

# BILL SUMMARY

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March 2012

## **The Iran Sanctions, Accountability, and Human Rights Act of 2012 (S. 2101)**

The Iran Sanctions, Accountability, and Human Rights Act of 2012 (S. 2101), introduced by Senate Banking Committee Chairman Tim Johnson (D-SD) and Ranking Member Richard Shelby (R-AL), adds significant new sanctions to America's diplomatic arsenal while there is still time to press Iran to abandon its illicit nuclear weapons pursuit and repression of its own people.

The legislation incorporates key components of S. 1048, the Iran, North Korea and Syria Sanctions Consolidation Act of 2011. This measure was introduced by Sens. Robert Menendez (D-NJ), Joseph Lieberman (I-CT) and Jon Kyl (R-AZ) and co-sponsored by 78 senators.

The Iran Sanctions, Accountability, and Human Rights Act of 2012 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 would, for the first time, also 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.

The House overwhelmingly passed similar legislation, the Iran Threat Reduction Act (H.R. 1905), in December 2011.

### **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 American policy to prevent Iran from acquiring or developing nuclear weapons.

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

- Expands investment sanctions in the Iranian energy sector to include the provision of goods, services, or technologies that help Iran develop its petroleum resources or refining programs.
- Requires the president to impose sanctions on companies that participate in joint energy ventures with Iran outside of the country.
- Authorizes sanctions against corporate and executive officers of companies found to be in violation of U.S. sanctions related to Iran's energy sector.
- Spells out what "credible evidence" is requiring the president to initiate an investigation of a foreign entity for violating U.S. sanctions on Iran's energy sector.

**Imposes Tougher Sanctions on the IRGC**

- Codifies existing sanctions on the IRGC and requires the president to identify and impose sanctions on entities affiliated with the IRGC.
- Imposes sanctions on foreign entities that provide financial, material, or technological support for or goods or services to the IRGC. Sanctions are also imposed on entities conducting any kind of significant transactions with the IRGC.

**Authorizes Sanctions on SWIFT**

- Authorizes sanctions against SWIFT—the Society for Worldwide Interbank Financial Telecommunications—if its Board of Directors does not bar sanctioned Iranian banks from using its services to conduct international financial transactions.

**Requires a Determination on the Ties between Iranian Oil Entities and the IRGC**

- Requires the Treasury Department to determine if the National Iranian Oil Company or the National Iranian Tanker Company constitute agents or affiliates of the IRGC. Once so determined, financial institutions doing business with them become liable for sanctions under the Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010 (CISADA).

**Authorizes the Use of Seized Iranian Assets to Pay Claims to Victims of Iranian Terrorism**

- Authorizes the use of funds frozen in the United States and belonging to the Government of Iran, including the Central Bank of Iran, to be used to pay victims of Iranian terrorism who have won legal judgments against Tehran.

**Restrict Subsidiaries of U.S. Companies from Working in Iran**

- Imposes civil sanctions on the U.S. parents of foreign subsidiaries if they conduct business with Iran, which would be illegal for the parent company to do.

**Strengthens Sanctions on Entities Aiding Iran's Acquisition of Nuclear Materials**

- Requires the president to impose sanctions on participants in joint ventures involving Iran and the mining, production or transportation of uranium.

**Increases Sanctions on Human Rights Violators**

- 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.
- Imposes sanctions on persons that engage in censorship or other activities to limit the exercise of freedom of expression and assembly by citizens of Iran.

**Imposes Sanctions on Human Violators in Syria**

- Imposes sanctions on persons responsible for or complicit in human rights abuses in Syria.
- Imposes sanctions on entities that provide Syria goods or technology to commit human rights abuses or censorship.

**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.