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113TH CONGRESS
1ST SESSION

S. 1714

To impose sanctions with respect to Syria, to expand existing sanctions with respect to Syria, and for other purposes.

IN THE SENATE OF THE UNITED STATES

NOVEMBER 14, 2013

Mr. BLUMENTHAL (for himself, Ms. AYOTTE, Mr. CORNYN, and Mr. CASEY) introduced the following bill; which was read twice and referred to the Committee on Banking, Housing, and Urban Affairs

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A BILL

To impose sanctions with respect to Syria, to expand existing sanctions with respect to Syria, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the ''Syria Sanctions Enhancement Act of 2013''.

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

Sec. 1. Short title; table of contents.

Sec. 2. Definitions.

TITLE I—IMPOSITION OF SANCTIONS WITH RESPECT TO SENIOR OFFICIALS OF THE GOVERNMENT OF SYRIA AND PERSONS THAT CONDUCT CERTAIN TRANSACTIONS WITH SYRIA

Sec. 101. Imposition of sanctions with respect to senior officials of the Government of Syria.
Sec. 102. Imposition of penalties with respect to United States persons that conduct certain transactions with respect to Syria.
Sec. 103. Applicability to contracts and other agreements.

TITLE II—MODIFICATION OF SANCTIONS WITH RESPECT TO HUMAN RIGHTS ABUSES IN SYRIA

Sec. 201. Modification of list of persons responsible for or complicit in human rights abuses committed against citizens of Syria or their family members.
Sec. 202. Modification of imposition of sanctions with respect to the transfer of goods or technologies to Syria that are likely to be used to commit human rights abuses.

TITLE III—IMPOSITION OF SANCTIONS TO PREVENT THE DEVELOPMENT OF WEAPONS CAPABILITIES OF SYRIA

Sec. 301. Declaration of policy.
Sec. 302. Multilateral regime.
Sec. 303. Imposition of sanctions with respect to development of weapons of mass destruction or other military capabilities by Syria.
Sec. 304. Imposition of sanctions with respect to exportation of defense articles to Syria.
Sec. 305. Additional mandatory sanctions relating to transfer of nuclear technology.
Sec. 306. Imposition of sanctions with respect to provision of training to military or paramilitary forces of the Government of Syria.
Sec. 307. Imposition of sanctions with respect to exportation of refined petroleum products to Syria.
Sec. 308. Sanctioned persons.
Sec. 309. Waiver.
Sec. 310. Description of sanctions.
Sec. 311. Additional measure relating to government contracts.

TITLE IV—IMPOSITION OF SANCTIONS WITH RESPECT TO FINANCIAL INSTITUTIONS THAT ENGAGE IN CERTAIN TRANSACTIONS WITH SYRIA

Sec. 401. Imposition of sanctions with respect to financial institutions that engage in certain transactions with Syria.

TITLE V—GENERAL PROVISIONS

Sec. 501. Report on military capabilities of Government of Syria.
Sec. 502. Reports on identification of Syrian assets.
Sec. 503. Termination of sanctions.

SEC. 2. DEFINITIONS.

In this Act:

(1) ACCOUNT; CORRESPONDENT ACCOUNT; PAYABLE-THROUGH ACCOUNT.—The terms ''account'', ''correspondent account'', and ''payable-through account'' have the meanings given those terms in section 5318A of title 31, United States Code.

(2) AGRICULTURAL COMMODITY.—The term ''agricultural commodity'' has the meaning given that term in section 102 of the Agricultural Trade Act of 1978 (7 U.S.C. 5602).

(3) APPROPRIATE CONGRESSIONAL COMMITTEES.—The term ''appropriate congressional committees'' means—

(A) the Committee on Banking, Housing, and Urban Affairs and the Committee on Foreign Relations of the Senate; and

(B) the Committee on Financial Services and the Committee on Foreign Affairs of the House of Representatives.

(4) COMPONENT PART.—The term ''component part'' has the meaning given that term in section 11A(e)(1) of the Export Administration Act of 1979 (50 U.S.C. App. 2410a(e)(1)) (as in effect pursuant to the International Emergency Economic Powers Act (50 U.S.C. 1701 et seq.)).

(5) FINANCIAL INSTITUTION.—The term ''financial institution'' has the meaning given that term in section 14 of the Iran Sanctions of 1996 (Public Law 104–172; 50 U.S.C. 1701 note).

(6) FINISHED PRODUCT.—The term ''finished product'' has the meaning given that term in section 11A(e)(2) of the Export Administration Act of 1979 (50 U.S.C. App. 2410a(e)(2)) (as in effect pursuant to the International Emergency Economic Powers Act (50 U.S.C. 1701 et seq.)).

(7) FOREIGN FINANCIAL INSTITUTION; DOMESTIC FINANCIAL INSTITUTION.—The terms ''foreign financial institution'' and ''domestic financial institution'' shall have the meanings of those terms as determined by the Secretary of the Treasury.

(8) FOREIGN PERSON.—The term ''foreign person'' means an individual or entity that is not a United States person.

(9) GOOD AND TECHNOLOGY.—The terms ''good'' and ''technology'' have the meanings given those terms in section 16 of the Export Administration Act of 1979 (50 U.S.C. App. 2415) (as in effect pursuant to the International Emergency Economic Powers Act (50 U.S.C. 1701 et seq.)).

(10) GOVERNMENT OF SYRIA.—The term ''Government of Syria''—

(A) means the Government of Syria on the date of the enactment of this Act, including any agency or instrumentality of that Government, any entity controlled by that Government, and the Central Bank of Syria; and

(B) does not include a successor government of Syria.

(11) KNOWINGLY.—The term ''knowingly'', with respect to conduct, a circumstance, or a result, means that a person has actual knowledge, or should have known, of the conduct, the circumstance, or the result.

(12) MEDICAL DEVICE.—The term ''medical device'' has the meaning given the term ''device'' in section 201 of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 321).

(13) MEDICINE.—The term ''medicine'' has the meaning given the term ''drug'' in section 201 of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 321).

(14) MONEY LAUNDERING.—The term ''money laundering'' means the movement of illicit cash or cash equivalent proceeds into, out of, or through a

country, or into, out of, or through a financial institution.

(15) PERSON.—The term ''person'' means an individual or entity.

(16) SERVICES.—The term ''services'' includes software, hardware, financial, professional consulting, engineering, and specialized energy information services, energy-related technical assistance, and maintenance and repairs.

(17) SUCCESSOR GOVERNMENT OF SYRIA.—The term ''successor government of Syria'' means a successor government to the Government of Syria that is recognized as the legitimate governing authority of Syria by the Government of the United States.

(18) UNITED STATES PERSON.—The term ''United States person'' means—

(A) a United States citizen or an alien lawfully admitted for permanent residence to the United States; and

(B) an entity organized under the laws of the United States or of any jurisdiction within the United States, including a foreign branch of such an entity.

TITLE I—IMPOSITION OF SANCTIONS WITH RESPECT TO SENIOR OFFICIALS OF THE GOVERNMENT OF SYRIA AND PERSONS THAT CONDUCT CERTAIN TRANSACTIONS WITH SYRIA

SEC. 101. IMPOSITION OF SANCTIONS WITH RESPECT TO SENIOR OFFICIALS OF THE GOVERNMENT OF SYRIA.

(a) IDENTIFICATION OF PERSONS.—

(1) IN GENERAL.—Not later than 60 days after the date of the enactment of this Act, and every 60 days thereafter, the President shall submit to the appropriate congressional committees a list of persons the President determines—

(A) are senior officials of the Government of Syria;

(B) have provided support to or received support from a senior official of that Government;

(C) has acted or purported to act, directly or indirectly, for or on behalf of a senior official of that Government; or

(D) is owned or controlled, directly or indirectly, by a senior official of that Government.

(2) SENIOR OFFICIALS.—In making the determination required by paragraph (1)(A), the President shall consider the following individuals to be senior officials of the Government of Syria:

(A) President Bashar al-Assad.

(B) The Vice President of that Government.

(C) Any member of the cabinet of that Government.

(D) The head or heads of the National Progressive Front.

(E) Any senior leader of—

(i) the Syrian Arab Army;

(ii) the Syrian Arab Navy;

(iii) the Syrian Arab Air Force;

(iv) the Syrian Arab Air Defense Force; or

(v) any other military or paramilitary force that has taken up arms on behalf of that Government.

(3) SUPPORT TO OR FROM SENIOR OFFICIALS.—In making the determination required by paragraph (1)(B), the President shall consider the

following persons to have provided support to or received support from a senior official of the Government of Syria:

(A) Any person that has materially assisted, sponsored, or provided goods, services, or financial, material, or technological support to or for the benefit of an individual the President has determined under paragraph (1)(A) to be a senior official of that Government.

(B) Any person that has received any funds, goods, or services from an individual the President has determined under paragraph (1)(A) to be a senior official of that Government.

(b) BLOCKING OF PROPERTY.—The President shall block and prohibit any transaction in property and interests in property of any person on the list required by subsection (a)(1) if such property and interests in property are in the United States, come within the United States, or are or come within the possession or control of a United States person.

(c) HUMANITARIAN EXCEPTION.—The President may not impose sanctions under this section with respect to any person for the provision of agricultural commodities, food, medicine, or medical devices to Syria or the

provision of humanitarian assistance to the people of Syria.

(d) EXCEPTION FOR SUPPORT TO DISMANTLE CHEMICAL WEAPONS PROGRAM.—The President may not impose sanctions under this section with respect to any person for the provision of support in the process of dismantling the chemical weapons program of Syria.

(e) WAIVER.—

(1) IN GENERAL.—The President may waive the imposition of sanctions under this section for a period of not more than 180 days, and may renew that waiver for additional periods of not more than 90 days, if the President—

(A) determines that such a waiver is vital to the national security of the United States; and

(B) submits to the appropriate congressional committees a report providing a justification for the waiver.

(2) FORM OF REPORT.—Each report submitted under paragraph (1)(B) shall be submitted in unclassified form, but may include a classified annex.

SEC. 102. IMPOSITION OF PENALTIES WITH RESPECT TO UNITED STATES PERSONS THAT CONDUCT CERTAIN TRANSACTIONS WITH RESPECT TO SYRIA.

(a) IN GENERAL.—The penalties provided for in subsections (b) and (c) of section 206 of the International Emergency Economic Powers Act (50 U.S.C. 1705) shall apply, to the same extent that such penalties apply to a person that commits an unlawful act described in section 206(a) of that Act, to a United States person that—

(1) violates, attempts to violate, conspires to violate, or causes a violation of section 101 or regulations prescribed under section 101;

(2) conducts investment activities in Syria on or after the date of the enactment of this Act;

(3) exports, reexports, sells, or supplies, directly or indirectly, a service from the United States to the Government of Syria;

(4) conducts a transaction with respect to petroleum or petroleum products of Syrian origin; or

(5) approves, finances, facilitates, or guarantees a transaction by a foreign person that would be prohibited under this section if conducted by a United States person.

(b) INVESTMENT ACTIVITIES DEFINED.—In this section, the term ''investment activities'' means—

(1) an investment of more than $100 in the aggregate in the economy of Syria in—

(A) the financial or banking sector;

(B) the military or defense sector;

(C) the law enforcement sector; or

(D) the energy sector; or

(2) a transfer of any amount to Bashar al-Assad or any person acting or purporting to act, directly or indirectly, for or on behalf of Bashar al-Assad.

SEC. 103. APPLICABILITY TO CONTRACTS AND OTHER AGREEMENTS.

The blocking of property under section 101(b) and the penalties under section 102 shall apply to contracts or other agreements entered into on or after December 1, 2013.

TITLE II—MODIFICATION OF SANCTIONS WITH RESPECT TO HUMAN RIGHTS ABUSES IN SYRIA

SEC. 201. MODIFICATION OF LIST OF PERSONS RESPONSIBLE FOR OR COMPLICIT IN HUMAN RIGHTS ABUSES COMMITTED AGAINST CITIZENS OF SYRIA OR THEIR FAMILY MEMBERS.

(a) IN GENERAL.—Section 702(b)(1) of the Iran Threat Reduction and Syria Human Rights Act of 2012 (22 U.S.C. 8791(b)(1)) is amended to read as follows:

''(1) IN GENERAL.—Not later than 120 days after the date of the enactment of the Syria Sanctions Enhancement Act of 2013, the President shall submit to the appropriate congressional committees a list of the following persons:

''(A) Any person that the President determines, based on credible evidence, is responsible for or complicit in, or responsible for ordering, controlling, or otherwise directing, the commission of serious human rights abuses, including repression, against citizens of Syria or their family members, regardless of whether those abuses occurred in Syria.

''(B) A senior official or senior officer of a person described in subparagraph (A).

''(C) Any person that has materially assisted, sponsored, or provided goods, services, or financial, material, or technological support to a person—

''(i) described in subparagraph (A); or

''(ii) with respect to which sanctions have been imposed pursuant to Executive Order 13338 or Executive Order 13460 (50 U.S.C. 1701 note; relating to blocking property of certain persons and prohibiting the export of certain goods to Syria).

''(D) Any person owned or controlled, directly or indirectly, by a person with respect to which sanctions have been imposed pursuant to Executive Order 13460.

''(E) Any person acting or purporting to act, directly or indirectly, for or on behalf of a person with respect to which sanctions have been imposed pursuant to Executive Order 13460.''.

(b) UPDATE.—Section 702(b)(2) of the Iran Threat Reduction and Syria Human Rights Act of 2012 (22 U.S.C. 8791(b)(2)) is amended by striking ''enactment of

this Act'' and inserting ''enactment of the Syria Sanctions Enhancement Act of 2013''.

(c) TRANSITION RULE.—The President shall submit any list required to be submitted before the date that is 120 days after the date of the enactment of this Act by subsection (b) of section 702 of the Iran Threat Reduction and Syria Human Rights Act of 2012 (22 U.S.C. 8791), as in effect on the day before such date of enactment, in accordance with the provisions of such section 702.

SEC. 202. MODIFICATION OF IMPOSITION OF SANCTIONS WITH RESPECT TO THE TRANSFER OF GOODS OR TECHNOLOGIES TO SYRIA THAT ARE LIKELY TO BE USED TO COMMIT HUMAN RIGHTS ABUSES.

(a) PERSONS AGAINST WHICH SANCTIONS ARE IMPOSED.—Section 703(a)(2) of the Iran Threat Reduction and Syria Human Rights Act of 2012 (22 U.S.C. 8792(a)(2)) is amended—

(1) in subparagraph (B), by striking ''; or'' and inserting a semicolon;

(2) in subparagraph (C), by striking the period at the end and inserting a semicolon; and

(3) by adding at the end the following:

''(D) has acted for or on behalf of a person on the list, if the person that acted for or on

behalf of the person on the list knowingly engaged in the activity described in subsection (b)(2) for which the person was included in the list; or

''(E) has materially assisted, sponsored, or provided goods, services, or financial, material, or technological support to a person on the list, if the person that assisted, sponsored, or provided goods, services, or support had actual knowledge or should have known that the person on the list engaged in the activity described in subsection (b)(2) for which the person was included in the list.''.

(b) ACTIVITY DESCRIBED.—Section 703(b)(2)(A) of the Iran Threat Reduction and Syria Human Rights Act of 2012 (22 U.S.C. 8792(b)(2)(A)) is amended—

(1) in clause (i), by striking ''; or'' and inserting a semicolon;

(2) in clause (ii), by striking the period at the end and inserting ''; or''; and

(3) by adding at the end the following:

''(iii) operates or directs the operation of goods or technologies described in subparagraph (C)(ii).''.

(c) SUBMISSION DATE.—Section 703(b)(1) of the Iran Threat Reduction and Syria Human Rights Act of 2012 (22 U.S.C. 8792(b)(1)) is amended by striking ''enactment of this Act'' and inserting ''enactment of the Syria Sanctions Enhancement Act of 2013''.

(d) UPDATE.—Section 703(b)(4) of the Iran Threat Reduction and Syria Human Rights Act of 2012 (22 U.S.C. 8792(b)(4)) is amended by striking ''enactment of this Act'' and inserting ''enactment of the Syria Sanctions Enhancement Act of 2013''.

(e) TRANSITION RULE.—The President shall submit any list required to be submitted before the date that is 120 days after the date of the enactment of this Act by section 703 of the Iran Threat Reduction and Syria Human Rights Act of 2012 (22 U.S.C. 8792), as in effect on the day before such date of enactment, in accordance with the provisions of such section 703.

TITLE III—IMPOSITION OF SANCTIONS TO PREVENT THE DEVELOPMENT OF WEAPONS CAPABILITIES OF SYRIA

SEC. 301. DECLARATION OF POLICY.

It is the policy of the United States to prevent the massacre of the people of Syria by denying the Government of Syria the ability to develop and obtain weapons

of mass destruction and conventional weapons and to use those and other weapons against the people of Syria.

SEC. 302. MULTILATERAL REGIME.

(a) MULTILATERAL NEGOTIATIONS.—In order to further the objective of section 301, Congress urges the President to commence immediately diplomatic efforts, both in appropriate international fora such as the United Nations, and bilaterally with allies of the United States, to establish a multilateral sanctions regime against Syria that will inhibit the efforts of the Government of Syria to develop and obtain conventional weapons and to use those and other weapons against the people of Syria.

(b) PERIODIC REPORTS TO CONGRESS.—

(1) IN GENERAL.—Not later than 60 days after the date of the enactment of this Act, and every 120 days thereafter, the President shall report to the appropriate congressional committees on the extent to which diplomatic efforts described in subsection (a) have been successful.

(2) CONTENTS.—Each report required under paragraph (1) shall include the following:

(A) The countries that have agreed to undertake measures to inhibit the efforts of the Government of Syria described in subsection (a), and a description of those measures.

(B) The countries that have not agreed to measures described in subparagraph (A).

(C) Other measures the President recommends that the United States take to inhibit the efforts of the Government of Syria described in subsection (a).

(c) INVESTIGATIONS.—

(1) IN GENERAL.—The President shall initiate an investigation into the possible imposition of sanctions under section 303 or 304 against a person upon receipt by the United States of credible information indicating that such person is engaged in an activity described in such section.

(2) DETERMINATION AND NOTIFICATION.—Not later than 180 days after an investigation is initiated in accordance with paragraph (1), and subject to paragraph (3), the President shall—

(A) determine, pursuant to section 303 or 304, if a person has engaged in an activity described in that section; and

(B) notify the appropriate congressional committees of the basis for any such determination.

(3) SPECIAL RULE.—The President is not required to initiate an investigation, and may termi-

nate an investigation, under this subsection if the President certifies in writing to the appropriate congressional committees that—

(A) the person whose activity was the basis for the investigation is no longer engaging in the activity or has taken significant verifiable steps toward stopping the activity; and

(B) the President has received reliable assurances that the person will not knowingly engage in an activity described in section 303 or 304 in the future.

SEC. 303. IMPOSITION OF SANCTIONS WITH RESPECT TO DEVELOPMENT OF WEAPONS OF MASS DESTRUCTION OR OTHER MILITARY CAPABILITIES BY SYRIA.

(a) EXPORTS, TRANSFERS, AND TRANSSHIPMENTS.—The President shall impose 5 or more of the sanctions described in section 310 with respect to a person if the President determines that the person—

(1) on or after the date of the enactment of this Act, exported or transferred, or permitted or otherwise facilitated the transshipment of, any goods, services, technology, or other items to any other person; and

(2) knew or should have known that—

(A) the export, transfer, or transshipment of the goods, services, technology, or other items would likely result in another person exporting, transferring, transshipping, or otherwise providing the goods, services, technology, or other items to Syria; and

(B) the export, transfer, transshipment, or other provision of the goods, services, technology, or other items to Syria would contribute materially to the ability of the Government of Syria to—

(i) acquire or develop chemical, biological, or nuclear weapons or related technologies; or

(ii) acquire or develop conventional weapons that are intended to be used, or are actually used, against the people of Syria.

(b) RULE OF CONSTRUCTION.—Nothing in this section shall prohibit the Government of the United States from transporting weapons and aid to forces opposing the Government of Syria.

SEC. 304. IMPOSITION OF SANCTIONS WITH RESPECT TO EXPORTATION OF DEFENSE ARTICLES TO SYRIA.

(a) IN GENERAL.—The President shall impose 5 or more of the sanctions described in section 310 with respect to a person if the President determines that the person—

(1) sells or provides defense articles to the Government of Syria; or

(2) sells, leases, or provides to the Government of Syria goods, services, technology, information, or support described in subsection (b).

(b) GOODS, SERVICES, TECHNOLOGY, INFORMATION, OR SUPPORT DESCRIBED.—Goods, services, technology, information, or support described in this subsection are goods, services, technology, information, or support that could directly and significantly contribute to the enhancement of the ability of the Government of Syria to import defense articles, including—

(1) except as provided in subsection (c), underwriting or entering into a contract to provide insurance or reinsurance for the sale, lease, or provision of such goods, services, technology, information, or support;

(2) financing or brokering such sale, lease, or provision;

(3) providing ships or shipping services to deliver defense articles to Syria;

(4) bartering or contracting by which goods are exchanged for goods, including the insurance or reinsurance of such exchanges; or

(5) purchasing, subscribing to, or facilitating the issuance of sovereign debt of the Government of Syria, including governmental bonds.

(c) EXCEPTION FOR UNDERWRITERS AND INSURANCE PROVIDERS EXERCISING DUE DILIGENCE.—The President may not impose sanctions under this section with respect to a person that provides underwriting services or insurance or reinsurance if the President determines that the person has exercised due diligence in establishing and enforcing official policies, procedures, and controls to ensure that the person does not underwrite or enter into a contract to provide insurance or reinsurance for the sale, lease, or provision of goods, services, technology, information, or support described in subsection (b).

(d) DEFENSE ARTICLE DEFINED.—In this section, the term ''defense article'' has the meaning given that term in section 47(3) of the Arms Export Control Act (22 U.S.C. 2794(3)).

SEC. 305. ADDITIONAL MANDATORY SANCTIONS RELATING TO TRANSFER OF NUCLEAR TECHNOLOGY.

(a) IN GENERAL.—Except as provided in subsections (b) and (c), in any case in which a person is subject to sanctions under section 303 or 304 because of an activity described in that section that relates to the acquisition or development of nuclear weapons or related technology or of missiles or advanced conventional weapons that are designed or modified to deliver a nuclear weapon, no license may be issued for the export, and no approval may be given for the transfer or retransfer, directly or indirectly, to the country the government of which has primary jurisdiction over the person, of any nuclear material, facilities, components, or other goods, services, or technology that are or would be subject to an agreement for cooperation between the United States and that government.

(b) EXCEPTION.—The sanctions described in subsection (a) shall not apply with respect to a country the government of which has primary jurisdiction over a person that engages in an activity described in that subsection if the President determines and notifies the appropriate congressional committees that the government of the country—

(1) does not know or have reason to know about the activity; or

(2) has taken, or is taking, all reasonable steps necessary to prevent a recurrence of the activity and to penalize the person for the activity.

(c) INDIVIDUAL APPROVAL.—Notwithstanding subsection (a), the President may, on a case-by-case basis, approve the issuance of a license for the export, or approve the transfer or retransfer, of any nuclear material, facilities, components, or other goods, services, or technology that are or would be subject to an agreement for cooperation, to a person in a country to which subsection (a) applies (other than a person that is subject to the sanctions under section 303 or 304) if the President—

(1) determines that such approval is vital to the national security interests of the United States; and

(2) not later than 15 days before issuing such license or approving such transfer or retransfer, submits to the Committee on Foreign Relations of the Senate and the Committee on Foreign Affairs of the House of Representatives the justification for approving such license, transfer, or retransfer.

(d) CONSTRUCTION.—The sanctions described in subsection (a) shall apply in addition to all other applicable procedures, requirements, and restrictions contained in the Atomic Energy Act of 1954 (42 U.S.C. 2011 et seq.) and other related laws.

(e) AGREEMENT FOR COOPERATION DEFINED.—In this section, the term ''agreement for cooperation'' has the meaning given that term in section 11(b) of the Atomic Energy Act of 1954 (42 U.S.C. 2014(b)).

SEC. 306. IMPOSITION OF SANCTIONS WITH RESPECT TO PROVISION OF TRAINING TO MILITARY OR PARAMILITARY FORCES OF THE GOVERNMENT OF SYRIA.

The President shall impose 5 or more of the sanctions described in section 310 with respect to a person if the President determines that the person knowingly engages in an activity that provides training to the military or paramilitary forces of the Government of Syria.

SEC. 307. IMPOSITION OF SANCTIONS WITH RESPECT TO EXPORTATION OF REFINED PETROLEUM PRODUCTS TO SYRIA.

(a) IN GENERAL.—The President shall impose 5 or more of the sanctions described in section 310 with respect to a person if the President determines that the person knowingly—

(1) sells or provides to the Government of Syria refined petroleum products—

(A) that have a fair market value of $1,000,000 or more; or

(B) that, during a 12-month period, have an aggregate fair market value of $5,000,000 or more; or

(2) sells, leases, or provides to the Government of Syria goods, services, technology, information, or support described in subsection (b)—

(A) any of which has a fair market value of $1,000,000 or more; or

(B) that, during a 12-month period, have an aggregate fair market value of $5,000,000 or more.

(b) GOODS, SERVICES, TECHNOLOGY, INFORMATION, OR SUPPORT DESCRIBED.—Goods, services, technology, information, or support described in this subsection are goods, services, technology, information, or support that could directly and significantly contribute to the enhancement of the ability of the Government of Syria to import refined petroleum products, including—

(1) except as provided in subsection (c), underwriting or entering into a contract to provide insurance or reinsurance for the sale, lease, or provision of such goods, services, technology, information, or support;

(2) financing or brokering such sale, lease, or provision;

(3) providing ships or shipping services to deliver refined petroleum products to Syria;

(4) bartering or contracting by which goods are exchanged for goods, including the insurance or reinsurance of such exchanges; or

(5) purchasing, subscribing to, or facilitating the issuance of sovereign debt of the Government of Syria, including governmental bonds.

(c) EXCEPTION FOR UNDERWRITERS AND INSURANCE PROVIDERS EXERCISING DUE DILIGENCE.—The President may not impose sanctions under this paragraph with respect to a person that provides underwriting services or insurance or reinsurance if the President determines that the person has exercised due diligence in establishing and enforcing official policies, procedures, and controls to ensure that the person does not underwrite or enter into a contract to provide insurance or reinsurance for the sale, lease, or provision of goods, services, technology, information, or support described in subsection (b).

SEC. 308. SANCTIONED PERSONS.

(a) IN GENERAL.—The sanctions described in sections 303, 304, 305, 306, and 307 shall be imposed with respect to—

(1) any person the President determines has carried out an activity described in any such section; and

(2) any person that—

(A) is a successor entity to the person referred to in paragraph (1);

(B) owns or controls the person referred to in paragraph (1), if the person that owns or controls the person referred to in paragraph (1) had actual knowledge or should have known that the person referred to in paragraph (1) engaged in the activity referred to in that paragraph; or

(C) is owned or controlled by, or under common ownership or control with, the person referred to in paragraph (1), if the person owned or controlled by, or under common ownership or control with (as the case may be), the person referred to in paragraph (1) knowingly engaged in the activity referred to in that paragraph.

(b) SANCTIONED PERSON DEFINED.—In this title, the term ''sanctioned person'' means any person described in subsection (a).

SEC. 309. WAIVER.

(a) IN GENERAL.—Except as provided in subsection (b), the President may, on a case by case basis, waive for a period of not more than 180 days the application of section 303, 304, 305, 306, or 307 with respect to a person if the President certifies to the appropriate congressional committees at least 30 days before the waiver is to take effect that the waiver is vital to the national security interests of the United States.

(b) EXCEPTION.—The President may not waive the application of section 303 with respect to a person for the provision of goods, services, technology, or other items to Syria that would contribute materially to the ability of the Government of Syria to acquire or develop chemical, biological, or nuclear weapons or related technologies.

(c) SUBSEQUENT RENEWAL OF WAIVER.—At the conclusion of the period of a waiver under subsection (a), the President may renew the waiver for subsequent periods of not more than 180 days each if the President determines, in accordance with that subsection, that the waiver is appropriate.

SEC. 310. DESCRIPTION OF SANCTIONS.

The sanctions to be imposed on a sanctioned person under this title are as follows:

(1) EXPORT-IMPORT BANK ASSISTANCE FOR EXPORTS TO SANCTIONED PERSONS.—The President

may direct the Export-Import Bank of the United States not to approve any financing (including any guarantee, insurance, extension of credit, or participation in the extension of credit) in connection with the export of any goods or services to any sanctioned person.

(2) EXPORT SANCTION.—The President may order the United States Government not to issue any specific license and not to grant any other specific permission or authority to export any goods or technology to a sanctioned person under—

(A) the Export Administration Act of 1979 (50 U.S.C. App. 2401 et seq.) (as in effect pursuant to the International Emergency Economic Powers Act (50 U.S.C. 1701 et seq.));

(B) the Arms Export Control Act (22 U.S.C. 2751 et seq.);

(C) the Atomic Energy Act of 1954 (42 U.S.C. 2011 et seq.); or

(D) any other law that requires the prior review and approval of the United States Government as a condition for the export or reexport of goods or services.

(3) LOANS FROM UNITED STATES FINANCIAL INSTITUTIONS.—The United States Government

may prohibit any United States financial institution from making loans or providing credits to any sanctioned person totaling more than $10,000,000 in any 12-month period unless that person is engaged in activities to relieve human suffering and the loans or credits are provided for such activities.

(4) PROHIBITIONS ON FINANCIAL INSTITUTIONS.—

(A) IN GENERAL.—The following prohibitions may be imposed against a sanctioned person that is a financial institution:

(i) PROHIBITION ON DESIGNATION AS PRIMARY DEALER.—Neither the Board of Governors of the Federal Reserve System nor the Federal Reserve Bank of New York may designate, or permit the continuation of any prior designation of, such financial institution as a primary dealer in United States Government debt instruments.

(ii) PROHIBITION ON SERVICE AS A REPOSITORY OF GOVERNMENT FUNDS.—Such financial institution may not serve as agent of the United States Government or

serve as repository for United States Government funds.

(B) CLARIFICATION.—The imposition of either sanction under clause (i) or (ii) of subparagraph (A) shall be treated as one sanction for purposes of sections 203 and 204, and the imposition of both such sanctions shall be treated as 2 sanctions for purposes of sections 203 and 204.

(5) PROCUREMENT SANCTION.—The United States Government may not procure, or enter into any contract for the procurement of, any goods or services from a sanctioned person.

(6) FOREIGN EXCHANGE.—The President may, pursuant to such regulations as the President may prescribe, prohibit any transactions in foreign exchange that are subject to the jurisdiction of the United States and in which a sanctioned person has any interest.

(7) BANKING TRANSACTIONS.—The President may, pursuant to such regulations as the President may prescribe, prohibit any transfers of credit or payments between financial institutions or by, through, or to any financial institution, to the extent that such transfers or payments are subject to the

jurisdiction of the United States and involve any interest of the sanctioned person.

(8) PROPERTY TRANSACTIONS.—The President may, pursuant to such regulations as the President may prescribe, prohibit any person from—

(A) acquiring, holding, withholding, using, transferring, withdrawing, transporting, importing, or exporting any property that is subject to the jurisdiction of the United States and with respect to which the sanctioned person has any interest;

(B) dealing in or exercising any right, power, or privilege with respect to such property; or

(C) conducting any transaction involving such property.

(9) BAN ON INVESTMENT IN EQUITY OR DEBT OF SANCTIONED PERSON.—The President may, pursuant to such regulations or guidelines as the President may prescribe, prohibit any United States person from investing in or purchasing significant amounts of equity or debt instruments of a sanctioned person.

(10) EXCLUSION OF CORPORATE OFFICERS.—The President may direct the Secretary of State to

deny a visa to, and the Secretary of Homeland Security to exclude from the United States, any alien that the President determines is a corporate officer or principal of, or a shareholder with a controlling interest in, a sanctioned person.

(11) SANCTIONS ON PRINCIPAL EXECUTIVE OFFICERS.—The President may impose on the principal executive officer or officers of any sanctioned person, or on persons performing similar functions and with similar authorities as such officer or officers, any of the sanctions under this subsection.

(12) ADDITIONAL SANCTIONS.—The President may impose sanctions, as appropriate, to restrict imports with respect to a sanctioned person, in accordance with the International Emergency Economic Powers Act (50 U.S.C. 1701 et seq.).

SEC. 311. ADDITIONAL MEASURE RELATING TO GOVERNMENT CONTRACTS.

(a) MODIFICATION OF FEDERAL ACQUISITION REGULATION.—Not later than 90 days after the date of the enactment of this Act, the Federal Acquisition Regulation issued pursuant to section 1303(a)(1) of title 41, United States Code, shall be revised to require a certification from each person that is a prospective contractor that the person, and any person owned or controlled by the person,

does not engage in any activity for which sanctions may be imposed under this title.

(b) REMEDIES.—

(1) TERMINATION, DEBARMENT, OR SUSPENSION.—

(A) IN GENERAL.—If the head of an executive agency determines that a person has submitted a false certification under subsection (a) on or after the date on which the revision of the Federal Acquisition Regulation required by this section becomes effective, the head of that executive agency shall—

(i) terminate a contract with such person; or

(ii) debar or suspend such person from eligibility for Federal contracts for a period of not more than 3 years.

(B) PROCEDURE.—Any debarment or suspension shall be subject to the procedures that apply to debarment and suspension under the Federal Acquisition Regulation issued pursuant to section 1303(a)(1) of title 41, United States Code.

(2) INCLUSION ON LIST OF PARTIES EXCLUDED FROM FEDERAL PROCUREMENT AND NONPROCURE-

MENT PROGRAMS.—The Administrator of General Services shall include on the List of Parties Excluded from Federal Procurement and Nonprocurement Programs maintained by the Administrator under part 9 of the Federal Acquisition Regulation issued pursuant to section 1303(a)(1) of title 41, United States Code, each person that is debarred, suspended, or proposed for debarment or suspension by the head of an executive agency pursuant to paragraph (1).

(c) CLARIFICATION REGARDING CERTAIN PRODUCTS.—The remedies set forth in subsection (b) shall not apply with respect to the procurement of eligible products, as defined in section 308(4) of the Trade Agreements Act of 1979 (19 U.S.C. 2518(4)), of any foreign country or instrumentality designated under section 301(b) of that Act (19 U.S.C. 2511(b)).

(d) RULE OF CONSTRUCTION.—This section shall not be construed to limit the use of other remedies available to the head of an executive agency or any other official of the Federal Government on the basis of a determination of a false certification under subsection (a).

(e) WAIVERS.—The President may on a case-by-case basis waive the requirement that a person make a certification under subsection (a) if the President determines

and certifies in writing to the appropriate congressional committees, the Committee on Armed Services of the Senate, and the Committee on Armed Services of the House of Representatives, that it is in the national interest of the United States to do so.

(f) EXECUTIVE AGENCY DEFINED.—In this section, the term ''executive agency'' has the meaning given that term in section 133 of title 41, United States Code.

(g) APPLICABILITY.—The revisions to the Federal Acquisition Regulation required under subsection (a) shall apply with respect to contracts for which solicitations are issued on or after the date that is 90 days after the date of the enactment of this Act.

TITLE IV—IMPOSITION OF SANCTIONS WITH RESPECT TO FINANCIAL INSTITUTIONS THAT ENGAGE IN CERTAIN TRANSACTIONS WITH SYRIA

SEC. 401. IMPOSITION OF SANCTIONS WITH RESPECT TO FINANCIAL INSTITUTIONS THAT ENGAGE IN CERTAIN TRANSACTIONS WITH SYRIA.

(a) PROHIBITIONS AND CONDITIONS WITH RESPECT TO CERTAIN ACCOUNTS HELD BY FOREIGN FINANCIAL INSTITUTIONS.—

(1) IN GENERAL.—Not later than 90 days after the date of the enactment of this Act, the Secretary of the Treasury shall prescribe regulations to prohibit, or impose strict conditions on, the opening or maintaining in the United States of a correspondent account or a payable-through account by a foreign financial institution that the Secretary finds knowingly engages in an activity described in paragraph (2).

(2) ACTIVITIES DESCRIBED.—A foreign financial institution engages in an activity described in this paragraph if the foreign financial institution—

(A) facilitates the efforts of the Government of Syria, Hezbollah, or others that have knowingly engaged in armed conflict on behalf of the Government of Syria—

(i) to acquire or develop weapons of mass destruction or delivery systems for weapons of mass destruction; or

(ii) to provide support for organizations designated as foreign terrorist organizations under section 219(a) of the Immigration and Nationality Act (8 U.S.C. 1189(a)) or support for acts of international terrorism (as defined in section 14

of the Iran Sanctions Act of 1996 (Public Law 104–172; 50 U.S.C. 1701 note));

(B) engages in money laundering to carry out an activity described in subparagraph (A);

(C) facilitates efforts by the Central Bank of Syria or any other Syrian financial institution to carry out an activity described in subparagraph (A); or

(D) facilitates a significant transaction or transactions or provides significant financial services for a person whose property or interests in property are blocked pursuant to the International Emergency Economic Powers Act (50 U.S.C. 1701 et seq.) in connection with—

(i) the proliferation of weapons of mass destruction or delivery systems for weapons of mass destruction by the Government of Syria;

(ii) the support by that Government for international terrorism; or

(iii) human rights abuses by that Government.

(3) PENALTIES.—The penalties provided for in subsections (b) and (c) of section 206 of the International Emergency Economic Powers Act (50

U.S.C. 1705) shall apply to a person that violates, attempts to violate, conspires to violate, or causes a violation of regulations prescribed under paragraph (1) to the same extent that such penalties apply to a person that commits an unlawful act described in section 206(a) of that Act.

(b) PENALTIES FOR DOMESTIC FINANCIAL INSTITUTIONS FOR ACTIONS OF PERSONS OWNED OR CONTROLLED BY SUCH FINANCIAL INSTITUTIONS.—

(1) IN GENERAL.—Not later than 90 days after the date of the enactment of this Act, the Secretary of the Treasury shall prescribe regulations to prohibit any person owned or controlled by a domestic financial institution from knowingly engaging in a transaction or transactions with or benefitting the Government of Syria, Hezbollah, or any of its agents or affiliates whose property or interests in property are blocked pursuant to the International Emergency Economic Powers Act (50 U.S.C. 1701 et seq.).

(2) PENALTIES.—The penalties provided for in section 206(b) of the International Emergency Economic Powers Act (50 U.S.C. 1705(b)) shall apply to a domestic financial institution to the same extent that such penalties apply to a person that commits

an unlawful act described in section 206(a) of that Act if—

(A) a person owned or controlled by the domestic financial institution violates, attempts to violate, conspires to violate, or causes a violation of regulations prescribed under paragraph (1) of this subsection; and

(B) the domestic financial institution knew or should have known that the person violated, attempted to violate, conspired to violate, or caused a violation of such regulations.

(c) REQUIREMENTS FOR FINANCIAL INSTITUTIONS MAINTAINING ACCOUNTS FOR FOREIGN FINANCIAL INSTITUTIONS.—

(1) IN GENERAL.—The Secretary of the Treasury shall prescribe regulations to require a domestic financial institution maintaining a correspondent account or payable-through account in the United States for a foreign financial institution to do following:

(A) Perform an audit of activities described in subsection (a)(2) that may be carried out by the foreign financial institution.

(B) Establish due diligence policies, procedures, and controls, such as the due diligence

policies, procedures, and controls described in section 5318(i) of title 31, United States Code, reasonably designed to detect whether the foreign financial institution has knowingly engaged in any such activity.

(2) REPORT.—Any domestic financial institution maintaining a correspondent account or payable-through account in the United States for a foreign financial institution shall report to the Department of the Treasury any time the domestic financial institution suspects that the foreign financial institution is engaging in any activity described in subsection (a)(2), without regard to whether the Department requested such a report.

(3) PENALTIES.—The penalties provided for in sections 5321(a) and 5322 of title 31, United States Code, shall apply to a person that violates a regulation prescribed under paragraph (1) or the requirements of paragraph (2), in the same manner and to the same extent as such penalties would apply to any person that is otherwise subject to such section 5321(a) or 5322.

(d) WAIVER.—The Secretary of the Treasury may waive the application of a prohibition or condition imposed with respect to a foreign financial institution pursuant to

subsection (a) or the imposition of a penalty under subsection (b) with respect to a domestic financial institution on and after the date that is 30 days after the Secretary—

(1) determines that such a waiver is necessary to the national interest of the United States; and

(2) submits to the appropriate congressional committees a report describing the reasons for the determination.

(e) PROCEDURES FOR JUDICIAL REVIEW OF CLASSIFIED INFORMATION.—

(1) IN GENERAL.—If a finding under subsection (a)(1), a prohibition, condition, or penalty imposed as a result of any such finding, or a penalty imposed under subsection (b), is based on classified information (as defined in section 1(a) of the Classified Information Procedures Act (18 U.S.C. App.)) and a court reviews the finding or the imposition of the prohibition, condition, or penalty, the Secretary of the Treasury may submit such information to the court ex parte and in camera.

(2) RULE OF CONSTRUCTION.—Nothing in this subsection shall be construed to confer or imply any right to judicial review of any finding under subsection (a)(1), any prohibition, condition, or penalty

imposed as a result of any such finding, or any penalty imposed under subsection (b).

(f) CONSULTATIONS IN IMPLEMENTATION OF REGULATIONS.—In implementing this section and the regulations prescribed under this section, the Secretary of the Treasury—

(1) shall consult with the Secretary of State; and

(2) may, in the sole discretion of the Secretary of the Treasury, consult with such other agencies and departments and such other interested parties as the Secretary considers appropriate.

(g) AGENT DEFINED.—In this section, the term ''agent'' includes an entity established by a person for purposes of conducting transactions on behalf of the person in order to conceal the identity of the person.

TITLE V—GENERAL PROVISIONS

SEC. 501. REPORT ON MILITARY CAPABILITIES OF GOVERNMENT OF SYRIA.

(a) IN GENERAL.—Not later than 60 days after the date of the enactment of this Act, and every 120 days thereafter, the President shall report to the appropriate congressional committees on the military capabilities of the Government of Syria.

(b) CONTENTS.—Each report required under subsection (a) shall include the following:

(1) Information on the provision of weapons to the Government of Syria during the 120-day period preceding the submission of the report, including—

(A) the type and quantity of weapons being provided to that Government; and

(B) the entities providing those weapons to that Government.

(2) The types of weapons that are most commonly used by that Government against the people of Syria.

SEC. 502. REPORTS ON IDENTIFICATION OF SYRIAN ASSETS.

(a) IN GENERAL.—Not later than 30 days after the date of the enactment of this Act, and every 90 days thereafter, the Secretary of the Treasury shall submit to the appropriate congressional committees a report identifying assets of the Government of Syria held by financial institutions.

(b) CONTENTS.—The reports required by subsection (a) shall contain the following:

(1) The name of any financial institution holding assets of the Government of Syria.

(2) The country with primary jurisdiction over each such financial institution.

(3) Whether the assets described in paragraph (1) have been frozen.

SEC. 503. TERMINATION OF SANCTIONS.

The provisions of this Act and any sanctions imposed pursuant to this Act shall terminate on the date on which the President submits to the appropriate congressional committees—

(1) a certification that the Government of Syria—

(A) is no longer using weapons of any kind against the people of Syria;

(B) is not providing support for international terrorist groups;

(C) is not developing or deploying medium- and long-range surface-to-surface ballistic missiles; and

(D) is not pursuing or engaging in the research, development, acquisition, production, transfer, or deployment of biological, chemical, or nuclear weapons and has provided credible assurances that it will not pursue or engage in such behavior; or

(2) a certification that—

(A) a successor government of Syria has been democratically elected and is representative of the people of Syria; or

(B) a legitimate transitional government of Syria is in place.

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