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(Original Signature of Member)

116TH CONGRESS
2D SESSION

H. R. _____

To require the President to report on financial institutions' involvement with officials of the Iranian Government, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

Mr. HILL of Arkansas introduced the following bill; which was referred to the Committee on _____

A BILL

To require the President to report on financial institutions' involvement with officials of the Iranian Government, 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 "Holding Iranian Lead-
5 ers Accountable Act of 2020".

6 **SEC. 2. FINDINGS.**

7 The Congress finds the following:

1 (1) Iran is characterized by high levels of offi-
2 cial and institutional corruption, and substantial in-
3 volvement by Iran’s security forces, particularly the
4 Islamic Revolutionary Guard Corps (IRGC), in the
5 economy.

6 (2) In 2019, the Department of the Treasury
7 concluded that Iran is a jurisdiction of primary
8 money laundering concern and imposed restrictions
9 on correspondent accounts in the United States in-
10 volving Iranian financial institutions.

11 (3) In June 2019, the Financial Action Task
12 Force (FATF) urged all jurisdictions to require in-
13 creased supervisory examination for branches and
14 subsidiaries of financial institutions based in Iran.
15 The FATF later called upon its members to intro-
16 duce enhanced relevant reporting mechanisms or
17 systematic reporting of financial transactions, and
18 require increased external audit requirements, for fi-
19 nancial groups with respect to any of their branches
20 and subsidiaries located in Iran.

21 (4) The Transparency International index of
22 perceived public corruption ranks Iran 138th out of
23 180 countries surveyed.

24 (5) According to the State Department’s
25 “Country Reports on Terrorism” in 2018, “Iran re-

1 (ii) knowingly provide significant fi-
2 nancial services to a natural person cov-
3 ered by the report.

4 (2) BRIEFING REQUIRED.—Not later than 60
5 days after submitting a report described under para-
6 graph (1), the Secretary of the Treasury, or a des-
7 ignee of the Secretary, shall brief the appropriate
8 Members of Congress on the funds covered by the
9 report, including a description of how the funds were
10 acquired, and any illicit or corrupt means employed
11 to acquire or use the funds.

12 (3) EXEMPTIONS.—The requirements described
13 under paragraph (1) may not be applied with re-
14 spect to a natural person or a financial institution,
15 as the case may be, if the President determines:

16 (A) The funds described under subpara-
17 graph (A) of paragraph (1) were primarily ac-
18 quired through legal or noncorrupt means.

19 (B) The natural person has agreed to pro-
20 vide significant cooperation to the United
21 States for an important national security or law
22 enforcement purpose with respect to Iran.

23 (C) A financial institution that would oth-
24 erwise be listed in the report required by para-
25 graph (1) has agreed to—

1 (i) no longer maintain an account de-
2 scribed under subparagraph (C)(i) of para-
3 graph (1);

4 (ii) no longer provide significant fi-
5 nancial services to a natural person cov-
6 ered by the report; or

7 (iii) provide significant cooperation to
8 the United States for an important na-
9 tional security or law enforcement purpose
10 with respect to Iran.

11 (4) WAIVER.—The President may waive for up
12 to 1 year at a time any requirement under para-
13 graph (1) with respect to a natural person or a fi-
14 nancial institution after reporting in writing to the
15 appropriate Members of Congress that the waiver is
16 in the national interest of the United States, with a
17 detailed explanation of the reasons therefor.

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

20 (1) The Supreme Leader of Iran.

21 (2) The President of Iran.

22 (3) Members of the Council of Guardians.

23 (4) Members of the Expediency Council.

24 (5) The Minister of Intelligence and Security.

1 (6) The Commander and the Deputy Com-
2 mander of the IRGC.

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

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

7 (9) The Commander and the Deputy Com-
8 mander of the IRGC Navy.

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

11 (11) The Commander of the Qods Force.

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

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

15 (14) The Commander of the IRGC Intelligence.

16 (15) The head of the IRGC Imam Hussein Uni-
17 versity.

18 (16) The Supreme Leader's Representative at
19 the IRGC.

20 (17) The Chief Executive Officer and the
21 Chairman of the IRGC Cooperative Foundation.

22 (18) The Commander of the Khatam-al-Anbia
23 Construction Head Quarter.

24 (19) The Chief Executive Officer of the Basij
25 Cooperative Foundation.

1 (20) The head of the Political Bureau of the
2 IRGC.

3 (21) The senior leadership, as determined by
4 the President, of any terrorist group or regional
5 proxy force supported by the Government of Iran,
6 including Hizballah, Hamas, Palestinian Islamic
7 Jihad, and Kata'ib Hizballah.

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

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

12 (2) PUBLIC AVAILABILITY.—The President
13 shall make the unclassified portion of such report
14 public upon determining that the publication would
15 substantially promote any of the following:

16 (A) Deterring or sanctioning official cor-
17 ruption in Iran.

18 (B) Holding natural persons listed in the
19 report accountable to the people of Iran.

20 (C) Combating money laundering or the fi-
21 nancing of terrorism.

22 (D) Achieving any other strategic objective
23 with respect to the Government of Iran.

24 (3) WAIVER.—The President may waive the re-
25 quirements of paragraph (2) upon reporting in writ-

1 ing to the appropriate Members of Congress that the
2 waiver is in the national interest of the United
3 States, with a detailed explanation of the reasons
4 therefor.

5 (4) **FORMAT OF PUBLICLY AVAILABLE RE-**
6 **PORTS.**—If the President makes the unclassified
7 portion of a report public pursuant to paragraph
8 (2), the Secretary of the Treasury shall make it
9 available to the public on the website of the Depart-
10 ment of the Treasury—

11 (A) in English, Farsi, Arabic, and Azeri;

12 and

13 (B) in precompressed, easily downloadable
14 versions that are made available in all appro-
15 priate formats.

16 **SEC. 4. SUNSET.**

17 The provisions of this Act shall have no force or effect
18 on the earlier of—

19 (1) the date that is 3 years after the date of en-
20 actment of this Act; or

21 (2) 30 days after the President reports in writ-
22 ing to the appropriate Members of Congress that—

23 (A) Iran is not a jurisdiction of primary
24 money laundering concern; or

1 (B) the Government of Iran is providing
2 significant cooperation to the United States for
3 the purpose of preventing acts of international
4 terrorism, or for the promotion of any other
5 strategic objective that is important to the na-
6 tional interest of the United States, as specified
7 in the report by the President.

8 **SEC. 5. DEFINITIONS.**

9 For purposes of this Act:

10 (1) APPROPRIATE MEMBERS OF CONGRESS.—

11 The term “appropriate Members of Congress”
12 means the Speaker and Minority Leader of the
13 House of Representatives, the Majority Leader and
14 Minority Leader of the Senate, the Chairman and
15 Ranking Member of the Committee on Financial
16 Services of the House of Representatives, and the
17 Chairman and Ranking Member of the Committee
18 on Banking, Housing, and Urban Affairs of the Sen-
19 ate.

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

23 (3) FOREIGN FINANCIAL INSTITUTION.—The
24 term “foreign financial institution” has the meaning

1 given that term in section 561.308 of title 31, Code
2 of Federal Regulations.

3 (4) FUNDS.—The term “funds” has the mean-
4 ing given to such term by the Secretary of the
5 Treasury.

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

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