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(Original Signature of Member)

114TH CONGRESS
1ST SESSION

H. R. _____

To promote trade and commercial enhancement between the United States
and Israel, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

Mr. ROSKAM introduced the following bill; which was referred to the
Committee on _____

A BILL

To promote trade and commercial enhancement between the
United States and Israel, 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 “United States-Israel
5 Trade and Commercial Enhancement Act”.

6 **SEC. 2. FINDINGS.**

7 Congress finds the following:

1 (1) Israel is America’s dependable, democratic
2 ally in the Middle East—an area of paramount stra-
3 tegic importance to the United States.

4 (2) The United States-Israel Free Trade Agree-
5 ment formed the modern foundation of the bilateral
6 commercial relationship between the two countries
7 and was the first such agreement signed by the
8 United States with a foreign country.

9 (3) The United States-Israel Free Trade Agree-
10 ment has been instrumental in expanding commerce
11 and the strategic relationship between the United
12 States and Israel.

13 (4) More than \$45 billion in goods and services
14 is traded annually between the two countries in ad-
15 dition to roughly \$10 billion in United States foreign
16 direct investment in Israel.

17 (5) The United States continues to look for and
18 find new opportunities to enhance cooperation with
19 Israel, including through the enactment of the
20 United States-Israel Enhanced Security Cooperation
21 Act of 2012 (Public Law 112–150) and the United
22 States-Israel Strategic Partnership Act of 2014
23 (Public Law 113–296) .

1 (6) It has been the policy of the United States
2 Government to combat all elements of the Arab
3 League Boycott of Israel by—

4 (A) public statements of Administration of-
5 ficials;

6 (B) enactment of relevant sections of the
7 Export Administration Act of 1979 (as contin-
8 ued in effect pursuant to the International
9 Emergency Economic Powers Act), including
10 sections to ensure foreign persons comply with
11 applicable reporting requirements relating to
12 the boycott;

13 (C) enactment of the 1976 Tax Reform
14 Act (Public Law 94–455) that denies certain
15 tax benefits to entities abiding by the boycott;

16 (D) ensuring through free trade agree-
17 ments with Bahrain and Oman that such coun-
18 tries no longer participate in the boycott; and

19 (E) ensuring as a condition of membership
20 in the World Trade Organization that Saudi
21 Arabia no longer enforces the secondary or ter-
22 tiary elements of the boycott.

23 **SEC. 3. STATEMENTS OF POLICY.**

24 Congress—

1 (1) supports the strengthening of United
2 States-Israel economic cooperation and recognizes
3 the tremendous strategic, economic, and techno-
4 logical value of cooperation with Israel;

5 (2) recognizes the benefit of cooperation with
6 Israel to United States companies, including by im-
7 proving American competitiveness in global markets;

8 (3) recognizes the importance of trade and com-
9 mercial relations to the pursuit and sustainability of
10 peace, and supports efforts to bring together the
11 United States, Israel, the Palestinian territories, and
12 others in enhanced commerce;

13 (4) opposes politically motivated actions that
14 penalize or otherwise limit commercial relations spe-
15 cifically with Israel such as boycotts, divestment or
16 sanctions;

17 (5) notes that the boycott, divestment, and
18 sanctioning of Israel by governments, governmental
19 bodies, quasi-governmental bodies, international or-
20 ganizations, and other such entities is contrary to
21 the General Agreement on Tariffs and Trade
22 (GATT) principle of non-discrimination;

23 (6) encourages the inclusion of politically moti-
24 vated actions that penalize or otherwise limit com-
25 mercial relations specifically with Israel such as boy-

1 cotts, divestment from, or sanctions against Israel as
2 a topic of discussion at the U.S.-Israel Joint Eco-
3 nomic Development Group (JEDG) and other areas
4 to support the strengthening of the United States-
5 Israel commercial relationship and combat any com-
6 mercial discrimination against Israel;

7 (7) supports efforts to prevent investigations or
8 prosecutions by governments or international organi-
9 zations of United States persons on the sole basis of
10 such persons doing business with Israel, with Israeli
11 entities, or in Israeli-controlled territories; and

12 (8) supports American States examining a com-
13 pany's promotion or compliance with unsanctioned
14 boycotts, divestment from, or sanctions against
15 Israel as part of its consideration in awarding grants
16 and contracts and supports the divestment of State
17 assets from companies that support or promote ac-
18 tions to boycott, divest from, or sanction Israel.

19 **SEC. 4. PRINCIPAL TRADE NEGOTIATING OBJECTIVES OF**
20 **THE UNITED STATES.**

21 (a) **COMMERCIAL PARTNERSHIPS.**—Among the prin-
22 cipal trade negotiating objectives of the United States for
23 proposed trade agreements with foreign countries regard-
24 ing commercial partnerships are the following:

1 (1) To discourage actions by potential trading
2 partners that directly or indirectly prejudice or oth-
3 erwise discourage commercial activity solely between
4 the United States and Israel.

5 (2) To discourage politically motivated actions
6 to boycott, divest from, or sanction Israel and to
7 seek the elimination of politically motivated non-tar-
8 iff barriers on Israeli goods, services, or other com-
9 merce imposed on the State of Israel.

10 (3) To seek the elimination of state-sponsored
11 unsanctioned foreign boycotts against Israel or com-
12 pliance with the Arab League Boycott of Israel by
13 prospective trading partners.

14 (b) EFFECTIVE DATE.—This section takes effect on
15 the date of the enactment of this Act and applies with
16 respect to negotiations commenced before, on, or after the
17 date of the enactment of this Act.

18 **SEC. 5. REPORT ON POLITICALLY MOTIVATED ACTS OF**
19 **BOYCOTT, DIVESTMENT FROM, AND SANC-**
20 **TIONS AGAINST ISRAEL.**

21 (a) IN GENERAL.—Not later than 180 days after the
22 date of the enactment of this Act, and annually thereafter,
23 the President shall submit to Congress a report on politi-
24 cally motivated acts of boycott, divestment from, and sanc-
25 tions against Israel.

1 (b) MATTERS TO BE INCLUDED.—The report re-
2 quired by subsection (a) shall include the following:

3 (1) A description of the establishment of bar-
4 riers to trade, including non-tariff barriers, invest-
5 ment, or commerce by foreign countries or inter-
6 national organizations against United States persons
7 operating or doing business in Israel, with Israeli en-
8 tities, or in Israeli-controlled territories.

9 (2) A description of specific steps being taken
10 by the United States to encourage foreign countries
11 and international organizations to cease creating
12 such barriers and to dismantle measures already in
13 place and an assessment of the effectiveness of such
14 steps.

15 (3) A description of specific steps being taken
16 by the United States to prevent investigations or
17 prosecutions by governments or international organi-
18 zations of United States persons on the sole basis of
19 such persons doing business with Israel, with Israeli
20 entities, or in Israeli-controlled territories.

21 (4) Decisions by foreign persons, including cor-
22 porate entities and state-affiliated financial institu-
23 tions, that limit or prohibit economic relations with
24 Israel or persons doing business in Israel or in
25 Israeli controlled territories.

1 **SEC. 6. ISRAEL TRADE AND COMMERCE BOYCOTT REPORT-**
2 **ING.**

3 Section 13 of the Securities Exchange Act of 1934
4 (15 U.S.C. 78m) is amended by adding at the end the
5 following:

6 “(s) ISRAEL TRADE AND COMMERCE BOYCOTT RE-
7 PORTING.—

8 “(1) IN GENERAL.—Each foreign issuer re-
9 quired to file an annual or quarterly report under
10 subsection (a) shall disclose in that report—

11 “(A) whether the issuer has discriminated
12 against doing business with Israel in the last
13 calendar year and in such cases an issuer shall
14 provide a description of the discrimination.

15 “(B) whether the issuer has been advised
16 by a foreign government or a non-member state
17 of the United Nations to discriminate against
18 doing business with Israel, entities owned or
19 controlled by the government of Israel, or enti-
20 ties operating in Israel or Israeli-controlled ter-
21 ritory; and

22 “(C) any instances where the issuer has
23 learned that a person, foreign government, or a
24 non-member state of the United Nations is boy-
25 cotting the issuer, divesting themselves of an
26 ownership interest in the issuer, or placing

1 sanctions on the issuer because of the issuer's
2 relationship with Israel, entities owned or con-
3 trolled by the government of Israel, or entities
4 operating in Israel or Israeli-controlled terri-
5 tory.

6 “(2) DEFINITIONS.—For purposes of this sub-
7 section:

8 “(A) FOREIGN ISSUER.—The term ‘foreign
9 issuer’ means an issuer that is not incorporated
10 in the United States.

11 “(B) NON-MEMBER STATES OF THE
12 UNITED NATIONS.—The term ‘non-member
13 states of the United Nations’ has the meaning
14 given such term by the United Nations.”.

15 **SEC. 7. FOREIGN JUDGMENTS AGAINST UNITED STATES**
16 **PERSONS.**

17 No court in the United States may recognize or en-
18 force any judgment which is entered by a foreign court
19 against a United States person carrying out business oper-
20 ations in Israel or in any territory controlled by Israel and
21 on which is based a determination by the foreign court
22 that the location in Israel, or in any territory controlled
23 by Israel, of the facilities at which the business operations
24 are carried out is sufficient to constitute a violation of law.

1 **SEC. 8. DEFINITIONS.**

2 In this Act:

3 (1) **BOYCOTT, DIVESTMENT FROM, AND SANC-**
4 **TIONS AGAINST ISRAEL.**—The term “boycott, divest-

5 ment from, and sanctions against Israel” means ac-

6 tions by states, non-member states of the United

7 Nations, international organizations, or affiliated

8 agencies of international organizations that are po-

9 litically motivated and are intended to penalize or

10 otherwise limit commercial relations specifically with

11 Israel or persons doing business in Israel or in

12 Israeli-controlled territories.

13 (2) **FOREIGN PERSON.**—The term “foreign per-

14 son” means—

15 (A) any natural person who is not lawfully

16 admitted for permanent residence (as defined in

17 section 101(a)(20) of the Immigration and Na-

18 tionality Act (8 U.S.C. 1101(a)(20)) or who is

19 not a protected individual (as defined in section

20 274B(a)(3) of such Act (8 U.S.C. 1324b(a)(3));

21 and

22 (B) any foreign corporation, business asso-

23 ciation, partnership, trust, society or any other

24 entity or group that is not incorporated or orga-

25 nized to do business in the United States, as

26 well as any international organization, foreign

1 government and any agency or subdivision of
2 foreign government, including a diplomatic mis-
3 sion.

4 (3) PERSON.—

5 (A) IN GENERAL.—The term “person”
6 means—

7 (i) a natural person;

8 (ii) a corporation, business associa-
9 tion, partnership, society, trust, financial
10 institution, insurer, underwriter, guar-
11 antor, and any other business organization,
12 any other nongovernmental entity, organi-
13 zation, or group, and any governmental en-
14 tity operating as a business enterprise; and

15 (iii) any successor to any entity de-
16 scribed in clause (ii).

17 (B) APPLICATION TO GOVERNMENTAL EN-
18 TITIES.—The term “person” does not include a
19 government or governmental entity that is not
20 operating as a business enterprise.

21 (4) UNITED STATES PERSON.—The term
22 “United States person” means—

23 (A) a natural person who is a national of
24 the United States (as defined in section

1 101(a)(22) of the Immigration and Nationality
2 Act (8 U.S.C. 1101(a)(22)); and

3 (B) a corporation or other legal entity
4 which is organized under the laws of the United
5 States, any State or territory thereof, or the
6 District of Columbia, if natural persons de-
7 scribed in subparagraph (A) own, directly or in-
8 directly, more than 50 percent of the out-
9 standing capital stock or other beneficial inter-
10 est in such legal entity.