

112TH CONGRESS
1ST SESSION

H. R. 1655

To enhance United States diplomatic efforts with respect to Iran by imposing additional economic sanctions against Iran, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

APRIL 15, 2011

Mr. SHERMAN (for himself, Mr. ROYCE, Ms. BERKLEY, Mr. SHULER, Mrs. MALONEY, and Mr. POE of Texas) introduced the following bill; which was referred to the Committee on Foreign Affairs, and in addition to the Committees on Ways and Means, the Judiciary, Financial Services, and Oversight and Government Reform, 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 enhance United States diplomatic efforts with respect to Iran by imposing additional economic sanctions against Iran, 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 AND TABLE OF CONTENTS.**

4 (a) SHORT TITLE.—This Act may be cited as the
5 “Stop Iran’s Nuclear Weapons Program Act of 2011”.

6 (b) TABLE OF CONTENTS.—The table of contents for
7 this Act is as follows:

- Sec. 1. Short title and table of contents.
- Sec. 2. Findings.

TITLE I—ADDITIONAL SANCTIONS WITH RESPECT TO IRAN

- Sec. 101. Expansion of sanctions under the Iran Sanctions Act of 1996.
- Sec. 102. Application to subsidiaries.
- Sec. 103. Additional export sanctions against Iran.
- Sec. 104. Elimination of certain tax incentives for oil companies investing in Iran.
- Sec. 105. Inadmissibility of certain aliens who engage in certain activities with respect to Iran.
- Sec. 106. Temporary increase in fee for certain consular services.

TITLE II—APPLICATION OF SANCTIONS AGAINST AFFILIATES OF IRAN'S ISLAMIC REVOLUTIONARY GUARD CORPS

- Sec. 201. Sanctions against affiliates of Iran's Islamic Revolutionary Guard Corps.
- Sec. 202. Measures against foreign persons or entities supporting Iran's Islamic Revolutionary Guard Corps.
- Sec. 203. Special measures against foreign countries supporting Iran's Islamic Revolutionary Guard Corps.
- Sec. 204. Rule of construction.
- Sec. 205. Definitions.
- Sec. 206. Sunset.

TITLE III—OPPOSITION OF TRANSFER TO IRAN, NORTH KOREA, AND SYRIA OF GOODS, SERVICES, OR TECHNOLOGY RELEVANT TO THEIR CAPABILITY TO EXTRACT OR MILL URANIUM ORE

- Sec. 301. Statement of policy.
- Sec. 302. Reporting requirements under the Iran, North Korea, and Syria Non-proliferation Act.
- Sec. 303. Conforming amendments.

TITLE IV—ROLLOVER OF GAIN FROM DIVESTING CERTAIN QUALIFIED SECURITIES OF BUSINESS ENTITIES ENGAGED IN DISCOURAGED ACTIVITIES IN IRAN

- Sec. 401. Rollover of gain from divesting certain qualified securities of business entities engaged in discouraged activities in Iran.

TITLE V—PROHIBITION ON UNITED STATES GOVERNMENT CONTRACTS AND INVESTMENT FOR COMPANIES CONDUCTING BUSINESS IN IRAN

- Sec. 501. Prohibition on United States Government contracts.
- Sec. 502. Authority of State and local governments to restrict contracts or licenses for certain sanctionable persons.
- Sec. 503. United States pension plans.
- Sec. 504. Definitions.

Sec. 505. Sunset.

TITLE VI—TERMINATION OF LOAN DISBURSEMENTS TO IRAN
FROM THE INTERNATIONAL BANK FOR RECONSTRUCTION AND
DEVELOPMENT

Sec. 601. Termination of loan disbursements to Iran from the International
Bank for Reconstruction and Development.

Sec. 602. United States opposition to new country assistance strategy for Iran.

Sec. 603. Sunset.

Sec. 604. Rule of interpretation.

1 **SEC. 2. FINDINGS.**

2 Congress finds the following:

3 (1) On July 1, 2010, President Obama signed
4 into law the Comprehensive Iran Sanctions, Ac-
5 countability, and Divestment Act of 2010 (Public
6 Law 111–195; 124 Stat. 1312).

7 (2) In the wake of this new United States law
8 and United Nations Security Council Resolution
9 1929 (2010) with respect to Iran, the European
10 Union, Japan, South Korea, Australia, and other
11 friends and allies of the United States also imposed
12 significant economic sanctions on Iran.

13 (3) According to the report of the Director
14 General of the International Atomic Energy Agency
15 titled “Implementation of the NPT Safeguards
16 Agreement and relevant provisions of Security Coun-
17 cil resolutions in the Islamic Republic of Iran”,
18 dated February 25, 2011, Iran continues to defy the
19 international community by continuing uranium en-
20 richment activities, failing to suspend heavy water-

1 related projects, failing to provide sufficient coopera-
2 tion to the Agency to resolve outstanding suspicions
3 about potential military dimensions of its program,
4 withholding requested design information regarding
5 various facilities and equipment, and by not imple-
6 menting the Additional Protocol to the NPT Safe-
7 guards Agreement.

8 (4) While the United States and several like-
9 minded countries have worked individually and in
10 concert to increase the diplomatic and economic iso-
11 lation of Iran in an effort to convince the Govern-
12 ment of Iran to abandon sensitive nuclear activities,
13 the United States and like-minded countries must do
14 more in the coming months to achieve that goal.

15 **TITLE I—ADDITIONAL SANCTIONS WITH RESPECT TO**
16 **IRAN**

18 **SEC. 101. EXPANSION OF SANCTIONS UNDER THE IRAN**
19 **SANCTIONS ACT OF 1996.**

20 Section 5(a) of the Iran Sanctions Act of 1996 (Pub-
21 lic Law 104–172; 50 U.S.C. 1701 note) is amended—

22 (1) in the heading, by inserting at the end be-
23 fore the period the following: “, ETC”; and

24 (2) by adding at the end the following new
25 paragraphs:

1 “(4) OTHER ACTIONS RELATING TO PETRO-
2 LEUM RESOURCES OF IRAN.—

3 “(A) IN GENERAL.—Except as provided in
4 subsection (f), the President shall impose 3 or
5 more of the sanctions described in section 6(a)
6 with respect to a person if the President deter-
7 mines that the person knowingly, on or after
8 the date of the enactment of the Stop Iran’s
9 Nuclear Weapons Program Act of 2011—

10 “(i) enters into a long-term agreement
11 to purchase petroleum resources from Iran;

12 “(ii) enters into an agreement to pro-
13 vide payment for future delivery of petro-
14 leum resources from Iran; or

15 “(iii) enters into an agreement with
16 the National Iranian Oil Company, any of
17 its affiliates, or any entity owned or con-
18 trolled by the Government of Iran to pro-
19 vide for the development of petroleum re-
20 sources wherever located.

21 “(B) ANCILLARY SERVICES.—

22 “(i) IN GENERAL.—Except as pro-
23 vided in clause (ii) and subsection (f), the
24 President shall impose 3 or more of the
25 sanctions described in section 6(a) with re-

1 spect to a person if the President deter-
2 mines that the person knowingly, on or
3 after the date of the enactment of the Stop
4 Iran’s Nuclear Weapons Program Act of
5 2011, enters into an agreement to provide
6 ancillary services to support an agreement
7 described in clause (i), (ii), or (iii) of sub-
8 paragraph (A).

9 “(ii) EXCEPTION.—The President
10 shall not be required to apply or maintain
11 the sanctions under clause (i) with respect
12 to a person who provides underwriting, in-
13 surance, or reinsurance services to support
14 an agreement described in clause (i), (ii),
15 or (iii) of subparagraph (A) if the Presi-
16 dent determines in writing that the person
17 has exercised due diligence in establishing
18 and enforcing official policies, procedures,
19 and controls to ensure that the person does
20 not underwrite or enter into a contract to
21 provide insurance or reinsurance for the
22 activities described in clause (i), (ii), or
23 (iii) of subparagraph (A).

24 “(C) DEFINITIONS.—

1 “(i) ANCILLARY SERVICES.—In sub-
2 paragraph (A), the term ‘ancillary services’
3 means underwriting, insurance, reinsur-
4 ance, financing, guarantees, brokering, or
5 providing ships or shipping services.

6 “(ii) LONG-TERM AGREEMENT.—In
7 subparagraph (A)(i), the term ‘long-term
8 agreement’ means a contract or other
9 agreement that provides for delivery of pe-
10 troleum resources beginning more than 1
11 year after the date of entry into the con-
12 tract or agreement (as the case may be).

13 “(iii) FUTURE DELIVERY.—In sub-
14 paragraph (A)(ii), the term ‘future deliv-
15 ery’ means delivery that occurs more than
16 180 days after payment is effected under
17 the agreement.

18 “(5) PURCHASE, SUBSCRIPTION TO, OR FACILI-
19 TATION OF THE ISSUANCE OF IRANIAN SOVEREIGN
20 DEBT.—Except as provided in subsection (f), the
21 President shall impose 3 or more of the sanctions
22 described in section 6(a) with respect to a person if
23 the President determines that the person knowingly,
24 on or after the date of the enactment of the Stop

1 Iran’s Nuclear Weapons Program Act of 2011, pur-
2 chases, subscribes to, or facilitates the issuance of—

3 “(A) sovereign debt of the Government of
4 Iran, including governmental bonds; or

5 “(B) debt of any entity owned or con-
6 trolled by the Government of Iran, including
7 bonds.”.

8 **SEC. 102. APPLICATION TO SUBSIDIARIES.**

9 (a) IN GENERAL.—Except as provided in subsection
10 (b), in any case in which an entity engages in an act out-
11 side the United States which, if committed in the United
12 States or by a United States person, would violate Execu-
13 tive Order 12959 (50 U.S.C. 1701 note) or Executive
14 Order 13059 (50 U.S.C. 1701 note) (or any successor
15 thereto), section 103 of the Comprehensive Iran Sanc-
16 tions, Accountability, and Divestment Act of 2010 (Public
17 Law 111–195; 22 U.S.C. 8512), or any other prohibition
18 on transactions with respect to Iran that is imposed under
19 the International Emergency Economic Powers Act (50
20 U.S.C. 1701 et seq.), the parent company of that entity
21 shall be subject to the penalties for the act to the same
22 extent as if the parent company had engaged in the act.

23 (b) EXCEPTION.—Subsection (a) shall not apply to
24 a parent company of an entity for an act described in sub-
25 section (a) if—

1 (1) within 90 days after the date of the enact-
2 ment of this Act—

3 (A) the parent company causes the entity
4 to cease committing acts described in subsection
5 (a); or

6 (B) the entity ceases committing acts de-
7 scribed in subsection (a); or

8 (2) in the case of an entity acquired by a par-
9 ent company, within 90 days of acquisition of the
10 entity—

11 (A) the parent company causes the entity
12 to cease committing acts described in subsection
13 (a); or

14 (B) the entity ceases committing acts de-
15 scribed in subsection (a).

16 (c) CONSTRUCTION.—Nothing in this section shall be
17 construed as prohibiting the issuance of regulations, or-
18 ders, directives, or licenses under the Executive orders de-
19 scribed in subsection (a) or as being inconsistent with the
20 authorities under the International Emergency Economic
21 Powers Act.

22 (d) DEFINITIONS.—In this section:

23 (1) ENTITY.—The term “entity” means a part-
24 nership, association, trust, joint venture, corpora-
25 tion, or other organization.

1 (2) PARENT COMPANY.—An entity is a “parent
2 company” of another entity if it controls, directly or
3 indirectly, that other entity and is a United States
4 person.

5 (3) UNITED STATES PERSON.—The term
6 “United States person” means any United States
7 citizen, any alien lawfully admitted for permanent
8 residence to the United States, any entity organized
9 under the laws of the United States, or any person
10 in the United States.

11 **SEC. 103. ADDITIONAL EXPORT SANCTIONS AGAINST IRAN.**

12 Notwithstanding section 103(b)(2)(B)(iv) of the
13 Comprehensive Iran Sanctions, Accountability, and Di-
14 vestment Act of 2010 (Public Law 111–195; 22 U.S.C.
15 8512(b)(2)(B)(iv)) or section 1606 of the Iran-Iraq Arms
16 Non-Proliferation Act of 1992 (Public Law 102–484; 50
17 U.S.C. 1701 note) or any other provision of law, effective
18 on the date of the enactment of this Act—

19 (1) licenses to export or reexport goods, serv-
20 ices, or technology relating to civil aviation of United
21 States origin to Iran may not be issued, and any
22 such license issued before such date of enactment is
23 no longer valid; and

24 (2) goods, services, or technology described in
25 paragraph (1) may not be exported or reexported.

1 **SEC. 104. ELIMINATION OF CERTAIN TAX INCENTIVES FOR**
2 **OIL COMPANIES INVESTING IN IRAN.**

3 (a) IN GENERAL.—Subsection (h) of section 167 of
4 the Internal Revenue Code of 1986 (relating to amortiza-
5 tion of geological and geophysical expenditures) is amend-
6 ed by adding at the end the following new paragraph:

7 “(6) DENIAL WHEN IRAN SANCTIONS IN EF-
8 FECT.—

9 “(A) IN GENERAL.—If sanctions are im-
10 posed under section 5(a) of the Iran Sanctions
11 Act of 1996 (relating to sanctions with respect
12 to the development of petroleum resources of
13 Iran) on any member of an expanded affiliated
14 group the common parent of which is a foreign
15 corporation, paragraph (1) shall not apply to
16 any expense paid or incurred by any such mem-
17 ber in any period during which the sanctions
18 are in effect.

19 “(B) AFFIRMATION OF COMPLIANCE.—

20 “(i) IN GENERAL.—Paragraph (1)
21 shall not apply to any expense paid or in-
22 curred by any member of such group in
23 any period in the taxable year unless the
24 corporation affirms that it and all mem-
25 bers of its expanded affiliated group have
26 not conducted any activities during the

1 taxable year described in section 5(a) of
2 the Iran Sanctions Act of 1996. The affir-
3 mation required by the preceding sentence
4 shall be made on the return of tax for such
5 taxable year in the manner required by the
6 Secretary.

7 “(ii) SPECIAL RULE.—If, with respect
8 to any provision under section 5(a) of the
9 Iran Sanctions Act of 1996—

10 “(I) a certification is made under
11 section 4(e)(3) of such Act, and

12 “(II) after the certification the
13 taxpayer does not conduct any activity
14 in violation of the provision,

15 any activity by the taxpayer occurring be-
16 fore the certification with respect to the
17 provision shall not be taken into account.

18 “(C) EXPANDED AFFILIATED GROUP.—

19 For purposes of this paragraph, the term ‘ex-
20 panded affiliated group’ means an affiliated
21 group as defined in section 1504(a), deter-
22 mined—

23 “(i) by substituting ‘more than 50
24 percent’ for ‘at least 80 percent’ each place
25 it appears, and

1 “(ii) without regard to paragraphs
2 (2), (3), and (4) of section 1504(b).”.

3 (b) **EFFECTIVE DATE.**—The amendment made by
4 subsection (a) shall apply to expenses paid or incurred on
5 or after January 1, 2010.

6 **SEC. 105. INADMISSIBILITY OF CERTAIN ALIENS WHO EN-**
7 **GAGE IN CERTAIN ACTIVITIES WITH RESPECT**
8 **TO IRAN.**

9 (a) **IN GENERAL.**—Section 212(a)(3) of the Immi-
10 gration and Nationality Act (8 U.S.C. 1182(a)(3)) is
11 amended by adding at the end the following:

12 “(H) **INDIVIDUALS WHO ENGAGE IN CER-**
13 **TAIN ACTIVITIES WITH RESPECT TO IRAN.**—

14 “(i) **IN GENERAL.**—Subject to clause
15 (iii), any alien described in clause (ii) is in-
16 admissible.

17 “(ii) **ALIENS DESCRIBED.**—An alien
18 described in this clause is an alien that the
19 Secretary of State determines—

20 “(I) engages in—

21 “(aa) an activity for which
22 sanctions may be imposed pursu-
23 ant to section 5 of the Iran Sanc-
24 tions Act of 1996 (Public Law
25 104–172; 50 U.S.C. 1701 note);

1 “(bb) an activity—

2 “(AA) relating to the
3 proliferation by Iran of
4 weapons of mass destruction
5 or the means of delivery of
6 such weapons; and

7 “(BB) for which sanc-
8 tions may be imposed pursu-
9 ant to Executive Order
10 13382 (70 Fed. Reg. 38567)
11 (or any successor thereto);

12 “(cc) an activity—

13 “(AA) relating to sup-
14 port for international ter-
15 rorism by the Government of
16 Iran; and

17 “(BB) for which sanc-
18 tions may be imposed pursu-
19 ant to Executive Order
20 13224 (66 Fed. Reg. 49079)
21 (or any successor thereto);

22 or

23 “(dd) any other activity with
24 respect to Iran for which sanc-

1 tions may be imposed pursuant
2 to any other provision of law;

3 “(II) is the chief executive offi-
4 cer, president, or other individual in
5 charge of overall management of, a
6 member of the board of directors of,
7 or a shareholder with a controlling in-
8 terest in, an entity that engages in an
9 activity described in subclause (I); or

10 “(III) is a spouse or minor child
11 of—

12 “(aa) an alien who engages
13 in an activity described in sub-
14 clause (I); or

15 “(bb) the chief executive of-
16 ficer, president, or other indi-
17 vidual in charge of overall man-
18 agement of, a member of the
19 board of directors of, or a share-
20 holder with a controlling interest
21 in, an entity that engages in an
22 activity described in subclause
23 (I).

24 “(iii) NOTICE; WAIVER WITH RESPECT
25 TO CERTAIN ENTITIES.—

1 “(I) NOTICE.—The Secretary of
2 State may notify an alien the Sec-
3 retary determines may be inadmissible
4 under this subparagraph—

5 “(aa) that the alien may be
6 inadmissible; and

7 “(bb) of the reason for the
8 inadmissibility of the alien.

9 “(II) WAIVER.—The President
10 may waive the application of this sub-
11 paragraph and admit an alien to the
12 United States if—

13 “(aa) the alien is described
14 in subclause (II) or (III)(bb) of
15 clause (ii);

16 “(bb) the entity that en-
17 gaged in the activity that would
18 otherwise result in the inadmis-
19 sibility of the alien under this
20 subparagraph is no longer engag-
21 ing the activity or has taken sig-
22 nificant steps toward stopping
23 the activity; and

24 “(cc) the President has re-
25 ceived reliable assurances that

1 the entity will not knowingly en-
2 gage in an activity described in
3 clause (ii)(I) again.”.

4 (b) REGULATIONS.—Section 428 of the Homeland
5 Security Act of 2002 (6 U.S.C. 236) is amended by adding
6 at the end the following:

7 “(j) REGULATIONS WITH RESPECT TO INADMIS-
8 SIBILITY OF ALIENS WHO ENGAGE IN CERTAIN TRANS-
9 ACTIONS WITH IRAN.—Not later than 180 days after the
10 date of the enactment of this subsection, the Secretary
11 shall issue regulations and guidelines for interpreting and
12 enforcing the prohibition under subparagraph (H) of sec-
13 tion 212(a)(3) of the Immigration and Nationality Act (8
14 U.S.C. 1182(a)(3)) on the admissibility of aliens who en-
15 gage in certain sanctionable activities with respect to
16 Iran.”.

17 **SEC. 106. TEMPORARY INCREASE IN FEE FOR CERTAIN**
18 **CONSULAR SERVICES.**

19 (a) INCREASE IN FEE.—Notwithstanding any other
20 provision of law, not later than 120 days after the date
21 of the enactment of this Act, the Secretary of State shall
22 increase by \$1.00 the fee or surcharge assessed under sec-
23 tion 140(a) of the Foreign Relations Authorization Act,
24 Fiscal Years 1994 and 1995 (Public Law 103–236; 8
25 U.S.C. 1351 note) for processing machine readable non-

1 immigrant visas and machine readable combined border
2 crossing identification cards and nonimmigrant visas.

3 (b) DEPOSIT OF AMOUNTS.—Fees collected under the
4 authority of subsection (a) shall be deposited in the Treas-
5 ury.

6 (c) DURATION OF INCREASE.—The fee increase au-
7 thorized under subsection (a) shall terminate on the date
8 that is one year after the date on which such fee is first
9 collected.

10 **TITLE II—APPLICATION OF**
11 **SANCTIONS AGAINST AFFILI-**
12 **ATES OF IRAN’S ISLAMIC REV-**
13 **OLUTIONARY GUARD CORPS**

14 **SEC. 201. SANCTIONS AGAINST AFFILIATES OF IRAN’S IS-**
15 **LAMIC REVOLUTIONARY GUARD CORPS.**

16 (a) IN GENERAL.—Not later than 90 days after the
17 date of the enactment of this Act, and as appropriate
18 thereafter, the President shall identify in, and, in the case
19 of a foreign person or foreign entity not already so des-
20 ignated, shall designate for inclusion in the Annex to Ex-
21 ecutive Order 13382 (70 Fed. Reg. 38567; relating to
22 blocking property of weapons of mass destruction
23 proliferators and their supporters) and shall apply all ap-
24 plicable sanctions of the United States pursuant to Execu-
25 tive Order 13382 to each foreign person or foreign entity

1 for which there is a reasonable basis for determining that
2 the person or entity is as an agent, alias, front, instrumen-
3 tality, official, or affiliate of Iran's Islamic Revolutionary
4 Guard Corps or is an individual serving as a representa-
5 tive of Iran's Islamic Revolutionary Guard Corps.

6 (b) PRIORITY FOR INVESTIGATION.—In carrying out
7 this section, the President shall give priority to inves-
8 tigating foreign persons and foreign entities identified
9 under section 560.304 of title 31, Code of Federal Regula-
10 tions (relating to the definition of the Government of Iran)
11 and foreign persons and foreign entities for which there
12 is a reasonable basis to suspect that the person or entity
13 has conducted or attempted to conduct one or more sen-
14 sitive transactions or activities described in subsection (c).

15 (c) SENSITIVE TRANSACTION OR ACTIVITY.—A sen-
16 sitive transaction or activity referred to in subsection (b)
17 is—

18 (1) a financial transaction or series of trans-
19 actions valued at more than \$1,000,000 in the ag-
20 gregate in any 12-month period involving a non-Ira-
21 nian financial institution;

22 (2) a transaction to facilitate the manufacture,
23 import, export, or transfer of items needed for the
24 development of nuclear, chemical, biological, or ad-

1 vanced conventional weapons, including ballistic mis-
2 siles;

3 (3) a transaction relating to the manufacture,
4 procurement, or sale of goods, services, and tech-
5 nology relating to Iran's energy sector, including the
6 development of the energy resources of Iran, export
7 of petroleum products, and import of refined petro-
8 leum and refining capacity available to Iran;

9 (4) a transaction relating to the procurement of
10 sensitive technologies (as defined in section 106(c) of
11 the Comprehensive Iran Sanctions, Accountability,
12 and Divestment Act of 2010 (Public Law 111-195;
13 22 U.S.C. 8515(c)); or

14 (5) an attempt to interfere in the internal af-
15 fairs of Iraq or Afghanistan, or equip or train, or
16 encourage violence by, individuals or groups opposed
17 to the governments of those countries.

18 (d) EXCLUSION FROM UNITED STATES.—The Sec-
19 retary of State shall deny a visa to, and the Secretary of
20 Homeland Security shall exclude from the United States,
21 any alien who, on or after the date of the enactment of
22 this Act, is a foreign person designated for inclusion in
23 the Annex to Executive Order 13382 pursuant to sub-
24 section (a).

1 (e) RULE OF CONSTRUCTION.—Nothing in this sec-
2 tion shall be construed to remove any sanction of the
3 United States in force against Iran’s Islamic Revolu-
4 tionary Guard Corps as of the date of the enactment of
5 this Act by reason of the fact that Iran’s Islamic Revolu-
6 tionary Guard Corps is an entity of the Government of
7 Iran.

8 **SEC. 202. MEASURES AGAINST FOREIGN PERSONS OR ENTI-**
9 **TIES SUPPORTING IRAN’S ISLAMIC REVOLU-**
10 **TIONARY GUARD CORPS.**

11 (a) IDENTIFICATION AND NOTIFICATION.—The
12 President shall notify the appropriate congressional com-
13 mittees in any case in which the President determines that
14 there is credible information indicating that a foreign per-
15 son or foreign entity, on or after the date of the enactment
16 of this Act, knowingly—

17 (1) provides material support to Iran’s Islamic
18 Revolutionary Guard Corps or any person or entity
19 that identified pursuant to section 201(a) as an
20 agent, alias, front, instrumentality, official, or affil-
21 iate of Iran’s Islamic Revolutionary Guard Corps or
22 an individual serving as a representative of Iran’s Is-
23 lamic Revolutionary Guard Corps; or

1 (2) conducts any commercial transaction or fi-
2 nancial transaction with Iran's Islamic Revolu-
3 tionary Guard Corps or any such person or entity.

4 (b) WAIVER.—

5 (1) IN GENERAL.—Notwithstanding any other
6 provision of this title and subject to paragraph (2),
7 the President is not required to make any identifica-
8 tion or designation of or determination with respect
9 to a foreign person or foreign entity for purposes of
10 this title if doing so would cause damage to the na-
11 tional security of the United States through the di-
12 vulgence of sources and methods of intelligence or
13 other critical classified information.

14 (2) NOTICE TO CONGRESS.—The President
15 shall notify Congress of any exercise of the authority
16 of paragraph (1) and shall include in the notification
17 an identification of the foreign person or foreign en-
18 tity, including a description of the activity or trans-
19 action that would have caused the identification, des-
20 ignation, or determination for purposes of this title.

21 (c) SANCTIONS.—

22 (1) IN GENERAL.—Not later than 60 days after
23 the date on which the President provides notice to
24 the appropriate congressional committees pursuant
25 to subsection (a), the President shall apply to each

1 foreign person or foreign entity identified in the no-
2 tice, for such time as the President may determine,
3 the following sanctions:

4 (A) No department or agency of the
5 United States Government may procure or
6 enter into a contract for the procurement of
7 goods or services from the person or entity.

8 (B) No products produced by the person or
9 entity may be imported into the United States.

10 (2) TERMINATION.—The President may termi-
11 nate the sanctions applied to a foreign person or for-
12 eign entity pursuant to paragraph (1) if the Presi-
13 dent determines that the person or entity no longer
14 engages in the activity or activities for which the
15 sanctions were imposed and has provided assurances
16 to the United States Government that it will not en-
17 gage in the activity or activities in the future.

18 (d) IEEPA SANCTIONS.—The President may exer-
19 cise the authorities provided under section 203(a) of the
20 International Emergency Economic Powers Act (50
21 U.S.C. 1702(a)) to impose additional sanctions on each
22 foreign person or foreign entity identified pursuant to sub-
23 section (a) of this section, for such time as the President
24 may determine, without regard to section 202 of that Act.

1 (e) WAIVER.—The President may waive the applica-
2 tion of any measure described in subsection (c) with re-
3 spect to a foreign person or foreign entity if the Presi-
4 dent—

5 (1)(A) determines that the person or entity has
6 ceased the activity that resulted in the notification
7 under subsection (a) with respect to the person or
8 entity (as the case may be) and has taken measures
9 to prevent its recurrence; or

10 (B) determines that it is vital to the national
11 security interests of the United States to do so; and

12 (2) submits to the appropriate congressional
13 committees a report that contains the reasons for
14 the determination.

15 **SEC. 203. SPECIAL MEASURES AGAINST FOREIGN COUN-**
16 **TRIES SUPPORTING IRAN’S ISLAMIC REVOLU-**
17 **TIONARY GUARD CORPS.**

18 (a) SANCTIONS.—With respect to any foreign entity
19 identified pursuant to section 202(a) that is an agency of
20 the government of a foreign country, the President shall,
21 in addition to applying to the entity the sanctions de-
22 scribed in section 202(c), apply to the foreign country the
23 following measures:

24 (1) No assistance shall be provided to the for-
25 eign country under the Foreign Assistance Act of

1 1961, or any successor Act, or the Arms Export
2 Control Act, or any successor Act, other than assist-
3 ance that is intended to benefit the people of the for-
4 eign country directly and that is not provided
5 through governmental agencies or entities of the for-
6 eign country.

7 (2) The United States shall oppose any loan or
8 financial or technical assistance to the foreign coun-
9 try by international financial institutions in accord-
10 ance with section 701 of the International Financial
11 Institutions Act (22 U.S.C. 262d).

12 (3) The United States shall deny to the foreign
13 country any credit or financial assistance by any de-
14 partment, agency, or instrumentality of the United
15 States Government.

16 (4) The United States Government shall not
17 approve the sale to the foreign country any defense
18 articles or defense services or issue any license for
19 the export of items on the United States Munitions
20 List.

21 (5) No exports to the foreign country shall be
22 permitted of any goods or technologies controlled for
23 national security reasons under the Export Adminis-
24 tration Regulations.

1 (6) Restrictions shall be imposed on the impor-
2 tation into the United States of articles that are the
3 growth, product, or manufacture of the foreign coun-
4 try.

5 (7) At the earliest practicable date, the Sec-
6 retary of State shall terminate, in a manner con-
7 sistent with international law, the authority of any
8 air carrier that is controlled in fact by the govern-
9 ment of the foreign country to engage in air trans-
10 portation (as defined in section 40102(5) of title 49,
11 United States Code).

12 (b) TERMINATION.—The President may terminate
13 the sanctions applied to a foreign country pursuant to sub-
14 section (a) if the President determines that the foreign
15 entity involved no longer engages in the activity or activi-
16 ties for which the sanctions were imposed and has pro-
17 vided assurances to the United States Government that
18 it will not engage in the activity or activities in the future.

19 (c) WAIVER.—The President may waive the applica-
20 tion of any measure described in subsection (a) with re-
21 spect to a foreign country if the President—

22 (1)(A) determines that the entity has ceased
23 the activity that resulted in the notification under
24 section 202(a) with respect to the entity and has
25 taken measures to prevent its recurrence; or

1 (B) determines that it is vital to the national
2 security interests of the United States to do so; and

3 (2) submits to the appropriate congressional
4 committees a report that contains the reasons for
5 the determination.

6 **SEC. 204. RULE OF CONSTRUCTION.**

7 Nothing in this title shall be construed to limit the
8 authority of the President to otherwise designate foreign
9 persons or foreign entities for inclusion in the Annex to
10 Executive Order 13382 (70 Fed. Reg. 38567; relating to
11 blocking property of weapons of mass destruction
12 proliferators and their supporters).

13 **SEC. 205. DEFINITIONS.**

14 In this title:

15 (1) APPROPRIATE CONGRESSIONAL COMMIT-
16 TEES.—The term “appropriate congressional com-
17 mittees” means the Committee on Foreign Affairs of
18 the House of Representatives and the Committee on
19 Foreign Relations of the Senate.

20 (2) FOREIGN PERSON.—The term “foreign per-
21 son” has the meaning given the term in section 14
22 of the Iran Sanctions Act of 1996.

23 (3) IRAN’S ISLAMIC REVOLUTIONARY GUARD
24 CORPS.—The term “Iran’s Islamic Revolutionary

1 Guard Corps” includes the Iran’s Islamic Revolu-
2 tionary Guard Corps-Qods Force.

3 **SEC. 206. SUNSET.**

4 This title shall terminate on the date that is 30 days
5 after the date on which the President makes the certifi-
6 cation described in section 401(a) of the Comprehensive
7 Iran Sanctions, Accountability, and Divestment Act of
8 2010 (22 U.S.C. 8551(a)).

9 **TITLE III—OPPOSITION OF**
10 **TRANSFER TO IRAN, NORTH**
11 **KOREA, AND SYRIA OF**
12 **GOODS, SERVICES, OR TECH-**
13 **NOLOGY RELEVANT TO THEIR**
14 **CAPABILITY TO EXTRACT OR**
15 **MILL URANIUM ORE**

16 **SEC. 301. STATEMENT OF POLICY.**

17 It shall be the policy of the United States—

18 (1) to oppose the transfer to Iran, North
19 Korea, and Syria of goods, services, or technology
20 relevant to the capability of those countries to ex-
21 tract or mill uranium ore; and

22 (2) to work with like-minded countries to im-
23 pose restrictions on such transfers internationally.

1 **SEC. 302. REPORTING REQUIREMENTS UNDER THE IRAN,**
2 **NORTH KOREA, AND SYRIA NONPROLIFERA-**
3 **TION ACT.**

4 Section 2(a) of the Iran, North Korea, and Syria
5 Nonproliferation Act (50 U.S.C. 1701 note) is amended—

6 (1) in paragraph (1), by redesignating subpara-
7 graphs (A) through (E) as clauses (i) through (v),
8 respectively;

9 (2) by redesignating paragraphs (1) and (2) as
10 subparagraphs (A) and (B), respectively;

11 (3) in subparagraph (B), as redesignated—

12 (A) by striking “paragraph (1)” and in-
13 serting “subparagraph (A)”; and

14 (B) by striking the period at the end and
15 inserting “; or”;

16 (4) by striking all that precedes subparagraph
17 (A), as redesignated, and inserting the following:

18 “(a) **REPORTS.**—The President shall, at the times
19 specified in subsection (b), submit to the Committee on
20 Foreign Affairs of the House of Representatives and the
21 Committee on Foreign Relations of the Senate a report
22 identifying every foreign person with respect to whom
23 there is credible information indicating that person—

24 “(1) on or after January 1, 1999, transferred
25 to or acquired from Iran, on or after January 1,
26 2005, transferred to or acquired from Syria, or on

1 or after January 1, 2006, transferred to or acquired
2 from North Korea—”; and

3 (5) by adding at the end the following new
4 paragraph:

5 “(2) on or after January 1, 2009, transferred
6 to Iran, Syria, or North Korea goods, services, or
7 technology that could assist efforts to extract or mill
8 uranium ore within the territory or control of Iran,
9 North Korea, or Syria.”.

10 **SEC. 303. CONFORMING AMENDMENTS.**

11 The Iran, North Korea, and Syria Nonproliferation
12 Act (50 U.S.C. 1701 note) is further amended by striking
13 “Committee on International Relations” each place it ap-
14 pears and inserting “Committee on Foreign Affairs”.

1 **TITLE IV—ROLLOVER OF GAIN**
2 **FROM DIVESTING CERTAIN**
3 **QUALIFIED SECURITIES OF**
4 **BUSINESS ENTITIES EN-**
5 **GAGED IN DISCOURAGED AC-**
6 **TIVITIES IN IRAN**

7 **SEC. 401. ROLLOVER OF GAIN FROM DIVESTING CERTAIN**
8 **QUALIFIED SECURITIES OF BUSINESS ENTI-**
9 **TIES ENGAGED IN DISCOURAGED ACTIVITIES**
10 **IN IRAN.**

11 (a) IN GENERAL.—Part III of subchapter O of chap-
12 ter 1 of the Internal Revenue Code of 1986 (relating to
13 common nontaxable exchanges) is amended by adding at
14 the end the following new section:

15 **“SEC. 1046. ROLLOVER OF GAIN FROM DIVESTING CERTAIN**
16 **QUALIFIED SECURITIES OF BUSINESS ENTI-**
17 **TIES ENGAGED IN DISCOURAGED ACTIVITIES**
18 **IN IRAN.**

19 “(a) NONRECOGNITION OF GAIN.—

20 “(1) IN GENERAL.—In the case of any sale of
21 any qualified security held by a taxpayer with re-
22 spect to which such taxpayer elects the application
23 of this section, in any business entity that is en-
24 gaged in an Iran discouraged activity, gain from

1 such sale shall be recognized only to the extent that
2 the amount realized on such sale exceeds—

3 “(A) the cost of any qualified replacement
4 property purchased by the taxpayer during the
5 30-day period beginning on the date of such
6 sale, reduced by

7 “(B) any portion of such cost previously
8 taken into account under this section.

9 “(2) EXCEPTION FOR ORDINARY INCOME
10 GAIN.—This section shall not apply to any gain
11 which is treated as ordinary income for purposes of
12 this title.

13 “(3) EXCEPTION WHERE TAXPAYER OWNS CON-
14 TROLLING INTEREST IN THE BUSINESS ENTITY.—

15 “(A) IN GENERAL.—Paragraph (1) shall
16 not apply to any sale if, immediately before
17 such sale, the taxpayer owns a controlling inter-
18 est in the business entity that is engaged in an
19 Iran discouraged activity.

20 “(B) CONTROLLING INTEREST.—For pur-
21 poses of subparagraph (A), the term ‘control-
22 ling interest’ means direct or indirect ownership
23 of at least 50 percent of the total voting power
24 and value of all classes of stock of a corpora-
25 tion. For purposes of the preceding sentence,

1 the rules of paragraphs (1) and (5) of section
2 267(c) shall apply.

3 “(C) AGGREGATION RULE.—For purposes
4 of this paragraph, all members of the same con-
5 trolled group of corporations (within the mean-
6 ing of section 267(f)) and all persons under
7 common control (within the meaning of section
8 52(b) but determined by treating an interest of
9 more than 50 percent as a controlling interest)
10 shall be treated as 1 person.

11 “(b) DEFINITIONS AND SPECIAL RULES RELATING
12 TO SECURITIES AND REPLACEMENT PROPERTY.—For
13 purposes of this section—

14 “(1) QUALIFIED SECURITY.—

15 “(A) IN GENERAL.—The term ‘qualified
16 security’ means any security held by a taxpayer
17 in any business entity that is engaged in an
18 Iran discouraged activity.

19 “(B) EXCEPTION.—Such term shall not in-
20 clude any security purchased or otherwise ac-
21 quired after the date of the enactment of this
22 section which, at the time of such purchase or
23 acquisition, was issued by a business entity
24 then engaged in an Iran discouraged activity.

1 “(C) SECURITY DEFINED.—The term ‘se-
2 curity’ has the meaning given such term by sec-
3 tion 165(g)(2).

4 “(2) QUALIFIED REPLACEMENT PROPERTY.—

5 “(A) IN GENERAL.—The term ‘qualified
6 replacement property’ means any security of a
7 business entity that, on the date of purchase by
8 the taxpayer—

9 “(i) is not engaged in an Iran discour-
10 aged activity on such date,

11 “(ii) is not a member of an expanded
12 affiliated group, any member of which is
13 engaged in an Iran discouraged activity on
14 such date, and

15 “(iii) meets the requirements of sub-
16 paragraph (B) or paragraph (3).

17 “(B) REPLACEMENT PROPERTY.—Property
18 meets the requirements of this paragraph if,
19 with respect to the sale of any security—

20 “(i) except as provided in clause (ii),
21 in the case that the security is a share of
22 stock in a corporation, the replacement
23 property is a share of stock in a corpora-
24 tion,

1 “(ii) in the case that the security is a
2 share of stock of a regulated investment
3 company, real estate investment trust,
4 hedge fund, investment partnership, or
5 similar business entity, the replacement
6 property is a share of stock in a regulated
7 investment company, real estate invest-
8 ment trust, hedge fund, investment part-
9 nership, or similar business entity,

10 “(iii) in the case that the security is
11 a right to subscribe for, or to receive, a
12 share of stock in a corporation, the re-
13 placement property is a right to subscribe
14 for, or to receive, a share of stock in a cor-
15 poration, and

16 “(iv) in the case that the security is
17 a bond, debenture, note, or certificate, or
18 other evidence of indebtedness issued by a
19 corporation, with interest coupons or in
20 registered form, the replacement property
21 is a bond, debenture, note, or certificate,
22 or other evidence of indebtedness issued by
23 a corporation, with interest coupons or in
24 registered form.

1 “(C) DEEMED INVESTMENT IF INVESTING
2 IN ENTITIES ENGAGED IN DISCOURAGED AC-
3 TIVITIES.—Any regulated investment company,
4 real estate investment trust, hedge fund, invest-
5 ment partnership, or similar business entity,
6 which invests in the securities—

7 “(i) issued by a business entity deter-
8 mined to be engaging in Iran discouraged
9 activities, or

10 “(ii) issued by the government of Iran
11 or any agency thereof,
12 shall be deemed to be a business entity engag-
13 ing in Iran discouraged activities.

14 “(D) BUSINESS DECLARATION OF POL-
15 ICY.—

16 “(i) IN GENERAL.—Notwithstanding
17 any other provision of this section, in the
18 case of a business entity described in
19 clause (iii), a security in such business en-
20 tity shall not be treated as qualified re-
21 placement property unless the business en-
22 tity has made the following declaration: ‘It
23 is our policy not to make investments in
24 business entities which engage in Iran dis-
25 couraged activities as defined in section

1 1046 of the Internal Revenue Code of
2 1986, and to use due diligence to avoid
3 making such investments. It is our policy
4 to divest on or before December 31, 2012,
5 from business entities engaged in Iran dis-
6 couraged activities.’.

7 “(ii) NOT QUALIFIED SECURITY.—If a
8 business entity described in clause (iii) has
9 made the declaration specified in clause (i),
10 then from the time of such declaration an
11 interest in such business entity shall not be
12 treated as a qualified security.

13 “(iii) BUSINESS ENTITY DE-
14 SCRIBED.—A business entity described in
15 this clause is a regulated investment com-
16 pany, real estate investment trust, hedge
17 fund, investment partnership, or similar
18 business entity.

19 “(E) EXPANDED AFFILIATED GROUP.—
20 The term ‘expanded affiliated group’ means an
21 affiliated group as defined in section 1504(a),
22 determined—

23 “(i) by substituting ‘more than 50
24 percent’ for ‘at least 80 percent’ each place
25 it appears, and

1 “(ii) without regard to paragraphs (2)
2 and (4) of section 1504(b).

3 “(F) BASIS ADJUSTMENTS.—If gain from
4 any sale is not recognized by reason of sub-
5 section (a), such gain shall be applied to reduce
6 (in the order acquired) the basis for deter-
7 mining gain or loss of any qualified replacement
8 property which is purchased by the taxpayer
9 during the 30-day period described in sub-
10 section (a).

11 “(G) HOLDING PERIOD.—For purposes of
12 determining the period for which the taxpayer
13 has held qualified replacement property the ac-
14 quisition of which resulted in the nonrecognition
15 under subsection (a) of any part of the gain re-
16 alized on the sale of a qualified security, there
17 shall be included the period for which such
18 qualified security had been held by the tax-
19 payer.

20 “(3) SPECIAL RULE FOR SECURITIES OF CER-
21 TAIN ENTITIES.—

22 “(A) IN GENERAL.—For any business enti-
23 ty described in subparagraph (C), a security in
24 such business entity shall be treated as quali-
25 fied replacement property if—

1 “(i) the business entity has made the
2 following declaration: ‘It is our policy not
3 to make investments in any person having
4 an investment in, or carrying on a trade or
5 business (within the meaning of section
6 162) in or with, Iran. This policy may or
7 may not include investments concerning
8 the provision of food, medicine, humani-
9 tarian services in or to Iran.’, and

10 “(ii) the business entity has adopted
11 restrictions on investment in persons that
12 invest in or carrying on a trade or business
13 (within the meaning of section 162) in or
14 with countries other than Iran that have
15 been determined by the Secretary of State
16 to have repeatedly provided support acts of
17 international terrorism pursuant to—

18 “(I) section 6(j)(1)(A) of the Ex-
19 port Administration Act of 1979 (50
20 U.S.C. App. 2405(j)(1)(A)) (as in ef-
21 fect pursuant to the International
22 Emergency Economic Powers Act (50
23 U.S.C. 1701 et seq.)) (or any suc-
24 cessor thereto);

1 “(II) section 40(d) of the Arms
2 Export Control Act (22 U.S.C.
3 2780(d)); or

4 “(III) section 620A(a) of the
5 Foreign Assistance Act of 1961 (22
6 U.S.C. 2371(a)).

7 “(B) NOT QUALIFIED SECURITY.—If a
8 business entity described in subparagraph (C)
9 has made the declaration specified in subpara-
10 graph (A), then from the time of such declara-
11 tion an interest in such business entity shall not
12 be treated as a qualified security.

13 “(C) BUSINESS ENTITY DESCRIBED.—A
14 business entity described in this subparagraph
15 is a regulated investment company, real estate
16 investment trust, hedge fund, investment part-
17 nership, or similar business entity.

18 “(4) BUSINESS ENTITY.—The term ‘business
19 entity’ means any corporation, limited liability part-
20 nership, limited liability company, or any other busi-
21 ness entity conducting business activities in which
22 the taxpayer has purchased or can purchase securi-
23 ties.

24 “(c) DEFINITIONS AND RULES RELATING TO IRAN
25 DISCOURAGED ACTIVITIES.—For purposes of this section,

1 the term ‘Iran discouraged activity’ means any activity de-
2 scribed in section 5(a) of the Iran Sanctions Act of 1996
3 (Public Law 104–172; 50 U.S.C. 1701 note) with respect
4 to which sanctions described in section 6(a) of such Act
5 may be imposed.

6 “(d) DOING BUSINESS WITH TERRORISTS.—

7 “(1) IN GENERAL.—For purposes of this sec-
8 tion, a business entity has engaged in Iran discour-
9 aged activities if it conducts business with or makes
10 any charitable donation to any Iranian person des-
11 ignated as a terrorist or to any foreign terrorist or-
12 ganization.

13 “(2) TERRORIST.—A person is designated as a
14 terrorist for purposes of paragraph (1) if such per-
15 son is designated or otherwise individually identified
16 in or pursuant to an Executive Order which is re-
17 lated to terrorism and issued under the authority of
18 the International Emergency Economic Powers Act
19 or section 5 of the United Nations Participation Act
20 of 1945 for the purpose of imposing on such organi-
21 zation an economic or other sanction.

22 “(3) FOREIGN TERRORIST ORGANIZATION.—
23 For purposes of paragraph (1), the term ‘foreign
24 terrorist organization’ means an organization des-
25 ignated under section 219 of the Immigration and

1 Nationality Act (8 U.S.C. 1189) as a foreign ter-
2 rorist organization.

3 “(e) IDENTIFICATION OF BUSINESS ENTITIES EN-
4 GAGING IN IRAN DISCOURAGED ACTIVITIES.—

5 “(1) PUBLICATION OF LIST.—For purposes of
6 this section, the Secretary shall publish and update
7 at least every six months a list of business entities
8 engaging in any Iran discouraged activity.

9 “(2) REGULATIONS.—The Secretary shall issue
10 regulations defining how a business entity shall not
11 be deemed to be engaged in an Iran discouraged ac-
12 tivity, if—

13 “(A) with regard to activities on the date
14 this section becomes effective, the business enti-
15 ty limits its activity to continuing existing con-
16 tracts, without extension or expansion (except
17 that an investment (as defined in section 14 of
18 the Iran Sanctions Act of 1996) that would
19 subject a business entity to sanctions under sec-
20 tion 5 of the Iran Sanctions Act of 1996 shall
21 be considered an Iran discouraged activity, not-
22 withstanding contracts entered into prior to the
23 effective date of this section), and

24 “(B) with regard to any Iran discouraged
25 activity carried on under contracts entered into

1 or expanded after the effective date of this sec-
2 tion, the contract was entered into at a time
3 when the business entity did not own or control
4 the subsidiary business entity, and after acquir-
5 ing such ownership or control the business enti-
6 ty has not extended or expanded or renewed
7 such contract.

8 “(3) TAXPAYER SELF-HELP.—Until such time
9 as the Secretary publishes a list of those engaging
10 in Iran discouraged activities or if the Secretary fails
11 to update that list as required in paragraph (1), the
12 taxpayer may determine, using credible, publicly
13 available information, which business entities engage
14 in an Iran discouraged activity.

15 “(f) IMPROVEMENT IN THE ACTIONS OF THE GOV-
16 ERNMENT OF IRAN.—

17 “(1) TERMINATION OF NONRECOGNITION
18 TREATMENT.—Effective on the date when the re-
19 quirements described in paragraph (2) are met, sub-
20 section (a) shall not apply to any Iran discouraged
21 activity after such date.

22 “(2) REQUIREMENTS.—The requirements de-
23 scribed in this paragraph are—

24 “(A) a declaration by the President which
25 states that, in the opinion of the President,

1 Iran is no longer engaging in efforts to develop
2 or retain weapons of mass destruction, and has
3 not developed and is not developing the capacity
4 to enrich or reprocess uranium or plutonium,
5 and

6 “(B) a determination by the Secretary of
7 State that Iran should no longer be listed as a
8 state sponsor of acts of international terrorism
9 pursuant to section 6(j) of the Export Adminis-
10 tration Act of 1979, section 620A of the For-
11 eign Assistance Act of 1961, section 40 of the
12 Arms Export Control Act, or any other provi-
13 sion of law.”.

14 (b) CLERICAL AMENDMENT.—The table of sections
15 for part III of subchapter O of chapter 1 of such Code
16 is amended by adding at the end the following new item:

“Sec. 1046. Rollover of gain from divesting certain qualified securities of busi-
ness entities engaged in discouraged activities in Iran.”.

17 (c) EFFECTIVE DATE.—The amendments made by
18 this section shall apply to with respect to sales of securities
19 after the date of the enactment of this Act.

1 **TITLE V—PROHIBITION ON**
2 **UNITED STATES GOVERN-**
3 **MENT CONTRACTS AND IN-**
4 **VESTMENT FOR COMPANIES**
5 **CONDUCTING BUSINESS IN**
6 **IRAN**

7 **SEC. 501. PROHIBITION ON UNITED STATES GOVERNMENT**
8 **CONTRACTS.**

9 (a) CERTIFICATION REQUIREMENT.—The head of
10 each executive agency shall ensure that each contract with
11 a company entered into by such executive agency for the
12 procurement of goods or services or agreement for the use
13 of Federal funds as part of a grant, loan, or loan guar-
14 antee, the provision of insurance or reinsurance, or the
15 provision of technical assistance to a company, includes
16 a clause that requires the company to certify to the con-
17 tracting officer or other appropriate official, as the case
18 may be, that the company does not conduct business oper-
19 ations in Iran described in section 504.

20 (b) REMEDIES.—

21 (1) IN GENERAL.—The head of an executive
22 agency may impose remedies as provided in this sub-
23 section if the head of the executive agency deter-
24 mines that the contractor has submitted a false cer-
25 tification under subsection (a) after the date the

1 Federal Acquisition Regulation is revised pursuant
2 to subsection (e) to implement the requirements of
3 this section.

4 (2) TERMINATION.—The head of an executive
5 agency may terminate a covered contract with a
6 company upon the determination of a false certifi-
7 cation under paragraph (1).

8 (3) SUSPENSION AND DEBARMENT.—The head
9 of an executive agency may debar or suspend a con-
10 tractor from eligibility for Federal contracts upon
11 the determination of a false certification under para-
12 graph (1). The debarment period may not exceed 3
13 years.

14 (4) INCLUSION ON LIST OF PARTIES EXCLUDED
15 FROM FEDERAL PROCUREMENT AND NONPROCURE-
16 MENT PROGRAMS.—The Administrator of General
17 Services shall include on the List of Parties Ex-
18 cluded from Federal Procurement and Nonprocure-
19 ment Programs maintained by the Administrator
20 under part 9 of the Federal Acquisition Regulation
21 issued pursuant to section 1303 of title 41, United
22 States Code, each contractor that is debarred, sus-
23 pended, proposed for debarment or suspension, or
24 declared ineligible by the head of an executive agen-

1 cy on the basis of a determination of a false certifi-
2 cation under paragraph (1).

3 (5) RULE OF CONSTRUCTION.—This section
4 shall not be construed to limit the use of other rem-
5 edies available to the head of an executive agency or
6 any other official of the Federal Government on the
7 basis of a determination of a false certification
8 under paragraph (1).

9 (c) WAIVER.—

10 (1) IN GENERAL.—The President may waive
11 the requirement of subsection (a) on a case-by-case
12 basis if the President determines and certifies in
13 writing to the appropriate congressional committees
14 that it is in the national interest to do so.

15 (2) REPORTING REQUIREMENT.—Not later than
16 120 days after the date of the enactment of this Act
17 and semi-annually thereafter, the Administrator for
18 Federal Procurement Policy shall submit to the ap-
19 propriate congressional committees a report on waiv-
20 ers granted under paragraph (1).

21 (d) IMPLEMENTATION THROUGH THE FEDERAL AC-
22 QUISSION REGULATION.—Not later than 120 days after
23 the date of the enactment of this Act, the Federal Acquisi-
24 tion Regulation issued pursuant to section 1303 of title

1 41, United States Code, shall be revised to provide for the
2 implementation of the requirements of this section.

3 **SEC. 502. AUTHORITY OF STATE AND LOCAL GOVERN-**
4 **MENTS TO RESTRICT CONTRACTS OR LI-**
5 **CENSES FOR CERTAIN SANCTIONABLE PER-**
6 **SONS.**

7 Notwithstanding any other provision of law, a State
8 or local government may adopt and enforce measures to
9 prohibit the State or local government, as the case may
10 be, from entering into or renewing any contract with, or
11 granting to or renewing any license for persons that con-
12 duct business operations in Iran described in section 504.

13 **SEC. 503. UNITED STATES PENSION PLANS.**

14 (a) **DIVESTITURE FROM IRAN.**—The managers of
15 United States Government pension plans or thrift savings
16 plans, shall take, to the extent consistent with the legal
17 and fiduciary duties otherwise imposed on them, imme-
18 diate steps to divest all investments in any entity with re-
19 spect to which sanctions are applied for activities de-
20 scribed in section 5(a) of the Iran Sanctions Act of 1996
21 (Public Law 104–172; 50 U.S.C. 1701 note), as amended
22 by this Act, section 202(a) of this Act, or section 106(a)
23 of the Comprehensive Iran Sanctions, Accountability, and
24 Divestment Act of 2010 (Public Law 111–195; 22 U.S.C.
25 8515).

1 (b) PROHIBITION ON FUTURE INVESTMENT.—The
2 managers of United States Government pension plans or
3 thrift savings plans shall ensure that there is no future
4 investment in any entity described in subsection (a) for
5 the duration of the period of time during which the entity
6 is sanctioned under the applicable provision of law de-
7 scribed in subsection (a).

8 **SEC. 504. DEFINITIONS.**

9 In this title:

10 (1) APPROPRIATE CONGRESSIONAL COMMIT-
11 TEES.—The term “appropriate congressional com-
12 mittees” means—

13 (A) the Committee on Banking, Housing,
14 and Urban Affairs, the Committee on Foreign
15 Relations, and the Select Committee on Intel-
16 ligence of the Senate; and

17 (B) the Committee on Financial Services,
18 the Committee on Foreign Affairs, and the Per-
19 manent Select Committee on Intelligence of the
20 House of Representatives.

21 (2) AFFILIATE.—The term “affiliate” means
22 any individual or entity that directly or indirectly
23 controls, is controlled by, or is under common con-
24 trol with, the company, including without limitation
25 direct and indirect subsidiaries of the company.

1 (3) BUSINESS OPERATIONS.—The term “busi-
2 ness operations” means—

3 (A) carrying out any of the activities de-
4 scribed in section 5 (a) and (b) of the Iran
5 Sanctions Act of 1996 (Public Law 104–172;
6 50 U.S.C. 1701 note), as amended by this Act,
7 that are sanctionable under such section;

8 (B) providing sensitive technology (as de-
9 fined in section 106(c) of the Comprehensive
10 Iran Sanctions, Accountability, and Divestment
11 Act of 2010 (Public Law 111–195; 22 U.S.C.
12 8515(c))) to the Government of Iran; and

13 (C) carrying out any of the activities de-
14 scribed in section 302(a) of this Act.

15 (4) COMPANY.—The term “company” means—

16 (A) a sole proprietorship, organization, as-
17 sociation, corporation, partnership, limited li-
18 ability company, venture, or other entity, its
19 subsidiary or affiliate; and

20 (B) includes a company owned or con-
21 trolled, either directly or indirectly, by the gov-
22 ernment of a foreign country, that is estab-
23 lished or organized under the laws of, or has its
24 principal place of business in, such foreign

1 country and includes United States subsidiaries
2 of the same.

3 (5) ENTITY.—The term “entity” means a sole
4 proprietorship, a partnership, limited liability cor-
5 poration, association, trust, joint venture, corpora-
6 tion, or other organization.

7 (6) EXECUTIVE AGENCY.—The term “executive
8 agency” has the meaning given the term in section
9 133 of title 41, United States Code.

10 (7) FEDERAL FUNDS.—The term “Federal
11 funds” means a sum of money or other resources de-
12 rived from United States taxpayers, which the
13 United States Government may provide to compa-
14 nies through government grants or loans, or through
15 the terms of a contract with the Federal Govern-
16 ment, or through the Emergency Economic Sta-
17 bilization Act of 2008 “Troubled Asset Relief Pro-
18 gram” or other similar and related transaction vehi-
19 cles, including a grant, loan, or loan guarantee, the
20 provision of insurance or reinsurance, or the provi-
21 sion of technical assistance.

22 (8) GOVERNMENT OF IRAN.—The term “Gov-
23 ernment of Iran” includes the Government of Iran,
24 any political subdivision, agency, or instrumentality

1 thereof, and any person owned or controlled by, or
2 acting for or on behalf of, the Government of Iran.

3 (9) PETROLEUM RESOURCES.—

4 (A) IN GENERAL.—The term “petroleum
5 resources” includes petroleum, petroleum by-
6 products, oil or liquefied natural gas, oil or liq-
7 uefied natural gas tankers, and products used
8 to construct or maintain pipelines used to
9 transport oil or compressed or liquefied natural
10 gas.

11 (B) PETROLEUM BY-PRODUCTS.—The

12 term “petroleum by-products” means gasoline,
13 kerosene, distillates, propane or butane gas, die-
14 sel fuel, residual fuel oil, and other goods classi-
15 fied in headings 2709 and 2710 of the Har-
16 monized Tariff Schedule of the United States.

17 (10) SENSITIVE TECHNOLOGY.—The term

18 “sensitive technology” has the meaning given the
19 term in section 106(c) of the Comprehensive Iran
20 Sanctions, Accountability, and Divestment Act of
21 2010 (Public Law 111–195; 22 U.S.C. 8515(c)).

22 **SEC. 505. SUNSET.**

23 This title shall terminate 30 days after the date on
24 which—

1 (1) the President has certified to Congress that
2 the Government of Iran has ceased providing sup-
3 port for acts of international terrorism and no
4 longer satisfies the requirements for designation as
5 a state-sponsor of terrorism for purposes of section
6 6(j) of the Export Administration Act of 1979, sec-
7 tion 620A of the Foreign Assistance Act of 1961,
8 section 40 of the Arms Export Control Act, or any
9 other provision of law; and

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

13 **TITLE VI—TERMINATION OF**
14 **LOAN DISBURSEMENTS TO**
15 **IRAN FROM THE INTER-**
16 **NATIONAL BANK FOR RECON-**
17 **STRUCTION AND DEVELOP-**
18 **MENT**

19 **SEC. 601. TERMINATION OF LOAN DISBURSEMENTS TO**
20 **IRAN FROM THE INTERNATIONAL BANK FOR**
21 **RECONSTRUCTION AND DEVELOPMENT.**

22 (a) IN GENERAL.—The President of the United
23 States shall take all action available to seek a termination
24 of disbursements of funds under loans made by the Inter-

1 national Bank for Reconstruction and Development to
2 Iran.

3 (b) REPORT TO THE CONGRESS.—On the date that
4 is 6 months after the date of the enactment of this Act,
5 and every 6 months thereafter, the President shall submit
6 to the Committee on Financial Services of the House of
7 Representatives and the Committee on Foreign Relations
8 of the Senate a report on the efforts made by the United
9 States to terminate the loan disbursements referred to in
10 subsection (a).

11 **SEC. 602. UNITED STATES OPPOSITION TO NEW COUNTRY**
12 **ASSISTANCE STRATEGY FOR IRAN.**

13 (a) STATEMENT OF POLICY.—It is the policy of the
14 United States to oppose a new Country Assistance Strat-
15 egy for Iran.

16 (b) ACTIONS TO BE TAKEN IF THE WORLD BANK
17 VIOLATES THE POLICY OR MAKES A NEW LOAN TO
18 IRAN.—If, after the date of the enactment of this Act, the
19 International Bank for Reconstruction and Development
20 approves a Country Assistance Strategy for Iran, or ap-
21 proves a loan to Iran, the President of the United States
22 shall—

23 (1) terminate any contribution by the United
24 States to the International Bank for Reconstruction
25 and Development, the International Finance Cor-

1 poration, and the Multilateral Investment Guarantee
2 Corporation for the fiscal year in which the Country
3 Assistance Strategy or loan is approved, or (if loan
4 disbursements to Iran for that fiscal year have been
5 made by such institutions) for the following fiscal
6 year;

7 (2) prohibit the sale of debt instruments of the
8 International Bank for Reconstruction and Develop-
9 ment in the United States, prohibit the purchase of
10 any such debt instrument by any United States per-
11 son; and

12 (3) prohibit the United States Government and
13 any state or municipal governmental entity from
14 purchasing any such debt instrument.

15 **SEC. 603. SUNSET.**

16 Sections 601 and 602 shall terminate 30 days after
17 the date on which the President has certified to Congress
18 that—

19 (1) the Government of Iran has ceased pro-
20 viding support for acts of international terrorism
21 and no longer satisfies the requirements for designa-
22 tion as a state-sponsor of terrorism for purposes of
23 section 6(j) of the Export Administration Act of
24 1979, section 620A of the Foreign Assistance Act of

1 1961, section 40 of the Arms Export Control Act,
2 or any other provision of law; and

3 (2) Iran has ceased the pursuit, acquisition,
4 and development of nuclear, biological, and chemical
5 weapons and ballistic missiles and ballistic missile
6 launch technology.

7 **SEC. 604. RULE OF INTERPRETATION.**

8 Nothing in section 601 or 602 shall be interpreted
9 to affect United States contributions to, or the participa-
10 tion of the United States in, the International Develop-
11 ment Association.

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