

SEPTEMBER 16, 2016

RULES COMMITTEE PRINT 114-64
TEXT OF H.R. 5931, PROHIBITING FUTURE
RANSOM PAYMENTS TO IRAN ACT

**[Showing the text of the bill as ordered reported by the
Committee on Foreign Affairs.]**

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “Prohibiting Future
3 Ransom Payments to Iran Act”.

4 **SEC. 2. FINDINGS.**

5 Congress makes the following findings:

6 (1) Since 1979, when it held more than 50
7 United States citizens for 444 days, Iran has repeat-
8 edly held United States citizens hostage.

9 (2) Presidential Policy Directive 30 issued by
10 President Barack Obama on June 24, 2015, states
11 that “It is United States policy to deny hostage-tak-
12 ers the benefits of ransom, prisoner releases, policy
13 changes, or other acts of concession.”.

14 (3) On January 17, 2016, the President an-
15 nounced that Iran would release several United
16 States citizens while the United States would grant
17 clemency to and release seven Iranian nationals serv-

1 ing sentences or awaiting trial in the United States
2 for serious crimes.

3 (4) Senior officials of the Department of State
4 have acknowledged that these United States citizens
5 were released as part of a “prisoner swap” and Ira-
6 nian negotiators reportedly asked for a cash pay-
7 ment.

8 (5) On January 17, 2016, the President also
9 announced that “The United States and Iran are
10 now settling a longstanding Iranian government
11 claim against the United States Government.”.

12 (6) The overall amount of the settlement is ap-
13 proximately \$1,700,000,000.

14 (7) Subsequent reports revealed that
15 \$400,000,000 of this \$1,700,000,000 settlement was
16 secretly flown to Iran, in cash, simultaneously with
17 the release of these United States citizens.

18 (8) One of the United States citizens released
19 that night, Pastor Saeed Abedini, has stated that
20 Iranian officials explained a delay in their departure
21 was due to the status of another plane.

22 (9) Senior officials at the National Security Di-
23 vision of the Department of Justice reportedly ob-
24 jected to the \$400,000,000 cash payment, warning
25 that Iran would see it as a ransom.

1 (10) On August 18, 2016, a Department of
2 State spokesman admitted that the \$400,000,000
3 cash payment was “leverage” to gain the release of
4 Americans held hostage by Iran.

5 (11) Iranian State Television quoted General
6 Mohammad Reza Naghdi, commander of the Basij
7 militia, as claiming “Taking this much money back
8 was in return for the release of the American
9 spies.”.

10 (12) According to Presidential Policy Directive
11 30, the United States policy against paying ransom
12 and releasing prisoners “protects United States na-
13 tionals and strengthens national security by remov-
14 ing a key incentive for hostage-takers to target
15 United States nationals, thereby interrupting the vi-
16 cious cycle of hostage-takings, and by helping to
17 deny terrorists and other malicious actors the
18 money, personnel, and other resources they need to
19 conduct attacks against the United States, its na-
20 tionals, and its interests.”.

21 (13) Since the United States released Iranians
22 serving sentences or awaiting trial in the United
23 States for serious crimes and provided Iran with
24 \$400,000,000 in cash, Iran has taken several more
25 United States citizens hostage.

1 (14) On August 22, 2016, the Department of
2 State issued an “Iran Travel Warning” noting that
3 “Iranian authorities continue to unjustly detain and
4 imprison U.S. citizens, particularly Iranian-Ameri-
5 cans, including students, journalists, business trav-
6 elers, and academics, on charges including espionage
7 and posing a threat to national security.”.

8 (15) The Government of the United States has
9 designated Iran as a state sponsor of terrorism since
10 1984 and a jurisdiction of primary money laun-
11 dering concern since 2011.

12 (16) The Department of State’s most recent
13 Country Reports on Terrorism makes clear that
14 “Iran continued its terrorist-related activity in 2015,
15 including support for Hizballah, Palestinian terrorist
16 groups in Gaza, and various groups in Iraq and
17 throughout the Middle East.”.

18 (17) In announcing Iran’s designation as a ju-
19 risdiction of primary money laundering concern, the
20 Department of the Treasury made clear that “any
21 and every financial transaction with Iran poses
22 grave risk of supporting” Iran’s ongoing illicit activi-
23 ties, including terrorism.

24 (18) On March 17, 2016, the Department of
25 State acknowledged in a letter to Congress that

1 there remain some “large claims” pending before the
2 Iran-United States Claims Tribunal, “many of which
3 are against the United States”.

4 **SEC. 3. STATEMENT OF POLICY.**

5 It shall be the policy of the United States Govern-
6 ment not to pay ransom or release prisoners for the pur-
7 pose of securing the release of United States citizens taken
8 hostage abroad.

9 **SEC. 4. PROHIBITION ON CASH PAYMENTS TO THE GOV-
10 ERNMENT OF IRAN.**

11 (a) PROHIBITION.—Notwithstanding any other provi-
12 sion of law, beginning on the date of the enactment of
13 this Act, the United States Government may not provide,
14 directly or indirectly, promissory notes (including cur-
15 rency) issued by the United States Government or promis-
16 sory notes (including currency) issued by a foreign govern-
17 ment, to the Government of Iran.

18 (b) LICENSING REQUIREMENT.—

19 (1) IN GENERAL.—Beginning on the date of the
20 enactment of this Act, the conduct of a transaction
21 or payment in connection with an agreement to set-
22 tle a claim or claims brought before the Iran-United
23 States Claims Tribunal may be made only—

24 (A) on a case-by-case basis and pursuant
25 to a specific license by the Office of Foreign As-

1 sets Control of the Department of the Treasury;
2 and

3 (B) in a manner that is not in contraven-
4 tion of the prohibition in subsection (a).

5 (2) PUBLICATION IN FEDERAL REGISTER.—The
6 President shall publish in the Federal Register a list
7 of transactions and payments, including the amount
8 and method of each such transaction and payment,
9 by the United States Government to the Government
10 of Iran in connection with the agreement described
11 in paragraph (1).

12 (c) TERMINATION.—The prohibition in subsection (a)
13 and the licensing requirement in subsection (b) shall re-
14 main in effect until the date on which the President cer-
15 tifies to the appropriate congressional committees that—

16 (1) the President has rescinded a preliminary
17 draft rule or final rule (as in effect on the day be-
18 fore the date of the enactment of this Act) that pro-
19 vides for the designation of Iran as a jurisdiction of
20 primary money laundering concern pursuant to sec-
21 tion 5318A of title 31, United States Code; and

22 (2) the Secretary of State has removed Iran
23 from the list of countries determined to have repeat-
24 edly provided support for acts of international ter-
25 rorism under section 6(j) of the Export Administra-

1 tion Act of 1979 (as continued in effect pursuant to
2 the International Emergency Economic Powers Act),
3 section 40 of the Arms Export Control Act, section
4 620A of the Foreign Assistance Act of 1961, or any
5 other provision of law.

6 (d) **APPROPRIATE CONGRESSIONAL COMMITTEES**
7 **DEFINED.**—In this section, the term “appropriate con-
8 gressional committees” means—

9 (1) the Committee on Foreign Affairs and the
10 Committee on Financial Services of the House of
11 Representatives; and

12 (2) the Committee on Foreign Relations and
13 the Committee on Banking, Housing, and Urban Af-
14 fairs of the Senate.

15 **SEC. 5. REPORT ON OUTSTANDING CLAIMS BEFORE THE**
16 **IRAN-UNITED STATES CLAIMS TRIBUNAL.**

17 (a) **REPORT.**—The President shall submit to the ap-
18 propriate congressional committees a report that lists and
19 evaluates each outstanding claim before the Iran-United
20 States Claims Tribunal.

21 (b) **MATTERS TO BE INCLUDED.**—The report re-
22 quired under subsection (a) shall include the following:

23 (1) The total value of each outstanding claim.

24 (2) The current status of each outstanding
25 claim.

1 (3) The likelihood that each claim will be re-
2 solved in the next 6 months.

3 (c) SUBMISSION TO CONGRESS.—The report required
4 under subsection (a) shall be submitted to the appropriate
5 congressional committees not later than 30 days after the
6 date of the enactment of this Act and every 180 days
7 thereafter for a period not to exceed 3 years.

8 (d) APPROPRIATE CONGRESSIONAL COMMITTEES
9 DEFINED.—In this section, the term “appropriate con-
10 gressional committees” means—

11 (1) the Committee on Foreign Affairs of the
12 House of Representatives; and

13 (2) the Committee on Foreign Relations of the
14 Senate.

15 **SEC. 6. NOTIFICATION AND CERTIFICATION RELATING TO**
16 **SETTLEMENTS OF OUTSTANDING CLAIMS BE-**
17 **FORE THE IRAN-UNITED STATES CLAIMS TRI-**
18 **BUNAL.**

19 (a) NOTIFICATION.—The President shall notify the
20 appropriate congressional committees not later than 30
21 days prior to conducting a transaction or payment from
22 the Government of the United States to the Government
23 of Iran in connection with an agreement to settle a claim
24 or claims brought before the Iran-United States Claims
25 Tribunal.

1 (b) MATTERS TO BE INCLUDED.—The notification
2 required under subsection (a) shall include the following:

3 (1) The total amount of the settlement, includ-
4 ing the total principal and interest, and an expla-
5 nation of the calculation of the interest.

6 (2) A legal analysis of why the settlement was
7 made, including a detailed description of all claims
8 and counter-claims covered by the settlement.

9 (3) A certification by the President that the
10 settlement is not a ransom for the release of individ-
11 uals held hostage by Iran.

12 (4) An identification of each entity of the Gov-
13 ernment of Iran that will receive amounts from the
14 settlement.

15 (5) A certification that the funds provided to
16 Iran under the settlement will not be used to provide
17 support to foreign terrorist organizations, the regime
18 of Bashar al-Assad, or other destabilizing activities.

19 (6) Whether an equal amount of Iranian funds
20 are available and accessible in the United States to
21 satisfy judgments against Iran by victims of Iranian-
22 sponsored terrorism.

23 (7) A copy of the settlement agreement.

1 (8) A description of the disposition of any re-
2 lated claims that have been subrogated to the United
3 States Government.

4 (9) A certification that the settlement is in the
5 best interest of the United States.

6 (c) APPROPRIATE CONGRESSIONAL COMMITTEES DE-
7 FINED.—In this section, the term “appropriate congres-
8 sional committees” means—

9 (1) the Committee on Foreign Affairs of the
10 House of Representatives; and

11 (2) the Committee on Foreign Relations of the
12 Senate.

13 **SEC. 7. EXCLUSION OF CERTAIN ACTIVITIES.**

14 Nothing in this Act shall apply to any activities sub-
15 ject to the reporting requirements of title V of the Na-
16 tional Security Act of 1947.

17 **SEC. 8. RULE OF CONSTRUCTION.**

18 Nothing in this Act shall be construed to authorize
19 any payment by the Government of the United States to
20 the Government of Iran.

21 **SEC. 9. DEFINITIONS.**

22 In this Act:

23 (1) GOVERNMENT OF IRAN.—The term “Gov-
24 ernment of Iran” means—

1 (A) the state and the Government of Iran,
2 as well as any political subdivision, agency, or
3 instrumentality thereof;

4 (B) any entity owned or controlled directly
5 or indirectly by the foregoing;

6 (C) any person to the extent that such per-
7 son is, or has been, or to the extent that there
8 is reasonable cause to believe that such person
9 is, or has been, acting or purporting to act di-
10 rectly or indirectly on behalf of any of the fore-
11 going; and

12 (D) any person or entity identified by the
13 Secretary of the Treasury to be the Government
14 of Iran under part 560 of title 31, Code of Fed-
15 eral Regulations.

16 (2) IRAN-UNITED STATES CLAIMS TRIBUNAL.—
17 The term “Iran-United States Claims Tribunal”
18 means the tribunal established pursuant to the Al-
19 giers Accords on January 19, 1981, to resolve cer-
20 tain claims by nationals of one party against the
21 other party and certain claims between the parties.

