

Support HR 4992

The U.S. Financial System Protection Act

Any financial transaction with Iran risks supporting the regime's ongoing sponsorship of terrorism and other illicit activities

Background: Iran has received significant sanctions relief under the Obama Administration's flawed nuclear deal. This rogue regime is now selling oil on the international market, has received access to tens of billions in funds held abroad, and has signed deals worth over \$100 billion in foreign investment. Yet, Iran continues to destabilize the Middle East and undermine U.S. foreign policy. The regime's Revolutionary Guards and its terrorist proxy Hezbollah continues to prop up the murderous Assad regime in Syria. Iran continues to develop and test ballistic missiles that threaten Israel and the United States. At home, the regime continues to deny the Iranian people basic human rights while detaining several Americans.

This dangerous behavior is why—when selling this flawed deal last year—the Obama Administration pledged that terrorism, missiles, and human rights sanctions would remain in force. **Last summer, Treasury Secretary Lew testified that “Iranian banks will not be able to clear U.S. dollars through New York, hold correspondent account relationships with U.S. financial institution, or enter into financing arrangement with U.S. banks.”** As the Secretary made clear, “Iran, in other words, will continue to be denied access to the world's largest financial and commercial market.” **This reflects the Treasury Department's designation of Iran as a “primary money laundering concern”—which recognizes that any financial transaction with Iran risks supporting the regime's ongoing illicit activities.** These remaining sanctions are extremely powerful as banks around the world rely on the dollar to facilitate large international transactions.

Yet, with Iran's Supreme Leader continuing to demand access to the dollar and the greater international investment that comes with it, the Obama Administration left the door open to allowing such transactions in the future. In response to a question from Chairman Royce, Secretary Lew went so far as to claim that the United States must “make sure Iran gets relief” under the nuclear deal and broaden their access to global markets and the global financial system, even as the international organization charged with countering money laundering is “exceptionally concerned about Iran's failure to address the risk of terrorist financing and the serious threat this poses to the integrity of the international financial system.”

This Bill:

- *Highlights* the threat that Iran's entire financial sector poses to the global financial system due to its use in supporting proliferation, terrorism, and other illicit conduct.
- *Codifies* existing regulations that prohibits Administration from allowing the U.S. dollar to be used to facilitate trade transactions with Iran and Upholds Iran's designation as a “primary money laundering concern.”
- *Maintains* these restrictions until the President certifies that that Iran is no longer supporting terrorism, developing ballistic missiles, abusing human rights, or laundering money in support of its illicit activities.