

112TH CONGRESS  
1ST SESSION

# H. R. 3508

To require the President to impose sanctions on foreign financial institutions that conduct transactions with the Central Bank of Iran.

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## IN THE HOUSE OF REPRESENTATIVES

NOVEMBER 22, 2011

Mr. FLAKE (for himself and Mr. MCINTYRE) introduced the following bill; which was referred to the Committee on Foreign Affairs, and in addition to the Committee on Financial Services, 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

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## A BILL

To require the President to impose sanctions on foreign financial institutions that conduct transactions with the Central Bank of Iran.

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. IMPOSITION OF SANCTIONS ON FOREIGN FI-**  
2 **NANCIAL INSTITUTIONS THAT CONDUCT**  
3 **TRANSACTIONS WITH THE CENTRAL BANK OF**  
4 **IRAN.**

5 Section 104 of the Comprehensive Iran Sanctions,  
6 Accountability, and Divestment Act of 2010 (22 U.S.C.  
7 8513) is amended—

8 (1) by redesignating subsections (h) and (i) as  
9 subsections (i) and (j), respectively; and

10 (2) by inserting after subsection (g) the fol-  
11 lowing new subsection:

12 “(h) IMPOSITION OF SANCTIONS ON FOREIGN FI-  
13 NANCIAL INSTITUTIONS THAT CONDUCT TRANSACTIONS  
14 WITH THE CENTRAL BANK OF IRAN.—

15 “(1) IN GENERAL.—Subject to paragraphs (2),  
16 (3), and (4), not later than 30 days after the date  
17 of the enactment of this subsection, the President  
18 shall—

19 “(A) prohibit the opening or maintaining  
20 in the United States of a correspondent account  
21 or a payable-through account by a foreign fi-  
22 nancial institution that the President deter-  
23 mines has knowingly conducted any financial  
24 transaction with the Central Bank of Iran; and

25 “(B) freeze and prohibit all transactions in  
26 all property and interests in property of each

1 such foreign financial institution if such prop-  
2 erty and interests in property are in the United  
3 States, come within the United States, or are or  
4 come within the possession or control of a  
5 United States person.

6 “(2) EXCEPTION FOR SALES OF FOOD, MEDI-  
7 CINE, AND MEDICAL DEVICES.—The President may  
8 not impose sanctions under paragraph (1) on a for-  
9 eign financial institution for engaging in a trans-  
10 action with the Central Bank of Iran for the sale of  
11 food, medicine, or medical devices to Iran.

12 “(3) APPLICABILITY.—

13 “(A) IN GENERAL.—Except as provided in  
14 subparagraph (B), paragraph (1) applies with  
15 respect to financial transactions commenced on  
16 or after the date of the enactment of this sub-  
17 section.

18 “(B) PETROLEUM TRANSACTIONS.—Para-  
19 graph (1) applies with respect to financial  
20 transactions for the purchase of petroleum or  
21 petroleum products through the Central Bank  
22 of Iran commenced on or after the date that is  
23 180 days after the date of the enactment of this  
24 subsection.

25 “(4) WAIVER.—

1           “(A) IN GENERAL.—The President may  
2           waive the application of paragraph (1) with re-  
3           spect to a foreign financial institution for a pe-  
4           riod of not more than 60 days, and may renew  
5           that waiver for additional periods of not more  
6           than 60 days, if the President determines and  
7           reports to the appropriate congressional com-  
8           mittees every 60 days that the waiver is nec-  
9           essary to the national security interest of the  
10          United States.

11          “(B) FORM.—A report submitted pursuant  
12          to subparagraph (A) shall be submitted in un-  
13          classified form, but may contain a classified  
14          annex.

15          “(5) FOREIGN FINANCIAL INSTITUTION.—For  
16          purposes of this subsection, the term ‘foreign finan-  
17          cial institution’ includes a financial institution owned  
18          or controlled by a foreign government.”.

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