

# BILL SUMMARY

---

June 2011

## Iran, North Korea, and Syria Sanctions Consolidation Act (S. 1048)

Iran continues to pursue a nuclear weapons capability. The Iran, North Korea, and Syria Sanctions Consolidation Act (INKSCA), introduced by Senators Robert Menendez (D-NJ), Jon Kyl (R-AZ) and Joe Lieberman (I-CT), adds significant new sanctions to our diplomatic arsenal while there is still time to press Iran to abandon its illicit nuclear activities and repressive behavior.

The legislation would impose tough new sanctions on Iran's Islamic Revolutionary Guard Corps (IRGC), which not only is the major instrument of regime repression in Iran, but also controls Iran's nuclear program and much of the economy. The legislation also would, for the first time, enshrine in law that it is U.S. policy to prevent Iran from obtaining nuclear weapons, escalate the level of sanctions against the regime's human rights violators, and sharply tighten the enforcement of existing sanctions law.

### Key Provisions:

#### **Legislates that it is U.S. Policy to Prevent a Nuclear Armed Iran**

- For the first time, makes it U.S. law that it is our policy to prevent Iran from acquiring or developing a nuclear weapon capability.

#### **Increases Sanctions on Firms Dealing with Iran's Energy Sector**

- Tightens current U.S. sanctions related to investments in Iran's energy sector, including the refined petroleum industry.
- Authorizes the president to impose sanctions on foreign entities that acquire materials mined or extracted within Iran, Syria or North Korea.
- Clearly defines when the president must initiate an investigation of a foreign entity for violating U.S. sanctions on Iran's energy sector.
- Requires the president to develop a diplomatic initiative to assist countries reduce their dependence on Iranian oil.
- Requires the president to impose sanctions on companies that participate in certain joint energy ventures with Iran outside of the country.

#### **Imposes Tougher Sanctions on the IRGC**

- Codifies existing sanctions on the IRGC and requires sanctions on entities where there is a "reasonable basis" to determine they are an affiliate of the IRGC.

- Imposes sanctions on foreign entities that engage in commercial and financial transactions with the IRGC, including in transactions related to the energy sector of Iran.
- Imposes sanctions on companies that provide certain services related to the export of Iranian petroleum products, if the IRGC was directly and significantly involved in the development, extraction, production, transportation or sale of such petroleum.

#### **Imposes Sanctions for the Provision or Acquisition of Military Goods**

- Requires the president to impose sanctions on entities that provide to, or acquire from, Iran, North Korea or Syria, goods or technology that is likely to be used for military applications.

#### **Increases Sanctions on Human Rights Violators**

- Puts the United States firmly on the side of those seeking democratic rights in Iran by tightening sanctions on Iranian government officials,
- Imposes sanctions on entities that provide Iran with goods that may be used to commit human rights abuses, such as firearms, tear gas, and surveillance technology.
- Authorizes U.S. funding for human rights promotion in Iran and creates a senior State Department official to oversee U.S. human rights and democracy efforts.

#### **Mandates New Disclosure Requirements**

- Requires companies that report to the Securities and Exchange Commission to disclose if they conduct certain business in or with Iran, leading to an investigation into sanctionable activity.

#### **Requires a Report on the Central Bank of Iran**

- Requires a report on the Central Bank of Iran's activity in facilitating Iran's proliferation and terrorist activity.

#### **Increases and Tightens Financial Sanctions**

- Requires U.S. banks to report if they engage in transactions with foreign banks that conduct transactions with sanctioned financial institutions related to Iran, North Korea or Syria.
- Prohibits foreign banks from operating in the U.S. if they engage in transactions with sanctioned banks related to Iran, North Korea or Syria.

#### **Imposes New Sanctions in the Transportation Sector**

- Imposes sanctions on firms that knowingly provide shipping and related services to Iran, North Korea, or Syria for the transportations of goods related to weapons of mass destruction, support for terrorism, or human rights abuses.
- Bars ships from docking in the U.S. if they have entered a port in Iran, North Korea, or Syria in the past 180 days.
- Requires enhanced inspections of all ships arriving at U.S. ports that have been to a foreign port where ships from Iran, North Korea, or Syria have also landed in the past 180 days.

#### **Bars Visa to Senior Government Official and IRGC Members**

- Prohibits the granting of visas for travel to the United States to senior officials of the government of Iran, North Korea, Syria, including members of the IRGC.