



H.R. 4992 – United States Financial System Protection Act (Rep. Royce, R-CA)

CONTACT: [Jennifer Weinhart](#), 202-226-0706

FLOOR SCHEDULE:

Expected to be considered on July 14, 2016 under a closed [rule](#).

TOPLINE SUMMARY:

[H.R. 4992](#) would codify regulations pertaining to “U-turn” transactions for Iran, prohibiting American financial institutions from processing the transfer of funds to or from Iran, for direct or indirect benefit of an Iranian person or the government of Iran, from January 1, 2016 until the president provides a certification that Iran no longer supports acts of terrorism nor is a state sponsor of terror, to Congress under the [Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010](#).

COST:

The Congressional Budget Office (CBO) cost estimate is not yet available.

CONSERVATIVE CONCERNS:

- **Expand the Size and Scope of the Federal Government?** No.
- **Encroach into State or Local Authority?** No.
- **Delegate Any Legislative Authority to the Executive Branch?** No.
- **Contain Earmarks/Limited Tax Benefits/Limited Tariff Benefits?** No.

DETAILED SUMMARY AND ANALYSIS:

H.R. 4992 would prevent U.S. firms from facilitating transactions benefiting Iran. Specifically, it would codify existing [Treasury regulations](#) prohibiting U.S. depository institutions and registered securities brokers or dealers to process funds to or from Iran if the transfer arises from and is incident and necessary to an underlying transaction that has been authorized by a specific or general license, and does not involve debiting or crediting an Iranian account. The regulations would apply until the president certifies to Congress that the government of Iran has ceased: (1) supporting acts of international terrorism; and (2) developing and has dismantled nuclear, biological, and chemical weapons, and missiles and ballistic missile launch technology.

This legislation would also apply to foreign financial institutions and registered securities brokers and dealers if the funds to be transferred are in U.S. dollars.

The president would not be permitted, except for humanitarian purposes, to issue a license under the International Emergency Economic Powers Act, or permit an institution to conduct an offshore U.S. dollar clearing system, or supply U.S. dollars for a foreign system if it involves or benefits the government of Iran or an Iranian person. The president would not be permitted to rescind a preliminary draft rule or a final rule that designates Iran as a primary money laundering jurisdiction without certifying to Congress that

Iran no longer supports terrorism, pursues weapons of mass destruction, or is engaged in any illicit financial activities.

COMMITTEE ACTION:

H.R. 4992 was introduced on April 19, 2016 and was referred to the House Committee on Financial Services.

ADMINISTRATION POSITION:

A Statement of Administration Policy is not available.

CONSTITUTIONAL AUTHORITY:

According to the sponsor, Congress has the power to enact this legislation pursuant to the following: Article I, Section 8.

NOTE: *RSC Legislative Bulletins are for informational purposes only and should not be taken as statements of support or opposition from the Republican Study Committee.*