



## H.R. 3662 — Iran Terror Finance Transparency Act (Rep. Russell, R-OK)

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### FLOOR SCHEDULE:

Scheduled for consideration on February 2, 2016, under a [closed rule](#)

This version of the bill is identical to the legislation that the House vacated the vote for on January 13, 2016.

### TOPLINE SUMMARY:

[H.R. 3662](#) would prohibit the president from removing a foreign financial institution, including an Iranian financial institution, from the list of specially designated nationals and blocked persons maintained by the Department of the Treasury's [Office of Foreign Asset Control](#).

### COST:

The Congressional Budget Office (CBO) [estimates](#) that implementing H.R. 3662 would increase administrative costs of the Treasury Department by less than \$500,000 annually, subject to the availability of appropriations. CBO estimates that enacting H.R. 3662 would not increase net direct spending by more than \$5 billion and would not increase on-budget deficits in any of the four consecutive 10-year periods beginning in 2026.

### CONSERVATIVE CONCERNS:

There are no substantive concerns.

- **Expand the Size and Scope of the Federal Government?** No.
- **Encroach into State or Local Authority?** No.
- **Delegate Any Legislative Authority to the Executive Branch?** No.
- **Contain Earmarks/Limited Tax Benefits/Limited Tariff Benefits?** No.

### DETAILED SUMMARY AND ANALYSIS:

H.R. 3662 would prohibit the president from removing a foreign financial institution, including an Iranian financial institution, from the list of specially designated nationals and blocked persons maintained by the Department of the Treasury's Office of Foreign Asset Control. The president would not be permitted to remove an institution until and unless he certifies to Congress that the foreign financial institution has not knowingly, directly or indirectly, facilitated a significant transaction or provided significant financial services on behalf of: (1) Iran's Revolutionary Guard Corps or any of its agents whose property are blocked according to the [International Emergency Economic Powers Act](#); (2) a foreign terrorist organization on behalf of a person whose property has been blocked pursuant to [Executive Order 13224](#); or (3) a person whose property is blocked pursuant to the International Emergency Economic Powers Act in connection with Iran's proliferation of weapons of mass destruction or delivery systems for weapons of mass

destruction. The president would additionally be required to certify that the foreign financial institution no longer knowingly engages in illicit or deceptive financial transactions.

The president would be prohibited from removing a specified foreign person from the Office of Foreign Asset Control's list of designated nationals and blocked persons until the president certifies to Congress that the person has not knowingly: (1) assisted in, or provided financial, material, or technological support for terrorism or a terrorist organization; or (2) engaged in significant activities or transactions that have materially contributed to Iran's proliferation of weapons of mass destruction or their means of delivery. The bill would define a foreign person as an individual listed in Attachment 3 or Attachment 4 to [Annex II](#) of the Joint Comprehensive Plan of Action, the Iran nuclear deal. The RSC's legislative bulletin on the approval Iran nuclear agreement can be found [here](#).

H.R. 3662 would further prohibit the president from removing Iran's designation as a jurisdiction of primary money laundering concern unless the president certifies to Congress that Iran is no longer engaged in support for terrorism, pursuit of weapons of mass destruction, and any illicit and deceptive financial activities. The bill would amend the [Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010](#) in order to prohibit (or impose strict conditions on) the opening of correspondent account or a payable-through accounts in the United States by a foreign financial institution that facilitates Iran's support for Hezbollah, Hamas, the Palestinian Islamic Jihad, or any affiliates. The House report (H. Rept. 114-393) accompanying H.R. 3662 can be found [here](#).

#### **COMMITTEE ACTION:**

H.R. 3662 was introduced on October 1, 2015 and was referred to the House Committee on Foreign Affairs, and the House Committee on Financial Services. On January 7, 2016, the bill was ordered to be reported by voice vote by the House Committee on Foreign Affairs.

#### **ADMINISTRATION POSITION:**

The Statement of Administration Policy is available [here](#). According to the document, if the President were presented with H.R. 3662, he would veto the bill.

#### **CONSTITUTIONAL AUTHORITY:**

According to the sponsor: "Congress has the power to enact this legislation pursuant to the following: Article 1, Section 8, Clauses 3 and 18 of the U.S. Constitution."

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