To enhance United States diplomatic efforts with respect to Iran by imposing additional economic sanctions against Iran, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

APRIL 15, 2011

Mr. SHERMAN (for himself, Mr. ROYCE, Ms. BERKLEY, Mr. SHULER, Mrs. MALONEY, and Mr. POE of Texas) introduced the following bill; which was referred to the Committee on Foreign Affairs, and in addition to the Committees on Ways and Means, the Judiciary, Financial Services, and Oversight and Government Reform, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To enhance United States diplomatic efforts with respect to Iran by imposing additional economic sanctions against Iran, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE AND TABLE OF CONTENTS.

(a) Short Title.—This Act may be cited as the “Stop Iran’s Nuclear Weapons Program Act of 2011”.

(b) Table of Contents.—The table of contents for this Act is as follows:
Sec. 1. Short title and table of contents.
Sec. 2. Findings.

TITLE I—ADDITIONAL SANCTIONS WITH RESPECT TO IRAN

Sec. 101. Expansion of sanctions under the Iran Sanctions Act of 1996.
Sec. 102. Application to subsidiaries.
Sec. 103. Additional export sanctions against Iran.
Sec. 104. Elimination of certain tax incentives for oil companies investing in Iran.
Sec. 105. Inadmissibility of certain aliens who engage in certain activities with respect to Iran.
Sec. 106. Temporary increase in fee for certain consular services.

TITLE II—APPLICATION OF SANCTIONS AGAINST AFFILIATES OF IRAN'S ISLAMIC REVOLUTIONARY GUARD CORPS

Sec. 201. Sanctions against affiliates of Iran’s Islamic Revolutionary Guard Corps.
Sec. 202. Measures against foreign persons or entities supporting Iran’s Islamic Revolutionary Guard Corps.
Sec. 203. Special measures against foreign countries supporting Iran’s Islamic Revolutionary Guard Corps.
Sec. 204. Rule of construction.
Sec. 205. Definitions.
Sec. 206. Sunset.

TITLE III—OPPOSITION OF TRANSFER TO IRAN, NORTH KOREA, AND SYRIA OF GOODS, SERVICES, OR TECHNOLOGY RELEVANT TO THEIR CAPABILITY TO EXTRACT OR MILL URANIUM ORE

Sec. 301. Statement of policy.
Sec. 302. Reporting requirements under the Iran, North Korea, and Syria Non-proliferation Act.
Sec. 303. Conforming amendments.

TITLE IV—ROLLOVER OF GAIN FROM DIVESTING CERTAIN QUALIFIED SECURITIES OF BUSINESS ENTITIES ENGAGED IN DISCOURAGED ACTIVITIES IN IRAN

Sec. 401. Rollover of gain from divesting certain qualified securities of business entities engaged in discouraged activities in Iran.

TITLE V—PROHIBITION ON UNITED STATES GOVERNMENT CONTRACTS AND INVESTMENT FOR COMPANIES CONDUCTING BUSINESS IN IRAN

Sec. 501. Prohibition on United States Government contracts.
Sec. 502. Authority of State and local governments to restrict contracts or licenses for certain sanctionable persons.
Sec. 503. United States pension plans.
Sec. 504. Definitions.
TITLE VI—TERMINATION OF LOAN DISBURSEMENTS TO IRAN FROM THE INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

Sec. 601. Termination of loan disbursements to Iran from the International Bank for Reconstruction and Development.
Sec. 602. United States opposition to new country assistance strategy for Iran.
Sec. 603. Sunset.
Sec. 604. Rule of interpretation.

SEC. 2. FINDINGS.

Congress finds the following:


(2) In the wake of this new United States law and United Nations Security Council Resolution 1929 (2010) with respect to Iran, the European Union, Japan, South Korea, Australia, and other friends and allies of the United States also imposed significant economic sanctions on Iran.

(3) According to the report of the Director General of the International Atomic Energy Agency titled “Implementation of the NPT Safeguards Agreement and relevant provisions of Security Council resolutions in the Islamic Republic of Iran”, dated February 25, 2011, Iran continues to defy the international community by continuing uranium enrichment activities, failing to suspend heavy water-
related projects, failing to provide sufficient cooperation to the Agency to resolve outstanding suspicions about potential military dimensions of its program, withholding requested design information regarding various facilities and equipment, and by not implementing the Additional Protocol to the NPT Safeguards Agreement.

(4) While the United States and several like-minded countries have worked individually and in concert to increase the diplomatic and economic isolation of Iran in an effort to convince the Government of Iran to abandon sensitive nuclear activities, the United States and like-minded countries must do more in the coming months to achieve that goal.

TITLE I—ADDITIONAL SANCTIONS WITH RESPECT TO IRAN

SEC. 101. EXPANSION OF SANCTIONS UNDER THE IRAN SANCTIONS ACT OF 1996.

Section 5(a) of the Iran Sanctions Act of 1996 (Public Law 104–172; 50 U.S.C. 1701 note) is amended—

(1) in the heading, by inserting at the end before the period the following: “, ETC’’; and

(2) by adding at the end the following new paragraphs:
“(4) OTHER ACTIONS RELATING TO PETROLEUM RESOURCES OF IRAN.—

“(A) IN GENERAL.—Except as provided in subsection (f), the President shall impose 3 or more of the sanctions described in section 6(a) with respect to a person if the President determines that the person knowingly, on or after the date of the enactment of the Stop Iran’s Nuclear Weapons Program Act of 2011—

“(i) enters into a long-term agreement to purchase petroleum resources from Iran;

“(ii) enters into an agreement to provide payment for future delivery of petroleum resources from Iran; or

“(iii) enters into an agreement with the National Iranian Oil Company, any of its affiliates, or any entity owned or controlled by the Government of Iran to provide for the development of petroleum resources wherever located.

“(B) ANCILLARY SERVICES.—

“(i) IN GENERAL.—Except as provided in clause (ii) and subsection (f), the President shall impose 3 or more of the sanctions described in section 6(a) with re-
spect to a person if the President determines that the person knowingly, on or after the date of the enactment of the Stop Iran’s Nuclear Weapons Program Act of 2011, enters into an agreement to provide ancillary services to support an agreement described in clause (i), (ii), or (iii) of subparagraph (A).

“(ii) EXCEPTION.—The President shall not be required to apply or maintain the sanctions under clause (i) with respect to a person who provides underwriting, insurance, or reinsurance services to support an agreement described in clause (i), (ii), or (iii) of subparagraph (A) if the President determines in writing that the person has exercised due diligence in establishing and enforcing official policies, procedures, and controls to ensure that the person does not underwrite or enter into a contract to provide insurance or reinsurance for the activities described in clause (i), (ii), or (iii) of subparagraph (A).

“(C) DEFINITIONS.—
“(i) Ancillary services.—In subparagraph (A), the term ‘ancillary services’ means underwriting, insurance, reinsurance, financing, guarantees, brokering, or providing ships or shipping services.

“(ii) Long-term agreement.—In subparagraph (A)(i), the term ‘long-term agreement’ means a contract or other agreement that provides for delivery of petroleum resources beginning more than 1 year after the date of entry into the contract or agreement (as the case may be).

“(iii) Future delivery.—In subparagraph (A)(ii), the term ‘future delivery’ means delivery that occurs more than 180 days after payment is effected under the agreement.

“(5) Purchase, subscription to, or facilitation of the issuance of Iranian sovereign debt.—Except as provided in subsection (f), the President shall impose 3 or more of the sanctions described in section 6(a) with respect to a person if the President determines that the person knowingly, on or after the date of the enactment of the Stop
Iran’s Nuclear Weapons Program Act of 2011, purchases, subscribes to, or facilitates the issuance of—

“(A) sovereign debt of the Government of Iran, including governmental bonds; or

“(B) debt of any entity owned or controlled by the Government of Iran, including bonds.”

SEC. 102. APPLICATION TO SUBSIDIARIES.

(a) In General.—Except as provided in subsection (b), in any case in which an entity engages in an act outside the United States which, if committed in the United States or by a United States person, would violate Executive Order 12959 (50 U.S.C. 1701 note) or Executive Order 13059 (50 U.S.C. 1701 note) (or any successor thereto), section 103 of the Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010 (Public Law 111–195; 22 U.S.C. 8512), or any other prohibition on transactions with respect to Iran that is imposed under the International Emergency Economic Powers Act (50 U.S.C. 1701 et seq.), the parent company of that entity shall be subject to the penalties for the act to the same extent as if the parent company had engaged in the act.

(b) Exception.—Subsection (a) shall not apply to a parent company of an entity for an act described in subsection (a) if—

...
(1) within 90 days after the date of the enactment of this Act—

(A) the parent company causes the entity to cease committing acts described in subsection (a); or

(B) the entity ceases committing acts described in subsection (a); or

(2) in the case of an entity acquired by a parent company, within 90 days of acquisition of the entity—

(A) the parent company causes the entity to cease committing acts described in subsection (a); or

(B) the entity ceases committing acts described in subsection (a).

(e) CONSTRUCTION.—Nothing in this section shall be construed as prohibiting the issuance of regulations, orders, directives, or licenses under the Executive orders described in subsection (a) or as being inconsistent with the authorities under the International Emergency Economic Powers Act.

(d) DEFINITIONS.—In this section:

(1) ENTITY.—The term “entity” means a partnership, association, trust, joint venture, corporation, or other organization.
(2) PARENT COMPANY.—An entity is a “parent company” of another entity if it controls, directly or indirectly, that other entity and is a United States person.

(3) UNITED STATES PERSON.—The term “United States person” means any United States citizen, any alien lawfully admitted for permanent residence to the United States, any entity organized under the laws of the United States, or any person in the United States.

SEC. 103. ADDITIONAL EXPORT SANCTIONS AGAINST IRAN.


(1) licenses to export or reexport goods, services, or technology relating to civil aviation of United States origin to Iran may not be issued, and any such license issued before such date of enactment is no longer valid; and

(2) goods, services, or technology described in paragraph (1) may not be exported or reexported.
SECT. 104. ELIMINATION OF CERTAIN TAX INCENTIVES FOR OIL COMPANIES INVESTING IN IRAN.

(a) IN GENERAL.—Subsection (h) of section 167 of the Internal Revenue Code of 1986 (relating to amortization of geological and geophysical expenditures) is amended by adding at the end the following new paragraph:

“(6) DENIAL WHEN IRAN SANCTIONS IN EFFECT.—

“(A) IN GENERAL.—If sanctions are imposed under section 5(a) of the Iran Sanctions Act of 1996 (relating to sanctions with respect to the development of petroleum resources of Iran) on any member of an expanded affiliated group the common parent of which is a foreign corporation, paragraph (1) shall not apply to any expense paid or incurred by any such member in any period during which the sanctions are in effect.

“(B) AFFIRMATION OF COMPLIANCE.—

“(i) IN GENERAL.—Paragraph (1) shall not apply to any expense paid or incurred by any member of such group in any period in the taxable year unless the corporation affirms that it and all members of its expanded affiliated group have not conducted any activities during the
taxable year described in section 5(a) of the Iran Sanctions Act of 1996. The affirmation required by the preceding sentence shall be made on the return of tax for such taxable year in the manner required by the Secretary.

“(ii) Special rule.—If, with respect to any provision under section 5(a) of the Iran Sanctions Act of 1996—

“(I) a certification is made under section 4(e)(3) of such Act, and

“(II) after the certification the taxpayer does not conduct any activity in violation of the provision,

any activity by the taxpayer occurring before the certification with respect to the provision shall not be taken into account.

“(C) Expanded affiliated group.—For purposes of this paragraph, the term ‘expanded affiliated group’ means an affiliated group as defined in section 1504(a), determined—

“(i) by substituting ‘more than 50 percent’ for ‘at least 80 percent’ each place it appears, and
“(ii) without regard to paragraphs (2), (3), and (4) of section 1504(b).”.

(b) Effective Date.—The amendment made by subsection (a) shall apply to expenses paid or incurred on or after January 1, 2010.

SEC. 105. INADMISSIBILITY OF CERTAIN ALIENS WHO ENGAGE IN CERTAIN ACTIVITIES WITH RESPECT TO IRAN.

(a) In General.—Section 212(a)(3) of the Immigration and Nationality Act (8 U.S.C. 1182(a)(3)) is amended by adding at the end the following:

“(H) Individuals who engage in certain activities with respect to Iran.—

“(i) In general.—Subject to clause (iii), any alien described in clause (ii) is inadmissible.

“(ii) Aliens described.—An alien described in this clause is an alien that the Secretary of State determines—

“(I) engages in—

“(aa) an activity for which sanctions may be imposed pursuant to section 5 of the Iran Sanctions Act of 1996 (Public Law 104–172; 50 U.S.C. 1701 note);
“(bb) an activity—

“(AA) relating to the proliferation by Iran of weapons of mass destruction or the means of delivery of such weapons; and

“(BB) for which sanctions may be imposed pursuant to Executive Order 13382 (70 Fed. Reg. 38567) (or any successor thereto);

“(cc) an activity—

“(AA) relating to support for international terrorism by the Government of Iran; and

“(BB) for which sanctions may be imposed pursuant to Executive Order 13224 (66 Fed. Reg. 49079) (or any successor thereto); or

“(dd) any other activity with respect to Iran for which sanc-
tions may be imposed pursuant
to any other provision of law;

“(II) is the chief executive offi-
cer, president, or other individual in
charge of overall management of, a
member of the board of directors of,
or a shareholder with a controlling in-
terest in, an entity that engages in an
activity described in subclause (I); or

“(III) is a spouse or minor child
of—

“(aa) an alien who engages
in an activity described in sub-
clause (I); or

“(bb) the chief executive off-
cier, president, or other indi-
vidual in charge of overall man-
agement of, a member of the
board of directors of, or a share-
holder with a controlling interest
in, an entity that engages in an
activity described in subclause
(I).

“(iii) NOTICE; WAIVER WITH RESPECT
TO CERTAIN ENTITIES.—
“(I) NOTICE.—The Secretary of State may notify an alien the Secretary determines may be inadmissible under this subparagraph—

“(aa) that the alien may be inadmissible; and

“(bb) of the reason for the inadmissibility of the alien.

“(II) WAIVER.—The President may waive the application of this subparagraph and admit an alien to the United States if—

“(aa) the alien is described in subclause (II) or (III)(bb) of clause (ii);

“(bb) the entity that engaged in the activity that would otherwise result in the inadmissibility of the alien under this subparagraph is no longer engaging the activity or has taken significant steps toward stopping the activity; and

“(cc) the President has received reliable assurances that
the entity will not knowingly engage in an activity described in clause (ii)(I) again.”.

(b) Regulations.—Section 428 of the Homeland Security Act of 2002 (6 U.S.C. 236) is amended by adding at the end the following:

“(j) Regulations With Respect to Inadmissibility of Aliens Who Engage in Certain Transactions With Iran.—Not later than 180 days after the date of the enactment of this subsection, the Secretary shall issue regulations and guidelines for interpreting and enforcing the prohibition under subparagraph (H) of section 212(a)(3) of the Immigration and Nationality Act (8 U.S.C. 1182(a)(3)) on the admissibility of aliens who engage in certain sanctionable activities with respect to Iran.”.

SEC. 106. TEMPORARY INCREASE IN FEE FOR CERTAIN CONSULAR SERVICES.

(a) Increase in Fee.—Notwithstanding any other provision of law, not later than 120 days after the date of the enactment of this Act, the Secretary of State shall increase by $1.00 the fee or surcharge assessed under section 140(a) of the Foreign Relations Authorization Act, Fiscal Years 1994 and 1995 (Public Law 103–236; 8 U.S.C. 1351 note) for processing machine readable non-
immigrant visas and machine readable combined border crossing identification cards and nonimmigrant visas.

(b) Deposit of Amounts.—Fees collected under the authority of subsection (a) shall be deposited in the Treasury.

c) Duration of Increase.—The fee increase authorized under subsection (a) shall terminate on the date that is one year after the date on which such fee is first collected.

**TITLE II—APPLICATION OF SANCTIONS AGAINST AFFILIATES OF IRAN'S ISLAMIC REVOLUTIONARY GUARD CORPS**

**SEC. 201. SANCTIONS AGAINST AFFILIATES OF IRAN’S ISLAMIC REVOLUTIONARY GUARD CORPS.**

(a) In General.—Not later than 90 days after the date of the enactment of this Act, and as appropriate thereafter, the President shall identify in, and, in the case of a foreign person or foreign entity not already so designated, shall designate for inclusion in the Annex to Executive Order 13382 (70 Fed. Reg. 38567; relating to blocking property of weapons of mass destruction proliferators and their supporters) and shall apply all applicable sanctions of the United States pursuant to Executive Order 13382 to each foreign person or foreign entity
for which there is a reasonable basis for determining that
the person or entity is as an agent, alias, front, instrument-
tality, official, or affiliate of Iran’s Islamic Revolutionary
Guard Corps or is an individual serving as a representa-
tive of Iran’s Islamic Revolutionary Guard Corps.

(b) PRIORITY FOR INVESTIGATION.—In carrying out
this section, the President shall give priority to inves-
tigating foreign persons and foreign entities identified
under section 560.304 of title 31, Code of Federal Regula-
tions (relating to the definition of the Government of Iran)
and foreign persons and foreign entities for which there
is a reasonable basis to suspect that the person or entity
has conducted or attempted to conduct one or more sen-
sitive transactions or activities described in subsection (c).

(c) SENSITIVE TRANSACTION OR ACTIVITY.—A sen-
sitive transaction or activity referred to in subsection (b)
is—

(1) a financial transaction or series of trans-
actions valued at more than $1,000,000 in the ag-
gregate in any 12-month period involving a non-Ira-
nian financial institution;

(2) a transaction to facilitate the manufacture,
import, export, or transfer of items needed for the
development of nuclear, chemical, biological, or ad-
vanced conventional weapons, including ballistic missiles;

(3) a transaction relating to the manufacture, procurement, or sale of goods, services, and technology relating to Iran’s energy sector, including the development of the energy resources of Iran, export of petroleum products, and import of refined petroleum and refining capacity available to Iran;

(4) a transaction relating to the procurement of sensitive technologies (as defined in section 106(c) of the Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010 (Public Law 111–195; 22 U.S.C. 8515(e)); or

(5) an attempt to interfere in the internal affairs of Iraq or Afghanistan, or equip or train, or encourage violence by, individuals or groups opposed to the governments of those countries.

(d) EXCLUSION FROM UNITED STATES.—The Secretary of State shall deny a visa to, and the Secretary of Homeland Security shall exclude from the United States, any alien who, on or after the date of the enactment of this Act, is a foreign person designated for inclusion in the Annex to Executive Order 13382 pursuant to subsection (a).
(c) **Rule of Construction.**—Nothing in this section shall be construed to remove any sanction of the United States in force against Iran’s Islamic Revolutionary Guard Corps as of the date of the enactment of this Act by reason of the fact that Iran’s Islamic Revolutionary Guard Corps is an entity of the Government of Iran.

**SEC. 202. MEASURES AGAINST FOREIGN PERSONS OR ENTITIES SUPPORTING IRAN’S ISLAMIC REVOLUTIONARY GUARD CORPS.**

(a) **Identification and Notification.**—The President shall notify the appropriate congressional committees in any case in which the President determines that there is credible information indicating that a foreign person or foreign entity, on or after the date of the enactment of this Act, knowingly—

1. provides material support to Iran’s Islamic Revolutionary Guard Corps or any person or entity that identified pursuant to section 201(a) as an agent, alias, front, instrumentality, official, or affiliate of Iran’s Islamic Revolutionary Guard Corps or an individual serving as a representative of Iran’s Islamic Revolutionary Guard Corps; or
(2) conducts any commercial transaction or financial transaction with Iran’s Islamic Revolutionary Guard Corps or any such person or entity.

(b) WAIVER.—

(1) IN GENERAL.—Notwithstanding any other provision of this title and subject to paragraph (2), the President is not required to make any identification or designation of or determination with respect to a foreign person or foreign entity for purposes of this title if doing so would cause damage to the national security of the United States through the divulgence of sources and methods of intelligence or other critical classified information.

(2) NOTICE TO CONGRESS.—The President shall notify Congress of any exercise of the authority of paragraph (1) and shall include in the notification an identification of the foreign person or foreign entity, including a description of the activity or transaction that would have caused the identification, designation, or determination for purposes of this title.

(c) SANCTIONS.—

(1) IN GENERAL.—Not later than 60 days after the date on which the President provides notice to the appropriate congressional committees pursuant to subsection (a), the President shall apply to each
foreign person or foreign entity identified in the notice, for such time as the President may determine, the following sanctions:

(A) No department or agency of the United States Government may procure or enter into a contract for the procurement of goods or services from the person or entity.

(B) No products produced by the person or entity may be imported into the United States.

(2) TERMINATION.—The President may terminate the sanctions applied to a foreign person or foreign entity pursuant to paragraph (1) if the President determines that the person or entity no longer engages in the activity or activities for which the sanctions were imposed and has provided assurances to the United States Government that it will not engage in the activity or activities in the future.

(d) IEEPA SANCTIONS.—The President may exercise the authorities provided under section 203(a) of the International Emergency Economic Powers Act (50 U.S.C. 1702(a)) to impose additional sanctions on each foreign person or foreign entity identified pursuant to subsection (a) of this section, for such time as the President may determine, without regard to section 202 of that Act.
(e) **WAIVER.**—The President may waive the application of any measure described in subsection (e) with respect to a foreign person or foreign entity if the President—

(1)(A) determines that the person or entity has ceased the activity that resulted in the notification under subsection (a) with respect to the person or entity (as the case may be) and has taken measures to prevent its recurrence; or

(B) determines that it is vital to the national security interests of the United States to do so; and

(2) submits to the appropriate congressional committees a report that contains the reasons for the determination.

**SEC. 203. SPECIAL MEASURES AGAINST FOREIGN COUNTRIES SUPPORTING IRAN’S ISLAMIC REVOLUTIONARY GUARD CORPS.**

(a) **SANCTIONS.**—With respect to any foreign entity identified pursuant to section 202(a) that is an agency of the government of a foreign country, the President shall, in addition to applying to the entity the sanctions described in section 202(c), apply to the foreign country the following measures:

(1) No assistance shall be provided to the foreign country under the Foreign Assistance Act of
1961, or any successor Act, or the Arms Export
Control Act, or any successor Act, other than assist-
ance that is intended to benefit the people of the for-
eign country directly and that is not provided
through governmental agencies or entities of the for-
eign country.

(2) The United States shall oppose any loan or
financial or technical assistance to the foreign coun-
try by international financial institutions in accord-
ance with section 701 of the International Financial
Institutions Act (22 U.S.C. 262d).

(3) The United States shall deny to the foreign
country any credit or financial assistance by any de-
partment, agency, or instrumentality of the United
States Government.

(4) The United States Government shall not
approve the sale to the foreign country any defense
articles or defense services or issue any license for
the export of items on the United States Munitions
List.

(5) No exports to the foreign country shall be
permitted of any goods or technologies controlled for
national security reasons under the Export Adminis-
tration Regulations.
(6) Restrictions shall be imposed on the importation into the United States of articles that are the growth, product, or manufacture of the foreign country.

(7) At the earliest practicable date, the Secretary of State shall terminate, in a manner consistent with international law, the authority of any air carrier that is controlled in fact by the government of the foreign country to engage in air transportation (as defined in section 40102(5) of title 49, United States Code).

(b) TERMINATION.—The President may terminate the sanctions applied to a foreign country pursuant to subsection (a) if the President determines that the foreign entity involved no longer engages in the activity or activities for which the sanctions were imposed and has provided assurances to the United States Government that it will not engage in the activity or activities in the future.

(c) WAIVER.—The President may waive the application of any measure described in subsection (a) with respect to a foreign country if the President—

(1)(A) determines that the entity has ceased the activity that resulted in the notification under section 202(a) with respect to the entity and has taken measures to prevent its recurrence; or
(B) determines that it is vital to the national
security interests of the United States to do so; and
(2) submits to the appropriate congressional
committees a report that contains the reasons for
the determination.

SEC. 204. RULE OF CONSTRUCTION.

Nothing in this title shall be construed to limit the
authority of the President to otherwise designate foreign
persons or foreign entities for inclusion in the Annex to
Executive Order 13382 (70 Fed. Reg. 38567; relating to
blocking property of weapons of mass destruction
proliferators and their supporters).

SEC. 205. DEFINITIONS.

In this title:

(1) APPROPRIATE CONGRESSIONAL COMMIT-
TEES.—The term “appropriate congressional com-
mittees” means the Committee on Foreign Affairs of
the House of Representatives and the Committee on
Foreign Relations of the Senate.

(2) FOREIGN PERSON.—The term “foreign per-
sion” has the meaning given the term in section 14
of the Iran Sanctions Act of 1996.

(3) IRAN’S ISLAMIC REVOLUTIONARY GUARD
CORPS.—The term “Iran’s Islamic Revolutionary
“Guard Corps” includes the Iran’s Islamic Revolutionary Guard Corps-Qods Force.

SEC. 206. SUNSET.

This title shall terminate on the date that is 30 days after the date on which the President makes the certification described in section 401(a) of the Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010 (22 U.S.C. 8551(a)).

TITLE III—OPPOSITION OF TRANSFER TO IRAN, NORTH KOREA, AND SYRIA OF GOODS, SERVICES, OR TECHNOLOGY RELEVANT TO THEIR CAPABILITY TO EXTRACT OR MILL URANIUM ORE

SEC. 301. STATEMENT OF POLICY.

It shall be the policy of the United States—

(1) to oppose the transfer to Iran, North Korea, and Syria of goods, services, or technology relevant to the capability of those countries to extract or mill uranium ore; and

(2) to work with like-minded countries to impose restrictions on such transfers internationally.
SEC. 302. REPORTING REQUIREMENTS UNDER THE IRAN, NORTH KOREA, AND SYRIA NONPROLIFERATION ACT.

Section 2(a) of the Iran, North Korea, and Syria Nonproliferation Act (50 U.S.C. 1701 note) is amended—

(1) in paragraph (1), by redesignating subparagraphs (A) through (E) as clauses (i) through (v), respectively;

(2) by redesignating paragraphs (1) and (2) as subparagraphs (A) and (B), respectively;

(3) in subparagraph (B), as redesignated—

(A) by striking “paragraph (1)” and inserting “subparagraph (A)”;

(B) by striking the period at the end and inserting “; or”;

(4) by striking all that precedes subparagraph (A), as redesignated, and inserting the following:

“(a) REPORTS.—The President shall, at the times specified in subsection (b), submit to the Committee on Foreign Affairs of the House of Representatives and the Committee on Foreign Relations of the Senate a report identifying every foreign person with respect to whom there is credible information indicating that person—

“(1) on or after January 1, 1999, transferred to or acquired from Iran, on or after January 1, 2005, transferred to or acquired from Syria, or on
or after January 1, 2006, transferred to or acquired from North Korea—’’; and

(5) by adding at the end the following new paragraph:

“(2) on or after January 1, 2009, transferred to Iran, Syria, or North Korea goods, services, or technology that could assist efforts to extract or mill uranium ore within the territory or control of Iran, North Korea, or Syria.”.

SEC. 303. CONFORMING AMENDMENTS.

The Iran, North Korea, and Syria Nonproliferation Act (50 U.S.C. 1701 note) is further amended by striking “Committee on International Relations” each place it appears and inserting “Committee on Foreign Affairs”.
TITLE IV—ROLLOVER OF GAIN FROM DIVESTING CERTAIN QUALIFIED SECURITIES OF BUSINESS ENTITIES ENGAGED IN DISCOURAGED ACTIVITIES IN IRAN

SEC. 401. ROLLOVER OF GAIN FROM DIVESTING CERTAIN QUALIFIED SECURITIES OF BUSINESS ENTITIES ENGAGED IN DISCOURAGED ACTIVITIES IN IRAN.

(a) IN GENERAL.—Part III of subchapter O of chapter 1 of the Internal Revenue Code of 1986 (relating to common nontaxable exchanges) is amended by adding at the end the following new section:

“SEC. 1046. ROLLOVER OF GAIN FROM DIVESTING CERTAIN QUALIFIED SECURITIES OF BUSINESS ENTITIES ENGAGED IN DISCOURAGED ACTIVITIES IN IRAN.

“(a) NONRECOGNITION OF GAIN.—

“(1) IN GENERAL.—In the case of any sale of any qualified security held by a taxpayer with respect to which such taxpayer elects the application of this section, in any business entity that is engaged in an Iran discouraged activity, gain from
such sale shall be recognized only to the extent that the amount realized on such sale exceeds—

“(A) the cost of any qualified replacement property purchased by the taxpayer during the 30-day period beginning on the date of such sale, reduced by

“(B) any portion of such cost previously taken into account under this section.

“(2) Exception for Ordinary Income Gain.—This section shall not apply to any gain which is treated as ordinary income for purposes of this title.

“(3) Exception Where Taxpayer Owns Controlling Interest in the Business Entity.—

“(A) In General.—Paragraph (1) shall not apply to any sale if, immediately before such sale, the taxpayer owns a controlling interest in the business entity that is engaged in an Iran discouraged activity.

“(B) Controlling Interest.—For purposes of subparagraph (A), the term ‘controlling interest’ means direct or indirect ownership of at least 50 percent of the total voting power and value of all classes of stock of a corporation. For purposes of the preceding sentence,
the rules of paragraphs (1) and (5) of section 267(c) shall apply.

“(C) AGGREGATION RULE.—For purposes of this paragraph, all members of the same controlled group of corporations (within the meaning of section 267(f)) and all persons under common control (within the meaning of section 52(b) but determined by treating an interest of more than 50 percent as a controlling interest) shall be treated as 1 person.

“(b) DEFINITIONS AND SPECIAL RULES RELATING TO SECURITIES AND REPLACEMENT PROPERTY.—For purposes of this section—

“(1) QUALIFIED SECURITY.—

“(A) IN GENERAL.—The term ‘qualified security’ means any security held by a taxpayer in any business entity that is engaged in an Iran discouraged activity.

“(B) EXCEPTION.—Such term shall not include any security purchased or otherwise acquired after the date of the enactment of this section which, at the time of such purchase or acquisition, was issued by a business entity then engaged in an Iran discouraged activity.

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“(C) Security defined.—The term ‘security’ has the meaning given such term by section 165(g)(2).

“(2) Qualified replacement property.—

“(A) In general.—The term ‘qualified replacement property’ means any security of a business entity that, on the date of purchase by the taxpayer—

“(i) is not engaged in an Iran discouraged activity on such date,

“(ii) is not a member of an expanded affiliated group, any member of which is engaged in an Iran discouraged activity on such date, and

“(iii) meets the requirements of sub-paragraph (B) or paragraph (3).

“(B) Replacement property.—Property meets the requirements of this paragraph if, with respect to the sale of any security—

“(i) except as provided in clause (ii), in the case that the security is a share of stock in a corporation, the replacement property is a share of stock in a corporation,
“(ii) in the case that the security is a share of stock of a regulated investment company, real estate investment trust, hedge fund, investment partnership, or similar business entity, the replacement property is a share of stock in a regulated investment company, real estate investment trust, hedge fund, investment partnership, or similar business entity,

“(iii) in the case that the security is a right to subscribe for, or to receive, a share of stock in a corporation, the replacement property is a right to subscribe for, or to receive, a share of stock in a corporation, and

“(iv) in the case that the security is a bond, debenture, note, or certificate, or other evidence of indebtedness issued by a corporation, with interest coupons or in registered form, the replacement property is a bond, debenture, note, or certificate, or other evidence of indebtedness issued by a corporation, with interest coupons or in registered form.
“(C) DEEMED INVESTMENT IF INVESTING IN ENTITIES ENGAGED IN DISCOURAGED ACTIVITIES.—Any regulated investment company, real estate investment trust, hedge fund, investment partnership, or similar business entity, which invests in the securities—

“(i) issued by a business entity determined to be engaging in Iran discouraged activities, or

“(ii) issued by the government of Iran or any agency thereof,
shall be deemed to be a business entity engaging in Iran discouraged activities.

“(D) BUSINESS DECLARATION OF POLICY.—

“(i) IN GENERAL.—Notwithstanding any other provision of this section, in the case of a business entity described in clause (iii), a security in such business entity shall not be treated as qualified replacement property unless the business entity has made the following declaration: ‘It is our policy not to make investments in business entities which engage in Iran discouraged activities as defined in section
1046 of the Internal Revenue Code of 1986, and to use due diligence to avoid making such investments. It is our policy to divest on or before December 31, 2012, from business entities engaged in Iran discouraged activities.’.

“(ii) Not Qualified Security.—If a business entity described in clause (iii) has made the declaration specified in clause (i), then from the time of such declaration an interest in such business entity shall not be treated as a qualified security.

“(iii) Business Entity Described.—A business entity described in this clause is a regulated investment company, real estate investment trust, hedge fund, investment partnership, or similar business entity.

“(E) Expanded Affiliated Group.—The term ‘expanded affiliated group’ means an affiliated group as defined in section 1504(a), determined—

“(i) by substituting ‘more than 50 percent’ for ‘at least 80 percent’ each place it appears, and
“(ii) without regard to paragraphs (2) and (4) of section 1504(b).

“(F) BASIS ADJUSTMENTS.—If gain from any sale is not recognized by reason of subsection (a), such gain shall be applied to reduce (in the order acquired) the basis for determining gain or loss of any qualified replacement property which is purchased by the taxpayer during the 30-day period described in subsection (a).

“(G) HOLDING PERIOD.—For purposes of determining the period for which the taxpayer has held qualified replacement property the acquisition of which resulted in the nonrecognition under subsection (a) of any part of the gain realized on the sale of a qualified security, there shall be included the period for which such qualified security had been held by the taxpayer.

“(3) SPECIAL RULE FOR SECURITIES OF CERTAIN ENTITIES.—

“(A) IN GENERAL.—For any business entity described in subparagraph (C), a security in such business entity shall be treated as qualified replacement property if—
“(i) the business entity has made the following declaration: ‘It is our policy not to make investments in any person having an investment in, or carrying on a trade or business (within the meaning of section 162) in or with, Iran. This policy may or may not include investments concerning the provision of food, medicine, humanitarian services in or to Iran.’, and

“(ii) the business entity has adopted restrictions on investment in persons that invest in or carrying on a trade or business (within the meaning of section 162) in or with countries other than Iran that have been determined by the Secretary of State to have repeatedly provided support acts of international terrorism pursuant to—

“(I) section 6(j)(1)(A) of the Export Administration Act of 1979 (50 U.S.C. App. 2405(j)(1)(A)) (as in effect pursuant to the International Emergency Economic Powers Act (50 U.S.C. 1701 et seq.)) (or any successor thereto);
“(II) section 40(d) of the Arms Export Control Act (22 U.S.C. 2780(d)); or

“(III) section 620A(a) of the Foreign Assistance Act of 1961 (22 U.S.C. 2371(a)).

“(B) NOT QUALIFIED SECURITY.—If a business entity described in subparagraph (C) has made the declaration specified in subparagraph (A), then from the time of such declaration an interest in such business entity shall not be treated as a qualified security.

“(C) BUSINESS ENTITY DESCRIBED.—A business entity described in this subparagraph is a regulated investment company, real estate investment trust, hedge fund, investment partnership, or similar business entity.

“(4) BUSINESS ENTITY.—The term ‘business entity’ means any corporation, limited liability partnership, limited liability company, or any other business entity conducting business activities in which the taxpayer has purchased or can purchase securities.

“(c) DEFINITIONS AND RULES RELATING TO IRAN DISCOURAGED ACTIVITIES.—For purposes of this section,
the term ‘Iran discouraged activity’ means any activity described in section 5(a) of the Iran Sanctions Act of 1996 (Public Law 104–172; 50 U.S.C. 1701 note) with respect to which sanctions described in section 6(a) of such Act may be imposed.

“(d) DOING BUSINESS WITH TERRORISTS.—

“(1) IN GENERAL.—For purposes of this section, a business entity has engaged in Iran discouraged activities if it conducts business with or makes any charitable donation to any Iranian person designated as a terrorist or to any foreign terrorist organization.

“(2) TERRORIST.—A person is designated as a terrorist for purposes of paragraph (1) if such person is designated or otherwise individually identified in or pursuant to an Executive Order which is related to terrorism and issued under the authority of the International Emergency Economic Powers Act or section 5 of the United Nations Participation Act of 1945 for the purpose of imposing on such organization an economic or other sanction.

“(3) FOREIGN TERRORIST ORGANIZATION.—For purposes of paragraph (1), the term ‘foreign terrorist organization’ means an organization designated under section 219 of the Immigration and
Nationality Act (8 U.S.C. 1189) as a foreign terrorist organization.

“(e) IDENTIFICATION OF BUSINESS ENTITIES ENGAGING IN IRAN DISCOURAGED ACTIVITIES.—

“(1) Publication of list.—For purposes of this section, the Secretary shall publish and update at least every six months a list of business entities engaging in any Iran discouraged activity.

“(2) Regulations.—The Secretary shall issue regulations defining how a business entity shall not be deemed to be engaged in an Iran discouraged activity, if—

“(A) with regard to activities on the date this section becomes effective, the business entity limits its activity to continuing existing contracts, without extension or expansion (except that an investment (as defined in section 14 of the Iran Sanctions Act of 1996) that would subject a business entity to sanctions under section 5 of the Iran Sanctions Act of 1996 shall be considered an Iran discouraged activity, notwithstanding contracts entered into prior to the effective date of this section), and

“(B) with regard to any Iran discouraged activity carried on under contracts entered into
or expanded after the effective date of this section, the contract was entered into at a time when the business entity did not own or control the subsidiary business entity, and after acquiring such ownership or control the business entity has not extended or expanded or renewed such contract.

“(3) TAXPAYER SELF-HELP.—Until such time as the Secretary publishes a list of those engaging in Iran discouraged activities or if the Secretary fails to update that list as required in paragraph (1), the taxpayer may determine, using credible, publicly available information, which business entities engage in an Iran discouraged activity.

“(f) IMPROVEMENT IN THE ACTIONS OF THE GOVERNMENT OF IRAN.—

“(1) TERMINATION OF NONRECOGNITION TREATMENT.—Effective on the date when the requirements described in paragraph (2) are met, subsection (a) shall not apply to any Iran discouraged activity after such date.

“(2) REQUIREMENTS.—The requirements described in this paragraph are—

“(A) a declaration by the President which states that, in the opinion of the President,
Iran is no longer engaging in efforts to develop or retain weapons of mass destruction, and has not developed and is not developing the capacity to enrich or reprocess uranium or plutonium, and

“(B) a determination by the Secretary of State that Iran should no longer be listed as a state sponsor of acts of international terrorism pursuant to section 6(j) of the Export Administration Act of 1979, section 620A of the Foreign Assistance Act of 1961, section 40 of the Arms Export Control Act, or any other provision of law.”.

(b) CLERICAL AMENDMENT.—The table of sections for part III of subchapter O of chapter 1 of such Code is amended by adding at the end the following new item:

“Sec. 1046. Rollover of gain from divesting certain qualified securities of business entities engaged in discouraged activities in Iran.”.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to with respect to sales of securities after the date of the enactment of this Act.
TITLE V—PROHIBITION ON UNITED STATES GOVERNMENT CONTRACTS AND INVESTMENT FOR COMPANIES CONDUCTING BUSINESS IN IRAN

SEC. 501. PROHIBITION ON UNITED STATES GOVERNMENT CONTRACTS.

(a) Certification Requirement.—The head of each executive agency shall ensure that each contract with a company entered into by such executive agency for the procurement of goods or services or agreement for the use of Federal funds as part of a grant, loan, or loan guarantee, the provision of insurance or reinsurance, or the provision of technical assistance to a company, includes a clause that requires the company to certify to the contracting officer or other appropriate official, as the case may be, that the company does not conduct business operations in Iran described in section 504.

(b) Remedies.—

(1) In General.—The head of an executive agency may impose remedies as provided in this subsection if the head of the executive agency determines that the contractor has submitted a false certification under subsection (a) after the date the
Federal Acquisition Regulation is revised pursuant
to subsection (e) to implement the requirements of
this section.

(2) TERMINATION.—The head of an executive
agency may terminate a covered contract with a
company upon the determination of a false certifi-
cation under paragraph (1).

(3) SUSPENSION AND DEBARMENT.—The head
of an executive agency may debar or suspend a con-
tractor from eligibility for Federal contracts upon
the determination of a false certification under para-
graph (1). The debarment period may not exceed 3
years.

(4) INCLUSION ON LIST OF PARTIES EXCLUDED
FROM FEDERAL PROCUREMENT AND NONPROCURE-
MENT PROGRAMS.—The Administrator of General
Services shall include on the List of Parties Ex-
cluded from Federal Procurement and Nonprocure-
ment Programs maintained by the Administrator
under part 9 of the Federal Acquisition Regulation
issued pursuant to section 1303 of title 41, United
States Code, each contractor that is debarred, sus-
pended, proposed for debarment or suspension, or
declared ineligible by the head of an executive agen-
(5) Rule of Construction.—This section shall not be construed to limit the use of other remedies available to the head of an executive agency or any other official of the Federal Government on the basis of a determination of a false certification under paragraph (1).

(e) Waiver.—

(1) In General.—The President may waive the requirement of subsection (a) on a case-by-case basis if the President determines and certifies in writing to the appropriate congressional committees that it is in the national interest to do so.

(2) Reporting Requirement.—Not later than 120 days after the date of the enactment of this Act and semi-annually thereafter, the Administrator for Federal Procurement Policy shall submit to the appropriate congressional committees a report on waivers granted under paragraph (1).

(d) Implementation Through the Federal Acquisition Regulation.—Not later than 120 days after the date of the enactment of this Act, the Federal Acquisition Regulation issued pursuant to section 1303 of title
41, United States Code, shall be revised to provide for the implementation of the requirements of this section.

SEC. 502. AUTHORITY OF STATE AND LOCAL GOVERNMENTS TO RESTRICT CONTRACTS OR LICENSES FOR CERTAIN SANCTIONABLE PERSONS.

Notwithstanding any other provision of law, a State or local government may adopt and enforce measures to prohibit the State or local government, as the case may be, from entering into or renewing any contract with, or granting to or renewing any license for persons that conduct business operations in Iran described in section 504.

SEC. 503. UNITED STATES PENSION PLANS.

(a) DIVESTITURE FROM IRAN.—The managers of United States Government pension plans or thrift savings plans, shall take, to the extent consistent with the legal and fiduciary duties otherwise imposed on them, immediate steps to divest all investments in any entity with respect to which sanctions are applied for activities described in section 5(a) of the Iran Sanctions Act of 1996 (Public Law 104–172; 50 U.S.C. 1701 note), as amended by this Act, section 202(a) of this Act, or section 106(a) of the Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010 (Public Law 111–195; 22 U.S.C. 8515).
(b) Prohibition on Future Investment.—The managers of United States Government pension plans or thrift savings plans shall ensure that there is no future investment in any entity described in subsection (a) for the duration of the period of time during which the entity is sanctioned under the applicable provision of law described in subsection (a).

SEC. 504. DEFINITIONS.

In this title:

(1) Appropriate Congressional Committees.—The term “appropriate congressional committees” means—

(A) the Committee on Banking, Housing, and Urban Affairs, the Committee on Foreign Relations, and the Select Committee on Intelligence of the Senate; and

(B) the Committee on Financial Services, the Committee on Foreign Affairs, and the Permanent Select Committee on Intelligence of the House of Representatives.

(2) Affiliate.—The term “affiliate” means any individual or entity that directly or indirectly controls, is controlled by, or is under common control with, the company, including without limitation direct and indirect subsidiaries of the company.
(3) **BUSINESS OPERATIONS.**—The term “business operations” means—

(A) carrying out any of the activities described in section 5 (a) and (b) of the Iran Sanctions Act of 1996 (Public Law 104–172; 50 U.S.C. 1701 note), as amended by this Act, that are sanctionable under such section;

(B) providing sensitive technology (as defined in section 106(c) of the Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010 (Public Law 111–195; 22 U.S.C. 8515(c))) to the Government of Iran; and

(C) carrying out any of the activities described in section 302(a) of this Act.

(4) **COMPANY.**—The term “company” means—

(A) a sole proprietorship, organization, association, corporation, partnership, limited liability company, venture, or other entity, its subsidiary or affiliate; and

(B) includes a company owned or controlled, either directly or indirectly, by the government of a foreign country, that is established or organized under the laws of, or has its principal place of business in, such foreign
country and includes United States subsidiaries
of the same.

(5) ENTITY.—The term “entity” means a sole
proprietorship, a partnership, limited liability cor-
poration, association, trust, joint venture, corpora-
tion, or other organization.

(6) EXECUTIVE AGENCY.—The term “executive
agency” has the meaning given the term in section
133 of title 41, United States Code.

(7) FEDERAL FUNDS.—The term “Federal
funds” means a sum of money or other resources de-
erived from United States taxpayers, which the
United States Government may provide to compa-
nies through government grants or loans, or through
the terms of a contract with the Federal Govern-
ment, or through the Emergency Economic Sta-
bilization Act of 2008 “Troubled Asset Relief Pro-
gram” or other similar and related transaction vehi-
cles, including a grant, loan, or loan guarantee, the
provision of insurance or reinsurance, or the provi-
sion of technical assistance.

(8) GOVERNMENT OF IRAN.—The term “Gov-
ernment of Iran” includes the Government of Iran,
any political subdivision, agency, or instrumentality
thereof, and any person owned or controlled by, or
acting for or on behalf of, the Government of Iran.

(9) PETROLEUM RESOURCES.—

(A) IN GENERAL.—The term “petroleum
resources” includes petroleum, petroleum by-
products, oil or liquefied natural gas, oil or liq-
uefied natural gas tankers, and products used
to construct or maintain pipelines used to
transport oil or compressed or liquefied natural
gas.

(B) PETROLEUM BY-PRODUCTS.—The
term “petroleum by-products” means gasoline,
kerosene, distillates, propane or butane gas, die-
sel fuel, residual fuel oil, and other goods classi-
fied in headings 2709 and 2710 of the Har-
monized Tariff Schedule of the United States.

(10) SENSITIVE TECHNOLOGY.—The term
“sensitive technology” has the meaning given the
term in section 106(c) of the Comprehensive Iran
Sanctions, Accountability, and Divestment Act of
2010 (Public Law 111–195; 22 U.S.C. 8515(c)).

SEC. 505. SUNSET.

This title shall terminate 30 days after the date on
which—
(1) the President has certified to Congress that
the Government of Iran has ceased providing sup-
port for acts of international terrorism and no
longer satisfies the requirements for designation as
a state-sponsor of terrorism for purposes of section
6(j) of the Export Administration Act of 1979, sec-
tion 620A of the Foreign Assistance Act of 1961,
section 40 of the Arms Export Control Act, or any
other provision of law; and

(2) Iran has permanently ceased the pursuit,
acquisition, and development of nuclear, biological,
and chemical weapons and missiles.

TITLE VI—TERMINATION OF
LOAN DISBURSEMENTS TO
IRAN FROM THE INTER-
ATIONAL BANK FOR RECON-
STRUCTION AND DEVELOP-
MENT

SEC. 601. TERMINATION OF LOAN DISBURSEMENTS TO
IRAN FROM THE INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT.

(a) In General.—The President of the United
States shall take all action available to seek a termination
of disbursements of funds under loans made by the Inter-
national Bank for Reconstruction and Development to Iran.

(b) REPORT TO THE CONGRESS.—On the date that is 6 months after the date of the enactment of this Act, and every 6 months thereafter, the President shall submit to the Committee on Financial Services of the House of Representatives and the Committee on Foreign Relations of the Senate a report on the efforts made by the United States to terminate the loan disbursements referred to in subsection (a).

SEC. 602. UNITED STATES OPPOSITION TO NEW COUNTRY ASSISTANCE STRATEGY FOR IRAN.

(a) STATEMENT OF POLICY.—It is the policy of the United States to oppose a new Country Assistance Strategy for Iran.

(b) ACTIONS TO BE TAKEN IF THE WORLD BANK VIOLATES THE POLICY OR MAKES A NEW LOAN TO IRAN.—If, after the date of the enactment of this Act, the International Bank for Reconstruction and Development approves a Country Assistance Strategy for Iran, or approves a loan to Iran, the President of the United States shall—

(1) terminate any contribution by the United States to the International Bank for Reconstruction and Development, the International Finance Cor-
poration, and the Multilateral Investment Guarantee Corporation for the fiscal year in which the Country Assistance Strategy or loan is approved, or (if loan disbursements to Iran for that fiscal year have been made by such institutions) for the following fiscal year;

(2) prohibit the sale of debt instruments of the International Bank for Reconstruction and Development in the United States, prohibit the purchase of any such debt instrument by any United States person; and

(3) prohibit the United States Government and any state or municipal governmental entity from purchasing any such debt instrument.

SEC. 603. SUNSET.

Sections 601 and 602 shall terminate 30 days after the date on which the President has certified to Congress that—

(1) the Government of Iran has ceased providing support for acts of international terrorism and no longer satisfies the requirements for designation as a state-sponsor of terrorism for purposes of section 6(j) of the Export Administration Act of 1979, section 620A of the Foreign Assistance Act of
1961, section 40 of the Arms Export Control Act, or any other provision of law; and

(2) Iran has ceased the pursuit, acquisition, and development of nuclear, biological, and chemical weapons and ballistic missiles and ballistic missile launch technology.

SEC. 604. RULE OF INTERPRETATION.

Nothing in section 601 or 602 shall be interpreted to affect United States contributions to, or the participation of the United States in, the International Development Association.