

109TH CONGRESS
1ST SESSION

S. 299

To make information regarding certain investments in the energy sector
in Iran available to the public, and for other purposes.

IN THE SENATE OF THE UNITED STATES

FEBRUARY 7, 2005

Mr. WYDEN introduced the following bill; which was read twice and referred
to the Committee on Banking, Housing, and Urban Affairs

A BILL

To make information regarding certain investments in the
energy sector in Iran available to the public, 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 “Investor in Iran Ac-
5 countability Act of 2005”.

6 **SEC. 2. FINDINGS.**

7 Congress makes the following findings:

8 (1) The Department of State’s Patterns of
9 Global Terrorism report for 2003 stated that “Iran

1 remained the most active state sponsor of terrorism
2 in 2003”.

3 (2) That report further stated that—

4 (A) Iran continues to provide funding,
5 safehaven, training, and weapons to known ter-
6 rorist groups, including Hizballah, HAMAS, the
7 Palestine Islamic Jihad, and the Popular Front
8 for the Liberation of Palestine; and

9 (B) the Government of Iran’s poor human
10 rights record continues to worsen.

11 (3) In 1979, in response to the Islamic Revolu-
12 tion in Iran and the holding of United States citi-
13 zens as hostages in Iran, the United States imposed
14 economic sanctions against Iran that prohibit vir-
15 tually all trade and investment activities with Iran
16 by citizens of the United States or United States
17 companies.

18 (4) The United States does not prohibit foreign
19 subsidiaries of United States companies from invest-
20 ing in Iran if the foreign subsidiary is independent
21 of the United States parent company.

22 (5) A number of subsidiaries of United States
23 companies appear to be taking advantage of this
24 condition and are investing in the energy sector in
25 Iran through such subsidiaries.

1 (6) According to the Energy Information Ad-
2 ministration of the Department of Energy, Iran is
3 the second largest oil producer in the Organization
4 of the Petroleum Exporting Countries (OPEC) and
5 holds 10 percent of the world's proven oil reserves.

6 (7) According to the Energy Information Ad-
7 ministration, the economy of Iran relies heavily on
8 revenues generated by the export of oil and such rev-
9 enues account for approximately 80 percent of Iran's
10 total annual export earnings, nearly one-half of the
11 annual budget of the Government of Iran, and as
12 much as one-fifth of the gross domestic product of
13 Iran.

14 (8) According to the Energy Information Ad-
15 ministration, Iran is actively seeking significant new
16 foreign investment in the energy sector and experts
17 believe that with sufficient investment Iran could in-
18 crease its crude oil production capacity significantly.

19 (9) The Department of Justice is conducting a
20 criminal investigation into whether United States
21 companies have violated any law by trading or in-
22 vesting with Iran through a subsidiary company that
23 may not be completely independent of the parent
24 company.

1 (10) The Securities and Exchange Commission
2 has determined that significant corporate operations
3 in countries subject to economic sanctions, such as
4 Iran, can represent a material risk to investors in
5 the United States and that such investments should
6 be properly disclosed.

7 **SEC. 3. POLICY OF THE UNITED STATES.**

8 It is the policy of the United States—

9 (1) to enforce fully existing economic sanctions
10 imposed by United States law against Iran, includ-
11 ing sanctions imposed under the Iran and Libya
12 Sanctions Act of 1996 (50 U.S.C. 1701 note) on
13 persons that make certain investments that con-
14 tribute to Iran’s ability to develop and exploit its pe-
15 troleum and natural gas resources;

16 (2) to make available to the public information
17 regarding a United States person or a person that
18 is controlled in fact by a United States person who
19 maintains any direct or indirect investment in the
20 energy sector in Iran; and

21 (3) to seek international cooperation in fully en-
22 forcing economic sanctions against Iran and in pro-
23 hibiting any direct or indirect investment in Iran
24 until Iran ceases to support international terrorism.

1 **SEC. 4. DEFINITIONS.**

2 In this Act:

3 (1) CONTROLLED IN FACT.—The term “con-
4 trolled in fact” includes—

5 (A) with respect to a corporation, the hold-
6 ing of at least 50 percent (by vote or value) of
7 the capital structure of the corporation; and

8 (B) with respect to a legal entity other
9 than a corporation, the holding of interests rep-
10 resenting at least 50 percent of the capital
11 structure of the entity.

12 (2) ENERGY SECTOR.—The term “energy sec-
13 tor” means any research, exploration, development,
14 production, sale, distribution, or advertising of nat-
15 ural gas, oil, or petroleum resources or nuclear
16 power.

17 (3) STATE.—The term “State” means each of
18 the several States of the United States, the District
19 of Columbia, the Commonwealth of Puerto Rico,
20 Guam, the Virgin Islands, and other territories or
21 possessions of the United States.

22 (4) UNITED STATES PERSON.—The term
23 “United States person” means any citizen of the
24 United States, permanent resident alien, or entity
25 organized under the laws of the United States or of

1 any State, wherever located (including foreign
2 branches).

3 **SEC. 5. PUBLICATION OF INFORMATION ON INVESTMENTS.**

4 (a) REQUIREMENT TO PUBLISH.—Not later than 120
5 days after the date of enactment of this Act, the Secretary
6 of the Treasury shall publish in the Federal Register and
7 make available to the public on the Internet website of
8 the Department of the Treasury—

9 (1) a list of each United States person or each
10 person that is controlled in fact by a United States
11 person that maintains any direct or indirect invest-
12 ment in the energy sector in Iran;

13 (2) a list of each foreign person that owned in-
14 vestments in the energy sector in Iran with a total
15 value of more than \$1,000,000 during the 12-month
16 period ending on the date of the publication in the
17 Federal Register; and

18 (3) a list of—

19 (A) any United States person that holds
20 the securities of a person described in para-
21 graph (1) or (2) valued at more than \$100,000;

22 (B) any investment company registered
23 under section 8 of the Investment Company Act
24 of 1940 that invests, reinvests, or trades in the

1 securities of a person described in paragraph
2 (1) or (2);

3 (C) any pension plan or other Federal or
4 State retirement plan that invests in the securi-
5 ties of persons described in paragraph (1) or
6 (2); and

7 (D) such other investors in the securities
8 of persons described in paragraph (1) or (2) as
9 the Secretary determines is appropriate to carry
10 out the policy set out in section 3.

11 (b) REQUIREMENT OF UPDATE.—The Secretary of
12 the Treasury shall update the lists described in para-
13 graphs (1) through (3) of subsection (a) at least once dur-
14 ing each calendar year. Such updates shall be published
15 in the Federal Register and made available to the public
16 on the Internet website of the Department of the Treas-
17 ury.

18 **SEC. 6. INTERNATIONAL COOPERATION.**

19 The President, acting through the Secretary of the
20 Treasury, the Secretary of State, or the head of any other
21 appropriate Federal department or agency, shall under-
22 take negotiations with the government of a foreign country
23 to prohibit any direct or indirect investment in the energy
24 sector in Iran by any person that is controlled in fact by
25 that foreign country.

1 **SEC. 7. EXTENSION OF THE IRAN AND LIBYA SANCTIONS**

2 **ACT OF 1996.**

3 Section 13(b) of the Iran and Libya Sanctions Act
4 of 1996 (50 U.S.C. 1701 note) is amended by striking
5 “10” and inserting “15”.

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