

Union Calendar No. 335

115TH CONGRESS
1ST SESSION

H. R. 1638

[Report No. 115–453, Part I]

To require the Secretary of the Treasury to submit a report to the appropriate congressional committees on the estimated total assets under direct or indirect control by certain senior Iranian leaders and other figures, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

MARCH 20, 2017

Mr. POLIQUIN introduced the following bill; which was referred to the Committee on Financial Services, and in addition to the Committee on Foreign Affairs, 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

DECEMBER 7, 2017

Reported from the Committee on Financial Services with an amendment

[Strike out all after the enacting clause and insert the part printed in italic]

DECEMBER 7, 2017

The Committee on Foreign Affairs discharged; committed to the Committee of the Whole House on the State of the Union and ordered to be printed

[For text of introduced bill, see copy of bill as introduced on March 20, 2017]

A BILL

To require the Secretary of the Treasury to submit a report to the appropriate congressional committees on the estimated total assets under direct or indirect control by certain senior Iranian leaders and other figures, and for other purposes.

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

3 **SECTION 1. SHORT TITLE.**

4 *This Act may be cited as the “Iranian Leadership*
5 *Asset Transparency Act”.*

6 **SEC. 2. FINDINGS.**

7 *The Congress finds the following:*

8 *(1) Iran is characterized by high levels of official*
9 *and institutional corruption, and substantial involve-*
10 *ment by Iran’s security forces, particularly the Is-*
11 *lamic Revolutionary Guard Corps (IRGC), in the*
12 *economy.*

13 *(2) Many members of Iran’s senior political and*
14 *military leadership have acquired significant per-*
15 *sonal and institutional wealth by using their posi-*
16 *tions to secure control of significant portions of Iran’s*
17 *national economy.*

18 *(3) Sanctions relief provided through the Joint*
19 *Comprehensive Plan of Action has resulted in the re-*
20 *moval of many Iranian entities that are tied to gov-*
21 *ernmental corruption from the list of entities sanc-*
22 *tioned by the United States.*

23 *(4) The Department of Treasury in 2011 des-*
24 *ignated the Islamic Republic of Iran’s financial sector*
25 *as a jurisdiction of primary money laundering con-*

1 cern under section 311 of the USA PATRIOT Act,
2 stating “Treasury has for the first time identified the
3 entire Iranian financial sector; including Iran’s Cen-
4 tral Bank, private Iranian banks, and branches, and
5 subsidiaries of Iranian banks operating outside of
6 Iran as posing illicit finance risks for the global fi-
7 nancial system.”.

8 (5) Iran continues to be listed by the Financial
9 Action Task Force (FATF) among the “Non-Coopera-
10 tive Countries or Territories”—countries which it
11 perceived to be non-cooperative in the global fight
12 against terror finance and money laundering.

13 (6) Iran and North Korea are the only countries
14 listed by the FATF as “Non-Cooperative Countries or
15 Territories” against which FATF countries should
16 take measures.

17 (7) The Transparency International index of
18 perceived public corruption ranks Iran 130th out of
19 168 countries surveyed.

20 (8) The State Department identified Iran as a
21 “major money-laundering country” in its Inter-
22 national Narcotics Control Strategy Report (INCSR)
23 for 2016.

24 (9) The State Department currently identifies
25 Iran, along with Sudan and Syria, as a state sponsor

1 of terrorism, “having repeatedly provided support for
2 acts of international terrorism”.

3 (10) *The State Department’s “Country Reports*
4 *on Terrorism”*, published last in July 2017, noted
5 that “Iran continued to sponsor terrorist groups
6 around the world, principally through its Islamic
7 Revolutionary Guard Corps–Qods Force (IRGC–QF).
8 These groups included Lebanese Hizballah, several
9 Iraqi Shia militant groups, Hamas, and Palestine Is-
10 lamic Jihad. Iran, Hizballah, and other Shia militia
11 continued to provide support to the Assad regime, dra-
12 matically bolstering its capabilities, prolonging the
13 civil war in Syria, and worsening the human rights
14 and refugee crisis there.”.

15 (11) *The Iranian Government’s tolerance of cor-*
16 *ruption and nepotism in business limits opportunities*
17 *for foreign and domestic investment, particularly*
18 *given the significant involvement of the IRGC in*
19 *many sectors of Iran’s economy.*

20 (12) *The IRGC and the leadership-controlled*
21 *bonyads (foundations) control an estimated one-third*
22 *of Iran’s total economy, including large portions of*
23 *Iran’s telecommunications, construction, and airport*
24 *and port operations. These operations give the IRGC*

1 *and bonyads vast funds to support terrorist organiza-*
2 *tions such as Hezbollah and Hamas.*

3 *(13) By gaining control of major economic sec-*
4 *tors, the IRGC and bonyads have also served to fur-*
5 *ther disadvantage the average Iranian.*

6 **SEC. 3. REPORT REQUIREMENT RELATING TO ASSETS OF**
7 **IRANIAN LEADERS AND CERTAIN SENIOR PO-**
8 **LITICAL FIGURES.**

9 *(a) IN GENERAL.—Not later than 270 days after the*
10 *date of enactment of this Act, and annually thereafter (or*
11 *more frequently if the Secretary of the Treasury determines*
12 *it appropriate based on new information received by the*
13 *Secretary) for the following 2 years, the Secretary of the*
14 *Treasury shall, in furtherance of the Secretary's efforts to*
15 *prevent the financing of terrorism, money laundering, or*
16 *related illicit finance and to make financial institutions'*
17 *required compliance with remaining sanctions more easily*
18 *understood, submit a report to the appropriate congress-*
19 *sional committees containing—*

20 *(1) the estimated total funds or assets held in ac-*
21 *counts at U.S. and foreign financial institutions that*
22 *are under direct or indirect control by each natural*
23 *person described in subsection (b) and a description*
24 *of such assets;*

1 (2) *an identification of any equity stake such*
2 *natural person has in an entity on the Department*
3 *of the Treasury’s list of Specially Designated Nation-*
4 *als or in any other sanctioned entity;*

5 (3) *a description of how such funds or assets or*
6 *equity interests were acquired, and how they have*
7 *been used or employed;*

8 (4) *a description of any new methods or tech-*
9 *niques used to evade anti-money laundering and re-*
10 *lated laws, including recommendations to improve*
11 *techniques to combat illicit uses of the U.S. financial*
12 *system by each natural person described in subsection*
13 *(b);*

14 (5) *recommendations for how U.S. economic*
15 *sanctions against Iran may be revised to prevent the*
16 *funds or assets described under this subsection from*
17 *being used by the natural persons described in sub-*
18 *section (b) to contribute to the continued development,*
19 *testing, and procurement of ballistic missile tech-*
20 *nology by Iran;*

21 (6) *a description of how the Department of the*
22 *Treasury assesses the impact and effectiveness of U.S.*
23 *economic sanctions programs against Iran; and*

24 (7) *recommendations for improving the ability of*
25 *the Department of the Treasury to rapidly and effec-*

1 *tively develop, implement, and enforce additional eco-*
2 *nomie sanctions against Iran if so ordered by the*
3 *President under the International Emergency Eco-*
4 *nomie Powers Act or other corresponding legislation.*

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

7 *(1) The Supreme Leader of Iran.*

8 *(2) The President of Iran.*

9 *(3) Members of the Council of Guardians.*

10 *(4) Members of the Expediency Council.*

11 *(5) The Minister of Intelligence and Security.*

12 *(6) The Commander and the Deputy Commander*
13 *of the IRGC.*

14 *(7) The Commander and the Deputy Commander*
15 *of the IRGC Ground Forces.*

16 *(8) The Commander and the Deputy Commander*
17 *of the IRGC Aerospace Force.*

18 *(9) The Commander and the Deputy Commander*
19 *of the IRGC Navy.*

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

21 *(11) The Commander of the Qods Force.*

22 *(12) The Commander in Chief of the Police*
23 *Force.*

24 *(13) The head of the IRGC Joint Staff.*

25 *(14) The Commander of the IRGC Intelligence.*

1 (15) *The head of the IRGC Imam Hussein Uni-*
2 *versity.*

3 (16) *The Supreme Leader's Representative at the*
4 *IRGC.*

5 (17) *The Chief Executive Officer and the Chair-*
6 *man of the IRGC Cooperative Foundation.*

7 (18) *The Commander of the Khatam-al-Anbia*
8 *Construction Head Quarter.*

9 (19) *The Chief Executive Officer of the Basij Co-*
10 *operative Foundation.*

11 (20) *The head of the Political Bureau of the*
12 *IRGC.*

13 (21) *The head of the Atomic Energy Organiza-*
14 *tion of Iran.*

15 (c) *FORM OF REPORT; PUBLIC AVAILABILITY.—*

16 (1) *FORM.—The report required under subsection*
17 *(a) shall be submitted in unclassified form but may*
18 *contain a classified annex.*

19 (2) *PUBLIC AVAILABILITY.—The unclassified por-*
20 *tion of such report shall be made available to the pub-*
21 *lic and posted on the website of the Department of the*
22 *Treasury—*

23 (A) *in English, Farsi, Arabic, and Azeri;*
24 *and*

1 (B) in precompressed, easily downloadable
2 versions that are made available in all appro-
3 priate formats.

4 (d) *SOURCES OF INFORMATION.*—In preparing a re-
5 port described under subsection (a), the Secretary of the
6 Treasury may use any credible publication, database, web-
7 based resource, public information compiled by any govern-
8 ment agency, and any information collected or compiled by
9 a nongovernmental organization or other entity provided
10 to or made available to the Secretary, that the Secretary
11 finds credible.

12 (e) *DEFINITIONS.*—For purposes of this section:

13 (1) *APPROPRIATE CONGRESSIONAL COMMIT-*
14 *TEES.*—The term “appropriate congressional commit-
15 tees” means the Committees on Financial Services
16 and Foreign Affairs of the House of Representatives
17 and the Committees on Banking, Housing, and
18 Urban Affairs and Foreign Relations of the Senate.

19 (2) *FUNDS.*—The term “funds” means—

20 (A) cash;

21 (B) equity;

22 (C) any other intangible asset whose value
23 is derived from a contractual claim, including
24 bank deposits, bonds, stocks, a security as defined
25 in section 2(a) of the Securities Act of 1933 (15

1 *U.S.C. 77b(a)), or a security or an equity secu-*
2 *urity as defined in section 3(a) of the Securities*
3 *Exchange Act of 1934 (15 U.S.C. 78c(a)); and*
4 *(D) anything else that the Secretary deter-*
5 *mines appropriate.*

6 **SEC. 4. SENSE OF CONGRESS.**

7 *It is the sense of Congress that in preparing the reports*
8 *required under section 3, the Secretary of the Treasury*
9 *should consider acquiring information from sources that—*
10 *(1) collect and, if necessary, translate high-verac-*
11 *ity, official records; or*
12 *(2) provide search and analysis tools that enable*
13 *law enforcement to have new insights into commercial*
14 *and financial relationships.*

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