

“(1) IN GENERAL.—If an exception to sanctions described in clause (i) or (ii) of paragraph (4)(C) of section 104(c) of the Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010 [22 U.S.C. 8513(c)], as added by subsection (b), applies to a person that engages in a transaction described in paragraph (2) at the time of the transaction, the President is authorized not to impose sanctions with respect to the transaction under—

“(A) section 302(b)(1) [22 U.S.C. 8742(b)(1)];

“(B) section 104A of the Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010 [22 U.S.C. 8513b], as added by section 216; or

“(C) any other applicable provision of law authorizing the imposition of sanctions with respect to Iran.”

“(2) TRANSACTION DESCRIBED.—A transaction described in this paragraph is a transaction—

“(A) solely for the purchase of petroleum or petroleum products from Iran; and

“(B) for which sanctions may be imposed solely as a result of the involvement of the National Iranian Oil Company or the National Iranian Tanker Company in the transaction under—

“(i) section 302(b)(1);

“(ii) section 104A of the Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010, as added by section 216; or

“(iii) any other applicable provision of law authorizing the imposition of sanctions with respect to Iran.”

§ 8513a. Imposition of sanctions with respect to the financial sector of Iran

(a) Findings

Congress makes the following findings:

(1) On November 21, 2011, the Secretary of the Treasury issued a finding under section 5318A of title 31 that identified Iran as a jurisdiction of primary money laundering concern.

(2) In that finding, the Financial Crimes Enforcement Network of the Department of the Treasury wrote, “The Central Bank of Iran, which regulates Iranian banks, has assisted designated Iranian banks by transferring billions of dollars to these banks in 2011. In mid-2011, the CBI transferred several billion dollars to designated banks, including Saderat, Mellat, EDBI and Melli, through a variety of payment schemes. In making these transfers, the CBI attempted to evade sanctions by minimizing the direct involvement of large international banks with both CBI and designated Iranian banks.”

(3) On November 22, 2011, the Under Secretary of the Treasury for Terrorism and Financial Intelligence, David Cohen, wrote, “Treasury is calling out the entire Iranian banking sector, including the Central Bank of Iran, as posing terrorist financing, proliferation financing, and money laundering risks for the global financial system.”

(b) Designation of financial sector of Iran as of primary money laundering concern

The financial sector of Iran, including the Central Bank of Iran, is designated as a primary money laundering concern for purposes of section 5318A of title 31 because of the threat to government and financial institutions resulting from the illicit activities of the Government of Iran, including its pursuit of nuclear weapons, support for international terrorism, and efforts to deceive responsible financial institutions and evade sanctions.

(c) Freezing of assets of Iranian financial institutions

The President shall, pursuant to the International Emergency Economic Powers Act (50 U.S.C. 1701 et seq.), block and prohibit all transactions in all property and interests in property of an Iranian financial institution 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.

(d) Imposition of sanctions with respect to the Central Bank of Iran and other Iranian financial institutions

(1) In general

Except as specifically provided in this subsection, beginning on the date that is 60 days after December 31, 2011, the President—

(A) shall prohibit the opening, and prohibit or impose strict conditions on the maintaining, in the United States of a correspondent account or a payable-through account by a foreign financial institution that the President determines has knowingly conducted or facilitated any significant financial transaction with the Central Bank of Iran or another Iranian financial institution designated by the Secretary of the Treasury for the imposition of sanctions pursuant to the International Emergency Economic Powers Act (50 U.S.C. 1701 et seq.); and

(B) may impose sanctions pursuant to the International Emergency Economic Powers Act (50 U.S.C. 1701 et seq.) with respect to the Central Bank of Iran.

(2) Exception for sales of agricultural commodities, food, medicine, and medical devices

The President may not impose sanctions under paragraph (1) with respect to any person for conducting or facilitating a transaction for the sale of agricultural commodities, food, medicine, or medical devices to Iran.

(3) Applicability of sanctions with respect to foreign central banks

Except as provided in paragraph (4), sanctions imposed under paragraph (1)(A) shall apply with respect to a central bank of a foreign country, only insofar as it engages in a financial transaction for the sale or purchase of petroleum or petroleum products to or from Iran conducted or facilitated on or after that date that is 180 days after December 31, 2011.

(4) Applicability of sanctions with respect to petroleum transactions

(A) Report required

Not later than October 25, 2012, and the last Thursday of every other month thereafter, the Administrator of the Energy Information Administration, in consultation with the Secretary of the Treasury, the Secretary of State, and the Director of National Intelligence, shall submit to Congress a report on the availability and price of petroleum and petroleum products produced in countries other than Iran in the 2-month period preceding the submission of the report.

(B) Determination required

Not later than 90 days after December 31, 2011, and every 180 days thereafter, the President shall make a determination, based on the reports required by subparagraph (A), of whether the price and supply of petroleum and petroleum products produced in countries other than Iran is sufficient to permit purchasers of petroleum and petroleum products from Iran to reduce significantly in volume their purchases from Iran.

(C) Application of sanctions

Except as provided in subparagraph (D), sanctions imposed under paragraph (1)(A) shall apply with respect to a financial transaction conducted or facilitated by a foreign financial institution on or after the date that is 180 days after December 31, 2011, for the purchase of petroleum or petroleum products from Iran if the President determines pursuant to subparagraph (B) that there is a sufficient supply of petroleum and petroleum products from countries other than Iran to permit a significant reduction in the volume of petroleum and petroleum products purchased from Iran by or through foreign financial institutions.

(D) Exception**(i) In general**

Sanctions imposed pursuant to paragraph (1) shall not apply with respect to a financial transaction described in clause (ii) conducted or facilitated by a foreign financial institution if the President determines and reports to Congress, not later than 90 days after the date on which the President makes the determination required by subparagraph (B), and every 180 days thereafter, that the country with primary jurisdiction over the foreign financial institution—

(I) has significantly reduced reduced¹ its volume of crude oil purchases from Iran during the period beginning on the date on which the President submitted the last report with respect to the country under this subparagraph; or

(II) in the case of a country that has previously received an exception under this subparagraph, has, after receiving the exception, reduced its crude oil purchases from Iran to zero.

(ii) Financial transactions described

A financial transaction conducted or facilitated by a foreign financial institution is described in this clause if—

(I) the financial transaction is only for trade in goods or services between the country with primary jurisdiction over the foreign financial institution and Iran; and

(II) any funds owed to Iran as a result of such trade are credited to an account located in the country with primary jurisdiction over the foreign financial institution.

(5) Waiver

The President may waive the imposition of sanctions under paragraph (1) for a period of not more than 120 days, and may renew that waiver for additional periods of not more than 120 days, if the President—

(A) determines that such a waiver is in the national security interest of the United States; and

(B) submits to Congress a report—

(i) providing a justification for the waiver;

(ii) certifying that the country with primary jurisdiction over the foreign financial institution otherwise subject to the sanctions faced exceptional circumstances that prevented the country from being able to reduce significantly its purchases of petroleum and petroleum products from Iran; and

(iii) that includes any concrete cooperation the President has received or expects to receive as a result of the waiver.

(e) Multilateral diplomacy initiative**(1) In general**

The President shall—

(A) carry out an initiative of multilateral diplomacy to persuade countries purchasing oil from Iran—

(i) to limit the use by Iran of revenue from purchases of oil to purchases of non-luxury consumers goods from the country purchasing the oil; and

(ii) to prohibit purchases by Iran of—

(I) military or dual-use technology, including items—

(aa) in the Annex to the Missile Technology Control Regime Guidelines;

(bb) in the Annex on Chemicals to the Convention on the Prohibition of the Development, Production, Stockpiling and Use of Chemical Weapons and on their Destruction, done at Paris January 13, 1993, and entered into force April 29, 1997 (commonly known as the “Chemical Weapons Convention”);

(cc) in Part 1 or 2 of the Nuclear Suppliers Group Guidelines; or

(dd) on a control list of the Wassenaar Arrangement on Export Controls for Conventional Arms and Dual-Use Goods and Technologies; or

(II) any other item that could contribute to Iran’s conventional, nuclear, chemical, or biological weapons program; and

(B) conduct outreach to petroleum-producing countries to encourage those countries to increase their output of crude oil to ensure there is a sufficient supply of crude oil from countries other than Iran and to minimize any impact on the price of oil resulting from the imposition of sanctions under this section.

(2) Report required

Not later than 180 days after December 31, 2011, and every 180 days thereafter, the Presi-

¹ So in original.

dent shall submit to Congress a report on the efforts of the President to carry out the initiative described in paragraph (1)(A) and conduct the outreach described in paragraph (1)(B) and the results of those efforts.

(f) Form of reports

Each report submitted under this section shall be submitted in unclassified form, but may contain a classified annex.

(g) Implementation; penalties

(1) 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.

(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 this section or regulations prescribed under this section to the same extent that such penalties apply to a person that commits an unlawful act described in section 206(a) of that Act.

(h) Definitions

In this section:

(1) Account; correspondent account; payable-through account

The terms “account”, “correspondent account”, and “payable-through account” have the meanings given those terms in section 5318A of title 31.

(2) Foreign financial institution

The term “foreign financial institution” has the meaning of that term as determined by the Secretary of the Treasury pursuant to section 8513(i) of this title.

(3) Significant reductions

The terms “reduce significantly”, “significant reduction”, and “significantly reduced”, with respect to purchases from Iran of petroleum and petroleum products, include a reduction in such purchases in terms of price or volume toward a complete cessation of such purchases.

(4) United States person

The term “United States person” means—

(A) a natural person who is a citizen or resident of the United States or a national of the United States (as defined in section 1101(a) of title 8); and

(B) an entity that is organized under the laws of the United States or a jurisdiction within the United States.

(i) Termination

The provisions of this section shall terminate on the date that is 30 days after the date on which the President submits to Congress the certification described in section 8551(a) of this title.

(Pub. L. 112–81, div. A, title XII, §1245, Dec. 31, 2011, 125 Stat. 1647; Pub. L. 112–158, title V,

§§503(a)(1), (b)(1), 504(a), Aug. 10, 2012, 126 Stat. 1260, 1261; Pub. L. 112–239, div. A, title XII, §1250, Jan. 2, 2013, 126 Stat. 2016.)

REFERENCES IN TEXT

The International Emergency Economic Powers Act, referred to in subsecs. (c) and (d)(1), is title II of Pub. L. 95–223, Dec. 28, 1977, 91 Stat. 1626, which is classified generally to chapter 35 (§1701 et seq.) of Title 50, War and National Defense. For complete classification of this Act to the Code, see Short Title note set out under section 1701 of Title 50 and Tables.

CODIFICATION

Section was enacted as part of the National Defense Authorization Act for Fiscal Year 2012, and not as part of the Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010 which comprises this chapter.

AMENDMENTS

2013—Subsec. (d)(5)(B)(ii), (iii). Pub. L. 112–239 added cl. (ii) and redesignated former cl. (ii) as (iii).

2012—Subsec. (d)(2). Pub. L. 112–158, §503(a)(1), inserted “agricultural commodities,” after “sales of” in heading and after “sale of” in text.

Subsec. (d)(3). Pub. L. 112–158, §504(a)(1)(A), struck out “a foreign financial institution owned or controlled by the government of a foreign country, including” after “with respect to”.

Subsec. (d)(4)(A). Pub. L. 112–158, §503(b)(1), substituted “October 25, 2012, and the last Thursday of every other month thereafter” for “60 days after December 31, 2011, and every 60 days thereafter” and “2-month period” for “60-day period”.

Subsec. (d)(4)(D)(i). Pub. L. 112–158, §504(a)(1)(B)(i), (ii), designated existing provisions as cl. (i) and inserted cl. heading, substituted “a financial transaction described in clause (ii) conducted or facilitated by a foreign financial institution” for “a foreign financial institution” and “institution—” for “institution has significantly”, inserted subcl. (I) designation and “has significantly reduced” before “reduced its volume”, and added subcl. (II).

Subsec. (d)(4)(D)(ii). Pub. L. 112–158, §504(a)(1)(B)(iii), added cl. (ii).

Subsec. (h)(3), (4). Pub. L. 112–158, §504(a)(2), added par. (3) and redesignated former par. (3) as (4).

Subsec. (i). Pub. L. 112–158, §504(a)(3), added subsec. (i).

EFFECTIVE DATE OF 2012 AMENDMENT

Pub. L. 112–158, title V, §503(a)(2), Aug. 10, 2012, 126 Stat. 1261, provided that: “The amendments made by paragraph (1) [amending this section] shall take effect as if included in the National Defense Authorization Act for Fiscal Year 2012 (Public Law 112–81; 125 Stat. 1298).”

Pub. L. 112–158, title V, §503(b)(2), Aug. 10, 2012, 126 Stat. 1261, provided that: “The amendments made by paragraph (1) [amending this section] shall take effect on September 1, 2012.”

Pub. L. 112–158, title V, §504(b), Aug. 10, 2012, 126 Stat. 1262, provided that: “The amendments made by paragraphs (1) and (2) of subsection (a) [amending this section] shall apply with respect to financial transactions conducted or facilitated on or after the date that is 180 days after the date of the enactment of this Act [Aug. 10, 2012].”

DELEGATION OF FUNCTIONS

Ex. Ord. No. 13599, Feb. 5, 2012, 77 F.R. 6659, which is listed in a table under section 1701 of Title 50, War and National Defense, provided in section 10 that the Secretary of the Treasury, in consultation with the Secretary of State, is authorized to exercise the functions and authorities conferred upon the President by subsecs. (d)(1)(A) and (g)(1) of this section and to redele-

gate such functions and authorities consistent with applicable law; and provided in section 11 that the Secretary of State, in consultation with the Secretary of the Treasury, the Secretary of Energy, and the Director of National Intelligence, is authorized to exercise the functions and authorities conferred upon the President by subsec. (d)(4)(D) of this section and that the Secretary of State, in consultation with the Secretary of the Treasury, is authorized to exercise the functions and authorities conferred upon the President by subsecs. (e)(1), (2) and (g)(1) of this section and to redelegate all such functions and authorities consistent with applicable law.

PRESIDENTIAL DETERMINATIONS RELATING TO
PETROLEUM OR PETROLEUM PRODUCTS FROM IRAN

The following Presidential Determinations related to the existence of sufficient supplies of petroleum and petroleum products from countries other than Iran pursuant to subsec. (d)(4)(B) and (C) of this section:

Determination of President of the United States, No. 2014-03, Nov. 29, 2013, 78 F.R. 76717.

Determination of President of the United States, No. 2013-10, June 5, 2013, 78 F.R. 35537.

Determination of President of the United States, No. 2013-03, Dec. 7, 2012, 77 F.R. 76213.

Determination of President of the United States, No. 2012-09, June 11, 2012, 77 F.R. 36387.

Determination of President of the United States, No. 2012-05, Mar. 30, 2012, 77 F.R. 21387.

§ 8513b. Expansion of, and reports on, mandatory sanctions with respect to financial institutions that engage in certain activities

(a) In general

Not later than 90 days after August 10, 2012, the Secretary of the Treasury shall revise the regulations prescribed under section 8513(c)(1) of this title to apply to a foreign financial institution described in subsection (b) to the same extent and in the same manner as those regulations apply to a foreign financial institution that the Secretary of the Treasury finds knowingly engages in an activity described in section 8513(c)(2) of this title.

(b) Foreign financial institutions described

A foreign financial institution described in this subsection is a foreign financial institution, including an Iranian financial institution, that the Secretary of the Treasury finds—

(1) knowingly facilitates, or participates or assists in, an activity described in section 8513(c)(2) of this title, including by acting on behalf of, at the direction of, or as an intermediary for, or otherwise assisting, another person with respect to the activity;

(2) attempts or conspires to facilitate or participate in such an activity; or

(3) is owned or controlled by a foreign financial institution that the Secretary finds knowingly engages in such an activity.

(c) Reports required

(1) In general

Not later than 180 days after August 10, 2012, and every 180 days thereafter, the Secretary of the Treasury shall submit to the appropriate congressional committees a report that contains a detailed description of—

(A) the effect of the regulations prescribed under section 8513(c)(1) of this title on the financial system and economy of Iran and capital flows to and from Iran; and

(B) the ways in which funds move into and out of financial institutions described in section 8513(c)(2)(E)(ii) of this title, with specific attention to the use of other Iranian financial institutions and other foreign financial institutions to receive and transfer funds for financial institutions described in that section.

(2) Form of report

Each report submitted under paragraph (1) shall be submitted in unclassified form but may contain a classified annex.

(d) Definitions

In this section:

(1) Financial institution

The term “financial institution” means a financial institution specified in subparagraph (A), (B), (C), (D), (E), (F), (G), (H), (I), (J), (K), (M), (N), (R), or (Y) of section 5312(a)(2) of title 31.

(2) Foreign financial institution

The term “foreign financial institution” has the meaning of that term as determined by the Secretary of the Treasury pursuant to section 8513(i) of this title.

(3) Iranian financial institution

The term “Iranian financial institution” means—

(A) a financial institution organized under the laws of Iran or any jurisdiction within Iran, including a foreign branch of such an institution;

(B) a financial institution located in Iran;

(C) a financial institution, wherever located, owned or controlled by the Government of Iran; and

(D) a financial institution, wherever located, owned or controlled by a financial institution described in subparagraph (A), (B), or (C).

(Pub. L. 111-195, title I, §104A, as added Pub. L. 112-158, title II, §216(a), Aug. 10, 2012, 126 Stat. 1232.)

§ 8514. Imposition of sanctions on certain persons who are responsible for or complicit in human rights abuses committed against citizens of Iran or their family members after the June 12, 2009, elections in Iran

(a) In general

The President shall impose sanctions described in subsection (c) with respect to each person on the list required by subsection (b).

(b) List of persons who are responsible for or complicit in certain human rights abuses

(1) In general

Not later than 90 days after July 1, 2010, the President shall submit to the appropriate congressional committees a list of persons who are officials of the Government of Iran or persons acting on behalf of that Government (including members of paramilitary organizations such as Ansar-e-Hezbollah and Basij-e Mostaz’afin), that the President determines, based on credible evidence, are responsible for or complicit in, or responsible for ordering,