

MEMO# 7991

June 20, 1996

HOUSE OF REPRESENTATIVES APPROVES IRAN-LIBYA SANCTION ACT OF 1996

June 20, 1996 TO: BOARD OF GOVERNORS No. 32-96 FEDERAL LEGISLATION MEMBERS No. 10-96 INTERNATIONAL COMMITTEE No. 19-96 MEMBERS - ONE PER COMPLEX No. 52-96 PUBLIC INFORMATION COMMITTEE No. 27-96 RE: HOUSE OF REPRESENTATIVES APPROVES IRAN-LIBYA SANCTION ACT OF 1996

On June 18, by a vote of 415 to 0, the House of Representatives approved the "Iran-Libya Sanction Act of 1996" (H.R. 3107). H.R. 3107 would impose sanctions on any person or company that makes an investment of more than \$40 million which significantly and materially contributes to the development of petroleum resources in Iran or Libya. At issue for the fund industry was whether investment companies and other investors could be sanctioned for having investments in a potentially sanctionable company. In the Committee report filed with the legislation, both the House International Relations Committee and the House Ways and Means Committee clarified the status of portfolio investments under the bill. The language states that "the Committee does not intend that the sanctions provided. . . would extend to portfolio investments made by any other person in a sanctioned [entity]." The Administration supports this position. The Senate already has passed similar legislation (S. 1228). It is anticipated that the Senate will approve the House bill (H.R. 3107) and forward it to the President in the very near future. For those members with access privileges, this memo can be found on ICINet. Matthew P. Fink President

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