

115TH CONGRESS  
1ST SESSION

# S. 1595

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

---

## IN THE SENATE OF THE UNITED STATES

JULY 20, 2017

Mr. RUBIO (for himself and Mrs. SHAHEEN) introduced the following bill; which was read twice and referred to the Committee on Banking, Housing, and Urban Affairs

---

## A BILL

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,*

3 **SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

4 (a) SHORT TITLE.—This Act may be cited as the  
5 “Hizballah International Financing Prevention Amend-  
6 ments Act of 2017”.

7 (b) TABLE OF CONTENTS.—The table of contents for  
8 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 and other foreign terrorist organizations.

TITLE III—GENERAL PROVISIONS

- Sec. 301. Regulatory authority.
- Sec. 302. Exceptions.
- Sec. 303. Rule of construction.

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:

1 **“SEC. 101. MANDATORY SANCTIONS WITH RESPECT TO**  
2 **FUNDRAISING AND RECRUITMENT ACTIVI-**  
3 **TIES FOR HIZBALLAH.**

4 “(a) IN GENERAL.—The President shall impose the  
5 sanctions described in subsection (b) with respect to any  
6 foreign person that the President determines knowingly  
7 assists, sponsors, or provides significant financial, mate-  
8 rial, or technological support for—

9 “(1) Bayt al-Mal, Jihad al-Bina, the Islamic  
10 Resistance Support Association, or any successor or  
11 affiliate thereof;

12 “(2) al-Manar TV, al Nour Radio, or the Leba-  
13 nese Media Group, or any successor or affiliate  
14 thereof;

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

18 “(4) a foreign person owned or controlled by a  
19 foreign person described in paragraph (1), (2), or  
20 (3).

21 “(b) SANCTIONS DESCRIBED.—

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

24 “(A) ASSET BLOCKING.—The exercise of  
25 all powers granted to the President by the  
26 International Emergency Economic Powers Act

1 (50 U.S.C. 1701 et seq.) (except that the re-  
2 quirements of section 202 of such Act (50  
3 U.S.C. 1701) shall not apply) to the extent nec-  
4 essary to block and prohibit all transactions in  
5 all property and interests in property of a for-  
6 eign person determined by the President to be  
7 subject to subsection (a) if such property and  
8 interests in property are in the United States,  
9 come within the United States, or are or come  
10 within the possession or control of a United  
11 States person.

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

14 “(i) VISAS, ADMISSION, OR PAROLE.—

15 An alien who the President determines is  
16 subject to subsection (a) is—

17 “(I) inadmissible to the United  
18 States;

19 “(II) ineligible to receive a visa  
20 or other documentation to enter the  
21 United States; and

22 “(III) otherwise ineligible to be  
23 admitted or paroled into the United  
24 States or to receive any other benefit

1 under the Immigration and Nation-  
2 ality Act (8 U.S.C. 1101 et seq.).

3 “(ii) CURRENT VISAS REVOKED.—

4 “(I) IN GENERAL.—The issuing  
5 consular officer, the Secretary of  
6 State, or the Secretary of Homeland  
7 Security shall revoke any visa or other  
8 entry documentation issued to an  
9 alien who the President determines is  
10 subject to subsection (a), regardless of  
11 when issued.

12 “(II) EFFECT OF REVOCATION.—  
13 A revocation under subclause (I) shall  
14 take effect immediately and shall  
15 automatically cancel any other valid  
16 visa or entry documentation that is in  
17 the possession of the alien.

18 “(2) PENALTIES.—The penalties provided for  
19 in subsections (b) and (c) of section 206 of the  
20 International Emergency Economic Powers Act (50  
21 U.S.C. 1705) shall apply to a person that violates,  
22 attempts to violate, conspires to violate, or causes a  
23 violation of regulations prescribed under paragraph  
24 (1)(A) to the same extent that such penalties apply

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

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

7 “(d) 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 “(e) 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 if the President cer-  
2 tifies to the appropriate congressional committees  
3 that such waiver is in the national security interests  
4 of the United States.

5 “(2) CONSULTATION.—

6 “(A) BEFORE WAIVER ISSUED.—Before a  
7 waiver under paragraph (1) takes effect with  
8 respect to a foreign person, the President shall  
9 notify and brief the appropriate congressional  
10 committees on the status of the involvement of  
11 the foreign person in activities described in sub-  
12 section (a).

13 “(B) AFTER WAIVER ISSUED.—Not later  
14 than 90 days after the issuance of a waiver  
15 under paragraph (1) with respect to a foreign  
16 person, and every 120 days thereafter while the  
17 waiver remains in effect, the President shall  
18 brief the appropriate congressional committees  
19 on the status of the involvement of the foreign  
20 person in activities described in subsection (a).

21 “(f) REPORT.—Not later than 90 days after the date  
22 of the enactment of the Hizballah International Financing  
23 Prevention Amendments Act of 2017, and every 180 days  
24 thereafter, the President shall submit to the appropriate  
25 congressional committees a report that lists the foreign

1 persons that the President has credible evidence knowingly  
2 assists, sponsors, or provides significant financial, mate-  
3 rial, or technological support for the foreign persons de-  
4 scribed in paragraph (1), (2), (3), or (4) of 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, the  
5 President shall submit to the appropriate congress-  
6 sional committees a report that—

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

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

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

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

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

4                   “(i) that, wherever located, is—

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

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

12                          “(III) located in the territory of  
13                          a state sponsor of terrorism; or

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

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

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

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

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

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

10 “(iv) any other provision of law.”.

11 **SEC. 103. SANCTIONS AGAINST AGENCIES AND INSTRUMEN-**  
 12 **TALITIES OF FOREIGN STATES THAT SUP-**  
 13 **SUPPORT HIZBALLAH.**

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

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

21 “(a) IN GENERAL.—Not later than 120 days after  
 22 the date of the enactment of this section, and as appro-  
 23 priate thereafter, the President shall block and prohibit  
 24 all transactions in all property and interests in property  
 25 of any agency or instrumentality of a foreign state de-

1 scribed in subsection (b) if such property and interests in  
2 property are in the United States, come within the United  
3 States, or are or come within the possession or control  
4 of a United States person.

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

13               “(1) Hizballah;

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

15       or

16               “(3) an entity that the President determines  
17 has acted or purported to act for or on behalf of  
18 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) CONSULTATION.—

7 “(A) BEFORE WAIVER ISSUED.—Before a  
8 waiver under paragraph (1) takes effect with  
9 respect to an agency or instrumentality of a  
10 foreign state, the President shall notify and  
11 brief the appropriate congressional committees  
12 on the status of the involvement of the agency  
13 or instrumentality in activities described in sub-  
14 section (b).

15 “(B) AFTER WAIVER ISSUED.—Not later  
16 than 90 days after the issuance of a waiver  
17 under paragraph (1) with respect to an agency  
18 or instrumentality of a foreign state, and every  
19 120 days thereafter while the waiver remains in  
20 effect, the President shall brief the appropriate  
21 congressional committees on the status of the  
22 involvement of the agency or instrumentality in  
23 activities described in subsection (b).

24 “(g) DEFINITIONS.—In this section:

1           “(1) AGENCY OR INSTRUMENTALITY OF A FOR-  
2 EIGN STATE; FOREIGN STATE.—The terms ‘agency  
3 or instrumentality of a foreign state’ and ‘foreign  
4 state’ have the meanings given those terms in sec-  
5 tion 1603 of title 28, United States Code.

6           “(2) APPROPRIATE CONGRESSIONAL COMMIT-  
7 TEES.—The term ‘appropriate congressional com-  
8 mittees’ means—

9                   “(A) the Committee on Foreign Affairs,  
10 the Committee on Financial Services, the Com-  
11 mittee on Ways and Means, and the Committee  
12 on the Judiciary of the House of Representa-  
13 tives; and

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

18           “(3) ARMS OR RELATED MATERIAL.—The term  
19 ‘arms or related material’ means—

20                   “(A) nuclear, biological, chemical, or radio-  
21 logical weapons or materials or components of  
22 such weapons;

23                   “(B) ballistic or cruise missile weapons or  
24 materials or components of such weapons;



1           “(C) destabilizing numbers and types of  
2 advanced conventional weapons;

3           “(D) defense articles or defense services,  
4 as those terms are defined in paragraphs (3)  
5 and (4), respectively, of section 47 of the Arms  
6 Export Control Act (22 U.S.C. 2794);

7           “(E) defense information, as that term is  
8 defined in section 644 of the Foreign Assist-  
9 ance Act of 1961 (22 U.S.C. 2403); or

10           “(F) items designated by the President for  
11 purposes of the United States Munitions List  
12 under section 38(a)(1) of the Arms Export  
13 Control Act (22 U.S.C. 2778(a)(1)).

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

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

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

1 **TITLE II—NARCOTICS TRAF-**  
2 **FICKING AND SIGNIFICANT**  
3 **TRANSNATIONAL CRIMINAL**  
4 **ACTIVITIES OF HIZBALLAH**

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

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

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

11 “(a) FINDINGS.—Congress finds that Hizballah con-  
12 ducts narcotics trafficking and significant transnational  
13 criminal activities.

14 “(b) BLOCKING OF PROPERTY.—Not later than 120  
15 days after the date of the enactment of the Hizballah  
16 International Financing Prevention Amendments Act of  
17 2017, and as appropriate thereafter, the President shall  
18 block and prohibit all transactions in all property and in-  
19 terests in property of Hizballah if such property and inter-  
20 ests in property are in the United States, come within the  
21 United States, or are or come within the possession or  
22 control of a United States person.

23 “(c) PENALTIES.—The penalties provided for in sub-  
24 sections (b) and (c) of section 206 of the International  
25 Emergency Economic Powers Act (50 U.S.C. 1705) shall

1 apply to a person that violates, attempts to violate, con-  
2 spires to violate, or causes a violation of regulations pre-  
3 scribed under subsection (b) to the same extent that such  
4 penalties apply to a person that commits an unlawful act  
5 described in subsection (a) of such section 206.

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

10 “(e) PROCEDURES FOR JUDICIAL REVIEW OF CLAS-  
11 SIFIED INFORMATION.—

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

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

1       “(f) WAIVER.—The President may, for periods not  
2 to exceed 180 days, waive the imposition of sanctions  
3 under this section if the President certifies to the appro-  
4 priate congressional committees that such waiver is in the  
5 national security interests of the United States.

6       “(g) DEFINITION.—In this section, the term  
7 ‘Hizballah’ has the meaning given that term in section  
8 102(f).”.

9       (b) CLERICAL AMENDMENTS.—The table of contents  
10 for the Hizballah International Financing Prevention Act  
11 of 2015 is amended—

12               (1) by striking the item relating to title II and  
13               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”;

14               and

15               (2) by striking the item relating to section 201  
16               and inserting the following:

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

17 **SEC. 202. REPORT ON RACKETEERING ACTIVITIES EN-**  
18 **GAGED IN BY HIZBALLAH.**

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

1 **“SEC. 202. REPORT ON RACKETEERING ACTIVITIES EN-**  
2 **GAGED IN BY HIZBALLAH.**

3 “(a) IN GENERAL.—Not later than 120 days after  
4 the date of the enactment of the Hizballah International  
5 Financing Prevention Amendments Act of 2017, and an-  
6 nually thereafter for the following 5 years, the President  
7 shall submit to the appropriate congressional committees  
8 a report on the following:

9 “(1) Activities that Hizballah, and agents and  
10 affiliates of Hizballah, have engaged in that are  
11 racketeering activities.

12 “(2) The extent to which Hizballah, and agents  
13 and affiliates of Hizballah, engage in a pattern of  
14 such racketeering activities.

15 “(b) FORM OF REPORT.—Each report required under  
16 subsection (a) shall be submitted in an unclassified form  
17 but may contain a classified annex.

18 “(c) DEFINITIONS.—In this section:

19 “(1) APPROPRIATE CONGRESSIONAL COMMIT-  
20 TEES.—The term ‘appropriate congressional com-  
21 mittees’ means—

22 “(A) the Committee on the Judiciary, the  
23 Committee on Foreign Affairs, and the Com-  
24 mittee on Financial Services of the House of  
25 Representatives; and



1 Hizballah International Financing Prevention  
2 Amendments Act of 2017, and annually there-  
3 after for the following 5 years”;

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

6 (C) in subparagraph (E), by striking “and  
7 free-trade zones.” and inserting “free-trade  
8 zones, business partnerships and joint ventures,  
9 and other investments in small and medium-  
10 sized enterprises;”; and

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

12 “(F) a list of provinces, municipalities, and  
13 local governments outside of Lebanon that ex-  
14 pressly consent to, or with knowledge allow, tol-  
15 erate, or disregard the use of their territory by  
16 Hizballah to carry out terrorist activities, in-  
17 cluding training, financing, and recruitment;

18 “(G) a description of the total aggregate  
19 revenues and remittances that Hizballah re-  
20 ceives from the global logistics networks of  
21 Hizballah, including—

22 “(i) a list of Hizballah’s sources of  
23 revenue, including sources of revenue  
24 based on illicit activity, revenues from

1 Iran, charities, and other business activi-  
2 ties; and

3 “(ii) a list of Hizballah’s expenditures,  
4 including expenditures for ongoing military  
5 operations, social networks, and external  
6 operations; and

7 “(H) a survey of national and  
8 transnational legal measures available to target  
9 Hizballah’s financial networks.”;

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

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

14 “(b) ENHANCED DUE DILIGENCE.—

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



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

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

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

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

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

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

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

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

3           (A) The Secretary General of Hizballah.

4           (B) Members of the Hizballah Politburo.

5           (C) Any other individual that the President  
6 determines is a senior foreign political figure of  
7 Hizballah.

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

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

12           (B) PUBLIC AVAILABILITY.—The unclassi-  
13 fied portion of the report required under para-  
14 graph (1) shall be made available to the public  
15 and posted on the website of the Department of  
16 the Treasury in precompressed, easily  
17 downloadable versions that are made available  
18 in all appropriate formats.

19           (4) SOURCES OF INFORMATION.—In preparing  
20 the report required under paragraph (1), the Sec-  
21 retary of the Treasury may use any credible publica-  
22 tion, database, or web-based resource, and any cred-  
23 ible information compiled by any government agen-  
24 cy, nongovernmental organization, or other entity  
25 provided to or made available to the Secretary.

1 (5) DEFINITIONS.—In this subsection:

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

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

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

11 (B) FUNDS.—The term “funds” means—

12 (i) cash;

13 (ii) equity;

14 (iii) any other intangible asset the  
15 value of which is derived from a contrac-  
16 tual claim, including bank deposits, bonds,  
17 stocks, a security (as defined in section  
18 2(a) of the Securities Act of 1933 (15  
19 U.S.C. 77b(a))), or a security or an equity  
20 security (as those terms are defined in sec-  
21 tion 3(a) of the Securities Exchange Act of  
22 1934 (15 U.S.C. 78c(a))); and

23 (iv) anything else of value that the  
24 Secretary of the Treasury determines to be  
25 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 AND OTHER FOREIGN TER-**  
9 **RORIST ORGANIZATIONS.**

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

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

24 (1) A description of the steps to be taken by  
25 Federal agencies to combat the illicit tobacco traf-

1       ficking networks used by Hizballah, other foreign  
2       terrorist organizations, and other illicit actors.

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

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

12          (4) Recommendations for legislative or adminis-  
13      trative action needed to address the threat of illicit  
14      tobacco trafficking networks.

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

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

24           (2) the Committee on Foreign Relations, the  
25      Committee on Armed Services, the Committee on

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

5 **TITLE III—GENERAL**  
6 **PROVISIONS**

7 **SEC. 301. REGULATORY AUTHORITY.**

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

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

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

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

1           (2) the Committee on Foreign Relations and  
2           the Committee on Banking, Housing, and Urban Af-  
3           fairs of the Senate.

4 **SEC. 302. EXCEPTIONS.**

5           This Act and the amendments made by this Act shall  
6 not apply to the following:

7           (1) Any authorized intelligence, law enforce-  
8           ment, or national security activities of the United  
9           States.

10          (2) Any transaction necessary to comply with  
11          United States obligations under—

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

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

20                 (C) any other international treaty.

21 **SEC. 303. RULE OF CONSTRUCTION.**

22           Nothing in this Act or an amendment made by this  
23 Act shall be construed to limit the authority of the Presi-  
24 dent under the International Emergency Economic Powers

1 Act (50 U.S.C. 1701 et seq.) or any other provision of  
2 law.

○