

118TH CONGRESS
1ST SESSION

H. R. 6245

To require the Secretary of the Treasury to report on financial institutions' involvement with officials of the Iranian Government, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

NOVEMBER 6, 2023

Mr. HILL (for himself and Mr. VARGAS) introduced the following bill; which was referred to the Committee on Financial Services

A BILL

To require the Secretary of the Treasury to report on financial institutions' involvement with officials of the Iranian Government, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Holding Iranian Lead-
5 ers Accountable Act of 2023”.

6 **SEC. 2. FINDINGS.**

7 The Congress finds the following:

8 (1) Iran is characterized by high levels of offi-
9 cial and institutional corruption, and substantial in-
10 involvement by Iran’s security forces, particularly the

1 Islamic Revolutionary Guard Corps (IRGC), in the
2 economy.

3 (2) The Department of Treasury in 2019 des-
4 igned the Islamic Republic of Iran’s financial sec-
5 tor as a jurisdiction of primary money laundering
6 concern, concluding, “Iran has developed covert
7 methods for accessing the international financial sys-
8 tem and pursuing its malign activities, including
9 misusing banks and exchange houses, operating pro-
10 curement networks that utilize front or shell compa-
11 nies, exploiting commercial shipping, and masking il-
12 licit transactions using senior officials, including
13 those at the Central Bank of Iran (CBI).”

14 (3) In June 2019, the Financial Action Task
15 Force (FATF) urged all jurisdictions to require in-
16 creased supervisory examination for branches and
17 subsidiaries of financial institutions based in Iran.
18 The FATF later called upon its members to intro-
19 duce enhanced relevant reporting mechanisms or
20 systematic reporting of financial transactions, and
21 require increased external audit requirements, for fi-
22 nancial groups with respect to any of their branches
23 and subsidiaries located in Iran.

24 (4) According to the State Department’s
25 “Country Reports on Terrorism” in 2021, “Iran

1 continued to be the leading state sponsor of ter-
2 rorism, facilitating a wide range of terrorist and
3 other illicit activities around the world. Regionally,
4 Iran supported acts of terrorism in Bahrain, Iraq,
5 Lebanon, Syria, and Yemen through proxies and
6 partner groups such as Hizballah and Hamas.”

7 **SEC. 3. REPORT ON FINANCIAL INSTITUTIONS AND ASSETS**
8 **CONNECTED TO CERTAIN IRANIAN OFFI-**
9 **CIALS.**

10 (a) FINANCIAL INSTITUTIONS AND ASSETS RE-
11 PORT.—

12 (1) IN GENERAL.—Not later than 180 days
13 after the date of the enactment of this Act, and
14 every 2 years thereafter, the President shall submit
15 a report to the appropriate Members of Congress
16 containing—

17 (A) the estimated total funds or assets
18 that are under direct or indirect control by each
19 of the natural persons described under sub-
20 section (b), and a description of such funds or
21 assets, except that the President may limit cov-
22 erage of the report to not fewer than 5 of such
23 natural persons in order to meet the submission
24 deadline described under this paragraph;

1 (B) a description of how such funds or as-
2 sets were acquired, and how they have been
3 used or employed;

4 (C) a list of any non-Iranian financial in-
5 stitutions that—

6 (i) maintain an account in connection
7 with funds or assets described in subpara-
8 graph (A); or

9 (ii) knowingly provide significant fi-
10 nancial services to a natural person cov-
11 ered by the report; and

12 (D) a description of any illicit or corrupt
13 means employed to acquire or use such funds or
14 assets.

15 (2) EXEMPTIONS.—The requirements described
16 under paragraph (1) may not be applied with re-
17 spect to a natural person or a financial institution,
18 as the case may be, if the President determines:

19 (A) The funds or assets described under
20 subparagraph (A) of paragraph (1) were ac-
21 quired through legal or noncorrupt means.

22 (B) The natural person has agreed to pro-
23 vide significant cooperation to the United
24 States for an important national security or law
25 enforcement purpose with respect to Iran.

1 (C) A financial institution that would oth-
2 erwise be listed in the report required by para-
3 graph (1) has agreed to—

4 (i) no longer maintain an account de-
5 scribed under subparagraph (C)(i) of para-
6 graph (1);

7 (ii) no longer provide significant fi-
8 nancial services to a natural person cov-
9 ered by the report; or

10 (iii) provide significant cooperation to
11 the United States for an important na-
12 tional security or law enforcement purpose
13 with respect to Iran.

14 (3) WAIVER.—The President may waive for up
15 to 1 year at a time any requirement under para-
16 graph (1) with respect to a natural person or a fi-
17 nancial institution after reporting in writing to the
18 appropriate Members of Congress that the waiver is
19 in the national interest of the United States, with a
20 detailed explanation of the reasons therefor.

21 (b) PERSONS DESCRIBED.—The natural persons de-
22 scribed in this subsection are the following:

23 (1) The Supreme Leader of Iran.

24 (2) The President of Iran.

25 (3) Members of the Council of Guardians.

1 (4) Members of the Expediency Council.

2 (5) The Minister of Intelligence and Security.

3 (6) The Commander and the Deputy Com-
4 mander of the IRGC.

5 (7) The Commander and the Deputy Com-
6 mander of the IRGC Ground Forces.

7 (8) The Commander and the Deputy Com-
8 mander of the IRGC Aerospace Force.

9 (9) The Commander and the Deputy Com-
10 mander of the IRGC Navy.

11 (10) The Commander of the Basij-e-
12 Mostaz'afin.

13 (11) The Commander of the Qods Force.

14 (12) The Commander in Chief of the Police
15 Force.

16 (13) The head of the IRGC Joint Staff.

17 (14) The Commander of the IRGC Intelligence.

18 (15) The head of the IRGC Imam Hussein Uni-
19 versity.

20 (16) The Supreme Leader's Representative at
21 the IRGC.

22 (17) The Chief Executive Officer and the
23 Chairman of the IRGC Cooperative Foundation.

24 (18) The Commander of the Khatam-al-Anbia
25 Construction Head Quarter.

1 (19) The Chief Executive Officer of the Basij
2 Cooperative Foundation.

3 (20) The head of the Political Bureau of the
4 IRGC.

5 (21) The senior leadership as determined by the
6 President of the following groups:

7 (A) Hizballah.

8 (B) Hamas.

9 (C) Palestinian Islamic Jihad.

10 (D) Kata'ib Hizballah.

11 (c) FORM OF REPORT; PUBLIC AVAILABILITY.—

12 (1) FORM.—The report required under sub-
13 section (a) and any waiver under subsection (a)(3)
14 shall be submitted in unclassified form but may con-
15 tain a classified annex.

16 (2) PUBLIC AVAILABILITY.—The Secretary of
17 the Treasury shall make the unclassified portion of
18 such report public if the Secretary notifies the ap-
19 propriate Members of Congress that the publication
20 is in the national interest of the United States and
21 would substantially promote—

22 (A) deterring or sanctioning official cor-
23 ruption in Iran;

1 (B) holding natural persons or financial in-
2 stitutions listed in the report accountable to the
3 people of Iran;

4 (C) combating money laundering or the fi-
5 nancing of terrorism; or

6 (D) achieving any other strategic objective
7 with respect to the Government of Iran.

8 (3) **FORMAT OF PUBLICLY AVAILABLE RE-**
9 **PORTS.**—If the Secretary makes the unclassified
10 portion of a report public pursuant to paragraph
11 (2), the Secretary shall make it available to the pub-
12 lic on the website of the Department of the Treas-
13 ury—

14 (A) in English, Farsi, Arabic, and Azeri;
15 and

16 (B) in precompressed, easily downloadable
17 versions that are made available in all appro-
18 priate formats.

19 **SEC. 4. RESTRICTIONS ON CERTAIN FINANCIAL INSTITU-**
20 **TIONS.**

21 (a) **IN GENERAL.**—Not later than the date that is
22 90 days after submitting a report described under section
23 3(a)(1), the Secretary of the Treasury shall undertake the
24 following with respect to a financial institution that is de-
25 scribed under section 3(a)(1)(C) and listed in the report:

1 (1) If the financial institution is a United
2 States financial institution, require the closure of
3 any account described in section 3(a)(1)(C)(i), and
4 prohibit the provision of significant financial serv-
5 ices, directly or indirectly, to a natural person cov-
6 ered by the report.

7 (2) If the financial institution is a foreign fi-
8 nancial institution, actively seek the closure of any
9 account described in section 3(a)(1)(C)(i), and the
10 cessation of significant financial services to a natural
11 person covered by the report, using any existing au-
12 thorities of the Secretary of the Treasury, as appro-
13 priate.

14 (b) SUSPENSION.—The Secretary of the Treasury
15 may suspend the application of subsection (a) with respect
16 to a financial institution upon reporting to the appropriate
17 Members of Congress that the suspension is in the na-
18 tional interest of the United States, with a detailed expla-
19 nation of the reasons therefor.

20 **SEC. 5. EXCEPTIONS FOR NATIONAL SECURITY; IMPLEMEN-**
21 **TATION AUTHORITY.**

22 The following activities shall be exempt from require-
23 ments under sections 3 and 4:

24 (1) Any activity subject to the reporting re-
25 quirements under title V of the National Security

1 Act of 1947 (50 U.S.C. 3091 et seq.), or to any au-
2 thORIZED intelligence activities of the United States.

3 (2) The admission of an alien to the United
4 States if such admission is necessary to comply with
5 United States obligations under the Agreement be-
6 tween the United Nations and the United States of
7 America regarding the Headquarters of the United
8 Nations, signed at Lake Success June 26, 1947, and
9 entered into force November 21, 1947, or under the
10 Convention on Consular Relations, done at Vienna
11 April 24, 1963, and entered into force March 19,
12 1967, or other applicable international obligations of
13 the United States.

14 (3) The conduct or facilitation of a transaction
15 for the sale of agricultural commodities, food, medi-
16 cine, or medical devices to Iran or for the provision
17 of humanitarian assistance to the people of Iran, in-
18 cluding engaging in a financial transaction relating
19 to humanitarian assistance or for humanitarian pur-
20 poses or transporting goods or services that are nec-
21 essary to carry out operations relating to humani-
22 tarian assistance or humanitarian purposes.

23 **SEC. 6. SUNSET.**

24 The provisions of this Act shall have no force or effect
25 on the earlier of—

1 (1) the date that is 5 years after the date of en-
2 actment of this Act; or

3 (2) 30 days after the Secretary of the Treasury
4 reports in writing to the appropriate Members of
5 Congress that—

6 (A) Iran is not a jurisdiction of primary
7 money laundering concern; or

8 (B) the Government of Iran is providing
9 significant cooperation to the United States for
10 the purpose of preventing acts of international
11 terrorism, or for the promotion of any other
12 strategic objective that is important to the na-
13 tional interest of the United States, as specified
14 in the report by the Secretary.

15 **SEC. 7. DEFINITIONS.**

16 For purposes of this Act:

17 (1) **APPROPRIATE MEMBERS OF CONGRESS.**—

18 The term “appropriate Members of Congress”
19 means the Speaker and Minority Leader of the
20 House of Representatives, the Majority Leader and
21 Minority Leader of the Senate, the Chairman and
22 Ranking Member of the Committee on Financial
23 Services of the House of Representatives, and the
24 Chairman and Ranking Member of the Committee

1 on Banking, Housing, and Urban Affairs of the Sen-
2 ate.

3 (2) FINANCIAL INSTITUTION.—The term “fi-
4 nancial institution” means a United States financial
5 institution or a foreign financial institution.

6 (3) FOREIGN FINANCIAL INSTITUTION.—The
7 term “foreign financial institution” has the meaning
8 given that term in section 561.308 of title 31, Code
9 of Federal Regulations.

10 (4) FUNDS.—The term “funds” means—

11 (A) cash;

12 (B) equity;

13 (C) any other asset whose value is derived
14 from a contractual claim, including bank depos-
15 its, bonds, stocks, a security as defined in sec-
16 tion 2(a) of the Securities Act of 1933 (15
17 U.S.C. 77b(a)), or a security or an equity secu-
18 rity as defined in section 3(a) of the Securities
19 Exchange Act of 1934 (15 U.S.C. 78c(a)); and

20 (D) anything else that the Secretary deter-
21 mines appropriate.

22 (5) KNOWINGLY.—The term “knowingly” with
23 respect to conduct, a circumstance, or a result,
24 means that a person has actual knowledge, or should

1 have known, of the conduct, the circumstance, or the
2 result.

3 (6) SECRETARY.—The term “Secretary” means
4 the Secretary of the Treasury.

5 (7) UNITED STATES FINANCIAL INSTITUTION.—
6 The term “United States financial institution” has
7 the meaning given the term “U.S. financial institu-
8 tion” under section 561.309 of title 31, Code of
9 Federal Regulations.

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