

115TH CONGRESS
1ST SESSION

S. 1595

AN ACT

To amend the Hizballah International Financing Prevention Act of 2015 to impose additional sanctions with respect to Hizballah, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

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 agencies and instrumentalities of foreign states that support Hizballah.

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

Sec. 201. Blocking of property 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.

TITLE III—GENERAL PROVISIONS

Sec. 301. Regulatory authority.

Sec. 302. Exceptions.

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 impose the
16 sanctions described in subsection (b) with respect to any
17 foreign person that the President determines knowingly
18 provides significant financial, material, or technological
19 support for—

20 “(1) Bayt al-Mal, Jihad al-Bina, the Islamic
21 Resistance Support Association, or any successor or
22 affiliate thereof as designated by the President;

23 “(2) al-Manar TV, al Nour Radio, or the Leba-
24 nese Media Group, or any successor or affiliate
25 thereof as designated by the President;

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

4 “(4) a foreign person owned or controlled by a
5 foreign person described in paragraph (1), (2), or
6 (3).

7 “(b) SANCTIONS DESCRIBED.—

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

10 “(A) ASSET BLOCKING.—The exercise of
11 all powers granted to the President by the
12 International Emergency Economic Powers Act
13 (50 U.S.C. 1701 et seq.) (except that the re-
14 quirements of section 202 of such Act (50
15 U.S.C. 1701) shall not apply) to the extent nec-
16 essary to block and prohibit all transactions in
17 all property and interests in property of a for-
18 eign person determined by the President to be
19 subject to subsection (a) if such property and
20 interests in property are in the United States,
21 come within the United States, or are or come
22 within the possession or control of a United
23 States person.

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

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

4 “(I) inadmissible to the United
5 States;

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

9 “(III) otherwise ineligible to be
10 admitted or paroled into the United
11 States or to receive any other benefit
12 under the Immigration and Nation-
13 ality Act (8 U.S.C. 1101 et seq.).

14 “(ii) CURRENT VISAS REVOKED.—

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

23 “(II) EFFECT OF REVOCATION.—
24 A revocation under subclause (I) shall
25 take effect immediately and shall

1 automatically cancel any other valid
2 visa or entry documentation that is in
3 the possession of the alien.

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

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

17 “(d) PROCEDURES FOR JUDICIAL REVIEW OF CLAS-
18 SIFIED INFORMATION.—

19 “(1) IN GENERAL.—If a finding under this sec-
20 tion, or a prohibition, condition, or penalty imposed
21 as a result of any such finding, is based on classified
22 information (as defined in section 1(a) of the Classi-
23 fied Information Procedures Act (18 U.S.C. App.))
24 and a court reviews the finding or the imposition of
25 the prohibition, condition, or penalty, the President

1 may submit such information to the court ex parte
2 and in camera.

3 “(2) RULE OF CONSTRUCTION.—Nothing in
4 this subsection shall be construed to confer or imply
5 any right to judicial review of any finding under this
6 section or any prohibition, condition, or penalty im-
7 posed as a result of any such finding.

8 “(e) WAIVER.—

9 “(1) IN GENERAL.—The President may, for pe-
10 riods not to exceed 180 days, waive the imposition
11 of sanctions under this section if the President cer-
12 tifies to the appropriate congressional committees
13 that such waiver is in the national security interests
14 of the United States.

15 “(2) BRIEFING.—Not later than 30 days after
16 the issuance of a waiver under paragraph (1) with
17 respect to a foreign person, and every 180 days
18 thereafter while the waiver remains in effect, the
19 President shall brief the appropriate congressional
20 committees on the status of the involvement of the
21 foreign person in activities described in subsection
22 (a).

23 “(f) REPORT.—Not later than 90 days after the date
24 of the enactment of the Hizballah International Financing
25 Prevention Amendments Act of 2017, and every 180 days

1 thereafter for the following 5 years, the President shall
2 submit to the appropriate congressional committees a re-
3 port that lists the foreign persons that the President de-
4 termines are described in subsection (a).

5 “(g) DEFINITIONS.—In this section:

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

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

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

18 “(B) the Committee on Foreign Relations,
19 the Committee on Finance, the Committee on
20 Banking, Housing, and Urban Affairs, and the
21 Committee on the Judiciary of the Senate.

22 “(3) ENTITY.—The term ‘entity’ means a part-
23 nership, association, corporation, or other organiza-
24 tion, group, or subgroup.

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

3 “(5) PERSON.—The term ‘person’ means an in-
4 dividual or entity.

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

10 (b) CLERICAL AMENDMENT.—The table of contents
11 for the Hizballah International Financing Prevention Act
12 of 2015 is amended by striking the item relating to section
13 101 and inserting the following new item:

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

14 **SEC. 102. MODIFICATION OF REPORT WITH RESPECT TO FI-**
15 **NANCIAL INSTITUTIONS THAT ENGAGE IN**
16 **CERTAIN TRANSACTIONS.**

17 Subsection (d) of section 102 of the Hizballah Inter-
18 national Financing Prevention Act of 2015 (Public Law
19 114–102; 50 U.S.C. 1701 note) is amended to read as
20 follows:

21 “(d) REPORT ON FINANCIAL INSTITUTIONS ORGA-
22 NIZED UNDER THE LAWS OF STATE SPONSORS OF TER-
23 RORISM.—

1 “(1) IN GENERAL.—Not later than 90 days
2 after the date of the enactment of the Hizballah
3 International Financing Prevention Amendments
4 Act of 2017, and every 180 days thereafter for the
5 following 5 years, the President shall submit to the
6 appropriate congressional committees a report
7 that—

8 “(A) identifies each foreign financial insti-
9 tution described in paragraph (2) that the
10 President determines engages in one or more
11 activities described in subsection (a)(2);

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

14 “(C) contains a determination with respect
15 to each such foreign financial institution that is
16 identified under subparagraph (A) as engaging
17 in one or more activities described in subsection
18 (a)(2) as to whether such foreign financial in-
19 stitution is in violation of Executive Order
20 13224 (50 U.S.C. 1701 note; relating to block-
21 ing property and prohibiting transactions with
22 persons who commit, threaten to commit, or
23 support terrorism) by reason of engaging in one
24 or more such activities.

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

3 “(A) IN GENERAL.—A foreign financial in-
4 stitution described in this paragraph is a for-
5 eign financial institution—

6 “(i) that, wherever located, is—

7 “(I) organized under the laws of
8 a state sponsor of terrorism or any ju-
9 risdiction within a state sponsor of
10 terrorism;

11 “(II) owned or controlled by the
12 government of a state sponsor of ter-
13 rorism;

14 “(III) located in the territory of
15 a state sponsor of terrorism; or

16 “(IV) owned or controlled by a
17 foreign financial institution described
18 in subclause (I), (II), or (III); and

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

21 “(B) STATE SPONSOR OF TERRORISM.—In
22 this paragraph, the term ‘state sponsor of ter-
23 rorism’ means a country the government of
24 which the Secretary of State has determined is
25 a government that has repeatedly provided sup-

1 port for acts of international terrorism for pur-
2 poses of—

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

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

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

12 “(iv) any other provision of law.”

13 **SEC. 103. SANCTIONS AGAINST AGENCIES AND INSTRUMEN-**
14 **TALITIES OF FOREIGN STATES THAT SUP-**
15 **PORT HIZBALLAH.**

16 (a) IN GENERAL.—Title I of the Hizballah Inter-
17 national Financing Prevention Act of 2015 (Public Law
18 114–102; 50 U.S.C. 1701 note) is amended by adding at
19 the end the following:

20 **“SEC. 103. SANCTIONS AGAINST AGENCIES AND INSTRU-**
21 **MENTALITIES OF FOREIGN STATES THAT**
22 **SUPPORT HIZBALLAH.**

23 “(a) IN GENERAL.—Not later than 180 days after
24 the date of the enactment of this section, and as appro-
25 priate thereafter, the President shall block and prohibit

1 all transactions in all property and interests in property
2 of any agency or instrumentality of a foreign state de-
3 scribed in subsection (b) if such property and interests in
4 property are in the United States, come within the United
5 States, or are or come within the possession or control
6 of a United States person.

7 “(b) AGENCY OR INSTRUMENTALITY OF A FOREIGN
8 STATE DESCRIBED.—An agency or instrumentality of a
9 foreign state described in this subsection is an agency or
10 instrumentality of a foreign state that the President deter-
11 mines knowingly provides significant financial, material,
12 or technological support for, goods or services to or in sup-
13 port of, or arms or related material to—

14 “(1) Hizballah;

15 “(2) an entity owned or controlled by Hizballah;

16 or

17 “(3) an entity that the President determines
18 has acted for or on behalf of Hizballah.

19 “(c) PENALTIES.—The penalties provided for in sub-
20 sections (b) and (c) of section 206 of the International
21 Emergency Economic Powers Act (50 U.S.C. 1705) shall
22 apply to a person that violates, attempts to violate, con-
23 spires to violate, or causes a violation of regulations pre-
24 scribed under subsection (a) to the same extent that such

1 penalties apply to a person that commits an unlawful act
2 described in subsection (a) of such section 206.

3 “(d) IMPLEMENTATION.—The President may exer-
4 cise all authorities provided under sections 203 and 205
5 of the International Emergency Economic Powers Act (50
6 U.S.C. 1702 and 1704) to carry out this section.

7 “(e) PROCEDURES FOR JUDICIAL REVIEW OF CLAS-
8 SIFIED INFORMATION.—

9 “(1) IN GENERAL.—If a finding under this sec-
10 tion, or a prohibition, condition, or penalty imposed
11 as a result of any such finding, is based on classified
12 information (as defined in section 1(a) of the Classi-
13 fied Information Procedures Act (18 U.S.C. App.))
14 and a court reviews the finding or the imposition of
15 the prohibition, condition, or penalty, the President
16 may submit such information to the court *ex parte*
17 and *in camera*.

18 “(2) RULE OF CONSTRUCTION.—Nothing in
19 this subsection shall be construed to confer or imply
20 any right to judicial review of any finding under this
21 section or any prohibition, condition, or penalty im-
22 posed as a result of any such finding.

23 “(f) WAIVER.—

24 “(1) IN GENERAL.—The President may, for pe-
25 riods not to exceed 180 days, waive the imposition

1 of sanctions under this section with respect to an
2 agency or instrumentality of a foreign state if the
3 President certifies to the appropriate congressional
4 committees that such waiver is in the national secu-
5 rity interests of the United States.

6 “(2) BRIEFING.—Not later than 30 days after
7 the issuance of a waiver under paragraph (1) with
8 respect to an agency or instrumentality of a foreign
9 state, and every 180 days thereafter while the waiver
10 remains in effect, the President shall brief the ap-
11 propriate congressional committees on the status of
12 the involvement of the agency or instrumentality in
13 activities described in subsection (b).

14 “(g) 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);

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); or

23 “(F) items designated by the President for
24 purposes of the United States Munitions List

1 under section 38(a)(1) of the Arms Export
2 Control Act (22 U.S.C. 2778(a)(1)).

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

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

“Sec. 103. Sanctions against agencies and instrumentalities of foreign states
that support Hizballah.”.

9 **TITLE II—NARCOTICS TRAF-**
10 **FICKING AND SIGNIFICANT**
11 **TRANSNATIONAL CRIMINAL**
12 **ACTIVITIES OF HIZBALLAH**

13 **SEC. 201. BLOCKING OF PROPERTY OF HIZBALLAH.**

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

18 **“SEC. 201. BLOCKING OF PROPERTY OF HIZBALLAH.**

19 “(a) FINDINGS.—Congress finds that Hizballah con-
20 ducts narcotics trafficking and significant transnational
21 criminal activities.

22 “(b) BLOCKING OF PROPERTY.—Not later than 180
23 days after the date of the enactment of the Hizballah
24 International Financing Prevention Amendments Act of

1 2017, and as appropriate thereafter, the President shall
2 block and prohibit all transactions in all property and in-
3 terests in property of Hizballah if such property and inter-
4 ests in property are in the United States, come within the
5 United States, or are or come within the possession or
6 control of a United States person.

7 “(c) PENALTIES.—The penalties provided for in sub-
8 sections (b) and (c) of section 206 of the International
9 Emergency Economic Powers Act (50 U.S.C. 1705) shall
10 apply to a person that violates, attempts to violate, con-
11 spires to violate, or causes a violation of regulations pre-
12 scribed under subsection (b) to the same extent that such
13 penalties apply to a person that commits an unlawful act
14 described in subsection (a) of such section 206.

15 “(d) IMPLEMENTATION.—The President may exer-
16 cise all authorities provided under sections 203 and 205
17 of the International Emergency Economic Powers Act (50
18 U.S.C. 1702 and 1704) to carry out this section.

19 “(e) PROCEDURES FOR JUDICIAL REVIEW OF CLAS-
20 SIFIED INFORMATION.—

21 “(1) IN GENERAL.—If a finding under this sec-
22 tion, or a prohibition, condition, or penalty imposed
23 as a result of any such finding, is based on classified
24 information (as defined in section 1(a) of the Classi-
25 fied Information Procedures Act (18 U.S.C. App.))

1 and a court reviews the finding or the imposition of
2 the prohibition, condition, or penalty, the President
3 may submit such information to the court *ex parte*
4 and *in camera*.

5 “(2) **RULE OF CONSTRUCTION.**—Nothing in
6 this subsection shall be construed to confer or imply
7 any right to judicial review of any finding under this
8 section or any prohibition, condition, or penalty im-
9 posed as a result of any such finding.

10 “(f) **WAIVER.**—The President may, for periods not
11 to exceed 180 days, waive the imposition of sanctions
12 under this section if the President certifies to the appro-
13 priate congressional committees that such waiver is in the
14 national security interests of the United States.

15 “(g) **DEFINITION.**—In this section, the term
16 ‘Hizballah’ has the meaning given that term in section
17 102(f).”.

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

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

“TITLE II—IMPOSITION OF SANCTIONS WITH RESPECT TO
HIZBALLAH AND REPORTS RELATING TO NARCOTICS TRAF-
FICKING AND SIGNIFICANT TRANSNATIONAL CRIMINAL ACTIVI-
TIES OF HIZBALLAH.”; AND

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

“Sec. 201. Blocking of property of Hizballah.”.

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

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

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

13 “(a) IN GENERAL.—Not later than 180 days after
14 the date of the enactment of the Hizballah International
15 Financing Prevention Amendments Act of 2017, and an-
16 nually thereafter for the following 5 years, the President
17 shall submit to the appropriate congressional committees
18 a report on the following:

19 “(1) Activities that Hizballah, and agents and
20 affiliates of Hizballah, have engaged in that are
21 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, the
12 Committee on Foreign Affairs, and the Com-
13 mittee on Financial Services of the House of
14 Representatives; and

15 “(B) the Committee on the Judiciary, the
16 Committee on Foreign Relations, and the Com-
17 mittee on Banking, Housing, and Urban Affairs
18 of the Senate.

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

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

1 (b) CLERICAL AMENDMENT.—The table of contents
2 for the Hizballah International Financing Prevention Act
3 of 2015 is amended by striking the item relating to section
4 202 and inserting the following:

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

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

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

13 (1) in subsection (a)(1)—

14 (A) in the matter preceding subparagraph
15 (A), by striking “this Act” and inserting “the
16 Hizballah International Financing Prevention
17 Amendments Act of 2017, and annually there-
18 after for the following 5 years”;

19 (B) in subparagraph (D)(ii)(II), by strik-
20 ing “and” at the end;

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

1 (D) by adding at the end the following:

2 “(F) a list of jurisdictions outside of Leb-
3 anon that expressly consent to, or with knowl-
4 edge allow, 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.”;

11 (2) by redesignating subsections (b) and (c) as
12 subsections (c) and (d), respectively;

13 (3) by inserting after subsection (a) the fol-
14 lowing:

15 “(b) ENHANCED DUE DILIGENCE.—

16 “(1) IN GENERAL.—The President shall pre-
17 scribe, as necessary, enhanced due diligence policies,
18 procedures, and controls for United States financial
19 institutions, and foreign financial institutions main-
20 taining correspondent accounts or payable-through
21 accounts with United States financial institutions,
22 that the President determines provide significant fi-
23 nancial services for persons and entities operating in
24 a jurisdiction included in the list required under sub-
25 section (a)(1)(F) if the President determines and re-

1 ports to the appropriate congressional committees
2 that it is in the national security interest of the
3 United States to do so.

4 “(2) DEFINITIONS.—In this subsection, the
5 terms ‘correspondent account’ and ‘payable-through
6 account’ have the meanings given those terms in sec-
7 tion 5318A of title 31, United States Code.”; and

8 (4) in subsection (c), as redesignated by para-
9 graph (2) by adding before the period at the end the
10 following: “and on any requirements for enhanced
11 due diligence prescribed under subsection (b)”.

12 (b) REPORT ON ESTIMATED NET WORTH OF SENIOR
13 HIZBALLAH MEMBERS.—

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

20 (A) the estimated total net worth of each
21 individual described in paragraph (2); and

22 (B) a description of how funds of each in-
23 dividual described in paragraph (2) were ac-
24 quired, and how such funds have been used or
25 employed.

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

3 (A) The Secretary General of Hizballah.

4 (B) Any other individual that the Presi-
5 dent determines is a senior foreign political fig-
6 ure of Hizballah.

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

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

11 (B) PUBLIC AVAILABILITY.—The unclassi-
12 fied portion of the report required under para-
13 graph (1) shall be made available to the public
14 in precompressed, easily downloadable versions
15 that are made available in all appropriate for-
16 mats.

17 (4) SOURCES OF INFORMATION.—In preparing
18 the report required under paragraph (1), the Presi-
19 dent may use any credible publication, database, or
20 web-based resource, and any credible information
21 compiled by any government agency, nongovern-
22 mental organization, or other entity provided to or
23 made available to the President.

24 (5) DEFINITIONS.—In this subsection:

1 (A) APPROPRIATE CONGRESSIONAL COM-
2 MITTEES.—The term “appropriate congres-
3 sional committees” means—

4 (i) the Committee on Foreign Affairs
5 and the Committee on Financial Services
6 of the House of Representatives; and

7 (ii) the Committee on Foreign Rela-
8 tions and the Committee on Banking,
9 Housing, and Urban Affairs of the Senate.

10 (B) FUNDS.—The term “funds” means—

11 (i) cash;

12 (ii) equity;

13 (iii) any other intangible asset the
14 value of which is derived from a contrac-
15 tual claim, including bank deposits, bonds,
16 stocks, a security (as defined in section
17 2(a) of the Securities Act of 1933 (15
18 U.S.C. 77b(a))), or a security or an equity
19 security (as those terms are defined in sec-
20 tion 3(a) of the Securities Exchange Act of
21 1934 (15 U.S.C. 78c(a))); and

22 (iv) anything else of value that the
23 Secretary of the Treasury determines to be
24 appropriate.

1 (C) SENIOR FOREIGN POLITICAL FIG-
2 URE.—The term “senior foreign political fig-
3 ure” has the meaning given that term in section
4 1010.605 of title 31, Code of Federal Regula-
5 tions (or any successor regulation).

6 **SEC. 204. REPORT ON COMBATING THE ILLICIT TOBACCO**
7 **TRAFFICKING NETWORKS USED BY**
8 **HIZBALLAH.**

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

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

22 (1) A description of the steps to be taken by
23 Federal agencies to combat the illicit tobacco traf-
24 ficking networks used by Hizballah.

1 (2) A description of the steps to be taken to en-
2 engage State and local law enforcement authorities in
3 efforts to combat illicit tobacco trafficking networks
4 used by Hizballah operating within the United
5 States.

6 (3) A description of the steps to be taken to en-
7 engage foreign government law enforcement and intel-
8 ligence authorities in efforts to combat illicit tobacco
9 trafficking networks used by Hizballah operating
10 outside the United States.

11 (4) Recommendations for legislative or adminis-
12 trative action, as appropriate, to address the threat
13 of illicit tobacco trafficking networks.

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, the
18 Committee on Armed Services, the Committee on
19 Homeland Security, the Committee on the Judiciary,
20 the Committee on Financial Services, and the Com-
21 mittee on Ways and Means of the House of Rep-
22 resentatives; and

23 (2) the Committee on Foreign Relations, the
24 Committee on Armed Services, the Committee on
25 Homeland Security and Governmental Affairs, the

1 Committee on the Judiciary, the Committee on
2 Banking, Housing, and Urban Affairs, and the Com-
3 mittee on Finance of the Senate.

4 **TITLE III—GENERAL**
5 **PROVISIONS**

6 **SEC. 301. REGULATORY AUTHORITY.**

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

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

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

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

23 (2) the Committee on Foreign Relations and
24 the Committee on Banking, Housing, and Urban Af-
25 fairs of the Senate.

1 **SEC. 302. EXCEPTIONS.**

2 (a) **IN GENERAL.**—This Act and the amendments
3 made by this Act shall not apply to the following:

4 (1) Any authorized intelligence, law enforce-
5 ment, or national security activities of the United
6 States.

7 (2) Any transaction necessary to comply with
8 United States obligations under—

9 (A) the Agreement between the United Na-
10 tions and the United States of America regard-
11 ing the Headquarters of the United Nations,
12 signed at Lake Success June 26, 1947, and en-
13 tered into force November 21, 1947;

14 (B) the Convention on Consular Relations,
15 done at Vienna April 24, 1963, and entered
16 into force March 19, 1967; or

17 (C) any other international treaty.

18 (b) **EXCEPTION RELATING TO IMPORTATION OF**
19 **GOODS.**—The authorities and requirements to impose
20 sanctions under this Act and the amendments made by

- 1 this Act shall not include the authority or requirement to
- 2 impose sanctions on the importation of goods.

Passed the Senate October 5, 2017.

Attest:

Secretary.

115TH CONGRESS
1ST SESSION

S. 1595

AN ACT

To amend the Hizballah International Financing Prevention Act of 2015 to impose additional sanctions with respect to Hizballah, and for other purposes.