

IRAN COUNTERTERRORISM ACT OF 2023

APRIL 15, 2024.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. MCHENRY, from the Committee on Financial Services,  
 submitted the following

R E P O R T

together with

MINORITY VIEWS

[To accompany H.R. 6323]

[Including cost estimate of the Congressional Budget Office]

The Committee on Financial Services, to whom was referred the bill (H.R. 6323) to modify the availability of certain waiver authorities with respect to sanctions imposed with respect to the financial sector of Iran, and for other purposes, having considered the same, reports favorably thereon with an amendment and recommends that the bill as amended do pass.

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The amendment is as follows:

Strike all after the enacting clause and insert the following:

**SECTION 1. SHORT TITLE.**

This Act may be cited as the “Iran Counterterrorism Act of 2023”.

**SEC. 2. MODIFICATION OF WAIVER AUTHORITIES WITH RESPECT TO SANCTIONS IMPOSED WITH RESPECT TO THE FINANCIAL SECTOR OF IRAN.**

(a) FY 2013 NDAA.—Section 1247 of the National Defense Authorization Act for Fiscal Year 2013 (22 U.S.C. 8806) is amended as follows:

(1) In subsection (f)(1)—

(A) in subparagraph (A), by striking “determines that such a waiver” and inserting the following: “determines that—

“(i) the Government of Iran has ceased to provide support for acts of international terrorism; or

“(ii) such a waiver”; and

(B) in subparagraph (B), by inserting “before issuing a waiver pursuant to subparagraph (A)(ii),” before “submits”.

(2) By adding at the end the following:

“(g) PERIOD FOR REVIEW BY CONGRESS.—

“(1) IN GENERAL.—During the period of 30 calendar days beginning on the date on which the President submits a report under subsection (f)(1)(B), the appropriate congressional committees should, as appropriate, hold hearings and briefings and otherwise obtain information in order to fully review the report.

“(2) EXCEPTION.—The period for congressional review under paragraph (1) of a report required to be submitted under subsection (f)(1)(B) shall be 60 calendar days if the report is submitted on or after July 10 and on or before September 7 in any calendar year.

“(3) LIMITATION ON ACTIONS DURING INITIAL CONGRESSIONAL REVIEW PERIOD.—Notwithstanding any other provision of law, during the period for congressional review provided for under paragraph (1) of a report submitted under subsection (f)(1)(B) proposing a waiver of the imposition of sanctions under subsection (a), including any additional period for such review as applicable under the exception provided in paragraph (2), the President may not issue the waiver unless a joint resolution of approval with respect to that waiver is enacted in accordance with subsection (h).

“(4) EFFECT OF ENACTMENT OF A JOINT RESOLUTION OF DISAPPROVAL.—Notwithstanding any other provision of law, if a joint resolution of disapproval relating to a report submitted under subsection (f)(1)(B) proposing an action described in subsection (f)(1)(A)(ii) is enacted in accordance with subsection (h), the President may not issue the waiver.

“(h) JOINT RESOLUTIONS OF DISAPPROVAL OR APPROVAL DEFINED.—In this subsection:

“(1) JOINT RESOLUTION OF APPROVAL.—The term ‘joint resolution of approval’ means only a joint resolution of either House of Congress—

“(A) the title of which is as follows: ‘A joint resolution approving the President’s proposal to issue a waiver relating to the application of certain sanctions with respect to Iran.’; and

“(B) the sole matter after the resolving clause of which is the following: ‘Congress approves of the issuance of a waiver relating to the application of sanctions imposed with respect to Iran proposed by the President in the report submitted to Congress under section 1247(f)(1)(B) of the National Defense Authorization Act for Fiscal Year 2013 on \_\_\_\_\_ relating to \_\_\_\_\_’, with the first blank space being filled with the appropriate date and the second blank space being filled with a short description of the proposed waiver.

“(2) JOINT RESOLUTION OF DISAPPROVAL.—The term ‘joint resolution of disapproval’ means only a joint resolution of either House of Congress—

“(A) the title of which is as follows: ‘A joint resolution disapproving the President’s proposal to issue a waiver relating to the application of certain sanctions with respect to Iran.’; and

“(B) the sole matter after the resolving clause of which is the following: ‘Congress disapproves of the issuance of a waiver relating to the application of sanctions imposed with respect to Iran proposed by the President in the report submitted to Congress under section 1247(f)(1)(B) of the National Defense Authorization Act for Fiscal Year 2013 on \_\_\_\_\_ relating to \_\_\_\_\_’, with the first blank space being filled with the appro-

appropriate date and the second blank space being filled with a short description of the proposed action.

“(3) INTRODUCTION.—During the period of 30 calendar days provided for under subsection (g)(1), including any additional period as applicable under the exception provided in subsection (g)(2), a joint resolution of approval or joint resolution of disapproval may be introduced—

“(A) in the House of Representatives, by the majority leader or the minority leader; and

“(B) in the Senate, by the majority leader (or the majority leader’s designee) or the minority leader (or the minority leader’s designee).

“(4) FLOOR CONSIDERATION IN HOUSE OF REPRESENTATIVES.—If a committee of the House of Representatives to which a joint resolution of approval or joint resolution of disapproval has been referred has not reported the joint resolution within 10 calendar days after the date of referral, that committee shall be discharged from further consideration of the joint resolution.

“(5) CONSIDERATION IN THE SENATE.—

“(A) COMMITTEE REFERRAL.—A joint resolution of approval or joint resolution of disapproval introduced in the Senate shall be referred to the Committee on Banking, Housing, and Urban Affairs.

“(B) REPORTING AND DISCHARGE.—If the committee to which a joint resolution of approval or joint resolution of disapproval was referred has not reported the joint resolution within 10 calendar days after the date of referral of the joint resolution, that committee shall be discharged from further consideration of the joint resolution and the joint resolution shall be placed on the appropriate calendar.

“(C) PROCEEDING TO CONSIDERATION.—Notwithstanding Rule XXII of the Standing Rules of the Senate, it is in order at any time after the Committee on Banking, Housing, and Urban Affairs reports a joint resolution of approval or joint resolution of disapproval to the Senate or has been discharged from consideration of such a joint resolution (even though a previous motion to the same effect has been disagreed to) to move to proceed to the consideration of the joint resolution, and all points of order against the joint resolution (and against consideration of the joint resolution) are waived. The motion to proceed is not debatable. The motion is not subject to a motion to postpone. A motion to reconsider the vote by which the motion is agreed to or disagreed to shall not be in order.

“(D) RULINGS OF THE CHAIR ON PROCEDURE.—Appeals from the decisions of the Chair relating to the application of the rules of the Senate, as the case may be, to the procedure relating to a joint resolution of approval or joint resolution of disapproval shall be decided without debate.

“(E) CONSIDERATION OF VETO MESSAGES.—Debate in the Senate of any veto message with respect to a joint resolution of approval or joint resolution of disapproval, including all debatable motions and appeals in connection with the joint resolution, shall be limited to 10 hours, to be equally divided between, and controlled by, the majority leader and the minority leader or their designees.

“(6) RULES RELATING TO SENATE AND HOUSE OF REPRESENTATIVES.—

“(A) TREATMENT OF SENATE JOINT RESOLUTION IN HOUSE.—In the House of Representatives, the following procedures shall apply to a joint resolution of approval or a joint resolution of disapproval received from the Senate (unless the House has already passed a joint resolution relating to the same proposed action):

“(i) The joint resolution shall be referred to the Committee on Financial Services.

“(ii) If a committee to which a joint resolution has been referred has not reported the joint resolution within 2 calendar days after the date of referral, that committee shall be discharged from further consideration of the joint resolution.

“(iii) Beginning on the third legislative day after each committee to which a joint resolution has been referred reports the joint resolution to the House or has been discharged from further consideration thereof, it shall be in order to move to proceed to consider the joint resolution in the House. All points of order against the motion are waived. Such a motion shall not be in order after the House has disposed of a motion to proceed on the joint resolution. The previous question shall be considered as ordered on the motion to its adoption without intervening motion. The motion shall not be debatable. A motion to reconsider the vote by which the motion is disposed of shall not be in order.

“(iv) The joint resolution shall be considered as read. All points of order against the joint resolution and against its consideration are waived. The previous question shall be considered as ordered on the joint resolution to final passage without intervening motion except 2 hours of debate equally divided and controlled by the sponsor of the joint resolution (or a designee) and an opponent. A motion to reconsider the vote on passage of the joint resolution shall not be in order.

“(B) TREATMENT OF HOUSE JOINT RESOLUTION IN SENATE.—

“(i) If, before the passage by the Senate of a joint resolution of approval or joint resolution of disapproval, the Senate receives an identical joint resolution from the House of Representatives, the following procedures shall apply:

“(I) That joint resolution shall not be referred to a committee.

“(II) With respect to that joint resolution—

“(aa) the procedure in the Senate shall be the same as if no joint resolution had been received from the House of Representatives; but

“(bb) the vote on passage shall be on the joint resolution from the House of Representatives.

“(ii) If, following passage of a joint resolution of approval or joint resolution of disapproval in the Senate, the Senate receives an identical joint resolution from the House of Representatives, that joint resolution shall be placed on the appropriate Senate calendar.

“(iii) If a joint resolution of approval or a joint resolution of disapproval is received from the House, and no companion joint resolution has been introduced in the Senate, the Senate procedures under this subsection shall apply to the House joint resolution.

“(C) APPLICATION TO REVENUE MEASURES.—The provisions of this paragraph shall not apply in the House of Representatives to a joint resolution of approval or joint resolution of disapproval that is a revenue measure.

“(7) RULES OF HOUSE OF REPRESENTATIVES AND SENATE.—This subsection is enacted by Congress—

“(A) as an exercise of the rulemaking power of the Senate and the House of Representatives, respectively, and as such is deemed a part of the rules of each House, respectively, and supersedes other rules only to the extent that it is inconsistent with such rules; and

“(B) with full recognition of the constitutional right of either House to change the rules (so far as relating to the procedure of that House) at any time, in the same manner, and to the same extent as in the case of any other rule of that House.”

(b) FY 2012 NDAA.—Section 1245(d)(5) of the National Defense Authorization Act for Fiscal Year 2012 (22 U.S.C. 8513a(d)(5)) is amended as follows:

(1) In subparagraph (A), by striking “determines that such a waiver” and inserting the following: “determines that—

“(i) the Government of Iran has ceased to provide support for acts of international terrorism; or

“(ii) such a waiver”.

(2) In subparagraph (B), by inserting “before issuing a waiver pursuant to subparagraph (A)(ii),” before “submits”.

(3) By adding at the end the following:

“The provisions relating to period for review by Congress described in subsections (g) and (h) of section 1247 of the National Defense Authorization Act for Fiscal Year 2013 (22 U.S.C. 8806) shall apply with respect to a report submitted under subparagraph (B) proposing a waiver of the imposition of sanctions under paragraph (1) in the same manner and to the same extent as such provisions apply with respect to a report submitted under subsection (f)(1)(B) of such section 1247 proposing a waiver of the imposition of sanctions under subsection (a) of such section.”

#### PURPOSE AND SUMMARY

Introduced on November 9, 2023, by Representative Young Kim, H.R. 6323, the *Iran Counterterrorism Act of 2023*, requires Iran to have ceased support for acts of international terrorism as a condition for the President to waive secondary sanctions imposed with respect to the country. This bill also provides for a congressional

review process for national security interest waivers of these sanctions.

#### BACKGROUND AND NEED FOR LEGISLATION

On September 11, 2023, the State Department issued a waiver under Sec. 1245(d) of the National Defense Authorization Act (NDAA) for Fiscal Year 2012 and Sec. 1247(f) of the Iran Freedom and Counter-proliferation Act of 2012 (IFCA), which imposes restrictions on foreign financial institutions' correspondent and payable-through accounts in the U.S. if they engage in significant transactions with sanctioned Iranian persons, including for the purchase of petroleum from Iran. These restrictions may be waived if the President (in this case, acting through Secretary Blinken) determines that the waiver is in the national security interests of the United States. The September 11, 2023, waiver allowed for the transfer of \$6 billion in Iranian funds held in South Korea, which had accumulated through past petroleum purchases, to Qatar, where they would be used for humanitarian purposes for Iran. The transfer itself was authorized as part of the release of five Americans held in Iran.

According to a 2020 State Department report, Iran sends \$100 million a year to Palestinian terrorist groups, including Hamas. While none of the funds transferred from South Korea to Qatar have been released, there are concerns that releasing Iranian assets under waiver authorities described above incentivizes hostage-taking while doing nothing to compel Iran to renounce terrorism.

H.R. 6323 therefore amends the waiver authority under Sec. 1245(d) of the FY2012 NDAA and Sec. 1247(f) of IFCA to ensure that it cannot be used unless Iran has ceased to provide support for acts of international terrorism. In addition, the bill provides for congressional review of waivers based on the national security interests of the United States. This means that, if the President were to rely on this condition in order to waive future ransom payments, Congress would have a formal mechanism to disapprove of the waiver and overturn it.

#### RELATED HEARING

Pursuant to clause 3(c)(6) of rule XIII, the following hearing was used to develop H.R. 6323: The Subcommittee on National Security, Illicit Finance, and International Financial Institutions of the Committee on Financial Services held a hearing on October 25, 2023, titled "How America and Its Allies Can Stop Hamas, Hezbollah, and Iran from Evading Sanctions and Financing Terror."

#### COMMITTEE CONSIDERATION

The Committee on Financial Services met in open session on November 14, 2023, and ordered H.R. 6323 to be reported favorably to the House as amended by a recorded vote of 30 ayes to 19 nays (Record vote no. FC-111), a quorum being present. Before the question was called to order the bill favorably reported, the Committee adopted an amendment in the nature of a substitute offered by Ms. Kim by voice vote.

## COMMITTEE VOTES

Clause 3(b) of rule XIII of the Rules of the House of Representatives requires the Committee to list the record votes on the order to report legislation and amendments thereto. H.R. 6323 was ordered reported favorably to the House as amended by a recorded vote of 30 ayes to 19 nays (Record vote no. FC-111), a quorum being present.

## Record vote no. FC- 111

Representative	Yea	Nay	Present	Representative	Yea	Nay	Present
Mr. McHenry	X	—	—	Ms. Waters	—	X	—
Mr. Hill	X	—	—	Mrs. Velázquez	—	X	—
Mr. Lucas	X	—	—	Mr. Sherman	X	—	—
Mr. Sessions	X	—	—	Mr. Meeks	—	—	—
Mr. Posey	X	—	—	Mr. Scott	X	—	—
Mr. Luetkemeyer	X	—	—	Mr. Lynch	—	X	—
Mr. Huizenga	X	—	—	Mr. Green	—	X	—
Mrs. Wagner	X	—	—	Mr. Cleaver	—	X	—
Mr. Barr	X	—	—	Mr. Himes	—	—	—
Mr. Williams (TX)	X	—	—	Mr. Foster	—	X	—
Mr. Emmer	X	—	—	Mrs. Beatty	—	X	—
Mr. Loudenmilk	X	—	—	Mr. Vargas	—	X	—
Mr. Mooney	X	—	—	Mr. Gottheimer	—	X	—
Mr. Davidson	X	—	—	Mr. Gonzalez	—	X	—
Mr. Rose	X	—	—	Mr. Costen	—	X	—
Mr. Steil	X	—	—	Ms. Pressley	—	X	—
Mr. Timmons	X	—	—	Mr. Horsford	—	X	—
Mr. Norman	X	—	—	Ms. Tlaib	—	X	—
Mr. Meuser	X	—	—	Mr. Torres	—	X	—
Mr. Fitzgerald	X	—	—	Ms. Garcia	—	X	—
Mr. Garbarino	—	—	—	Ms. Williams (GA)	—	X	—
Mrs. Kim	X	—	—	Mr. Nickel	—	X	—
Mr. Donalds	X	—	—	Ms. Petersen	—	X	—
Mr. Flood	X	—	—				
Mr. Lawler	X	—	—				
Mr. Nunn	X	—	—				
Ms. De La Cruz	X	—	—				
Mrs. Houchin	X	—	—				
Mr. Ogles	X	—	—				

### COMMITTEE OVERSIGHT FINDINGS

Pursuant to clause 3(c) of rule XIII of the Rules of the House of Representatives, the findings and recommendations of the Committee, based on oversight activities under clause 2(b)(1) of rule X of the Rules of the House of Representatives, are incorporated in the descriptive portions of this report.

### PERFORMANCE GOALS AND OBJECTIVES

Pursuant to clause 3(c)(4) of rule XIII of the Rules of the House of Representatives, the goal of H.R. 6323 is to require Iran to have ceased support for acts of international terrorism as a condition for the President to waive secondary sanctions imposed with respect to the country.

### CONGRESSIONAL BUDGET OFFICE ESTIMATES

Pursuant to clause 3(c)(3) of rule XIII of the Rules of the House of Representatives, the following is the cost estimate provided by the Congressional Budget Office pursuant to section 402 of the Congressional Budget Act of 1974:

<b>H.R. 6323, Iran Counterterrorism Act of 2023</b>			
As ordered reported by the House Committee on Financial Services on November 14, 2023			
By Fiscal Year, Millions of Dollars			
	2024	2024-2028	2024-2033
Direct Spending (Outlays)	0	0	0
Revenues	0	0	0
Increase or Decrease (-) in the Deficit	0	0	0
Spending Subject to Appropriation (Outlays)	0	0	0
Increases <i>net direct spending</i> in any of the four consecutive 10-year periods beginning in 2034?	No	Statutory pay-as-you-go procedures apply?	No
		<b>Mandate Effects</b>	
Increases <i>on-budget deficits</i> in any of the four consecutive 10-year periods beginning in 2034?	No	Contains intergovernmental mandate?	No
		Contains private-sector mandate?	No

### NEW BUDGET AUTHORITY, ENTITLEMENT AUTHORITY, AND TAX EXPENDITURES

Pursuant to clause 3(c)(2) of rule XIII of the Rules of the House of Representatives, the Committee adopts as its own the estimate of new budget authority, entitlement authority, or tax expenditures or revenues contained in the cost estimate prepared by the Director of the Congressional Budget Office pursuant to section 402 of the Congressional Budget Act of 1973.

### FEDERAL MANDATES STATEMENT

Pursuant to section 423 of the Unfunded Mandates Reform Act, the Committee adopts as its own the estimate of the Federal mandates prepared by the Director of the Congressional Budget Office.



## ADVISORY COMMITTEE STATEMENT

No advisory committees within the meaning of section 5(b) of the Federal Advisory Committee Act were created by this legislation.

## APPLICABILITY TO LEGISLATIVE BRANCH

The Committee finds that the legislation does not relate to the terms and conditions of employment or access to public services or accommodations within the meaning of section 102(b)(3) of the Congressional Accountability Act.

## EARMARK IDENTIFICATION

Pursuant to clause 9 of rule XXI of the Rules of the House of Representatives, the Committee has carefully reviewed the provisions of the bill and states that the provisions of the bill do not contain any congressional earmarks, limited tax benefits, or limited tariff benefits within the meaning of the rule.

## DUPLICATION OF FEDERAL PROGRAMS

Pursuant to clause 3(c)(5) of rule XIII of the Rules of the House of Representatives, the Committee states that no provision of the bill establishes or reauthorizes a program of the Federal Government known to be duplicative of another Federal program, including any program that was included in a report to Congress pursuant to section 21 of the Public Law 111-139 or the most recent Catalog of Federal Domestic Assistance.

## SECTION-BY-SECTION ANALYSIS OF THE LEGISLATION

*Section 1. Short title*

This Act may be cited as the “Iran Counterterrorism Act of 2023”.

*Section 2. Modification of waiver authorities with respect to sanctions imposed with respect to the financial sector of Iran*

This section modifies the waiver authority under Sec. 1245(d) of the FY2012 NDAA and Sec. 1247(f) of IFCA to ensure that it cannot be used unless Iran has ceased to provide support for acts of international terrorism. There is a period for review by congress of 30 days, or 60 days if submitted between July 10 and September 7 of any calendar year. The President may not issue the waiver during the congressional period of review unless a joint resolution of approval is enacted. If a joint resolution of disapproval is enacted, the President may not issue the waiver.

## CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED

In compliance with clause 3(e) of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italics, and existing law in which no change is proposed is shown in roman):

**NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL  
YEAR 2013**

\* \* \* \* \*

**DIVISION A—DEPARTMENT OF  
DEFENSE AUTHORIZATIONS**

\* \* \* \* \*

**TITLE XII—MATTERS RELATING TO  
FOREIGN NATIONS**

\* \* \* \* \*

**Subtitle D—Iran Sanctions**

\* \* \* \* \*

**SEC. 1247. IMPOSITION OF SANCTIONS WITH RESPECT TO FOREIGN FI-  
NANCIAL INSTITUTIONS THAT FACILITATE FINANCIAL  
TRANSACTIONS ON BEHALF OF SPECIALLY DESIGNATED  
NATIONALS.**

(a) **IN GENERAL.**—Except as provided in this section, the President shall prohibit the opening, and prohibit or impose strict conditions on the maintaining, in the United States of a correspondent account or a payable-through account by a foreign financial institution that the President determines has, on or after the date that is 180 days after the date of the enactment of this Act, knowingly facilitated a significant financial transaction on behalf of any Iranian person included on the list of specially designated nationals and blocked persons maintained by the Office of Foreign Assets Control of the Department of the Treasury (other than an Iranian financial institution described in subsection (b)).

(b) **IRANIAN FINANCIAL INSTITUTIONS DESCRIBED.**—An Iranian financial institution described in this subsection is an Iranian financial institution that has not been designated for the imposition of sanctions in connection with—

- (1) Iran’s proliferation of weapons of mass destruction or delivery systems for weapons of mass destruction;
- (2) Iran’s support for international terrorism; or
- (3) Iran’s abuses of human rights.

(c) **HUMANITARIAN EXCEPTION.**—The President may not impose sanctions under subsection (a) with respect to any person for conducting or facilitating a transaction for the sale of agricultural commodities, food, medicine, or medical devices to Iran or for the provision of humanitarian assistance to the people of Iran.

(d) **APPLICABILITY OF SANCTIONS TO PETROLEUM AND PETROLEUM PRODUCTS.**—

- (1) **IN GENERAL.**—Except as provided in paragraph (2), subsection (a) shall apply with respect to a financial transaction for the purchase of petroleum or petroleum products from Iran only if, at the time of the transaction, a determination of the President under section 1245(d)(4)(B) of the National Defense

Authorization Act for Fiscal Year 2012 (22 U.S.C. 8513a(d)(4)(B)) that the price and supply of petroleum and petroleum products produced in countries other than Iran is sufficient to permit purchasers of petroleum and petroleum products from Iran to reduce significantly their purchases from Iran is in effect.

(2) EXCEPTION FOR CERTAIN COUNTRIES.—

(A) IN GENERAL.—Subsection (a) shall not apply with respect to a financial transaction described in subparagraph (B) conducted or facilitated by a foreign financial institution if, at the time of the transaction, the exception under section 1245(d)(4)(D)(i) of the National Defense Authorization Act for Fiscal Year 2012 (22 U.S.C. 8513a(d)(4)(D)(i)) applies to the country with primary jurisdiction over the foreign financial institution.

(B) FINANCIAL TRANSACTIONS DESCRIBED.—A financial transaction conducted or facilitated by a foreign financial institution is described in this subparagraph if—

(i) the financial transaction is only for trade in goods or services—

(I) not otherwise subject to sanctions under the law of the United States; and

(II) between the country with primary jurisdiction over the foreign financial institution and Iran; and

(ii) any funds owed to Iran as a result of such trade are credited to an account located in the country with primary jurisdiction over the foreign financial institution.

(e) APPLICABILITY OF SANCTIONS TO NATURAL GAS.—Subsection (a) shall apply to a foreign financial institution that conducts or facilitates a financial transaction for the sale, supply, or transfer to or from Iran of natural gas unless—

(1) the financial transaction is only for trade in goods or services—

(A) not otherwise subject to sanctions under the law of the United States; and

(B) between the country with primary jurisdiction over the foreign financial institution and Iran; and

(2) any funds owed to Iran as a result of such trade are credited to an account located in the country with primary jurisdiction over the foreign financial institution.

(f) WAIVER.—

(1) IN GENERAL.—The President may waive the imposition of sanctions under subsection (a) for a period of not more than 180 days, and may renew that waiver for additional periods of not more than 180 days, if the President—

(A) **[determines that such a waiver]** *determines that—*

(i) *the Government of Iran has ceased to provide support for acts of international terrorism; or*

(ii) *such a waiver is vital to the national security of the United States; and*

(B) *before issuing a waiver pursuant to subparagraph (A)(ii), submits to the appropriate congressional committees a report providing a justification for the waiver.*

(2) FORM OF REPORT.—Each report submitted under paragraph (1)(B) shall be submitted in unclassified form, but may include a classified annex.

(g) PERIOD FOR REVIEW BY CONGRESS.—

(1) IN GENERAL.—During the period of 30 calendar days beginning on the date on which the President submits a report under subsection (f)(1)(B), the appropriate congressional committees should, as appropriate, hold hearings and briefings and otherwise obtain information in order to fully review the report.

(2) EXCEPTION.—The period for congressional review under paragraph (1) of a report required to be submitted under subsection (f)(1)(B) shall be 60 calendar days if the report is submitted on or after July 10 and on or before September 7 in any calendar year.

(3) LIMITATION ON ACTIONS DURING INITIAL CONGRESSIONAL REVIEW PERIOD.—Notwithstanding any other provision of law, during the period for congressional review provided for under paragraph (1) of a report submitted under subsection (f)(1)(B) proposing a waiver of the imposition of sanctions under subsection (a), including any additional period for such review as applicable under the exception provided in paragraph (2), the President may not issue the waiver unless a joint resolution of approval with respect to that waiver is enacted in accordance with subsection (h).

(4) EFFECT OF ENACTMENT OF A JOINT RESOLUTION OF DISAPPROVAL.—Notwithstanding any other provision of law, if a joint resolution of disapproval relating to a report submitted under subsection (f)(1)(B) proposing an action described in subsection (f)(1)(A)(ii) is enacted in accordance with subsection (h), the President may not issue the waiver.

(h) JOINT RESOLUTIONS OF DISAPPROVAL OR APPROVAL DEFINED.—In this subsection:

(1) JOINT RESOLUTION OF APPROVAL.—The term “joint resolution of approval” means only a joint resolution of either House of Congress—

(A) the title of which is as follows: “A joint resolution approving the President’s proposal to issue a waiver relating to the application of certain sanctions with respect to Iran.”; and

(B) the sole matter after the resolving clause of which is the following: “Congress approves of the issuance of a waiver relating to the application of sanctions imposed with respect to Iran proposed by the President in the report submitted to Congress under section 1247(f)(1)(B) of the National Defense Authorization Act for Fiscal Year 2013 on \_\_\_\_\_ relating to \_\_\_\_\_.”, with the first blank space being filled with the appropriate date and the second blank space being filled with a short description of the proposed waiver.

(2) JOINT RESOLUTION OF DISAPPROVAL.—The term “joint resolution of disapproval” means only a joint resolution of either House of Congress—

(A) the title of which is as follows: “A joint resolution disapproving the President’s proposal to issue a waiver relat-

ing to the application of certain sanctions with respect to Iran.”; and

(B) the sole matter after the resolving clause of which is the following: “Congress disapproves of the issuance of a waiver relating to the application of sanctions imposed with respect to Iran proposed by the President in the report submitted to Congress under section 1247(f)(1)(B) of the National Defense Authorization Act for Fiscal Year 2013 on \_\_\_\_\_ relating to \_\_\_\_\_.”, with the first blank space being filled with the appropriate date and the second blank space being filled with a short description of the proposed action.

(3) INTRODUCTION.—During the period of 30 calendar days provided for under subsection (g)(1), including any additional period as applicable under the exception provided in subsection (g)(2), a joint resolution of approval or joint resolution of disapproval may be introduced—

(A) in the House of Representatives, by the majority leader or the minority leader; and

(B) in the Senate, by the majority leader (or the majority leader’s designee) or the minority leader (or the minority leader’s designee).

(4) FLOOR CONSIDERATION IN HOUSE OF REPRESENTATIVES.—If a committee of the House of Representatives to which a joint resolution of approval or joint resolution of disapproval has been referred has not reported the joint resolution within 10 calendar days after the date of referral, that committee shall be discharged from further consideration of the joint resolution.

(5) CONSIDERATION IN THE SENATE.—

(A) COMMITTEE REFERRAL.—A joint resolution of approval or joint resolution of disapproval introduced in the Senate shall be referred to the Committee on Banking, Housing, and Urban Affairs.

(B) REPORTING AND DISCHARGE.—If the committee to which a joint resolution of approval or joint resolution of disapproval was referred has not reported the joint resolution within 10 calendar days after the date of referral of the joint resolution, that committee shall be discharged from further consideration of the joint resolution and the joint resolution shall be placed on the appropriate calendar.

(C) PROCEEDING TO CONSIDERATION.—Notwithstanding Rule XXII of the Standing Rules of the Senate, it is in order at any time after the Committee on Banking, Housing, and Urban Affairs reports a joint resolution of approval or joint resolution of disapproval to the Senate or has been discharged from consideration of such a joint resolution (even though a previous motion to the same effect has been disagreed to) to move to proceed to the consideration of the joint resolution, and all points of order against the joint resolution (and against consideration of the joint resolution) are waived. The motion to proceed is not debatable. The motion is not subject to a motion to postpone. A motion to reconsider the vote by which the motion is agreed to or disagreed to shall not be in order.

(D) *RULINGS OF THE CHAIR ON PROCEDURE.*—Appeals from the decisions of the Chair relating to the application of the rules of the Senate, as the case may be, to the procedure relating to a joint resolution of approval or joint resolution of disapproval shall be decided without debate.

(E) *CONSIDERATION OF VETO MESSAGES.*—Debate in the Senate of any veto message with respect to a joint resolution of approval or joint resolution of disapproval, including all debatable motions and appeals in connection with the joint resolution, shall be limited to 10 hours, to be equally divided between, and controlled by, the majority leader and the minority leader or their designees.

(6) *RULES RELATING TO SENATE AND HOUSE OF REPRESENTATIVES.*—

(A) *TREATMENT OF SENATE JOINT RESOLUTION IN HOUSE.*—In the House of Representatives, the following procedures shall apply to a joint resolution of approval or a joint resolution of disapproval received from the Senate (unless the House has already passed a joint resolution relating to the same proposed action):

(i) The joint resolution shall be referred to the Committee on Financial Services.

(ii) If a committee to which a joint resolution has been referred has not reported the joint resolution within 2 calendar days after the date of referral, that committee shall be discharged from further consideration of the joint resolution.

(iii) Beginning on the third legislative day after each committee to which a joint resolution has been referred reports the joint resolution to the House or has been discharged from further consideration thereof, it shall be in order to move to proceed to consider the joint resolution in the House. All points of order against the motion are waived. Such a motion shall not be in order after the House has disposed of a motion to proceed on the joint resolution. The previous question shall be considered as ordered on the motion to its adoption without intervening motion. The motion shall not be debatable. A motion to reconsider the vote by which the motion is disposed of shall not be in order.

(iv) The joint resolution shall be considered as read. All points of order against the joint resolution and against its consideration are waived. The previous question shall be considered as ordered on the joint resolution to final passage without intervening motion except 2 hours of debate equally divided and controlled by the sponsor of the joint resolution (or a designee) and an opponent. A motion to reconsider the vote on passage of the joint resolution shall not be in order.

(B) *TREATMENT OF HOUSE JOINT RESOLUTION IN SENATE.*—

(i) If, before the passage by the Senate of a joint resolution of approval or joint resolution of disapproval, the Senate receives an identical joint resolution from

*the House of Representatives, the following procedures shall apply:*

*(I) That joint resolution shall not be referred to a committee.*

*(II) With respect to that joint resolution—*

*(aa) the procedure in the Senate shall be the same as if no joint resolution had been received from the House of Representatives; but*

*(bb) the vote on passage shall be on the joint resolution from the House of Representatives.*

*(ii) If, following passage of a joint resolution of approval or joint resolution of disapproval in the Senate, the Senate receives an identical joint resolution from the House of Representatives, that joint resolution shall be placed on the appropriate Senate calendar.*

*(iii) If a joint resolution of approval or a joint resolution of disapproval is received from the House, and no companion joint resolution has been introduced in the Senate, the Senate procedures under this subsection shall apply to the House joint resolution.*

*(C) APPLICATION TO REVENUE MEASURES.—The provisions of this paragraph shall not apply in the House of Representatives to a joint resolution of approval or joint resolution of disapproval that is a revenue measure.*

*(7) RULES OF HOUSE OF REPRESENTATIVES AND SENATE.—This subsection is enacted by Congress—*

*(A) as an exercise of the rulemaking power of the Senate and the House of Representatives, respectively, and as such is deemed a part of the rules of each House, respectively, and supersedes other rules only to the extent that it is inconsistent with such rules; and*

*(B) with full recognition of the constitutional right of either House to change the rules (so far as relating to the procedure of that House) at any time, in the same manner, and to the same extent as in the case of any other rule of that House.*

\* \* \* \* \*

**NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 2012**

\* \* \* \* \*

**DIVISION A—DEPARTMENT OF DEFENSE AUTHORIZATIONS**

\* \* \* \* \*

**TITLE XII—MATTERS RELATING TO FOREIGN NATIONS**

\* \* \* \* \*

## Subtitle C—Reports and Other Matters

\* \* \* \* \*

### SEC. 1245. IMPOSITION OF SANCTIONS WITH RESPECT TO THE FINANCIAL SECTOR OF IRAN.

(a) FINDINGS.—Congress makes the following findings:

(1) On November 21, 2011, the Secretary of the Treasury issued a finding under section 5318A of title 31, United States Code, that identified Iran as a jurisdiction of primary money laundering concern.

(2) In that finding, the Financial Crimes Enforcement Network of the Department of the Treasury wrote, “The Central Bank of Iran, which regulates Iranian banks, has assisted designated Iranian banks by transferring billions of dollars to these banks in 2011. In mid-2011, the CBI transferred several billion dollars to designated banks, including Saderat, Mellat, EDBI and Melli, through a variety of payment schemes. In making these transfers, the CBI attempted to evade sanctions by minimizing the direct involvement of large international banks with both CBI and designated Iranian banks.”.

(3) On November 22, 2011, the Under Secretary of the Treasury for Terrorism and Financial Intelligence, David Cohen, wrote, “Treasury is calling out the entire Iranian banking sector, including the Central Bank of Iran, as posing terrorist financing, proliferation financing, and money laundering risks for the global financial system.”.

(b) DESIGNATION OF FINANCIAL SECTOR OF IRAN AS OF PRIMARY MONEY LAUNDERING CONCERN.—The financial sector of Iran, including the Central Bank of Iran, is designated as a primary money laundering concern for purposes of section 5318A of title 31, United States Code, because of the threat to government and financial institutions resulting from the illicit activities of the Government of Iran, including its pursuit of nuclear weapons, support for international terrorism, and efforts to deceive responsible financial institutions and evade sanctions.

(c) FREEZING OF ASSETS OF IRANIAN FINANCIAL INSTITUTIONS.—The President shall, pursuant to the International Emergency Economic Powers Act (50 U.S.C. 1701 et seq.), block and prohibit all transactions in all property and interests in property of an Iranian financial institution if such property and interests in property are in the United States, come within the United States, or are or come within the possession or control of a United States person.

(d) IMPOSITION OF SANCTIONS WITH RESPECT TO THE CENTRAL BANK OF IRAN AND OTHER IRANIAN FINANCIAL INSTITUTIONS.—

(1) IN GENERAL.—Except as specifically provided in this subsection, beginning on the date that is 60 days after the date of the enactment of this Act, the President—

(A) shall prohibit the opening, and prohibit or impose strict conditions on the maintaining, in the United States of a correspondent account or a payable-through account by a foreign financial institution that the President determines has knowingly conducted or facilitated any significant financial transaction with the Central Bank of Iran or another Iranian financial institution designated by the



Secretary of the Treasury for the imposition of sanctions pursuant to the International Emergency Economic Powers Act (50 U.S.C. 1701 et seq.); and

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

(2) EXCEPTION FOR SALES OF AGRICULTURAL COMMODITIES, FOOD, MEDICINE, AND MEDICAL DEVICES.—The President may not impose sanctions under paragraph (1) with respect to any person for conducting or facilitating a transaction for the sale of agricultural commodities, food, medicine, or medical devices to Iran.

(3) APPLICABILITY OF SANCTIONS WITH RESPECT TO FOREIGN CENTRAL BANKS.—Except as provided in paragraph (4), sanctions imposed under paragraph (1)(A) shall apply with respect to 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 to or from Iran conducted or facilitated on or after that date that is 180 days after the date of the enactment of this Act.

(4) APPLICABILITY OF SANCTIONS WITH RESPECT TO PETROLEUM TRANSACTIONS.—

(A) REPORT REQUIRED.—Not later than October 25, 2012, and the last Thursday of every other month thereafter, the Administrator of the Energy Information Administration, in consultation with the Secretary of the Treasury, the Secretary of State, and the Director of National Intelligence, shall submit to Congress a report on the availability and price of petroleum and petroleum products produced in countries other than Iran in the 2-month period preceding the submission of the report.

(B) DETERMINATION REQUIRED.—Not later than 90 days after the date of the enactment of this Act, and every 180 days thereafter, the President shall make a determination, based on the reports required by subparagraph (A), of whether the price and supply of petroleum and petroleum products produced in countries other than Iran is sufficient to permit purchasers of petroleum and petroleum products from Iran to reduce significantly in volume their purchases from Iran.

(C) APPLICATION OF SANCTIONS.—Except as provided in subparagraph (D), sanctions imposed under paragraph (1)(A) shall apply with respect to a financial transaction conducted or facilitated by a foreign financial institution on or after the date that is 180 days after the date of the enactment of this Act for the purchase of petroleum or petroleum products from Iran if the President determines pursuant to subparagraph (B) that there is a sufficient supply of petroleum and petroleum products from countries other than Iran to permit a significant reduction in the volume of petroleum and petroleum products purchased from Iran by or through foreign financial institutions.

(D) EXCEPTION.—

(i) IN GENERAL.—Sanctions imposed pursuant to paragraph (1) shall not apply with respect to a financial transaction described in clause (ii) conducted or facilitated by a foreign financial institution if the President determines and reports to Congress, not later than 90 days after the date on which the President makes the determination required by subparagraph (B), and every 180 days thereafter, that the country with primary jurisdiction over the foreign financial institution—

(I) has significantly reduced its volume of crude oil purchases from Iran during the period beginning on the date on which the President submitted the last report with respect to the country under this subparagraph; or

(II) in the case of a country that has previously received an exception under this subparagraph, has, after receiving the exception, reduced its crude oil purchases from Iran to zero.

(ii) FINANCIAL TRANSACTIONS DESCRIBED.—A financial transaction conducted or facilitated by a foreign financial institution is described in this clause if—

(I) the financial transaction is only for trade in goods or services between the country with primary jurisdiction over the foreign financial institution and Iran; and

(II) any funds owed to Iran as a result of such trade are credited to an account located in the country with primary jurisdiction over the foreign financial institution.

(5) WAIVER.—The President may waive the imposition of sanctions under paragraph (1) for a period of not more than 120 days, and may renew that waiver for additional periods of not more than 120 days, if the President—

(A) ~~determines that such a waiver~~ *determines that—*

(i) *the Government of Iran has ceased to provide support for acts of international terrorism; or*

(ii) *such a waiver is in the national security interest of the United States; and*

(B) *before issuing a waiver pursuant to subparagraph*

(A)(ii), *submits to Congress a report—*

(i) *providing a justification for the waiver;*

(ii) *certifying that the country with primary jurisdiction over the foreign financial institution otherwise subject to the sanctions faced exceptional circumstances that prevented the country from being able to reduce significantly its purchases of petroleum and petroleum products from Iran; and*

(iii) *that includes any concrete cooperation the President has received or expects to receive as a result of the waiver.*

*The provisions relating to period for review by Congress described in subsections (g) and (h) of section 1247 of the National Defense Authorization Act for Fiscal Year 2013 (22 U.S.C. 8806) shall apply with respect to a report submitted*

*under subparagraph (B) proposing a waiver of the imposition of sanctions under paragraph (1) in the same manner and to the same extent as such provisions apply with respect to a report submitted under subsection (f)(1)(B) of such section 1247 proposing a waiver of the imposition of sanctions under subsection (a) of such section.*

(e) MULTILATERAL DIPLOMACY INITIATIVE.—

(1) IN GENERAL.—The President shall—

(A) carry out an initiative of multilateral diplomacy to persuade countries purchasing oil from Iran—

(i) to limit the use by Iran of revenue from purchases of oil to purchases of non-luxury consumer goods from the country purchasing the oil; and

(ii) to prohibit purchases by Iran of—

(I) military or dual-use technology, including items—

(aa) in the Annex to the Missile Technology Control Regime Guidelines;

(bb) in the Annex on Chemicals to the Convention on the Prohibition of the Development, Production, Stockpiling and Use of Chemical Weapons and on their Destruction, done at Paris January 13, 1993, and entered into force April 29, 1997 (commonly known as the “Chemical Weapons Convention”);

(cc) in Part 1 or 2 of the Nuclear Suppliers Group Guidelines; or

(dd) on a control list of the Wassenaar Arrangement on Export Controls for Conventional Arms and Dual-Use Goods and Technologies; or

(II) any other item that could contribute to Iran’s conventional, nuclear, chemical, or biological weapons program; and

(B) conduct outreach to petroleum-producing countries to encourage those countries to increase their output of crude oil to ensure there is a sufficient supply of crude oil from countries other than Iran and to minimize any impact on the price of oil resulting from the imposition of sanctions under this section.

(2) REPORT REQUIRED.—Not later than 180 days after the date of the enactment of this Act, and every 180 days thereafter, the President shall submit to Congress a report on the efforts of the President to carry out the initiative described in paragraph (1)(A) and conduct the outreach described in paragraph (1)(B) and the results of those efforts.

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

(g) IMPLEMENTATION; PENALTIES.—

(1) IMPLEMENTATION.—The President may exercise all authorities provided under sections 203 and 205 of the International Emergency Economic Powers Act (50 U.S.C. 1702 and 1704) to carry out this section.

(2) PENALTIES.—The penalties provided for in subsections (b) and (c) of section 206 of the International Emergency Economic Powers Act (50 U.S.C. 1705) shall apply to a person that violates, attempts to violate, conspires to violate, or causes a violation of this section or regulations prescribed under this section to the same extent that such penalties apply to a person that commits an unlawful act described in section 206(a) of that Act.

(h) DEFINITIONS.—In this section:

(1) ACCOUNT; CORRESPONDENT ACCOUNT; PAYABLE-THROUGH ACCOUNT.—The terms “account”, “correspondent account”, and “payable-through account” have the meanings given those terms in section 5318A of title 31, United States Code.

(2) FOREIGN FINANCIAL INSTITUTION.—The term “foreign financial institution” has the meaning of that term as determined by the Secretary of the Treasury pursuant to section 104(i) of the Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010 (22 U.S.C. 8513(i)).

(3) SIGNIFICANT REDUCTIONS.—The terms “reduce significantly”, “significant reduction”, and “significantly reduced”, with respect to purchases from Iran of petroleum and petroleum products, include a reduction in such purchases in terms of price or volume toward a complete cessation of such purchases.

(4) UNITED STATES PERSON.—The term “United States person” means—

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

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

(i) TERMINATION.—The provisions of this section shall terminate on the date that is 30 days after the date on which the President submits to Congress the certification described in section 401(a) of the Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010 (22 U.S.C. 8551(a)).

\* \* \* \* \*

EXCHANGE OF LETTERS

MICHAEL T. MCCAUL, TEXAS  
CHAIRMAN

GREGORY W. MEEKS, NEW YORK  
RANKING MEMBER



One Hundred Eighteenth Congress  
U.S. House of Representatives  
Committee on Foreign Affairs  
2170 Rayburn House Office Building  
Washington, DC 20515

April 14, 2024

The Honorable Patrick McHenry  
Chairman  
Committee on Financial Services  
2129 Rayburn House Office Building  
Washington, DC 20515

Dear Chairman McHenry:

Thank you for consulting with the Committee on Foreign Affairs on H.R. 6323, the *Iran Counterterrorism Act of 2023*. I agree that Foreign Affairs may be discharged from further consideration of the bill, so that it may proceed expeditiously to the House Floor.

This agreement is made with the understanding that it does not in any way diminish or alter the jurisdiction of the Committee on Foreign Affairs, or prejudice our jurisdictional prerogatives on this measure or similar legislation in the future. I also respectfully request your support for the appointment of an appropriate number of conferees from the Foreign Affairs Committee to any House-Senate conference on this legislation.

Thank you for agreeing to place our exchange of letters into the *Record* during Floor consideration of this bill. I look forward to continuing to work together as this measure moves through the legislative process.

Sincerely,

A handwritten signature in black ink that reads "Michael T. McCaul".

MICHAEL T. MCCAUL  
Chairman

CC: Hon. Gregory Meeks, Ranking Member, Committee on Foreign Affairs  
Hon. Maxine Waters, Ranking Member, Committee on Financial Services  
Hon. Mike Johnson, Speaker of the House  
Hon. Jason Smith, Parliamentarian

PATRICK MCHENRY, NC  
CHAIRMAN



MAXINE WATERS, CA  
RANKING MEMBER

United States House of Representatives  
One Hundred Eighteenth Congress  
Committee on Financial Services  
2119 Rayburn House Office Building  
Washington, DC 20515

April 14, 2024

The Honorable Michael McCaul  
Chairman  
Committee on Foreign Affairs  
U.S. House of Representatives  
2170 Rayburn House Office Building  
Washington, DC 20515

Dear Chairman McCaul:

Thank you for agreeing to be discharged from further consideration of H.R. 6323, the *Iran Counterterrorism Act of 2023*, so that it may proceed expeditiously to the House Floor. I agree that by foregoing consideration of H.R. 6323 at this time, you do not waive any jurisdiction over the subject matter contained in this or similar legislation, and that you will be appropriately consulted and involved on this or similar legislation as it moves forward.

As discussed, I will seek to place a copy of our exchange of letters on this bill in the *Congressional Record* during floor consideration thereof.

Sincerely,

Patrick McHenry  
Chairman  
Committee on Financial Services

cc: The Honorable Maxine Waters, Ranking Member, Committee on Financial Services  
The Honorable Gregory Meeks, Ranking Member, Committee on Foreign Affairs  
The Honorable Mike Johnson, Speaker of the House  
The Honorable Jason Smith, Parliamentarian

## MINORITY VIEWS

H.R. 6323 would require the President to obtain a Congressional Resolution of Approval before waiving certain sanctions on Iran if the President determines that such a waiver is vital to the national security of the U.S. Under current law, if the President exercises this waiver authority, the President must submit a report to Congress providing a justification for the waiver, the waiver cannot exceed 180 days, and the President must provide notice to Congress if the waiver is renewed. This waiver authority is designed to allow the President to respond quickly to emergency situations, and can be used to allow transactions that would support humanitarian and other needs that the President determines rises to a national security concern. By requiring a Congressional Resolution of Approval before the President can exercise this waiver authority, this bill would hamstring the ability of this administration, and future administrations, to respond to various situations that affect the national security of the U.S., including responding to humanitarian crises.

The first misguided premise of this bill is that the Biden Administration has weakened sanctions on Iran. This couldn't be further from the truth. The Biden Administration's Iran sanctions program is the most extensive set of comprehensive sanctions against any country.<sup>1</sup> In fact, the Biden administration has ramped up pressure on Iran since the Trump administration by imposing sanctions on hundreds of additional individuals and entities for activity related to Iran, including the illicit sale of Iranian oil.<sup>2</sup> The Biden administration also successfully seized a tanker carrying Iranian oil, which was "the first-ever criminal resolution involving a company that violated sanctions by facilitating the illicit sale and transport of Iranian oil," according to the Department of Justice.<sup>3</sup> At a recent press conference, Treasury Secretary Yellen reaffirmed that, "We have not in any way relaxed our sanctions on Iranian oil" and indicated that without a change in behavior, further sanctions would come.<sup>4</sup>

The second misguided premise of this bill is the suggestion that that humanitarian exceptions to sanctions are a significant source of funding that allows Iran to support terrorism. The flawed assertion is either that the funds are themselves diverted for terrorist activity or that because money is fungible, any funds spent on goods and services for the people of Iran will free up an equal amount for Iran's terrorist activities. However, it is important to note that Iran's government *never* directly receives the funds trans-

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<sup>1</sup> See *CRS Report: U.S. Sanctions on Iran*.

<sup>2</sup> *Ibid.*

<sup>3</sup> Justice Department, Press Release Announcing *First Criminal Resolution Involving the Illicit Sale and Transport of Iranian Oil in Violation of U.S. Sanctions*. (Sep. 8, 2023).

<sup>4</sup> FT, C. Smith, F. Schwartz, *Janet Yellen warns Iran that nothing is 'off the table' for sanctions*. (Oct 11, 2023)

ferred for humanitarian transactions through sanctions waivers and licenses; they are generally spent by non-governmental organizations (NGOs) which provide goods and services directly to the Iranian people. For example, an NGO might buy pharmaceuticals from a drug company and be paid through a funding channel with U.S. government approval or it might pay for crates of food to be delivered directly to people in need.<sup>5</sup> There are also safeguards in place to prevent diversions related to theft or corruption, and each transaction requires U.S. approval and verification. Further, for the fungibility argument, e.g., that providing food to Iranian citizens allows Iran to spend more on terrorism, to be true, it would also have to be true that the Iranian government is spending significant sums of money on humanitarian activities today. But Iran's brutal, selfish regime, however, has never prioritized its people, choosing instead to spend billions, annually, on kleptocracy,<sup>6</sup> its nuclear proliferation program, and terrorist proxies, including Hamas.<sup>7</sup> This is one reason that Iran, the fifth richest-in-resources nation,<sup>8</sup> is a longtime recipient of the World Food Programme's services<sup>9</sup> and why over 30% of Iran's people live below the poverty line.<sup>10</sup> To the contrary, history has shown that regardless of the funds available to the Iranian government, it chooses to spend its ill-gotten funds on its terrorist proxies, including Hamas.<sup>11</sup>

Further, humanitarian exceptions to sanctions, including sanctions on Iran, have long had bipartisan support, including under the Trump Administration. This is largely because providing humanitarian relief for people in need is a basic, moral imperative that respects human dignity, regardless of where one resides. In the shadow of harsh sanctions on Iran's corrupt, terrorist government, humanitarian assistance also furthers our national security objectives by highlighting America's ethos and values, especially versus the Iranian people's own harsh, self-serving leadership. And U.S. support of democratic and dissident movements in Iran is critical to our long-term national security.

For these reasons, we oppose H.R. 6323.

Sincerely,

MAXINE WATERS,  
*Ranking Member.*  
 NYDIA M. VELÁZQUEZ,  
 GREGORY W. MEEKS,  
 STEPHEN F. LYNCH,  
 EMANUEL CLEAVER, II,  
 JOYCE BEATTY,  
 SEAN CASTEN,  
 RASHIDA TLAIB,  
 AL GREEN,  
 BILL FOSTER,

<sup>5</sup> SwissInfo.ch, *Swiss humanitarian channel with Iran open for business.* (Feb. 27, 2020)

<sup>6</sup> Hudson Institute, N. Sibley, *How to Target Iran's Kleptocracy.* (Oct. 11, 2022)

<sup>7</sup> State Department, *Outlaw Regime: A Chronicle of Iran's Destructive Activities.* (2020)

<sup>8</sup> Investopedia, C. Anthony, *10 Countries With the Most Natural Resources.* (Sep. 23, 2023)

<sup>9</sup> World Food Programme, *Iran.* (Accessed Dec. 4, 2023)

<sup>10</sup> Arab Center, K. Ziabari, *Iran: A Resource-Rich Country Reeling from Rampant Poverty.* (Apr. 3, 2023)

<sup>11</sup> House Financial Services Committee, *Testimony of Dr. Matthew Levitt for a hearing entitled, "Hearing: How America and Its Allies Can Stop Hamas, Hezbollah, and Iran from Evading Sanctions and Financing Terror."* (Oct. 25, 2023)



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JUAN VARGAS,  
AYANNA PRESSLEY,  
SYLVIA R. GARCIA,  
NIKEMA WILLIAMS,  
*Members of Congress.*

