

AMENDMENT TO RULES COMM. PRINT 119–33
OFFERED BY MR. ISSA OF CALIFORNIA

At the end of title XVII of division A, add the following:

1 **Subtitle C—PEACE Act**

2 **SEC. 17_. SHORT TITLE.**

3 This subtitle may be cited as the “Preventing Escalation and Advancing Caucasus Engagement Act” or the
4 “PEACE Act”.
5

6 **SEC. 17_. STATEMENT OF POLICY.**

7 It is the policy of the United States to—

8 (1) support the sovereignty, territorial integrity,
9 and independence of the Republic of Armenia and
10 the Republic of Azerbaijan;

11 (2) support direct negotiations between the gov-
12 ernments of the Republic of Armenia and the Re-
13 public of Azerbaijan to conclude a comprehensive,
14 fair, and durable peace agreement between the two
15 countries;

16 (3) utilize sanctions and related measures to
17 deter the use of force as an alternative to construc-
18 tive negotiations; and

1 (4) welcome and support initiatives of the Ar-
2 menian Government, led by Prime Minister Nikol
3 Pashinyan, to secure a long-standing peace agree-
4 ment with the Republic of Azerbaijan, expel malign
5 Russian influence from the Republic of Armenia,
6 and strengthen ties between the Republic of Armenia
7 and the United States.

8 **SEC. 17_. DEFINITIONS.**

9 In this subtitle—

10 (1) the term “agricultural commodity” has the
11 meaning given such term in section 102 of the Agri-
12 cultural Trade Act of 1978 (7 U.S.C. 5602);

13 (2) the term “appropriate congressional com-
14 mittees” means—

15 (A) the Committee on Foreign Affairs of
16 the House of Representatives; and

17 (B) the Committee on Foreign Relations of
18 the Senate;

19 (3) the term “foreign person” means any indi-
20 vidual or entity that is not a United States person;

21 (4) the term “good” means any article, natural
22 or man-made substance, material, supply, or manu-
23 factured product, including inspection and test
24 equipment and excluding technical data;

1 (5) the term “hostile action” means an act of
2 military aggression taken by a country that results
3 in significant loss of life, the disabling of military
4 systems, materiel, or personnel, the incapacitation of
5 major utility or transportation infrastructure, or a
6 material breach of another country’s sovereignty,
7 territorial integrity, or political independence;

8 (6) the term “immediate family members” has
9 the meaning given the term “immediate relatives” in
10 section 201(b)(2)(A)(i) of the Immigration and Na-
11 tionality Act (8 U.S.C. 1201(b)(2)(A)(i));

12 (7) the term “knowingly”, with respect to con-
13 duct, a circumstance, or a result, means that a per-
14 son has actual knowledge, or should have known, of
15 the conduct, the circumstance, or the result;

16 (8) the term “medical device” has the meaning
17 given the term “device” in section 201 of the Fed-
18 eral Food, Drug, and Cosmetic Act (21 U.S.C. 321);

19 (9) the term “medicine” has the meaning given
20 the term “drug” in section 201 of the Federal Food,
21 Drug, and Cosmetic Act (21 U.S.C. 321);

22 (10) the term “military aggression” means the
23 deliberate initiation of armed force or other coercive
24 military conduct by a country, not undertaken in re-
25 sponse to an armed attack, that is reasonably ex-

1 pected to cause substantial harm to the territorial
2 integrity and sovereignty of another country; and

3 (11) the term “United States person” means—

4 (A) a United States citizen or an alien law-
5 fully admitted for permanent residence to the
6 United States;

7 (B) an entity organized under the laws of
8 the United States or any jurisdiction within the
9 United States, including a foreign branch of
10 such an entity; or

11 (C) any person within the United States.

12 **SEC. 17__ . IMPOSITION OF SANCTIONS.**

13 (a) IN GENERAL.—If the President determines that
14 the Republic of Azerbaijan has engaged in hostile actions
15 against the Republic of Armenia, the President—

16 (1) shall immediately issue a certification to
17 Congress to that effect; and

18 (2) upon issuance of such certification—

19 (A) shall impose against each person de-
20 scribed in subsection (b) the sanctions described
21 in subsection (c); and

22 (B) shall impose sanctions against foreign
23 financial institutions as described in subsection
24 (d).

1 (b) PERSONS DESCRIBED.—A person described in
2 this subsection is any person that—

3 (1) is—

4 (A) a senior Azerbaijani Government offi-
5 cial responsible for the policy and operations of
6 branches of the Azerbaijani Government di-
7 rectly involved in hostile actions against the Re-
8 public of Armenia; or

9 (B) an immediate family member of an in-
10 dividual described in subparagraph (A);

11 (2) is an Azerbaijani military unit or civilian
12 agency that has engaged in hostile actions against
13 the Republic of Armenia; or

14 (3) is a foreign person that has substantially
15 and knowingly aided, abetted, taken part in, or oth-
16 erwise facilitated hostile actions taken by persons
17 described in paragraph (1) or (2) against the Repub-
18 lic of Armenia.

19 (c) SANCTIONS ON PERSONS DESCRIBED.—The sanc-
20 tions described in this subsection are the following:

21 (1) BLOCKING OF PROPERTY.—The President
22 shall exercise all of the powers granted to the Presi-
23 dent under the International Emergency Economic
24 Powers Act (50 U.S.C. 1701 et seq.) to the extent
25 necessary to block and prohibit all transactions in

1 property and interests in property of the foreign per-
2 son if such property and interests in property are in
3 the United States, come within the United States, or
4 are or come within the possession or control of a
5 United States person.

6 (2) INELIGIBILITY FOR VISAS, ADMISSION, OR
7 PAROLE.—

8 (A) VISAS, ADMISSION, OR PAROLE.—An
9 alien described in subsection (a) is—

10 (i) inadmissible to the United States;

11 (ii) ineligible to receive a visa or other

12 documentation to enter the United States;

13 and

14 (iii) otherwise ineligible to be admitted

15 or paroled into the United States or to re-

16 ceive any other benefit under the Immigra-

17 tion and Nationality Act (8 U.S.C. 1101 et

18 seq.).

19 (B) CURRENT VISAS REVOKED.—

20 (i) IN GENERAL.—An alien described

21 in subsection (a) is subject to revocation of

22 any visa or other entry documentation re-

23 gardless of when the visa or other entry

24 documentation is or was issued.

1 (ii) IMMEDIATE EFFECT.—A revoca-
2 tion under clause (i) shall take effect im-
3 mediately and automatically cancel any
4 other valid visa or entry documentation
5 that is in the alien’s possession.

6 (d) IMPOSITION OF SANCTIONS WITH RESPECT TO
7 FOREIGN FINANCIAL INSTITUTIONS.—

8 (1) IN GENERAL.—Except as specifically pro-
9 vided in this subsection, beginning on the date that
10 is 60 days after the President’s certification to Con-
11 gress under this section, the President shall prohibit
12 the opening, and prohibit or impose strict conditions
13 on the maintaining, in the United States of a cor-
14 respondent account or a payable-through account by
15 a foreign financial institution that the President de-
16 termines has knowingly conducted or facilitated any
17 significant financial transaction with any Azerbaijani
18 financial institution designated by the Secretary of
19 the Treasury to have facilitated the trade of Azer-
20 bajani petroleum or petroleum products.

21 (2) DESIGNATION.—The Secretary of the
22 Treasury shall—

23 (A) publish a list of Azerbaijani financial
24 institutions determined to have facilitated the

1 trade of Azerbaijani petroleum or petroleum
2 products; and

3 (B) publish a list of designated foreign fi-
4 nancial institutions subject to prohibitions or
5 conditions pursuant to paragraph (1).

6 (3) EXCEPTION FOR SALES OF AGRICULTURAL
7 COMMODITIES, FOOD, MEDICINE, AND MEDICAL DE-
8 VICES.—The President may not impose sanctions
9 under paragraph (1) with respect to any person for
10 conducting or facilitating a transaction for the sale
11 of agricultural commodities, food, medicine, or med-
12 ical devices to Azerbaijan.

13 (4) APPLICABILITY OF SANCTIONS WITH RE-
14 SPECT TO FOREIGN CENTRAL BANKS.—Except as
15 provided in paragraph (5), sanctions imposed under
16 paragraph (1) shall apply with respect to a central
17 bank of a foreign country, only insofar as it engages
18 in a financial transaction for the sale or purchase of
19 petroleum or petroleum products to or from Azer-
20 baidjan conducted or facilitated on or after that date
21 that is 180 days after the President's certification to
22 Congress under this section.

23 (5) CONDITIONAL EXEMPTION FROM SANC-
24 TIONS WITH RESPECT TO PETROLEUM TRANS-
25 ACTIONS.—Sanctions imposed pursuant to para-

1 graph (1) shall not apply with respect to a financial
2 transaction conducted or facilitated by a foreign fi-
3 nancial institution if—

4 (A) the financial transaction is only for
5 trade in goods or services between the country
6 with primary jurisdiction over the foreign finan-
7 cial institution and Azerbaijan; and

8 (B) any funds owed to Azerbaijan as a re-
9 sult of such trade are credited to an account lo-
10 cated in the country with primary jurisdiction
11 over the foreign financial institution.

12 (e) **ADDITIONAL SANCTIONS.**—If, at any time during
13 the implementation of Joint Declaration signed on August
14 8, 2025, by Armenia and Azerbaijan, the Secretary of
15 State determines that a person has knowingly attempted
16 to delay, frustrate, or thwart the successful conclusion of
17 a peace agreement consistent with the principles of such
18 Joint Declaration, the President may impose one or more
19 sanctions described in subsection (c) of this section
20 against that person.

21 **SEC. 17__ . FURTHER EXCEPTIONS TO SANCTIONS AND**
22 **WAIVER.**

23 (a) **EXCEPTIONS.**—The sanctions described in section
24 17__ shall not apply to the following:

1 (1) Any activity subject to the reporting re-
2 quirements under title V of the National Security
3 Act of 1947 (50 U.S.C. 3091 et seq.), or to any au-
4 thorized intelligence activities of the United States.

5 (2) The admission of an alien to the United
6 States if such admission is necessary to comply with
7 United States obligations under the Agreement be-
8 tween the United Nations and the United States of
9 America regarding the Headquarters of the United
10 Nations, signed at Lake Success June 26, 1947, and
11 entered into force November 21, 1947, or under the
12 Convention on Consular Relations, done at Vienna
13 April 24, 1963, and entered into force March 19,
14 1967, or other applicable international obligations of
15 the United States.

16 (3) The conduct or facilitation of a transaction
17 for the sale of agricultural commodities, food, medi-
18 cine, or medical devices to the Republic of Azer-
19 baijan or for the provision of humanitarian assist-
20 ance to the people of the Republic of Azerbaijan, in-
21 cluding engaging in a financial transaction relating
22 to humanitarian assistance or for humanitarian pur-
23 poses or transporting goods or services that are nec-
24 essary to carry out operations relating to humani-
25 tarian assistance or humanitarian purposes.

1 (4) The requirement to block and prohibit all
2 transactions in all property and interests in property
3 under this subtitle shall not include the authority or
4 a requirement to impose sanctions on the importa-
5 tion of goods.

6 (b) **WAIVER.**—The President may waive application
7 of sanctions described in section 17__ with respect to a
8 person if the President—

9 (1) determines that the waiver is in the national
10 interests of the United States; and

11 (2) submits to the appropriate congressional
12 committees a report on the waiver and the reasons
13 for the waiver.

14 **SEC. 17__. TERMINATION.**

15 (a) **IN GENERAL.**—The President may terminate the
16 application of such sanctions with respect to—

17 (1) any person that—

18 (A) has taken genuine and verifiable steps
19 to end their participation in or facilitation of
20 hostile actions against the Republic of Armenia
21 for a period of not less than one year after the
22 application of sanctions under section 17__;
23 and

24 (B) the President determines does not pose
25 a substantial risk of re-engaging in hostile ac-

1 tions against the Republic of Armenia for a pe-
2 riod of not less than one year after the applica-
3 tion of sanctions under section 17__ ; and

4 (2) any foreign financial institution upon the
5 President's certification that the Republic of Azer-
6 baijan has ceased all hostile actions against the Re-
7 public of Armenia for a period of not less than one
8 year after the application of sanctions under section
9 17__ .

10 (b) RELEASE OF CREDITED FUNDS.—

11 (1) IN GENERAL.—Upon a Presidential certifi-
12 cation under subsection (a)(2) with respect to a for-
13 eign financial institution, the President may author-
14 ize the release of any funds to Azerbaijan which
15 were owed but had been instead credited to an ac-
16 count pursuant to section 17__(d)(5).

17 (2) REPORT.—Not later than 15 days after the
18 date on which funds have been released to Azer-
19 baijan under this subsection, the President shall
20 transmit to appropriate congressional committees a
21 report on the release of such funds.

22 (c) REPORT.—Not later than 15 days prior to the
23 termination of sanctions with respect to a person under
24 subsection (a), the President shall submit a report to the
25 appropriate congressional committees that includes—

1 (1) the name and nationality of the person
2 against whom sanctions are being terminated;

3 (2) the hostile actions previously committed or
4 facilitated by such person that led to the imposition
5 of sanctions against the person;

6 (3) the genuine and verifiable steps taken by
7 the person to end the person's participation in or fa-
8 cilitation of hostile actions against the Republic of
9 Armenia; and

10 (4) the President's determination that the per-
11 son does not pose a substantial risk of re-engaging
12 in hostile actions against the Republic of Armenia.

13 **SEC. 17 . REPORTING REQUIREMENTS.**

14 (a) **PRESIDENTIAL REPORTING.—**

15 (1) **IN GENERAL.—**Not later than 30 days after
16 the date of the enactment of this Act, and every 90
17 days thereafter, the President shall submit a report
18 to the appropriate congressional committees that
19 contains a determination as to whether the Republic
20 of Azerbaijan has engaged in hostile actions against
21 the sovereign territory of Armenia.

22 (2) **FORM.—**The report submitted pursuant to
23 paragraph (1) shall be submitted in unclassified
24 form but may contain a classified annex.

1 (b) ANNUAL REVIEW.—Not later than one year after
2 the imposition of sanctions pursuant to this subtitle, and
3 no less frequently than annually thereafter, the President
4 shall submit a report to the appropriate congressional
5 committees describing the status of any sanctions imposed
6 pursuant to section 17__, including an assessment of the
7 effectiveness of the sanctions.

8 **SEC. 8. SUNSET.**

9 The provisions of this subtitle shall expire on the date
10 that is 7 years after the date of the enactment of this
11 Act.

12 **SEC. 9. SEVERABILITY.**

13 If any provision of this subtitle, or the application
14 thereof, is held invalid, the remainder of this subtitle and
15 the application of such provision to other persons or cir-
16 cumstances shall not be affected thereby.

