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POLICY BRIEF

New Legislative Push on Iran

MAY 31, 2023 | Andrew Ghalili, ***SENIOR POLICY ANALYST***

House Republicans recently announced a series of six new, Iran-related bills targeting the Islamic Republic for its terrorism and human rights abuses. Here's a brief breakdown and what you need to know about each of them.

Bill Summaries

→ TERRORISM SANCTIONS

1. No Sanctions Relief for Terrorists Act (H.R. 3070)

» *Rep. Bryan Steil (R-WI)*

WHAT IT DOES

Imposes guidelines on the executive branch for granting sanctions waivers or licenses with respect to any transaction with any Iranian individuals and entities included on the specially designated nationals and blocked persons list (SDN) maintained by the Treasury Department's Office of Foreign Assets Control (OFAC).

- As a part of the proposed guidelines,the President would first be required to certify to Congress that the relevant persons "have ceased their involvement in terrorism".

WHY IT MATTERS

Without this legislation, the President has broad authority to waive sanctions by executive order, which the Obama administration did as part of the 2015 Joint Comprehensive Plan of Action (JCPOA).

- SDNs are individuals and companies owned or controlled by, or acting for or on behalf of, countries targeted by OFAC (such as Iran). Those listed as SDNs have their assets blocked, and U.S persons are prohibited from dealing with them. Hundreds of Iranian individuals and entities are designated as SDNs.

- The issuance of licenses with respect to transactions with SDNs has never been restricted through legislation

→ HUMAN RIGHTS & REPORTING

2. Iran Human Rights and Accountability Act of 2023 (H.R. 3035)

» *Rep. Joe Wilson (R-SC)*

WHAT IT DOES

Requires the President to determine whether certain listed high-ranking officials in the Islamic Republic meet the criteria for sanctions pursuant to either section 105 of the Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010 (CAATSA) or to Executive Order 13553.

- Section 105 of CAATSA requires the imposition of sanctions applicable pursuant to the global terrorism Executive Order 13224 on the Islamic Revolutionary Guard Corps and foreign persons that are officials, agents, or affiliates of the IRGC.

- E.O. 13553 authorizes sanctions on persons who have committed serious human rights abuses involving Iran.

The legislation also contains several reporting requirements, including:

- An unclassified report detailing the estimated net worth and known sources of income of Ali Khamenei and his family, a list of Iranian security officials responsible for the violent crackdown on protests since 2017, a list of judges and judicial officials responsible for gross violations of human rights in Iran, and a description of U.S. efforts to assist Iranians to access the internet.

- Whether the Islamic Republic committed crimes against humanity including genocide in the November 2019 "Aban" uprising, whether its proxy groups committed war crimes when violently suppressing peaceful protests in Iraq in November and December of 2019, and whether the regime and its proxies including Hezbollah committed genocide in Syria.

WHY IT MATTERS

This human rights-focused piece of legislation states that it shall be U.S. policy to "support democracy and human rights in Iran" and predominantly targets those individuals involved in human rights abuses since the beginning of the *Dey-mah,* or December 2017 protests, a significant chapter in the growing anti-regime, pro-democracy movement which is often ignored.

→ TERRORIST SANCTIONS ENFORCEMENT, FINANCIAL SANCTIONS

3. Sanctions Enforcement and Financial Institutions Transparency Act [SEFIT Act] (H.R. 3088)

» *Rep. Pat Fallon (R-TX)*

WHAT IT DOES

Requires the Treasury department to determine within 180 days of the bill's enactment, and every 180 days after for five years, whether foreign financial institutions based in or owned or controlled by

a state sponsor of terrorism - for example, the Central Bank of Iran - engages in sanctionable activities, covered by at least twelve executive orders and four bills, by conducting or attempting to conduct transactions with sanctioned entities.

WHY IT MATTERS

The bill doesn't *specifically* mention Iran, but rather all financial institutions based in or owned or controlled by state sponsors of terrorism. The Islamic Republic is the world's leading state sponsor of terrorism.

- While much of this bill, and the executive orders listed in it, are specific to Russia, several of the listed executive orders and pieces of legislation, such as the Countering America's Adversaries Through Sanctions Act (CAATSA), are applicable to Iran.

→ TERRORISM SANCTIONS

4. Closing IRGC Sanctions Loophole Act (H.R. 2958)

» *Rep. Doug Lamborn (R-CO)*

WHAT IT DOES

Amends the Iran Threat Reduction and Syria Human Rights Act of 2012 to expand the scope of sanctions on the IRGC and those owned or controlled by it.

- The bill generally widens the scope of the law including, lowering the threshold amount for related "sensitive transactions" to be investigated and increasing the reporting frequency on affiliates of the IRGC.

WHY IT MATTERS

The Iran Threat Reduction and Syria Human Rights Act of 2012 is an extensive bill signed into law by President Obama that expanded sanctions on the Islamic Republic, for example by broadening the Iran Sanctions Act (ISA) to add more sanctionable activities and by reducing the President's discretion to waive sanctions.

→ TERRORISM SANCTIONS, NUCLEAR DEAL

5. Address Iran's Malign Posture Act (H.R. 3095)

» *Rep. John James (R-MI)*

WHAT IT DOES

This bill would amend the Iran Threat Reduction and Syria Human Rights Act of 2012 to expand and impose sanctions on persons who support or conduct transactions with the IRGC.

- A Senate staffer explained to Jewish Insider that "the sanctions provisions primarily target banks in China and India that have provided support to the IRGC, and aims to cut off Chinese money to the IRGC."

WHY IT MATTERS

James' bill would also require that any agreement with Iran be ratified by the Senate as a treaty.

- Though the Iran Nuclear Agreement Review Act of 2015 (INARA) hypothetically provided the Senate with some say over a future nuclear deal, it has several flaws that could still enable the President to disregard congressional review of an agreement. If a future agreement is ratified as a treaty, withdrawing would also require congressional approval.

→ TERRORISM SANCTIONS

6. Reinforcing Sanctions on Iranian Terrorists Act (H.R. 3020)

» *Rep. Cory Mills (R-FL)*

WHAT IT DOES

Requires the President to determine within 90 days of the bill's enactment whether to apply sanctions to Iranian airline Mahan Air's parent company, Iran Airports Company, under Executive Order 13224.

- EO 13224 authorizes sanctions on individuals and entities that commit, threaten to commit, or support terrorism.

WHY IT MATTERS

The bill contains several notable findings regarding Mahan Air's support for terrorism:

- Mahan Air has facilitated IRGC-Quds Force transportation of arms, funds, and fighters. Mahan Air regularly uses the same aircraft it flies to Syria to fly commercial passenger routes to international destinations in Europe, the Middle East, and Asia.

How will this affect U.S. policy on Iran?

For too long, Congress has neglected to properly conduct its oversight duties over the Executive branch with regards to its Iran policy, including on nuclear negotiations, sanctions enforcement, its responses to Iran's regional aggression, and the regime's human rights abuses. This legislative push from the Republican Study Committee is a good start towards re-establishing Congressional oversight and shifting America's policy on Iran towards one that combines maximum pressure on the Islamic Republic with maximum support for the Iranian people.

The individuals listed in bills such as Rep. Wilson's are indeed already sanctioned under other authorities. As one congressional staffer explained, "this bill would provide a further bulwark against any effort to lift sanctions" on regime leadership and the IRGC.

- The Biden administration has reportedly not yet abandoned nuclear deal negotiations with Iran, allegedly offering an interim deal earlier this year that would lift some sanctions in return for a freeze in Iran's nuclear advances. Thus, it is imperative that Congress implement measures to make it more difficult for the United States to lift sanctions on Iran. This bill does exactly that by forcing the executive branch to publicly explain their justification for lifting sanctions before doing so.

- Still, it's important to note that the sanctions referred to in these bills are entirely non-nuclear related, and thus should be irrelevant in any potential nuclear deal negotiations. Though Iran has previously demanded that the United States lift terrorism designations, such as the IRGC's Foreign Terrorist Organization (FTO) designation, and non-nuclear-related sanctions as part of a nuclear deal, both U.S. and Iranian officials have said issues Iran's terrorism and regional aggression and human rights abuses will not be addressed in a nuclear agreement.

- The Biden administration has nonetheless shown a willingness to lift non-nuclear sanctions as part of a nuclear deal, including those on Iranian airlines.

Next Steps

- The best chance for these bills to become law will likely be to get them included in the upcoming National Defense Authorization Act (NDAA).
- The House Committee on Foreign Affairs will need to advance the bills first.