

110TH CONGRESS
1ST SESSION

H. R. 1357

To require divestiture of current investments in Iran, to prohibit future investments in Iran, and to require disclosure to investors of information relating to such investments.

IN THE HOUSE OF REPRESENTATIVES

MARCH 6, 2007

Ms. ROS-LEHTINEN (for herself, Mr. BLUNT, Mr. LANTOS, Mr. CANTOR, Mr. SHERMAN, Mr. FOSSELLA, Mr. PENCE, Mr. CHABOT, Mr. TANCREDO, Mr. BURTON of Indiana, Mr. ROHRABACHER, Mr. SMITH of New Jersey, Mr. FORTUÑO, Mr. WEXLER, Mr. CROWLEY, Mr. KLEIN of Florida, and Mr. MCCAUL of Texas) introduced the following bill; which was referred to the Committee on Financial Services, and in addition to the Committees on Oversight and Government Reform and Education and Labor, 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 divestiture of current investments in Iran, to prohibit future investments in Iran, and to require disclosure to investors of information relating to such investments.

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. UNITED STATES PENSION PLANS.**

4 (a) FINDINGS.—Congress finds the following:

1 (1) The United States and the international
2 community face no greater threat to their security
3 than the prospect of rogue regimes who support
4 international terrorism obtaining weapons of mass
5 destruction, and particularly nuclear weapons.

6 (2) Iran is the leading state sponsor of inter-
7 national terrorism and is close to achieving nuclear
8 weapons capability but has paid no price for nearly
9 20 years of deception over its nuclear program. For-
10 eign entities that have invested in Iran's energy sec-
11 tor, despite Iran's support of international terrorism
12 and its nuclear program, have afforded Iran a free
13 pass while many United States entities have un-
14 knowingly invested in those same foreign entities.

15 (3) United States investors have a great deal at
16 stake in preventing Iran from acquiring nuclear
17 weapons.

18 (4) United States investors can have consider-
19 able influence over the commercial decisions of the
20 foreign entities in which they have invested.

21 (b) PUBLICATION IN FEDERAL REGISTER.—Not
22 later than six months after the date of the enactment of
23 this Act and every six months thereafter, the President
24 shall ensure publication in the Federal Register of a list
25 of all United States and foreign entities that have invested

1 more than \$20,000,000 in Iran's energy sector between
2 August 5, 1996, and the date of such publication. Such
3 list shall include an itemization of individual investments
4 of each such entity, including the dollar value, intended
5 purpose, and current status of each such investment.

6 (c) DISCLOSURE TO INVESTORS.—

7 (1) IN GENERAL.—Not later than 30 days after
8 the date of publication of a list in the relevant Fed-
9 eral Register under subsection (b), managers of
10 United States Government pension plans or thrift
11 savings plans, managers of pension plans maintained
12 in the private sector by plan sponsors in the United
13 States, and managers of mutual funds sold or dis-
14 tributed in the United States shall notify investors
15 that the funds of such investors are invested in an
16 entity included on the list and that the funds will be
17 divested from such investments. Such notification
18 shall contain the following information:

19 (A) The name or other identification of the
20 entity.

21 (B) The amount of the investment in the
22 entity.

23 (C) The potential liability to the entity if
24 sanctions are imposed by the United States on
25 Iran or on the entity.

1 (D) The potential liability to investors if
2 such sanctions are imposed.

3 (E) The measures being undertaken by the
4 managers to divest from such investments.

5 (2) FOLLOW-UP NOTIFICATION.—

6 (A) IN GENERAL.—Except as provided in
7 subparagraph (C), in addition to the notifica-
8 tion required under paragraph (1), such man-
9 agers shall also include such notification in
10 every prospectus and in every regularly pro-
11 vided quarterly, semi-annual, or annual report
12 provided to investors, if the funds of such inves-
13 tors are invested in an entity included on the
14 list.

15 (B) CONTENTS OF NOTIFICATION.—The
16 notification described in subparagraph (A) shall
17 be displayed prominently in any such pro-
18 spectus or report and shall contain the informa-
19 tion described in paragraph (1).

20 (C) GOOD-FAITH EXCEPTION.—If, upon
21 publication of a list in the relevant Federal
22 Register under subsection (b), such managers
23 verifiably divest all investments of such plans or
24 funds in any entity included on the list and
25 such managers do not initiate any new invest-

1 ment in any other such entity, such managers
2 shall not be required to include the notification
3 described in subparagraph (A) in any pro-
4 spectus or report provided to investors.

5 (d) DIVESTITURE FROM IRAN.—Upon notification
6 under subsection (c), managers of United States Govern-
7 ment pension plans or thrift savings plans, shall take, to
8 the extent consistent with the legal and fiduciary duties
9 otherwise imposed on them, immediate steps to divest all
10 investments of such plans or funds in any entity included
11 on the list.

12 (e) SENSE OF CONGRESS RELATING TO FURTHER
13 DIVESTITURE FROM IRAN.—It is the sense of Congress
14 that upon publication of a list in the relevant Federal Reg-
15 ister under subsection (b), managers of pension plans
16 maintained in the private sector by plan sponsors in the
17 United States and managers of mutual funds sold or dis-
18 tributed in the United States should take immediate steps
19 to divest all investments of such plans or funds in any
20 entity included on the list.

21 (f) PROHIBITION ON FUTURE INVESTMENT.—Upon
22 publication of a list in the relevant Federal Register under
23 subsection (b), there shall be, to the extent consistent with
24 the legal and fiduciary duties otherwise imposed on them,
25 no future investment in any entity included on the list by

1 managers of United States Government pension plans or
2 thrift savings plans, managers of pension plans main-
3 tained in the private sector by plan sponsors in the United
4 States, or managers of mutual funds sold or distributed
5 in the United States.

6 **SEC. 2. REPORT BY OFFICE OF GLOBAL SECURITY RISKS.**

7 Not later than 30 days after the date of publication
8 of a list in the relevant Federal Register under section
9 1(b), the Office of Global Security Risks within the Divi-
10 sion of Corporation Finance of the United States Securi-
11 ties and Exchange Commission shall issue a report con-
12 taining a list of the United States and foreign entities
13 identified in accordance with such section, a determination
14 of whether or not the operations in Iran of any such entity
15 constitute a political, economic, or other risk to the United
16 States, and a determination of whether or not the entity
17 faces United States litigation, sanctions, or similar cir-
18 cumstances that are reasonably likely to have a material
19 adverse impact on the financial condition or operations of
20 the entity.

21 **SEC. 3. SUNSET.**

22 This Act shall terminate 30 days after the date on
23 which:

24 (1) the President has certified to Congress that
25 the Government of Iran has ceased providing sup-

1 port for acts of international terrorism and no
2 longer satisfies the requirements for designation as
3 a state-sponsor of terrorism for purposes of section
4 6(j) of the Export Administration Act of 1979, sec-
5 tion 620A of the Foreign Assistance Act of 1961,
6 section 40 of the Arms Export Control Act, or any
7 other provision of law; and

8 (2) Iran has permanently ceased the pursuit,
9 acquisition, and development of nuclear, biological,
10 and chemical weapons and missiles.

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