

Stop Terrorist Operational Resources and Money (STORM) Act of 2016

Section-by-Section

U.S. law currently provides no lever to penalize a government for allowing terrorist financiers to fund terror using its jurisdiction. The STORM Act will empower the President to levy various sanctions against governments for failing to shut these operations down, and to collaborate on prosecuting terrorist financiers. It also sanctions foreign banks for doing business for ISIL.

Sections 1, 2 and 3: Short Title, Findings, Sense of Congress and Definitions.

Lists several findings regarding the threat to the national security of the United States posed by the terrorist group ISIL. Expresses the Sense of Congress that it is in the interest of global peace and stability for regional partners disrupt ISIL, including through its financial networks, and highlights the need to update the U.S. National Money Laundering Strategy.

Section 4: Jurisdiction of Terrorism Finance Concern.

Establishes a mechanism for the President to designate a country as a “Jurisdiction of Terrorism Finance Concern” based on the prevalence of terrorism financing in the country, inadequacies in the countries’ legal framework and enforcement capabilities. Once designated, the President is required to report to Congress and take one of a series of actions.

The possible actions include: restrictions on military exports, cutting or suspending development and security assistance, limiting credit, procurement and contracting by federal agencies; and opposing proposals that favor the country in international financial institutions. Alternatively, the President can enter into an agreement with the government to improve its terrorism financing laws and enforcement, including with U.S. assistance.

The designation may be lifted if the President certifies that the conditions for the designation have been remediated or that it is in the national security interest of the United States to do so.

Section 5: Assistance and Capacity Building Programs.

Amends Section 129(b) of the Foreign Assistance Act of 1961 to mention assistance for countering activities that financially support acts of international terrorism or designated Foreign Terrorist Organizations (FTOs).

Section 6: Secondary Sanctions on Financial Institutions that Do Business for Terrorist Groups.

Authorizes the President to sanction any foreign financial institution that knowingly facilitates a significant transaction for ISIL, its affiliates, or a person designated by the United States for acting on behalf of ISIL or its affiliates, or knowingly engages in money laundering to that end.

Section 7: Reporting Requirements.

Amends authorizing language for the annual Country Reports on Terrorism and International Narcotics Control Strategy Reports to include a section on jurisdictions through which international terrorism is financed. This does not establish a new report but rather modernizes existing reports to reflect the evolution of the way terrorist groups finance their operations.