

**AMENDMENT IN THE NATURE OF A SUBSTITUTE
TO H.R. 1698
OFFERED BY MR. ROYCE OF CALIFORNIA**

Strike all after the enacting clause and insert the following:

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “Iran Ballistic Missiles
3 and International Sanctions Enforcement Act”.

4 **SEC. 2. SANCTIONS RELATING TO EFFORTS BY THE GOV-**
5 **ERNMENT OF IRAN WITH RESPECT TO BAL-**
6 **LISTIC MISSILE-RELATED GOODS, SERVICES,**
7 **AND TECHNOLOGIES.**

8 (a) FINDINGS.—Congress finds the following:

9 (1) United Nations Security Council Resolution
10 2231 (2015)—

11 (A) calls upon Iran “not to undertake any
12 activity related to ballistic missiles designed to
13 be capable of delivering nuclear weapons, in-
14 cluding launches using such ballistic missile
15 technology”; and

16 (B) requires member states to “take the
17 necessary measures to prevent, except as de-
18 cided otherwise by the UN Security Council in

1 advance on a case-by-case basis, the supply,
2 sale, or transfer of arms or related materiel
3 from Iran”.

4 (2) The United States maintains bilateral sanc-
5 tions against Iran for its efforts to manufacture, ac-
6 quire, possess, develop, transport, transfer or use
7 ballistic missiles or ballistic missile launch tech-
8 nology, and its acquisition of destabilizing types and
9 amounts of conventional weapons.

10 (3) According to the 2016 Worldwide Threat
11 Assessment, the United States intelligence commu-
12 nity judges “that Tehran would choose ballistic mis-
13 siles as its preferred method of delivering nuclear
14 weapons, if it builds them. Iran’s ballistic missiles
15 are inherently capable of delivering [weapons of
16 mass destruction], and Tehran already has the larg-
17 est inventory of ballistic missiles in the Middle East.
18 Iran’s progress on space launch vehicles—along with
19 its desire to deter the United States and its allies—
20 provides Tehran with the means and motivation to
21 develop longer-range missiles, including ICBMs.”.

22 (4) Since the passage of United Nations Secu-
23 rity Council 2231, Iran has conducted numerous
24 tests of ballistic missiles designed to be capable of

1 delivering nuclear weapons, and has acquired desta-
2 bilizing types of conventional weapons.

3 (5) Iran has pursued the ability to indigenously
4 produce ballistic missile and cruise missile goods,
5 services, and technologies.

6 (b) STATEMENT OF POLICY.—It is the policy of the
7 United States to prevent Iran from undertaking any activ-
8 ity related to ballistic missiles designed to be capable of
9 delivering nuclear weapons, including launches using such
10 ballistic missile technology.

11 (c) REPORT ON SUPPLY CHAIN OF IRAN’S BALLISTIC
12 MISSILE PROGRAM.—

13 (1) IN GENERAL.—Not later than 180 days
14 after the date of the enactment of this Act, the
15 President shall submit to the appropriate congress-
16 sional committees a report that contains the fol-
17 lowing:

18 (A) An analysis of the foreign and domes-
19 tic supply chain in Iran that directly or indi-
20 rectly significantly facilitates, supports, or oth-
21 erwise aids the Government of Iran’s ballistic
22 missile program.

23 (B) A description of the geographic dis-
24 tribution of the foreign and domestic supply
25 chain described in subparagraph (A).

1 (C) An assessment of the Government of
2 Iran’s ability to indigenously manufacture or
3 otherwise produce the goods, services, or tech-
4 nology necessary to support its ballistic missile
5 program.

6 (D) An identification of foreign persons
7 that have, based on credible information, di-
8 rectly or indirectly facilitated or supported the
9 development of the Government of Iran’s bal-
10 listic missile program, including the foreign and
11 domestic supply chain described in subpara-
12 graph (A).

13 (2) FORM.—The report required under para-
14 graph (1) shall be submitted in unclassified form,
15 but may contain a classified annex.

16 (d) SANCTIONABLE ACTIVITIES WITH RESPECT TO
17 WEAPONS OF MASS DESTRUCTION.—Paragraph (1) of
18 section 5(b) of the Iran Sanctions Act of 1996 (Public
19 Law 104–172; 50 U.S.C. 1701 note) is amended—

20 (1) in the heading, by striking “EXPORTS,
21 TRANSFERS, AND TRANSSHIPMENTS” and inserting
22 “WEAPONS OF MASS DESTRUCTION; BALLISTIC MIS-
23 SILES; CONVENTIONAL WEAPONS”;

24 (2) by striking “Except as” and inserting the
25 following:

1 “(A) WEAPONS OF MASS DESTRUCTION.—

2 Except as”;

3 (3) by striking “(A) on or after the date of the
4 enactment of the Iran Threat Reduction and Syria
5 Human Rights Act of 2012” and inserting the fol-
6 lowing:

7 “(i)(I) on or after the date of the en-
8 actment of the Iran Ballistic Missiles and
9 International Sanctions Enforcement Act”;

10 (4) by striking “(B) knew” and inserting the
11 following:

12 “(II) knew”;

13 (5) by striking “(i) the export” and inserting
14 the following:

15 “(aa) the export”;

16 (6) by striking “would likely” and inserting
17 “may”;

18 (7) by striking “(ii) the export” and inserting
19 the following:

20 “(bb) the export”;

21 (8) by striking “(I) acquire” and inserting the
22 following:

23 “(AA) acquire”;

24 (9) by striking “; or” at the end of subpara-
25 graph (A)(ii)(II)(bb)(AA) (as so redesignated);

1 (10) by inserting after subparagraph
2 (A)(ii)(II)(bb)(AA) (as so redesignated) the fol-
3 lowing:

4 “(BB) acquire or develop
5 ballistic missiles or ballistic mis-
6 sile launch technologies; or”;

7 (11) by striking “(II) acquire” and inserting
8 the following:

9 “(CC) acquire”;

10 (12) by striking the period at the end of sub-
11 paragraph (A)(ii)(II)(bb)(CC) (as so redesignated)
12 and inserting “; or”; and

13 (13) by adding at the end of subparagraph (A)
14 the following:

15 “(ii) knowingly exports or transfers,
16 or permits or otherwise facilitates the
17 transshipment or re-export of, goods, serv-
18 ices, technology, or other items to Iran
19 that materially supports Iran’s efforts to—

20 “(I) acquire or develop ballistic
21 missiles or ballistic missile launch
22 technologies; or

23 “(II) acquire or develop desta-
24 bilizing numbers and types of ad-
25 vanced conventional weapons (as such

1 term is defined in paragraphs (1) and
2 (2) of section 1608 of the Iran-Iraq
3 Arms Non-Proliferation Act of
4 1992).”.

5 (e) SANCTIONABLE ACTIVITIES WITH RESPECT TO
6 BALLISTIC MISSILES.—Paragraph (1) of section 5(b) of
7 the Iran Sanctions Act of 1996 (Public Law 104–172; 50
8 U.S.C. 1701 note), as amended by subsection (e), is fur-
9 ther amended by adding at the end the following:

10 “(B) ADDITIONAL BALLISTIC MISSILE-RE-
11 LATED GOODS, SERVICES, AND TECHNOLOGY.—

12 “(i) ADDITIONAL AUTHORITY.—The
13 President shall impose the sanctions de-
14 scribed in paragraph (8), (10), or (12) of
15 section 6(a), as the case may be, with re-
16 spect to—

17 “(I) an agency or instrumentality
18 of the Government of Iran if the
19 President determines that the agency
20 or instrumentality, on or after the
21 date of the enactment of this subpara-
22 graph, knowingly seeks to develop,
23 procure, or acquire goods, services, or
24 technology that materially supports
25 efforts by the Government of Iran

1 with respect to ballistic missile-related
2 goods, services, and technologies as
3 described in clause (iii);

4 “(II) a foreign person or an
5 agency or instrumentality of a foreign
6 state if the President determines that
7 the person or agency or instrumen-
8 tality knowingly, on or after the date
9 of the enactment of this paragraph,
10 provides significant material support
11 to the Government of Iran that sup-
12 ports efforts by the Government of
13 Iran with respect to ballistic missile-
14 related goods, services, and tech-
15 nologies as described in clause (iii);
16 and

17 “(III) a foreign person that the
18 President determines knowingly en-
19 gages in a significant transaction or
20 transactions with, or provides signifi-
21 cant financial services for, a foreign
22 person or an agency or instrumen-
23 tality of a foreign state described in
24 subclause (I) or (II) with respect to
25 ballistic missile-related goods, services,

1 and technologies as described in
2 clause (iii).

3 “(ii) DETERMINATION AND REPORT
4 ON BALLISTIC MISSILE TESTS.—

5 “(I) IN GENERAL.—Not later
6 than 30 days after the date on which
7 the President determines that the
8 Government of Iran has conducted a
9 test of a ballistic missile that fails to
10 comply with, violates, or is in defiance
11 of United Nations Security Council
12 Resolution 2231 (2015), the President
13 shall submit to the Committee on For-
14 eign Affairs of the House of Rep-
15 resentatives and the Committee on
16 Foreign Relations of the Senate a re-
17 port that identifies each senior official
18 of the Government of Iran that the
19 President determines is responsible
20 for ordering, controlling, or otherwise
21 directing the missile test

22 “(II) FORM.—The report re-
23 quired by subclause (I) shall be sub-
24 mitted in unclassified form, but may
25 contain a classified annex.

1 “(iii) EFFORTS BY THE GOVERNMENT
2 OF IRAN WITH RESPECT TO BALLISTIC
3 MISSILE-RELATED GOODS, SERVICES, AND
4 TECHNOLOGIES DESCRIBED.—

5 “(I) IN GENERAL.—For purposes
6 of subclauses (I), (II), and (III) of
7 clause (i), and except as provided in
8 subclause (II) of this clause, efforts
9 by the Government of Iran with re-
10 spect to ballistic missile-related goods,
11 services, and technologies described in
12 this subsection are efforts by the Gov-
13 ernment of Iran to manufacture, ac-
14 quire, possess, develop, transport,
15 transfer, test or use ballistic missiles
16 or associated goods, services, or tech-
17 nology by the Government of Iran, in-
18 cluding efforts by the Government of
19 Iran to manufacture, acquire, possess,
20 develop, transport, transfer, pur-
21 chase—

22 “(aa) goods, services, or
23 technology listed on the Missile
24 Technology Control Regime
25 Equipment and Technology

1 Annex of October 8, 2015, and
2 subsequent revisions that have
3 been acquired outside of the Pro-
4 curement Working Group or not
5 otherwise approved by the United
6 Nations Security Council; or

7 “(bb) goods, services, or
8 technology not described in the
9 matter preceding item (aa) or
10 item (aa) but which nevertheless
11 the President determines would
12 be, if such goods, services, or
13 technology were United States
14 goods, services, or technology,
15 prohibited for export to Iran be-
16 cause of their potential to materi-
17 ally support the development of
18 ballistic missile systems or bal-
19 listic missile launch technologies.

20 “(II) EXCEPTION.—Subclause (I)
21 shall not apply with respect to efforts
22 by the Government of Iran with re-
23 spect to ballistic missile-related goods,
24 services, and technologies that have
25 been approved under paragraph 4 of

1 Annex B of United Nations Security
2 Council Resolution 2231 (2015).

3 “(iv) PROCUREMENT WORKING GROUP
4 DEFINED.—In clause (iii)(I), the term
5 ‘procurement working group’ means the
6 Procurement Working Group of the Joint
7 Commission established under Annex IV of
8 the applicable provisions in Annex A of
9 United Nations Security Council Resolu-
10 tion 2231 (2015).”.

11 (f) SANCTIONABLE ACTIVITIES WITH RESPECT TO
12 CONVENTIONAL WEAPONS.—Paragraph (1) of section
13 5(b) of the Iran Sanctions Act of 1996 (Public Law 104–
14 172; 50 U.S.C. 1701 note), as amended by subsections
15 (e) and (f), is further amended by adding at the end the
16 following:

17 “(C) CONVENTIONAL WEAPONS.—The
18 President shall impose the sanctions described
19 in paragraph (8) or (12) of section 6(a), as the
20 case may be, with respect to a foreign person
21 or an agency or instrumentality of a foreign
22 state if the President determines that the per-
23 son or agency or instrumentality knowingly, on
24 or after the date of the enactment of this para-
25 graph, imports, exports, or re-exports to, into,

1 or from Iran, whether directly or indirectly, any
2 significant arms or related materiel prohibited
3 under paragraph (5) or (6) of Annex B of
4 United Nations Security Council Resolution
5 2231 (2015).”.

6 (g) EXCEPTION AND DEFINITIONS.—Paragraph (1)
7 of section 5(b) of the Iran Sanctions Act of 1996 (Public
8 Law 104–172; 50 U.S.C. 1701 note), as amended by sub-
9 sections (e), (f), and (g), is further amended by adding
10 at the end the following:

11 “(D) EXCEPTION.—The President may not
12 impose sanctions under subparagraph (B) or
13 (C) with respect to a foreign person or a United
14 States person if the President determines that
15 the person has exercised due diligence in estab-
16 lishing and enforcing official policies, proce-
17 dures, and controls to ensure that the person
18 does not sell, supply, or transfer to or from
19 Iran materials the sale, supply, or transfer of
20 which would subject a person to the imposition
21 of sanctions under subparagraph (B) or (C), as
22 the case may be, or conduct or facilitate a fi-
23 nancial transaction for such a sale, supply, or
24 transfer.

1 “(E) DEFINITIONS.—In subparagraphs
2 (B) and (C) of this paragraph:

3 “(i) AGENCY OR INSTRUMENTALITY.—The term ‘agency or instrumentality’ has the meaning given such term in
4 section 1603(b) of title 28, United States
5 Code.
6 Code.

7 “(ii) FOREIGN STATE.—The term
8 ‘foreign state’ has the meaning given such
9 term in section 1603(a) of title 28, United
10 States Code.
11 States Code.

12 “(iii) GOVERNMENT OF IRAN.—The
13 term ‘Government of Iran’ has the mean-
14 ing given such term in section 560.304 of
15 title 31, Code of Federal Regulations, as
16 such section was in effect on January 1,
17 2016.

18 “(iv) SIGNIFICANT TRANSACTION OR
19 TRANSACTIONS; SIGNIFICANT FINANCIAL
20 SERVICES.—The terms ‘significant trans-
21 action or transactions’ and ‘significant fi-
22 nancial services’ shall be determined in ac-
23 cordance with section 561.404 of title 31,
24 Code of Federal Regulations, as such sec-

1 tion 561.404 was in effect on January 1,
2 2016.”.

3 (h) SANCTIONS DESCRIBED.—Section 6(a) of the
4 Iran Sanctions Act of 1996 (Public Law 104–172; 50
5 U.S.C. 1701 note) is amended—

6 (1) by striking paragraph (10) and inserting
7 the following:

8 “(10) INADMISSIBILITY TO UNITED STATES.—

9 “(A) IN GENERAL.—The President may di-
10 rect the Secretary of State to deny a visa to,
11 and the Secretary of Homeland Security to ex-
12 clude from the United States and, if the indi-
13 vidual has been issued a visa or other docu-
14 mentation, revoke, in accordance with section
15 221(i) of the Immigration and Nationality Act
16 (8 U.S.C. 1201(i)) of the visa or other docu-
17 mentation any alien that—

18 “(i) is designated pursuant to sub-
19 paragraph (B) or (C) of section 5(b)(1); or

20 “(ii) the President determines is a
21 corporate officer or principal of, or a
22 shareholder with a controlling interest in, a
23 sanctioned person.

24 “(B) EXCEPTION TO COMPLY WITH
25 UNITED NATIONS HEADQUARTERS AGREE-

1 MENT.—Sanctions under subparagraph (A)
2 shall not apply to an alien if admitting the alien
3 into the United States is necessary to permit
4 the United States to comply with the Agree-
5 ment regarding the Headquarters of the United
6 Nations, signed at Lake Success June 26,
7 1947, and entered into force November 21,
8 1947, between the United Nations and the
9 United States, or other applicable international
10 obligations.”;

11 (2) by redesignating paragraph (12) as para-
12 graph (13); and

13 (3) by inserting after paragraph (11) the fol-
14 lowing:

15 “(12) EXPORT SANCTION.—In the case of an
16 agency or instrumentality of a foreign state, no item
17 on the United States Munitions List or Commerce
18 Munitions List may be exported to that foreign state
19 for a period of two years.”.

20 (i) RULE OF CONSTRUCTION.—The sanctions that
21 are required to be imposed under this section and the
22 amendments made by this section are in addition to other
23 similar or related sanctions that are required to be im-
24 posed under any other provision of law.

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

6 (k) EFFECTIVE DATE.—

7 (1) IN GENERAL.—The amendments made by
8 this section shall—

9 (A) take effect on the date of the enact-
10 ment of this Act; and

11 (B) apply with respect to an activity de-
12 scribed in subsection (b) of section 5 of the
13 Iran Sanctions Act of 1996, as amended by this
14 section, that is commenced on or after such
15 date of enactment.

16 (2) APPLICABILITY TO ONGOING ACTIVITIES RE-
17 LATING TO CERTAIN ACTIVITIES.—A person that,
18 before the date of the enactment of this Act, com-
19 menced an activity described in section 5(b) of the
20 Iran Sanctions Act of 1996, as in effect on the day
21 before such date of enactment, and continues the ac-
22 tivity on or after such date of enactment, shall be
23 subject to the provisions of the Iran Sanctions Act
24 of 1996, as amended by this Act.

1 **SEC. 3. REPORT ON SANCTIONABLE ACTIVITIES.**

2 (a) IN GENERAL.—Not later than 180 days after the
3 date of the enactment of this Act, and every 180 days
4 thereafter for a period not to exceed three years, the Presi-
5 dent shall submit to the appropriate congressional com-
6 mittees a report that contains the following information:

7 (1) Any credible information regarding Iran’s
8 attempts to develop, procure, or acquire goods, serv-
9 ices, or technology with respect to which sanctions
10 may be imposed pursuant to subparagraphs (B) and
11 (C) of section 5(b)(1) of the Iran Sanctions Act of
12 1996 (Public Law 104–172; 50 U.S.C. 1701 note),
13 as added by section 2 of this Act.

14 (2) Any credible information regarding Iran’s
15 acquisition or attempted acquisition of significant
16 arms and related material in violation of paragraph
17 5 of Annex B of United Nations Security Council
18 Resolution 2231 (2015).

19 (3) Any credible information regarding Iran’s
20 export or attempted export of significant arms and
21 related material in violation of paragraph 6 of
22 Annex B of United Nations Security Council Resolu-
23 tion 2231 (2015).

24 (4) Any approval granted by the United Na-
25 tions Security Council for the export of significant
26 arms and related material identified under para-

1 graphs 5 or 6 of Annex B of United Nations Secu-
2 rity Council Resolution 2231 (2015).

3 (b) FORM.—The report required by subsection (a)
4 shall be submitted in unclassified form, but may contain
5 a classified annex.

6 **SEC. 4. REGULATORY AUTHORITY.**

7 (a) IN GENERAL.—The President shall, not later
8 than 120 days after the date of the enactment of this Act,
9 promulgate regulations as necessary for the implementa-
10 tion of this Act and the amendments made by this Act.

11 (b) NOTIFICATION TO CONGRESS.—Not less than 10
12 days before the promulgation of regulations under sub-
13 section (a), the President shall notify the appropriate con-
14 gressional committees of the proposed regulations and the
15 provisions of this Act and the amendments made by this
16 Act that the regulations are implementing.

17 **SEC. 5. DEFINITIONS.**

18 In this Act:

19 (1) APPROPRIATE CONGRESSIONAL COMMIT-
20 TEES.—The term “appropriate congressional com-
21 mittees” means the Committee on Foreign Affairs of
22 the House of Representatives and the Committee on
23 Foreign Relations of the Senate.

24 (2) CREDIBLE INFORMATION.—The term “cred-
25 ible information” has the meaning given such term

1 in section 14 of the Iran Sanctions Act of 1996
2 (Public Law 104–172; 50 U.S.C. 1701 note).

3 (3) GOVERNMENT OF IRAN.—The term “Gov-
4 ernment of Iran” has the meaning given such term
5 in section 560.304 of title 31, Code of Federal Reg-
6 ulations, as such section was in effect on January 1,
7 2016.

