

## Union Calendar No.

118TH CONGRESS  
1ST SESSION

# H. R. 6245

[Report No. 118-]

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

NOVEMBER --, 2023

Reported with an amendment, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed

[Strike out all after the enacting clause and insert the part printed in italic]

[For text of introduced bill, see copy of bill as introduced on November 6, 2023]

# **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 official*  
9 *and institutional corruption, and substantial involve-*  
10 *ment by Iran’s security forces, particularly the Is-*  
11 *lamic Revolutionary Guard Corps (IRGC), in the*  
12 *economy.*

13            (2) *The Department of Treasury in 2019 des-*  
14 *ignated the Islamic Republic of Iran’s financial sector*  
15 *as a jurisdiction of primary money laundering con-*  
16 *cern, concluding, “Iran has developed covert methods*  
17 *for accessing the international financial system and*  
18 *pursuing its malign activities, including misusing*  
19 *banks and exchange houses, operating procurement*  
20 *networks that utilize front or shell companies, exploit-*  
21 *ing commercial shipping, and masking illicit trans-*  
22 *actions using senior officials, including those at the*  
23 *Central Bank of Iran (CBI).”.*

24            (3) *In June 2019, the Financial Action Task*  
25 *Force (FATF) urged all jurisdictions to require in-*

1        *creased supervisory examination for branches and*  
2        *subsidiaries of financial institutions based in Iran.*  
3        *The FATF later called upon its members to introduce*  
4        *enhanced relevant reporting mechanisms or system-*  
5        *atic reporting of financial transactions, and require*  
6        *increased external audit requirements, for financial*  
7        *groups with respect to any of their branches and sub-*  
8        *subsidiaries located in Iran.*

9            *(4) According to the State Department’s “Country*  
10        *Reports on Terrorism” in 2021, “Iran continued*  
11        *to be the leading state sponsor of terrorism, facili-*  
12        *tating a wide range of terrorist and other illicit ac-*  
13        *tivities around the world. Regionally, Iran supported*  
14        *acts of terrorism in Bahrain, Iraq, Lebanon, Syria,*  
15        *and Yemen through proxies and partner groups such*  
16        *as Hizballah and Hamas.”.*

17        **SEC. 3. REPORT ON FINANCIAL INSTITUTIONS AND ASSETS**

18                    **CONNECTED TO CERTAIN IRANIAN OFFI-**

19                    **CIALS.**

20        *(a) FINANCIAL INSTITUTIONS AND ASSETS REPORT.—*

21            *(1) IN GENERAL.—Not later than 180 days after*  
22        *the date of the enactment of this Act, and every 2*  
23        *years thereafter, the President shall submit a report*  
24        *to the appropriate Members of Congress containing—*

1           (A) the estimated total funds or assets that  
2           are under direct or indirect control by each of  
3           the natural persons described under subsection  
4           (b), and a description of such funds or assets, ex-  
5           cept that the President may limit coverage of the  
6           report to not fewer than 5 of such natural per-  
7           sons in order to meet the submission deadline de-  
8           scribed under this paragraph;

9           (B) a description of how such funds or as-  
10          sets were acquired, and how they have been used  
11          or employed;

12          (C) a list of any non-Iranian financial in-  
13          stitutions that—

14               (i) maintain an account in connection  
15               with funds or assets described in subpara-  
16               graph (A); or

17               (ii) knowingly provide significant fi-  
18               nancial services to a natural person covered  
19               by the report; and

20          (D) a description of any illicit or corrupt  
21          means employed to acquire or use such funds or  
22          assets.

23          (2) *EXEMPTIONS.*—The requirements described  
24          under paragraph (1) may not be applied with respect

1        *to a natural person or a financial institution, as the*  
2        *case may be, if the President determines:*

3                *(A) The funds or assets described under sub-*  
4                *paragraph (A) of paragraph (1) were acquired*  
5                *through legal or noncorrupt means.*

6                *(B) The natural person has agreed to pro-*  
7                *vide significant cooperation to the United States*  
8                *for an important national security or law en-*  
9                *forcement purpose with respect to Iran.*

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

13                    *(i) no longer maintain an account de-*  
14                    *scribed under subparagraph (C)(i) of para-*  
15                    *graph (1);*

16                    *(ii) no longer provide significant fi-*  
17                    *nancial services to a natural person covered*  
18                    *by the report; or*

19                    *(iii) provide significant cooperation to*  
20                    *the United States for an important national*  
21                    *security or law enforcement purpose with*  
22                    *respect to Iran.*

23                *(3) WAIVER.—The President may waive for up*  
24                *to 1 year at a time any requirement under paragraph*  
25                *(1) with respect to a natural person or a financial in-*

1        *stitution after reporting in writing to the appropriate*  
2        *Members of Congress that the waiver is in the na-*  
3        *tional interest of the United States, with a detailed*  
4        *explanation of the reasons therefor.*

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

7            *(1) The Supreme Leader of Iran.*

8            *(2) The President of Iran.*

9            *(3) The members of the Council of Guardians.*

10          *(4) The members of the Expediency Council.*

11          *(5) The Minister of Intelligence and Security.*

12          *(6) The Commander and the Deputy Commander*  
13        *of the IRGC.*

14          *(7) The Commander and the Deputy Commander*  
15        *of the IRGC Ground Forces.*

16          *(8) The Commander and the Deputy Commander*  
17        *of the IRGC Aerospace Force.*

18          *(9) The Commander and the Deputy Commander*  
19        *of the IRGC Navy.*

20          *(10) The Commander of the Basij-e-Mostaz'afin.*

21          *(11) The Commander of the Qods Force.*

22          *(12) The Commander in Chief of the Police*  
23        *Force.*

24          *(13) The head of the IRGC Joint Staff.*

25          *(14) The Commander of the IRGC Intelligence.*

1           (15) *The head of the IRGC Imam Hussein Uni-*  
2           *versity.*

3           (16) *The Supreme Leader's Representative at the*  
4           *IRGC.*

5           (17) *The Chief Executive Officer and the Chair-*  
6           *man of the IRGC Cooperative Foundation.*

7           (18) *The Commander of the Khatam-al-Anbia*  
8           *Construction Head Quarter.*

9           (19) *The Chief Executive Officer of the Basij Co-*  
10          *operative Foundation.*

11          (20) *The head of the Political Bureau of the*  
12          *IRGC.*

13          (21) *The senior leadership as determined by the*  
14          *President of the following groups:*

15                 (A) *Hizballah.*

16                 (B) *Hamas.*

17                 (C) *Palestinian Islamic Jihad.*

18                 (D) *Kata'ib Hizballah.*

19          (c) *FORM OF REPORT; PUBLIC AVAILABILITY.—*

20                 (1) *FORM.—The report required under subsection*  
21                 *(a) and any waiver under subsection (a)(3) shall be*  
22                 *submitted in unclassified form but may contain a*  
23                 *classified annex.*

24                 (2) *PUBLIC AVAILABILITY.—The Secretary shall*  
25                 *make the unclassified portion of such report public if*

1        *the Secretary notifies the appropriate Members of*  
2        *Congress that the publication is in the national inter-*  
3        *est of the United States and would substantially pro-*  
4        *mote—*

5                *(A) deterring or sanctioning official corrup-*  
6                *tion in Iran;*

7                *(B) holding natural persons or financial in-*  
8                *stitutions listed in the report accountable to the*  
9                *people of Iran;*

10               *(C) combating money laundering or the fi-*  
11               *nancing of terrorism; or*

12               *(D) achieving any other strategic objective*  
13               *with respect to the Government of Iran.*

14               *(3) FORMAT OF PUBLICLY AVAILABLE RE-*  
15               *PORTS.—If the Secretary makes the unclassified por-*  
16               *tion of a report public pursuant to paragraph (2), the*  
17               *Secretary shall make it available to the public on the*  
18               *website of the Department of the Treasury—*

19               *(A) in English, Farsi, Arabic, and Azeri;*  
20               *and*

21               *(B) in precompressed, easily downloadable*  
22               *versions that are made available in all appro-*  
23               *priate formats.*

1 **SEC. 4. RESTRICTIONS ON CERTAIN FINANCIAL INSTITU-**  
2 **TIONS.**

3 (a) *IN GENERAL.*—Not later than the date that is 90  
4 days after submitting a report described under section  
5 3(a)(1), the Secretary shall undertake the following with re-  
6 spect to a financial institution that is described under sec-  
7 tion 3(a)(1)(C) and listed in the report:

8 (1) *If the financial institution is a United States*  
9 *financial institution, require the closure of any ac-*  
10 *count described in section 3(a)(1)(C)(i), and prohibit*  
11 *the provision of significant financial services, directly*  
12 *or indirectly, to a natural person covered by the re-*  
13 *port.*

14 (2) *If the financial institution is a foreign fi-*  
15 *nancial institution, actively seek the closure of any*  
16 *account described in section 3(a)(1)(C)(i), and the*  
17 *cessation of significant financial services to a natural*  
18 *person covered by the report, using any existing au-*  
19 *thorities of the Secretary, as appropriate.*

20 (b) *SUSPENSION.*—*The Secretary may suspend the ap-*  
21 *plication of subsection (a) with respect to a financial insti-*  
22 *tution upon reporting to the appropriate Members of Con-*  
23 *gress that the suspension is in the national interest of the*  
24 *United States, with a detailed explanation of the reasons*  
25 *therefor.*

1 **SEC. 5. EXCEPTIONS FOR NATIONAL SECURITY; IMPLEMEN-**  
2 **TATION AUTHORITY.**

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

5 (1) *Any activity subject to the reporting require-*  
6 *ments under title V of the National Security Act of*  
7 *1947 (50 U.S.C. 3091 et seq.), or to any authorized*  
8 *intelligence activities of the United States.*

9 (2) *The admission of an alien to the United*  
10 *States if such admission is necessary to comply with*  
11 *United States obligations under the Agreement be-*  
12 *tween the United Nations and the United States of*  
13 *America regarding the Headquarters of the United*  
14 *Nations, signed at Lake Success June 26, 1947, and*  
15 *entered into force November 21, 1947, or under the*  
16 *Convention on Consular Relations, done at Vienna*  
17 *April 24, 1963, and entered into force March 19,*  
18 *1967, or other applicable international obligations of*  
19 *the United States.*

20 (3) *The conduct or facilitation of a transaction*  
21 *for the sale of agricultural commodities, food, medi-*  
22 *cine, or medical devices to Iran or for the provision*  
23 *of humanitarian assistance to the people of Iran, in-*  
24 *cluding engaging in a financial transaction relating*  
25 *to humanitarian assistance or for humanitarian pur-*  
26 *poses or transporting goods or services that are nec-*

1        *essary to carry out operations relating to humani-*  
2        *tarian assistance or humanitarian purposes.*

3        **SEC. 6. SUNSET.**

4        *The provisions of this Act shall have no force or effect*  
5        *on the earlier of—*

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

8                *(2) 30 days after the Secretary reports in writ-*  
9        *ing to the appropriate Members of Congress that—*

10                *(A) Iran is not a jurisdiction of primary*  
11        *money laundering concern; or*

12                *(B) the Government of Iran is providing*  
13        *significant cooperation to the United States for*  
14        *the purpose of preventing acts of international*  
15        *terrorism, or for the promotion of any other stra-*  
16        *tegic objective that is important to the national*  
17        *interest of the United States, as specified in the*  
18        *report by the Secretary.*

19        **SEC. 7. DEFINITIONS.**

20        *For purposes of this Act:*

21                *(1) APPROPRIATE MEMBERS OF CONGRESS.—The*  
22        *term “appropriate Members of Congress” means the*  
23        *Speaker and Minority Leader of the House of Rep-*  
24        *resentatives, the Majority Leader and Minority Lead-*  
25        *er of the Senate, the Chairman and Ranking Member*

1       *of the Committee on Financial Services of the House*  
2       *of Representatives, and the Chairman and Ranking*  
3       *Member of the Committee on Banking, Housing, and*  
4       *Urban Affairs of the Senate.*

5               (2) *FINANCIAL INSTITUTION.*—*The term “finan-*  
6       *cial institution” means a United States financial in-*  
7       *stitution or a foreign financial institution.*

8               (3) *FOREIGN FINANCIAL INSTITUTION.*—*The term*  
9       *“foreign financial institution” has the meaning given*  
10       *that term in section 561.308 of title 31, Code of Fed-*  
11       *eral Regulations.*

12              (4) *FUNDS.*—*The term “funds” means—*

13                       (A) *cash;*

14                       (B) *equity;*

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

22                       (D) *anything else that the Secretary deter-*  
23       *mines appropriate.*

24              (5) *KNOWINGLY.*—*The term “knowingly” with*  
25       *respect to conduct, a circumstance, or a result, means*

1        *that a person has actual knowledge, or should have*  
2        *known, of the conduct, the circumstance, or the 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 Fed-*  
9        *eral Regulations.*