

110TH CONGRESS
1ST SESSION

H. R. 957

IN THE SENATE OF THE UNITED STATES

AUGUST 1, 2007

Received

AUGUST 3, 2007

Read twice and referred to the Committee on Banking, Housing, and Urban
Affairs

AN ACT

To amend the Iran Sanctions Act of 1996 to expand and
clarify the entities against which sanctions may be imposed.

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

1 **SECTION 1. CLARIFICATION AND EXPANSION OF DEFINI-**
2 **TIONS.**

3 (a) PERSON.—Section 14(13)(B) of the Iran Sanc-
4 tions Act of 1996 (50 U.S.C. 1701 note) is amended to
5 read as follows:

6 “(B)(i) a corporation, business association,
7 partnership, society, trust, financial institution,
8 insurer, underwriter, guarantor, and any other
9 business organization;

10 “(ii) any foreign subsidiary of any entity
11 described in clause (i); and

12 “(iii) any governmental entity operating as
13 a business enterprise, such as an export credit
14 agency; and”.

15 (b) PETROLEUM RESOURCES.—Section 14(14) of the
16 Iran Sanctions Act of 1996 (50 U.S.C. 1701 note) is
17 amended by inserting after “petroleum” the second place
18 it appears the following: “, petroleum refining capacity,
19 liquefied natural gas,”.

20 (c) CONSTRUCTION.—The amendments made by this
21 section shall not be construed to require the imposition
22 of any measure under section 5 of the Iran Sanctions Act
23 of 1996 against any natural person or other entity that
24 is not specifically described in section 14(13) of that Act,
25 as amended by this section.

1 **SEC. 2. APPLICATION TO SUBSIDIARIES.**

2 (a) IN GENERAL.—Except as provided in subsection
3 (b), in any case in which an entity engages in an act out-
4 side the United States which, if committed in the United
5 States or by a United States person, would violate Execu-
6 tive Order No. 12959 of May 6, 1995, Executive Order
7 No. 13059 of August 19, 1997, or any other prohibition
8 on transactions with respect to Iran that is imposed under
9 the International Emergency Economic Powers Act (50
10 U.S.C. 1701 et seq.) and if that entity was created or
11 availed of for the purpose of engaging in such an act, the
12 parent company of that entity shall be subject to the pen-
13 alties for such violation to the same extent as if the parent
14 company had engaged in that act.

15 (b) EXCEPTION.—Subsection (a) shall not apply to
16 any act carried out under a contract or other obligation
17 of any entity if—

18 (1) the contract or obligation existed on May
19 22, 2007, unless such contract or obligation is ex-
20 tended in time in any manner or expanded to cover
21 additional activities beyond the terms of the contract
22 or other obligation as it existed on May 22, 2007;
23 or

24 (2) the parent company acquired that entity not
25 knowing, and not having reason to know, that such
26 contract or other obligation existed, unless such con-

1 tract or other obligation is extended in time in any
2 manner or expanded to cover additional activities be-
3 yond the terms of such contract or other obligation
4 as it existed at the time of such acquisition.

5 (c) CONSTRUCTION.—Nothing in this section shall be
6 construed as prohibiting the issuance of regulations, or-
7 ders, directives, or licenses under the Executive orders de-
8 scribed in subsection (a) or as being inconsistent with the
9 authorities under the International Emergency Economic
10 Powers Act.

11 (d) DEFINITIONS.—In this section—

12 (1) the term “entity” means a partnership, as-
13 sociation, trust, joint venture, corporation, or other
14 organization;

15 (2) an entity is a “parent company” of another
16 entity if it controls, directly or indirectly, that other
17 entity and is a United States person; and

18 (3) the term “United States person” means any
19 United States citizen, any alien lawfully admitted for
20 permanent residence to the United States, any entity

- 1 organized under the laws of the United States, or
- 2 any person in the United States.

Passed the House of Representatives July 31, 2007.

Attest: LORRAINE C. MILLER,
Clerk.