

U.S. Rep. Steil: Introduces bill to prevent Iran sanctions evasion

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WASHINGTON, D.C.—Today, House Financial Services Committee member, Rep. Bryan Steil (WI-01), introduced H.R. 6015, **the Stop Evasion of Iran Sanctions Act**. Steil's bill gives the Secretary of the Treasury the explicit authority to sanction a financial institution operating outside the United States that knowingly conducts a significant sanctionable transaction related to the Instrument in Support of Trade Exchanges (INSTEX). House Financial Services Committee members Lee Zeldin (NY-01), French Hill (AR-02), Lance Gooden (TX-05), Denver Riggleman (VA-05), and William Timmons (SC-04) are original cosponsors of H.R. 6015.

"We must prevent Iran from obtaining nuclear weapons and stop the regime's support of terrorism. In order to change Iran's behavior, we must continue enforcing our sanctions and prevent evasion. My bill gives the Secretary of the Treasury critical tools to prevent European companies from avoiding U.S. sanctions by inappropriately trading with Iran through a backchannel known as INSTEX. I will continue working to strengthen U.S. sanctions to prevent Iran from threatening Israel, destabilizing the Middle East, and threatening our regional allies. We must remain vigilant in our maximum pressure campaign against Iran," **said Steil.**

On Background:

Under President Obama's flawed Iran Nuclear Deal, also known as the Joint Comprehensive Plan of Action (JCPOA), the United States and our European allies provided generous sanctions relief in exchange for temporary limits on Iran's nuclear activities. Following the implementation of the JCPOA, Iran capitalized on the resources provided through sanctions relief to fund its malign activities against

the United States and our allies throughout the region.

President Trump withdrew the United States from the Iran Nuclear Deal in 2018 and reinstated crippling sanctions against Iran. Though the United States has reinstated sanctions, European signatories to the JCPOA have not. To address this, Germany, France, and the United Kingdom established the Instrument in Support of Trade Exchanges (INSTEX). This entity is designed to facilitate exchange between European and Iranian companies without triggering United States sanctions.

INSTEX facilitates transactions between businesses in Europe and Iran while avoiding direct exchange between participating firms. European businesses transact with INSTEX, which in turn engages with its Iranian counterpart. INSTEX tracks shipments between Europe and Iran and ensures that exporters and importers in Europe are compensated for their transactions. According to the German Foreign Office, INSTEX is preparing to process its first transaction.

H.R. 6015 gives the Secretary of the Treasury the explicit authority to sanction a financial institution operating outside the United States that knowingly conducts a significant sanctionable transaction related to INSTEX.

Steil is a member of the following House Financial Services Committee subcommittees: Investor Protection, Entrepreneurship, and Capital Markets; Housing, Community Development, and Insurance; and Diversity and Inclusion. Steil is also a member of the Financial Services Committee Task Force on Financial Technology.

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