

114TH CONGRESS
2D SESSION

S. 2757

To prohibit certain transactions with Iran and to impose sanctions with respect to foreign financial institutions that facilitate such transactions, and for other purposes.

IN THE SENATE OF THE UNITED STATES

APRIL 6, 2016

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

A BILL

To prohibit certain transactions with Iran and to impose sanctions with respect to foreign financial institutions that facilitate such transactions, and for other purposes.

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

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Iran Financial System
5 Access Limitation Act of 2016”.

1 **SEC. 2. PROHIBITION ON CERTAIN TRANSACTIONS WITH**
2 **IRAN AND BLOCKING OF PROPERTY WITH RE-**
3 **SPECT TO FOREIGN FINANCIAL INSTITU-**
4 **TIONS THAT FACILITATE CERTAIN TRANS-**
5 **ACTIONS WITH IRAN.**

6 (a) FINDINGS; SENSE OF CONGRESS.—

7 (1) FINDINGS.—Congress finds the following:

8 (A) A nuclear capable Iran poses a direct
9 threat to the United States and its allies
10 around the world.

11 (B) Nothing in the Joint Comprehensive
12 Plan of Action obligates the United States to
13 lift financial sanctions with respect to Iran, and
14 in fact, unilateral sanctions have proven effec-
15 tive in achieving foreign policy aims of the
16 United States.

17 (C) Iran has violated United Nations Secu-
18 rity Council Resolutions 1929 (2010) and 2231
19 (2015), which form the basis of the Joint Com-
20 prehensive Plan of Action.

21 (D) The goal of imposing economic sanc-
22 tions with respect to Iran was to penalize Iran
23 for its pursuit of nuclear weapons for illicit pur-
24 poses.

25 (E) In spite of the fact that Iran has vio-
26 lated the resolutions specified in paragraph (3)

1 and destroyed the intent of the Joint Com-
2 prehensive Plan of Action, President Barack
3 Obama has voluntarily paid the Government of
4 Iran \$1,700,000,000 in a settlement of a claim
5 before the Iran-United States Claims Tribunal.

6 (F) After giving the Government of Iran
7 further access to global assets, President
8 Obama has now indicated that he is prepared
9 to give Iran access to United States dollars.

10 (G) Continuing his governance by executive
11 fiat, President Obama is giving Iran access to
12 United States dollars in a manner that evades
13 review by Congress.

14 (H) President Obama continues to let Iran
15 dictate the interpretation of the Joint Com-
16 prehensive Plan of Action to the people of the
17 United States.

18 (I) Secretary of the Treasury Jack Lew
19 said to the Senate last year that, “Iranian
20 banks will not be able to clear U.S. dollars
21 through New York” and that Iranian banks will
22 not “hold correspondent account relationships
23 with U.S. financial institutions, or enter into fi-
24 nancing arrangements with U.S. banks”.

1 (J) Granting access to the United States
2 dollar will strengthen the access of Iran to the
3 global financial system, increase the ability of
4 Iran to conduct illicit transactions in weapons
5 trade, and decrease the minor amount of lever-
6 age retained by the United States Government
7 to contain the nuclear ambitions of Iran.

8 (K) The Government of Iran continues to
9 funnel large amounts of money and arms to ter-
10 rorist organizations that target citizens of the
11 United States and even limited access to United
12 States dollars will strengthen the ability of Iran
13 to support those organizations.

14 (2) SENSE OF CONGRESS.—It is the sense of
15 Congress that—

16 (A) because Secretary of State John Kerry
17 and President Obama have made inconsistent,
18 conflicting statements about allowing the Gov-
19 ernment of Iran to access the United States
20 dollar, Congress must act to preempt any move
21 to grant licenses resulting in access to the
22 United States dollar; and

23 (B) Congress must act in the interest of
24 the people of the United States to correct the

1 unconstitutional actions taken by President
2 Obama with respect to Iran.

3 (b) PROHIBITION OF CERTAIN TRANSACTIONS.—

4 (1) ISSUANCE OF LICENSES TO CONDUCT OFF-
5 SHORE DOLLAR CLEARING.—The President may not
6 issue any license under the International Emergency
7 Economic Powers Act (50 U.S.C. 1701 et seq.) to
8 an offshore dollar clearing entity to conduct a trans-
9 action with an Iranian financial institution in United
10 States dollars.

11 (2) U-TURN TRANSACTIONS.—Notwithstanding
12 section 560.516 of title 31, Code of Federal Regula-
13 tions (as in effect on the day before the date of the
14 enactment of this Act), a United States person may
15 not process any transfer of funds to or from Iran,
16 or for the direct or indirect benefit of persons in
17 Iran or the Government of Iran, even if the transfer
18 arises from, and is ordinarily incident and necessary
19 to give effect to, an underlying transaction.

20 (c) BLOCKING OF PROPERTY OF FOREIGN FINAN-
21 CIAL INSTITUTIONS.—The President shall, in accordance
22 with the International Emergency Economic Powers Act
23 (50 U.S.C. 1701 et seq.), block and prohibit all trans-
24 actions in all property and interests in property of any
25 foreign financial institution that serves as an offshore dol-

1 lar clearing entity to conduct a transaction with an Ira-
 2 nian financial institution in United States dollars if such
 3 property and interests in property are in the United
 4 States, come within the United States, or are or come
 5 within the possession or control of a United States person.

6 (d) REPORT BEFORE PROVIDING IRAN ACCESS TO
 7 THE UNITED STATES DOLLAR.—Not later than 30 days
 8 before the President implements any measure that would
 9 provide access to the United States dollar to the Govern-
 10 ment of Iran or an Iranian person, the President shall
 11 submit to Congress a report that describes the measure.

12 (e) TERMINATION.—This section shall terminate only
 13 on the date on which the President certifies to Congress
 14 that Iran is no longer a state sponsor of terrorism (as
 15 defined in section 301 of the Comprehensive Iran Sanc-
 16 tions, Accountability, and Divestment Act of 2010 (22
 17 U.S.C. 8541)).

18 (f) DEFINITIONS.—In this section:

19 (1) FOREIGN FINANCIAL INSTITUTION.—The
 20 term “foreign financial institution” has the meaning
 21 of that term as determined by the Secretary of the
 22 Treasury pursuant to section 104(i) of the Com-
 23 prehensive Iran Sanctions, Accountability, and Di-
 24 vestment Act of 2010 (22 U.S.C. 8513(i)).

1 (2) IRANIAN FINANCIAL INSTITUTION.—The
2 term “Iranian financial institution” has the meaning
3 given that term in section 104A(d) of the Com-
4 prehensive Iran Sanctions, Accountability, and Di-
5 vestment Act of 2010 (22 U.S.C. 8513b(d)).

○