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(Original Signature of Member)

119TH CONGRESS  
1ST SESSION

**H. R.** \_\_\_\_\_

To impose sanctions with respect to Azerbaijan upon renewed acts of aggression, and for other purposes.

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IN THE HOUSE OF REPRESENTATIVES

Mr. ISSA introduced the following bill; which was referred to the Committee  
on \_\_\_\_\_

\_\_\_\_\_

**A BILL**

To impose sanctions with respect to Azerbaijan upon renewed acts of aggression, and for other purposes.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*

3       **SECTION 1. SHORT TITLE.**

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

7       **SEC. 2. STATEMENT OF POLICY.**

8       It is the policy of the United States to—

1           (1) support the sovereignty, territorial integrity,  
2           and independence of the Republic of Armenia and  
3           the Republic of Azerbaijan;

4           (2) support direct negotiations between the gov-  
5           ernments of the Republic of Armenia and the Re-  
6           public of Azerbaijan to conclude a comprehensive,  
7           fair, and durable peace agreement between the two  
8           countries;

9           (3) utilize sanctions and related measures to  
10          deter the use of force as an alternative to construc-  
11          tive negotiations; and

12          (4) welcome and support initiatives of the Ar-  
13          menian Government, led by Prime Minister Nikol  
14          Pashinyan, to secure a long-standing peace agree-  
15          ment with the Republic of Azerbaijan, expel malign  
16          Russian influence from the Republic of Armenia,  
17          and strengthen ties between the Republic of Armenia  
18          and the United States.

19 **SEC. 3. DEFINITIONS.**

20          In this Act—

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

24               (2) the term “appropriate congressional com-  
25               mittees” means—

1 (A) the Committee on Foreign Affairs of  
2 the House of Representatives; and

3 (B) the Committee on Foreign Relations of  
4 the Senate;

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

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

11 (5) the term “hostile action” means an act of  
12 military aggression taken by a country that results  
13 in significant loss of life, the disabling of military  
14 systems, materiel, or personnel, the incapacitation of  
15 major utility or transportation infrastructure, or a  
16 material breach of another country’s sovereignty,  
17 territorial integrity, or political independence;

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

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

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

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

7           (10) the term “military aggression” means the  
8           deliberate initiation of armed force or other coercive  
9           military conduct by a country, not undertaken in re-  
10          sponse to an armed attack, that is reasonably ex-  
11          pected to cause substantial harm to the territorial  
12          integrity and sovereignty of another country; and

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

14                (A) a United States citizen or an alien law-  
15                fully admitted for permanent residence to the  
16                United States;

17                (B) an entity organized under the laws of  
18                the United States or any jurisdiction within the  
19                United States, including a foreign branch of  
20                such an entity; or

21                (C) any person within the United States.

22   **SEC. 4. IMPOSITION OF SANCTIONS.**

23          (a) IN GENERAL.—If the President determines that  
24          the Republic of Azerbaijan has engaged in hostile actions  
25          against the Republic of Armenia, the President—

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

3 (2) upon issuance of such certification—

4 (A) shall impose against each person de-  
5 scribed in subsection (b) the sanctions described  
6 in subsection (c); and

7 (B) shall impose sanctions against foreign  
8 financial institutions as described in subsection  
9 (d).

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

12 (1) is—

13 (A) a senior Azerbaijani Government offi-  
14 cial responsible for the policy and operations of  
15 branches of the Azerbaijani Government di-  
16 rectly involved in hostile actions against the Re-  
17 public of Armenia; or

18 (B) an immediate family member of an in-  
19 dividual described in subparagraph (A);

20 (2) is an Azerbaijani military unit or civilian  
21 agency that has engaged in hostile actions against  
22 the Republic of Armenia; or

23 (3) is a foreign person that has substantially  
24 and knowingly aided, abetted, taken part in, or oth-  
25 erwise facilitated hostile actions taken by persons

1 described in paragraph (1) or (2) against the Repub-  
2 lic of Armenia.

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

5 (1) BLOCKING OF PROPERTY.—The President  
6 shall exercise all of the powers granted to the Presi-  
7 dent under the International Emergency Economic  
8 Powers Act (50 U.S.C. 1701 et seq.) to the extent  
9 necessary to block and prohibit all transactions in  
10 property and interests in property of the foreign per-  
11 son if such property and interests in property are in  
12 the United States, come within the United States, or  
13 are or come within the possession or control of a  
14 United States person.

15 (2) INELIGIBILITY FOR VISAS, ADMISSION, OR  
16 PAROLE.—

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

19 (i) inadmissible to the United States;

20 (ii) ineligible to receive a visa or other  
21 documentation to enter the United States;

22 and

23 (iii) otherwise ineligible to be admitted  
24 or paroled into the United States or to re-  
25 ceive any other benefit under the Immigra-

1 tion and Nationality Act (8 U.S.C. 1101 et  
2 seq.).

3 (B) CURRENT VISAS REVOKED.—

4 (i) IN GENERAL.—An alien described  
5 in subsection (a) is subject to revocation of  
6 any visa or other entry documentation re-  
7 gardless of when the visa or other entry  
8 documentation is or was issued.

9 (ii) IMMEDIATE EFFECT.—A revoca-  
10 tion under clause (i) shall take effect im-  
11 mediately and automatically cancel any  
12 other valid visa or entry documentation  
13 that is in the alien's possession.

14 (d) IMPOSITION OF SANCTIONS WITH RESPECT TO  
15 FOREIGN FINANCIAL INSTITUTIONS.—

16 (1) IN GENERAL.—Except as specifically pro-  
17 vided in this subsection, beginning on the date that  
18 is 60 days after the President's certification to Con-  
19 gress under this section, the President shall prohibit  
20 the opening, and prohibit or impose strict conditions  
21 on the maintaining, in the United States of a cor-  
22 respondent account or a payable-through account by  
23 a foreign financial institution that the President de-  
24 termines has knowingly conducted or facilitated any  
25 significant financial transaction with any Azerbaijani

1 financial institution designated by the Secretary of  
2 the Treasury to have facilitated the trade of Azer-  
3 baijani petroleum or petroleum products; and

4 (2) DESIGNATION.—The Secretary of the  
5 Treasury shall—

6 (A) publish a list of Azerbaijani financial  
7 institutions determined to have facilitated the  
8 trade of Azerbaijani petroleum or petroleum  
9 products; and

10 (B) publish a list of designated foreign fi-  
11 nancial institutions subject to prohibitions or  
12 conditions pursuant to paragraph (1).

13 (3) EXCEPTION FOR SALES OF AGRICULTURAL  
14 COMMODITIES, FOOD, MEDICINE, AND MEDICAL DE-  
15 VICES.—The President may not impose sanctions  
16 under paragraph (1) with respect to any person for  
17 conducting or facilitating a transaction for the sale  
18 of agricultural commodities, food, medicine, or med-  
19 ical devices to Azerbaijan.

20 (4) APPLICABILITY OF SANCTIONS WITH RE-  
21 SPECT TO FOREIGN CENTRAL BANKS.—Except as  
22 provided in paragraph (5), sanctions imposed under  
23 paragraph (1) shall apply with respect to a central  
24 bank of a foreign country, only insofar as it engages  
25 in a financial transaction for the sale or purchase of



1       petroleum or petroleum products to or from Azer-  
2       baijan conducted or facilitated on or after that date  
3       that is 180 days after the President's certification to  
4       Congress under this section.

5           (5) CONDITIONAL EXEMPTION FROM SANC-  
6       TIONS WITH RESPECT TO PETROLEUM TRANS-  
7       ACTIONS.—Sanctions imposed pursuant to para-  
8       graph (1) shall not apply with respect to a financial  
9       transaction conducted or facilitated by a foreign fi-  
10      nancial institution if—

11           (A) the financial transaction is only for  
12           trade in goods or services between the country  
13           with primary jurisdiction over the foreign finan-  
14           cial institution and Azerbaijan; and

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

19       (e) ADDITIONAL SANCTIONS.—If, at any time during  
20      the implementation of Joint Declaration signed on August  
21      8, 2025, by Armenia and Azerbaijan, the Secretary of  
22      State determines that a person has knowingly attempted  
23      to delay, frustrate, or thwart the successful conclusion of  
24      a peace agreement consistent with the principles of such  
25      Joint Declaration, the President may impose one or more

1 sanctions described in subsection (c) of this section  
2 against that person.

3 **SEC. 5. FURTHER EXCEPTIONS TO SANCTIONS AND WAIV-**  
4 **ER.**

5 (a) EXCEPTIONS.—The sanctions described in section  
6 4 shall not apply to the following:

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

11 (2) The admission of an alien to the United  
12 States if such admission is necessary to comply with  
13 United States obligations under the Agreement be-  
14 tween the United Nations and the United States of  
15 America regarding the Headquarters of the United  
16 Nations, signed at Lake Success June 26, 1947, and  
17 entered into force November 21, 1947, or under the  
18 Convention on Consular Relations, done at Vienna  
19 April 24, 1963, and entered into force March 19,  
20 1967, or other applicable international obligations of  
21 the United States.

22 (3) The conduct or facilitation of a transaction  
23 for the sale of agricultural commodities, food, medi-  
24 cine, or medical devices to the Republic of Azer-  
25 baijan or for the provision of humanitarian assist-

1       ance to the people of the Republic of Azerbaijan, in-  
2       cluding engaging in a financial transaction relating  
3       to humanitarian assistance or for humanitarian pur-  
4       poses or transporting goods or services that are nec-  
5       essary to carry out operations relating to humani-  
6       tarian assistance or humanitarian purposes.

7           (4) The requirement to block and prohibit all  
8       transactions in all property and interests in property  
9       under this Act shall not include the authority or a  
10      requirement to impose sanctions on the importation  
11      of goods.

12      (b) WAIVER.—The President may waive application  
13      of sanctions described in section 4 with respect to a person  
14      if the President—

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

17           (2) submits to the appropriate congressional  
18      committees a report on the waiver and the reasons  
19      for the waiver.

20      **SEC. 6. TERMINATION.**

21      (a) IN GENERAL.—The President may terminate the  
22      application of such sanctions with respect to—

23           (1) any person that—

24                   (A) has taken genuine and verifiable steps  
25      to end their participation in or facilitation of

1 hostile actions against the Republic of Armenia  
2 for a period of not less than one year after the  
3 application of sanctions under section 4; and

4 (B) the President determines does not pose  
5 a substantial risk of re-engaging in hostile ac-  
6 tions against the Republic of Armenia for a pe-  
7 riod of not less than one year after the applica-  
8 tion of sanctions under section 4; and

9 (2) any foreign financial institution upon the  
10 President's certification that the Republic of Azer-  
11 baijan has ceased all hostile actions against the Re-  
12 public of Armenia for a period of not less than one  
13 year after the application of sanctions under section  
14 4.

15 (b) RELEASE OF CREDITED FUNDS.—

16 (1) IN GENERAL.—Upon a Presidential certifi-  
17 cation under subsection (a)(2) with respect to a for-  
18 eign financial institution, the President may author-  
19 ize the release of any funds to Azerbaijan which  
20 were owed but had been instead credited to an ac-  
21 count pursuant to section 4(d)(5).

22 (2) REPORT.—Not later than 15 days after the  
23 date on which funds have been released to Azer-  
24 baijan under this subsection, the President shall

1 transmit to appropriate congressional committees a  
2 report on the release of such funds.

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

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

9 (2) the hostile actions previously committed or  
10 facilitated by such person that led to the imposition  
11 of sanctions against the person;

12 (3) the genuine and verifiable steps taken by  
13 the person to end the person's participation in or fa-  
14 cilitation of hostile actions against the Republic of  
15 Armenia; and

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

19 **SEC. 7. REPORTING REQUIREMENTS.**

20 (a) PRESIDENTIAL REPORTING.—

21 (1) IN GENERAL.—Not later than 30 days after  
22 the date of the enactment of this Act, and every 90  
23 days thereafter, the President shall submit a report  
24 to the appropriate congressional committees that  
25 contains a determination as to whether the Republic

1 of Azerbaijan has engaged in hostile actions against  
2 the sovereign territory of Armenia.

3 (2) FORM.—The report submitted pursuant to  
4 paragraph (1) shall be submitted in unclassified  
5 form but may contain a classified annex.

6 (b) ANNUAL REVIEW.—Not later than one year after  
7 the imposition of sanctions pursuant to this Act, and no  
8 less frequently than annually thereafter, the President  
9 shall submit a report to the appropriate congressional  
10 committees describing the status of any sanctions imposed  
11 pursuant to section 4, including an assessment of the ef-  
12 fectiveness of the sanctions.

13 **SEC. 8. SUNSET.**

14 The provisions of this Act shall expire on the date  
15 that is 7 years after the date of the enactment of this  
16 Act.

17 **SEC. 9. SEVERABILITY.**

18 If any provision of this Act, or the application there-  
19 of, is held invalid, the remainder of this Act and the appli-  
20 cation of such provision to other persons or circumstances  
21 shall not be affected thereby.