

115TH CONGRESS
1ST SESSION

H. R. 1698

To expand sanctions against Iran with respect to the ballistic missile program of Iran, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

MARCH 23, 2017

Mr. ROYCE of California (for himself, Mr. ENGEL, Mr. McCARTHY, and Mr. HOYER) introduced the following bill; which was referred to the Committee on Foreign Affairs, and in addition to the Committees on Financial Services, the Judiciary, Ways and Means, and Oversight and Government Reform, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To expand sanctions against Iran with respect to the ballistic missile program of 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,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Iran Ballistic Missiles
5 and International Sanctions Enforcement Act”.

1 **SEC. 2. SANCTIONS RELATING TO EFFORTS BY THE GOV-**
2 **ERNMENT OF IRAN WITH RESPECT TO BAL-**
3 **LISTIC MISSILE-RELATED GOODS, SERVICES,**
4 **AND TECHNOLOGIES.**

5 (a) FINDINGS.—Congress finds the following:

6 (1) United Nations Security Council Resolution
7 2231 (2015)—

8 (A) calls upon Iran “not to undertake any
9 activity related to ballistic missiles designed to
10 be capable of delivering nuclear weapons, in-
11 cluding launches using such ballistic missile
12 technology”; and

13 (B) calls upon member states to “take the
14 necessary measures to prevent, except as de-
15 cided otherwise by the UN Security Council in
16 advance on a case-by-case basis, the supply,
17 sale, or transfer of arms or related materiel
18 from Iran”.

19 (2) The United States maintains bilateral sanc-
20 tions against Iran for its efforts to manufacture, ac-
21 quire, possess, develop, transport, transfer or use
22 ballistic missiles or ballistic missile launch tech-
23 nology, and its acquisition of destabilizing types and
24 amounts of conventional weapons.

25 (3) According to the 2016 Worldwide Threat
26 Assessment, the United States intelligence commu-

1 nity judges “that Tehran would choose ballistic mis-
2 siles as its preferred method of delivering nuclear
3 weapons, if it builds them. Iran’s ballistic missiles
4 are inherently capable of delivering [weapons of
5 mass destruction], and Tehran already has the larg-
6 est inventory of ballistic missiles in the Middle East.
7 Iran’s progress on space launch vehicles—along with
8 its desire to deter the United States and its allies—
9 provides Tehran with the means and motivation to
10 develop longer-range missiles, including ICBMs.”.

11 (4) Since the passage of United Nations Secu-
12 rity Council 2231, Iran has conducted numerous
13 tests of ballistic missiles designed to be capable of
14 delivering nuclear weapons, and has acquired desta-
15 bilizing types of conventional weapons.

16 (5) Iran has pursued the ability to indigenously
17 produce ballistic missile and cruise missile goods,
18 services, and technologies.

19 (b) STATEMENT OF POLICY.—It is the policy of the
20 United States to prevent Iran from undertaking any activ-
21 ity related to ballistic missiles designed to be capable of
22 delivering nuclear weapons, including launches using such
23 ballistic missile technology.

24 (c) REPORT ON SUPPLY CHAIN OF IRAN’S BALLISTIC
25 MISSILE PROGRAM.—

1 (1) IN GENERAL.—Not later than 90 days after
2 the date of the enactment of this Act, the President
3 shall submit to the appropriate congressional com-
4 mittees a report that contains the following:

5 (A) An analysis of the foreign and domes-
6 tic supply chain in Iran that directly or indi-
7 rectly significantly facilitates, supports, or oth-
8 erwise aids the Government of Iran’s ballistic
9 missile program.

10 (B) A description of the geographic dis-
11 tribution of the foreign and domestic supply
12 chain described in subparagraph (A).

13 (C) An assessment of the Government of
14 Iran’s ability to indigenously manufacture or
15 otherwise produce the goods, services, or tech-
16 nology necessary to support its ballistic missile
17 program.

18 (D) An identification of foreign persons
19 that have, based on credible information, di-
20 rectly or indirectly facilitated or supported the
21 development of the Government of Iran’s bal-
22 listic missile program, including the foreign and
23 domestic supply chain described in subpara-
24 graph (A).

1 (2) FORM.—The report required under para-
2 graph (1) shall be submitted in unclassified form,
3 but may contain a classified annex.

4 (d) INVESTIGATIONS.—Section (4)(e) of the Iran
5 Sanctions Act of 1996 (Public Law 104–172; 50 U.S.C.
6 1701 note) is amended by inserting “or 5(b)” after “sec-
7 tion 5(a)” each place it appears.

8 (e) SANCTIONABLE ACTIVITIES WITH RESPECT TO
9 WEAPONS OF MASS DESTRUCTION.—Paragraph (1) of
10 section 5(b) of the Iran Sanctions Act of 1996 (Public
11 Law 104–172; 50 U.S.C. 1701 note) is amended—

12 (1) in the heading, by striking “EXPORTS,
13 TRANSFERS, AND TRANSSHIPMENTS” and inserting
14 “WEAPONS OF MASS DESTRUCTION; BALLISTIC MIS-
15 SILES; CONVENTIONAL WEAPONS”;

16 (2) by striking “Except as” and inserting the
17 following:

18 “(A) WEAPONS OF MASS DESTRUCTION.—
19 Except as”;

20 (3) by striking “(A) on or after the date of the
21 enactment of the Iran Threat Reduction and Syria
22 Human Rights Act of 2012” and inserting the fol-
23 lowing:

1 “(i) on or after the date of the enact-
2 ment of the Iran Ballistic Missiles and
3 International Sanctions Enforcement Act”;

4 (4) by striking “and” at the end of subpara-
5 graph (A)(i) (as so redesignated);

6 (5) by striking “(B) knew” and inserting the
7 following:

8 “(ii) knew”;

9 (6) by striking “(i) the export” and inserting
10 the following:

11 “(I) the export”;

12 (7) by striking “would likely” and inserting
13 “may”;

14 (8) by striking “(ii) the export” and inserting
15 the following:

16 “(II) the export”;

17 (9) by striking “(I) acquire” and inserting the
18 following:

19 “(aa) acquire”;

20 (10) by striking “; or” at the end of subpara-
21 graph (A)(ii)(II)(aa) (as so redesignated);

22 (11) by inserting after subparagraph
23 (A)(ii)(II)(aa) (as so redesignated) the following:

1 “(bb) acquire or develop bal-
2 listic missiles or ballistic missile
3 launch technologies; or”;

4 (12) by striking “(II) acquire” and inserting
5 the following:

6 “(cc) acquire”;

7 (13) by striking the period at the end of sub-
8 paragraph (A)(ii)(II)(cc) (as so redesignated) and
9 inserting “; and”; and

10 (14) by adding at the end of subparagraph (A)
11 the following:

12 “(iii) knowingly exports or transfers,
13 or permits or otherwise facilitates the
14 transshipment or re-export of, any goods,
15 services, technology, or other items to Iran
16 that materially contributes to the ability of
17 Iran to—

18 “(I) acquire or develop ballistic
19 missiles or ballistic missile launch
20 technologies; or

21 “(II) acquire or develop desta-
22 bilizing numbers and types of ad-
23 vanced conventional weapons (as such
24 term is defined in paragraphs (1) and
25 (2) of section 1608 of the Iran-Iraq

1 Arms Non-Proliferation Act of
2 1992).”.

3 (f) SANCTIONABLE ACTIVITIES WITH RESPECT TO
4 BALLISTIC MISSILES.—Paragraph (1) of section 5(b) of
5 the Iran Sanctions Act of 1996 (Public Law 104–172; 50
6 U.S.C. 1701 note), as amended by subsection (e), is fur-
7 ther amended by adding at the end the following:

8 “(B) ADDITIONAL BALLISTIC MISSILE-RE-
9 LATED GOODS, SERVICES, AND TECHNOLOGY.—

10 “(i) ADDITIONAL AUTHORITY.—The
11 President shall impose the sanctions de-
12 scribed in paragraph (8), (10), or (12) of
13 section 6(a), as the case may be, with re-
14 spect to—

15 “(I) an agency or instrumentality
16 of the Government of Iran if the
17 agency or instrumentality, on or after
18 the date of the enactment of this sub-
19 paragraph, seeks to develop, procure,
20 or acquire goods, services, or tech-
21 nology that materially contributes to
22 efforts by the Government of Iran
23 with respect to ballistic missile-related
24 goods, services, and technologies as
25 described in clause (iii);

1 “(II) a foreign person or an
2 agency or instrumentality of a foreign
3 state if the person or agency or in-
4 strumentality knowingly, on or after
5 the date of the enactment of this
6 paragraph, provides material support
7 to the Government of Iran that mate-
8 rially contributes to efforts by the
9 Government of Iran with respect to
10 ballistic missile-related goods, services,
11 and technologies as described in
12 clause (iii); and

13 “(III) a foreign person that the
14 President determines knowingly en-
15 gages in a significant transaction or
16 transactions with, or provides signifi-
17 cant financial services for, a foreign
18 person or an agency or instrumen-
19 tality of a foreign state described in
20 subclause (I) or (II) with respect to
21 ballistic missile-related goods, services,
22 and technologies as described in
23 clause (iii).

24 “(ii) DETERMINATION ON BALLISTIC
25 MISSILE TESTS.—

1 “(I) IN GENERAL.—Not later
2 than 30 days after the date on which
3 the President receives credible infor-
4 mation that the Government of Iran
5 has conducted a test of a ballistic mis-
6 sile, the President shall submit to the
7 Committee on Foreign Affairs of the
8 House of Representatives and the
9 Committee on Foreign Relations of
10 the Senate a determination of whether
11 or not the test of such missile fails to
12 comply with, violates, or is in defiance
13 of United Nations Security Council
14 Resolution 2231 (2015).

15 “(II) REPORT.—

16 “(aa) IN GENERAL.—If the
17 President determines pursuant to
18 subelause (I) that the test of a
19 ballistic missile fails to comply
20 with, violates, or is in defiance of
21 United Nations Security Council
22 Resolution 2231 (2015), the
23 President shall transmit to the
24 Committee on Foreign Affairs of
25 the House of Representatives and

1 the Committee on Foreign Rela-
2 tions of the Senate a report
3 that—

4 “(AA) identifies each
5 Iranian person that the
6 President determines is re-
7 sponsible for ordering, con-
8 trolling, or otherwise direct-
9 ing the missile test described
10 in subclause (I);

11 “(BB) determines
12 whether the persons de-
13 scribed in sub-item (AA)
14 have been designated for
15 their activities in support of
16 Iran’s ballistic missile pro-
17 gram, and if not, so des-
18 ignated, the reasons there-
19 for; and

20 “(CC) describes the
21 steps the President is taking
22 to respond to the ballistic
23 missile test described in sub-
24 clause (I).

1 “(bb) FORM.—The report
2 required by item (aa) shall be
3 submitted in unclassified form,
4 but may contain a classified
5 annex.

6 “(iii) EFFORTS BY THE GOVERNMENT
7 OF IRAN WITH RESPECT TO BALLISTIC
8 MISSILE-RELATED GOODS, SERVICES, AND
9 TECHNOLOGIES DESCRIBED.—For pur-
10 poses of subclauses (I) and (II) of clause
11 (i), efforts by the Government of Iran with
12 respect to ballistic missile-related goods,
13 services, and technologies described in this
14 subsection are efforts by the Government
15 of Iran to manufacture, acquire, possess,
16 develop, transport, transfer, test or use
17 ballistic missiles or associated goods, serv-
18 ices, or technology by the Government of
19 Iran in violation of section 3 of Annex B
20 of United Nations Security Council Resolu-
21 tion 2231 (2015), including efforts by the
22 Government of Iran to manufacture, ac-
23 quire, possess, develop, transport, transfer,
24 purchase—

1 “(I) goods, services, or tech-
2 nology listed on the Missile Tech-
3 nology Control Regime Equipment
4 and Technology Annex of October 8,
5 2015, and subsequent revisions that
6 have been acquired outside of the Pro-
7 curement Working Group; or

8 “(II) goods, services, or tech-
9 nology not described in the matter
10 preceding subclause (I) or subclause
11 (I) but which nevertheless the Presi-
12 dent determines would be, if such
13 goods, services, or technology were
14 United States goods, services, or tech-
15 nology, prohibited for export to Iran
16 because of their potential to make a
17 material contribution to the develop-
18 ment of ballistic missile systems or
19 ballistic missile launch technologies.

20 “(iv) PROCUREMENT WORKING GROUP
21 DEFINED.—In clause (iii)(I), the term
22 ‘procurement working group’ means the
23 Procurement Working Group of the Joint
24 Commission established under Annex IV of
25 the applicable provisions in Annex A of

1 United Nations Security Council Resolu-
2 tion 2231 (2015).”.

3 (g) SANCTIONABLE ACTIVITIES WITH RESPECT TO
4 CONVENTIONAL WEAPONS.—Paragraph (1) of section
5 5(b) of the Iran Sanctions Act of 1996 (Public Law 104–
6 172; 50 U.S.C. 1701 note), as amended by subsections
7 (e) and (f), is further amended by adding at the end the
8 following:

9 “(C) CONVENTIONAL WEAPONS.—The
10 President shall impose the sanctions described
11 in paragraph (8) or (12) of section 6(a), as the
12 case may be, with respect to a foreign person
13 or an agency or instrumentality of a foreign
14 state if the President determines that the per-
15 son or agency or instrumentality knowingly, on
16 or after the date of the enactment of this para-
17 graph, imports, exports, or re-exports to, into,
18 or from Iran, whether directly or indirectly, any
19 significant arms or related materiel prohibited
20 under Annex B of United Nations Security
21 Council Resolution 2231 (2015).”.

22 (h) EXCEPTION AND DEFINITIONS.—Paragraph (1)
23 of section 5(b) of the Iran Sanctions Act of 1996 (Public
24 Law 104–172; 50 U.S.C. 1701 note), as amended by sub-

1 sections (e), (f), and (g), is further amended by adding
2 at the end the following:

3 “(D) EXCEPTION.—The President may not
4 impose sanctions under subparagraph (B) or
5 (C) with respect to a foreign person or a United
6 States person if the President determines that
7 the person has exercised due diligence in estab-
8 lishing and enforcing official policies, proce-
9 dures, and controls to ensure that the person
10 does not sell, supply, or transfer to or from
11 Iran materials the sale, supply, or transfer of
12 which would subject a person to the imposition
13 of sanctions under subparagraph (B) or (C), as
14 the case may be, or conduct or facilitate a fi-
15 nancial transaction for such a sale, supply, or
16 transfer.

17 “(E) DEFINITIONS.—In subparagraphs
18 (B) and (C) of this paragraph:

19 “(i) AGENCY OR INSTRUMEN-
20 TILITY.—The term ‘agency or instrumen-
21 tality’ has the meaning given such term in
22 section 1603(b) of title 28, United States
23 Code.

24 “(ii) FOREIGN STATE.—The term
25 ‘foreign state’ has the meaning given such

1 term in section 1603(a) of title 28, United
2 States Code.

3 “(iii) GOVERNMENT OF IRAN.—The
4 term ‘Government of Iran’ has the mean-
5 ing given such term in section 561.404 of
6 title 31, Code of Federal Regulations, as
7 such section was in effect on January 1,
8 2016.

9 “(iv) SIGNIFICANT TRANSACTION OR
10 TRANSACTIONS; SIGNIFICANT FINANCIAL
11 SERVICES.—The terms ‘significant trans-
12 action or transactions’ and ‘significant fi-
13 nancial services’ shall be determined, for
14 purposes of sections 101 and 102, in ac-
15 cordance with section 561.404 of title 31,
16 Code of Federal Regulations, as such sec-
17 tion 561.404 was in effect on January 1,
18 2016.”.

19 (i) SANCTIONS DESCRIBED.—Section 6(a) of the Iran
20 Sanctions Act of 1996 (Public Law 104–172; 50 U.S.C.
21 1701 note) is amended—

22 (1) by striking paragraph (10) and inserting
23 the following:

24 “(10) INADMISSIBILITY TO UNITED STATES.—
25 The President may direct the Secretary of State to

1 deny a visa to, and the Secretary of Homeland Secu-
2 rity to exclude from the United States and, if the in-
3 dividual has been issued a visa or other documenta-
4 tion, revoke, in accordance with section 221(i) of the
5 Immigration and Nationality Act (8 U.S.C. 1201(i))
6 of the visa or other documentation any alien that—

7 “(A) is designated pursuant to subpara-
8 graph (B) or (C) of section 5(b)(1); or

9 “(B) the President determines is a cor-
10 porate officer or principal of, or a shareholder
11 with a controlling interest in, a sanctioned per-
12 son.”;

13 (2) by redesignating paragraph (12) as para-
14 graph (13); and

15 (3) by inserting after paragraph (11) the fol-
16 lowing:

17 “(12) EXPORT SANCTION.—In the case of an
18 agency or instrumentality of a foreign state, no item
19 on the United States Munitions List or Commerce
20 Munitions List may be exported to that foreign state
21 for a period of two years.”.

22 (j) RULE OF CONSTRUCTION.—The sanctions that
23 are required to be imposed under this section and the
24 amendments made by this section are in addition to other

1 similar or related sanctions that are required to be im-
2 posed under any other provision of law.

3 **SEC. 3. REPORT ON SANCTIONABLE ACTIVITIES.**

4 (a) IN GENERAL.—Not later than 120 days after the
5 date of the enactment of this Act, and every 90 days there-
6 after, the President shall submit to the appropriate con-
7 gressional committees a report that contains the following
8 information:

9 (1) Any credible information regarding Iran’s
10 attempts to develop, procure, or acquire goods, serv-
11 ices, or technology with respect to which sanctions
12 may be imposed pursuant to subparagraphs (B) and
13 (C) of section 5(b)(1) of the Iran Sanctions Act of
14 1996 (Public Law 104–172; 50 U.S.C. 1701 note),
15 as added by section 3 of this Act.

16 (2) Any credible information regarding Iran’s
17 acquisition or attempted acquisition of significant
18 arms and related material in violation of paragraph
19 5 of Annex B of United Nations Security Council
20 Resolution 2231 (2015).

21 (3) Any credible information regarding Iran’s
22 export or attempted export of significant arms and
23 related material in violation of paragraph 5 of
24 Annex B of United Nations Security Council Resolu-
25 tion 2231 (2015).

1 (4) Any approval granted by the United Na-
2 tions Security Council for the export of significant
3 arms and related material identified under para-
4 graph 5 of Annex B of United Nations Security
5 Council Resolution 2231 (2015).

6 (b) FORM.—The report required by subsection (a)
7 shall be submitted in unclassified form, but may contain
8 a classified annex.

9 **SEC. 4. REGULATORY AUTHORITY.**

10 (a) IN GENERAL.—The President shall, not later
11 than 120 days after the date of the enactment of this Act,
12 promulgate regulations as necessary for the implementa-
13 tion of this Act and the amendments made by this Act.

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

20 **SEC. 5. DEFINITIONS.**

21 In this Act:

22 (1) APPROPRIATE CONGRESSIONAL COMMIT-
23 TEES.—The term “appropriate congressional com-
24 mittees” means the Committee on Foreign Affairs of

1 the House of Representatives and the Committee on
2 Foreign Relations of the Senate.

3 (2) CREDIBLE INFORMATION.—The term “cred-
4 ible information” has the meaning given such term
5 in section 14 of the Iran Sanctions Act of 1996
6 (Public Law 104–172; 50 U.S.C. 1701 note).

7 (3) GOVERNMENT OF IRAN.—The term “Gov-
8 ernment of Iran” has the meaning given such term
9 in section 561.404 of title 31, Code of Federal Reg-
10 ulations, as such section was in effect on January 1,
11 2016.

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