanings given such terms in section 321(e) of the Iran Threat Reduction and Syria Human Rights Act of 2012.”.

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall take effect with respect to reports required to be filed with the Securities and Exchange Com-
mission after the date that is 180 days after the date of
the enactment of this Act.