

115TH CONGRESS
1ST SESSION

H. R. 4324

To require the Secretary of the Treasury to make certifications with respect to United States and foreign financial institutions' aircraft-related transactions involving Iran, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

NOVEMBER 9, 2017

Mr. WILLIAMS introduced the following bill; which was referred to the
Committee on Financial Services

A BILL

To require the Secretary of the Treasury to make certifications with respect to United States and foreign financial institutions' aircraft-related transactions involving Iran, 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 “Strengthening Over-
5 sight of Iran’s Access to Finance Act”.

6 **SEC. 2. FINDINGS.**

7 The Congress finds the following:

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

7 (2) In April 2015, prior to the adoption of the
8 JCPOA, Secretary of the Treasury Jacob Lew, in
9 publicly advocating for its provisions, stated: “Make
10 no mistake: deal or no deal, we will continue to use
11 all our available tools, including sanctions, to
12 counter Iran’s menacing behavior. Iran knows that
13 our host of sanctions focused on its support for ter-
14 rorism and its violations of human rights are not,
15 and have never been, up for discussion.”.

16 (3) In March 2016 remarks to the Carnegie
17 Endowment for International Peace, Secretary Lew,
18 in reference to U.S. commitments under the
19 JCPOA, stated: “While we have lifted the nuclear
20 sanctions, we continue to enforce sanctions directed
21 at support for terrorism and regional destabilization,
22 and missile and human rights violations.”.

23 (4) In an April 2016 forum at the Council on
24 Foreign Relations, Secretary Lew stated that, under
25 the JCPOA, the U.S. committed to lifting its nu-

1 clear sanctions, “but the U.S. financial system is not
2 open to Iran, and that is not something that is going
3 to change”.

4 (5) In September 2016, the Department of the
5 Treasury’s Office of Foreign Assets Control (OFAC)
6 issued licenses permitting the export of up to 97 air-
7 craft for use by Iran Air, the Islamic Republic of
8 Iran’s flagship state-owned carrier. These licenses
9 included authorization for U.S. financial institutions
10 “to engage in all transactions necessary to provide
11 financing or other financial services” in order to ef-
12 fectuate the sales. In November 2016, OFAC li-
13 censed an additional 106 aircraft for purchase by
14 Iran Air, which are also eligible for financing au-
15 thorized by OFAC.

16 (6) The Department of the Treasury had sanc-
17 tioned Iran Air in 2011 for its use of commercial
18 passenger aircraft to transport rockets, missiles, and
19 other military cargo on behalf of the Islamic Revolu-
20 tionary Guard Corps (IRGC) and Iran’s Ministry of
21 Defense and Armed Forces Logistics, both of which
22 had been designated under Executive Order 13382
23 for weapons proliferation-related activities. In Octo-
24 ber 2017, the IRGC went on to be designated under
25 Executive Order 13224 for its support of the IRGC-

1 Qods Force, which has provided support to terrorist
2 groups such as Hizballah, Hamas, and the Taliban.

3 (7) Among Iran Air’s sanctionable activities,
4 the airline delivered missile or rocket components to
5 the Assad government in Syria, which like Iran is
6 classified as a state sponsor terrorism.

7 (8) The Assad regime is responsible for a civil
8 conflict that has claimed an estimated 400,000 lives,
9 including through the government’s deployment of
10 chemical weapons and barrel bombs against un-
11 armed civilians and children.

12 (9) Despite being delisted in 2016, Iran Air has
13 continued to fly known weapons resupply routes to
14 government-controlled areas of Syria. According to
15 research by the Foundation for Defense of Democ-
16 racies, between Implementation Day of the JCPOA
17 on January 16, 2016 and May 4, 2017, Iran Air op-
18 erated at least 134 flights to Syria, which included
19 stops in Abadan, Iran, a suspected IRGC logistical
20 hub for airlifts to the Assad regime.

21 (10) In November 2016 correspondence to the
22 Chairman of the House Committee on Financial
23 Services, the Department of the Treasury noted that
24 the commitment to delist Iran Air under the JCPOA
25 “does not affect our ability to designate, or re-des-

1 designate, any Iranian airline that engages in
2 sanctionable activity. The United States retains the
3 ability to designate any individual or entity that en-
4 gages in sanctionable activities under our authorities
5 targeting conduct outside the scope of the JCPOA,
6 including Iran’s support for terrorism, human rights
7 abuses, ballistic missile program, and other desta-
8 bilizing activities in the region.”.

9 (11) In April 2017, Iran announced a deal for
10 Aseman Airlines to purchase up to 60 commercial
11 aircraft, a transaction that would require authoriza-
12 tion by OFAC. Aseman Airlines’ chief executive offi-
13 cer, Hossein Alaie, has for decades served as a sen-
14 ior member of the IRGC.

15 **SEC. 3. CERTIFICATIONS FOR AIRCRAFT-RELATED TRANS-**
16 **ACTIONS BY UNITED STATES AND FOREIGN**
17 **FINANCIAL INSTITUTIONS.**

18 (a) IN GENERAL.—Not later than 30 days after au-
19 thorizing a transaction by a United States or foreign fi-
20 nancial institution in connection with the export or re-ex-
21 port of a commercial passenger aircraft to Iran (or, for
22 an authorization made after January 16, 2016 but before
23 the date of the enactment of this Act, not later than 60
24 days after such date of enactment), and every 180 days
25 thereafter for the duration of the authorization, the Sec-

1 retary of the Treasury shall submit the report described
2 under subsection (b) to the appropriate congressional com-
3 mittees.

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

9 (1) a list of financial institutions that, since
10 January 16, 2016, have conducted transactions au-
11 thorized by the Secretary in connection with the ex-
12 port or re-export of commercial passenger aircraft to
13 Iran;

14 (2) either—

15 (A) a certification that—

16 (i) the transaction does not pose a
17 significant money laundering or terrorism
18 financing risk to the United States finan-
19 cial system;

20 (ii) the transaction will not benefit an
21 Iranian person that, since the date that is
22 one year preceding the date of the certifi-
23 cation—

24 (I) has knowingly transported
25 items used for the proliferation of

1 weapons of mass destruction, includ-
2 ing systems designed in whole or in
3 part for the delivery of such weapons;
4 or

5 (II) has knowingly provided
6 transportation services or material
7 support for, or on behalf of, any per-
8 son designated under Executive Or-
9 ders 13224, 13382, or 13572; and

10 (iii) any financial institution described
11 under subsection (b)(1) has had since the
12 date such authorization was made, or, if
13 the authorization is no longer in effect,
14 had for the duration of such authorization,
15 appropriate policies, procedures, and proc-
16 esses in place to avoid engaging in
17 sanctionable activities that may result from
18 the financial institutions' exposure to Iran;
19 or

20 (B) a statement that the Secretary is un-
21 able to make the certification described under
22 subparagraph (A) and a notice that the Sec-
23 retary will, not later than 60 days after the
24 date the determination is submitted to the ap-
25 propriate congressional committees, issue a re-

1 port on non-certification described under sub-
2 section (c) to the appropriate congressional
3 committees.

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

8 (1) a detailed explanation for why the Secretary
9 is unable to make the certification described under
10 subsection (b)(2);

11 (2) a notification of whether the Secretary
12 will—

13 (A) not amend the authorization of the
14 transaction with respect to a financial institu-
15 tion, notwithstanding such non-certification;

16 (B) suspend the authorization until the
17 Secretary is able to make such certification;

18 (C) revoke the authorization; or

19 (D) otherwise amend the authorization;
20 and

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

23 (d) WAIVER.—The President may waive, on a case-
24 by-case basis, the provisions of this Act for up to one year

1 at a time upon certifying to the appropriate congressional
2 committees that—

3 (1) the Government of Iran has—

4 (A) made substantial progress towards
5 combating money laundering and terrorism fi-
6 nancing risk emanating from Iran; or

7 (B) has significantly reduced Iran’s—

8 (i) destabilizing activities in the re-
9 gion; or

10 (ii) material support for terrorist
11 groups; or

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

15 (e) TERMINATION.—This section shall cease to be ef-
16 fective on the date that is 30 days after the date on which
17 the President certifies to the appropriate congressional
18 committees that—

19 (1)(A) the Secretary does not find, under sec-
20 tion 5318A of title 31, United States Code, that rea-
21 sonable grounds exist for concluding that Iran is a
22 jurisdiction of primary money laundering concern;
23 and

24 (B) Iran has ceased providing support for acts
25 of international terrorism; or

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

4 (f) DEFINITIONS.—For purposes of this section:

5 (1) APPROPRIATE CONGRESSIONAL COMMIT-
6 TEES.—The term “appropriate congressional com-
7 mittees” means the committees on Financial Serv-
8 ices and Foreign Affairs of the House of Represent-
9 atives and the committees on Banking, Housing, and
10 Urban Affairs and Foreign Relations of the Senate.

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

14 (3) FOREIGN FINANCIAL INSTITUTION.—The
15 term “foreign financial institution” has the meaning
16 given that term under section 561.308 of title 31,
17 Code of Federal Regulations.

18 (4) KNOWINGLY.—The term “knowingly” with
19 respect to conduct, a circumstance, or a result,
20 means that a person has actual knowledge, or should
21 have known, of the conduct, the circumstance, or the
22 result.

23 (5) SECRETARY.—The term “Secretary” means
24 the Secretary of the Treasury.

1 (6) UNITED STATES FINANCIAL INSTITUTION.—
2 The term “United States financial institution” has
3 the meaning given the term “U.S. financial institu-
4 tion” under section 561.309 of title 31, Code of
5 Federal Regulations.

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