

House Passes Sanctions Legislation Against Iran, Russia, and North Korea; Veto Uncertain

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After several weeks of negotiations between the House and the Senate, on July 25, the House passed by an overwhelming margin (419-3, with 12 members not voting) the Countering America's Adversaries Through Sanctions Act, which would enact new economic sanctions measures against Iran, Russia, and North Korea and curtail the President's ability to act unilaterally to remove Russia sanctions. The House vote on the bill initially stalled after the Senate passed (98-2) a similar bill, the Countering Iran's Destabilizing Activities Act of 2017. The bill that passed the House encompasses the text of the previous Senate sanctions bill with a notable addition—further sanctions against North Korea in response to its recent ballistic missile tests.

The Senate will now take up the bill just passed by the House. Although members of both chambers worked on this version, Senate Foreign Relations Committee Chairman Bob Corker (a key player in the negotiations over the last few weeks) cautioned that the Senate may not be able to approve the bill in its current form, principally because the House added North Korea sanctions, which the Senate would rather address separately.

The President, who initially opposed the bill, had signaled, just days before Tuesday's vote, that he would not veto the legislation. However, the White House has since walked back from that position and now states that the President "awaits a final legislative package" before he makes his decision.

We will continue to watch as this legislation moves through Congress and will release a detailed analysis of any new sanctions provisions that are enacted into law.

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If you have any questions regarding the matters covered in this publication, please reach out to any of the lawyers listed below or your usual Davis Polk contact.

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