

109TH CONGRESS  
1ST SESSION

# H. R. 1952

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

---

## IN THE HOUSE OF REPRESENTATIVES

APRIL 28, 2005

Mrs. KELLY (for herself, Ms. BERKLEY, 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       (a) IN GENERAL.—Not later than March 1 of each  
6       year, the Secretary of the Treasury shall submit to the  
7       Congress a report that identifies each country that is a  
8       country of concern because the government of that country

1 is not complying with the requirements of the Inter-  
 2 national Convention for the Suppression of the Financing  
 3 of Terrorism, regardless of whether the country is a State  
 4 party to the Convention. The report shall include the in-  
 5 formation on which the Secretary relied in determining  
 6 whether or not each country is such a country of concern.  
 7 The report shall also include the efforts made by the  
 8 United States to provide to that government technical as-  
 9 sistance to comply with such requirements.

10 (b) APPLICATION.—For purposes of subsection (a),  
 11 paragraph 1(a) of article 2 of the Convention shall be ap-  
 12 plied to a country as if that country were a party to each  
 13 of the treaties listed in the annex to the Convention.

14 **SEC. 2. WITHHOLDING OF ASSISTANCE; WITHHOLDING OF**  
 15 **ACCESS TO FINANCIAL INSTITUTIONS; SPE-**  
 16 **CIAL MEASURES.**

17 (a) WITHHOLDING OF BILATERAL ASSISTANCE; OP-  
 18 POSITION TO MULTILATERAL DEVELOPMENT ASSIST-  
 19 ANCE; SPECIAL MEASURES.—

20 (1) BILATERAL ASSISTANCE.—Fifty percent of  
 21 the United States assistance allocated each fiscal  
 22 year in the report required by section 653 of the  
 23 Foreign Assistance Act of 1961 for each country of  
 24 concern listed in the report submitted to Congress  
 25 under section 1 shall be withheld from obligation

1 and expenditure, except as provided in subsection  
2 (c).

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

19 (3) SPECIAL MEASURES.—Except as provided  
20 in subsection (c), the Secretary of the Treasury may  
21 require domestic financial agencies to take 1 or more  
22 of the special measures described in section  
23 5318A(c) of title 31, United States Code, with re-  
24 spect to a country of concern identified in the most  
25 recent report submitted under section 1(a), including

1 financial institutions operating outside the United  
2 States engaging in financial transactions in that  
3 country with nationals or entities of that country, to  
4 the same extent as if such country or financial insti-  
5 tution were of primary money laundering concern  
6 under such section 5318A.

7 (b) CERTIFICATION PROCEDURES.—

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

18 (A) during the previous year—

19 (i) the United States offered technical  
20 assistance to the country to assist the  
21 country in complying with the require-  
22 ments of the Convention; and

23 (ii) the country has taken adequate  
24 steps to comply with the requirements of  
25 the Convention and to cooperate fully with

1 the United States in efforts to comply with  
2 such requirements, including by—

3 (I) establishing laws and regula-  
4 tions to prohibit offenses under the  
5 Convention and enforcing those laws  
6 and regulations;

7 (II) identifying and freezing or  
8 seizing assets used in the commission  
9 of offenses referred to in subclause  
10 (I);

11 (III) investigating, prosecuting,  
12 or extraditing persons committing, or  
13 suspected of committing, any such of-  
14 fense; and

15 (IV) regulating and monitoring  
16 public an private charitable entitie,  
17 transmissions of funds, formal and in-  
18 formal financial systems and institu-  
19 tions such as banks, financial mar-  
20 kets, the insurance sector, financial  
21 and high-value commodity markets,  
22 and remittance services, for purposes  
23 of identifying persons committing any  
24 such offense; or

1 (B) for a country that would not otherwise  
2 qualify for certification under subparagraph  
3 (A), the vital national security interests of the  
4 United States require that the assistance with-  
5 held pursuant to subsection (a)(1) be provided,  
6 that the United States not vote against multi-  
7 lateral development bank assistance for that  
8 country pursuant to subsection (a)(2), and that  
9 subsection (a)(3) not apply to that country, ex-  
10 cept that any such determination shall not take  
11 effect until at least 15 days after the Secretary  
12 of the Treasury submits written notification of  
13 that determination to the appropriate congres-  
14 sional committees in accordance with the proce-  
15 dures applicable to reprogramming notifications  
16 under section 634A of the Foreign Assistance  
17 Act of 1961.

18 (2) INFORMATION TO BE INCLUDED IN NA-  
19 TIONAL INTEREST CERTIFICATION.—If the President  
20 makes a certification with respect to a country pur-  
21 suant to paragraph (1)(B), the President shall in-  
22 clude in such certification—

23 (A) a full and complete description of the  
24 vital national security interests placed at risk if  
25 United States bilateral assistance to that coun-

1 try is terminated pursuant to this section, mul-  
2 tilateral development bank assistance is not  
3 provided to such country, and special measures  
4 are imposed under subsection (a)(3) with re-  
5 spect to that country; and

6 (B) a statement weighing the risk de-  
7 scribed in subparagraph (A) against the risks  
8 posed to the vital national security interests of  
9 the United States by the failure of such country  
10 to meet the requirements of paragraph (1)(A).

11 (c) CONGRESSIONAL REVIEW.—Subsection (d) shall  
12 apply if, within 30 calendar days after receipt of a certifi-  
13 cation submitted under subsection (b) at the time of sub-  
14 mission of the report required by section 1(a), the Con-  
15 gress enacts a joint resolution disapproving the determina-  
16 tion of the President contained in such certification.

17 (d) CONSEQUENCES FOR COUNTRIES DECERTI-  
18 FIED.—If the Secretary of the Treasury does not make  
19 a certification under subsection (b) with respect to a coun-  
20 try or the Congress enacts a joint resolution disapproving  
21 such certification, then until such time as the conditions  
22 specified in subsection (e) are satisfied—

23 (1) funds may not be obligated for United  
24 States assistance for that country, and funds pre-  
25 viously obligated for United States assistance for

1       that country may not be expended for the purpose  
2       of providing assistance for that country;

3               (2) the requirement to vote against multilateral  
4       development bank assistance pursuant to subsection  
5       (a)(2) shall apply with respect to that country, with-  
6       out regard to the date specified in that subsection;  
7       and

8               (3) subsection (a)(3) shall apply with respect to  
9       that country.

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

12               (1) the Secretary of the Treasury, at the time  
13       of submission of the report required by section 1(a),  
14       makes a certification under subsection (b)(1)(A) or  
15       (b)(1)(B) with respect to that country, and the Con-  
16       gress does not enact a joint resolution under sub-  
17       section (d) disapproving the determination of the  
18       President contained in that certification; or

19               (2) the Secretary of the Treasury, at any other  
20       time, makes the certification described in subsection  
21       (b)(1)(B) with respect to that country, except that  
22       this paragraph applies only if either—

23                       (A) the Secretary also certifies that—

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



(ii) there has been a fundamental change in the conditions that were the reason—

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

(II) if the Secretary had made such a certification and the Congress enacted a joint resolution disapproving the determination contained in the certification, why the Congress enacted that joint resolution; or

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

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

(f) SENATE PROCEDURES.—Any joint resolution under this section shall be considered in the Senate in accordance with the provisions of section 601(b) of the International Security Assistance and Arms Export Control Act of 1976.

**SEC. 3. DEFINITIONS.**

In this Act:

1           (1) CONVENTION.—The term “Convention”  
2 means the International Convention for the Suppres-  
3 sion of the Financing of Terrorism.

4           (2) SECRETARY.—The term “Secretary” means  
5 the Secretary of the Treasury.

○