

118TH CONGRESS
1ST SESSION

S. _____

To reauthorize and amend the Nicaraguan Investment Conditionality Act of 2018 and the Reinforcing Nicaragua’s Adherence to Conditions for Electoral Reform Act of 2021, and for other purposes.

IN THE SENATE OF THE UNITED STATES

Mr. RUBIO (for himself and Mr. KAINE) introduced the following bill; which was read twice and referred to the Committee on _____

A BILL

To reauthorize and amend the Nicaraguan Investment Conditionality Act of 2018 and the Reinforcing Nicaragua’s Adherence to Conditions for Electoral Reform Act of 2021, 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; TABLE OF CONTENTS.**

4 (a) SHORT TITLE.—This Act may be cited as the
5 “Restoring Sovereignty and Human Rights in Nicaragua
6 Act of 2023”.

7 (b) TABLE OF CONTENTS.—The table of contents of
8 this Act is as follows:

- Sec. 1. Short title; table of contents.
- Sec. 2. Definitions.
- Sec. 3. Findings.
- Sec. 4. Sense of Congress.

TITLE I—REAUTHORIZATION AND AMENDMENT OF THE NICARAGUAN INVESTMENT CONDITIONALITY ACT OF 2018 AND THE REINFORCING NICARAGUA’S ADHERENCE TO CONDITIONS FOR ELECTORAL REFORM ACT OF 2021

- Sec. 101. Extension of authorities of the Nicaraguan Investment Conditionality Act of 2018.
- Sec. 102. Enhancing sanctions on sectors of the Nicaraguan economy that generate revenue for the Ortega family.
- Sec. 103. Imposition of sanctions with respect to the Ortega administration’s abuses against the Catholic Church, political prisoners, and support for the invasion of Ukraine.
- Sec. 104. Coordinated diplomatic strategy to restrict investment and loans that benefit the Government of Nicaragua from the Central American Bank for Economic Integration.

TITLE II—ADDITIONAL ECONOMIC MEASURES TO HOLD THE GOVERNMENT OF NICARAGUA ACCOUNTABLE FOR HUMAN RIGHTS ABUSES

- Sec. 201. Statement of policy.
- Sec. 202. Suspension of treatment of Nicaragua as a party to the Dominican Republic-Central America-United States free trade agreement.
- Sec. 203. Prohibition on new United States investment in Nicaragua.
- Sec. 204. Termination.

TITLE III—PROMOTING THE HUMAN RIGHTS OF NICARAGUANS

- Sec. 301. Support for human rights and democracy programs.
- Sec. 302. Support for Nicaraguan human rights at the United Nations.

1 SEC. 2. DEFINITIONS.

2 In this Act:

3 (1) APPROPRIATE CONGRESSIONAL COMMIT-
 4 TEES.—The term “appropriate congressional com-
 5 mittees” means—

6 (A) the Committee on Foreign Relations
 7 and the Committee on Banking of the Senate;
 8 and

1 (B) the Committee on Foreign Affairs and
2 the Committee on Financial Services of the
3 House of Representatives.

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

6 (A) an individual who is a citizen or na-
7 tional of the United States or an alien lawfully
8 admitted for permanent residence in the United
9 States; and

10 (B) any corporation, partnership, or other
11 entity organized under the laws of the United
12 States or the laws of any jurisdiction within the
13 United States.

14 **SEC. 3. FINDINGS.**

15 Congress makes the following findings:

16 (1) The 2022 Annual Report of the United
17 States Commission on International Religious Free-
18 dom made the following recommendations to the
19 United States Government:

20 (A) Maintain Nicaragua on the special
21 watch list of the Department of State under
22 section 402(b)(1)(A)(iii) of the International
23 Religious Freedom Act of 1998 (22 U.S.C.
24 6442(b)(1)(A)(iii)) for engaging in or tolerating
25 serious violations of religious freedom.

1 (B) Impose targeted sanctions with respect
2 to agencies and officials of the Government of
3 Nicaragua responsible for violence and other
4 punitive actions against places of worship, reli-
5 gious leaders, and organizations by freezing the
6 assets of and barring the entry of certain per-
7 sons into the United States, citing specific vio-
8 lations of religious freedom.

9 (C) Collaborate with and encourage multi-
10 lateral organizations, such as the Organization
11 of American States—

12 (i) to monitor and investigate viola-
13 tions of religious freedom that occur in
14 Nicaragua;

15 (ii) to work to identify perpetrators of
16 religious freedom violations in Nicaragua;
17 and

18 (iii) to seek the repeal of problematic
19 laws such as the foreign agents law passed
20 in Nicaragua in 2020.

21 (2) The Catholic Church in Nicaragua suf-
22 fered—

23 (A) 127 attacks in 2022;

24 (B) 54 attacks in 2021;

25 (C) 58 attacks in 2020;

1 (D) 76 attacks in 2019; and

2 (E) 81 attacks in 2018.

3 (3) In a 2022 report by the Economist Intel-
4 ligence Unit, Nicaragua was listed as an authori-
5 tarian regime and one of the least democratic coun-
6 tries in the Western Hemisphere, along with Cuba
7 and Venezuela.

8 (4) According to the 2021 Country Reports on
9 Human Rights Practices published by the Depart-
10 ment of State, members of civil society and student
11 leaders involved in the April 2018 protests in Nica-
12 ragua were subjected to torture and inhuman or de-
13 grading treatment or punishment.

14 (5) According to human rights organizations,
15 the Ortega regime has 150 political prisoners, in-
16 cluding prisoners in solitary confinement.

17 (6) In 2022, the Ortega regime rejected a
18 United States envoy, declared the head of the Euro-
19 pean Union persona non grata, and closed the Vati-
20 can embassy in Managua.

21 (7) On February 9, 2023, the authoritarian Or-
22 tega regime—

23 (A) expelled 222 Nicaraguan nationals who
24 had been unjustly imprisoned for exercising
25 their fundamental rights; and

1 (B) stripped those nationals of Nicaraguan
2 citizenship.

3 (8) The invasion of Ukraine by President of the
4 Russian Federation Vladimir Putin poses a signifi-
5 cant threat to global peace and stability in the West-
6 ern Hemisphere.

7 (9) The authoritarian regime of President Dan-
8 iel Ortega in Nicaragua is providing diplomatic sup-
9 port to the Russian Federation and serving as an
10 amplifier and repeater of Russian propaganda on a
11 global scale.

12 (10) The actions of the Government of Nica-
13 ragua are impeding development of a global con-
14 sensus to reject and respond to crimes against hu-
15 manity conducted by President Putin.

16 (11) The Ortega regime has deepened the rela-
17 tionship between the Government of Nicaragua and
18 the Government of the Russian Federation and is
19 establishing diplomatic relations with the Govern-
20 ment of the People Republic of China.

21 **SEC. 4. SENSE OF CONGRESS.**

22 It is the sense of Congress that—

23 (1) the Secretary of State, working through the
24 head of the Office of Sanctions Coordination, and in
25 consultation with the Secretary of the Treasury,

1 should engage in diplomatic efforts with partners of
2 the United States, including the Government of Can-
3 ada, governments of countries in the European
4 Union, and governments of countries in Latin Amer-
5 ica and the Caribbean, to impose targeted sanctions
6 with respect to the persons subject to sanctions au-
7 thorized by the Nicaraguan Investment Condition-
8 ality Act of 2018 and the Reinforcing Nicaragua’s
9 Adherence To Conditions For Electoral Reform Act
10 Of 2021 in order to hold the authoritarian regime
11 of President Daniel Ortega accountable for crimes
12 against the Catholic Church, the clergy, and the peo-
13 ple of Nicaragua;

14 (2) the United States Government should con-
15 tinue—

16 (A) to raise concerns about human rights
17 and democracy in Nicaragua, and call attention
18 to religious and opposition leaders and civil so-
19 ciety, media, and faith-based organizations si-
20 lenced by the Ortega regime; and

21 (B) to enforce Executive Order 13851 (50
22 U.S.C. 1701 note; relating to blocking property
23 of certain persons contributing to the situation
24 in Nicaragua), and expand existing sanctions to

1 other sectors of the economy of Nicaragua, such
2 as the meat sector; and

3 (3) the international community, including the
4 Holy See, the International Red Cross, and the
5 United Nations should coordinate efforts—

6 (A) to improve the conditions of all polit-
7 ical prisoners in Nicaragua;

8 (B) to document all gross violations of
9 internationally recognized human rights in
10 Nicaragua; and

11 (C) to call for the end of political persecu-
12 tion against members of religious organizations,
13 including the Catholic Church.

1 **TITLE I—REAUTHORIZATION**
2 **AND AMENDMENT OF THE**
3 **NICARAGUAN INVESTMENT**
4 **CONDITIONALITY ACT OF 2018**
5 **AND THE REINFORCING**
6 **NICARAGUA’S ADHERENCE TO**
7 **CONDITIONS FOR ELEC-**
8 **TORAL REFORM ACT OF 2021**

9 **SEC. 101. EXTENSION OF AUTHORITIES OF THE NICA-**
10 **RAGUAN INVESTMENT CONDITIONALITY ACT**
11 **OF 2018.**

12 Section 10 of the Nicaraguan Investment Condition-
13 ality Act of 2018 (Public Law 115–335; 50 U.S.C. 1701
14 note) is amended by striking “2023” and inserting
15 “2028”.

16 **SEC. 102. ENHANCING SANCTIONS ON SECTORS OF THE**
17 **NICARAGUAN ECONOMY THAT GENERATE**
18 **REVENUE FOR THE ORTEGA FAMILY.**

19 Section 5(a) of the Nicaraguan Investment Condi-
20 tionality Act of 2018 (Public Law 115–335; 50 U.S.C.
21 1701 note) is amended—

22 (1) in paragraph (3)(B), by striking “or”;

23 (2) in paragraph (4), by striking the period at
24 the end and inserting “; or”; and

25 (3) by adding at the end the following:

1 “(5) to operate or have operated in the gold,
2 cattle, or coffee sectors of the Nicaraguan economy
3 or in any other sector of the Nicaraguan economy
4 identified by the Secretary of the Treasury, in con-
5 sultation with the Secretary of State, for purposes of
6 this paragraph.”.

7 **SEC. 103. IMPOSITION OF SANCTIONS WITH RESPECT TO**
8 **THE ORTEGA ADMINISTRATION’S ABUSES**
9 **AGAINST THE CATHOLIC CHURCH, POLITICAL**
10 **PRISONERS, AND SUPPORT FOR THE INVA-**
11 **SION OF UKRAINE.**

12 (a) **EXPANSION OF ACTIVITIES TRIGGERING TAR-**
13 **GETED SANCTIONS.**—Section 5(b) of the Nicaraguan In-
14 vestment Conditionality Act of 2018 (Public Law 115–
15 335; 50 U.S.C. 1701 note) is amended by adding at the
16 end the following:

17 “(5) The arrest or prosecution of a person, in-
18 cluding a person who is a member of or an officer
19 of the Catholic Church, because of the legitimate ex-
20 ercise by such person of the freedom of religion.

21 “(6) The conviction and sentencing of a person
22 who is a member of an opposition party or inde-
23 pendent civil society organization under politically
24 motivated charges.

1 “(7) Gross violations of the internationally rec-
2 ognized human rights of prisoners.

3 “(8) Acts of providing significant goods, serv-
4 ices, or technology to or expressing support for the
5 invasion of Ukraine by the Russian Federation that
6 began on February 24, 2022.”.

7 (b) MODIFICATION OF TARGETED SANCTIONS
8 PRIORITIZATION.—Section 5(b)(2)(B) of the Reinforcing
9 Nicaragua’s Adherence to Conditions for Electoral Reform
10 Act of 2021 (Public Law 117–54; 50 U.S.C. 1701 note)
11 is amended—

12 (1) by redesignating clauses (viii) and (ix) as
13 clauses (ix) and (x), respectively; and

14 (2) by inserting after clause (vii) the following
15 new clause (viii):

16 “(viii) Officials of the Instituto de
17 Previsión Social Militar (IPSM), commonly
18 known as the Military Institute of Social
19 Security of Nicaragua.”.

1 **SEC. 104. COORDINATED DIPLOMATIC STRATEGY TO RE-**
2 **STRICT INVESTMENT AND LOANS THAT BEN-**
3 **EFIT THE GOVERNMENT OF NICARAGUA**
4 **FROM THE CENTRAL AMERICAN BANK FOR**
5 **ECONOMIC INTEGRATION.**

6 Section 4 of the Nicaragua Investment Conditionality
7 Act of 2018 (Public Law 115–335; 50 U.S.C. 1701 note)
8 is amended—

9 (1) by redesignating subsection (f) as sub-
10 section (g);

11 (2) by inserting after subsection (e) the fol-
12 lowing new subsection (f):

13 “(f) DIPLOMATIC STRATEGY TO RESTRICT INVEST-
14 MENT IN NICARAGUA AT THE CENTRAL AMERICAN BANK
15 FOR ECONOMIC INTEGRATION.—The Secretary of State,
16 in consultation with the Secretary of the Treasury, shall
17 engage in diplomatic efforts with governments of countries
18 that are partners of the United States and members of
19 the Central American Bank for Economic Integration (re-
20 ferred to in this section as ‘CABEI’), including the govern-
21 ments of Mexico, Taiwan, Argentina, Colombia, Spain,
22 and the Republic of Korea—

23 “(1) to oppose the extension by CABEI of any
24 loan or financial or technical assistance to the Gov-
25 ernment of Nicaragua for any project in Nicaragua;

1 “(2) to increase the scrutiny of any loan or fi-
2 nancial or technical assistance provided by CABEI
3 to any project in Nicaragua; and

4 “(3) to ensure that any loan or financial or
5 technical assistance provided by CABEI to a project
6 in Nicaragua is administered through an entity with
7 full technical, administrative, and financial inde-
8 pendence from the Government of Nicaragua.”; and

9 (3) in subsection (g), as so redesignated—

10 (A) in paragraph (4), by striking “; and”
11 and inserting a semicolon;

12 (B) by redesignating paragraph (5) as
13 paragraph (6); and

14 (C) by inserting after paragraph (4) the
15 following new paragraph (5):

16 “(5) a description of the results of the diplo-
17 matic strategy mandated by subsection (f); and”.

18 **TITLE II—ADDITIONAL ECO-**
19 **NOMIC MEASURES TO HOLD**
20 **THE GOVERNMENT OF NICA-**
21 **RAGUA ACCOUNTABLE FOR**
22 **HUMAN RIGHTS ABUSES**

23 **SEC. 201. STATEMENT OF POLICY.**

24 It is the policy of the United States to seek a resolu-
25 tion to the political crisis in Nicaragua that includes—

1 (1) a commitment by the Government of Nica-
2 ragua to hold free and fair elections that meet demo-
3 cratic standards and permit credible international
4 electoral observation to replace the Ortega adminis-
5 tration;

6 (2) the cessation of the violence perpetrated
7 against civilians by the National Police of Nicaragua
8 and by armed groups supported by the Government
9 of Nicaragua; and

10 (3) independent investigations into the killings
11 of protesters in Nicaragua.

12 **SEC. 202. REVIEW OF PARTICIPATION OF NICARAGUA IN**
13 **THE DOMINICAN REPUBLIC-CENTRAL AMER-**
14 **ICA-UNITED STATES FREE TRADE AGREE-**
15 **MENT.**

16 (a) REPORT REQUIRED.—

17 (1) IN GENERAL.—Not later than 1 year after
18 the date of the enactment of this Act, and annually
19 thereafter, the Secretary of State, in consultation
20 with the United States Trade Representative, shall
21 submit to the appropriate congressional committees
22 a report on the participation of Nicaragua in
23 CAFTA-DR, which includes—

24 (A) an assessment of the benefits that the
25 Ortega regime receives from the participation of

1 Nicaragua in CAFTA-DR, including profits
2 earned by Nicaraguan state-owned entities;

3 (B) a description of the violations of com-
4 mitments made by Nicaragua under CAFTA-
5 DR; and

6 (C) an assessment of whether Nicaragua
7 qualifies as a nonmarket economy for the pur-
8 poses of the Trade Act of 1974 (19 U.S.C.
9 2101 et seq.).

10 (2) FORM.—The report required by paragraph
11 (1) shall be submitted in unclassified form, but may
12 include a classified annex.

13 (b) CAFTA-DR DEFINED.—In this section, the term
14 “CAFTA-DR” means the Dominican Republic-Central
15 America-United States Free Trade Agreement—

16 (1) entered into on August 5, 2004, with the
17 Governments of Costa Rica, the Dominican Repub-
18 lic, El Salvador, Guatemala, Honduras, and Nica-
19 ragua, and submitted to Congress on June 23, 2005;
20 and

21 (2) approved by Congress under section
22 101(a)(1) of the Dominican Republic-Central Amer-
23 ican-United States Free Trade Agreement Imple-
24 mentation Act (19 U.S.C. 4011(a)(1)).

1 **SEC. 203. PROHIBITION ON NEW UNITED STATES INVEST-**
2 **MENT IN NICARAGUA.**

3 (a) PROHIBITION.—After the date of the enactment
4 of this Act, a United States person, wherever located, may
5 not make any investment in any sector of the economy
6 of Nicaragua.

7 (b) IMPLEMENTATION.—The President may exercise
8 all authorities provided to the President under sections
9 203 and 205 of the International Emergency Economic
10 Powers Act (50 U.S.C. 1702 and 1704) to carry out this
11 section.

12 (c) PENALTIES.—A person that violates, attempts to
13 violate, conspires to violate, or causes a violation of this
14 section or any regulation, license, or order issued to carry
15 out this section shall be subject to the penalties set forth
16 in subsections (b) and (c) of section 206 of the Inter-
17 national Emergency Economic Powers Act (50 U.S.C.
18 1705) to the same extent as a person that commits an
19 unlawful act described in subsection (a) of that section.

20 (d) EXCEPTIONS.—

21 (1) EXCEPTION FOR INTELLIGENCE ACTIVI-
22 TIES.—This section shall not apply with respect to
23 activities subject to the reporting requirements
24 under title V of the National Security Act of 1947
25 (50 U.S.C. 3091 et seq.) or any authorized intel-
26 ligence activities of the United States.

1 (2) HUMANITARIAN EXCEPTION.—The prohibi-
2 tion under subsection (a) does not apply with respect
3 to any person for conducting or facilitating a trans-
4 action for the sale of agricultural commodities, food,
5 medicine, or medical devices to Nicaragua, or for the
6 provision of humanitarian assistance to the people of
7 Nicaragua.

8 (e) NATIONAL SECURITY WAIVER.—The President
9 may waive the application of the prohibition under sub-
10 section (a) with respect to a person if the President—

11 (1) determines that such a waiver is in the na-
12 tional security interests of the United States; and

13 (2) submits to the appropriate congressional
14 committees a notification of the waiver and the rea-
15 sons for the waiver.

16 **SEC. 204. TERMINATION.**

17 The provisions of this title shall cease to have effect
18 upon certification by the President to the appropriate con-
19 gressional committees that a resolution to the political cri-
20 sis in Nicaragua as described in section 201 has been
21 reached.

1 **TITLE III—PROMOTING THE**
2 **HUMAN RIGHTS OF NICA-**
3 **RAGUANS**

4 **SEC. 301. SUPPORT FOR HUMAN RIGHTS AND DEMOCRACY**
5 **PROGRAMS.**

6 (a) GRANTS.—

7 (1) IN GENERAL.—The President may provide
8 grants to private, nonprofit organizations to support
9 programs that promote human rights, democracy,
10 and the rule of law in Nicaragua, including pro-
11 grams that document human rights abuses com-
12 mitted by the Ortega regime since April 2018.

13 (2) ADMINISTRATION OF PROGRAMS.—Any pro-
14 gram that receives a grant under paragraph (1)
15 shall be administered in consultation with members
16 of the Nicaraguan opposition, including individuals
17 in exile in Costa Rica and the United States.

18 (3) FUNDING LIMITATION.—Any entity owned,
19 controlled, or otherwise affiliated with the Ortega re-
20 gime is not eligible to receive a grant under this sec-
21 tion.

22 (b) REPORT.—Not later than 1 year after the date
23 of the enactment of this Act, and annually thereafter
24 through fiscal year 2028, the Secretary of State, in con-
25 sultation with the heads of other appropriate Federal

1 agencies, shall submit to the appropriate congressional
2 committees a report on actions taken pursuant to this sec-
3 tion.

4 **SEC. 302. SUPPORT FOR NICARAGUAN HUMAN RIGHTS AT**
5 **THE UNITED NATIONS.**

6 (a) SUPPORT TO EXTEND MANDATE OF THE GROUP
7 OF HUMAN RIGHTS EXPERTS ON NICARAGUA.—The
8 President shall direct the United States Permanent Rep-
9 resentative to the United Nations to use the voice, vote,
10 and influence of the United States in the United Nations
11 Human Rights Council and the United Nations General
12 Assembly—

13 (1) to seek to extend the mandate of the Group
14 of Human Rights Experts on Nicaragua under
15 Human Rights Council Resolution 49/3 (2022) until
16 a peaceful solution to the current political crisis in
17 Nicaragua is reached, including—

18 (A) a commitment to hold elections that
19 meet democratic standards and permit credible
20 international electoral observation;

21 (B) the cessation of the violence per-
22 petrated against civilians by the National Police
23 of Nicaragua and by armed groups supported
24 by the Government of Nicaragua; and

1 (C) independent investigations into the
2 killings of protesters;

3 (2) to encourage international support to em-
4 power the Group of Human Rights Experts on Nica-
5 ragua to fulfil its mission to conduct thorough and
6 independent investigations into all alleged human
7 rights violations and abuses committed in Nicaragua
8 since April 2018; and

9 (3) to provide investigative and technical assist-
10 ance to the Group of Human Rights Experts on
11 Nicaragua as requested and as permitted under
12 United Nations rules and regulations and United
13 States law.

14 (b) SUPPORT FOR FURTHER ACTION.—The Presi-
15 dent may direct the United States Permanent Representa-
16 tive to the United Nations to use the voice, vote, and influ-
17 ence of the United States to urge the United Nations to
18 provide greater action with respect to human rights viola-
19 tions in Nicaragua by—

20 (1) urging the United Nations General Assem-
21 bly to consider a resolution, consistent with prior
22 United Nations resolutions, condemning the exile of
23 political prisoners and attacks on religious freedom
24 by the Ortega regime; and

1 (2) assisting efforts by the relevant United Na-
2 tions Special Envoys and Special Rapporteurs to
3 promote respect for human rights and encourage
4 dialogue towards a peaceful and democratic transfer
5 of power in Nicaragua.