

**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.

2 (a) SHORT TITLE.—This Act may be cited as the
3 “Hizballah International Financing Prevention Amend-
4 ments Act of 2017”.

5 (b) TABLE OF CONTENTS.—The table of contents for
6 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. 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 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

Sec. 301. Regulatory authority.

Sec. 302. Implementation; penalties; judicial review; exemptions.

1 **TITLE I—PREVENTION OF AC-**
2 **CESS BY HIZBALLAH TO**
3 **INTERNATIONAL FINANCIAL**
4 **AND OTHER INSTITUTIONS**

5 **SEC. 101. MANDATORY SANCTIONS WITH RESPECT TO**
6 **FUNDRAISING AND RECRUITMENT ACTIVI-**
7 **TIES FOR HIZBALLAH.**

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

12 **“SEC. 101. MANDATORY SANCTIONS WITH RESPECT TO**
13 **FUNDRAISING AND RECRUITMENT ACTIVI-**
14 **TIES FOR HIZBALLAH.**

15 “(a) IN GENERAL.—The President shall, on or after
16 the date of the enactment of this section, impose the sanc-
17 tions described in subsection (b) with respect to any for-
18 eign person that the President determines knowingly as-
19 sists, sponsors, or, provides significant financial, material,
20 or technological support for—

21 “(1) Bayt al-Mal, Jihad al-Bina, the Islamic
22 Resistance Support Association, the Foreign Rela-
23 tions Department of Hizballah, the External Secu-

1 rity Organization of Hizballah, or any successor or
2 affiliate thereof;

3 “(2) al-Manar TV, al Nour Radio, or the Leba-
4 nese Media Group, or any successor or affiliate
5 thereof;

6 “(3) a foreign person determined by the Presi-
7 dent to be engaged in fundraising or recruitment ac-
8 tivities for Hizballah; or

9 “(4) a foreign person owned or controlled by a
10 foreign person described in paragraph (1), (2), or
11 (3).

12 “(b) SANCTIONS DESCRIBED.—

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

15 “(A) ASSET BLOCKING.—The exercise of
16 all powers granted to the President by the
17 International Emergency Economic Powers Act
18 (50 U.S.C. 1701 et seq.) (except that the re-
19 quirements of section 202 of such Act (50
20 U.S.C. 1701) shall not apply) to the extent nec-
21 essary to block and prohibit all transactions in
22 all property and interests in property of a for-
23 eign person determined by the President to be
24 subject to subsection (a) if such property and
25 interests in property are in the United States,

1 come within the United States, or are or come
2 within the possession or control of a United
3 States person.

4 “(B) ALIENS INELIGIBLE FOR VISAS, AD-
5 MISSION, OR PAROLE.—

6 “(i) VISAS, ADMISSION, OR PAROLE.—

7 An alien who the President determines is
8 subject to subsection (a) is—

9 “(I) inadmissible to the United
10 States;

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

14 “(III) otherwise ineligible to be
15 admitted or paroled into the United
16 States or to receive any other benefit
17 under the Immigration and Nation-
18 ality Act (8 U.S.C. 1101 et seq.).

19 “(ii) CURRENT VISAS REVOKED.—

20 “(I) IN GENERAL.—The issuing
21 consular officer, the Secretary of
22 State, or the Secretary of Homeland
23 Security shall revoke any visa or other
24 entry documentation issued to an
25 alien who the President determines is

1 subject to subsection (a), regardless of
2 when issued.

3 “(II) EFFECT OF REVOCATION.—

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

9 “(2) PENALTIES.—The penalties provided for
10 in subsections (b) and (c) of section 206 of the
11 International Emergency Economic Powers Act (50
12 U.S.C. 1705) shall apply to a person that violates,
13 attempts to violate, conspires to violate, or causes a
14 violation of regulations prescribed under paragraph
15 (1)(A) to the same extent that such penalties apply
16 to a person that commits an unlawful act described
17 in subsection (a) of such section 206.

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

22 “(d) WAIVER.—

23 “(1) IN GENERAL.—The President may, for pe-
24 riods not to exceed 180 days, waive the imposition
25 of sanctions under this section with respect to a for-

1 eign person or foreign persons if the President cer-
2 tifies to the appropriate congressional committees
3 that such waiver is in the national security interests
4 of the United States.

5 “(2) CONSULTATION.—

6 “(A) BEFORE WAIVER EXERCISED.—Be-
7 fore a waiver under paragraph (1) takes effect
8 with respect to a foreign person, the President
9 shall notify and brief the appropriate congress-
10 sional committees on the status of the involve-
11 ment of the foreign person in activities de-
12 scribed in subsection (a).

13 “(B) AFTER WAIVER EXERCISED.—Not
14 later than 90 days after the issuance of a waiv-
15 er under paragraph (1) with respect to a for-
16 eign person, and every 120 days thereafter
17 while the waiver remains in effect, the Presi-
18 dent shall brief the appropriate congressional
19 committees on the status of the involvement of
20 the foreign person in activities described in sub-
21 section (a).

22 “(e) REPORT.—Not later than 90 days after the date
23 of the enactment of the Hizballah International Financing
24 Prevention Amendments Act of 2017, and every 180 days
25 thereafter, the President shall submit to the appropriate

1 congressional committees a report that lists the foreign
2 persons that the President has credible evidence knowingly
3 assists, sponsors, or provides significant financial, mate-
4 rial, or technological support for the foreign persons de-
5 scribed in paragraph (1), (2), (3), or (4) of subsection (a).

6 “(f) DEFINITIONS.—In this section:

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

11 “(2) APPROPRIATE CONGRESSIONAL COMMIT-
12 TEES.—The term ‘appropriate congressional com-
13 mittees’ means—

14 “(A) the Committee on Foreign Affairs,
15 the Committee on Ways and Means, the Com-
16 mittee on the Judiciary, and the Committee on
17 Financial Services of the House of Representa-
18 tives; and

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

23 “(3) ENTITY.—The term ‘entity’—

1 “(A) means a partnership, association, cor-
2 poration, or other organization, group, or sub-
3 group; and

4 “(B) includes a governmental entity

5 “(4) FUNDRAISING OR RECRUITMENT ACTIVI-
6 TIES.—The term ‘fundraising or recruitment activi-
7 ties’ includes online fundraising and other online
8 commercial activities, or other means of such fund-
9 raising, recruitment, and retention, as determined by
10 the President.

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

13 “(6) PERSON.—The term ‘person’ means an in-
14 dividual or entity.

15 “(7) UNITED STATES PERSON.—The term
16 ‘United States person’ means a United States cit-
17 izen, permanent resident alien, entity organized
18 under the laws of the United States (including for-
19 eign branches), or a person in the United States.”.

20 (b) CLERICAL AMENDMENT.—The table of contents
21 for the Hizballah International Financing Prevention Act
22 of 2015 is amended by striking the item relating to section
23 101 and inserting the following new item:

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

1 **SEC. 102. MODIFICATION OF REPORT WITH RESPECT TO FI-**
2 **NANCIAL INSTITUTIONS THAT ENGAGE IN**
3 **CERTAIN TRANSACTIONS.**

4 (a) IN GENERAL.—Subsection (d) of section 102 of
5 the Hizballah International Financing Prevention Act of
6 2015 (Public Law 114–102; 50 U.S.C. 1701 note) is
7 amended to read as follows:

8 “(d) REPORT ON FINANCIAL INSTITUTIONS ORGA-
9 NIZED UNDER THE LAWS OF STATE SPONSORS OF TER-
10 RORISM.—

11 “(1) IN GENERAL.—Not later than 90 days
12 after the date of the enactment of the Hizballah
13 International Financing Prevention Amendments
14 Act of 2017, and annually thereafter for a period
15 not to exceed three years, the President shall submit
16 to the appropriate congressional committees a report
17 that—

18 “(A) identifies each foreign financial insti-
19 tution described in paragraph (2) that the
20 President determines engages in one or more
21 activities described in subsection (a)(2);

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

24 “(C) contains a determination with respect
25 to each such foreign financial institution that is
26 identified under subparagraph (A) as engaging

1 in one or more activities described in subsection
2 (a)(2) as to whether or not such foreign finan-
3 cial institution is in violation of Executive
4 Order 13224 (50 U.S.C. 1701 note; relating to
5 blocking property and prohibiting transactions
6 with persons who commit, threaten to commit,
7 or support terrorism) or section 2339B of title
8 18, United States Code, by reason of engaging
9 in one or more such activities.

10 “(2) FOREIGN FINANCIAL INSTITUTION DE-
11 SCRIBED.—

12 “(A) IN GENERAL.—A foreign financial in-
13 stitution described in this paragraph is a for-
14 eign financial institution—

15 “(i) that, wherever located, is—

16 “(I) organized under the laws of
17 a state sponsor of terrorism or any ju-
18 risdiction within a state sponsor of
19 terrorism;

20 “(II) owned or controlled by the
21 government of a state sponsor of ter-
22 rorism;

23 “(III) located in the territory of
24 a state sponsor of terrorism; or

1 “(IV) owned or controlled by a
2 foreign financial institution described
3 in subclause (I), (II), or (III); and

4 “(ii) the capitalization of which ex-
5 ceeds \$10,000,000.

6 “(B) STATE SPONSOR OF TERRORISM.—In
7 this paragraph, the term ‘state sponsor of ter-
8 rorism’ means a country the government of
9 which the Secretary of State has determined is
10 a government that has repeatedly provided sup-
11 port for acts of international terrorism for pur-
12 poses of—

13 “(i) section 6(j) of the Export Admin-
14 istration Act of 1979 (50 U.S.C. 4605(j))
15 (as continued in effect pursuant to the
16 International Emergency Economic Powers
17 Act (50 U.S.C. 1701 et seq.));

18 “(ii) section 620A of the Foreign As-
19 sistance Act of 1961 (22 U.S.C. 2371);

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

22 “(iv) any other provision of law.”.

23 (b) SENSE OF CONGRESS.—It is the sense of the
24 Congress that—

1 (1) all countries should designate the entirety of
2 Hizballah as a terrorist organization; and

3 (2) the notion of separate Hizballah political
4 and military “wings” is an artificial construct that
5 attempts to legitimize Hizballah members of par-
6 liament and Hizballah cabinet officials who are
7 complicit in Hizballah’s use of violence and coercion
8 against its political opponents.

9 **SEC. 103. SANCTIONS AGAINST FOREIGN STATES THAT SUP-**
10 **PORT HIZBALLAH.**

11 (a) IN GENERAL.—Title I of the Hizballah Inter-
12 national Financing Prevention Act of 2015 (Public Law
13 114–102; 50 U.S.C. 1701 note) is amended by adding at
14 the end the following:

15 **“SEC. 103. SANCTIONS AGAINST FOREIGN STATES THAT**
16 **SUPPORT HIZBALLAH.**

17 **“(a) SANCTIONS AGAINST CERTAIN AGENCIES AND**
18 **INSTRUMENTALITIES OF FOREIGN STATES.—**

19 **“(1) IN GENERAL.—**Not later than 120 days
20 after the date of the enactment of this section, and
21 as appropriate thereafter, the President shall impose
22 the sanctions described in paragraph (3) with re-
23 spect to any agency or instrumentality of a foreign
24 state described in paragraph (2).

1 “(2) AGENCY OR INSTRUMENTALITY DE-
2 SCRIBED.—An agency or instrumentality of a for-
3 eign state described in this paragraph is an agency
4 or instrumentality of a foreign state that the Presi-
5 dent determines has, on or after the date of the en-
6 actment of this section, knowingly provided signifi-
7 cant financial or material support for, or arms or re-
8 lated material to—

9 “(A) Hizballah; or

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

12 “(3) SANCTIONS DESCRIBED.—The sanctions
13 described in this paragraph are the exercise of all
14 powers granted to the President by the International
15 Emergency Economic Powers Act (50 U.S.C. 1701
16 et seq.) (except that the requirements of section 202
17 of such Act (50 U.S.C. 1701) shall not apply) to the
18 extent necessary to block and prohibit all trans-
19 actions in all property and interests in property of
20 an agency or instrumentality of a foreign state if
21 such property and interests in property are in the
22 United States, come within the United States, or are
23 or come within the possession or control of a United
24 States person.

1 “(b) SANCTIONS AGAINST STATE SPONSORS OF TER-
2 RORISM.—

3 “(1) IN GENERAL.—In the case of an agency or
4 instrumentality of a foreign state that engages in
5 the activities described in subsection (a) that is an
6 agency or instrumentality of a foreign state de-
7 scribed in paragraph (2), the President shall, pursu-
8 ant to section 6 of the Export Administration Act of
9 1979 (as continued in effect pursuant to the Inter-
10 national Emergency Economic Powers Act (50
11 U.S.C. 1701 et seq.)), require a license under the
12 Export Administration Regulations to export or re-
13 export to that foreign state any item designated by
14 the Secretary of Commerce as ‘EAR 99’, other than
15 food, medicine, medical devices, or similarly licensed
16 items.

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

20 “(A) the President determines has, on or
21 after the date of the enactment of this section,
22 knowingly provided significant financial or ma-
23 terial support for, or arms or related material
24 to—

25 “(i) Hizballah; or

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

3 “(B) is a state sponsor of terrorism.

4 “(c) WAIVER.—

5 “(1) IN GENERAL.—The President may, for pe-
6 riods not to exceed 180 days, waive the imposition
7 of sanctions under this section with respect to a for-
8 eign state or an agency or instrumentality of a for-
9 eign state if the President certifies to the appro-
10 prium congressional committees that such waiver is
11 vital to the national security interests of the United
12 States.

13 “(2) CONSULTATION.—

14 “(A) BEFORE WAIVER EXERCISED.—Be-
15 fore a waiver under paragraph (1) takes effect
16 with respect to a foreign state or an agency or
17 instrumentality of a foreign state, the President
18 shall notify and brief the appropriate congres-
19 sional committees on the status of the involve-
20 ment of the foreign state in activities described
21 in subsection (b)(2) or involvement of the agen-
22 cy or instrumentality of a foreign state in ac-
23 tivities described in subsection (a)(2), as the
24 case may be.

1 “(B) AFTER WAIVER EXERCISED.—Not
2 later than 90 days after the issuance of a waiv-
3 er under paragraph (1) with respect to a for-
4 eign state or an agency or instrumentality of a
5 foreign state, and every 120 days thereafter
6 while the waiver remains in effect, the Presi-
7 dent shall brief the appropriate congressional
8 committees on the status of the involvement of
9 the foreign state in activities described in sub-
10 section (b)(2) or involvement of the agency or
11 instrumentality of a foreign state in activities
12 described in subsection (a)(2), as the case may
13 be.

14 “(d) DEFINITIONS.—In this section:

15 “(1) AGENCY OR INSTRUMENTALITY OF A FOR-
16 EIGN STATE; FOREIGN STATE.—The terms ‘agency
17 or instrumentality of a foreign state’ and ‘foreign
18 state’ have the meanings given those terms in sec-
19 tion 1603 of title 28, United States Code.

20 “(2) APPROPRIATE CONGRESSIONAL COMMIT-
21 TEES.—The term ‘appropriate congressional com-
22 mittees’ means—

23 “(A) the Committee on Foreign Affairs,
24 the Committee on Financial Services, the Com-
25 mittee on Ways and Means, and the Committee

1 on the Judiciary of the House of Representa-
2 tives; and

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

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

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

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

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

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

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

23 “(4) EXPORT ADMINISTRATION REGULA-
24 TIONS.—The term ‘Export Administration Regula-
25 tions’ means subchapter C of chapter VII of title 15,

1 Code of Federal Regulations (as in effect on the
2 date of the enactment of this Act).

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

5 “(6) STATE SPONSOR OF TERRORISM.—In this
6 paragraph, the term ‘state sponsor of terrorism’
7 means a country the government of which the Sec-
8 retary of State has determined is a government that
9 has repeatedly provided support for acts of inter-
10 national terrorism for purposes of—

11 “(A) section 6(j) of the Export Adminis-
12 tration Act of 1979 (50 U.S.C. 4605(j)) (as
13 continued in effect pursuant to the Inter-
14 national Emergency Economic Powers Act (50
15 U.S.C. 1701 et seq.));

16 “(B) section 620A of the Foreign Assist-
17 ance Act of 1961 (22 U.S.C. 2371);

18 “(C) section 40 of the Arms Export Con-
19 trol Act (22 U.S.C. 2780); or

20 “(D) any other provision of law.”.

21 (b) CLERICAL AMENDMENT.—The table of contents
22 for the Hizballah International Financing Prevention Act
23 of 2015 is amended by inserting after the item relating
24 to section 102 the following new item:

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

1 **SEC. 104. PROHIBITIONS AND CONDITIONS WITH RESPECT**
2 **TO CERTAIN ACCOUNTS HELD BY FOREIGN**
3 **FINANCIAL INSTITUTIONS.**

4 Section 104(c)(2)(A)(ii) of the Comprehensive Iran
5 Sanctions, Accountability, and Divestment Act of 2010
6 (22 U.S.C. 8513(c)(2)(A)(ii)) is amended by inserting be-
7 fore “or support for acts of international terrorism” the
8 following “, including Hizballah (as defined in section
9 102(f)(1)(E) of the Hizballah International Financing
10 Prevention Act of 2015 (Public Law 114–102; 50 U.S.C.
11 1701 note), and any affiliates or successors thereof,”.

12 **TITLE II—NARCOTICS TRAF-**
13 **FICKING AND SIGNIFICANT**
14 **TRANSNATIONAL CRIMINAL**
15 **ACTIVITIES OF HIZBALLAH**

16 **SEC. 201. BLOCKING OF PROPERTY OF AFFILIATED NET-**
17 **WORKS OF HIZBALLAH.**

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

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

24 “(a) IN GENERAL.—Not later than 120 days after
25 the date of the enactment of this section, and as appro-
26 priate thereafter, the President shall impose the sanctions

1 described in subsection (b) with respect to affiliated net-
2 works of Hizballah, including by reason of significant
3 transnational criminal activities of such networks.

4 “(b) SANCTIONS DESCRIBED.—The sanctions de-
5 scribed in this subsection are sanctions applied with re-
6 spect to a foreign person pursuant to Executive Order
7 13581 (75 Fed. Reg. 44,757) (as such Executive order
8 was in effect on the day before the date of the enactment
9 of this section).

10 “(c) DEFINITION.—In this section, the term
11 ‘Hizballah’ has the meaning given such term in section
12 102(f).”

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

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

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

18 and

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

“Sec. 201. Imposition of sanctions with respect to Hizballah.”

1 (c) EFFECTIVE DATE.—The amendments made by
2 this section take effect on the date that is 90 days after
3 the date of the enactment of this Act.

4 **SEC. 202. REPORT ON RACKETEERING ACTIVITIES EN-**
5 **GAGED IN BY HIZBALLAH.**

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

10 **“SEC. 202. REPORT ON RACKETEERING ACTIVITIES EN-**
11 **GAGED IN BY HIZBALLAH.**

12 “(a) IN GENERAL.—Not later than 120 days after
13 the date of the enactment of the Hizballah International
14 Financing Prevention Amendments Act of 2017, and an-
15 nually thereafter for the following 5 years, the Assistant
16 Attorney General for the Criminal Division of the Depart-
17 ment of Justice and the Administrator of the Drug En-
18 forcement Administration, in coordination with the Sec-
19 retary of the Treasury and the heads of other applicable
20 Federal agencies, shall jointly submit to the appropriate
21 congressional committees a report on the following:

22 “(1) Activities that Hizballah, and agents and
23 affiliates of Hizballah, have engaged in that are
24 racketeering activities.

1 “(2) The extent to which Hizballah, and agents
2 and affiliates of Hizballah, engage in a pattern of
3 such racketeering activities.

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

7 “(c) DEFINITIONS.—In this section:

8 “(1) APPROPRIATE CONGRESSIONAL COMMIT-
9 TEES.—The term ‘appropriate congressional com-
10 mittees’ means—

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

14 “(B) the Committee on the Judiciary and
15 the Committee on Foreign Relations of the Sen-
16 ate.

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

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

23 (b) CLERICAL AMENDMENT.—The table of contents
24 for the Hizballah International Financing Prevention Act

1 of 2015 is amended by striking the item relating to section
2 202 and inserting the following:

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

3 **SEC. 203. MODIFICATION OF REPORT ON ACTIVITIES OF**
4 **FOREIGN GOVERNMENTS TO DISRUPT GLOB-**
5 **AL LOGISTICS NETWORKS AND FUND-**
6 **RAISING, FINANCING, AND MONEY LAUN-**
7 **DERING ACTIVITIES OF HIZBALLAH.**

8 (a) IN GENERAL.—Section 204(a)(1) of the
9 Hizballah International Financing Prevention Act of 2015
10 (Public Law 114–102; 50 U.S.C. 1701 note) is amend-
11 ed—

12 (1) in the matter preceding subparagraph (A),
13 by striking “this Act” and inserting “the Hizballah
14 International Financing Prevention Amendments
15 Act of 2017, and annually thereafter for the fol-
16 lowing 5 years”;

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

19 (3) in subparagraph (E), by striking “and free-
20 trade zones.” and inserting “free-trade zones, busi-
21 ness partnerships and joint ventures, and other in-
22 vestments in small and medium-sized enterprises;”;
23 and

24 (4) by adding at the end the following:

1 “(F) a list of provinces, municipalities, and
2 local governments outside of Lebanon that ex-
3 pressly consent to, or with knowledge allow, tol-
4 erate, or disregard the use of their territory by
5 Hizballah to carry out terrorist activities, in-
6 cluding training, financing, and recruitment;

7 “(G) a description of the total aggregate
8 revenues and remittances that Hizballah re-
9 ceives from the global logistics networks of
10 Hizballah, including—

11 “(i) a list of Hizballah’s sources of
12 revenue, including sources of revenue
13 based on illicit activity, revenues from
14 Iran, charities, and other business activi-
15 ties; and

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

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

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

1 “(J) a review of—

2 “(i) the total number and value of
3 Hizballah-related assets seized and for-
4 feited; and

5 “(ii) the total number of indictments,
6 prosecutions, and extraditions of Hizballah
7 members or affiliates.”.

8 (b) REPORT ON ESTIMATED NET WORTH OF AND
9 DETERMINATION WITH RESPECT TO SENIOR HIZBALLAH
10 MEMBERS.—

11 (1) IN GENERAL.—Not later than 180 days
12 after the date of the enactment of this Act, and not
13 less frequently than annually thereafter for the fol-
14 lowing 2 years, the President shall submit to the ap-
15 propriate congressional committees a report that
16 contains—

17 (A) the estimated total net worth of each
18 individual described in paragraph (2);

19 (B) a description of how funds of each in-
20 dividual described in paragraph (2) were ac-
21 quired, and how such funds have been used or
22 employed; and

23 (C) a determination of whether each indi-
24 vidual described in paragraph (2) meets the cri-
25 teria described in paragraph (3) or (4) of sec-

1 tion 1263(a) of the National Defense Author-
2 zation Act for Fiscal Year 2017 (Public Law
3 114–328; 22 U.S.C. 2656 note).

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

6 (A) The Secretary General of Hizballah.

7 (B) Members of the Hizballah Politburo.

8 (C) Any other individual that the President
9 determines is a senior foreign political figure of
10 Hizballah, is associated with Hizballah, or oth-
11 erwise provides significant support to Hizballah.

12 (3) FORM OF REPORT; PUBLIC AVAILABILITY.—

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

16 (B) PUBLIC AVAILABILITY.—The unclassi-
17 fied portion of the report required under para-
18 graph (1) shall be made available to the public
19 and posted on the website of the Department of
20 State and all United States Embassy websites.

21 (4) DEFINITIONS.—In this subsection:

22 (A) APPROPRIATE CONGRESSIONAL COM-
23 MITTEES.—The term “appropriate congres-
24 sional committees” means—

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

4 (ii) the Committee on Foreign Rela-
5 tions and the Committee on Banking,
6 Housing, and Urban Affairs of the Senate.

7 (B) FUNDS.—The term “funds” means—

8 (i) cash;

9 (ii) equity;

10 (iii) any other intangible asset the
11 value of which is derived from a contrac-
12 tual claim, including bank deposits, bonds,
13 stocks, a security (as defined in section
14 2(a) of the Securities Act of 1933 (15
15 U.S.C. 77b(a))), or a security or an equity
16 security (as those terms are defined in sec-
17 tion 3(a) of the Securities Exchange Act of
18 1934 (15 U.S.C. 78c(a))); and

19 (iv) anything else of value that the
20 President determines to be appropriate.

21 (C) SENIOR FOREIGN POLITICAL FIG-
22 URE.—The term “senior foreign political fig-
23 ure” has the meaning given that term in section
24 1010.605 of title 31, Code of Federal Regula-
25 tions (or any successor regulation).

1 **SEC. 204. REPORT ON COMBATING THE ILLICIT TOBACCO**
2 **TRAFFICKING NETWORKS USED BY**
3 **HIZBALLAH AND OTHER FOREIGN TER-**
4 **RORIST ORGANIZATIONS.**

5 (a) IN GENERAL.—Not later than 180 days after the
6 date of the enactment of this Act, the President shall sub-
7 mit to the appropriate congressional committees a report
8 on combating the illicit tobacco trafficking networks used
9 by Hizballah and other foreign terrorist organizations to
10 finance their operations, as described in the report sub-
11 mitted to Congress in December 2015 by the Department
12 of State, the Department of Justice, the Department of
13 the Treasury, the Department of Homeland Security, and
14 the Department of Health and Human Services entitled,
15 “The Global Illicit Trade in Tobacco: A Threat to Na-
16 tional Security.”.

17 (b) MATTERS TO BE ADDRESSED.—The report re-
18 quired by subsection (a) shall include the following:

19 (1) A description of the steps to be taken by
20 Federal agencies to combat the illicit tobacco traf-
21 ficking networks used by Hizballah, other foreign
22 terrorist organizations, and other illicit actors.

23 (2) A description of the steps to be taken to en-
24 gage State and local law enforcement authorities in
25 efforts to combat illicit tobacco trafficking networks
26 operating within the United States.

1 (3) A description of the steps to be taken to en-
2 gage foreign government law enforcement and intel-
3 ligence authorities in efforts to combat illicit tobacco
4 trafficking networks operating outside the United
5 States.

6 (4) Recommendations for legislative or adminis-
7 trative action needed to address the threat of illicit
8 tobacco trafficking networks.

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

12 (1) the Committee on Foreign Affairs, the
13 Committee on Armed Services, the Committee on
14 Homeland Security, the Committee on the Judiciary,
15 the Committee on Financial Services, and the Com-
16 mittee on Ways and Means of the House of Rep-
17 resentatives; and

18 (2) the Committee on Foreign Relations, the
19 Committee on Armed Services, the Committee on
20 Homeland Security and Governmental Affairs, the
21 Committee on the Judiciary, the Committee on
22 Banking, Housing, and Urban Affairs, and the Com-
23 mittee on Finance of the Senate.

1 **TITLE III—GENERAL**
2 **PROVISIONS**

3 **SEC. 301. REGULATORY AUTHORITY.**

4 (a) **IN GENERAL.**—The President shall, not later
5 than 180 days after the date of the enactment of this Act,
6 prescribe regulations as necessary for the implementation
7 of this Act and the amendments made by this Act.

8 (b) **BRIEFING TO CONGRESS.**—Not later than 10
9 days before the prescription of regulations under sub-
10 section (a), the President shall brief the appropriate con-
11 gressional committees of the proposed regulations and the
12 provisions of this Act and the amendments made by this
13 Act that the regulations are implementing.

14 (c) **APPROPRIATE CONGRESSIONAL COMMITTEES DE-**
15 **FINED.**—In this section, the term “appropriate congres-
16 sional committees” means—

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

20 (2) the Committee on Foreign Relations and
21 the Committee on Banking, Housing, and Urban Af-
22 fairs of the Senate.

1 **SEC. 302. IMPLEMENTATION; PENALTIES; JUDICIAL RE-**
2 **VIEW; EXEMPTIONS.**

3 (a) IN GENERAL.—Title I of the Hizballah Inter-
4 national Financing Prevention Act of 2015 (Public Law
5 114–102; 50 U.S.C. 1701 note), as amended by section
6 103 of this Act, is further amended by adding at the end
7 the following:

8 **“SEC. 104. IMPLEMENTATION; PENALTIES; JUDICIAL RE-**
9 **VIEW; EXEMPTIONS; RULE OF CONSTRUC-**
10 **TION.**

11 “(a) IMPLEMENTATION.—The President may exercise
12 all authorities provided under sections 203 and 205 of the
13 International Emergency Economic Powers Act (50
14 U.S.C. 1702 and 1704) to carry out sections 101 and 103.

15 “(b) PENALTIES.—The penalties provided for in sub-
16 sections (b) and (c) of section 206 of the International
17 Emergency Economic Powers Act (50 U.S.C. 1705) shall
18 apply to a person that violates, attempts to violate, con-
19 spires to violate, or causes a violation of regulations pre-
20 scribed to carry out section 101 or 103 to the same extent
21 that such penalties apply to a person that commits an un-
22 lawful act described in subsection (a) of such section 206.

23 “(c) PROCEDURES FOR JUDICIAL REVIEW OF CLAS-
24 SIFIED INFORMATION.—

25 “(1) IN GENERAL.—If a finding, or a prohibi-
26 tion, condition, or penalty imposed as a result of any

1 such finding, is based on classified information (as
2 defined in section 1(a) of the Classified Information
3 Procedures Act (18 U.S.C. App.)) and a court re-
4 views the finding or the imposition of the prohibi-
5 tion, condition, or penalty, the President may submit
6 such information to the court ex parte and in cam-
7 era.

8 “(2) RULE OF CONSTRUCTION.—Nothing in
9 this subsection shall be construed to confer or imply
10 any right to judicial review of any finding under sec-
11 tion 101 or 103 or any prohibition, condition, or
12 penalty imposed as a result of any such finding.

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

15 “(1) Any authorized intelligence, law enforce-
16 ment, or national security activities of the United
17 States.

18 “(2) Any transaction necessary to comply with
19 United States obligations under the Agreement be-
20 tween the United Nations and the United States of
21 America regarding the Headquarters of the United
22 States, signed at Lake Success June 26, 1947, and
23 entered into force November 21, 1947, or under the
24 Convention on Consular Relations, done at Vienna
25 April 24, 1963, and entered into force March 19,

1 1967, or any other United States international
2 agreement.

3 “(e) RULE OF CONSTRUCTION.—Nothing in section
4 101 or 103 shall be construed to limit the authority of
5 the President under the International Emergency Eco-
6 nomic Powers Act (50 U.S.C. 1701 et seq.) or under any
7 other provision of law.”.

8 (b) CLERICAL AMENDMENT.—The table of contents
9 for the Hizballah International Financing Prevention Act
10 of 2015 is amended by inserting after the item relating
11 to section 103, as added by section 103(b) of this Act,
12 the following new item:

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

