AMENDMENT IN THE NATURE OF A SUBSTITUTE
TO H.R. 3329
OFFERED BY MR. ROYCE OF CALIFORNIA

Strike all after the enacting clause and insert the following:

1 SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) Short Title.—This Act may be cited as the “Hizballah International Financing Prevention Amendments Act of 2017”.

(b) Table of Contents.—The table of contents for this Act is as follows:

Sec. 1. Short title; table of contents.

TITLE I—PREVENTION OF ACCESS BY HIZBALLAH TO INTERNATIONAL FINANCIAL AND OTHER INSTITUTIONS

Sec. 101. Mandatory sanctions with respect to fundraising and recruitment activities for Hizballah.

Sec. 102. Modification of report with respect to financial institutions that engage in certain transactions.

Sec. 103. Sanctions against foreign states that support Hizballah.

Sec. 104. Prohibitions and conditions with respect to certain accounts held by foreign financial institutions.

TITLE II—NARCOTICS TRAFFICKING AND SIGNIFICANT TRANSNATIONAL CRIMINAL ACTIVITIES OF HIZBALLAH

Sec. 201. Blocking of property of affiliated networks of Hizballah.


Sec. 203. Modification of report on activities of foreign governments to disrupt global logistics networks and fundraising, financing, and money laundering activities of Hizballah.

Sec. 204. Report on combating the illicit tobacco trafficking networks used by Hizballah and other foreign terrorist organizations.

TITLE III—GENERAL PROVISIONS
TITLE I—PREVENTION OF ACCESS BY HIZBALLAH TO INTERNATIONAL FINANCIAL AND OTHER INSTITUTIONS

SEC. 101. MANDATORY SANCTIONS WITH RESPECT TO FUNDRAISING AND RECRUITMENT ACTIVITIES FOR HIZBALLAH.

(a) In General.—Section 101 of the Hizballah International Financing Prevention Act of 2015 (Public Law 114–102; 50 U.S.C. 1701 note) is amended to read as follows:

“(a) In General.—The President shall, on or after the date of the enactment of this section, impose the sanctions described in subsection (b) with respect to any foreign person that the President determines knowingly assists, sponsors, or, provides significant financial, material, or technological support for—

“(1) Bayt al-Mal, Jihad al-Bina, the Islamic Resistance Support Association, the Foreign Relations Department of Hizballah, the External Secu-
rity Organization of Hizballah, or any successor or affiliate thereof;

“(2) al-Manar TV, al Nour Radio, or the Lebanese Media Group, or any successor or affiliate thereof;

“(3) a foreign person determined by the President to be engaged in fundraising or recruitment activities for Hizballah; or

“(4) a foreign person owned or controlled by a foreign person described in paragraph (1), (2), or (3).

“(b) SANCTIONS DESCRIBED.—

“(1) IN GENERAL.—The sanctions described in this subsection are the following:

“(A) ASSET BLOCKING.—The exercise of all powers granted to the President by the International Emergency Economic Powers Act (50 U.S.C. 1701 et seq.) (except that the requirements of section 202 of such Act (50 U.S.C. 1701) shall not apply) to the extent necessary to block and prohibit all transactions in all property and interests in property of a foreign person determined by the President to be subject to subsection (a) 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.

“(B) ALIENS INELIGIBLE FOR VISAS, ADMISSION, OR PAROLE.—

“(i) VISAS, ADMISSION, OR PAROLE.—
An alien who the President determines is subject to subsection (a) is—

“(I) inadmissible to the United States;

“(II) ineligible to receive a visa or other documentation to enter the United States; and

“(III) otherwise ineligible to be admitted or paroled into the United States or to receive any other benefit under the Immigration and Nationality Act (8 U.S.C. 1101 et seq.).

“(ii) CURRENT VISAS REVOKED.—

“(I) IN GENERAL.—The issuing consular officer, the Secretary of State, or the Secretary of Homeland Security shall revoke any visa or other entry documentation issued to an alien who the President determines is
subject to subsection (a), regardless of
when issued.

“(II) Effect of Revocation.—

A revocation under subclause (I) shall
take effect immediately and shall
automatically cancel any other valid
visa or entry documentation that is in
the possession of the alien.

“(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 regulations prescribed under paragraph
(1)(A) to the same extent that such penalties apply
to a person that commits an unlawful act described
in subsection (a) of such section 206.

“(c) 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.

“(d) Waiver.—

“(1) In General.—The President may, for pe-
periods not to exceed 180 days, waive the imposition
of sanctions under this section with respect to a for-
eign person or foreign persons if the President cer-
tifies to the appropriate congressional committees
that such waiver is in the national security interests
of the United States.

“(2) Consultation.—

“(A) Before waiver exercised.—Be-
fore a waiver under paragraph (1) takes effect
with respect to a foreign person, the President
shall notify and brief the appropriate congress-
ional committees on the status of the involve-
ment of the foreign person in activities de-
scribed in subsection (a).

“(B) After waiver exercised.—Not
later than 90 days after the issuance of a waiv-
er under paragraph (1) with respect to a for-
eign person, and every 120 days thereafter
while the waiver remains in effect, the Presi-
dent shall brief the appropriate congressional
committees on the status of the involvement of
the foreign person in activities described in sub-
section (a).

“(e) Report.—Not later than 90 days after the date
of the enactment of the Hizballah International Financing
Prevention Amendments Act of 2017, and every 180 days
thereafter, the President shall submit to the appropriate
congressional committees a report that lists the foreign persons that the President has credible evidence knowingly assists, sponsors, or provides significant financial, material, or technological support for the foreign persons described in paragraph (1), (2), (3), or (4) of subsection (a).

“(f) DEFINITIONS.—In this section:

“(1) ADMITTED; ALIEN.—The terms ‘admitted’ and ‘alien’ have meanings given those terms in section 101 of the Immigration and Nationality Act (8 U.S.C. 1101).

“(2) APPROPRIATE CONGRESSIONAL COMMITTEES.—The term ‘appropriate congressional committees’ means—

“(A) the Committee on Foreign Affairs, the Committee on Ways and Means, the Committee on the Judiciary, and the Committee on Financial Services of the House of Representatives; and

“(B) the Committee on Foreign Relations, the Committee on Banking, Housing, and Urban Affairs, and the Committee on the Judiciary of the Senate.

“(3) ENTITY.—The term ‘entity’—
“(A) means a partnership, association, corporation, or other organization, group, or subgroup; and

“(B) includes a governmental entity

“(4) Fundraising or Recruitment Activities.—The term ‘fundraising or recruitment activities’ includes online fundraising and other online commercial activities, or other means of such fundraising, recruitment, and retention, as determined by the President.

“(5) Hizballah.—The term ‘Hizballah’ has the meaning given such term in section 102(f).

“(6) Person.—The term ‘person’ means an individual or entity.

“(7) United States Person.—The term ‘United States person’ means a United States citizen, permanent resident alien, entity organized under the laws of the United States (including foreign branches), or a person in the United States.”.

(b) Clerical Amendment.—The table of contents for the Hizballah International Financing Prevention Act of 2015 is amended by striking the item relating to section 101 and inserting the following new item:

“Sec. 101. Mandatory sanctions with respect to fundraising and recruitment activities for Hizballah.”.
SEC. 102. MODIFICATION OF REPORT WITH RESPECT TO FINANCIAL INSTITUTIONS THAT ENGAGE IN CERTAIN TRANSACTIONS.

(a) In General.—Subsection (d) of section 102 of the Hizballah International Financing Prevention Act of 2015 (Public Law 114–102; 50 U.S.C. 1701 note) is amended to read as follows:

“(d) Report on Financial Institutions Organized Under the Laws of State Sponsors of Terrorism.—

“(1) In General.—Not later than 90 days after the date of the enactment of the Hizballah International Financing Prevention Amendments Act of 2017, and annually thereafter for a period not to exceed three years, the President shall submit to the appropriate congressional committees a report that—

“(A) identifies each foreign financial institution described in paragraph (2) that the President determines engages in one or more activities described in subsection (a)(2);

“(B) provides a detailed description of each such activity; and

“(C) contains a determination with respect to each such foreign financial institution that is identified under subparagraph (A) as engaging
in one or more activities described in subsection (a)(2) as to whether or not such foreign financial institution is in violation of Executive Order 13224 (50 U.S.C. 1701 note; relating to blocking property and prohibiting transactions with persons who commit, threaten to commit, or support terrorism) or section 2339B of title 18, United States Code, by reason of engaging in one or more such activities.

“(2) **FOREIGN FINANCIAL INSTITUTION DESCRIBED.**—

“(A) IN GENERAL.—A foreign financial institution described in this paragraph is a foreign financial institution—

“(i) that, wherever located, is—

“(I) organized under the laws of a state sponsor of terrorism or any jurisdiction within a state sponsor of terrorism;

“(II) owned or controlled by the government of a state sponsor of terrorism;

“(III) located in the territory of a state sponsor of terrorism; or
“(IV) owned or controlled by a foreign financial institution described in subclause (I), (II), or (III); and

“(ii) the capitalization of which exceeds $10,000,000.

“(B) STATE SPONSOR OF TERRORISM.—In this paragraph, the term ‘state sponsor of terrorism’ means a country the government of which the Secretary of State has determined is a government that has repeatedly provided support for acts of international terrorism for purposes of—

“(i) section 6(j) of the Export Administration Act of 1979 (50 U.S.C. 4605(j)) (as continued in effect pursuant to the International Emergency Economic Powers Act (50 U.S.C. 1701 et seq.));

“(ii) section 620A of the Foreign Assistance Act of 1961 (22 U.S.C. 2371);

“(iii) section 40 of the Arms Export Control Act (22 U.S.C. 2780); or

“(iv) any other provision of law.”.

(b) SENSE OF CONGRESS.—It is the sense of the Congress that—
(1) all countries should designate the entirety of Hizballah as a terrorist organization; and
(2) the notion of separate Hizballah political and military “wings” is an artificial construct that attempts to legitimize Hizballah members of parliament and Hizballah cabinet officials who are complicit in Hizballah’s use of violence and coercion against its political opponents.

SEC. 103. SANCTIONS AGAINST FOREIGN STATES THAT SUPPORT HIZBALLAH.

(a) In General.—Title I of the Hizballah International Financing Prevention Act of 2015 (Public Law 114–102; 50 U.S.C. 1701 note) is amended by adding at the end the following:

“SEC. 103. SANCTIONS AGAINST FOREIGN STATES THAT SUPPORT HIZBALLAH.

“(a) Sanctions Against Certain Agencies and Instrumentalities of Foreign States.—

“(1) In General.—Not later than 120 days after the date of the enactment of this section, and as appropriate thereafter, the President shall impose the sanctions described in paragraph (3) with respect to any agency or instrumentality of a foreign state described in paragraph (2).
“(2) AGENCY OR INSTRUMENTALITY DESCRIBED.—An agency or instrumentality of a foreign state described in this paragraph is an agency or instrumentality of a foreign state that the President determines has, on or after the date of the enactment of this section, knowingly provided significant financial or material support for, or arms or related material to—

“(A) Hizballah; or

“(B) an entity owned or controlled by Hizballah.

“(3) SANCTIONS DESCRIBED.—The sanctions described in this paragraph are the exercise of all powers granted to the President by the International Emergency Economic Powers Act (50 U.S.C. 1701 et seq.) (except that the requirements of section 202 of such Act (50 U.S.C. 1701) shall not apply) to the extent necessary to block and prohibit all transactions in all property and interests in property of an agency or instrumentality of a foreign state 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.
“(b) SANCTIONS AGAINST STATE SPONSORS OF TERRORISM.—

“(1) IN GENERAL.—In the case of an agency or instrumentality of a foreign state that engages in the activities described in subsection (a) that is an agency or instrumentality of a foreign state described in paragraph (2), the President shall, pursuant to section 6 of the Export Administration Act of 1979 (as continued in effect pursuant to the International Emergency Economic Powers Act (50 U.S.C. 1701 et seq.)), require a license under the Export Administration Regulations to export or re-export to that foreign state any item designated by the Secretary of Commerce as ‘EAR 99’, other than food, medicine, medical devices, or similarly licensed items.

“(2) FOREIGN STATE DESCRIBED.—A foreign state described in this paragraph is a foreign state that—

“(A) the President determines has, on or after the date of the enactment of this section, knowingly provided significant financial or material support for, or arms or related material to—

“(i) Hizballah; or
“(ii) an entity owned or controlled by Hizballah; and

“(B) is a state sponsor of terrorism.

“(c) WAIVER.—

“(1) IN GENERAL.—The President may, for periods not to exceed 180 days, waive the imposition of sanctions under this section with respect to a foreign state or an agency or instrumentality of a foreign state if the President certifies to the appropriate congressional committees that such waiver is vital to the national security interests of the United States.

“(2) CONSULTATION.—

“(A) BEFORE WAIVER EXERCISED.—Before a waiver under paragraph (1) takes effect with respect to a foreign state or an agency or instrumentality of a foreign state, the President shall notify and brief the appropriate congressional committees on the status of the involvement of the foreign state in activities described in subsection (b)(2) or involvement of the agency or instrumentality of a foreign state in activities described in subsection (a)(2), as the case may be.
“(B) AFTER WAIVER EXERCISED.—Not later than 90 days after the issuance of a waiver under paragraph (1) with respect to a foreign state or an agency or instrumentality of a foreign state, and every 120 days thereafter while the waiver remains in effect, the President shall brief the appropriate congressional committees on the status of the involvement of the foreign state in activities described in subsection (b)(2) or involvement of the agency or instrumentality of a foreign state in activities described in subsection (a)(2), as the case may be.

“(d) DEFINITIONS.—In this section:

“(1) AGENCY OR INSTRUMENTALITY OF A FOREIGN STATE; FOREIGN STATE.—The terms ‘agency or instrumentality of a foreign state’ and ‘foreign state’ have the meanings given those terms in section 1603 of title 28, United States Code.

“(2) APPROPRIATE CONGRESSIONAL COMMITTEES.—The term ‘appropriate congressional committees’ means—

“(A) the Committee on Foreign Affairs, the Committee on Financial Services, the Committee on Ways and Means, and the Committee
on the Judiciary of the House of Representa-
tives; and

“(B) the Committee on Foreign Relations, the Committee on Banking, Housing, and Urban Affairs, and the Committee on the Judi-
ciary of the Senate.

“(3) ARMS OR RELATED MATERIAL.—The term ‘arms or related material’ means—

“(A) nuclear, biological, chemical, or radio-
logical weapons or materials or components of such weapons;

“(B) ballistic or cruise missile weapons or materials or components of such weapons;

“(C) destabilizing numbers and types of advanced conventional weapons;

“(D) defense articles or defense services, as those terms are defined in paragraphs (3) and (4), respectively, of section 47 of the Arms Export Control Act (22 U.S.C. 2794); or

“(E) defense information, as that term is defined in section 644 of the Foreign Assistance Act of 1961 (22 U.S.C. 2403).

“(4) EXPORT ADMINISTRATION REGULA-
tions.—The term ‘Export Administration Regu-
lations’ means subchapter C of chapter VII of title 15,
Code of Federal Regulations (as in effect on the date of the enactment of this Act).

“(5) HIZBALLAH.—The term ‘Hizballah’ has the meaning given that term in section 102(f).

“(6) STATE SPONSOR OF TERRORISM.—In this paragraph, the term ‘state sponsor of terrorism’ means a country the government of which the Secretary of State has determined is a government that has repeatedly provided support for acts of international terrorism for purposes of—

“(A) section 6(j) of the Export Administration Act of 1979 (50 U.S.C. 4605(j)) (as continued in effect pursuant to the International Emergency Economic Powers Act (50 U.S.C. 1701 et seq.));

“(B) section 620A of the Foreign Assistance Act of 1961 (22 U.S.C. 2371);

“(C) section 40 of the Arms Export Control Act (22 U.S.C. 2780); or

“(D) any other provision of law.”.

(b) Clerical Amendment.—The table of contents for the Hizballah International Financing Prevention Act of 2015 is amended by inserting after the item relating to section 102 the following new item:

“Sec. 103. Sanctions against foreign states that support Hizballah.”.
SEC. 104. PROHIBITIONS AND CONDITIONS WITH RESPECT TO CERTAIN ACCOUNTS HELD BY FOREIGN FINANCIAL INSTITUTIONS.

Section 104(c)(2)(A)(ii) of the Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010 (22 U.S.C. 8513(c)(2)(A)(ii)) is amended by inserting before “or support for acts of international terrorism” the following “, including Hizballah (as defined in section 102(f)(1)(E) of the Hizballah International Financing Prevention Act of 2015 (Public Law 114–102; 50 U.S.C. 1701 note), and any affiliates or successors thereof,”.

TITLE II—NARCOTICS TRAFFICKING AND SIGNIFICANT TRANSNATIONAL CRIMINAL ACTIVITIES OF HIZBALLAH

SEC. 201. BLOCKING OF PROPERTY OF AFFILIATED NETWORKS OF HIZBALLAH.

(a) In General.—Section 201 of the Hizballah International Financing Prevention Act of 2015 (Public Law 114–102; 50 U.S.C. 1701 note) is amended to read as follows:

“SEC. 201. IMPOSITION OF SANCTIONS WITH RESPECT TO AFFILIATED NETWORKS OF HIZBALLAH.

“(a) In General.—Not later than 120 days after the date of the enactment of this section, and as appropriate thereafter, the President shall impose the sanctions
described in subsection (b) with respect to affiliated networks of Hizballah, including by reason of significant transnational criminal activities of such networks.

“(b) SANCTIONS DESCRIBED.—The sanctions described in this subsection are sanctions applied with respect to a foreign person pursuant to Executive Order 13581 (75 Fed. Reg. 44,757) (as such Executive order was in effect on the day before the date of the enactment of this section).

“(c) DEFINITION.—In this section, the term ‘Hizballah’ has the meaning given such term in section 102(f).”.

(b) CLERICAL AMENDMENTS.—The table of contents for the Hizballah International Financing Prevention Act of 2015 is amended—

(1) by striking the item relating to title II and inserting the following:

“TITLE II—IMPOSITION OF SANCTIONS WITH RESPECT TO HIZBALLAH AND REPORTS AND BRIEFIGHS ON NARCOTICS TRAFFICKING AND SIGNIFICANT TRANSNATIONAL CRIMINAL ACTIVITIES OF HIZBALLAH”;

and

(2) by striking the item relating to section 201 and inserting the following:

“Sec. 201. Imposition of sanctions with respect to Hizballah.”.
(c) Effective Date.—The amendments made by this section take effect on the date that is 90 days after the date of the enactment of this Act.

SEC. 202. REPORT ON RACKETEERING ACTIVITIES ENGAGED IN BY HIZBALLAH.

(a) In General.—Section 202 of the Hizballah International Financing Prevention Act of 2015 (Public Law 114–102; 50 U.S.C. 1701 note) is amended to read as follows:

“SEC. 202. REPORT ON RACKETEERING ACTIVITIES ENGAGED IN BY HIZBALLAH.

“(a) In General.—Not later than 120 days after the date of the enactment of the Hizballah International Financing Prevention Amendments Act of 2017, and annually thereafter for the following 5 years, the Assistant Attorney General for the Criminal Division of the Department of Justice and the Administrator of the Drug Enforcement Administration, in coordination with the Secretary of the Treasury and the heads of other applicable Federal agencies, shall jointly submit to the appropriate congressional committees a report on the following:

“(1) Activities that Hizballah, and agents and affiliates of Hizballah, have engaged in that are racketeering activities.
“(2) The extent to which Hizballah, and agents and affiliates of Hizballah, engage in a pattern of such racketeering activities.

“(b) FORM OF REPORT.—Each report required under subsection (a) shall be submitted in an unclassified form but may contain a classified annex.

“(c) DEFINITIONS.—In this section:

“(1) APPROPRIATE CONGRESSIONAL COMMITTEES.—The term ‘appropriate congressional committees’ means—

“(A) the Committee on the Judiciary and the Committee on Foreign Affairs of the House of Representatives; and

“(B) the Committee on the Judiciary and the Committee on Foreign Relations of the Senate.

“(2) HIZBALLAH.—The term ‘Hizballah’ has the meaning given that term in section 102(f).

“(3) RACKETEERING ACTIVITY.—The term ‘racketeering activity’ has the meaning given that term in section 1961(1) of title 18, United States Code.”.

(b) CLERICAL AMENDMENT.—The table of contents for the Hizballah International Financing Prevention Act
of 2015 is amended by striking the item relating to section 202 and inserting the following:

“Sec. 202. Report on racketeering activities engaged in by Hizballah.”.

SEC. 203. MODIFICATION OF REPORT ON ACTIVITIES OF FOREIGN GOVERNMENTS TO DISRUPT GLOBAL LOGISTICS NETWORKS AND FUND-RAISING, FINANCING, AND MONEY LAUNDERING ACTIVITIES OF HIZBALLAH.

(a) In General.—Section 204(a)(1) of the Hizballah International Financing Prevention Act of 2015 (Public Law 114–102; 50 U.S.C. 1701 note) is amended—

(1) in the matter preceding subparagraph (A), by striking “this Act” and inserting “the Hizballah International Financing Prevention Amendments Act of 2017, and annually thereafter for the following 5 years”;

(2) in subparagraph (D)(ii)(II), by striking “and” at the end;

(3) in subparagraph (E), by striking “and free-trade zones.” and inserting “free-trade zones, business partnerships and joint ventures, and other investments in small and medium-sized enterprises;”;

and

(4) by adding at the end the following:
“(F) a list of provinces, municipalities, and local governments outside of Lebanon that expressly consent to, or with knowledge allow, tolerate, or disregard the use of their territory by Hizballah to carry out terrorist activities, including training, financing, and recruitment;

“(G) a description of the total aggregate revenues and remittances that Hizballah receives from the global logistics networks of Hizballah, including—

“(i) a list of Hizballah’s sources of revenue, including sources of revenue based on illicit activity, revenues from Iran, charities, and other business activities; and

“(ii) a list of Hizballah’s expenditures, including expenditures for ongoing military operations, social networks, and external operations;

“(H) a survey of national and transnational legal measures available to target Hizballah’s financial networks;

“(I) a review of Hizballah’s international operational capabilities, including in the United States; and
“(J) a review of—

“(i) the total number and value of

Hizballah-related assets seized and forfeited; and

“(ii) the total number of indictments,

prosecutions, and extraditions of Hizballah

members or affiliates.”.

(b) Report on Estimated Net Worth of and

Determination With Respect to Senior Hizballah

Members.—

(1) In general.—Not later than 180 days

after the date of the enactment of this Act, and not

less frequently than annually thereafter for the fol-

lowing 2 years, the President shall submit to the ap-

propriate congressional committees a report that

contains—

(A) the estimated total net worth of each

individual described in paragraph (2);

(B) a description of how funds of each indi-

vidual described in paragraph (2) were ac-

quired, and how such funds have been used or

employed; and

(C) a determination of whether each indi-

vidual described in paragraph (2) meets the cri-

teria described in paragraph (3) or (4) of sec-

(2) INDIVIDUALS DESCRIBED.—The individuals described in this paragraph are the following:

(A) The Secretary General of Hizballah.

(B) Members of the Hizballah Politburo.

(C) Any other individual that the President determines is a senior foreign political figure of Hizballah, is associated with Hizballah, or otherwise provides significant support to Hizballah.

(3) FORM OF REPORT; PUBLIC AVAILABILITY.—

(A) FORM.—The report required under paragraph (1) shall be submitted in unclassified form but may contain a classified annex.

(B) PUBLIC AVAILABILITY.—The unclassified portion of the report required under paragraph (1) shall be made available to the public and posted on the website of the Department of State and all United States Embassy websites.

(4) DEFINITIONS.—In this subsection:

(A) APPROPRIATE CONGRESSIONAL COMMITTEES.—The term “appropriate congressional committees” means—
(i) the Committee on Foreign Affairs
and the Committee on Financial Services
of the House of Representatives; and
(ii) the Committee on Foreign Relations
and the Committee on Banking,
Housing, and Urban Affairs of the Senate.

(B) Funds.—The term “funds” means—
(i) cash;
(ii) equity;
(iii) any other intangible asset the
value of which is derived from a contractual
claim, including bank deposits, bonds,
stocks, a security (as defined in section
2(a) of the Securities Act of 1933 (15
U.S.C. 77b(a))), or a security or an equity
security (as those terms are defined in sec-
tion 3(a) of the Securities Exchange Act of
1934 (15 U.S.C. 78e(a))); and
(iv) anything else of value that the
President determines to be appropriate.

(C) Senior foreign political figure.—The term “senior foreign political figure” has the meaning given that term in section
1010.605 of title 31, Code of Federal Regula-
tions (or any successor regulation).
SEC. 204. REPORT ON COMBATING THE ILLICIT TOBACCO TRAFFICKING NETWORKS USED BY HIZBALLAH AND OTHER FOREIGN TERRORIST ORGANIZATIONS.

(a) IN GENERAL.—Not later than 180 days after the date of the enactment of this Act, the President shall submit to the appropriate congressional committees a report on combating the illicit tobacco trafficking networks used by Hizballah and other foreign terrorist organizations to finance their operations, as described in the report submitted to Congress in December 2015 by the Department of State, the Department of Justice, the Department of the Treasury, the Department of Homeland Security, and the Department of Health and Human Services entitled, “The Global Illicit Trade in Tobacco: A Threat to National Security.”.

(b) MATTERS TO BE ADDRESSED.—The report required by subsection (a) shall include the following:

(1) A description of the steps to be taken by Federal agencies to combat the illicit tobacco trafficking networks used by Hizballah, other foreign terrorist organizations, and other illicit actors.

(2) A description of the steps to be taken to engage State and local law enforcement authorities in efforts to combat illicit tobacco trafficking networks operating within the United States.
(3) A description of the steps to be taken to engage foreign government law enforcement and intelligence authorities in efforts to combat illicit tobacco trafficking networks operating outside the United States.

(4) Recommendations for legislative or administrative action needed to address the threat of illicit tobacco trafficking networks.

(e) Appropriate Congressional Committees Defined.—In this section, the term “appropriate congressional committees” means—

(1) the Committee on Foreign Affairs, the Committee on Armed Services, the Committee on Homeland Security, the Committee on the Judiciary, the Committee on Financial Services, and the Committee on Ways and Means of the House of Representatives; and

(2) the Committee on Foreign Relations, the Committee on Armed Services, the Committee on Homeland Security and Governmental Affairs, the Committee on the Judiciary, the Committee on Banking, Housing, and Urban Affairs, and the Committee on Finance of the Senate.
TITLE III—GENERAL
PROVISIONS

SEC. 301. REGULATORY AUTHORITY.

(a) In General.—The President shall, not later than 180 days after the date of the enactment of this Act, prescribe regulations as necessary for the implementation of this Act and the amendments made by this Act.

(b) Briefing to Congress.—Not later than 10 days before the prescription of regulations under subsection (a), the President shall brief the appropriate congressional committees of the proposed regulations and the provisions of this Act and the amendments made by this Act that the regulations are implementing.

(c) Appropriate Congressional Committees Defined.—In this section, the term “appropriate congressional committees” means—

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

(2) the Committee on Foreign Relations and the Committee on Banking, Housing, and Urban Affairs of the Senate.
SEC. 302. IMPLEMENTATION; PENALTIES; JUDICIAL REVIEW; EXEMPTIONS.

(a) IN GENERAL.—Title I of the Hizballah International Financing Prevention Act of 2015 (Public Law 114–102; 50 U.S.C. 1701 note), as amended by section 103 of this Act, is further amended by adding at the end the following:

“SEC. 104. IMPLEMENTATION; PENALTIES; JUDICIAL REVIEW; EXEMPTIONS; RULE OF CONSTRUCTION.

“(a) 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 sections 101 and 103.

“(b) 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 regulations prescribed to carry out section 101 or 103 to the same extent that such penalties apply to a person that commits an unlawful act described in subsection (a) of such section 206.

“(c) PROCEDURES FOR JUDICIAL REVIEW OF CLASSIFIED INFORMATION.—

“(1) IN GENERAL.—If a finding, or a prohibition, condition, or penalty imposed as a result of any
such finding, is based on classified information (as defined in section 1(a) of the Classified Information Procedures Act (18 U.S.C. App.)) and a court reviews the finding or the imposition of the prohibition, condition, or penalty, the President may submit such information to the court ex parte and in camera.

“(2) Rule of construction.—Nothing in this subsection shall be construed to confer or imply any right to judicial review of any finding under section 101 or 103 or any prohibition, condition, or penalty imposed as a result of any such finding.

“(d) Exemptions.—The following activities shall be exempt from sections 101 and 103:

“(1) Any authorized intelligence, law enforcement, or national security activities of the United States.

“(2) Any transaction necessary to comply with United States obligations under the Agreement between the United Nations and the United States of America regarding the Headquarters of the United States, signed at Lake Success June 26, 1947, and entered into force November 21, 1947, or under the Convention on Consular Relations, done at Vienna April 24, 1963, and entered into force March 19,
1967, or any other United States international agreement.

“(e) Rule of Construction.—Nothing in section 101 or 103 shall be construed to limit the authority of the President under the International Emergency Economic Powers Act (50 U.S.C. 1701 et seq.) or under any other provision of law.”.

(b) Clerical Amendment.—The table of contents for the Hizballah International Financing Prevention Act of 2015 is amended by inserting after the item relating to section 103, as added by section 103(b) of this Act, the following new item:

“Sec. 104. Implementation; penalties; judicial review; exemptions; rule of construction.”.