

118TH CONGRESS
1ST SESSION

H. R. 5961

IN THE SENATE OF THE UNITED STATES

DECEMBER 4, 2023

Received; read twice and referred to the Committee on Foreign Relations

AN ACT

To freeze certain Iranian funds involved in the 2023 hostage deal between the United States and Iran, 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.**

2 This Act may be cited as the “No Funds for Iranian
3 Terrorism Act”.

4 **SEC. 2. FINDINGS.**

5 Congress makes the following findings:

6 (1) On October 7, 2023, Iran-backed Hamas
7 terrorists launched a massive, unprovoked war on
8 Israel by air, land, and sea, in which they engaged
9 in the brutal murder of over 1,300 people and kid-
10 napped at least 230 people who are now being held
11 hostage.

12 (2) Hamas, Palestinian Islamic Jihad, and
13 Hezbollah have all been designated by the United
14 States as Foreign Terrorist Organizations pursuant
15 to section 219 of the Immigration and Nationality
16 Act (8 U.S.C. 1189).

17 (3) Hamas, Palestinian Islamic Jihad, and as-
18 sociated terrorist organizations backed by Iran rou-
19 tinely and unabashedly use civilians as “human
20 shields” to shield their weapons and terrorist mili-
21 tants from legitimate military engagement, a con-
22 travention of international humanitarian law and a
23 heinous violation of the rights and dignity of civilian
24 noncombatants.

25 (4) Only the cessation of Hamas’ operations,
26 the unconditional surrender of Hamas, and the im-

1 mediate dismantlement of Hamas and all other Iran-
2 backed terrorist organizations that participated in
3 the massacre of Israelis on and since October 7,
4 2023, will ensure that innocent Israeli and Pales-
5 tinian civilian lives are saved.

6 (5) According to an unclassified United States
7 government assessment, “Iran has historically pro-
8 vided up to \$100 million annually in combined sup-
9 port to Palestinian terrorist groups, including
10 Hamas, Palestinian Islamic Jihad (PIJ), and the
11 Popular Front for the Liberation of Palestine-Gen-
12 eral Command.”.

13 (6) As National Security Advisor Jake Sullivan
14 stated on October 10, 2023, “Iran is complicit in
15 this attack in a broad sense because they have pro-
16 vided the lion’s share of the funding for the military
17 wing of Hamas, they have provided training, they
18 have provided capabilities, they have provided sup-
19 port, and they have provided engagement and con-
20 tact with Hamas over years and years.”.

21 (7) President Biden reached an agreement with
22 the Iranian regime to bring home Siamak Namazi,
23 Morad Tahbaz, Emad Shargi, and two additional
24 American hostages all of whom were wrongfully de-
25 tained in Iran.

1 **SEC. 3. IMPOSITION OF SANCTIONS WITH RESPECT TO COV-**
2 **ERED IRANIAN ASSETS.**

3 (a) IN GENERAL.—On and after the date of the en-
4 actment of this Act, the President shall impose the sanc-
5 tion described in subsection (c) with respect to each for-
6 eign financial institution that the President determines en-
7 gages in an activity described in subsection (b).

8 (b) ACTIVITIES DESCRIBED.—A foreign financial in-
9 stitution engages in an activity described in this subsection
10 if the institution processes, participates in, or facilitates
11 a transaction using or involving covered Iranian funds.

12 (c) BLOCKING OF PROPERTY.—The sanction de-
13 scribed in this subsection is the exercise of all of the pow-
14 ers granted to the President under the International
15 Emergency Economic Powers Act (50 U.S.C. 1701 et
16 seq.) to the extent necessary to block and prohibit all
17 transactions in property and interests in property of a for-
18 eign financial institution described in subsection (a) if
19 such property and interests in property are in the United
20 States, come within the United States, or are or come
21 within the possession or control of a United States person.

22 (d) PENALTIES.—The penalties provided for in sub-
23 sections (b) and (c) of section 206 of the International
24 Emergency Economic Powers Act (50 U.S.C. 1705) shall
25 apply to a person that violates, attempts to violate, con-
26 spires to violate, or causes a violation of this section or

1 any regulations promulgated to carry out this section to
2 the same extent that such penalties apply to a person that
3 commits an unlawful act described in section 206(a) of
4 that Act.

5 (e) TERMINATION OF SANCTIONS.—The President
6 shall not be required to impose sanctions under this sec-
7 tion with respect to a foreign financial institution or inter-
8 national financial institution described in subsection (a)
9 if the President certifies in writing to the appropriate con-
10 gressional committees not later than 45 days before the
11 termination of such sanctions that the Government of
12 Iran—

13 (1) no longer repeatedly provides support for
14 international terrorism as determined by the Sec-
15 retary of State pursuant to—

16 (A) section 1754(c)(1)(A) of the Export
17 Control Reform Act of 2018 (50 U.S.C.
18 4318(c)(1)(A));

19 (B) section 620A of the Foreign Assistance
20 Act of 1961 (22 U.S.C. 2371);

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

23 (D) any other provision of law; and

24 (2) has ceased the pursuit, acquisition, and de-
25 velopment of, and verifiably dismantled its, nuclear,

1 biological, and chemical weapons and ballistic mis-
2 siles and ballistic missile launch technology.

3 (f) EXCEPTION RELATING TO IMPORTATION OF
4 GOODS.—

5 (1) IN GENERAL.—The authorities and require-
6 ments to impose sanctions authorized under this Act
7 shall not include the authority or requirement to im-
8 pose sanctions on the importation of goods.

9 (2) GOOD DEFINED.—In this subsection, the
10 term “good” means any article, natural or man-
11 made substance, material, supply, or manufactured
12 product, including inspection and test equipment,
13 and excluding technical data.

14 **SEC. 4. SENSE OF CONGRESS.**

15 It is the sense of Congress that the terrorist-funding,
16 human rights-violating Iranian regime should receive no
17 additional funds but that basic humanitarian assistance
18 for the people of Iran is important.

19 **SEC. 5. LIMITATION OF APPLICABILITY OF CERTAIN LI-**
20 **CENSES.**

21 (a) IN GENERAL.—Notwithstanding any other provi-
22 sion of law, on and after the date of the enactment of
23 this Act, the President may not—

24 (1) exercise the waiver authority described in
25 section 1245(d)(5) of the National Defense Author-

1 ization Act for Fiscal Year 2012 and sections
2 1244(i) and 1247(f) of the Iran Freedom and
3 Counter-Proliferation Act of 2012 permitting the
4 Government of Iran or any Iranian person access to
5 any account established or maintained pursuant to
6 or in accordance with section 1245(d)(4)(D)(ii)(II)
7 of the National Defense Authorization Act for Fiscal
8 Year 2012; or

9 (2) issue a general or specific license, frequently
10 asked question, or any other licensing action or
11 guidance permitting the Government of Iran or any
12 Iranian person access to or to benefit directly or in-
13 directly from any account established pursuant to or
14 in accordance with any account described in
15 1245(d)(4)(D)(ii)(II) of the National Defense Au-
16 thorization Act for Fiscal Year 2012.

17 (b) IMPORTATION OF GOODS.—

18 (1) IN GENERAL.—The exercise of the authori-
19 ties and requirements under paragraph (1) or (2) of
20 subsection (a)—

21 (A) shall not include the authority or re-
22 quirement to impose sanctions on the importa-
23 tion of goods; and

24 (B) shall not apply to any procurement
25 sanctions.

1 (2) GOOD DEFINED.—In this subsection, the
2 term “good” means any article, natural or manmade
3 substance, material, supply or manufactured prod-
4 uct, including inspection and test equipment, and ex-
5 cluding technical data.

6 **SEC. 6. DEFINITIONS.**

7 In this Act:

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

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

14 (B) the Committee on Foreign Relations
15 and the Committee on Banking, Housing, and
16 Urban Affairs of the Senate.

17 (2) COVERED IRANIAN FUNDS.—The term “cov-
18 ered Iranian funds” means any funds transferred
19 from accounts in the Republic of Korea to Qatar
20 pursuant to or under the authority or guaranty of
21 a waiver, license, assurance letter, or other guidance
22 issued pursuant to or in furtherance of the waiver
23 determination made pursuant to sections 1244(i)
24 (22 U.S.C. 8803(i)) and 1247(f) of the Iran Free-
25 dom and Counter-Proliferation Act of 2012 (22

1 U.S.C. 8806(f)) and section 1245(d)(5) of the Na-
2 tional Defense Authorization Act for Fiscal Year
3 2012 (22 U.S.C. 8513a(d)(5)) that is the subject of
4 the document entitled “Waiver of Sanctions with Re-
5 spect to the Transfer of Funds from the Republic of
6 Korea to Qatar” and was transmitted to Congress in
7 September 2023.

8 (3) FOREIGN FINANCIAL INSTITUTION.—The
9 term “foreign financial institution” has the meaning
10 given such term under section 561.308 of title 31,
11 Code of Federal Regulations.

12 **SEC. 7. SENSE OF CONGRESS ON QATAR.**

13 It is the sense of Congress that the Government of
14 Qatar should publicly condemn Hamas, turn Hamas lead-
15 ership over the United States or Israeli control, and pledge
16 never to facilitate the transfer of any covered Iranian
17 funds to Iran or any agency or instrumentality of Iran.

18 **SEC. 8. REPORT ON IRANIAN INTERNET CENSORSHIP.**

19 (a) IN GENERAL.—The Secretary of the Treasury
20 and the Secretary of State shall jointly submit to Congress
21 a report regarding Iranian internet censorship and appli-
22 cable United States licensing requirements. Such report
23 shall include the following:

24 (1) An assessment of the Iranian Government’s
25 ability to impose internet shutdowns, censor the

1 internet, and track Iranian dissidents, labor orga-
2 nizers, political activists, or human rights defenders
3 inside Iran through targeted digital surveillance or
4 other digital means.

5 (2) An assessment of the impact of General Li-
6 cense D-2, issued on September 23, 2022, on the
7 availability of private communications tools inside
8 Iran, including encryption tools to assist the people
9 of Iran in circumventing targeted digital surveillance
10 by the Iranian Government.

11 (3) A determination of whether additional up-
12 dates to General License D-2 or other licenses are
13 needed to keep up with the pace of technology and
14 ensure that United States restrictions do not unin-
15 tentionally inhibit the flow of vital communication
16 tools to the people of Iran, including cloud tech-
17 nology, hardware, software, and services incident to
18 personal communications, including set-top boxes
19 (STB), satellites, and web developer tools.

20 (4) A strategy to ensure that resources are
21 available for digital rights experts to study Iran's
22 online repression and identify opportunities to
23 counter it.

24 (5) A strategy to prevent the Government of
25 Iran from acquiring or developing tools that could be

1 exploited against activists, including facial recogni-
2 tion software.

3 (b) FORM.—The report required pursuant to sub-
4 section (a) shall be submitted in unclassified form but may
5 include a classified annex if such annex is provided sepa-
6 rately from such unclassified version.

7 (c) DEFINITION.—In this section, the term “targeted
8 digital surveillance” means the use of items or services
9 that enable an individual or entity (with or without the
10 knowing authorization of the product’s owner) to detect,
11 monitor, intercept, collect, exploit, preserve, protect, trans-
12 mit, retain, or otherwise gain access to the communica-
13 tions, sensitive or protected information, work product,
14 browsing data, research, identifying information, location
15 history, or online or offline activities of other individuals,
16 organizations, or entities.

17 **SEC. 9. SENSE OF CONGRESS.**

18 It is the sense of Congress that all United States al-
19 lies in the Middle East should publicly and unequivocally
20 condemn the antisemitism displayed by Iranian-backed
21 terrorist groups, including Hamas.

22 **SEC. 10. PROHIBITION ON FUNDS.**

23 No federal funds may be used to make any funds (as
24 such term is defined in section 2339C(e)(1) of title 18,
25 United States Code) available to Iran.

8 SEC. 12. REPORT ON POLICY RELATING TO HUMAN RIGHTS,

Not later than 120 days after the date of the enactment of this Act, the President shall submit to Congress a report (which may contain a classified annex) outlining the policy of the United States with respect to human rights, nuclear proliferation, the ballistic missile program, and regional terrorism in Iran.

Attest: KEVIN F. MCCUMBER,
Clerk.