



**EXECUTIVE OFFICE OF THE PRESIDENT  
OFFICE OF MANAGEMENT AND BUDGET  
WASHINGTON, D.C. 20503**

September 21, 2016  
(House)

## **STATEMENT OF ADMINISTRATION POLICY**

### **H.R. 5461 – Iranian Leadership Asset Transparency Act**

(Rep. Poliquin, R-ME, and one cosponsor)

The Administration shares the Congress' goals of increasing transparency and bringing Iran into compliance with international standards in the global fight against terror finance and money laundering. However, this bill would be counterproductive toward those shared goals.

The bill requires the U.S. Government to publicly report all assets held by some of Iran's highest leaders and to describe how these assets are acquired and used. Rather than preventing terrorist financing and money laundering, this bill would incentivize those involved to make their financial dealings less transparent and create a disincentive for Iran's banking sector to demonstrate transparency. These onerous reporting requirements also would take critical resources away from the U.S. Department of the Treasury's important work to identify Iranian entities engaged in sanctionable conduct. Producing this information could also compromise intelligence sources and methods.

One of our best tools for impeding destabilizing Iranian activities has been to identify Iranian companies that are controlled by the Islamic Revolutionary Guards Corps (IRGC) or other Iranians on the list of Specially Designated Nationals and Blocked Persons (SDN List) to non-U.S. businesses, so that they can block assets or stop material transfers. This process is labor-intensive and requires the judicious use of our national intelligence assets. Redirecting these assets to preparing this onerous public report would be counterproductive and will not reduce institutional corruption or promote transparency within Iran's system.

In addition, this bill's required public postings also may be perceived by Iran and likely our Joint Comprehensive Plan of Action (JCPOA) partners as an attempt to undermine the fulfilment of our commitments, in turn impacting the continued viability of this diplomatic arrangement that peacefully and verifiably prevents Iran from acquiring a nuclear weapon. If the JCPOA were to fail on that basis, it would remove the unprecedented constraints on and monitoring of Iran's nuclear program, lead to the unraveling of the international sanctions regime against Iran, and deal a devastating blow to the credibility of America's leadership and our commitments to our closest allies.

As we address our concerns with Iran's nuclear program through implementation of the JCPOA, the Administration remains clear-eyed regarding Iran's support for terrorism, its ballistic missile program, human rights abuses, and destabilizing activity in the region. The United States should retain all of the tools needed to counter this activity, ranging from powerful sanctions to our efforts to disrupt and interdict illicit shipments of weapons and proliferation-sensitive technologies. This bill would adversely affect the U.S. Government's ability to wield these tools, would undermine the very goals it purports to achieve, and could even endanger our ability to ensure that Iran's nuclear program is and remains exclusively peaceful.

If the President were presented with H.R. 5461, his senior advisors would recommend that he veto this bill.

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