

114TH CONGRESS  
1ST SESSION

# H. R. 4258

To impose sanctions against any entity with respect to which Iran's Revolutionary Guard Corps owns, directly or indirectly, a 20 percent or greater interest in the entity, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

DECEMBER 15, 2015

Mr. ROSKAM (for himself, Mr. NUNES, Mr. POMPEO, and Mr. ZELDIN) 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 impose sanctions against any entity with respect to which Iran's Revolutionary Guard Corps owns, directly or indirectly, a 20 percent or greater interest in the entity, 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 “Quarantining the Aya-  
5 tollah’s State-Sponsored Aggression and Militancy  
6 (QASSAM) Act”.

1 **TITLE I—IRAN’S REVOLU-**  
2 **TIONARY GUARD CORPS**  
3 **WATCH LIST AND REPORT**

4 **SEC. 101. FINDINGS.**

5 Congress finds the following:

6 (1) Iran’s Revolutionary Guard Corps (IRGC)  
7 threatens the national security of the United States  
8 and United States allies.

9 (2) The IRGC provides direct sponsorship and  
10 support to numerous foreign terrorist organizations,  
11 including Hamas and Hezbollah, and maintains sup-  
12 port for the Bashar al-Assad regime in Syria which  
13 is responsible for hundreds of thousands of deaths.

14 (3) The United States holds the IRGC respon-  
15 sible for severe and continuing human rights viola-  
16 tions against the Iranian people, including unlawful  
17 arrests, torture, and harassment.

18 (4) The United States currently upholds sanc-  
19 tions against the IRGC for its support of terrorism  
20 and human rights abuses.

21 (5) The Office of Foreign Assets Control of the  
22 Department of the Treasury currently includes the  
23 IRGC on the list of specially designated nationals  
24 and blocked persons maintained by the Office of  
25 Foreign Assets Control of the Department of the

1 Treasury (in this section referred to as the “SDN  
2 list”).

3 (6) The Office of Foreign Assets Control of the  
4 Department of the Treasury includes on the SDN  
5 list entities in which the IRGC owns a 50 percent  
6 or greater interest. The inclusion of an entity on the  
7 SDN list results in the blocking of all assets and  
8 property of such entity. This regulation, commonly  
9 termed the “50 percent rule”, is codified in section  
10 561.405 of title 31, Code of Federal Regulations,  
11 and is the standard used by the Office of Foreign  
12 Assets Control when determining ownership of enti-  
13 ties owned or controlled by blocked or sanctioned  
14 persons.

15 (7) The IRGC maintains a powerful and expan-  
16 sive presence throughout Iran’s financial, commer-  
17 cial, and oil sectors, owning, controlling, operating,  
18 and influencing Iranian entities while producing rev-  
19 enues estimated in the billions of dollars. According  
20 to the Department of the Treasury, “The IRGC has  
21 a growing presence in Iran’s financial and commer-  
22 cial sectors and extensive economic interests in the  
23 defense production, construction, and oil industries,  
24 controlling billions of dollars in corporate business.”.

1           (8) The IRGC has continuously practiced sanc-  
2           tions evasion and deceptive business practices to  
3           conceal its ownership over Iranian entities, owning  
4           numerous Iranian entities which are not on the SDN  
5           list because IRGC ownership is below 50 percent,  
6           leaving such entities unsanctioned and open to busi-  
7           ness.

8           (9) As sanctions are lifted and Iran becomes  
9           more open to international commerce, the inter-  
10          national community must be aware of any and all  
11          entities that are IRGC-owned, -controlled, -operated,  
12          or influenced, including those entities that do not  
13          make the threshold to be included on the SDN list.

14 **SEC. 102. IMPOSITION OF SANCTIONS AGAINST ENTITIES**  
15 **OWNED IN WHOLE OR IN PART BY IRGC.**

16          (a) IN GENERAL.—The President shall impose the  
17          sanctions described in subsection (b) against any entity  
18          with respect to which Iran’s Revolutionary Guard Corps  
19          owns, directly or indirectly, a 20 percent or greater inter-  
20          est in the entity, regardless of whether the entity itself  
21          is included on the list of specially designated nationals and  
22          blocked persons maintained by the Office of Foreign As-  
23          sets Control of the Department of the Treasury.

24          (b) SANCTIONS DESCRIBED.—

1           (1) IN GENERAL.—The blocking, in accordance  
2 with the International Emergency Economic Powers  
3 Act (50 U.S.C. 1701 et seq.), of all transactions in  
4 all property and interests in property of an entity if  
5 such property and interests in property are in the  
6 United States, come within the United States, or are  
7 or come within the possession or control of a United  
8 States person.

9           (2) INAPPLICABILITY OF NATIONAL EMER-  
10 GENCY REQUIREMENT.—The requirements of section  
11 202 of the International Emergency Economic Pow-  
12 ers Act (50 U.S.C. 1701) shall not apply for pur-  
13 poses of this section.

14       (c) DEFINITIONS.—In this section:

15           (1) PERSON.—The term “person” means an in-  
16 dividual or entity.

17           (2) UNITED STATES PERSON.—The term  
18 “United States person” means—

19               (A) a United States citizen or an alien law-  
20 fully admitted for permanent residence to the  
21 United States; or

22               (B) an entity organized under the laws of  
23 the United States or of any jurisdiction within  
24 the United States, including a foreign branch of  
25 such an entity.

1 **SEC. 103. IRGC WATCH LIST AND REPORT.**

2 (a) IN GENERAL.—The Secretary of the Treasury  
3 shall establish, maintain, and publish in the Federal Reg-  
4 ister a list of each entity with respect to which Iran’s Rev-  
5 olutionary Guard Corps—

6 (1) owns, directly or indirectly, any interest  
7 that is less than 20 percent in the entity; or

8 (2) does not own any interest in the entity but  
9 maintains a presence on the board of directors of the  
10 entity or otherwise influences the actions, policies, or  
11 personnel decisions of the entity.

12 (b) REPORT.—Not later than 90 days after the date  
13 of the enactment of the Act, and annually thereafter, the  
14 Secretary of the Treasury shall submit to Congress a re-  
15 port on any changes to the list required by subsection (a).

16 (c) REFERENCE.—The list required by subsection (a)  
17 shall be known as the “IRGC Watch List”.

18 **SEC. 104. DEFINITIONS.**

19 Except as otherwise provided, in this title:

20 (1) ENTITY.—The term “entity” means any  
21 corporation, business association, partnership, trust,  
22 society, or any other entity.

23 (2) IRGC.—The term “IRGC” means Iran’s  
24 Revolutionary Guard Corps.

1     **TITLE II—OTHER PROVISIONS**

2     **SEC. 201. AUTHORITY OF STATES AND LOCAL GOVERN-**  
3                   **MENTS TO DIVEST FROM CERTAIN COMPA-**  
4                   **NIES THAT ENGAGE IN INVESTMENT OR BUSI-**  
5                   **NESS ACTIVITIES WITH IRAN’S REVOLU-**  
6                   **TIONARY GUARD CORPS.**

7           (a) IN GENERAL.—Subtitle B of title III of the Iran  
8 Threat Reduction and Syria Human Rights Act of 2012  
9 (Public Law 112–158; 126 Stat. 1247), is amended by  
10 adding at the end the following:

11     **“SEC. 313. AUTHORITY OF STATES AND LOCAL GOVERN-**  
12                   **MENTS TO DIVEST FROM PERSONS THAT EN-**  
13                   **GAGE IN INVESTMENT OR BUSINESS ACTIVI-**  
14                   **TIES WITH IRAN’S REVOLUTIONARY GUARD**  
15                   **CORPS.**

16           “(a) SENSE OF CONGRESS.—It is the sense of Con-  
17 gress that the United States should support the decision  
18 of any State or local government that for moral, pruden-  
19 tial, or reputational reasons divests from, or prohibits the  
20 investment of assets of the State or local government in,  
21 a person that engages in investment or business activities  
22 with Iran’s Revolutionary Guard Corps or Iran’s Revolu-  
23 tionary Guard Corps-related companies, as long as Iran’s  
24 Revolutionary Guard Corps is subject to economic sanc-  
25 tions imposed by the United States.

1           “(b) AUTHORITY TO DIVEST.—Notwithstanding any  
2 other provision of law, a State or local government may  
3 adopt and enforce measures that meet the requirements  
4 of subsection (d) to divest the assets of the State or local  
5 government from, or prohibit investment of the assets of  
6 the State or local government in, any person that the  
7 State or local government determines, using credible infor-  
8 mation available to the public, engages in investment or  
9 business activities with Iran’s Revolutionary Guard Corps  
10 or Iran’s Revolutionary Guard Corps-related companies  
11 described in subsection (c).

12           “(c) INVESTMENT OR BUSINESS ACTIVITIES DE-  
13 SCRIBED.—A person engages in investment or business ac-  
14 tivities with Iran’s Revolutionary Guard Corps or Iran’s  
15 Revolutionary Guard Corps-related companies if the per-  
16 son—

17                   “(1) has a financial investment in Iran’s Revo-  
18 lutionary Guard Corps or an Iran’s Revolutionary  
19 Guard Corps-related company;

20                   “(2) owns, in whole or in part, an Iran’s Revo-  
21 lutionary Guard Corps-related company; or

22                   “(3) is a financial institution that extends cred-  
23 it or financing to another person, for 45 days or  
24 more, if that person will use the credit or financing



1 for investment in an Iran’s Revolutionary Guard  
2 Corps-related company.

3 “(d) REQUIREMENTS.—Any measure taken by a  
4 State or local government under subsection (b) shall meet  
5 the following requirements:

6 “(1) NOTICE.—The State or local government  
7 shall provide written notice to each person to which  
8 a measure is to be applied.

9 “(2) TIMING.—The measure shall apply to a  
10 person not earlier than the date that is 90 days  
11 after the date on which written notice is provided to  
12 the person under paragraph (1).

13 “(3) OPPORTUNITY FOR HEARING.—The State  
14 or local government shall provide an opportunity to  
15 comment in writing to each person to which a meas-  
16 ure is to be applied. If the person demonstrates to  
17 the State or local government that the person does  
18 not engage in investment or business activities with  
19 Iran’s Revolutionary Guard Corps or Iran’s Revolu-  
20 tionary Guard Corps-related companies described in  
21 subsection (c), the measure shall not apply to the  
22 person.

23 “(4) SENSE OF CONGRESS ON AVOIDING ERRO-  
24 NEOUS TARGETING.—It is the sense of Congress  
25 that a State or local government should not adopt

1 a measure under subsection (b) with respect to a  
2 person unless the State or local government has  
3 made every effort to avoid erroneously targeting the  
4 person and has verified that the person engages in  
5 business or investment activities with Iran’s Revolu-  
6 tionary Guard Corps or Iran’s Revolutionary Guard  
7 Corps-related companies described in subsection (c).

8 “(e) NOTICE TO DEPARTMENT OF JUSTICE.—Not  
9 later than 30 days after adopting a measure pursuant to  
10 subsection (b), a State or local government shall submit  
11 written notice to the Attorney General describing the  
12 measure.

13 “(f) NONPREEMPTION.—A measure of a State or  
14 local government authorized under subsection (b) or (i)  
15 is not preempted by any Federal law or regulation.

16 “(g) DEFINITIONS.—In this section:

17 “(1) ASSETS.—

18 “(A) IN GENERAL.—Except as provided in  
19 subparagraph (B), the term ‘assets’ refers to  
20 public monies and includes any pension, retire-  
21 ment, annuity, or endowment fund, or similar  
22 instrument, that is controlled by a State or  
23 local government.

24 “(B) EXCEPTION.—The term ‘assets’ does  
25 not include employee benefit plans covered by

1 title I of the Employee Retirement Income Se-  
2 curity Act of 1974 (29 U.S.C. 1001 et seq.).

3 “(2) INVESTMENT.—The ‘investment’ in-  
4 cludes—

5 “(A) a commitment or contribution of  
6 funds or property;

7 “(B) a loan or other extension of credit;  
8 and

9 “(C) the entry into or renewal of a con-  
10 tract for goods or services.

11 “(h) EFFECTIVE DATE.—

12 “(1) IN GENERAL.—Except as provided in para-  
13 graph (2) or subsection (i), this section applies to  
14 measures adopted by a State or local government be-  
15 fore, on, or after the date of the enactment of this  
16 Act.

17 “(2) NOTICE REQUIREMENTS.—Except as pro-  
18 vided in subsection (i), subsections (d) and (e) apply  
19 to measures adopted by a State or local government  
20 on or after the date of the enactment of this Act.

21 “(i) AUTHORIZATION FOR PRIOR ENACTED MEAS-  
22 URES.—

23 “(1) IN GENERAL.—Notwithstanding any other  
24 provision of this section or any other provision of  
25 law, a State or local government may enforce a

1 measure (without regard to the requirements of sub-  
2 section (d), except as provided in paragraph (2))  
3 adopted by the State or local government before the  
4 date of this section that provides for the divestment  
5 of assets of the State or local government from, or  
6 prohibits the investment of the assets of the State  
7 or local government in, any person that the State or  
8 local government determines, using credible informa-  
9 tion available to the public, engages in business or  
10 investment activities with Iran’s Revolutionary  
11 Guard Corps or Iran’s Revolutionary Guard Corps-  
12 related companies (determined without regard to  
13 subsection (c)) or other business or investment ac-  
14 tivities that are identified in the measure.

15 “(2) APPLICATION OF NOTICE REQUIRE-  
16 MENTS.—A measure described in paragraph (1)  
17 shall be subject to the requirements of paragraphs  
18 (1) and (2) and the first sentence of paragraph (3)  
19 of subsection (d) on and after the date that is 2  
20 years after the date of the enactment of this Act.

21 “(j) RULE OF CONSTRUCTION.—Nothing in this sec-  
22 tion or any other provision of law authorizing sanctions  
23 with respect to Iran shall be construed to abridge the au-  
24 thority of a State to issue and enforce rules governing the  
25 safety, soundness, and solvency of a financial institution

1 subject to its jurisdiction or the business of insurance pur-  
2 suant to the Act of March 9, 1945 (15 U.S.C. 1011 et  
3 seq.) (commonly known as the ‘McCarran-Ferguson  
4 Act’).”.

5 (b) CLERICAL AMENDMENT.—The table of contents  
6 for the Iran Threat Reduction and Syria Human Rights  
7 Act of 2012 is amended by adding after the item relating  
8 to section 312 the following:

“Sec. 313. Authority of States and local governments to divest from certain  
companies that engage in investment or business activities with  
Iran’s Revolutionary Guard Corps.”.

## 9 **TITLE III—TERMINATION**

### 10 **SEC. 301. TERMINATION.**

11 This Act and the amendments made by this Act shall  
12 terminate on the date that is 30 days after the date on  
13 which the President makes the certification described in  
14 section 401(a) of the Comprehensive Iran Sanctions, Ac-  
15 countability, and Divestment Act of 2010 (22 U.S.C.  
16 8551(a)).

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