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(Original Signature of Member)

118TH CONGRESS
1ST SESSION

H. R.

To require the Secretary of the Treasury to report on financial institutions' involvement with officials of the Iranian Government, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

Mr. HILL introduced the following bill; which was referred to the Committee
on _____

A BILL

To require the Secretary of the Treasury to report on financial institutions' involvement with officials of the Iranian Government, 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 "Holding Iranian Lead-
5 ers Accountable Act of 2023".

6 **SEC. 2. FINDINGS.**

7 The Congress finds the following:

1 (1) Iran is characterized by high levels of offi-
2 cial and institutional corruption, and substantial in-
3 volvement by Iran’s security forces, particularly the
4 Islamic Revolutionary Guard Corps (IRGC), in the
5 economy.

6 (2) The Department of Treasury in 2019 des-
7 ignated the Islamic Republic of Iran’s financial sec-
8 tor as a jurisdiction of primary money laundering
9 concern, concluding, “Iran has developed covert
10 methods for accessing the international financial sys-
11 tem and pursuing its malign activities, including
12 misusing banks and exchange houses, operating pro-
13 curement networks that utilize front or shell compa-
14 nies, exploiting commercial shipping, and masking il-
15 licit transactions using senior officials, including
16 those at the Central Bank of Iran (CBI).”.

17 (3) In June 2019, the Financial Action Task
18 Force (FATF) urged all jurisdictions to require in-
19 creased supervisory examination for branches and
20 subsidiaries of financial institutions based in Iran.
21 The FATF later called upon its members to intro-
22 duce enhanced relevant reporting mechanisms or
23 systematic reporting of financial transactions, and
24 require increased external audit requirements, for fi-

1 nancial groups with respect to any of their branches
2 and subsidiaries located in Iran.

3 (4) According to the State Department's
4 "Country Reports on Terrorism" in 2021, "Iran
5 continued to be the leading state sponsor of ter-
6 rorism, facilitating a wide range of terrorist and
7 other illicit activities around the world. Regionally,
8 Iran supported acts of terrorism in Bahrain, Iraq,
9 Lebanon, Syria, and Yemen through proxies and
10 partner groups such as Hizballah and Hamas."

11 **SEC. 3. REPORT ON FINANCIAL INSTITUTIONS AND ASSETS**

12 **CONNECTED TO CERTAIN IRANIAN OFFI-**
13 **CIALS.**

14 (a) FINANCIAL INSTITUTIONS AND ASSETS RE-
15 PORT.—

16 (1) IN GENERAL.—Not later than 180 days
17 after the date of the enactment of this Act, and
18 every 2 years thereafter, the President shall submit
19 a report to the appropriate Members of Congress
20 containing—

21 (A) the estimated total funds or assets
22 that are under direct or indirect control by each
23 of the natural persons described under sub-
24 section (b), and a description of such funds or
25 assets, except that the President may limit cov-

1 erage of the report to not fewer than 5 of such
2 natural persons in order to meet the submission
3 deadline described under this paragraph;

4 (B) a description of how such funds or as-
5 sets were acquired, and how they have been
6 used or employed;

7 (C) a list of any non-Iranian financial in-
8 stitutions that—

9 (i) maintain an account in connection
10 with funds or assets described in subpara-
11 graph (A); or

12 (ii) knowingly provide significant fi-
13 nancial services to a natural person cov-
14 ered by the report; and

15 (D) a description of any illicit or corrupt
16 means employed to acquire or use such funds or
17 assets.

18 (2) EXEMPTIONS.—The requirements described
19 under paragraph (1) may not be applied with re-
20 spect to a natural person or a financial institution,
21 as the case may be, if the President determines:

22 (A) The funds or assets described under
23 subparagraph (A) of paragraph (1) were ac-
24 quired through legal or noncorrupt means.

1 (B) The natural person has agreed to pro-
2 vide significant cooperation to the United
3 States for an important national security or law
4 enforcement purpose with respect to Iran.

5 (C) A financial institution that would oth-
6 erwise be listed in the report required by para-
7 graph (1) has agreed to—

8 (i) no longer maintain an account de-
9 scribed under subparagraph (C)(i) of para-
10 graph (1);

11 (ii) no longer provide significant fi-
12 nancial services to a natural person cov-
13 ered by the report; or

14 (iii) provide significant cooperation to
15 the United States for an important na-
16 tional security or law enforcement purpose
17 with respect to Iran.

18 (3) WAIVER.—The President may waive for up
19 to 1 year at a time any requirement under para-
20 graph (1) with respect to a natural person or a fi-
21 nancial institution after reporting in writing to the
22 appropriate Members of Congress that the waiver is
23 in the national interest of the United States, with a
24 detailed explanation of the reasons therefor.

1 (b) PERSONS DESCRIBED.—The natural persons de-
2 scribed in this subsection are the following:

3 (1) The Supreme Leader of Iran.

4 (2) The President of Iran.

5 (3) Members of the Council of Guardians.

6 (4) Members of the Expediency Council.

7 (5) The Minister of Intelligence and Security.

8 (6) The Commander and the Deputy Com-
9 mander of the IRGC.

10 (7) The Commander and the Deputy Com-
11 mander of the IRGC Ground Forces.

12 (8) The Commander and the Deputy Com-
13 mander of the IRGC Aerospace Force.

14 (9) The Commander and the Deputy Com-
15 mander of the IRGC Navy.

16 (10) The Commander of the Basij-e-
17 Mostaz'afin.

18 (11) The Commander of the Qods Force.

19 (12) The Commander in Chief of the Police
20 Force.

21 (13) The head of the IRGC Joint Staff.

22 (14) The Commander of the IRGC Intelligence.

23 (15) The head of the IRGC Imam Hussein Uni-
24 versity.

1 (16) The Supreme Leader's Representative at
2 the IRGC.

3 (17) The Chief Executive Officer and the
4 Chairman of the IRGC Cooperative Foundation.

5 (18) The Commander of the Khatam-al-Anbia
6 Construction Head Quarter.

7 (19) The Chief Executive Officer of the Basij
8 Cooperative Foundation.

9 (20) The head of the Political Bureau of the
10 IRGC.

11 (21) The senior leadership as determined by the
12 President of the following groups:

13 (A) Hizballah.

14 (B) Hamas.

15 (C) Palestinian Islamic Jihad.

16 (D) Kata'ib Hizballah.

17 (c) FORM OF REPORT; PUBLIC AVAILABILITY.—

18 (1) FORM.—The report required under sub-
19 section (a) and any waiver under subsection (a)(3)
20 shall be submitted in unclassified form but may con-
21 tain a classified annex.

22 (2) PUBLIC AVAILABILITY.—The Secretary of
23 the Treasury shall make the unclassified portion of
24 such report public if the Secretary notifies the ap-
25 propriate Members of Congress that the publication

1 is in the national interest of the United States and
2 would substantially promote—

3 (A) deterring or sanctioning official cor-
4 ruption in Iran;

5 (B) holding natural persons or financial in-
6 stitutions listed in the report accountable to the
7 people of Iran;

8 (C) combating money laundering or the fi-
9 nancing of terrorism; or

10 (D) achieving any other strategic objective
11 with respect to the Government of Iran.

12 (3) FORMAT OF PUBLICLY AVAILABLE RE-
13 PORTS.—If the Secretary makes the unclassified
14 portion of a report public pursuant to paragraph
15 (2), the Secretary shall make it available to the pub-
16 lic on the website of the Department of the Treas-
17 ury—

18 (A) in English, Farsi, Arabic, and Azeri;
19 and

20 (B) in precompressed, easily downloadable
21 versions that are made available in all appro-
22 priate formats.

1 **SEC. 4. RESTRICTIONS ON CERTAIN FINANCIAL INSTITU-**
2 **TIONS.**

3 (a) IN GENERAL.—Not later than the date that is
4 90 days after submitting a report described under section
5 3(a)(1), the Secretary of the Treasury shall undertake the
6 following with respect to a financial institution that is de-
7 scribed under section 3(a)(1)(C) and listed in the report:

8 (1) If the financial institution is a United
9 States financial institution, require the closure of
10 any account described in section 3(a)(1)(C)(i), and
11 prohibit the provision of significant financial serv-
12 ices, directly or indirectly, to a natural person cov-
13 ered by the report.

14 (2) If the financial institution is a foreign fi-
15 nancial institution, actively seek the closure of any
16 account described in section 3(a)(1)(C)(i), and the
17 cessation of significant financial services to a natural
18 person covered by the report, using any existing au-
19 thorities of the Secretary of the Treasury, as appro-
20 priate.

21 (b) SUSPENSION.—The Secretary of the Treasury
22 may suspend the application of subsection (a) with respect
23 to a financial institution upon reporting to the appropriate
24 Members of Congress that the suspension is in the na-
25 tional interest of the United States, with a detailed expla-
26 nation of the reasons therefor.

1 **SEC. 5. EXCEPTIONS FOR NATIONAL SECURITY; IMPLEMEN-**
2 **TATION AUTHORITY.**

3 (a) IN GENERAL.—The following activities shall be
4 exempt from requirements under sections 3 and 4:

5 (1) Any activity subject to the reporting re-
6 quirements under title V of the National Security
7 Act of 1947 (50 U.S.C. 3091 et seq.), or to any au-
8 thorized intelligence activities of the United States.

9 (2) The admission of an alien to the United
10 States if such admission is necessary to comply with
11 United States obligations under the Agreement be-
12 tween the United Nations and the United States of
13 America regarding the Headquarters of the United
14 Nations, signed at Lake Success June 26, 1947, and
15 entered into force November 21, 1947, or under the
16 Convention on Consular Relations, done at Vienna
17 April 24, 1963, and entered into force March 19,
18 1967, or other applicable international obligations of
19 the United States.

20 (3) The conduct or facilitation of a transaction
21 for the sale of agricultural commodities, food, medi-
22 cine, or medical devices to Iran or for the provision
23 of humanitarian assistance to the people of Iran, in-
24 cluding engaging in a financial transaction relating
25 to humanitarian assistance or for humanitarian pur-
26 poses or transporting goods or services that are nec-

1 essary to carry out operations relating to humani-
2 tarian assistance or humanitarian purposes.

3 (b) IMPLEMENTATION.—The President may exercise
4 all authorities provided under sections 203 and 205 of the
5 International Emergency Economic Powers Act (50
6 U.S.C. 1702 and 1704) to carry out this Act.

7 (c) RULE OF CONSTRUCTION.—Nothing in this Act
8 shall be construed to limit the authority of the President
9 under the International Emergency Economic Powers Act
10 (50 U.S.C. 1701 et seq.).

11 **SEC. 6. SUNSET.**

12 The provisions of this Act shall have no force or effect
13 on the earlier of—

14 (1) the date that is 5 years after the date of en-
15 actment of this Act; or

16 (2) 30 days after the Secretary of the Treasury
17 reports in writing to the appropriate Members of
18 Congress that—

19 (A) Iran is not a jurisdiction of primary
20 money laundering concern; or

21 (B) the Government of Iran is providing
22 significant cooperation to the United States for
23 the purpose of preventing acts of international
24 terrorism, or for the promotion of any other
25 strategic objective that is important to the na-

1 tional interest of the United States, as specified
2 in the report by the Secretary.

3 **SEC. 7. DEFINITIONS.**

4 For purposes of this Act:

5 (1) **APPROPRIATE MEMBERS OF CONGRESS.**—

6 The term “appropriate Members of Congress”
7 means the Speaker and Minority Leader of the
8 House of Representatives, the Majority Leader and
9 Minority Leader of the Senate, the Chairman and
10 Ranking Member of the Committee on Financial
11 Services of the House of Representatives, and the
12 Chairman and Ranking Member of the Committee
13 on Banking, Housing, and Urban Affairs of the Sen-
14 ate.

15 (2) **FINANCIAL INSTITUTION.**—The term “fi-
16 nancial institution” means a United States financial
17 institution or a foreign financial institution.

18 (3) **FOREIGN FINANCIAL INSTITUTION.**—The
19 term “foreign financial institution” has the meaning
20 given that term in section 561.308 of title 31, Code
21 of Federal Regulations.

22 (4) **FUNDS.**—The term “funds” means—

23 (A) cash;

24 (B) equity;

1 (C) any other asset whose value is derived
2 from a contractual claim, including bank depos-
3 its, bonds, stocks, a security as defined in sec-
4 tion 2(a) of the Securities Act of 1933 (15
5 U.S.C. 77b(a)), or a security or an equity secu-
6 rity as defined in section 3(a) of the Securities
7 Exchange Act of 1934 (15 U.S.C. 78c(a)); and

8 (D) anything else that the Secretary deter-
9 mines appropriate.

10 (5) KNOWINGLY.—The term “knowingly” with
11 respect to conduct, a circumstance, or a result,
12 means that a person has actual knowledge, or should
13 have known, of the conduct, the circumstance, or the
14 result.

15 (6) SECRETARY.—The term “Secretary” means
16 the Secretary of the Treasury.

17 (7) UNITED STATES FINANCIAL INSTITUTION.—
18 The term “United States financial institution” has
19 the meaning given the term “U.S. financial institu-
20 tion” under section 561.309 of title 31, Code of
21 Federal Regulations.