

112TH CONGRESS  
2D SESSION

# S. 2152

To promote United States policy objectives in Syria, including the departure from power of President Bashar Assad and his family, the effective transition to a democratic, free, and secure country, and the promotion of a prosperous future in Syria.

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IN THE SENATE OF THE UNITED STATES

MARCH 2, 2012

Mr. RUBIO introduced the following bill; which was read twice and referred to the Committee on Finance

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## A BILL

To promote United States policy objectives in Syria, including the departure from power of President Bashar Assad and his family, the effective transition to a democratic, free, and secure country, and the promotion of a prosperous future in Syria.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

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

4 (a) SHORT TITLE.—This Act may be cited as the  
5 “Syria Democracy Transition Act of 2012”.

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

- Sec. 1. Short title; table of contents.  
 Sec. 2. Definitions.  
 Sec. 3. Findings.  
 Sec. 4. Statement of policy.

TITLE I—ACCELERATING THE PACE OF REGIME TRANSITION

- Sec. 101. Imposition of sanctions on foreign financial institutions that conduct transactions with the Central Bank of Syria.  
 Sec. 102. Exportation of petroleum, oil, and natural gas produced in Syria.  
 Sec. 103. Prohibition on certain vessels landing in the United States; enhanced inspections.  
 Sec. 104. Promotion of multilateral action at the United Nations.

TITLE II—PROMOTING AN EFFECTIVE TRANSITION

- Sec. 201. Report on opposition groups.  
 Sec. 202. Identification and disposition of weapons.  
 Sec. 203. Transition funding and termination of sanctions.  
 Sec. 204. Designating an official coordinator.

TITLE III—CREATING A PROSPEROUS FUTURE

- Sec. 301. Syrian-American Enterprise Fund.  
 Sec. 302. Additional measures to stimulate economic growth in Syria.

1 **SEC. 2. DEFINITIONS.**

2 In this Act:

3 (1) ACCOUNT; CORRESPONDENT ACCOUNT; PAY-  
 4 ABLE-THROUGH ACCOUNT.—The terms “account”,  
 5 “correspondent account”, and “payable-through ac-  
 6 count” have the meanings given those terms in sec-  
 7 tion 5318A of title 31, United States Code.

8 (2) APPROPRIATE CONGRESSIONAL COMMIT-  
 9 TEES.—The term “appropriate congressional com-  
 10 mittees” means—

11 (A) the Committee on Finance, the Com-  
 12 mittee on Banking, Housing, and Urban Af-  
 13 fairs, and the Committee on Foreign Relations  
 14 of the Senate; and

1 (B) the Committee on Ways and Means,  
2 the Committee on Financial Services, and the  
3 Committee on Foreign Affairs of the House of  
4 Representatives.

5 (3) FOREIGN FINANCIAL INSTITUTION.—The  
6 term “foreign financial institution” has the meaning  
7 of that term as determined by the Secretary of the  
8 Treasury pursuant to section 104(i) of the Com-  
9 prehensive Iran Sanctions, Accountability, and Di-  
10 vestment Act of 2010 (22 U.S.C. 8513(i)).

11 **SEC. 3. FINDINGS.**

12 Congress makes the following findings:

13 (1) On December 12, 2003, President George  
14 W. Bush signed the Syria Accountability and Leba-  
15 nese Sovereignty Restoration Act of 2003 (Public  
16 Law 108–175; 22 U.S.C. 2151 note) in order to  
17 hold the Government of Syria accountable for its ac-  
18 tions.

19 (2) Current law in the United States prohibits  
20 the Government of Syria from receiving assistance  
21 from the United States because it has repeatedly  
22 provided support for acts of international terrorism,  
23 as determined by the Secretary of State for purposes  
24 of section 6(j)(1) of the Export Administration Act  
25 of 1979 (50 U.S.C. App. 2405(j)(1)) (as in effect

1 pursuant to the International Emergency Economic  
2 Powers Act (50 U.S.C. 1701 et seq.) and other re-  
3 lated statutes.

4 (3) In 2006, the Department of the Treasury  
5 issued a final ruling that imposes a special measure  
6 against the Commercial Bank of Syria, a quasi-gov-  
7 ernment bank, as a financial institution of primary  
8 money laundering concern.

9 (4) Since mass peaceful demonstrations started  
10 on March 15, 2011, the Government of Syria, led by  
11 President Bashar al-Assad, has responded by  
12 launching a violent crackdown, committing human  
13 rights abuses, and violating its international obliga-  
14 tions, including the International Covenant on Civil  
15 and Political Rights, adopted December 16, 1966,  
16 and the United Nations Convention Against Torture  
17 and Other Cruel, Inhuman or Degrading Treatment  
18 or Punishment, done at New York December 10,  
19 1984.

20 (5) On April 15, 2011, Christof Heyns, the  
21 United Nations Special Rapporteur on extrajudicial,  
22 summary, or arbitrary executions, stated that live  
23 ammunition has been used by the Government of  
24 Syria against demonstrators “in clear violation of  
25 international law”.

1           (6) On April 29, 2011, President Barack  
2           Obama issued additional sanctions with respect to  
3           Syria, stating that “the Government of Syria’s  
4           human rights abuses, including those related to the  
5           repression of the people of Syria, manifested most  
6           recently by the use of violence and torture against,  
7           and arbitrary arrests and detentions of, peaceful  
8           protestors by police, security forces, and other enti-  
9           ties that have engaged in human rights abuses, con-  
10          stitute an unusual and extraordinary threat to the  
11          national security, foreign policy, and economy of the  
12          United States”.

13           (7) On May 6, 2011, envoys of the 27 countries  
14          of the European Union agreed to impose sanctions  
15          on the Government of Syria for the human rights  
16          abuses it is perpetrating, including asset freezes and  
17          visa bans on 13 members of the Government of  
18          Syria and an arms embargo on the country.

19           (8) On May 18, 2011, President Obama issued  
20          an executive order sanctioning senior officials of the  
21          Syrian Arab Republic and their supporters, specifi-  
22          cally designating seven people: President Bashar al-  
23          Assad, Vice President Farouk al-Shara, Prime Min-  
24          ister Adel Safar, Minister of the Interior Mohammad  
25          Ibrahim al-Shaar, Minister of Defense Ali Habib

1 Mahmoud, Head of Syrian Military Intelligence  
2 Abdul Fatah Qudsiya, and Director of Political Se-  
3 curity Directorate Mohammed Dib Zaitoun.

4 (9) On June 29, 2011, the Department of the  
5 Treasury sanctioned the chief and deputy chief of  
6 Iran’s national police and the head of the Syrian Air  
7 Force Intelligence for providing support to the Gov-  
8 ernment of Syria in engaging in human rights  
9 abuses.

10 (10) In July 2011, supporters of President  
11 Bashar al-Assad attacked the embassies of the  
12 United States and France, following demonstrations  
13 sanctioned by the Government of Syria outside the  
14 embassy of the United States.

15 (11) On August 11, 2011, the Department of  
16 the Treasury’s Office of Foreign Asset Control  
17 named the Commercial Bank of Syria, a quasi-gov-  
18 ernment bank, a Specially Designated National.  
19 With this designation, all property and assets of the  
20 bank in the United States or under control of  
21 United States persons, including overseas branches,  
22 were frozen.

23 (12) On August 18, 2011, President Obama  
24 stated, “The future of Syria must be determined by  
25 its people, but President Bashar al-Assad is stand-

1 ing in their way. His calls for dialogue and reform  
2 have rung hollow while he is imprisoning, torturing  
3 and slaughtering his own people. We have consist-  
4 ently said that President Assad must lead a demo-  
5 cratic transition or get out of the way. He has not  
6 led. For the sake of the Syrian people, the time has  
7 come for President Assad to step aside.”.

8 (13) On November 12, 2011, the Arab League  
9 voted to suspend Syria from membership, based on  
10 continuing violence and inability to adhere to a  
11 League-brokered plan.

12 (14) On November 15, 2011, King Abdullah of  
13 Jordan became the first Arab leader to openly urge  
14 Mr. Assad to step down, saying President Assad  
15 should “step down and make sure whoever comes be-  
16 hind me has the ability to change the status quo  
17 that we’re seeing”.

18 (15) On November 28, 2011, a report from the  
19 United Nations-backed Independent International  
20 Commission of Inquiry on Syria concluded that “the  
21 substantial body of evidence gathered by the com-  
22 mission indicates that these gross violations of  
23 human rights have been committed by Syrian mili-  
24 tary and security forces since the beginning of the  
25 protests in March”.

1           (16) On January 17, 2012, President Obama  
2           made the following statement: “We will continue to  
3           consult very closely with Jordan to create the kind  
4           of international pressure and environment that en-  
5           courage the current Syrian regime to step aside so  
6           that a more democratic process and transition can  
7           take place inside of Syria.”.

8           (17) On January 30, 2012, Secretary of State  
9           Hillary Clinton said that “the status quo is  
10          unsustainable; the longer the Assad regime con-  
11          tinues its attacks on the Syrian people and stands  
12          in the way of a peaceful transition, the greater the  
13          concern that instability will escalate and spill over  
14          throughout the region”.

15          (18) On January 28, 2012, the League of Arab  
16          States decided to suspend its international moni-  
17          toring mission due to escalating violence within  
18          Syria.

19          (19) On February 4, 2012, the Russian Federa-  
20          tion and People’s Republic of China vetoed a United  
21          Nations Security Council Resolution in support of  
22          the League of Arab States’ Plan of Action.

23          (20) On February 13, 2012, the United Na-  
24          tion’s High Commissioner for Human Rights said,  
25          “The failure of the Security Council to agree on firm



1 collective action appears to have emboldened the  
2 Syrian government to plan an all-out assault in an  
3 effort to crush resistance with overwhelming force.”.

4 (21) As of February 13, 2012, the United Na-  
5 tion estimates security forces of the Government of  
6 Syria have killed well above 5,400 people, with tens  
7 of thousands, including children, arrested and more  
8 than 18,000 reportedly still arbitrarily held in deten-  
9 tion. Approximately 25,000 people have sought ref-  
10 uge in other countries, and more than 70,000 are es-  
11 timated to have been internally displaced.

12 **SEC. 4. STATEMENT OF POLICY.**

13 It is the policy of the United States—

14 (1) to strongly condemn the ongoing, wide-  
15 spread, and systemic violations of human rights con-  
16 ducted by the authorities in Syria, including the use  
17 of force against civilians, torture, extrajudicial  
18 killings, arbitrary executions, sexual violence, and in-  
19 terference with access to medical treatment;

20 (2) to support the aspirations of the people of  
21 Syria for self-government based on democratic polit-  
22 ical, civil, and religious rights;

23 (3) to assure the departure from power of  
24 Bashar al-Assad and his family, and facilitate a  
25 peaceful transition to a representative and inclusive

1 government that ensures freedom, justice, and prosper-  
2 ity for all the people of Syria;

3 (4) to promote an effective transition to democ-  
4 racy by identifying and supporting organizations in  
5 Syria that are representative of the Syrian people,  
6 make demonstrable commitments to protect human  
7 rights, and religious freedom, reject terrorism, co-  
8 operate with international counterterrorism and non-  
9 proliferation efforts, and abstain from destabilizing  
10 neighboring countries;

11 (5) to identify weapons stockpiles and prevent  
12 the proliferation of conventional, biological, chemical,  
13 and other types of weapons in Syria; and

14 (6) to mobilize international support for a post-  
15 Assad democratic and inclusive Government of  
16 Syria.

## 17 **TITLE I—ACCELERATING THE** 18 **PACE OF REGIME TRANSITION**

### 19 **SEC. 101. IMPOSITION OF SANCTIONS ON FOREIGN FINAN-** 20 **CIAL INSTITUTIONS THAT CONDUCT TRANS-** 21 **ACTIONS WITH THE CENTRAL BANK OF** 22 **SYRIA.**

23 (a) IN GENERAL.—Subject to subsections (b), (c),  
24 and (d), not later than 60 days after the date of the enact-  
25 ment of this Act, the President shall—

1           (1) prohibit the opening or maintaining in the  
2 United States of a correspondent account or a pay-  
3 able-through account by a foreign financial institu-  
4 tion that the President determines has knowingly  
5 conducted any financial transaction with the Central  
6 Bank of Syria; and

7           (2) freeze and prohibit all transactions in all  
8 property and interests in property of each such for-  
9 eign financial institution if such property and inter-  
10 ests in property are in the United States or are in  
11 the possession or control of a United States person.

12       (b) EXCEPTION FOR SALES OF FOOD, MEDICINE,  
13 AND MEDICAL DEVICES.—The President may not impose  
14 sanctions under subsection (a) on a foreign financial insti-  
15 tution for engaging in a transaction with the Central Bank  
16 of Syria for the sale of food, medicine, or medical devices  
17 to Syria.

18       (c) APPLICABILITY.—

19           (1) IN GENERAL.—Except as provided in para-  
20 graph (2), subsection (a) applies with respect to fi-  
21 nancial transactions commenced on or after the date  
22 of the enactment of this Act.

23           (2) PETROLEUM TRANSACTIONS.—Subsection  
24 (a) applies with respect to financial transactions for  
25 the purchase of petroleum or petroleum products

1 through the Central Bank of Syria commenced on or  
2 after the date that is 180 days after the date of the  
3 enactment of this Act.

4 (d) WAIVER.—

5 (1) IN GENERAL.—The President may waive  
6 the application of subsection (a) with respect to a  
7 foreign financial institution for a period of not more  
8 than 60 days, and may renew that waiver for addi-  
9 tional periods of not more than 60 days, if the Presi-  
10 dent determines and reports to the appropriate con-  
11 gressional committees every 60 days that the waiver  
12 is necessary to the national security interest of the  
13 United States.

14 (2) FORM.—A report submitted pursuant to  
15 paragraph (1) shall be submitted in unclassified  
16 form, but may contain a classified annex.

17 **SEC. 102. EXPORTATION OF PETROLEUM, OIL, AND NAT-**  
18 **URAL GAS PRODUCED IN SYRIA.**

19 (a) SANCTIONS.—

20 (1) IN GENERAL.—Except as provided in sub-  
21 section (c), beginning 60 days after the date of the  
22 enactment of this Act, the President shall impose  
23 the sanctions described in section 6(a) of the Iran  
24 Sanctions Act of 1996 (Public Law 104–172; 50  
25 U.S.C. 1701 note) with respect to a person if the

1 President determines that the person knowingly, on  
2 or after the date of the enactment of this Act, pro-  
3 vides any service described in subsection (b) with re-  
4 spect to the exportation of petroleum, oil, or lique-  
5 fied natural gas to be refined or otherwise processed  
6 outside of Syria if—

7 (A) the Government of Syria was directly  
8 and significantly involved in the development,  
9 extraction, production, transportation, or sale of  
10 such petroleum, oil, or liquefied natural gas in  
11 Syria; and

12 (B)(i) the fair market value of such petro-  
13 leum, oil, or liquefied natural gas is \$1,000,000  
14 or more; or

15 (ii) during a 12-month period, the aggre-  
16 gate fair market value of such petroleum, oil, or  
17 liquefied natural gas is \$5,000,000 or more.

18 (2) SANCTIONED PERSONS.—The sanctions im-  
19 posed on a person under paragraph (1) shall also be  
20 imposed on any person against which such sanctions  
21 may be imposed in accordance with section 5(c) of  
22 the Iran Sanctions Act of 1996 (Public Law 104–  
23 172; 50 U.S.C. 1701 note) as a result of the per-  
24 son’s relationship with the sanctioned person.

1 (b) SERVICES DESCRIBED.—The services described  
2 in this subsection are—

3 (1) refining or otherwise processing petroleum,  
4 oil, or liquefied natural gas;

5 (2) the provision of ships or shipping services;  
6 or

7 (3) financing, brokering, underwriting, or pro-  
8 viding insurance or reinsurance.

9 (c) EXCEPTION FOR UNDERWRITERS AND INSUR-  
10 ANCE PROVIDERS EXERCISING DUE DILIGENCE.—The  
11 President may not impose sanctions under this section  
12 with respect to a person on the basis of underwriting serv-  
13 ices or insurance or reinsurance provided by the person  
14 if the President determines that the person has exercised  
15 due diligence in establishing and enforcing official policies,  
16 procedures, and controls to ensure that the person does  
17 not underwrite or enter into a contract to provide insur-  
18 ance or reinsurance with respect to the exportation of pe-  
19 troleum, oil, or liquefied natural gas in violation of sub-  
20 section (a).

21 **SEC. 103. PROHIBITION ON CERTAIN VESSELS LANDING IN**  
22 **THE UNITED STATES; ENHANCED INSPEC-**  
23 **TIONS.**

24 (a) PROHIBITION ON CERTAIN VESSELS LANDING IN  
25 THE UNITED STATES.—A vessel may not knowingly land

1 at any port in the United States to load or unload cargo  
2 or engage in the trade of goods or services if the vessel  
3 entered a port in Syria during the 180-day period pre-  
4 ceding arrival of the vessel at the port in the United  
5 States.

6 (b) ENFORCEMENT; ENHANCED INSPECTIONS.—Not  
7 later than 180 days after the date of the enactment of  
8 this Act, the Secretary of Homeland Security, in consulta-  
9 tion with the Secretary of the Treasury and the Secretary  
10 of Commerce, shall prescribe regulations that—

11 (1) require each vessel requesting to land at a  
12 port in the United States to certify that the vessel  
13 is not prohibited from landing at that port under  
14 subsection (a);

15 (2) provide for, with respect to any vessel that  
16 provides a false certification under paragraph (1)—

17 (A) the prohibition, for a period of 2 years,  
18 on that vessel landing at a port in the United  
19 States; or

20 (B) the prosecution of the owner of that  
21 vessel under title 18, United States Code, if the  
22 penalty provided for under such title is greater  
23 than the penalty described in subparagraph (A);

24 (3) provide a mechanism for identifying foreign  
25 ports at which vessels have landed during the pre-

1 ceding 180-day period that have also landed at ports  
2 in Syria during that period;

3 (4) require enhanced inspection of all vessels  
4 arriving at a port in the United States from a for-  
5 eign port identified under paragraph (3); and

6 (5) set forth procedures for inspecting each ves-  
7 sel described in paragraph (4) that are sufficiently  
8 rigorous to establish whether the vessel was involved,  
9 during the 180-day period preceding the arrival of  
10 the vessel at the port in the United States, in any  
11 activity that would be subject to sanctions under this  
12 Act or any other provision of law.

13 (c) NATIONAL SECURITY WAIVER.—The Secretary of  
14 Homeland Security, in consultation with the Secretary of  
15 the Treasury and the Secretary of Commerce, may waive  
16 the application of subsections (a) and (b) with respect to  
17 a vessel not earlier than 30 days after the Secretary of  
18 Homeland Security—

19 (1) determines that the waiver is in the national  
20 security interests of the United States; and

21 (2) submits to the appropriate congressional  
22 committees a report describing the reasons for the  
23 determination.

24 (d) PORT DEFINED.—For purposes of this section,  
25 the term “port” means a seaport.



1 **SEC. 104. PROMOTION OF MULTILATERAL ACTION AT THE**  
2 **UNITED NATIONS.**

3 The President shall use the voice, vote, and influence  
4 of the United States at the United Nations Security Coun-  
5 cil to urge the Security Council to adopt resolutions—

6 (1) freezing the assets of, and imposing a travel  
7 ban on, all officials within the regime of Bashar  
8 Assad and all family members of Mr. Assad;

9 (2) implementing a ban on passenger flights to  
10 and from Syria; and

11 (3) restricting the shipment of goods to or from  
12 Syria, including the insurance of such shipments.

13 **TITLE II—PROMOTING AN**  
14 **EFFECTIVE TRANSITION**

15 **SEC. 201. REPORT ON OPPOSITION GROUPS.**

16 (a) **IN GENERAL.**—Not later than 30 days after the  
17 date of the enactment of this Act, the President shall sub-  
18 mit to the appropriate congressional committees a report  
19 on opposition groups in Syria.

20 (b) **CONTENT.**—The report required under subsection  
21 (a) shall include—

22 (1) an assessment of ties between these groups  
23 and any designated foreign terrorist organizations  
24 and individuals that pose a threat to the United  
25 States and its allies, and an assessment of the po-  
26 tential of these groups to serve as part of a recog-

1 nized transitional government, including the Syrian  
2 National Council (SNC), the National Coordination  
3 Commission of the Forces of Democratic Change  
4 (NCC), the Free Syrian Army, and the Free Officers  
5 Movement; and

6 (2) an assessment of the military capacity of  
7 opposition forces in Syria, including organization,  
8 quality and quantity of armaments, and need for  
9 and capability of utilizing assistance.

10 **SEC. 202. IDENTIFICATION AND DISPOSITION OF WEAPONS.**

11 Not later than 30 days after the date of the enact-  
12 ment of this Act, the President shall provide a briefing  
13 to the appropriate congressional committees on—

14 (1) all known weapons stockpiles of the Govern-  
15 ment of Syria, with particular focus on biological,  
16 chemical, radiological, and nuclear weapons and mis-  
17 siles; and

18 (2) a plan for the identification, recovery, and  
19 disposition of such weapons.

20 **SEC. 203. TRANSITION FUNDING AND TERMINATION OF**  
21 **SANCTIONS.**

22 (a) **TERMINATION OF SANCTIONS.**—The require-  
23 ments under sections 101, 102, and 103 to impose sanc-  
24 tions shall no longer have force or effect with respect to

1 Syria if the President determines and certifies to the ap-  
2 propriate congressional committees that—

3 (1) President Bashar Assad has been removed  
4 from power in Syria;

5 (2) a democratic transitional authority is in  
6 place in Syria; and

7 (3) the Government of Syria has—

8 (A) ended its campaign of violence against  
9 the people of Syria;

10 (B) ceased support for international ter-  
11 rorist groups and terrorist activities in Iraq,  
12 and has been removed from the Department of  
13 State list of state sponsors of terrorism under  
14 section 6 of the Export Administration Act (50  
15 U.S.C. App. 2405(j) (as continued in effect  
16 pursuant to the International Emergency Eco-  
17 nomic Powers Act; 50 U.S.C. 1701 et seq.)),  
18 section 40 of the Arms Export Control Act (22  
19 U.S.C. 2780), and section 620A of the Foreign  
20 Assistance Act of 1961 (22 U.S.C. 2371); and

21 (C) complied with Syria's commitments  
22 under relevant multilateral proliferation control  
23 regimes.

24 (b) ASSISTANCE TO SUPPORT DEMOCRATIC TRANSI-  
25 TION.—Upon making the certification described in sub-

1 section (a), the President may establish a \$50,000,000  
 2 Syrian Stabilization Fund, to be drawn from amounts  
 3 made available for Economic Support Fund assistance and  
 4 Non-proliferation, Anti-terrorism, Demining, and Related  
 5 programs assistance, to help support opposition groups  
 6 and provide for the recovery, identification, and destruc-  
 7 tion of weapons in Syria.

8 (c) NOTIFICATION REQUIREMENT.—Not later than  
 9 30 days after making the certification described in sub-  
 10 section (a), the President shall submit to the appropriate  
 11 congressional committees a report detailing the assets fro-  
 12 zen under section 101 and describing the criteria for re-  
 13 leasing such assets.

14 **SEC. 204. DESIGNATING AN OFFICIAL COORDINATOR.**

15 The President shall expand the role of the Depart-  
 16 ment of State’s Special Coordinator for Middle East Tran-  
 17 sitions to include Syria for purposes of assisting in pro-  
 18 viding the certification under section 203(a) and coordi-  
 19 nating transition efforts in Syria.

20 **TITLE III—CREATING A**  
 21 **PROSPEROUS FUTURE**

22 **SEC. 301. SYRIAN-AMERICAN ENTERPRISE FUND.**

23 (a) FINDINGS.—Congress makes the following find-  
 24 ings:

1           (1) The Support for East European Democracy  
2           (SEED) Act of 1989 (22 U.S.C. 5401 et seq.) cre-  
3           ated 10 Enterprise Funds with the expressed pur-  
4           pose of transforming the entrenched command  
5           economies of the former Soviet Union to free mar-  
6           kets through capital injections in new businesses.

7           (2) These Enterprise Funds represented a new  
8           way of delivering economic assistance, placing pools  
9           of public capital into the hands of private investment  
10          professionals to finance entrepreneurs on a tradi-  
11          tional business-to-business basis.

12          (3) The first Fund created, the Polish-Amer-  
13          ican Enterprise Fund, made 50 equity investments  
14          totaling \$243,000,000, over 10,000 small business  
15          loans and 125,000 micro loans, and eventually cre-  
16          ated a net asset base of \$374,000,000.

17          (4) Upon the closing of the Polish-American  
18          Enterprise Fund, for the first time in the history of  
19          United States foreign aid, a portion of the funds,  
20          \$120,000,000, or half of the initial grant, was re-  
21          turned to the United States taxpayer. The balance  
22          of the remaining assets, with the consent of Con-  
23          gress and with the approval of the Government of  
24          Poland, was transferred to the Polish-American  
25          Freedom Foundation established by the Fund to

1 further support the system transformation in Po-  
2 land.

3 (5) Subsequent funds included the following:

4 (A) The Hungarian-American Enterprise  
5 Fund, capitalized at \$63,000,000 with an even-  
6 tual net asset base of \$28,000,000.

7 (B) The Czech and Slovak-American En-  
8 terprise Fund, capitalized at \$58,000,000 with  
9 an eventual net asset base of \$6,000,000.

10 (C) The Bulgarian-American Enterprise  
11 Fund, capitalized at \$54,000,000 with an even-  
12 tual net asset base of \$404,000,000.

13 (D) The Baltic-American Enterprise Fund,  
14 capitalized at \$50,000,000 with an eventual net  
15 asset base of \$62,000,000.

16 (E) The Romanian-American Enterprise  
17 Fund, capitalized at \$58,000,000 with an even-  
18 tual net asset base of \$150,000,000.

19 (F) The Albanian-American Enterprise  
20 Fund, capitalized at \$30,000,000 with an even-  
21 tual net asset base of \$171,000,000.

22 (G) The Western New Independent States  
23 Enterprise Fund, capitalized at \$139,000,000  
24 with an eventual net asset base of \$90,000,000.

1           (H) The Central Asian-American Enter-  
2           prise Fund, capitalized at \$105,000,000 with  
3           an eventual net asset base of \$17,000,000.

4           (I) The United States-Russia Investment  
5           Fund, capitalized at \$307,000,000 with an  
6           eventual net asset base of \$297,000,000.

7           (6) Overall, the 10 funds received capital of  
8           \$1,105,000,000, and created total net assets of  
9           \$1,612,000,000, for a return on the initial invest-  
10          ment of 144 percent. Six of these funds returned a  
11          portion of their public-sourced capital to the United  
12          States Treasury and established charitable legacy  
13          foundations, whose collective capital totals  
14          \$652,000,000. These foundations allow for develop-  
15          ment activities to continue long after the initial  
16          funds have been closed.

17          (b) ESTABLISHMENT.—The President is authorized  
18          to designate a private, nonprofit organization (to be  
19          known as the “Syrian-American Enterprise Fund”) to re-  
20          ceive funds and support made available under this section  
21          after making the certification in section 203(a) and deter-  
22          mining that such organization has been established for the  
23          purposes specified in subsection (c). The President should  
24          make such designation only after consultation with the  
25          leadership of each House of Congress.

1 (c) PURPOSES.—The purposes of the Syrian-Amer-  
2 ican Enterprise Fund are—

3 (1) to help support sustainable, equitable, and  
4 broad-based economic growth that generates busi-  
5 ness and job creation and improves the livelihoods of  
6 the people of Syria;

7 (2) to promote the private sector and entrepre-  
8 neurship in Syria, while considering the development  
9 impact of investments and profitability of those in-  
10 vestments, particularly in small- and medium-sized  
11 enterprises, and joint ventures with participants  
12 from the United States and Syria;

13 (3) to promote policies and practices conducive  
14 to strengthening the private sector in Syria through  
15 measures including loans, microloans, equity invest-  
16 ments, insurance, guarantees, grants, feasibility  
17 studies, technical assistance, training for businesses  
18 receiving investment capital, and other measures;

19 (4) to promote good corporate governance and  
20 transparency in Syria, foster competition, catalyze  
21 productivity improvements in existing businesses,  
22 and strengthen local capital markets; and

23 (5) to promote security through the creation of  
24 viable private business, which support job creation in



1 the private sector in Syria, and to further the cre-  
2 ation of a middle class in Syria.

3 (d) BOARD OF DIRECTORS.—

4 (1) APPOINTMENT.—The Syrian-American En-  
5 terprise Fund shall be governed by a Board of Di-  
6 rectors, which shall be comprised of 6 private citi-  
7 zens of the United States and 3 private citizens of  
8 Syria, appointed by the President of the United  
9 States.

10 (2) QUALIFICATIONS.—Members of the Board  
11 of Directors shall be selected from among people  
12 who have had successful business careers in private  
13 equity, banking, or finance that is similar to the ex-  
14 perience of individuals who previously served on the  
15 Board of Directors of a successful Enterprise Fund  
16 established by the United States Government on or  
17 after January 1, 1990.

18 (e) GRANTS.—

19 (1) IN GENERAL.—The President may use  
20 funds appropriated for the Department of State, for-  
21 eign operations, and related programs, notwith-  
22 standing any other provision of law to carry out the  
23 purposes specified in subsection (c) through the Syr-  
24 ian-American Enterprise Fund.

1           (2) ELIGIBLE PROGRAMS AND PROJECTS.—  
2           Grants awarded under this section may only be used  
3           for programs and projects that support the purposes  
4           set forth in subsection (c).

5           (3) COMPLIANCE REQUIREMENTS.—

6                   (A) IN GENERAL.—Grants may not be  
7                   awarded to the Syrian-American Enterprise  
8                   Fund under this section unless the Fund agrees  
9                   to comply with the requirements under this sec-  
10                  tion.

11                   (B) GRANT AGREEMENT.—The grant  
12                  agreement between the United States Agency  
13                  for International Development and the Syrian-  
14                  American Enterprise Fund shall state that the  
15                  Fund shall end its reinvestment cycle not later  
16                  than 15 years after the Fund commences oper-  
17                  ations, unless the Secretary of State, in con-  
18                  sultation with the Administrator of the United  
19                  States Agency for International Development,  
20                  and after consultation with the appropriate con-  
21                  gressional committees, determines that the  
22                  Fund should be extended.

23                   (C) PREVENTION OF MONEY LAUNDERING  
24                  AND TERRORIST FINANCING.—The grant agree-  
25                  ment between the United States Agency for

1 International Development and the Syrian-  
2 American Enterprise Fund shall state that the  
3 Fund shall comply with procedures specified by  
4 the Secretary of State to ensure that grant  
5 funds are not provided by the Fund to or  
6 through any individual, private or government  
7 entity, or educational institution that advocates,  
8 plans, sponsors, engages in, or has engaged in,  
9 money laundering or terrorist activity or, with  
10 respect to a private entity or educational insti-  
11 tution, that has as a principal officer of the en-  
12 tity's governing board or governing board of  
13 trustees any individual that has been deter-  
14 mined to be involved in or advocating money  
15 laundering or terrorist activity or determined to  
16 be a member of a designated foreign terrorist  
17 organization.

18 (D) DISPOSITION OF ASSETS.—The assets  
19 of the Syrian-American Enterprise Fund at the  
20 time the Fund is dissolved shall be returned to  
21 the General Fund of the United States Treas-  
22 ury and used to reduce the debt of the United  
23 States. In the event the assets of the Fund ex-  
24 ceed the total amount appropriated or otherwise  
25 made available to the Fund by the United

1 States Government, any such excess funds may  
2 be contributed to a charitable foundation for ac-  
3 tivities consistent with the purposes specified in  
4 subsection (c).

5 (f) NOTIFICATION.—

6 (1) IN GENERAL.—Not later than 15 days be-  
7 fore designating an organization to operate as the  
8 Syrian-American Enterprise Fund pursuant to sub-  
9 section (a), the President shall provide the informa-  
10 tion described in paragraph (2) to the Chairman and  
11 Ranking Member of the appropriate congressional  
12 committees.

13 (2) INFORMATION.—The information described  
14 in this paragraph is—

15 (A) the identity of the organization to be  
16 designated to operate as the Syrian-American  
17 Enterprise Fund pursuant to subsection (b);

18 (B) the names and qualifications of the in-  
19 dividuals who will comprise the initial Board of  
20 Directors; and

21 (C) the procedures referred to in sub-  
22 section (e)(3)(C) that will apply to the Syrian-  
23 American Enterprise Fund for purposes of cur-  
24 tailing money-laundering and terrorist financing  
25 activities.

1 (g) PUBLIC DISCLOSURE.—

2 (1) ADMINISTRATIVE EXPENSES.—Not later  
3 than 1 year after the Fund commences operations,  
4 and annually thereafter until the Fund is dissolved,  
5 the Fund shall submit to the appropriate congress-  
6 sional committees and make publicly available a re-  
7 port detailing the administrative expenses of the  
8 Fund.

9 (2) GAO REPORT.—Not later than 3 years  
10 after the date of the enactment of this Act, and  
11 every 3 years thereafter until the Fund is dissolved,  
12 the Comptroller General of the United States shall  
13 submit to the appropriate congressional committees  
14 a report assessing the activities of the Fund in—

15 (A) achieving the stated goals of promoting  
16 private sector investment and employment in  
17 Syria; and

18 (B) identifying those institutional or regu-  
19 latory constraints that inhibit a more effective  
20 application of Fund resources.

21 (h) OPERATION PROVISIONS.—

22 (1) APPLICABLE PROVISIONS.—Subsections  
23 (d)(5), (g), (h), (i), (k), (l), (m), (n), (o), and (p) of  
24 section 201 of the Support for East European De-  
25 mocracy (SEED) Act of 1989 (22 U.S.C. 5421)

1 shall apply with respect to the Syrian-American En-  
2 terprise Fund in the same manner as such provi-  
3 sions apply to Enterprise Funds designated pursu-  
4 ant to subsection (d) of such section.

5 (2) REINVESTMENT.—Returns on investments  
6 of the Syrian-American Enterprise Fund and other  
7 payments to the Fund may be reinvested in projects  
8 carried out by the Fund without further appropria-  
9 tion by Congress.

10 (i) BEST PRACTICES AND PROCEDURES.—To the  
11 maximum extent practicable, the Board of Directors of the  
12 Syrian-American Enterprise Fund should adopt the best  
13 practices and procedures used by Enterprise Funds, in-  
14 cluding those for which funding has been made available  
15 pursuant to section 201 of the Support for East European  
16 Democracy (SEED) Act of 1989 (22 U.S.C. 5421).

17 (j) EXPERIENCE OF OTHER ENTERPRISE FUNDS.—  
18 In implementing this section, the President shall ensure  
19 that the Articles of Incorporation of the Syrian-American  
20 Enterprise Fund (including provisions specifying the re-  
21 sponsibilities of the Board of Directors of the Fund), the  
22 terms of United States Government grant agreements  
23 with the Fund, and United States Government oversight  
24 of the Fund are, to the maximum extent practicable, con-  
25 sistent with the Articles of Incorporation of, the terms of

1 grant agreements with, and the oversight of the Enter-  
2 prise Funds established pursuant to section 201 of the  
3 Support for East European Democracy (SEED) Act of  
4 1989 (22 U.S.C. 5421) and comparable provisions of law.

5 (k) AUTHORIZATION OF APPROPRIATIONS.—

6 (1) IN GENERAL.—There are authorized to be  
7 appropriated to the President \$100,000,000, to be  
8 drawn from amounts made available for Economic  
9 Support Fund assistance, to provide funding for  
10 grants to the Syrian-American Enterprise Fund,  
11 which shall be used for the purposes specified in  
12 subsection (b).

13 (2) AVAILABILITY OF FUNDS.—Amounts appro-  
14 priated pursuant to paragraph (1) shall remain  
15 available until expended.

16 **SEC. 302. ADDITIONAL MEASURES TO STIMULATE ECO-**  
17 **NOMIC GROWTH IN SYRIA.**

18 (a) REVIEW OF ELIGIBILITY OF SYRIA FOR THE  
19 GENERALIZED SYSTEM OF PREFERENCES.—Not later  
20 than 90 days after the President makes the certification  
21 under section 203(a), the United States Trade Represent-  
22 ative shall conduct a review of the eligibility of Syria to  
23 be designated as a beneficiary developing country under  
24 section 502 of the Trade Act of 1974 (19 U.S.C. 2462).

1           (b) SENSE OF CONGRESS ON TRADE AND INVEST-  
2   MENT AGREEMENT WITH SYRIA.—It is the sense of Con-  
3   gress that the United States Trade Representative should,  
4   after the date the President makes the certification under  
5   section 203(a), initiate negotiations with the Government  
6   of Syria with respect to a trade and investment agreement  
7   between Syria and the United States.

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