

AMENDMENT NO. _____ Calendar No. _____

Purpose: In the nature of a substitute.

IN THE SENATE OF THE UNITED STATES—114th Cong., 1st Sess.

H. R. 2297

To prevent Hezbollah and associated entities from gaining access to international financial and other institutions, and for other purposes.

Referred to the Committee on _____ and ordered to be printed

Ordered to lie on the table and to be printed

AMENDMENT IN THE NATURE OF A SUBSTITUTE intended to be proposed by Mr. RUBIO (for himself, Mrs. SHAHEEN, Mr. SHELBY, and Mr. BROWN)

Viz:

1 Strike all after the enacting clause and insert the following:
2

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

4 (a) **SHORT TITLE.**—This Act may be cited as the
5 “Hizballah International Financing Prevention Act of
6 2015”.

7 (b) **TABLE OF CONTENTS.**—The table of contents for
8 this Act is as follows:

Sec. 1. Short title; table of contents.

Sec. 2. Statement of policy.

TITLE I—PREVENTION OF ACCESS BY HIZBALLAH TO
INTERNATIONAL FINANCIAL AND OTHER INSTITUTIONS

- Sec. 101. Report on imposition of sanctions on certain satellite providers that carry al-Manar TV.
- Sec. 102. Sanctions with respect to financial institutions that engage in certain transactions.

TITLE II—REPORTS AND BRIEFINGS ON NARCOTICS TRAFFICKING AND SIGNIFICANT TRANSNATIONAL CRIMINAL ACTIVITIES OF HIZBALLAH

- Sec. 201. Report and briefing on narcotics trafficking by Hizballah.
- Sec. 202. Report and briefing on significant transnational criminal activities of Hizballah.
- Sec. 203. Rewards for Justice and Hizballah's fundraising, financing, and money laundering activities.
- Sec. 204. Report on activities of foreign governments to disrupt global logistics networks and fundraising, financing, and money laundering activities of Hizballah.

TITLE III—MISCELLANEOUS PROVISIONS

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

1 SEC. 2. STATEMENT OF POLICY.

2 It shall be the policy of the United States to—

3 (1) prevent Hizballah's global logistics and fi-
4 nancial network from operating in order to curtail
5 funding of its domestic and international activities;
6 and

7 (2) utilize all available diplomatic, legislative,
8 and executive avenues to combat the global criminal
9 activities of Hizballah as a means to block that orga-
10 nization's ability to fund its global terrorist activi-
11 ties.

1 **TITLE I—PREVENTION OF AC-**
2 **CESS BY HIZBALLAH TO**
3 **INTERNATIONAL FINANCIAL**
4 **AND OTHER INSTITUTIONS**

5 **SEC. 101. REPORT ON IMPOSITION OF SANCTIONS ON CER-**
6 **TAIN SATELLITE PROVIDERS THAT CARRY**
7 **AL-MANAR TV.**

8 (a) IN GENERAL.—Not later than 90 days after the
9 date of the enactment of this Act, the President shall sub-
10 mit to the appropriate congressional committees and lead-
11 ership a report on the following:

12 (1) The activities of all satellite, broadcast,
13 Internet, or other providers that have knowingly en-
14 tered into a contractual relationship with al-Manar
15 TV, and any affiliates or successors thereof.

16 (2) With respect to all providers described in
17 paragraph (1)—

18 (A) an identification of those providers
19 that have been sanctioned pursuant to Execu-
20 tive Order 13224 (50 U.S.C. 1701 note; relat-
21 ing to blocking property and prohibiting trans-
22 actions with persons who commit, threaten to
23 commit, or support terrorism); and

24 (B) an identification of those providers
25 that have not been sanctioned pursuant to Ex-

1 executive Order 13224 and, with respect to each
2 such provider, any information indicating that
3 the provider has knowingly entered into a con-
4 tractual relationship with al-Manar TV, and
5 any affiliates or successors of al-Manar TV.

6 (b) FORM OF REPORT.—The report required by sub-
7 section (a) shall be submitted in unclassified form to the
8 greatest extent possible, but may include a classified
9 annex.

10 (c) APPROPRIATE CONGRESSIONAL COMMITTEES
11 AND LEADERSHIP DEFINED.—In this section, the term
12 “appropriate congressional committees and leadership”
13 means—

14 (1) the Speaker, the minority leader, the Com-
15 mittee on Foreign Affairs, the Committee on Finan-
16 cial Services, and the Permanent Select Committee
17 on Intelligence of the House of Representatives; and

18 (2) the majority leader, the minority leader, the
19 Committee on Foreign Relations, the Committee on
20 Banking, Housing, and Urban Affairs, and the Se-
21 lect Committee on Intelligence of the Senate.

1 **SEC. 102. SANCTIONS WITH RESPECT TO FINANCIAL INSTI-**
2 **TUTIONS THAT ENGAGE IN CERTAIN TRANS-**
3 **ACTIONS.**

4 (a) PROHIBITIONS AND CONDITIONS WITH RESPECT
5 TO CERTAIN ACCOUNTS HELD BY FOREIGN FINANCIAL
6 INSTITUTIONS.—

7 (1) IN GENERAL.—Not later than 120 days
8 after the date of the enactment of this Act, the
9 President shall prescribe regulations to prohibit, or
10 impose strict conditions on, the opening or maintain-
11 ing in the United States of a correspondent account
12 or a payable-through account by a foreign financial
13 institution that the President determines, on or after
14 such date of enactment, engages in an activity de-
15 scribed in paragraph (2).

16 (2) ACTIVITIES DESCRIBED.—A foreign finan-
17 cial institution engages in an activity described in
18 this paragraph if the foreign financial institution—

19 (A) knowingly facilitates a significant
20 transaction or transactions for Hizballah;

21 (B) knowingly facilitates a significant
22 transaction or transactions of a person identi-
23 fied on the list of specially designated nationals
24 and blocked persons maintained by the Office of
25 Foreign Assets Control of the Department of
26 the Treasury and the property and interests in

1 property of which are blocked pursuant to the
2 International Emergency Economic Powers Act
3 (50 U.S.C. 1701 et seq.) for acting on behalf
4 of or at the direction of, or being owned or con-
5 trolled by, Hizballah;

6 (C) knowingly engages in money laun-
7 dering to carry out an activity described in sub-
8 paragraph (A) or (B); or

9 (D) knowingly facilitates a significant
10 transaction or transactions or provides signifi-
11 cant financial services to carry out an activity
12 described in subparagraph (A), (B), or (C).

13 (3) PENALTIES.—The penalties provided for in
14 subsections (b) and (c) of section 206 of the Inter-
15 national Emergency Economic Powers Act (50
16 U.S.C. 1705) shall apply to a person that violates,
17 attempts to violate, conspires to violate, or causes a
18 violation of regulations prescribed under this sub-
19 section to the same extent that such penalties apply
20 to a person that commits an unlawful act described
21 in subsection (a) of such section 206.

22 (4) PROCEDURES FOR JUDICIAL REVIEW OF
23 CLASSIFIED INFORMATION.—

24 (A) IN GENERAL.—If a finding under this
25 subsection, or a prohibition, condition, or pen-

1 alty imposed as a result of any such finding, is
2 based on classified information (as defined in
3 section 1(a) of the Classified Information Pro-
4 cedures Act (18 U.S.C. App.)) and a court re-
5 views the finding or the imposition of the prohi-
6 bition, condition, or penalty, the President may
7 submit such information to the court *ex parte*
8 and *in camera*.

9 (B) RULE OF CONSTRUCTION.—Nothing in
10 this paragraph shall be construed to confer or
11 imply any right to judicial review of any finding
12 under this subsection or any prohibition, condi-
13 tion, or penalty imposed as a result of any such
14 finding.

15 (b) WAIVER.—

16 (1) IN GENERAL.—The President may waive,
17 on a case-by-case basis, the application of a prohibi-
18 tion or condition imposed with respect to a foreign
19 financial institution pursuant to subsection (a) for a
20 period of not more than 180 days, and may renew
21 the waiver for additional periods of not more than
22 180 days, on and after the date on which the Presi-
23 dent—

1 (A) determines that such a waiver is in the
2 national security interests of the United States;
3 and

4 (B) submits to the appropriate congress-
5 sional committees a report describing the rea-
6 sons for such determination.

7 (2) FORM.—The report required by paragraph
8 (1)(B) shall be submitted in unclassified form, but
9 may contain a classified annex.

10 (c) SPECIAL RULE TO ALLOW FOR TERMINATION OF
11 SANCTIONABLE ACTIVITY.—The President shall not be re-
12 quired to apply sanctions to a foreign financial institution
13 described in subsection (a) if the President certifies in
14 writing to the appropriate congressional committees
15 that—

16 (1) the foreign financial institution—

17 (A) is no longer engaging in the activity
18 described in subsection (a)(2); or

19 (B) has taken and is continuing to take
20 significant verifiable steps toward terminating
21 the activity described in that subsection; and

22 (2) the President has received reliable assur-
23 ances from the government with primary jurisdiction
24 over the foreign financial institution that the foreign

1 financial institution will not engage in any activity
2 described in subsection (a)(2) in the future.

3 (d) REPORT ON FOREIGN CENTRAL BANKS.—

4 (1) IN GENERAL.—Not later than 90 days after
5 the date of the enactment of this Act, and every 180
6 days thereafter, the Secretary of the Treasury shall
7 submit to the appropriate congressional committees
8 a report that—

9 (A) identifies each foreign central bank
10 that the Secretary determines engages in one or
11 more activities described in subsection
12 (a)(2)(D); and

13 (B) provides a detailed description of each
14 such activity.

15 (2) FORM OF REPORT.—Each report required
16 by paragraph (1) shall be submitted in unclassified
17 form, but may include a classified annex.

18 (e) IMPLEMENTATION.—The President may exercise
19 all authorities provided under sections 203 and 205 of the
20 International Emergency Economic Powers Act (50
21 U.S.C. 1702 and 1704) to carry out this section.

22 (f) DEFINITIONS.—

23 (1) IN GENERAL.—In this section:

24 (A) ACCOUNT; CORRESPONDENT ACCOUNT;
25 PAYABLE-THROUGH ACCOUNT.—The terms “ac-

1 count”, “correspondent account”, and “payable-
2 through account” have the meanings given
3 those terms in section 5318A of title 31, United
4 States Code.

5 (B) APPROPRIATE CONGRESSIONAL COM-
6 MITTEES.—The term “appropriate congres-
7 sional committees” means—

8 (i) the Committee on Foreign Affairs
9 and the Committee on Financial Services
10 of the House of Representatives; and

11 (ii) the Committee on Foreign Rela-
12 tions and the Committee on Banking,
13 Housing, and Urban Affairs of the Senate.

14 (C) FINANCIAL INSTITUTION.—The term
15 “financial institution” means a financial insti-
16 tution specified in subparagraph (A), (B), (C),
17 (D), (E), (F), (G), (H), (I), (J), (K), (M), (N),
18 (P), (R), (T), (Y), or (Z) of section 5312(a)(2)
19 of title 31, United States Code.

20 (D) FOREIGN FINANCIAL INSTITUTION.—
21 The term “foreign financial institution” has the
22 meaning given that term in section 1010.605 of
23 title 31, Code of Federal Regulations.

24 (E) HIZBALLAH.—The term “Hizballah”
25 means—

1 (i) the entity known as Hizballah and
2 designated by the Secretary of State as a
3 foreign terrorist organization pursuant to
4 section 219 of the Immigration and Na-
5 tionality Act (8 U.S.C. 1189); or

6 (ii) any person—

7 (I) the property or interests in
8 property of which are blocked pursu-
9 ant to the International Emergency
10 Economic Powers Act (50 U.S.C.
11 1701 et seq.); and

12 (II) who is identified on the list
13 of specially designated nationals and
14 blocked persons maintained by the Of-
15 fice of Foreign Assets Control of the
16 Department of the Treasury as an
17 agent, instrumentality, or affiliate of
18 Hizballah.

19 (F) MONEY LAUNDERING.—The term
20 “money laundering” includes the movement of
21 illicit cash or cash equivalent proceeds into, out
22 of, or through a country, or into, out of, or
23 through a financial institution.

1 (2) OTHER DEFINITIONS.—The President may
2 further define the terms used in this section in the
3 regulations prescribed under this section.

4 **TITLE II—REPORTS AND BRIEF-**
5 **INGS ON NARCOTICS TRAF-**
6 **FICKING AND SIGNIFICANT**
7 **TRANSNATIONAL CRIMINAL**
8 **ACTIVITIES OF HIZBALLAH**

9 **SEC. 201. REPORT AND BRIEFING ON NARCOTICS TRAF-**
10 **FICKING BY HIZBALLAH.**

11 (a) REPORT.—

12 (1) IN GENERAL.—Not later than 120 days
13 after the date of the enactment of this Act, the
14 President shall submit to the appropriate congress-
15 sional committees and leadership a report on the ac-
16 tivities of Hizballah related to narcotics trafficking
17 worldwide.

18 (2) FORM.—The report required by paragraph
19 (1) shall be submitted in unclassified form to the
20 greatest extent possible, but may include a classified
21 annex.

22 (b) BRIEFING.—Not later than 30 days after the sub-
23 mission of the report required by subsection (a), the Presi-
24 dent shall provide to the appropriate congressional com-
25 mittees and leadership a briefing on—

1 (1) the report;

2 (2) procedures for designating Hizballah as a
3 significant foreign narcotics trafficker under the
4 Foreign Narcotics Kingpin Designation Act (21
5 U.S.C. 1901 et seq.); and

6 (3) Government-wide efforts to combat the nar-
7 cotics trafficking activities of Hizballah.

8 (c) APPROPRIATE CONGRESSIONAL COMMITTEES
9 AND LEADERSHIP DEFINED.—In this section, the term
10 “appropriate congressional committees and leadership”
11 means—

12 (1) the Speaker, the minority leader, the Com-
13 mittee on Foreign Affairs, the Committee on Finan-
14 cial Services, the Committee on the Judiciary, and
15 the Permanent Select Committee on Intelligence of
16 the House of Representatives; and

17 (2) the majority leader, the minority leader, the
18 Committee on Foreign Relations, the Committee on
19 Banking, Housing, and Urban Affairs, the Com-
20 mittee on Finance, the Committee on the Judiciary,
21 and the Select Committee on Intelligence of the Sen-
22 ate.

1 **SEC. 202. REPORT AND BRIEFING ON SIGNIFICANT**
2 **TRANSNATIONAL CRIMINAL ACTIVITIES OF**
3 **HIZBALLAH.**

4 (a) REPORT.—

5 (1) IN GENERAL.—Not later than 120 days
6 after the date of the enactment of this Act, the
7 President shall submit to the appropriate congres-
8 sional committees and leadership a report on the sig-
9 nificant transnational criminal activities of
10 Hizballah, including human trafficking.

11 (2) FORM.—The report required by paragraph
12 (1) shall be submitted in unclassified form to the
13 greatest extent possible, but may include a classified
14 annex.

15 (b) BRIEFING.—Not later than 30 days after the sub-
16 mission of the report required by subsection (a), the Presi-
17 dent shall provide to the appropriate congressional com-
18 mittees and leadership a briefing on—

19 (1) the report;

20 (2) procedures for designating Hizballah as a
21 significant transnational criminal organization under
22 Executive Order 13581 (75 Fed. Reg. 44,757); and

23 (3) Government-wide efforts to combat the
24 transnational criminal activities of Hizballah.

25 (c) APPROPRIATE CONGRESSIONAL COMMITTEES
26 AND LEADERSHIP DEFINED.—In this section, the term

1 “appropriate congressional committees and leadership”
2 means—

3 (1) the Speaker, the minority leader, the Com-
4 mittee on Foreign Affairs, the Committee on Finan-
5 cial Services, the Committee on the Judiciary, and
6 the Permanent Select Committee on Intelligence of
7 the House of Representatives; and

8 (2) the majority leader, the minority leader, the
9 Committee on Foreign Relations, the Committee on
10 Banking, Housing, and Urban Affairs, the Com-
11 mittee on Finance, the Committee on the Judiciary,
12 and the Select Committee on Intelligence of the Sen-
13 ate.

14 **SEC. 203. REWARDS FOR JUSTICE AND HIZBALLAH’S FUND-**
15 **RAISING, FINANCING, AND MONEY LAUN-**
16 **DERING ACTIVITIES.**

17 (a) REPORT.—Not later than 90 days after the date
18 of the enactment of this Act, the Secretary of State shall
19 submit to the appropriate congressional committees a re-
20 port that details actions taken by the Department of State
21 through the Department of State rewards program under
22 section 36 of the State Department Basic Authorities Act
23 (22 U.S.C. 2708) to obtain information on fundraising,
24 financing, and money laundering activities of Hizballah
25 and its agents and affiliates.

1 (b) BRIEFING.—Not later than 90 days after the date
2 of the enactment of this Act, and annually thereafter, the
3 Secretary of State shall provide a briefing to the appro-
4 priate congressional committees on the status of the ac-
5 tions described in subsection (a).

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

9 (1) the Committee on Foreign Affairs and the
10 Committee on Financial Services of the House of
11 Representatives; and

12 (2) the Committee on Foreign Relations and
13 the Committee on Banking, Housing, and Urban Af-
14 fairs of the Senate.

15 **SEC. 204. REPORT ON ACTIVITIES OF FOREIGN GOVERN-**
16 **MENTS TO DISRUPT GLOBAL LOGISTICS NET-**
17 **WORKS AND FUNDRAISING, FINANCING, AND**
18 **MONEY LAUNDERING ACTIVITIES OF**
19 **HIZBALLAH.**

20 (a) REPORT.—

21 (1) IN GENERAL.—Not later than 90 days after
22 the date of the enactment of this Act, the President
23 shall submit to the appropriate congressional com-
24 mittees a report that includes—

1 (A) a list of countries that support
2 Hizballah or in which Hizballah maintains im-
3 portant portions of its global logistics networks;

4 (B) with respect to each country on the list
5 required by subparagraph (A)—

6 (i) an assessment of whether the gov-
7 ernment of the country is taking adequate
8 measures to disrupt the global logistics
9 networks of Hizballah within the territory
10 of the country; and

11 (ii) in the case of a country the gov-
12 ernment of which is not taking adequate
13 measures to disrupt such networks—

14 (I) an assessment of the reasons
15 that government is not taking such
16 adequate measures; and

17 (II) a description of measures
18 being taken by the United States to
19 encourage that government to improve
20 measures to disrupt such networks;

21 (C) a list of countries in which Hizballah,
22 or any of its agents or affiliates, conducts sig-
23 nificant fundraising, financing, or money laun-
24 dering activities;

1 (D) with respect to each country on the
2 list required by subparagraph (C)—

3 (i) an assessment of whether the gov-
4 ernment of the country is taking adequate
5 measures to disrupt the fundraising, fi-
6 nancing, or money laundering activities of
7 Hizballah and its agents and affiliates
8 within the territory of the country; and

9 (ii) in the case of a country the gov-
10 ernment of which is not taking adequate
11 measures to disrupt such activities—

12 (I) an assessment of the reasons
13 that government is not taking such
14 adequate measures; and

15 (II) a description of measures
16 being taken by the United States to
17 encourage that government to improve
18 measures to disrupt such activities;
19 and

20 (E) a list of methods that Hizballah, or
21 any of its agents or affiliates, utilizes to raise
22 or transfer funds, including trade-based money
23 laundering, the use of foreign exchange houses,
24 and free-trade zones.

1 (2) FORM.—The report required by paragraph
2 (1) shall be submitted in unclassified form to the
3 greatest extent possible, and may contain a classified
4 annex.

5 (3) GLOBAL LOGISTICS NETWORKS OF
6 HIZBALLAH.—In this subsection, the term “global
7 logistics networks of Hizballah”, “global logistics
8 networks”, or “networks” means financial, material,
9 or technological support for, or financial or other
10 services in support of, Hizballah.

11 (b) BRIEFING ON HIZBALLAH’S ASSETS AND ACTIVI-
12 TIES RELATED TO FUNDRAISING, FINANCING, AND
13 MONEY LAUNDERING WORLDWIDE.—Not later than 90
14 days after the date of the enactment of this Act, and every
15 180 days thereafter, the Secretary of State, the Secretary
16 of the Treasury, and the heads of other applicable Federal
17 departments and agencies shall provide to the appropriate
18 congressional committees a briefing on the disposition of
19 Hizballah’s assets and activities related to fundraising, fi-
20 nancing, and money laundering worldwide.

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

24 (1) the Committee on Foreign Affairs, the
25 Committee on Financial Services, and the Perma-

1 nent Select Committee on Intelligence of the House
2 of Representatives; and

3 (2) the Committee on Foreign Relations, the
4 Committee on Banking, Housing, and Urban Af-
5 fairs, and the Select Committee on Intelligence of
6 the Senate.

7 **TITLE III—MISCELLANEOUS**
8 **PROVISIONS**

9 **SEC. 301. RULE OF CONSTRUCTION.**

10 Nothing in this Act or any amendment made by this
11 Act shall apply to the authorized intelligence activities of
12 the United States.

13 **SEC. 302. REGULATORY AUTHORITY.**

14 (a) **IN GENERAL.**—The President shall, not later
15 than 120 days after the date of the enactment of this Act,
16 promulgate regulations as necessary for the implementa-
17 tion of this Act and the amendments made by this Act.

18 (b) **NOTIFICATION TO CONGRESS.**—Not less than 10
19 days before the promulgation of regulations under sub-
20 section (a), the President shall notify the appropriate con-
21 gressional committees of the proposed regulations and the
22 provisions of this Act and the amendments made by this
23 Act that the regulations are implementing.

1 (c) APPROPRIATE CONGRESSIONAL COMMITTEES DE-
2 FINED.—In this section, the term “appropriate congress-
3 sional committees” means—

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

7 (2) the Committee on Foreign Relations and
8 the Committee on Banking, Housing, and Urban Af-
9 fairs of the Senate.

10 **SEC. 303. TERMINATION.**

11 This Act shall terminate on the date that is 30 days
12 after the date on which the President certifies to Congress
13 that Hizballah—

14 (1) is no longer designated as a foreign ter-
15 rorist organization pursuant to section 219 of the
16 Immigration and Nationality Act (8 U.S.C. 1189);
17 and

18 (2) is no longer designated for the imposition of
19 sanctions pursuant to Executive Order 13224 (50
20 U.S.C. 1701 note; relating to blocking property and
21 prohibiting transactions with persons who commit,
22 threaten to commit, or support terrorism).