AIPAC
THE AMERICAN ISRAEL PUBLIC AFFAIRS COMMITTEE
America's Pro-Israel Lobby

BILL SUMMARY

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The Nuclear Iran Prevention Act of 2013 (H.R. 850)

The Nuclear Iran Prevention Act of 2013 (H.R. 850) significantly expands U.S. sanctions on Iran and strengthens enforcement of current measures targeting the Islamic Republic. The legislation grants the president specific authorization to bar companies from doing business in the United States if they carry out virtually any significant commercial trade with Tehran. The legislation seeks to force companies to choose between doing business with the United States or Iran.

The legislation—authored by House Foreign Affairs Committee Chairman Ed Royce (R-CA) and Ranking Member Eliot Engel (D-NY)—also seeks to further reduce Iran's oil exports, restrict Iran's access to foreign reserves, stiffen penalties for violations of existing law, and expand sanctions targeting Iran's human rights violations. The legislation aims to maximize American economic and diplomatic efforts to prevent Iran from achieving a nuclear weapons capability.

Key Provisions

Trade Sanctions

- Grants the president specific authorization to bar any entity from doing business in the United States if they knowingly conduct or facilitate a significant financial transaction with Iran via the Central Bank of Iran (CBI) or other sanctioned Iranian banks.

- Expands required sanctions to the automotive and mining sectors of Iran. The president is also required to determine if the construction, engineering, or any other sector of the Iranian economy is of strategic importance, and if so impose sanctions on them.

- Maintains current exemptions for the sale of food and medicine to Iran.

Energy Sanctions

- Requires countries to reduce imports of Iranian crude oil by a combined one million barrels per day, upon a determination by the president that sufficient crude oil is available to allow for such a reduction.

- If such an overall reduction is not achieved within 14 months of the president's determination, financial institutions in countries failing to make dramatic reductions in oil imports from Iran will not be eligible for exceptions from certain financial sanctions.

- Requires the president to sanction persons that transfer ships to Iran for the purpose of transferring crude oil, engage in ship to ship transfer of crude oil transported from Iran, or knowingly transport goods subject to sanctions related to Iran's energy sector.

Financial Sanctions

- Requires the president to sanction foreign financial institutions that conduct significant transactions involving the currency of a third country with sanctioned Iranian banks, or involving strategic sectors of the Iranian economy.

- Requires the president to sanction foreign financial institutions that conduct significant transactions with entities owned or controlled by the government of Iran or other sanctioned entities.

Transportation Sanctions

- Bars entry to the United States of certain vessels registered in countries that also register large vessels belonging to the National Iranian Tanker Company, the Islamic Republic of Iran Shipping Lines, or vessels owned or operated on behalf of Iran.

Human Rights Sanctions

- Finds that the supreme leader of Iran, the president of Iran, and many other senior government officials are responsible for serious human rights abuses, and calls on the U.S. president to designate and sanction these individuals.

- Imposes sanctions on financial institutions that facilitate significant transactions for entities that violate the human rights of Iranian citizens or provide Tehran the means to carry out such violations.

Reports

- Requires the president to report frequently on the status of Iran's nuclear program, the implementation of sanctions, and the impact sanctions are having.

- Requires the president to develop a "national strategy on Iran" to be reported annually to Congress, providing strategic guidance and an implementation plan to counter Iranian threats.