

115TH CONGRESS
1ST SESSION

S. 358

To establish a designation for jurisdictions permissive to terrorism financing, to build the capacity of partner nations to investigate, prosecute, and hold accountable terrorist financiers, to impose restrictions on foreign financial institutions that provide financial services for terrorist organizations, and for other purposes.

IN THE SENATE OF THE UNITED STATES

FEBRUARY 13, 2017

Mr. CASEY (for himself, Mr. ISAKSON, Mr. RUBIO, and Ms. WARREN) introduced the following bill; which was read twice and referred to the Committee on Foreign Relations

A BILL

To establish a designation for jurisdictions permissive to terrorism financing, to build the capacity of partner nations to investigate, prosecute, and hold accountable terrorist financiers, to impose restrictions on foreign financial institutions that provide financial services for terrorist organizations, 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 “Stop Terrorist Oper-
5 ational Resources and Money Act”.

1 **SEC. 2. FINDINGS; SENSE OF CONGRESS.**

2 (a) FINDINGS.—Congress makes the following find-
3 ings:

4 (1) According to testimony by the Director of
5 National Intelligence before the Committee on
6 Armed Services of the Senate on February 9, 2016,
7 ISIL, with its self-described caliphate in Syria and
8 Iraq, its affiliates and emerging affiliates in other
9 countries, and its increasing ability to direct and in-
10 spire attacks against a wide range of targets around
11 the world, has been identified as the preeminent ter-
12 rorist threat to the United States.

13 (2) On February 2, 2015, General John Allen,
14 who was then serving as the Special Presidential
15 Envoy for the Global Coalition to Counter ISIL—

16 (A) stated that the United States “cannot
17 defeat ISIL through military efforts alone”;
18 and

19 (B) highlighted the need to deprive the
20 group of access to financial resources.

21 (3) The United States and its partners have
22 committed to curtailing ISIL’s financial resources
23 through—

24 (A) United Nations Security Council Reso-
25 lution 2170, adopted August 15, 2014;

1 (B) Arab League Resolution 7804, adopted
2 September 7, 2014;

3 (C) the Jeddah Communique, published
4 September 11, 2014;

5 (D) United Nations Security Council Reso-
6 lution 2199, adopted February 12, 2015;

7 (E) the statement of the International
8 Syria Support Group of November 14, 2015;

9 (F) United Nations Security Council Reso-
10 lution 2249, adopted November 20, 2015; and

11 (G) United Nations Security Council Reso-
12 lution 2253, adopted December 17, 2015.

13 (4) Matthew Levitt of the Washington Institute
14 has reported that ISIL exploits many revenue
15 streams in addition to oil revenue and charitable do-
16 nations. In a November 18, 2015, article, Mr. Levitt
17 states “[ISIL] steals livestock; sells foreign fighter
18 passports; taxes minorities and farmers and truck-
19 ers; runs a sophisticated extortion racket; kidnaps
20 civilians for ransom payments; loots antiquities; and
21 much more.”.

22 (5) The United States and 35 other countries
23 and multinational organizations have acted in con-
24 cert through the Counter-ISIL Finance Group—

1 (A) to cut off ISIL from the international
2 financial system;

3 (B) to counter the extortion and exploi-
4 tation by ISIL of economic assets and re-
5 sources;

6 (C) to deny funding for ISIL from abroad;
7 and

8 (D) to prevent ISIL from providing finan-
9 cial or material support to foreign affiliates.

10 (6) These actions have included—

11 (A) Coalition airstrikes on oil facilities,
12 which reduced ISIL oil revenue by 30 percent
13 between November 2015 and January 2016;

14 (B) the designation of 30 ISIL-linked sen-
15 ior leaders and financiers in 2015, which inhib-
16 ited their use of the international financial sys-
17 tem and limited the ability of ISIL to access
18 revenue; and

19 (C) the unanimous adoption, on February
20 12, 2015, of United Nations Security Council
21 Resolution 2199, which—

22 (i) warned that ISIL and other ex-
23 tremist groups were trafficking cultural
24 heritage items from Iraq and Syria to fund

1 their recruitment efforts and carry out ter-
2 rorist attacks; and

3 (ii) called on all United Nations mem-
4 ber states to prevent such trafficking.

5 (7) The Financial Action Task Force, an inter-
6 governmental body established in 1989 to combat
7 money laundering and terrorist financing, has issued
8 40 recommendations to serve as global standards—

9 (A) to protect the integrity of the inter-
10 national financial system; and

11 (B) to enhance international cooperation
12 on anti-money laundering and combating the fi-
13 nancing of terrorism measures.

14 (8) On April 15, 2016, finance ministers from
15 the Group of Twenty (G20) called on the FATF to
16 “strengthen its work on identifying and tackling
17 loopholes and deficiencies that remain in the finan-
18 cial system and ensure that the FATF standards are
19 effective and comprehensive, and fully imple-
20 mented.”.

21 (9) The February 2015 FATF report entitled
22 “Financing of the Terrorist Organisation Islamic
23 State in Iraq and the Levant” highlighted the use
24 of money and value transfer services (referred to in
25 this paragraph as “MVTs”), which avoid the bank-

1 ing system by relying on trust-based relationships
2 with other MVTs providers to order payment or re-
3 ceipt of hard currency over email, fax, or phone.

4 (b) SENSE OF CONGRESS.—It is the sense of Con-
5 gress that—

6 (1) it is in the interest of peace and stability for
7 regional members of the Global Coalition to Counter
8 ISIL to continue their commitment to, and increase
9 their involvement in, addressing the threat posed by
10 ISIL;

11 (2) all Coalition partners should prioritize ac-
12 tion against the financial and facilitation networks
13 to deprive ISIL of revenue as a key line of effort in
14 degrading and ultimately defeating ISIL;

15 (3) the Department of Justice, the Department
16 of State, and the Department of the Treasury
17 should appropriately increase their efforts—

18 (A) to build the capacity of partner nations
19 to investigate, prosecute, and hold accountable
20 terrorist financiers;

21 (B) to exchange relevant information re-
22 garding investigations of terrorist financiers
23 and facilitators operating in violation of United
24 States sanctions; and

1 (C) to build the capacity to request extra-
2 dition, as appropriate;

3 (4) countries in regions in which ISIL has a
4 presence should, as appropriate, regulate and shut
5 down informal exchange houses used by foreign
6 fighters to funnel funds in and out of territory held
7 by ISIL;

8 (5) Turkey and other countries in the region
9 should take steps to ensure that fighters, hard cur-
10 rency, energy resources, cultural heritage items, ag-
11 ricultural commodities, and other goods bound to or
12 coming from ISIL are prevented from crossing its
13 border; and

14 (6) the President, acting through the Secretary
15 of the Treasury, and in consultation with the Attor-
16 ney General and the Secretary of Homeland Secu-
17 rity, should update the National Money Laundering
18 Strategy required under section 5341 of title 31,
19 United States Code, which has not been updated
20 since 2007.

21 **SEC. 3. DEFINITIONS.**

22 In this Act:

23 (1) ACT OF INTERNATIONAL TERRORISM.—The
24 term “act of international terrorism” has the mean-

1 ing given the term in section 14 of the Iran Sanc-
2 tions Act of 1996 (50 U.S.C. 1701 note).

3 (2) APPROPRIATE CONGRESSIONAL COMMIT-
4 TEES.—The term “appropriate congressional com-
5 mittees” means—

6 (A) the Committee on Foreign Relations of
7 the Senate;

8 (B) the Committee on Banking, Housing,
9 and Urban Affairs of the Senate;

10 (C) the Committee on Appropriations of
11 the Senate;

12 (D) the Committee on Foreign Affairs of
13 the House of Representatives;

14 (E) the Committee on Financial Services
15 of the House of Representatives; and

16 (F) the Committee on Appropriations of
17 the House of Representatives.

18 (3) CLASSIFIED INFORMATION.—The term
19 “classified information” has the meaning given the
20 term in section 1(a) of the Classified Information
21 Procedures Act (18 U.S.C. App.).

22 (4) COALITION.—The term “Coalition” means
23 the Global Coalition to Counter ISIL.

24 (5) FATF.—The term “FATF” means the Fi-
25 nancial Action Task Force.

1 (6) FOREIGN TERRORIST ORGANIZATION.—The
 2 term “foreign terrorist organization” means an or-
 3 ganization designated by the Secretary of State, in
 4 consultation with the Secretary of the Treasury and
 5 the Attorney General, as a foreign terrorist organi-
 6 zation under section 219(a) of the Immigration and
 7 Nationality Act (8 U.S.C. 1189(a)).

8 (7) ISIL.—The term “ISIL” means the Islamic
 9 State of Iraq and the Levant.

10 **SEC. 4. JURISDICTIONS OF TERRORISM FINANCING CON-**
 11 **CERN.**

12 (a) DESIGNATION.—

13 (1) IN GENERAL.—The President may des-
 14 ignate a country as a “Jurisdiction of Terrorism Fi-
 15 nancing Concern” if the President determines that
 16 government officials of the country know, or should
 17 know, that activities take place within the jurisdic-
 18 tion of the country that substantially finance the op-
 19 erations of, or acts of international terrorism by, one
 20 or more foreign terrorist organizations.

21 (2) DETERMINATION OF SUBSTANTIALLY FI-
 22 NANCE.—In making a determination under para-
 23 graph (1), the President shall evaluate criteria,
 24 which may include—

1 (A) the extent to which funds, goods, ma-
2 teriel, and other assets transferred into, out of,
3 or through the country are used, or intended to
4 be used, to finance the operations of, or acts of
5 international terrorism by, foreign terrorist or-
6 ganizations;

7 (B) the adequacy of the laws and regula-
8 tions of the country to prevent transfers de-
9 scribed in subparagraph (A) compared to the
10 recommendations of the Financial Action Task
11 Force and other appropriate international
12 standards; or

13 (C) the unwillingness or demonstrated in-
14 ability of the government of the country—

15 (i) to prevent the use of its jurisdic-
16 tion for activities that finance the oper-
17 ations of, or acts of international terrorism
18 by, foreign terrorist organizations; and

19 (ii) to investigate, prosecute, and hold
20 accountable individuals and entities that
21 participate in activities that finance the op-
22 erations of, or acts of international ter-
23 rorism by, foreign terrorist organizations.

24 (b) REPORT.—

1 (1) IN GENERAL.—Upon designating a country
2 as a Jurisdiction of Terrorism Financing Concern
3 under subsection (a), the President shall submit a
4 report to the appropriate congressional committees
5 that—

6 (A) identifies the country that has been so
7 designated; and

8 (B) sets forth the information upon which
9 the President relied to make such designation,
10 including the criteria described in subsection
11 (a)(2).

12 (2) FORM.—The report required under para-
13 graph (1) shall be submitted in an unclassified form,
14 but may include a classified annex.

15 (c) PRESIDENTIAL ACTIONS WITH RESPECT TO
16 COUNTRIES DESIGNATED AS JURISDICTIONS OF TER-
17 RORISM FINANCING CONCERN.—

18 (1) IN GENERAL.—Not later than 90 days after
19 each report is submitted under subsection (b) with
20 respect to a country designated as a Jurisdiction of
21 Terrorism Financing Concern, the President shall
22 carry out one or more of the actions described in
23 subparagraphs (A) through (G) of paragraph (2).

1 (2) DESCRIPTION OF PRESIDENTIAL AC-
2 TIONS.—Except as provided in subsections (d) and
3 (e), the actions described in this paragraph are—

4 (A) absent the permission of the relevant
5 congressional committees, with an additional 60
6 days of notification beyond the period that
7 would otherwise apply to such a license or
8 grant, ordering the heads of the appropriate
9 United States agencies not to issue any specific
10 licenses and not to grant any other specific au-
11 thority (or a specified number of authorities) to
12 export any goods, services, or technology worth
13 more than \$5,000,000 over a 12-month period
14 to the government of a country designated
15 under subsection (a)(1) under—

16 (i) the Export Administration Act of
17 1979 (50 U.S.C. 4601 et seq.);

18 (ii) the Arms Export Control Act (22
19 U.S.C. 2751 et seq.);

20 (iii) the Atomic Energy Act of 1954
21 (42 U.S.C. 2011 et seq.); or

22 (iv) any other statute that requires
23 the prior review and approval of the
24 United States Government as a condition

1 for the export or reexport of goods, serv-
2 ices, or technology;

3 (B) withdrawing, limiting, or suspending
4 United States development assistance to the
5 foreign government;

6 (C) withdrawing, limiting, or suspending
7 United States security assistance to the foreign
8 government;

9 (D) directing the Export-Import Bank of
10 the United States, the Overseas Private Invest-
11 ment Corporation, or the Trade and Develop-
12 ment Agency not to approve the issuance of any
13 (or a specified number of) guarantees, insur-
14 ance, extensions of credit, or participation in
15 the extension of credit with respect to the for-
16 eign government;

17 (E) consistent with section 701 of the
18 International Financial Institutions Act of 1977
19 (22 U.S.C. 262(d)), directing the United States
20 executive directors of international financial in-
21 stitutions to oppose and vote against loans pri-
22 marily benefiting the foreign government;

23 (F) prohibiting any United States financial
24 institution from making loans or providing

1 credits totaling more than \$10,000,000 in any
2 12-month period to the foreign government; and

3 (G) prohibiting the United States Govern-
4 ment from procuring, or entering into any con-
5 tract for the procurement of, any goods, serv-
6 ices, or technology from the foreign govern-
7 ment.

8 (d) SUBSTITUTION OF AGREEMENTS.—

9 (1) IN GENERAL.—Instead of carrying out an
10 action under subsection (c), the President may con-
11 clude an agreement with the government of a coun-
12 try designated under subsection (a)(1). The exist-
13 ence of an agreement under this subsection with a
14 foreign government may be considered by the Presi-
15 dent before making any determination under sub-
16 section (a)(1) or carrying out an action under sub-
17 section (c).

18 (2) AGREEMENTS.—Subject to paragraph (3),
19 the President may enter into an agreement with a
20 foreign government that obligates the foreign gov-
21 ernment to more effectively counter activities that fi-
22 nance the operations of, or acts of international ter-
23 rorism by, foreign terrorist organizations, including
24 engaging in government-to-government activities
25 that may include—

1 (A) cooperation between United States de-
2 partments and agencies and their foreign gov-
3 ernment counterparts—

4 (i) to update the foreign government's
5 laws and regulations relating to the pre-
6 vention of activities that finance the oper-
7 ations of, or acts of international terrorism
8 by, foreign terrorist organizations;

9 (ii) to strengthen cooperation among
10 agencies of the foreign government and
11 with the United States to facilitate the en-
12 forcement of the laws and regulations per-
13 taining to activities that finance the oper-
14 ations of, or acts of international terrorism
15 by, foreign terrorist organizations; and

16 (iii) to promote information exchanges
17 among agencies of the foreign government
18 and with the United States; and

19 (B) training officials of the foreign govern-
20 ment to prevent activities that finance the oper-
21 ations of, or acts of international terrorism by,
22 foreign terrorist organizations—

23 (i) to facilitate the legitimate use of
24 the financial system of the country; and

1 (ii) to prevent terrorists from abusing
2 the financial system of the country to sus-
3 tain their activities.

4 (3) CONGRESSIONAL NOTIFICATION.—

5 (A) IN GENERAL.—Not later than 30 days
6 before an agreement under this subsection is
7 scheduled to take effect, the President shall no-
8 tify the appropriate congressional committees of
9 the terms of such agreement.

10 (B) FORM.—The notification required
11 under subparagraph (A) shall be submitted in
12 an unclassified form, but may include a classi-
13 fied annex.

14 (C) NULLIFICATION.—An agreement under
15 this subsection that has not yet taken effect
16 may be nullified by the enactment of a joint
17 resolution of Congress.

18 (4) CERTIFICATION TO CONGRESS.—

19 (A) IN GENERAL.—Except as provided in
20 subparagraph (C), not later than 1 year after
21 the effective date of an agreement with a for-
22 eign government under paragraph (2), and not
23 less frequently than annually thereafter, for as
24 long as such agreement is in effect, the Presi-
25 dent shall certify to the appropriate congres-

1 sional committees that the foreign govern-
2 ment—

3 (i) is in compliance with the terms of
4 the agreement; and

5 (ii) is cooperating with the United
6 States Government to remediate the defi-
7 ciencies that led to its designation under
8 subsection (a).

9 (B) FORM.—The certification required
10 under subparagraph (A) shall be submitted in
11 an unclassified form, but may include a classi-
12 fied annex.

13 (C) ABSENCE OF CERTIFICATION.—If the
14 President is unable to make the certification re-
15 quired under subparagraph (A), the President,
16 not later than 90 days after the date on which
17 the certification is due, shall carry out one or
18 more of the actions described in subparagraphs
19 (A) through (G) of subsection (c)(2).

20 (5) STATUTORY CONSTRUCTION.—Nothing in
21 this subsection may be construed to authorize the
22 United States to enter into an agreement covering
23 matters outside the scope of activities that finance
24 the operations of, or acts of international terrorism
25 by, foreign terrorist organizations.

1 (e) EXCEPTIONS.—Any action taken under this sec-
2 tion may not prohibit or restrict the provision of medicine,
3 medical equipment or supplies, food, or other humani-
4 tarian assistance to a foreign country.

5 (f) TERMINATION OF DESIGNATION.—A designation
6 made under subsection (a) with respect to a country shall
7 terminate on the earlier of—

8 (1) the date on which the President certifies to
9 the appropriate congressional committees that the
10 government of such country has taken substantial
11 and verifiable steps to prevent substantial activities
12 that finance the operations of, or acts of inter-
13 national terrorism by, foreign terrorist organizations
14 within its jurisdiction;

15 (2) the date on which the President certifies to
16 the appropriate congressional committees that the
17 foreign government has fulfilled its obligations under
18 an agreement under subsection (d), unless such ac-
19 tion is expressly reauthorized by law; or

20 (3) the date on which the President—

21 (A) certifies to the appropriate congres-
22 sional committees that termination of the des-
23 igation is in the national security interests of
24 the United States; and

1 (B) submits a report to the appropriate
2 congressional committees that describes the rea-
3 son for such determination.

4 (g) TERMINATION OF PRESIDENTIAL ACTIONS AND
5 AGREEMENTS.—Any action taken under subsection (c)
6 with respect to a country, and any agreement with a for-
7 eign government entered into under subsection (d), shall
8 terminate on the date on which the President makes a cer-
9 tification under subsection (f).

10 (h) PRECLUSION OF JUDICIAL REVIEW.—No court
11 shall have jurisdiction to review any Presidential deter-
12 mination or agency action under this Act or any amend-
13 ment made by this Act.

14 **SEC. 5. ASSISTANCE FOR COUNTERING TERRORISM FI-**
15 **NANCE.**

16 (a) FINDINGS.—Congress makes the following find-
17 ings:

18 (1) In many nations in which financial markets
19 and institutions are misused to finance the oper-
20 ations of, or acts of international terrorism by, for-
21 eign terrorist organizations, there are not adequate
22 laws or regulations, or the enforcement of such laws
23 or regulations, to effectively prevent such misuse.

24 (2) In providing foreign assistance, the United
25 States should prioritize—

1 (A) the promotion and development of laws
2 and regulations that prevent misuse of financial
3 markets and institutions to finance the oper-
4 ations of, or acts of international terrorism by,
5 foreign terrorist organizations; and

6 (B) the enhancement of enforcement capa-
7 bilities of such laws and regulations.

8 (b) ALLOCATION OF FUNDS FOR COUNTERING TER-
9 RORISM FINANCING.—Section 129(b) of the Foreign As-
10 sistance Act of 1961 (22 U.S.C. 2151aa(b)) is amended—

11 (1) in paragraph (1), by inserting “and to
12 counter financial crimes and material support to ter-
13 rorism” after “private sector growth”; and

14 (2) in paragraph (2)—

15 (A) in subparagraph (D), by striking
16 “and” at the end;

17 (B) in subparagraph (E), by striking the
18 period at the end and inserting “; and”; and

19 (C) by adding at the end the following:

20 “(F) the capability to investigate, pros-
21 ecute, and hold accountable individuals and en-
22 tities that finance the operations of, or acts of
23 international terrorism by, groups designated
24 by the Secretary of State, in consultation with
25 the Secretary of the Treasury and the Attorney

1 General, as foreign terrorist organizations
2 under section 219(a) of the Immigration and
3 Nationality Act (8 U.S.C. 1189(a)).”.

4 **SEC. 6. SECONDARY SANCTIONS ON FINANCIAL INSTITU-**
5 **TIONS.**

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

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

18 (2) ACTIVITIES DESCRIBED.—A foreign finan-
19 cial institution engages in an activity described in
20 this paragraph by—

21 (A) knowingly facilitating a significant
22 transaction or transactions for ISIL or its af-
23 filiates;

24 (B) knowingly facilitating a significant
25 transaction or transactions of a person identi-

1 fied on the list of specially designated nationals
2 and blocked persons maintained by the Office of
3 Foreign Assets Control of the Department of
4 the Treasury if the property and interests in
5 property of such person are blocked pursuant to
6 the International Emergency Economic Powers
7 Act (50 U.S.C. 1701 et seq.) for acting on be-
8 half of, acting at the direction of, or being
9 owned or controlled by, ISIL or its affiliates;

10 (C) knowingly engaging in money laun-
11 dering to carry out an activity described in sub-
12 paragraph (A) or (B); or

13 (D) knowingly facilitating a significant
14 transaction or transactions or providing signifi-
15 cant financial services to carry out an activity
16 described in subparagraph (A), (B), or (C).

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

1 (4) PROCEDURES FOR JUDICIAL REVIEW OF
2 CLASSIFIED INFORMATION.—

3 (A) IN GENERAL.—The President may
4 submit classified information to a court ex
5 parte and in camera if—

6 (i) a finding under this subsection, or
7 a prohibition, condition, or penalty im-
8 posed as a result of any such finding, is
9 based on such information; and

10 (ii) the court reviews the finding or
11 the imposition of the prohibition, condition,
12 or penalty.

13 (B) RULE OF CONSTRUCTION.—Nothing in
14 this paragraph may be construed to confer or
15 imply any right to judicial review of any finding
16 under this subsection or any prohibition, condi-
17 tion, or penalty imposed as a result of any such
18 finding.

19 (b) WAIVER.—

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

1 180 days, on and after the date on which the Presi-
2 dent—

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

6 (B) submits a report to the appropriate
7 congressional committees that describes the rea-
8 sons for such determination.

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

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

18 (1) the foreign financial institution—

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

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

24 (2) the President has received reliable assur-
25 ances from the government with primary jurisdiction

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

4 (d) DEFINITIONS.—In this section:

5 (1) ACCOUNT; CORRESPONDENT ACCOUNT; PAY-
6 ABLE-THROUGH ACCOUNT.—The terms “account”,
7 “correspondent account”, and “payable-through ac-
8 count” have the meanings given such terms in sec-
9 tion 5318A(e) of title 31, United States Code.

10 (2) FINANCIAL INSTITUTION.—The term “fi-
11 nancial institution” means a financial institution de-
12 scribed in subparagraph (A), (B), (C), (D), (E), (F),
13 (G), (H), (I), (J), (K), (M), (N), (P), (R), (T), (Y),
14 or (Z) of section 5312(a)(2) of title 31, United
15 States Code.

16 (3) FOREIGN FINANCIAL INSTITUTION.—The
17 term “foreign financial institution” has the meaning
18 given such term in section 1010.605 of title 31,
19 Code of Federal Regulations.

20 (4) ISIL.—The term “ISIL” means—

21 (A) the entity known as the Islamic State
22 of Iraq and the Levant and designated by the
23 Secretary of State as a foreign terrorist organi-
24 zation pursuant to section 219(a) of the Immi-

1 gration and Nationality Act (8 U.S.C. 1189(a));

2 or

3 (B) any person—

4 (i) the property or interests in prop-
5 erty of which are blocked pursuant to the
6 International Emergency Economic Powers
7 Act (50 U.S.C. 1701 et seq.); and

8 (ii) who is identified on the specially
9 designated nationals list as an agent, in-
10 strumentality, or affiliate of the entity de-
11 scribed in subparagraph (A).

12 (5) MONEY LAUNDERING.—The term “money
13 laundering” includes the movement of illicit cash or
14 cash equivalent proceeds into, out of, or through a
15 country or a financial institution.

16 (6) SPECIALLY DESIGNATED NATIONALS
17 LIST.—The term “specially designated nationals
18 list” means the list of specially designated nationals
19 and blocked persons maintained by the Office of
20 Foreign Assets Control of the Department of the
21 Treasury.

1 **SEC. 7. INCLUSION OF FINANCING ACTIVITIES IN REPORTS**
2 **ON TERRORISM.**

3 Section 140 of the Foreign Relations Authorization
4 Act, Fiscal Years 1988 and 1989 (22 U.S.C. 2656f) is
5 amended—

6 (1) in subsection (a)(1)—

7 (A) in subparagraph (A)(iii), by striking
8 “and” at the end;

9 (B) in subparagraph (B), by adding “and”
10 at the end; and

11 (C) by adding at the end the following:

12 “(C) detailed assessments with respect to
13 each foreign country in which activities that fi-
14 nance the operations of, or acts of international
15 terrorism by, groups designated by the Sec-
16 retary of State, in consultation with the Sec-
17 retary of the Treasury and the Attorney Gen-
18 eral, as foreign terrorist organizations under
19 section 219(a) of the Immigration and Nation-
20 ality Act (8 U.S.C. 1189(a)) are taking place;”;
21 and

22 (2) in subsection (b)—

23 (A) in paragraph (1)(C)(iv), by adding
24 “and” at the end;

25 (B) by redesignating paragraphs (3) and
26 (4) (as added by section 701(a)(2)(C) of the In-

1 intelligence Authorization Act for Fiscal Year
2 2005 (Public Law 108–487)) as paragraphs (7)
3 and (8), respectively;

4 (C) by redesignating paragraphs (3), (4),
5 and (5) as paragraphs (4), (5), and (6), respec-
6 tively;

7 (D) by inserting after paragraph (2) the
8 following:

9 “(3) with respect to subsection (a)(1)(C)—

10 “(A) activities within the jurisdiction of
11 the foreign government that substantially fi-
12 nance the operations of, or acts of international
13 terrorism by, groups designated by the Sec-
14 retary of State, in consultation with the Sec-
15 retary of the Treasury and the Attorney Gen-
16 eral, as foreign terrorist organizations under
17 section 219(a) of the Immigration and Nation-
18 ality Act (8 U.S.C. 1189(a));

19 “(B) deficiencies in the laws and regula-
20 tions of the country in prohibiting such activi-
21 ties;

22 “(C) the extent and effectiveness of efforts
23 to enforce such laws and regulations; and

1 “(D) where possible, the systemic source of
2 the foreign government’s inability to prevent
3 the activities described in subparagraph (A);”;

4 (E) in paragraph (5)(D), as redesignated,
5 by striking “and” at the end; and

6 (F) in paragraph (6), as redesignated, by
7 striking the period at the end and inserting a
8 semicolon.

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