



May 29, 2024

Sanctions in the FY2024 Emergency Supplemental Appropriation, P.L. 118-50

Introduction

President Biden signed P.L. 118-50, *Making emergency supplemental appropriations for the fiscal year ending September 30, 2024, and for other purposes*, into law on April 24, 2024. Division D, the 21st Century Peace Through Strength Act, and subsequent divisions of P.L. 118-50 consist of provisions to authorize sanctions against Iran and Russia, as well as foreign adversaries, drug traffickers, terrorist groups, and other foreign targets.

Sanctions Provisions in Division D and Subsequent Divisions of P.L. 118-50

Targeting Iran

- ▶ Division J, Stop Harboring Iranian Petroleum (SHIP) Act
- ▶ Division K, Fight and Combat Rampant Iranian Missile Exports (CRIME) Act
- ▶ Division L, Mahsa Amini Human rights and Security Accountability (MAHSA) Act
- ▶ Division R, Holding Iranian Leaders Accountable Act
- ▶ Division S, Iran-China Energy Sanctions Act of 2023

Targeting Russia

- ▶ Division F, Rebuilding Economic Prosperity and Opportunity (REPO) for Ukrainians Act
- ▶ Section I of Division G, on “sanctions to harmonize with allied sanctions” related to Russia

Targeting foreign adversaries

- ▶ Division H, Protecting Americans from Foreign Adversary Controlled Applications Act
- ▶ Division I, Protecting Americans’ Data from Foreign Adversaries Act of 2024

Targeting drug traffickers

- ▶ Division E, Fentanyl Eradication and Narcotics Deterrence (FEND) Off Fentanyl Act
- ▶ Division P, Illicit Captagon Trafficking Suppression Act of 2023

Targeting terrorist groups

- ▶ Division M, Hamas and Other Palestinian Terrorist Groups International Financing Prevention Act
- ▶ Division N, No Technology for Terror Act
- ▶ Section 3 of Division O, Strengthening Tools to Counter the Use of Human Shields Act
- ▶ Division Q, End Financing for Hamas and State Sponsors of Terrorism Act

Other targets

- ▶ Section 5 of Division O, on “asymmetric and malicious cyber activities”
- ▶ Section 6 of Division O, on threats against U.S. officials

Section 3111 of P.L. 118-50 also establishes a 10-year statute of limitations for violations of sanctions imposed under the International Emergency Economic Powers Act

(IEEPA; 50 U.S.C. §§1701-1706) and Trading with the Enemy Act (50 U.S.C. §§4301-4341).

Selected Types of Sanctions

Congress plays a key role in imposing or authorizing U.S. sanctions in furtherance of foreign policy, national security, and economic objectives. Such sanctions may take many forms, and provisions in P.L. 118-50 reflect this variety.

Asset-blocking sanctions. Several provisions in P.L. 118-50 authorize or direct the President to impose sanctions pursuant to IEEPA that block and prohibit transactions in property and interests in property within U.S. jurisdiction of a designated foreign person. Some provisions apply IEEPA-based asset-blocking sanctions to new or more specific categories of foreign persons. These provisions direct the President (or an agency head, as applicable) to determine which specific persons to sanction.

- **Section 3103 of Division E** targets foreign persons linked to fentanyl trafficking (including precursors or related opioids) or transnational criminal organizations involved in fentanyl trafficking.
- **Section 3 of Division J** targets foreign persons who own or operate a foreign port, vessel, or refinery linked to the transportation of or significant transactions in Iranian petroleum.
- **Section 5 of Division K** targets foreign persons linked to the proliferation of Iranian missiles.
- **Section 3 of Division M** targets foreign persons who provide support to or enable acts of terrorism or engage in a significant transaction with a senior member of Hamas, Palestinian Islamic Jihad (PIJ), Al-Aqsa Martyrs Brigade, Lion’s Den, or any foreign terrorist organization that provides support to those four groups or any affiliate or successor of such groups.
- **Section 3 of Division O** targets foreign persons linked to PIJ under Sanctioning the Use of Civilians as Defenseless Shields Act (P.L. 115-348, as amended; 50 U.S.C. §1701 note).
- **Section 5 of Division O** targets foreign persons linked to certain significant cyber-enabled activities and requires the Secretary of State to respond to requests by the chair and ranking member of certain congressional committees regarding whether specific foreign persons have engaged in sanctionable activity.
- **Section 6 of Division O** targets foreign persons linked to threats of violence against any current or former U.S. government officials.

- **Section 4 of Division P** targets foreign persons linked to the production and proliferation of Captagon.

Travel bans. Most IEEPA-based asset-blocking sanctions in P.L. 118-50 also include restrictions on U.S. entry and U.S. visas, pursuant to the Immigration and Nationality Act (8 U.S.C. §§1101 et seq.). Division J directs the President to impose U.S. visa restrictions on certain sanctioned individuals' family members who "demonstrably benefit from such [sanctionable] activity." Division K directs the President to impose U.S. visa restrictions on adult family members of a sanctioned individual.

U.S. foreign assistance restrictions. Section 4 of Division M directs the President to impose certain measures against foreign state sponsors of acts of international terrorism, as well as foreign states that support Hamas, PIJ, Al-Aqsa Martyrs Brigade, the Lion's Den, or any affiliate or successor organization. These measures include a one-year suspension of U.S. assistance to such foreign states, including U.S. opposition to international financial institution decisions to provide a loan or financial or technical assistance.

Export controls. Two provisions in P.L. 118-50 impose U.S. controls on certain exports. Section 4 of Division M directs the President to prohibit exports of items on the U.S. Munitions List to targeted foreign states. Division N subjects certain foreign-produced items destined for Iran (or the export of which involves the Government of Iran) to the "foreign direct product rule" in U.S. Export Administration Regulations, pursuant to the Export Control Reform Act of 2018 (50 U.S.C. §§4801-4852).

U.S. port access restrictions. Among other provisions, Section 3 of Division J authorizes the President to prohibit certain foreign vessels linked to movements of Iranian crude oil or petroleum or petrochemical products from landing at U.S. ports for up to two years.

Domestic financial institution restrictions. Section 3201 of Division E authorizes the Secretary of the Treasury to impose certain "special" anti-money laundering measures on U.S. financial institutions to guard against foreign financial institutions, foreign jurisdictions, classes of transactions, or types of accounts "of primary money laundering concern in connection with illicit opioid trafficking." These measures include prohibiting or imposing conditions on certain transmittals of funds and the opening or maintaining of certain correspondent or payable-through accounts. Section 4(a)(1) of Division R directs the Secretary of the Treasury to close accounts linked to certain Iranian political and military figures or terrorist group leadership and to "prohibit the provision of significant financial services" to such individuals.

Secondary sanctions. Secondary sanctions target third-party foreign actors for their activity with already-sanctioned persons. One example of such a sanction is in Division S, which amends an existing secondary sanctions provision (§1245(d) of P.L. 115-91; 22 U.S.C. §8513a(d)) that targets foreign financial institutions engaged in any significant financial transaction with the Central Bank of Iran or other sanctioned Iranian financial institutions. Division S clarifies the meaning of "significant financial transaction" to include, regardless of the size, number,

frequency, or nature of the transaction, (1) Chinese financial institutions involved in the purchase of petroleum or petroleum products from Iran and (2) foreign financial institutions involved in the purchase of Iranian unmanned aerial vehicles.

Conditions on the release of blocked or immobilized assets and authority to seize such assets. Section 103 of Division F prohibits the release of blocked or immobilized Russian sovereign assets, except as authorized, until hostilities between Russia and Ukraine end and Ukraine is compensated "for harms resulting from the invasion." Section 104 authorizes the President to seize, confiscate, transfer, or vest "any Russian aggressor state sovereign assets" subject to U.S. jurisdiction for the purpose of transferring such funds to a Ukraine Support Fund.

Application of existing sanctions programs to new categories of foreign persons. Several provisions in P.L. 118-50 direct the President or Secretary of State to report to certain congressional committees on the applicability of existing U.S. sanctions programs to new targets—and correspondingly authorize or require the imposition of such sanctions (e.g., §1 of Division G, §6 of Division K, and Division L).

U.S. market restrictions. P.L. 118-50 prohibits or conditions certain U.S. business activity involving foreign adversary countries (North Korea, China, Russia, and Iran). Division H addresses certain foreign adversary-controlled applications, including applications operated by TikTok or its parent company ByteDance. Division I prohibits data brokers that handle personally identifiable sensitive data of U.S. individuals from conducting business with foreign adversary countries and entities controlled by such adversary countries.

Implementation Outlook

The 118th Congress may conduct oversight of the Biden Administration's implementation of sanctions provisions in P.L. 118-50. Key areas of oversight may focus on the pace of implementing the act's mandatory sanctions and whether authorized sanctions are implemented. For example, some provisions in the act direct the President to issue within a certain timeframe regulations, instructions, or guidance, as may be necessary to implement certain sanctions. Many provisions also include waivers, exceptions, and exemptions that may narrow the scope of implemented sanctions in practice.

Congressional committees and Members of Congress may track the status of various reports, assessment, strategies, notifications, certifications, determinations, and briefings required by the act to be submitted to them by the executive branch. Some provisions require one-time reports; other reports are due on an annually recurring basis.

Over time, Congress may review how the new sanctions provisions are affecting targeted actors and U.S. foreign policy and national security objectives. Some provisions in P.L. 118-50 contain sunset clauses, which Congress may choose in the future to extend, modify, or revoke. Some such provisions may also condition the expiration of sanctions on the basis of whether certain conditions are met (e.g., a change in behavior of the sanctions target).

Liana W. Rosen, Specialist in International Sanctions and
Financial Crimes

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