

108TH CONGRESS
2D SESSION

H. R. 5124

To require that certain measures be taken with respect to countries of concern regarding terrorist financing.

IN THE HOUSE OF REPRESENTATIVES

SEPTEMBER 22, 2004

Mrs. KELLY (for herself, Mr. ROYCE, and Mr. FEENEY) introduced the following bill; which was referred to the Committee on Financial Services, and in addition to the Committee on International Relations, 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 require that certain measures be taken with respect to countries of concern regarding terrorist financing.

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. ANNUAL REPORT BY SECRETARY OF THE**
4 **TREASURY.**

5 Not later than March 1 of each year, the Secretary
6 of the Treasury shall submit to the Congress a report that
7 identifies each country that is a country of concern be-
8 cause the government of that country, or persons or enti-

1 ties that are in, or are nationals of, that country, are pro-
 2 viding financial support for domestic terrorism or inter-
 3 national terrorism. The report shall include the informa-
 4 tion on which the Secretary relied in determining whether
 5 or not each country is such a country of concern.

6 **SEC. 2. WITHHOLDING OF ASSISTANCE; WITHHOLDING OF**
 7 **ACCESS TO FINANCIAL INSTITUTIONS; SPE-**
 8 **CIAL MEASURES.**

9 (a) WITHHOLDING OF BILATERAL ASSISTANCE; OP-
 10 POSITION TO MULTILATERAL DEVELOPMENT ASSIST-
 11 ANCE; SPECIAL MEASURES.—

12 (1) BILATERAL ASSISTANCE.—Fifty percent of
 13 the United States assistance allocated each fiscal
 14 year in the report required by section 653 of the
 15 Foreign Assistance Act of 1961 for each country of
 16 concern listed in the report submitted to Congress
 17 under section 1 shall be withheld from obligation
 18 and expenditure, except as provided in subsection
 19 (c). This paragraph shall not apply with respect to
 20 a country if the President determines that its appli-
 21 cation to that country would be contrary to the na-
 22 tional interest of the United States, except that any
 23 such determination shall not take effect until at
 24 least 15 days after the President submits written no-
 25 tification of that determination to the appropriate

1 congressional committees in accordance with the
2 procedures applicable to reprogramming notifications
3 under section 634A of the Foreign Assistance Act of
4 1961.

5 (2) MULTILATERAL ASSISTANCE.—The Sec-
6 retary of the Treasury shall instruct the United
7 States Executive Director of each multilateral devel-
8 opment bank to vote, on and after March 1 of each
9 year, against any loan or other utilization of the
10 funds of their respective institution to or for any
11 country of concern listed in the report submitted
12 under section 1, except as provided in subsection (c).
13 For purposes of this paragraph, the term “multilat-
14 eral development bank” means the International
15 Bank for Reconstruction and Development, the
16 International Development Association, the Inter-
17 American Development Bank, the Asian Develop-
18 ment Bank, the African Development Bank, and the
19 European Bank for Reconstruction and Develop-
20 ment.

21 (3) SPECIAL MEASURES.—The Secretary of the
22 Treasury may require domestic financial agencies to
23 take 1 or more of the special measures described in
24 section 5318A(c) of title 31, United States Code,
25 with respect to a country of concern identified in the

1 most recent report submitted under section 1, in-
2 cluding financial institutions operating outside the
3 United States engaging in financial transactions in
4 that country with nationals or entities of that coun-
5 try, to the same extent as if such country or finan-
6 cial institution were of primary money laundering
7 concern under such section 5318A.

8 (b) CERTIFICATION PROCEDURES.—

9 (1) WHAT MUST BE CERTIFIED.—Subject to
10 subsection (c), the assistance withheld from a coun-
11 try pursuant to subsection (a)(1) may be obligated
12 and expended, the requirement of subsection (a)(2)
13 to vote against multilateral development bank assist-
14 ance to a country shall not apply, and subsection
15 (a)(3) shall not apply, if the President determines
16 and certifies to the Congress, at the time of the sub-
17 mission of the report required by section 1, that—

18 (A) during the previous year the country
19 has cooperated fully with the United States, or
20 has taken adequate steps on its own, to termi-
21 nate the provision of financial support for do-
22 mestic terrorism or international terrorism, as
23 the case may be, by the government of that
24 country or by persons or entities that are in, or
25 are nationals of, that country; or

(B) for a country that would not otherwise qualify for certification under subparagraph (A), the vital national interests of the United States require that the assistance withheld pursuant to subsection (a)(1) be provided, that the United States not vote against multilateral development bank assistance for that country pursuant to subsection (a)(2), and that subsection (a)(3) not apply to that country.

(2) INFORMATION TO BE INCLUDED IN NATIONAL INTEREST CERTIFICATION.—If the President makes a certification with respect to a country pursuant to paragraph (1)(B), the President shall include in such certification—

(A) a full and complete description of the vital national interests placed at risk if United States bilateral assistance to that country is terminated pursuant to this section, multilateral development bank assistance is not provided to such country, and special measures are imposed under subsection (a)(3) with respect to that country; and

(B) a statement weighing the risk described in subparagraph (A) against the risks posed to the vital national interests of the

1 United States by the failure of such country to
2 cooperate fully with the United States, or to
3 take adequate steps on its own, to terminate
4 the provision of financial support for domestic
5 terrorism or international terrorism, as the case
6 may be.

7 (c) CONGRESSIONAL REVIEW.—Subsection (d) shall
8 apply if, within 30 calendar days after receipt of a certifi-
9 cation submitted under subsection (b) at the time of sub-
10 mission of the report required by section 1, the Congress
11 enacts a joint resolution disapproving the determination
12 of the President contained in such certification.

13 (d) CONSEQUENCES FOR COUNTRIES DECERTI-
14 FIED.—If the President does not make a certification
15 under subsection (b) with respect to a country or the Con-
16 gress enacts a joint resolution disapproving such certifi-
17 cation, then until such time as the conditions specified in
18 subsection (e) are satisfied—

19 (1) funds may not be obligated for United
20 States assistance for that country, and funds pre-
21 viously obligated for United States assistance for
22 that country may not be expended for the purpose
23 of providing assistance for that country;

24 (2) the requirement to vote against multilateral
25 development bank assistance pursuant to subsection

1 (a)(2) shall apply with respect to that country, with-
2 out regard to the date specified in that subsection;
3 and

4 (3) subsection (a)(3) shall apply with respect to
5 that country.

6 (e) RECERTIFICATION.—Subsection (d) shall apply to
7 a country described in that subsection until—

8 (1) the President, at the time of submission of
9 the report required by section 1, makes a certifi-
10 cation under subsection (b)(1)(A) or (b)(1)(B) with
11 respect to that country, and the Congress does not
12 enact a joint resolution under subsection (d) dis-
13 approving the determination of the President con-
14 tained in that certification; or

15 (2) the President, at any other time, makes the
16 certification described in subsection (b)(1)(B) with
17 respect to that country, except that this paragraph
18 applies only if either—

19 (A) the President also certifies that—

20 (i) that country has undergone a fun-
21 damental change in government; or

22 (ii) there has been a fundamental
23 change in the conditions that were the rea-
24 son—

1 (I) why the President had not
2 made a certification with respect to
3 that country under subsection
4 (b)(1)(A); or

5 (II) if the President had made
6 such a certification and the Congress
7 enacted a joint resolution dis-
8 approving the determination contained
9 in the certification, why the Congress
10 enacted that joint resolution; or

11 (B) the Congress enacts a joint resolution
12 approving the determination contained in the
13 certification under subsection (b)(1)(B).

14 Any certification under subparagraph (A) of paragraph
15 (2) shall discuss the justification for the certification.

16 (f) SENATE PROCEDURES.—Any joint resolution
17 under this section shall be considered in the Senate in ac-
18 cordance with the provisions of section 601(b) of the Inter-
19 national Security Assistance and Arms Export Control Act
20 of 1976.

21 **SEC. 3. DEFINITIONS.**

22 In this Act:

23 (1) FINANCIAL SUPPORT.—The term “financial
24 support” includes funds, currency or monetary in-

1 struments or financial securities, and financial
2 sources.

3 (2) **TERRORISM.**—The terms “domestic ter-
4 rorism” and “international terrorism” have the
5 meanings given those terms in section 2331 of title
6 18, United States Code.

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