



## **Maximum Pressure Act**

**Rep. Jim Banks (IN-03), Republican Study Committee Chairman**

### **Section-by-Section Summary**

The Maximum Pressure Act is the toughest sanctions bill on Iran ever proposed by Congress and codifies into law the Trump administration’s successful maximum pressure campaign on Iran. The bill also implements a number of ideas with regards to Iran sanctions first recommended in the Republican Study Committee’s National Security Strategy [report](#). It also legislatively implements the [official position](#) of the RSC’s Steering Committee with regards to Iran issued on March 5<sup>th</sup>, 2021 which pledged to work to maintain all sanctions on Iran until Iran meets the 12 demands laid out by former Secretary of State Mike Pompeo in May 2018. Furthermore, the bill would restrict the ability of the President to abuse waiver and license authorities to lift sanctions on Iran by placing sunsets on such authorities, and provide for expanded congressional review with respect to lifting sanctions on Iran.

#### **Sec. 1: Short Title**

**Sec. 2. Findings.** This section includes several findings regarding the threat Iran poses to the United States in both its nuclear and ballistic weapons programs, its support of terrorism, and its malign behavior in the Middle East. It describes the failure of the Joint Comprehensive Plan of Action (JCPOA) to eliminate these threats posed by Iran. It also describes the successes of President Trump’s maximum pressure campaign and references the 12 demands on Iran laid out by former Secretary of State Pompeo in May 2018. It then references the Republican Study Committee’s (RSC) official position of March 2021 to reaffirm that all sanctions should remain on Iran unless and until Iran meets all 12 demands set out by Secretary Pompeo.

**Sec. 3. Statement of Policy.** This section includes a statement of policy supporting the continuation of former President Trump’s successful maximum pressure campaign on Iran until Iran meets all 12 demands laid out by former Secretary of State Mike Pompeo in May 2018.

**Sec. 4. Severability.** This section is a severability clause which would allow parts of the Act to stand in case any other part of the Act is held to be unconstitutional.

#### **Title I—Matters Relating to Sanctions and Sanction Authorities**

**Sec. 101.** This section codifies into law Executive Orders 13606, 13628, 13846, 13871, 13876, 13902, and 13949 that imposed sanctions on Iran which were promulgated by Presidents Barack Obama and Donald Trump. It prohibits the lifting of such sanctions unless Iran meets all of Secretary Pompeo's 12 demands. It also prohibits the President from removing any individual or entity connected to Iran from the Specially Designated Nationals and Blocked Persons list if they were placed on the list during the period beginning on May 8, 2018 and ending on January 20, 2021, unless the President issues a certification that Iran has met all of Pompeo's 12 demands.

**Sec. 102.** This section imposes new mandatory sanctions on the Iranian Supreme Leader's office built upon President Trump's Executive Order 13876, and includes new secondary sanctions.

**Sec. 103.** This section imposes new mandatory sanctions built upon President Trump's Executive Order 13949 addressing conventional arms trade with Iran.

**Sec. 104.** This section expands the criteria for the termination of other statutory Iran sanctions from the Iran Sanctions Act of 1996 to include all 12 Pompeo demands as well as a new 13<sup>th</sup> condition regarding accountability for human rights abuses by Iran in using violence against protesters in November 2019.

**Sec. 105.** This section expands sectoral sanctions on Iran from the Iran Freedom and Counterproliferation Act to include the sectors sanctioned by the Trump administration in its maximum pressure campaign, and others, including the iron, steel, aluminum, copper, construction, manufacturing, mining, textile, financial and petrochemical sectors.

**Sec. 106.** This section reinforces criteria that must be met for the termination of statutory sanctions on Iran from the Comprehensive Iran Sanctions, Accountability and Divestment Act of 2012 to include all 12 Pompeo plus a 13<sup>th</sup> condition regarding accountability for human rights abuses by Iran in using violence against protesters in November 2019. It also sunsets the waiver authority for sanctions under Comprehensive Iran Sanctions, Accountability, and Divestment Act (CISADA) 2 years after the enactment of this section. It would also expand reporting requirements for Iran's human rights abuses under CISADA to include Iran's human rights abuses against the peoples of Iraq, Syria, Lebanon, Yemen, and Venezuela.

**Sec. 107.** This section creates a mechanism first recommended by the RSC's National Security Strategy in June 2020, and also introduced by Senator Bill Hagerty and Ranking Member of the House Foreign Affairs Committee Michael McCaul, that would prohibit the lifting of Iran sanctions without a vote by Congress. This mechanism is modeled after provisions of the Countering American Adversaries through Sanctions Act related to Russia sanctions.

**Sec. 108.** This section would require the President to direct the Office of Foreign Asset Control (OFAC) to issue regulations and guidance expanding the list of services constituting "significant support" to Iran's shipping sector.

**Sec. 109.** This section would sunset all waiver and license authorities in all Iran sanctions laws and executive orders two years following the enactment of the Act.

**Sec. 110.** This section, based upon the U.S. Financial System Protection Act of 2016, which passed the House in July 2016, would generally prohibit the President from issuing any license, or take other action, that permits a domestic or foreign depository institution or registered broker or dealer in securities to: (1) conduct an offshore U.S. dollar clearing system, or (2) supply U.S. dollars for any such system conducted or overseen by a foreign government or financial institution, for transactions (including funds transfers) involving or for the benefit of the government of Iran or an Iranian person.

**Sec. 111.** This section would require quarterly reports on licenses issued with regard to Iran sanctions, including the number of licenses applied for and number of licenses issued.

**Sec. 112.** This section would require the President to prohibit U.S. persons from engaging in any transaction directly or indirectly with the Iranian government that would violate any provision of the Foreign Corrupt Practices Act of 1977.

**Sec. 113.** This section, which was previously passed by the House as part of the Iran Accountability Act of 2016, would expand sanctions found in the Iran-Iraq Arms Non-Proliferation Act of 1992 to also cover efforts to acquire ballistic missile and related technology (in addition to nuclear weapons).

**Sec. 114.** This section, which was previously passed by the House as part of the Iran Accountability Act of 2016, would expand the Iran Sanctions Act of 1996 to sanction persons that acquire or develop ballistic missiles.

**Sec. 115.** This section, which was previously passed by the House as part of the Iran Accountability Act of 2016, would amend the Iran Threat Reduction Act of 2012 to impose new sanctions on persons that acquire or develop ballistic missiles.

**Sec. 116.** This section, which was previously passed by the House as part of the Iran Accountability Act of 2016, would amend the Comprehensive Iran Sanctions and Divestment Act of 2010 (CISADA) to impose new mandatory sanctions on financial institutions that facilitate significant transactions on behalf of persons involved in human rights abuses or that export sensitive technology to Iran.

**Sec. 117.** This section, which was previously passed by the House as part of the Iran Accountability Act of 2016, would require a report every 60 days regarding foreign persons who provide support to the IRGC and would require sanctions on those persons.

## **Title II – Matters Related to the Financing of Terrorism**

**Sec. 201.** This section would prohibit International Monetary Fund (IMF) Special Drawing Rights (SDR) allocations for Iran unless explicitly authorized by Congress.

**Sec. 202.** This section would prohibit the President from removing the designation of Iran as a jurisdiction of primary money laundering concern unless the President issues a certification that Iran has met the 12 Pompeo demands.

**Sec. 203.** This section would require the Secretary of the Treasury to sanction a financial institution operating outside the United States that knowingly conducts a significant sanctionable transaction related to the Instrument in Support of Trade Exchanges (INSTEX).

**Sec. 204.** This section would amend the Iran Threat Reduction Act by requiring a determination into whether a list of Iranian entities are owned by or controlled by the IRGC and adding to the types of transactions subject to sanctions on the IRGC.

**Sec. 205.** This section would amend the Iran Threat Reduction Act by imposing additional mandatory statutory sanctions on transactions with the IRGC or entities owned or controlled by the IRGC.

**Sec. 206.** This section would amend the Iran Threat Reduction Act by requiring a report on certain Iranian persons and sectors of Iran's economy that are controlled by the IRGC.

### **Title III Matters Relating to the Designation of Certain Entities**

**Sec. 301.** This section would codify into law all waivers and licenses issued by the Trump administration with respect to the designation of the Islamic Revolutionary Guard Corps (IRGC) under EO 13224 for terrorism but prohibit the President from issuing any new waiver or license connected to the IRGC unless the President issues a certification that Iran has met the 12 Pompeo.

**Sec. 103.** This section would prohibit the Secretary of State from removing the designation of the IRGC as a Foreign Terrorist Organization (FTO) unless the President issues a certification that Iran has met the 12 Pompeo demands. It would also codify into law the waiver issued by the State Department on April 24<sup>th</sup>, 2019 with respect to the IRGC but prohibit the President from issuing a new waiver or license connected to the IRGC's FTO designation unless the President issues a certification that Iran has met the 12 Pompeo demands.

**Sec. 303.** This section would redesignate the Houthis as a FTO, and relist them on OFAC's list of Specially Designated Nationals and Blocked Persons while reviving all former waivers and licenses issued by the Trump administration. This section would prohibit any future license or waiver with respect to the Houthis.

### **Title IV – Determinations and Reports**

**Sec. 401.** This section would require the Secretary of State to issue a determination, including a detailed justification, into whether Kata'ib Sayyid al-Shuhada, Kata'ib al-Imam Ali, Saraya Khorasani, and the Badr Corps, and any foreign person that is an official, agent, affiliate, or owned or controlled by these organizations, meets the criteria for designation as a Foreign Terrorist Organization or for sanctions under EO 13224 or the Caesar Syria Civilian Protection Act of 2019.

**Sec. 402.** This section would require the Secretary of State to publish an annual list of armed groups, militias, or proxy forces in Iraq receiving logistical, military, or financial assistance from the IRGC or which the IRGC exerts any form of control or influence, in the Annual Country Reports on Terrorism.

**Sec. 403.** This section would expand reporting requirements under Countering America's Adversaries Through Sanctions Act (CAATSA) to include Iranian arms shipments to the Houthis and Iranian backed militias in Iraq and Syria.

**Sec. 404.** This section would require an annual report to Congress by the Secretary of State, in conjunction with the Secretary of Treasury, on violations of Iran sanctions.

**Sec. 405.** This section would require an annual report to Congress by the Secretary of State on the impact of sanctions on Iran's support of terrorism, its military budget, its human rights abuses, and its malign and destabilizing behavior in the region. The report would also include a description of the impact that lifting sanctions on Iran would have on Iran's ability to commit human rights abuses against the people of the region.

**Sec. 406.** This section would require the Secretary of State and Secretary of Treasury to issue a determination on whether the criteria for human rights sanctions in CISADA are met by a number of senior Iranian officials including the Supreme Leader, multiple government ministers, IRGC commanders, and the head of Iran's prisons.

**Sec. 407.** This section would require a public report into the wealth of the Supreme Leader of Iran Ali Khamanei and his family members including income from corrupt or illicit activities.

**Sec. 408.** This section, which passed the House as part of the Iran Accountability Act of 2016, would require the Secretary of Treasury to establish, maintain, and publish, an "IRGC Watch list" that would identify each entity in which the IRGC has an ownership interest of less than 25% and each entity in which the IRGC maintains a presence on the board of directors.

**Sec. 409.** This section would require the Secretary of State and Director of National Intelligence to provide an annual report into Iran's breakout timeline for both uranium enrichment to achieve the fissile material for a nuclear weapon as well as the timeline for the weaponization of such material.

**Sec. 410.** This section would require the Global Engagement Center at the Department of State to issue a report into Iranian disinformation campaigns and efforts, as well as a strategy on countering Iranian disinformation campaigns and efforts.