


AMENDMENT NO. 1414

Calendar No. \_\_\_\_\_

Purpose: To require the imposition of sanctions with respect to the financial sector of Iran, including the Central Bank of Iran.

IN THE SENATE OF THE UNITED STATES—112th Cong., 1st Sess.

**S. 1867**

To authorize appropriations for fiscal year 2012 for military activities of the Department of Defense, for military construction, and for defense activities of the Department of Energy, to prescribe military personnel strengths for such fiscal year, and for other purposes.

Referred to the Committee on \_\_\_\_\_ and  
ordered to be printed

Ordered to lie on the table and to be printed

AMENDMENT intended to be proposed by Mr. Menendez and Mr. Kirk

Viz:

1 At the end of subtitle C of title XII, add the fol-

2 lowing:

3 **SEC. 1243. IMPOSITION OF SANCTIONS WITH RESPECT TO**

4 **THE FINANCIAL SECTOR OF IRAN.**

5 (a) FINDINGS.—Congress makes the following find-  
6 ings:

7 (1) On November 21, 2011, the Secretary of

8 the Treasury issued a finding under section 5318A

9 of title 31, United States Code, that identified Iran

1 as a jurisdiction of primary money laundering con-  
2 cern.

3 (2) In that finding, the Financial Crimes En-  
4 forcement Network of the Department of the Treas-  
5 ury wrote, "The Central Bank of Iran, which regu-  
6 lates Iranian banks, has assisted designated Iranian  
7 banks by transferring billions of dollars to these  
8 banks in 2011. In mid-2011, the CBI transferred  
9 several billion dollars to designated banks, including  
10 Saderat, Mellat, EDBI and Melli, through a variety  
11 of payment schemes. In making these transfers, the  
12 CBI attempted to evade sanctions by minimizing the  
13 direct involvement of large international banks with  
14 both CBI and designated Iranian banks."

15 (3) On November 22, 2011, the Under Sec-  
16 retary of the Treasury for Terrorism and Financial  
17 Intelligence, David Cohen, wrote, "Treasury is call-  
18 ing out the entire Iranian banking sector, including  
19 the Central Bank of Iran, as posing terrorist financ-  
20 ing, proliferation financing, and money laundering  
21 risks for the global financial system."

22 (b) DESIGNATION OF FINANCIAL SECTOR OF IRAN  
23 AS OF PRIMARY MONEY LAUNDERING CONCERN.—The fi-  
24 nancial sector of Iran, including the Central Bank of Iran,  
25 is designated as of primary money laundering concern for

1 purposes of section 5318A of title 31, United States Code,  
2 because of the threat to government and financial institu-  
3 tions resulting from the illicit activities of the Government  
4 of Iran, including its pursuit of nuclear weapons, support  
5 for international terrorism, and efforts to deceive respon-  
6 sible financial institutions and evade sanctions.

7 (c) FREEZING OF ASSETS OF IRANIAN FINANCIAL  
8 INSTITUTIONS.—The President shall, pursuant to the  
9 International Emergency Economic Powers Act (50  
10 U.S.C. 1701 et seq.), block and prohibit all transactions  
11 in all property and interests in property of an Iranian fi-  
12 nancial institution if such property and interests in prop-  
13 erty are in the United States, come within the United  
14 States, or are or come within the possession or control  
15 of a United States person.

16 (d) IMPOSITION OF SANCTIONS WITH RESPECT TO  
17 THE CENTRAL BANK OF IRAN AND OTHER IRANIAN FI-  
18 NANCIAL INSTITUTIONS.—

19 (1) IN GENERAL.—Except as specifically pro-  
20 vided in this subsection, beginning on the date that  
21 is 60 days after the date of the enactment of this  
22 Act, the President—

23 (A) shall prohibit the opening or maintain-  
24 ing in the United States of a correspondent ac-  
25 count or a payable-through account by a foreign

1 financial institution that the President deter-  
 2 mines has knowingly conducted or facilitated  
 3 any significant financial transaction with the  
 4 Central Bank of Iran or another Iranian finan-  
 5 cial institution designated by the Secretary of  
 6 the Treasury for the imposition of sanctions  
 7 pursuant to the International Emergency Eco-  
 8 nomic Powers Act (50 U.S.C. 1701 et seq.);  
 9 and

10 (B) may impose sanctions pursuant to the  
 11 International Emergency Economic Powers Act  
 12 (50 U.S.C. 1701 et seq.) with respect to the  
 13 Central Bank of Iran.

14 (2) EXCEPTION FOR SALES OF FOOD, MEDI-  
 15 CINE, AND MEDICAL DEVICES.—The President may  
 16 not impose sanctions under paragraph (1) with re-  
 17 spect to any person for conducting or facilitating a  
 18 transaction for the sale of food, medicine, or medical  
 19 devices to Iran.

20 (3) APPLICABILITY OF SANCTIONS WITH RE-  
 21 SPECT TO FOREIGN CENTRAL BANKS.—Except as  
 22 provided in paragraph (4), sanctions imposed under  
 23 paragraph (1)(A) <sup>shall</sup> apply with respect to a <sup>foreign</sup> financial  
 24 ~~transaction for the sale or purchase of petroleum or~~  
 25 ~~petroleum products to or from Iran conducted or fa-~~

*institution owned  
 or controlled by  
 the government  
 of a foreign country  
 including a central  
 bank of a foreign  
 country, only insofar  
 as it engages in  
 a financial*

transaction for the sale or purchase of  
Petroleum or petroleum products ~~sale~~ to or  
from Iran 5 Conducted or facilitated

1 ~~facilitated~~ on or after that date that is 180 days after  
2 the date of the enactment of this Act, ~~by a foreign~~  
3 ~~financial institution owned or controlled by the gov-~~  
4 ~~ernment of a foreign country, including a central~~  
5 ~~bank of a foreign country.~~

6 (4) APPLICABILITY OF SANCTIONS WITH RE-  
7 SPECT TO PETROLEUM TRANSACTIONS.—

8 (A) REPORT REQUIRED.—Not later than  
9 60 days after the date of the enactment of this  
10 Act, and every 60 days thereafter, the Adminis-  
11 trator of the Energy Information Administra-  
12 tion, in consultation with the Secretary of the  
13 Treasury, shall submit to Congress a report on  
14 the availability and price of petroleum and pe-  
15 troleum products produced in countries other  
16 than Iran in the 60-day period preceding the  
17 submission of the report.

18 (B) DETERMINATION REQUIRED.—Not  
19 later than 90 days after the date of the enact-  
20 ment of the Act, and every 180 days thereafter,  
21 the President shall make a determination, based  
22 on the reports required by subparagraph (A), of  
23 whether the price and supply of petroleum and  
24 petroleum products produced in countries other  
25 than Iran is sufficient to permit purchasers of

1           petroleum and petroleum products from Iran to  
2           reduce significantly in volume their purchases  
3           from Iran.

4           (C) APPLICATION OF SANCTIONS.—Except  
5           as provided in subparagraph (D), sanctions im-  
6           posed under paragraph (1)(A) shall apply with  
7           respect to a financial transaction conducted or  
8           facilitated by a foreign financial institution on  
9           or after the date that is 180 days after the date  
10          of the enactment of this Act for the purchase  
11          of petroleum or petroleum products from Iran  
12          if the President determines pursuant to sub-  
13          paragraph (B) that there is a sufficient supply  
14          of petroleum and petroleum products from  
15          countries other than Iran to permit a signifi-  
16          cant reduction in the volume of petroleum and  
17          petroleum products purchased from Iran by or  
18          through foreign financial institutions.

19          (D) EXCEPTION.—Sanctions imposed pur-  
20          suant to paragraph (1) shall not apply with re-  
21          spect to a foreign financial institution if the  
22          President determines and reports to Congress,  
23          not later than 90 days after the date on which  
24          the President makes the determination required  
25          by subparagraph (B), and every 180 days

1           thereafter, that the country with primary juris-  
2           diction over the foreign financial institution has  
3           significantly reduced <sup>its</sup> the volume of crude oil  
4           purchased <sup>S</sup> by ~~or through~~ <sup>its</sup> the foreign financial  
5           ~~institution~~ from Iran during the period begin-  
6           ning on the date on which the President sub-  
7           mitted the last report with respect to the ~~for~~ <sup>Country</sup>  
8           ~~foreign financial institution~~ under this subpara-  
9           graph.

10           (5) WAIVER.—The President may waive the im-  
11           position of sanctions under paragraph (1) for a pe-  
12           riod of not more than 120 days, and may renew that  
13           waiver for additional periods of not more than 120  
14           days, if the President—

15                   (A) determines that such a waiver is vital  
16                   to the national security of the United States;  
17                   and

18                   (B) submits to Congress a report—

19                           (i) providing a justification for the  
20                           waiver; and

21                           (ii) that includes any concrete co-  
22                           operation the President has received or ex-  
23                           pects to receive as a result of the waiver.

24           (e) MULTILATERAL DIPLOMACY INITIATIVE.—

25                   (1) IN GENERAL.—The President shall—

- 1 (A) carry out an initiative of multilateral  
2 diplomacy to persuade countries purchasing oil  
3 from Iran—
- 4 (i) to limit the use by Iran of revenue  
5 from purchases of oil to purchases of non-  
6 luxury consumers goods from the country  
7 purchasing the oil; and
- 8 (ii) to prohibit purchases by Iran of—
- 9 (I) military or dual-use tech-  
10 nology, including items—
- 11 (aa) in the Annex to the to  
12 the Missile Technology Control  
13 Regime Guidelines;
- 14 (bb) in the Annex on Chemi-  
15 cals to the Convention on the  
16 Prohibition of the Development,  
17 Production, Stockpiling and Use  
18 of Chemical Weapons and on  
19 their Destruction, done at Paris  
20 January 13, 1993, and entered  
21 into force April 29, 1997 (com-  
22 monly known as the “Chemical  
23 Weapons Convention”);



1 (cc) in Part 1 or 2 of the  
2 Nuclear Suppliers Group Guide-  
3 lines; or

4 (dd) on a control list of the  
5 Wassenaar Arrangement on Ex-  
6 port Controls for Conventional  
7 Arms and Dual-Use Goods and  
8 Technologies; or

9 (II) any other item that could  
10 contribute to Iran's conventional, nu-  
11 clear, chemical or biological weapons  
12 program; and

13 (B) conduct outreach to petroleum-pro-  
14 ducing countries to encourage those countries  
15 to increase their output of crude oil to ensure  
16 there is a sufficient supply of crude oil from  
17 countries other than Iran and to minimize any  
18 impact on the price of oil resulting from the im-  
19 position of sanctions under this section.

20 (2) REPORT REQUIRED.—Not later than 180  
21 days after the date of the enactment of this Act, and  
22 every 180 days thereafter, the President shall sub-  
23 mit to Congress a report on the efforts of the Presi-  
24 dent to carry out the initiative described in para-

1 graph (1)(A) and conduct the outreach described in  
2 paragraph (1)(B) and the results of those efforts.

3 (f) FORM OF REPORTS.—Each report submitted  
4 under this section shall be submitted in unclassified form,  
5 but may contain a classified annex.

6 (g) DEFINITIONS.—In this section:

7 (1) ACCOUNT; CORRESPONDENT ACCOUNT; PAY-  
8 ABLE-THROUGH ACCOUNT.—The terms “account”,  
9 “correspondent account”, and “payable-through ac-  
10 count” have the meanings given those terms in sec-  
11 tion 5318A of title 31, United States Code.

12 (2) FOREIGN FINANCIAL INSTITUTION.—The  
13 term “foreign financial institution” has the meaning  
14 of that term as determined by the Secretary of the  
15 Treasury pursuant to section 104(i) of the Com-  
16 prehensive Iran Sanctions, Accountability, and Di-  
17 vestment Act of 2010 (22 U.S.C. 8513(i)).

18 (3) UNITED STATES PERSON.—The term  
19 “United States person” means—

20 (A) a natural person who is a citizen or  
21 resident of the United States or a national of  
22 the United States (as defined in section 101(a)  
23 of the Immigration and Nationality Act (8  
24 U.S.C. 1101(a)); and

1                   (B) an entity that is organized under the  
2                   laws of the United States or jurisdiction within  
3                   the United States.