

In the House of Representatives, U. S.,

September 25, 2018.

Resolved, That the bill from the Senate (S. 1595) entitled “An Act to amend the Hizballah International Financing Prevention Act of 2015 to impose additional sanctions with respect to Hizballah, and for other purposes.”, do pass with the following

AMENDMENT:

Strike out all after the enacting clause and insert:

1 ***SECTION 1. SHORT TITLE; TABLE OF CONTENTS.***

2 (a) *SHORT TITLE.*—*This Act may be cited as the*
3 *“Hizballah International Financing Prevention Amend-*
4 *ments Act of 2018”.*

5 (b) *TABLE OF CONTENTS.*—*The table of contents for*
6 *this Act is as follows:*

Sec. 1. Short title; table of contents.

***TITLE I—PREVENTION OF ACCESS BY HIZBALLAH TO
INTERNATIONAL FINANCIAL AND OTHER INSTITUTIONS***

Sec. 101. Mandatory sanctions with respect to fundraising and recruitment activities for Hizballah.

Sec. 102. Modification of report with respect to financial institutions that engage in certain transactions.

Sec. 103. Sanctions against certain agencies and instrumentalities of foreign states.

Sec. 104. Diplomatic initiatives to prevent hostile activities by Iran and disrupt and degrade Hizballah’s illicit networks.

***TITLE II—NARCOTICS TRAFFICKING AND TRANSNATIONAL
CRIMINAL ACTIVITIES OF HIZBALLAH***

Sec. 201. Imposition of sanctions with respect to affiliated networks of Hizballah for transnational criminal activities.

Sec. 202. Report on racketeering activities engaged in by Hizballah.

Sec. 203. Modification of report on activities of foreign governments to disrupt activities of Hizballah; reports on membership in Hizballah.

TITLE III—GENERAL PROVISIONS

Sec. 301. Regulatory authority.

Sec. 302. Implementation; penalties; judicial review; exemptions; rule of construction; exception relating to importation of goods.

Sec. 303. Report consolidation and modification.

1 **TITLE I—PREVENTION OF AC-**
 2 **CESS BY HIZBALLAH TO**
 3 **INTERNATIONAL FINANCIAL**
 4 **AND OTHER INSTITUTIONS**

5 **SEC. 101. MANDATORY SANCTIONS WITH RESPECT TO**
 6 **FUNDRAISING AND RECRUITMENT ACTIVI-**
 7 **TIES FOR HIZBALLAH.**

8 *(a) IN GENERAL.—Section 101 of the Hizballah Inter-*
 9 *national Financing Prevention Act of 2015 (Public Law*
 10 *114–102; 50 U.S.C. 1701 note) is amended to read as fol-*
 11 *lows:*

12 **“SEC. 101. MANDATORY SANCTIONS WITH RESPECT TO**
 13 **FUNDRAISING AND RECRUITMENT ACTIVI-**
 14 **TIES FOR HIZBALLAH.**

15 *“(a) IN GENERAL.—The President shall, on or after*
 16 *the date of the enactment of the Hizballah International Fi-*
 17 *nancing Prevention Amendments Act of 2018, impose the*
 18 *sanctions described in subsection (b) with respect to any*
 19 *foreign person that the President determines knowingly pro-*
 20 *vides significant financial, material, or technological sup-*
 21 *port for or to—*

1 “(1) *Bayt al-Mal, Jihad al-Bina, the Islamic*
2 *Resistance Support Association, the Foreign Relations*
3 *Department of Hizballah, the External Security Or-*
4 *ganization of Hizballah, or any successor or affiliate*
5 *thereof as designated by the President;*

6 “(2) *al-Manar TV, al Nour Radio, or the Leba-*
7 *nese Media Group, or any successor or affiliate thereof*
8 *as designated by the President;*

9 “(3) *a foreign person determined by the Presi-*
10 *dent to be engaged in fundraising or recruitment ac-*
11 *tivities for Hizballah; or*

12 “(4) *a foreign person owned or controlled by a*
13 *person described in paragraph (1), (2), or (3).*

14 “(b) *SANCTIONS DESCRIBED.—The sanctions described*
15 *in this subsection are the following:*

16 “(1) *ASSET BLOCKING.—The exercise of all pow-*
17 *ers granted to the President by the International*
18 *Emergency Economic Powers Act (50 U.S.C. 1701 et*
19 *seq.) (except that the requirements of section 202 of*
20 *such Act (50 U.S.C. 1701) shall not apply) to the ex-*
21 *tent necessary to block and prohibit all transactions*
22 *in all property and interests in property of a foreign*
23 *person determined by the President to be subject to*
24 *subsection (a) if such property and interests in prop-*
25 *erty are in the United States, come within the United*

1 *States, or are or come within the possession or control*
2 *of a United States person.*

3 “(2) *ALIENS INELIGIBLE FOR VISAS, ADMISSION,*
4 *OR PAROLE.—*

5 “(A) *VISAS, ADMISSION, OR PAROLE.—An*
6 *alien who the Secretary of State or the Secretary*
7 *of Homeland Security (or designee of one of such*
8 *Secretaries) determines is subject to subsection*
9 *(a) is—*

10 “(i) *inadmissible to the United States;*

11 “(ii) *ineligible to receive a visa or*
12 *other documentation to enter the United*
13 *States; and*

14 “(iii) *otherwise ineligible to be admit-*
15 *ted or paroled into the United States or to*
16 *receive any other benefit under the Immig-*
17 *ration and Nationality Act (8 U.S.C. 1101*
18 *et seq.).*

19 “(B) *CURRENT VISAS REVOKED.—*

20 “(i) *IN GENERAL.—The Secretary of*
21 *State or the Secretary of Homeland Secu-*
22 *rity (or designee of one of such Secretaries)*
23 *shall revoke any visa or other entry docu-*
24 *mentation issued to an alien who the Presi-*

1 *dent determines is subject to subsection (a),*
2 *regardless of when issued.*

3 “(ii) *EFFECT OF REVOCATION.*—*A rev-*
4 *ocation under clause (i) shall take effect im-*
5 *mediately and shall automatically cancel*
6 *any other valid visa or entry documentation*
7 *that is in the possession of the alien.*

8 “(c) *WAIVER.*—

9 “(1) *IN GENERAL.*—*The President may, for peri-*
10 *ods not to exceed 180 days, waive the imposition of*
11 *sanctions under this section if the President certifies*
12 *to the appropriate congressional committees that such*
13 *waiver is in the national security interests of the*
14 *United States.*

15 “(2) *BRIEFING.*—*Not later than 30 days after*
16 *the issuance of a waiver under paragraph (1) with re-*
17 *spect to a foreign person, and every 180 days there-*
18 *after while the waiver remains in effect, the President*
19 *shall brief the appropriate congressional committees*
20 *on the status of the involvement of the foreign person*
21 *in activities described in subsection (a).*

22 “(d) *DEFINITIONS.*—*In this section:*

23 “(1) *ADMITTED; ALIEN.*—*The terms ‘admitted’*
24 *and ‘alien’ have meanings given those terms in sec-*

1 *tion 101 of the Immigration and Nationality Act (8*
2 *U.S.C. 1101).*

3 “(2) *APPROPRIATE CONGRESSIONAL COMMIT-*
4 *TEES.—The term ‘appropriate congressional commit-*
5 *tees’ means—*

6 “(A) *the Committee on Foreign Affairs, the*
7 *Committee on Ways and Means, the Committee*
8 *on the Judiciary, the Committee on Financial*
9 *Services, and the Permanent Select Committee*
10 *on Intelligence of the House of Representatives;*
11 *and*

12 “(B) *the Committee on Foreign Relations,*
13 *the Committee on Finance, the Committee on*
14 *Banking, Housing, and Urban Affairs, the Com-*
15 *mittee on the Judiciary, and the Select Com-*
16 *mittee on Intelligence of the Senate.*

17 “(3) *ENTITY.—The term ‘entity’ means a part-*
18 *nership, association, corporation, or other organiza-*
19 *tion, group, or subgroup.*

20 “(4) *FOREIGN PERSON.—The term ‘foreign per-*
21 *son’ means any person that is not a United States*
22 *person.*

23 “(5) *HIZBALLAH.—The term ‘Hizballah’ has the*
24 *meaning given such term in section 102(e).*

1 “(6) *PERSON*.—The term ‘person’ means an in-
2 dividual or entity.

3 “(7) *UNITED STATES PERSON*.—The term
4 ‘United States person’ means a United States citizen,
5 an alien lawfully admitted for permanent residence,
6 an entity organized under the laws of the United
7 States (including foreign branches), or a person in
8 the United States.”.

9 (b) *CLERICAL AMENDMENT*.—The table of contents for
10 the *Hizballah International Financing Prevention Act of*
11 2015 is amended by striking the item relating to section
12 101 and inserting the following new item:

 “Sec. 101. *Mandatory sanctions with respect to fundraising and recruitment ac-*
 tivities for Hizballah.”.

13 **SEC. 102. MODIFICATION OF REPORT WITH RESPECT TO FI-**
14 **NANCIAL INSTITUTIONS THAT ENGAGE IN**
15 **CERTAIN TRANSACTIONS.**

16 Section 102(d) of the *Hizballah International Financ-*
17 *ing Prevention Act of 2015 (Public Law 114–102; 50 U.S.C.*
18 *1701 note)* is amended to read as follows:

19 “(d) *REPORT ON FINANCIAL INSTITUTIONS ORGA-*
20 *NIZED UNDER THE LAWS OF STATE SPONSORS OF TER-*
21 *RORISM*.—

22 “(1) *IN GENERAL*.—Not later than 180 days
23 after the date of the enactment of the *Hizballah Inter-*
24 *national Financing Prevention Amendments Act of*

1 2018, and every 2 years thereafter for a period not to
2 exceed 4 years, the President shall submit to the ap-
3 propriate congressional committees a report that—

4 “(A) identifies each foreign financial insti-
5 tution described in paragraph (2) that the Presi-
6 dent determines engages in one or more activities
7 described in subsection (a)(2); and

8 “(B) provides a detailed description of each
9 such activity.

10 “(2) *FOREIGN FINANCIAL INSTITUTION DE-*
11 *SCRIBED.—*

12 “(A) *IN GENERAL.—*A foreign financial in-
13 stitution described in this paragraph is a foreign
14 financial institution—

15 “(i) that, wherever located, is—

16 “(I) organized under the laws of a
17 state sponsor of terrorism or any juris-
18 diction within a state sponsor of ter-
19 rorism;

20 “(II) owned or controlled by the
21 government of a state sponsor of ter-
22 rorism;

23 “(III) located in the territory of a
24 state sponsor of terrorism; or

1 “(IV) owned or controlled by a
2 foreign financial institution described
3 in subclause (I), (II), or (III); and

4 “(ii) the capitalization of which ex-
5 ceeds \$10,000,000.

6 “(B) STATE SPONSOR OF TERRORISM DE-
7 FINED.—In this paragraph, the term ‘state spon-
8 sor of terrorism’ means a country the govern-
9 ment of which the Secretary of State has deter-
10 mined is a government that has repeatedly pro-
11 vided support for acts of international terrorism
12 for purposes of—

13 “(i) section 1754(c) of the Export Con-
14 trol Reform Act of 2018;

15 “(ii) section 620A of the Foreign As-
16 sistance Act of 1961 (22 U.S.C. 2371);

17 “(iii) section 40 of the Arms Export
18 Control Act (22 U.S.C. 2780); or

19 “(iv) any other provision of law.”.

20 **SEC. 103. SANCTIONS AGAINST CERTAIN AGENCIES AND IN-**
21 **STRUMENTALITIES OF FOREIGN STATES.**

22 (a) *IN GENERAL.*—Title I of the Hizballah Inter-
23 national Financing Prevention Act of 2015 (Public Law
24 114–102; 50 U.S.C. 1701 note) is amended by adding at
25 the end the following:

1 **“SEC. 103. SANCTIONS AGAINST CERTAIN AGENCIES AND**
2 **INSTRUMENTALITIES OF FOREIGN STATES.**

3 “(a) *SANCTIONS.*—

4 “(1) *IN GENERAL.*—*Not later than 180 days*
5 *after the date of the enactment of the Hizballah Inter-*
6 *national Financing Prevention Amendments Act of*
7 *2018, and as appropriate thereafter, the President*
8 *shall impose the sanctions described in paragraph (3)*
9 *with respect to an agency or instrumentality of a for-*
10 *foreign state described in paragraph (2).*

11 “(2) *AGENCY OR INSTRUMENTALITY OF A FOR-*
12 *EIGN STATE DESCRIBED.*—*An agency or instrumen-*
13 *tality of a foreign state is described in this paragraph*
14 *if the President determines that the agency or instru-*
15 *mentality has, on or after the date of the enactment*
16 *of the Hizballah International Financing Prevention*
17 *Amendments Act of 2018, knowingly—*

18 “(A) *conducted significant joint combat op-*
19 *erations with, or significantly supported combat*
20 *operations of, Hizballah; or*

21 “(B) *provided significant financial support*
22 *for or to, or significant arms or related materiel*
23 *to, Hizballah.*

24 “(3) *SANCTIONS DESCRIBED.*—*The sanctions de-*
25 *scribed in this paragraph are the exercise of all pow-*
26 *ers granted to the President by the International*

1 *Emergency Economic Powers Act (50 U.S.C. 1701 et*
2 *seq.) (except that the requirements of section 202 of*
3 *such Act (50 U.S.C. 1701) shall not apply) to the ex-*
4 *tent necessary to block and prohibit all transactions*
5 *in all property and interests in property of an agency*
6 *or instrumentality of a foreign state if such property*
7 *and interests in property are in the United States,*
8 *come within the United States, or are or come within*
9 *the possession or control of a United States person.*

10 “(b) *WAIVER.*—

11 “(1) *IN GENERAL.*—*The President may, for peri-*
12 *ods not to exceed 180 days, waive the imposition of*
13 *sanctions under this section with respect to an agency*
14 *or instrumentality of a foreign state if the President*
15 *certifies to the appropriate congressional committees*
16 *that such waiver is vital to the national security in-*
17 *terests of the United States.*

18 “(2) *BRIEFING.*—*Not later than 30 days after*
19 *the issuance of a waiver under paragraph (1) with re-*
20 *spect to an agency or instrumentality of a foreign*
21 *state, and every 180 days thereafter while the waiver*
22 *remains in effect, the President shall brief the appro-*
23 *priate congressional committees on the status of the*
24 *involvement of the agency or instrumentality in ac-*
25 *tivities described in subsection (a)(2).*

1 “(c) *SPECIAL RULE.*—*The President shall not be re-*
2 *quired to impose sanctions under this section with respect*
3 *to an agency or instrumentality of a foreign state if the*
4 *Secretary certifies in writing to the appropriate congres-*
5 *sional committees that—*

6 “(1) *the agency or instrumentality—*

7 “(A) *is no longer engaging in activities de-*
8 *scribed in subsection (a)(2); or*

9 “(B) *has taken and is continuing to take*
10 *significant verifiable steps toward terminating*
11 *such activities; and*

12 “(2) *the President has received reliable assur-*
13 *ances from the government of the foreign state that the*
14 *agency or instrumentality will not engage in any ac-*
15 *tivity described in subsection (a)(2) in the future.*

16 “(d) *DEFINITIONS.*—*In this section:*

17 “(1) *AGENCY OR INSTRUMENTALITY OF A FOR-*
18 *EIGN STATE.*—*The term ‘agency or instrumentality of*
19 *a foreign state’ has the meaning given the term in*
20 *section 1603(b) of title 28, United States Code.*

21 “(2) *APPROPRIATE CONGRESSIONAL COMMIT-*
22 *TEES.*—*The term ‘appropriate congressional commit-*
23 *tees’ means—*

24 “(A) *the Committee on Foreign Affairs, the*
25 *Committee on Financial Services, the Committee*

1 *on Ways and Means, the Committee on the Judi-*
2 *ciary, the Committee on Appropriations, and the*
3 *Permanent Select Committee on Intelligence of*
4 *the House of Representatives; and*

5 “(B) *the Committee on Foreign Relations,*
6 *the Committee on Banking, Housing, and Urban*
7 *Affairs, the Committee on the Judiciary, Com-*
8 *mittee on Finance, Committee on Appropria-*
9 *tions, and the Select Committee on Intelligence of*
10 *the Senate.*

11 “(3) *ARMS OR RELATED MATERIEL.*—*The term*
12 *‘arms or related materiel’ means—*

13 “(A) *nuclear, biological, chemical, or radio-*
14 *logical weapons or materials or components of*
15 *such weapons;*

16 “(B) *ballistic or cruise missile weapons or*
17 *materials or components of such weapons; and*

18 “(C) *destabilizing numbers and types of ad-*
19 *vanced conventional weapons.*

20 “(4) *HIZBALLAH.*—*The term ‘Hizballah’ has the*
21 *meaning given such term in section 102(e).*

22 “(5) *UNITED STATES PERSON.*—*The term*
23 *‘United States person’ has the meaning given such*
24 *term in section 101(d).”.*

1 (b) *CLERICAL AMENDMENT.*—*The table of contents for*
 2 *the Hizballah International Financing Prevention Act of*
 3 *2015 is amended by inserting after the item relating to sec-*
 4 *tion 102 the following new item:*

“Sec. 103. Sanctions against certain agencies and instrumentalities of foreign states.”.

5 **SEC. 104. DIPLOMATIC INITIATIVES TO PREVENT HOSTILE**
 6 **ACTIVITIES BY IRAN AND DISRUPT AND DE-**
 7 **GRADE HIZBALLAH’S ILLICIT NETWORKS.**

8 (a) *DIPLOMATIC ENGAGEMENT.*—*Title I of the*
 9 *Hizballah International Financing Prevention Act of 2015*
 10 *(Public Law 114–102; 129 Stat. 2206; 50 U.S.C. 1701*
 11 *note), as amended by section 103 of this Act, is further*
 12 *amended by adding at the end the following:*

13 **“SEC. 104. DIPLOMATIC INITIATIVES TO PREVENT HOSTILE**
 14 **ACTIVITIES BY IRAN AND DISRUPT AND DE-**
 15 **GRADE HIZBALLAH’S ILLICIT NETWORKS.**

16 *“Not later than 180 days after the date of the enact-*
 17 *ment of the Hizballah International Financing Prevention*
 18 *Amendments Act of 2018, the President shall instruct the*
 19 *Secretary of State, in consultation with the Secretary of*
 20 *the Treasury, to increase cooperation with foreign govern-*
 21 *ments to assist in strengthening the capacity of such govern-*
 22 *ments to prevent hostile activity by Iran and disrupt and*
 23 *degrade Hizballah’s illicit activities, including diplomatic*
 24 *engagement that involves—*

1 “(1) efforts to target and expose illicit finance
2 networks, arrest perpetrators, freeze assets, and ad-
3 dress Iran and Hizballah’s use of illicit financial net-
4 works using international trade and banking systems;

5 “(2) efforts to assist willing governments with
6 the development of counter-organized crime legisla-
7 tion, the strengthening of financial investigative ca-
8 pacity, and a fully-vetted counter-organized crime ju-
9 dicial model in jurisdictions plagued with corruption;
10 and

11 “(3) efforts to persuade governments to list
12 Hizballah as a terrorist organization.”.

13 (b) CLERICAL AMENDMENT.—The table of contents for
14 the Hizballah International Financing Prevention Act of
15 2015 is amended by inserting after the item related to sec-
16 tion 103, as added by section 103(b) of this Act, the fol-
17 lowing new item:

“Sec. 104. Diplomatic initiatives to prevent hostile activities by Iran and disrupt
and degrade Hizballah’s illicit networks.”.

1 **TITLE II—NARCOTICS TRAF-**
2 **FICKING AND**
3 **TRANSNATIONAL CRIMINAL**
4 **ACTIVITIES OF HIZBALLAH**

5 **SEC. 201. IMPOSITION OF SANCTIONS WITH RESPECT TO**
6 **AFFILIATED NETWORKS OF HIZBALLAH FOR**
7 **TRANSNATIONAL CRIMINAL ACTIVITIES.**

8 (a) *STATEMENT OF POLICY.*—It is the policy of the
9 United States to determine if individuals and entities that
10 are designated by the United States Government on or after
11 the date of the enactment of this Act as being associated
12 with Hizballah are engaged in transnational organized
13 crime or related activities on or after such date of enact-
14 ment.

15 (b) *IN GENERAL.*—Section 201 of the Hizballah Inter-
16 national Financing Prevention Act of 2015 (Public Law
17 114–102; 50 U.S.C. 1701 note) is amended to read as fol-
18 lows:

19 **“SEC. 201. IMPOSITION OF SANCTIONS WITH RESPECT TO**
20 **AFFILIATED NETWORKS OF HIZBALLAH FOR**
21 **TRANSNATIONAL CRIMINAL ACTIVITIES.**

22 “(a) *IN GENERAL.*—The President shall, on or after
23 the date of the enactment of the Hizballah International Fi-
24 nancing Prevention Amendments Act of 2018, impose the
25 sanctions described in subsection (b) with respect to affili-

1 *ated networks of Hizballah, including, as appropriate, by*
2 *reason of significant transnational criminal activities en-*
3 *gaged in by such networks.*

4 “(b) *SANCTIONS DESCRIBED.*—*The sanctions described*
5 *in this subsection are sanctions applicable with respect to*
6 *Hizballah pursuant to any provision of law, including Ex-*
7 *ecutive Order 13581 (50 U.S.C. 1701 note; relating to block-*
8 *ing property of transnational criminal organizations) (as*
9 *such Executive Order was in effect on the day before the*
10 *date of the enactment of the Hizballah International Fi-*
11 *ancing Prevention Amendments Act of 2018).*

12 “(c) *WAIVER.*—*The President may, for periods not to*
13 *exceed 180 days, waive the imposition of sanctions under*
14 *this section if the President certifies to the appropriate con-*
15 *gressional committees that such waiver is in the national*
16 *security interests of the United States.*

17 “(d) *DEFINITIONS.*—*In this section:*

18 “(1) *APPROPRIATE CONGRESSIONAL COMMIT-*
19 *TEES.*—*The term ‘appropriate congressional commit-*
20 *tees’ means—*

21 “(A) *the Committee on Foreign Affairs, the*
22 *Committee on Ways and Means, the Committee*
23 *on Appropriations, the Committee on Financial*
24 *Services, and the Permanent Select Committee*

1 *on Intelligence of the House of Representatives;*
2 *and*

3 “(B) *the Committee on Foreign Relations,*
4 *the Committee on Banking, Housing, and Urban*
5 *Affairs, the Committee on Appropriations, and*
6 *the Select Committee on Intelligence of the Sen-*
7 *ate.*

8 “(2) *HIZBALLAH.—The term ‘Hizballah’ has the*
9 *meaning given such term in section 102(e).”.*

10 (c) *CONFORMING AMENDMENT.—The title heading for*
11 *title II of the Hizballah International Financing Preven-*
12 *tion Act of 2015 is amended to read as follows:*

13 **“TITLE II—SANCTIONS AND RE-**
14 **PORTS RELATING TO NAR-**
15 **COTICS TRAFFICKING AND**
16 **SIGNIFICANT**
17 **TRANSNATIONAL CRIMINAL**
18 **ACTIVITIES OF HIZBALLAH”.**

19 (d) *CLERICAL AMENDMENTS.—The table of contents*
20 *for the Hizballah International Financing Prevention Act*
21 *of 2015 is amended—*

1 (1) *by striking the item relating to title II and*
 2 *inserting the following:*

“TITLE II—SANCTIONS AND REPORTS RELATING TO NARCOTICS
 TRAFFICKING AND SIGNIFICANT TRANSNATIONAL CRIMINAL AC-
 TIVITIES OF HIZBALLAH”; AND

3 (2) *by striking the item relating to section 201*
 4 *and inserting the following:*

“Sec. 201. *Imposition of sanctions with respect to affiliated networks of Hizballah
 for transnational criminal activities.*”.

5 **SEC. 202. REPORT ON RACKETEERING ACTIVITIES EN-**
 6 **GAGED IN BY HIZBALLAH.**

7 (a) *IN GENERAL.*—Section 202 of the Hizballah Inter-
 8 *national Financing Prevention Act of 2015 (Public Law*
 9 *114–102; 50 U.S.C. 1701 note) is amended to read as fol-*
 10 *lows:*

11 **“SEC. 202. REPORT ON RACKETEERING ACTIVITIES EN-**
 12 **GAGED IN BY HIZBALLAH.**

13 “(a) *IN GENERAL.*—Not later than 180 days after the
 14 *date of the enactment of the Hizballah International Fi-*
 15 *nancing Prevention Amendments Act of 2018, the President*
 16 *shall submit to the appropriate congressional committees a*
 17 *report on information regarding activities that Hizballah,*
 18 *and agents and affiliates of Hizballah, have engaged in that*
 19 *are racketeering activities, including any patterns regard-*
 20 *ing such racketeering activities.*

1 “(b) *FORM OF REPORT.*—Each report required under
2 subsection (a) shall be submitted in an unclassified form
3 but may contain a classified annex.

4 “(c) *DEFINITIONS.*—In this section:

5 “(1) *APPROPRIATE CONGRESSIONAL COMMIT-*
6 *TEES.*—The term ‘appropriate congressional commit-
7 *tees’ means—*

8 “(A) *the Committee on the Judiciary, the*
9 *Committee on Foreign Affairs, the Committee on*
10 *Financial Services, and the Committee on Ap-*
11 *propriations of the House of Representatives;*
12 *and*

13 “(B) *the Committee on the Judiciary, the*
14 *Committee on Foreign Relations, the Committee*
15 *on Banking, Housing, and Urban Affairs, and*
16 *the Committee on Appropriations of the Senate.*

17 “(2) *HIZBALLAH.*—The term ‘Hizballah’ has the
18 *meaning given such term in section 102(e).*

19 “(3) *RACKETEERING ACTIVITY.*—The term ‘rack-

20 *eteering activity’ means any activity that would be*
21 *considered a racketeering activity (as defined in sec-*
22 *tion 1961(1) of title 18, United States Code) if the ac-*
23 *tivity were engaged in the United States or by a*
24 *United States person.*

1 “(4) *UNITED STATES PERSON.*—*The term*
 2 *‘United States person’ has the meaning given such*
 3 *term in section 101(d).’.*”

4 **(b) CLERICAL AMENDMENT.**—*The table of contents for*
 5 *the Hizballah International Financing Prevention Act of*
 6 *2015 is amended by striking the item relating to section*
 7 *202 and inserting the following:*

 “*Sec. 202. Report on racketeering activities engaged in by Hizballah.*”

8 **SEC. 203. MODIFICATION OF REPORT ON ACTIVITIES OF**
 9 **FOREIGN GOVERNMENTS TO DISRUPT AC-**
 10 **TIVITIES OF HIZBALLAH; REPORTS ON MEM-**
 11 **BERSHIP IN HIZBALLAH.**

12 **(a) IN GENERAL.**—*Section 204 of the Hizballah Inter-*
 13 *national Financing Prevention Act of 2015 (Public Law*
 14 *114–102; 50 U.S.C. 1701 note) is amended—*

15 **(1) in subsection (a)(1)—**

16 **(A) in the matter preceding subparagraph**
 17 **(A), by striking “this Act” and inserting “the**
 18 **Hizballah International Financing Prevention**
 19 **Amendments Act of 2018, and once every 2 years**
 20 **thereafter for the following 4 years”;**

21 **(B) in subparagraph (D)(ii)(II), by striking**
 22 **“and” at the end;**

23 **(C) in subparagraph (E), by striking “and**
 24 **free-trade zones.” and inserting “free-trade zones,**
 25 **business partnerships and joint ventures, and**

1 *other investments in small and medium-sized en-*
2 *terprises;”;* and

3 *(D) by adding at the end the following:*

4 *“(F) a list of jurisdictions outside of Leb-*
5 *anon that expressly consent to, or with knowl-*
6 *edge allow, the use of their territory by*
7 *Hizballah to carry out terrorist activities, in-*
8 *cluding training, financing, and recruitment;*

9 *“(G) a description of the total aggregate*
10 *revenues and remittances that Hizballah receives*
11 *from the global logistics networks of Hizballah;*

12 *“(H) a list of Hizballah’s sources of rev-*
13 *enue, including sources of revenue based on il-*
14 *licit activity, revenues from Iran, charities, and*
15 *other business activities;*

16 *“(I) a list of Hizballah’s expenditures, in-*
17 *cluding expenditures for ongoing military oper-*
18 *ations, social networks, and external operations;*

19 *“(J) a description of steps to be taken by*
20 *Federal agencies to combat the illicit tobacco*
21 *trafficking networks used by Hizballah;*

22 *“(K) an assessment of Hizballah’s financial*
23 *operations in areas under its operational or po-*
24 *litical control in Lebanon and Syria and avail-*

1 *able measures to target Hizballah’s financial op-*
2 *erations in those areas;*

3 “(L) *a review of Hizballah’s international*
4 *operational capabilities, including in the United*
5 *States;*

6 “(M) *a review of—*

7 “(i) *the total number and value of*
8 *Hizballah-related assets seized and forfeited;*
9 *and*

10 “(ii) *the total number of indictments,*
11 *prosecutions, and extraditions of Hizballah*
12 *members or affiliates; and*

13 “(N) *a review of efforts by the United States*
14 *to prevent hostile activities by Iran and disrupt*
15 *and degrade Hizballah’s illicit networks in the*
16 *Western Hemisphere, including interagency co-*
17 *ordination to ensure that information-sharing,*
18 *interdictions, arrests, investigations, indict-*
19 *ments, sanctions, and designations related to*
20 *Hizballah individuals or networks in the West-*
21 *ern Hemisphere are integrated, coordinated, and*
22 *publicly communicated by the United States in*
23 *a manner that supports United States inter-*
24 *ests.”;*

1 (2) *by redesignating subsections (b) and (c) as*
2 *subsections (c) and (d), respectively;*

3 (3) *by inserting after subsection (a) the fol-*
4 *lowing:*

5 “(b) *ENHANCED DUE DILIGENCE.—*

6 “(1) *IN GENERAL.—The President is authorized*
7 *to require each financial institution in the United*
8 *States that knowingly maintains a correspondent ac-*
9 *count or a payable-through account in the United*
10 *States for a foreign financial institution described in*
11 *paragraph (2) to establish enhanced due diligence*
12 *policies, procedures, and controls in accordance with*
13 *section 5318(i)(2)(B) of title 31, United States Code,*
14 *and regulations to implement such section with re-*
15 *spect to such accounts.*

16 “(2) *FOREIGN FINANCIAL INSTITUTION DE-*
17 *SCRIBED.—A foreign financial institution described*
18 *in this paragraph is a foreign financial institution*
19 *that the President determines provides significant fi-*
20 *nancial services to persons operating in a jurisdiction*
21 *identified in unclassified form in the list required*
22 *under subsection (a)(1)(F).*

23 “(3) *DEFINITIONS.—In this subsection, the terms*
24 *‘correspondent account’ and ‘payable-through account’*

1 *have the meanings given those terms in section 5318A*
2 *of title 31, United States Code.”; and*

3 *(4) in subsection (c), as redesignated by para-*
4 *graph (2)—*

5 *(A) by striking “this Act, and every 180*
6 *days thereafter,” and inserting “the Hizballah*
7 *International Financing Prevention Amend-*
8 *ments Act of 2018, and every 180 days thereafter*
9 *for the following 4 years,”; and*

10 *(B) by adding before the period at the end*
11 *the following: “and on any requirements for en-*
12 *hanced due diligence prescribed under subsection*
13 *(b)”.*

14 *(b) REPORT ON ESTIMATED NET WORTH OF SENIOR*
15 *HIZBALLAH MEMBERS.—*

16 *(1) IN GENERAL.—Not later than 180 days after*
17 *the date of the enactment of this Act, the President*
18 *shall submit to the appropriate congressional commit-*
19 *tees a report that contains—*

20 *(A) the estimated total net worth of each in-*
21 *dividual described in paragraph (2); and*

22 *(B) to the extent feasible, a description of*
23 *how funds of each individual described in para-*
24 *graph (2) were acquired, and how such funds*
25 *have been used or employed.*

1 (2) *INDIVIDUALS DESCRIBED.*—*The individuals*
2 *described in this paragraph are the following:*

3 (A) *The Secretary General of Hizballah.*

4 (B) *Members of Hizballah’s senior leader-*
5 *ship or senior associates of Hizballah that the*
6 *President determines materially assist or sup-*
7 *port Hizballah.*

8 (C) *Any other individual that the President*
9 *determines is a senior foreign political figure of*
10 *Hizballah.*

11 (3) *FORM OF REPORT; PUBLIC AVAILABILITY.*—

12 (A) *FORM.*—*The report required under*
13 *paragraph (1) shall be submitted in unclassified*
14 *form but may contain a classified annex.*

15 (B) *PUBLIC AVAILABILITY.*—*The unclassi-*
16 *fied portion of the report required under para-*
17 *graph (1) shall be made available to the public*
18 *in precompressed, easily downloadable versions*
19 *that are made available in all appropriate for-*
20 *mats.*

21 (4) *DEFINITIONS.*—*In this subsection:*

22 (A) *APPROPRIATE CONGRESSIONAL COMMIT-*
23 *TEES.*—*The term “appropriate congressional*
24 *committees” means—*

1 (i) *the Committee on Foreign Affairs,*
2 *the Committee on Financial Services, and*
3 *the Permanent Select Committee on Intel-*
4 *ligence of the House of Representatives; and*

5 (ii) *the Committee on Foreign Rela-*
6 *tions, the Committee on Banking, Housing,*
7 *and Urban Affairs, and the Select Com-*
8 *mittee on Intelligence of the Senate.*

9 (B) *FUNDS.*—*The term “funds” means—*

10 (i) *cash;*

11 (ii) *equity;*

12 (iii) *any other intangible asset the*
13 *value of which is derived from a contractual*
14 *claim, including bank deposits, bonds,*
15 *stocks, a security (as defined in section 2(a)*
16 *of the Securities Act of 1933 (15 U.S.C.*
17 *77b(a))), or a security or an equity security*
18 *(as those terms are defined in section 3(a)*
19 *of the Securities Exchange Act of 1934 (15*
20 *U.S.C. 78c(a)); and*

21 (iv) *anything else of value that the Sec-*
22 *retary of the Treasury determines to be ap-*
23 *propriate.*

24 (C) *SENIOR FOREIGN POLITICAL FIGURE.*—

25 *The term “senior foreign political figure” has the*

1 *meaning given that term in section 1010.605 of*
2 *title 31, Code of Federal Regulations (or any*
3 *successor regulation).*

4 *(c) REPORT ON INDIVIDUALS WHO ARE MEMBERS OF*
5 *THE LEBANESE PARLIAMENT AND WHO IDENTIFY AS MEM-*
6 *BERS OF HIZBALLAH.—*

7 *(1) IN GENERAL.—Not later than 180 days after*
8 *the date of the enactment of this Act, the President*
9 *shall transmit to the appropriate congressional com-*
10 *mittees a report that contains the following:*

11 *(A) A list of individuals who are members*
12 *of the Lebanese Parliament and who identify as*
13 *members of Hizballah.*

14 *(B) A description of any significant con-*
15 *duct of individuals on the list required under*
16 *subparagraph (A) that the President determines*
17 *may be grounds for designation pursuant to Ex-*
18 *ecutive Order 13224 (50 U.S.C. 1701 note; relat-*
19 *ing to blocking property and prohibiting trans-*
20 *actions with persons who commit, threaten to*
21 *commit, or support terrorism).*

22 *(2) FORM.—The report required under para-*
23 *graph (1) shall be transmitted in unclassified form,*
24 *but may include a classified annex.*

1 (3) *APPROPRIATE CONGRESSIONAL COMMITTEES*
2 *DEFINED.*—*In this subsection, the term “appropriate*
3 *congressional committees” means—*

4 (A) *the Committee on Foreign Affairs, the*
5 *Committee on Financial Services, and the Per-*
6 *manent Select Committee on Intelligence of the*
7 *House of Representatives; and*

8 (B) *the Committee on Foreign Relations,*
9 *the Committee on Banking, Housing, and Urban*
10 *Affairs, and the Select Committee on Intelligence*
11 *of the Senate.*

12 ***TITLE III—GENERAL***
13 ***PROVISIONS***

14 ***SEC. 301. REGULATORY AUTHORITY.***

15 (a) *IN GENERAL.*—*The President shall, not later than*
16 *180 days after the date of the enactment of this Act, pre-*
17 *scribe regulations as necessary for the implementation of*
18 *this Act and the amendments made by this Act.*

19 (b) *NOTIFICATION TO CONGRESS.*—*Not later than 10*
20 *days before the prescription of regulations under subsection*
21 *(a), the President shall notify the appropriate congressional*
22 *committees regarding the proposed regulations and the pro-*
23 *visions of this Act and the amendments made by this Act*
24 *that the regulations are implementing.*

1 (c) *APPROPRIATE CONGRESSIONAL COMMITTEES DE-*
 2 *FINED.*—*In this section, the term “appropriate congres-*
 3 *sional committees” means—*

4 (1) *the Committee on Foreign Affairs and the*
 5 *Committee on Financial Services of the House of Rep-*
 6 *resentatives; and*

7 (2) *the Committee on Foreign Relations and the*
 8 *Committee on Banking, Housing, and Urban Affairs*
 9 *of the Senate.*

10 **SEC. 302. IMPLEMENTATION; PENALTIES; JUDICIAL RE-**
 11 **VIEW; EXEMPTIONS; RULE OF CONSTRUC-**
 12 **TION; EXCEPTION RELATING TO IMPORTA-**
 13 **TION OF GOODS.**

14 (a) *IN GENERAL.*—*Title I of the Hizballah Inter-*
 15 *national Financing Prevention Act of 2015 (Public Law*
 16 *114–102; 50 U.S.C. 1701 note), as amended by sections 103*
 17 *and 104 of this Act, is further amended by adding at the*
 18 *end the following:*

19 **“SEC. 105. IMPLEMENTATION; PENALTIES; JUDICIAL RE-**
 20 **VIEW; EXEMPTIONS; RULE OF CONSTRUC-**
 21 **TION.**

22 “(a) *IMPLEMENTATION.*—*The President may exercise*
 23 *all authorities provided under sections 203 and 205 of the*
 24 *International Emergency Economic Powers Act (50 U.S.C.*

1 1702 and 1704) to carry out sections 101, 102, 103, and
2 201 of this Act.

3 “(b) *PENALTIES*.—The penalties provided for in sub-
4 sections (b) and (c) of section 206 of the International
5 Emergency Economic Powers Act (50 U.S.C. 1705) shall
6 apply to a person that violates, attempts to violate, con-
7 spires to violate, or causes a violation of regulations pre-
8 scribed to carry out section 101, 102, 103, or 201 of this
9 Act to the same extent that such penalties apply to a person
10 that commits an unlawful act described in subsection (a)
11 of such section 206.

12 “(c) *PROCEDURES FOR JUDICIAL REVIEW OF CLASSI-*
13 *FIED INFORMATION*.—

14 “(1) *IN GENERAL*.—If a finding under section
15 101, 102, 103, or 201 of this Act, or a prohibition,
16 condition, or penalty imposed as a result of any such
17 finding, is based on classified information (as defined
18 in section 1(a) of the Classified Information Proce-
19 dures Act (18 U.S.C. App.)) and a court reviews the
20 finding or the imposition of the prohibition, condi-
21 tion, or penalty, the President may submit such in-
22 formation to the court *ex parte* and *in camera*.

23 “(2) *RULE OF CONSTRUCTION*.—Nothing in this
24 subsection shall be construed to confer or imply any
25 right to judicial review of any finding under section

1 101, 102, 103, or 201 of this Act, or any prohibition,
2 condition, or penalty imposed as a result of any such
3 finding.

4 “(d) *EXEMPTIONS.*—The following activities shall be
5 exempt from sections 101, 102, 103, and 201 of this Act:

6 “(1) Any authorized intelligence, law enforce-
7 ment, or national security activities of the United
8 States.

9 “(2) Any transaction necessary to comply with
10 United States obligations under the Agreement be-
11 tween the United Nations and the United States of
12 America regarding the Headquarters of the United
13 States, signed at Lake Success June 26, 1947, and en-
14 tered into force November 21, 1947, or the Convention
15 on Consular Relations, done at Vienna April 24,
16 1963, and entered into force March 19, 1967, or any
17 other United States international agreement.

18 “(e) *RULE OF CONSTRUCTION.*—Nothing in section
19 101, 102, 103, or 201 of this Act shall be construed to limit
20 the authority of the President under the International
21 Emergency Economic Powers Act (50 U.S.C. 1701 et seq.)
22 or under any other provision of law.

23 “(f) *EXCEPTION RELATING TO IMPORTATION OF*
24 *GOODS.*—

1 “(1) *IN GENERAL.*—*The authorities and require-*
2 *ments to impose sanctions under this Act shall not in-*
3 *clude the authority or requirement to impose sanc-*
4 *tions on the importation of goods.*”

5 “(2) *DEFINITION.*—*In this subsection, the term*
6 *‘good’ means any article, natural or manmade sub-*
7 *stance, material, supply or manufactured product, in-*
8 *cluding inspection and test equipment, and excluding*
9 *technical data.*”.

10 (b) *CLERICAL AMENDMENT.*—*The table of contents for*
11 *the Hizballah International Financing Prevention Act of*
12 *2015, as amended by this Act, is further amended by insert-*
13 *ing after the item relating to section 104, as added by sec-*
14 *tion 104(b) of this Act, the following new item:*

“*Sec. 105. Implementation; penalties; judicial review; exemptions; rule of con-*
struction.”.

15 (c) *CONFORMING AMENDMENTS.*—*Section 102 of the*
16 *Hizballah International Financing Prevention Act of 2015*
17 *(Public Law 114–102; 50 U.S.C. 1701 note) is amended—*

18 (1) *in subsection (a), by striking paragraphs (3)*
19 *and (4);*

20 (2) *by striking subsection (e); and*

21 (3) *by redesignating subsection (f) as subsection*
22 *(e).*

1 **SEC. 303. REPORT CONSOLIDATION AND MODIFICATION.**

2 (a) *IN GENERAL.*—Any and all reports required to be
3 submitted to Congress under this Act or the Hizballah Inter-
4 national Financing Prevention Act of 2015 (Public Law
5 114–102; 50 U.S.C. 1701 note) that are subject to a deadline
6 for submission consisting of the same unit of time may be
7 consolidated into a single report that is submitted to Con-
8 gress pursuant to such deadline.

9 (b) *MATTERS TO BE INCLUDED.*—Any report that is
10 consolidated into a single report as described in subsection
11 (a) shall contain all information required under this Act
12 or the Hizballah International Financing Prevention Act
13 of 2015 in addition to all other elements required by pre-
14 vious law.

15 (c) *REPORTS MODIFICATION.*—The North Korea Sanc-
16 tions and Policy Enhancement Act of 2016 is amended as
17 follows:

18 (1) In section 209(a)(3)(A) (22 U.S.C.
19 9229(a)(3)(A)), by striking “not later than 90 days
20 after the date of the enactment of this Act, and every
21 180 days thereafter” and inserting “not later than 90
22 days after the date of the enactment of the Hizballah
23 International Financing Prevention Amendments Act
24 of 2018, and every 180 days thereafter for 5 years”.

25 (2) In section 302(a) (22 U.S.C. 9241(a)), by
26 striking “Not later than 180 days after the date of the

1 *enactment of this Act” and inserting “Not later than*
2 *120 days after the date of the enactment of the*
3 *Hizballah International Financing Prevention*
4 *Amendments Act of 2018, and periodically there-*
5 *after”.*

Attest:

Clerk.

115TH CONGRESS
2^D SESSION

S. 1595

AMENDMENT