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

The Nuclear Iran Prevention Act (H.R. 850) significantly expands U.S. efforts to impose sanctions on the Islamic Republic by granting 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 stiffens penalties for violations of existing law and expands 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 company or individual from doing business in the United States if that person knowingly conducts or facilitates a significant financial transaction with Iran via the Central Bank of Iran (CBI) or other sanctioned Iranian banks.
- Expands the penalties the president may impose on foreign financial institutions that conduct significant transactions with the CBI to include the freezing of assets and the imposition of significant fines.
- Closes a loophole in existing law that allows countries to carry out virtually unlimited non-oil trade with Iran via the CBI so long as they significantly reduced purchases of Iranian oil.
- Requires countries to significantly reduce overall imports from Iran, imports of Iranian oil and exports to Iran before qualifying for a 180 day exemption from sanctions targeting the CBI.
- Maintains current exemptions for the sale of food and medicine to Iran.

Human Rights

- 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 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.