

Iran Ballistic Missile Sanctions Act of 2016
Section Summary

Section 1—Title: “Iran Ballistic Missile Sanctions Act of 2016”

Section 2—Findings: This section contains 20 findings that demonstrate the urgent U.S. national security need to impose tough sanctions on Iran for its ballistic missile activities.

Section 3—Sense of Congress: Expresses the sense of Congress that

- (1) the ballistic missile programs of Iran represent a serious threat to allies of the United States in the Middle East and Europe, members of the Armed Forces deployed in the region, and ultimately the United States;
- (2) the testing and production by Iran of ballistic missiles capable of carrying a nuclear device is a clear violation of United Nations Security Council Resolution 2231 (2015), which was unanimously adopted;
- (3) Iran is using its space launch program to develop the capabilities necessary to deploy an intercontinental ballistic missile that could threaten the United States and the Director of National Intelligence has assessed that Iran would use ballistic missiles as its “preferred method of delivering nuclear weapons”; and
- (4) The Government of the United States should impose tough primary and secondary sanctions against any sector of the economy of Iran or any Iranian person that supports Iran’s ballistic missile program, as well as any foreign person or financial institution that engages in associated transactions or trade.

Section 4—Amends Iran-Iraq Arms Non-Proliferation Act of 1992: Amends the *Iran-Iraq Arms Non-Proliferation Act of 1992* to include ballistic missiles or related technology.

Section 5—Amends Iran Sanctions Act of 1996: Amends Section 5(b)(1)(B) of the *Iran Sanctions Act of 1996* by imposing a tougher standard for mandatory sanctions and including in activities requiring sanctions the acquisition or development of ballistic missiles. The section also extends the sunset of the Iran Sanctions Act from December 31, 2016 to December 31, 2031.

Section 6—Imposes Tough Sectoral Sanctions on Iran for Ballistic Missile Activities: Adds a new Subtitle C to Title II of the *Iran Threat Reduction and Syria Human Rights Act of 2012*. This new subtitle contains Sections 231-236. Each of these sections are described below:

- **Section 231:** This section contains a number of definitions.

- **Section 232:**

- Paragraph (a) of this section requires to President to submit to Congress every six months a report identifying persons that have knowingly aided the Government of Iran in the development of its ballistic missile program. Among other activities, “knowingly aided” includes 1) the direct or indirect provision of material support; 2) the facilitation, support, or engagement in activities to further the development of any such program; and 3) the transmission of related information. This report includes a requirement to assess the ballistic missile cooperation between Iran and North Korea as well.
- Requires the President, not later than 30 days after submitting the report, to block and prohibit all transactions in all property and interests of any person specified in the report.

- **Section 233.**

- Requires the President to impose blocking sanctions against any entity that is owned by a 25% or greater interest by the Aerospace Industries Organization, the Shahid Hemmat Industrial Group, or the Shahid Bakeri Industrial Group.
- Prohibits associated financial transactions in the U.S.
- Establishes an “Iran Missile Proliferation Watch List” which tracks any entity in which this organization or groups have an ownership interest of less than 25 percent or maintain a presence on the board of directors of the entity. Requires the Comptroller General to conduct a review of this watch list and submit a report to Congress.

- **Section 234.**

- Requires the President to submit to Congress a report every six months certifying that each person listed in an annex of United Nations Security Council Resolution 1737 (2006), 1747 (2007), or 1929 (2010) is not directly or indirectly facilitating, supporting, or involved with the development of or transfer to Iran of ballistic missiles, or technology, parts, components, or technology information relating to ballistic missiles.
- If the President is unable to make this certification, this section would require the President to issue blocking sanctions on all persons involved in those activities and to prohibit associated financial transactions in the U.S. Requires the Secretary of State to deny visas to any such alien subject.

- **Section 235.**
 - Every six months, the President is required to submit to Congress and publish in the Federal Register a list of the sectors of the economy of Iran that are supporting directly or indirectly Iran's ballistic missile program. The section requires the President to specifically examine the automotive, chemical, computer science, construction, electronic, energy, metallurgy, mining, petrochemical, research, and telecommunications sectors of Iran.
 - For any sector of the Iranian economy directly or indirectly supporting Iran's ballistic missile program, the President must issue blocking sanctions on the entire sector of the Iranian economy.
 - Requires the Secretary of State to deny visas to any alien person part of those Iranian sectors or knowingly provides significant financial, material, or technological support for such an alien person. This section contains a humanitarian exception.

- **Section 236.**
 - Requires the President to submit an annual report to Congress listing all persons that have supported the development of ballistic missiles in the following sectors: automotive, chemical, computer science, construction, electronic, energy, metallurgy, mining, petrochemical, research, and telecommunications.
 - Requires the Comptroller General to submit a report to Congress assessing 1) the processes followed by the President in preparing this list; and 2) the foreign persons included on the list. The Comptroller General will also be required to submit a list of persons not included that qualify for inclusion on the list.

Section 7—Amends the Comprehensive Iran Sanctions, Accountability, and Divestment Act (CISADA) of 2010: Amends CISADA to include the acquisition or development of ballistic missiles, capabilities, and launch technology. It also strikes the waiver in CISADA as it relates to ballistic missiles.

Section 8—Requires SEC Listing: Amends the *Securities Exchange Act of 1934* to require disclosure to the Securities and Exchange Commission of any activities covered by section 235 of the *Iran Threat Reduction and Syria Human Rights Act of 2012* (see above).

Section 9—Update of Regulations Within 90 Days: Requires the President to update all regulations to carry out this act not later than 90 days after enactment.