

# BILL SUMMARY

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**September 2008**

## The Comprehensive Iran Sanctions, Accountability and Divestment Act of 2008 (S. 3445)

The Comprehensive Iran Sanctions, Accountability and Divestment Act of 2008, introduced by Senate Banking Committee Chairman Christopher Dodd (D-CT) and Ranking Member Richard Shelby (R-AL), is an important measure that provides expanded economic sanctions the United States can use to persuade Iran to end its pursuit of a nuclear weapons capability.

The bill, which the House passed by voice vote in September, strengthens and expands U.S. sanctions against Iran, reinforces efforts many states are taking to divest their holdings in foreign companies investing in the Iranian petroleum sector and seeks to prevent the illegal diversion of sensitive technologies to Iran. The Dodd-Shelby legislation was based on S. 970, the Iran Counter Proliferation Act (ICPA) of 2007, which enjoys broad bipartisan backing and has 73 cosponsors. ICPA was originally introduced by Sens. Gordon Smith (R-OR) and Richard Durbin (D-IL).

The legislation also includes key elements of S. 1430, the Iran Sanctions Enabling Act, which authorizes state divestment efforts and provides a safe harbor for asset managers, and includes provisions aimed at stopping the diversion of sensitive technologies to Iran. S.1430 was originally introduced by Sens. Barack Obama (D-IL) and Sam Brownback (R-KS) and has 38 cosponsors.

The House overwhelmingly passed companion legislation to both S. 970 and S. 1430 last year.

### Key Provisions of S. 3445:

- Codifies the U.S. import and export ban on goods to and from Iran and freezes the U.S. assets held by certain Iranians.
- Closes loophole in current law that allows a foreign subsidiary to invest in Iran if the subsidiary is completely independent of the U.S. parent company.
- Bans U.S. government contracts with entities subject to sanctions.
- Requires the president to report every six months on any foreign investments in Iran's energy sector since January 1, 2008, and on the administration's actions dealing with such investments.
- Authorizes states divestment efforts and provides a safe harbor for asset managers.

- Mandates the identification of countries of concern; provides assistance to countries to upgrade their export controls; and subjects countries of concern to additional U.S. licensing requirements for sensitive technologies.