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U.S. Economic Sanctions: Overview for the 120th Congress

Introduction

Economic sanctions represent a constellation of coercive measures imposed for foreign policy or national security reasons. They may be imposed unilaterally or multilaterally against a target to bring about a change in behavior. Sanctions may aim to uphold international norms, prevent adversaries from achieving certain military-related capabilities, deter other malign actors from engaging in problematic behavior, and increase costs associated with a certain political decision or activity. Sanctions are public actions short of (or a precursor to) direct military action.

Sanctions can take many forms and variously impose restrictions on customary international economic activity, including flows of goods, people, or services. Restrictive measures can include trade embargoes; export controls; import limitations; tariffs; procurement bans; conditions on or denials of foreign assistance, loans, or investments; blocking of property; prohibitions on transactions; and travel restrictions, such as visa bans or air space access.

Sanctions targets may be narrowly or comprehensively defined to include foreign jurisdictions, governments, individuals, nongovernmental organizations, and other entities. Secondary sanctions may be used to impose additional pressure on a sanctions target. They seek to deter third parties from engaging in activities with the primary target and further restrict the primary target's access to third-party resources, which may otherwise be available to advance malign intentions, evade sanctions, or mitigate the economic toll of sanctions.

A sanction's impact may be measured in terms of its economic effects on the country imposing sanctions, on the target, and on third-party stakeholders; humanitarian consequences; and ability to advance near- and long-term political objectives. The effectiveness of sanctions may depend on domestic compliance and enforcement, whether other countries participate in a sanctions regime, the extent to which a target is dependent on economic or political ties to the sanctioning country or countries, and whether the target is able to circumvent or adapt to sanctions.

U.S. Sanctions: A Snapshot

U.S. sanctions derive from multiple legal authorities that variously prohibit, limit, condition, or regulate certain economic activities. As circumstances arise, the President or another officer in the executive branch draws on these statutorily derived coercive economic policy tools to advance specific U.S. strategic imperatives. In practice, each sanctions program develops a unique implementation footprint, based on the legal authorities in use, and policy rationales for imposing sanctions, as well as the selection of sanctions targets and types of activities to curtail through sanctions.

Sanctions and Emergency Powers

Drawing on statutory authority provided in the International Emergency Economic Powers Act (IEEPA; 50 U.S.C. §§1701 et seq.), the President may determine that a situation poses an "unusual and extraordinary threat, which has its source in whole or substantial part outside the United States, to the national security, foreign policy, or economy of the United States" and declare a "national emergency with respect to such threat" (50 U.S.C. §1701(a)). The National Emergencies Act (NEA; 50 U.S.C. §§1601 et seq.) provides that a declaration of national emergency automatically terminates on the anniversary of its declaration, unless the President transmits to Congress and publishes in the *Federal Register* his decision to continue it (50 U.S.C. §1622(d)). National emergencies may also terminate by presidential proclamation or by the enactment of a joint resolution (50 U.S.C. §1622(a)). Most of the declared emergencies continuing in effect to date are relied upon to impose IEEPA-based sanctions. In February 2026, the U.S. Supreme Court ruled that IEEPA may not be used to impose tariffs.

For more on IEEPA, see CRS Report R45618, *The International Emergency Economic Powers Act: Origins, Evolution, and Use*, and CRS Legal Sidebar LSB11398, *Supreme Court Rules Against Tariffs Imposed Under the International Emergency Economic Powers Act (IEEPA)*.

Current U.S. sanctions targets include

- countries the U.S. government identifies as supporters of acts of international terrorism (e.g., Cuba, Iran, and North Korea) or having engaged in other sanctionable activity (e.g., weapons proliferation, drug trafficking, human trafficking, use of child soldiers, human rights or religious freedom violations, military coups d'etat, or wrongful detention of U.S. nationals);
- persons the U.S. government finds as having engaged in objectionable activity or economic sectors related to certain countries or regions (e.g., those sanctioned due to declared national emergencies related to Afghanistan, Belarus, Burma, Central African Republic, Cuba, the Democratic Republic of the Congo, Iran, Iraq, Lebanon, Libya, Mali, Nicaragua, North Korea, Russia, Somalia, South Sudan, Sudan, Syria, Venezuela, the Western Balkans, or Yemen);
- persons, globally, the U.S. government finds as having engaged in harmful activity (e.g., corruption, certain International Criminal Court (ICC) investigations, drug trafficking, foreign interference in U.S. elections, hostage taking or wrongful detention of U.S. nationals, human rights violations, malicious cyber-enabled activity, nuclear weapons proliferation, terrorism, or transnational criminal organizations); and
- persons the United Nations Security Council finds as having engaged in undermining international peace and

security related to certain countries or non-state actors (e.g., Central African Republic; the Democratic Republic of Congo; Guinea-Bissau; Haiti; Iran; Iraq; Libya; North Korea; South Sudan; Sudan; Yemen; Al Shabaab; the Islamic State, Al Qaeda, and associates; and the Taliban), as well as individuals suspected of involvement in the 2005 bombing that killed former Lebanese Prime Minister Rafiq Hariri and others.

Role of Congress

Congress plays a key role in establishing sanctions policy through legislation, conducting oversight of sanctions effectiveness, and appropriating funds for executive agencies to implement and enforce sanctions. Through legislation, Congress can shape sanctions objectives and set the conditions under which sanctions may be applied, waived, exempted, or terminated.

Congress has granted the President substantial decisionmaking authority regarding the imposition of sanctions. Many U.S. sanctions are based on statutorily authorized national emergency powers, pursuant to which the President can impose, via executive order, restrictions on various transactions, activities, and persons within U.S. jurisdiction (see text box). Statutory sanctions also typically provide the President with substantial discretion in their implementation, including with respect to determining who meets statutory criteria for sanctions and when sanctions waivers or licenses (exemptions) may be issued.

Congress can also limit the scope of the President's powers to impose sanctions; for example, the Trade Sanctions Reform and Export Enhancement Act of 2000 (22 U.S.C. §§7201 et seq.) constrains the President from imposing unilateral agricultural or medical sanctions. Some sanctions legislation has also included provisions for Congress to review executive sanctions actions and pass joint resolutions of disapproval when there is disagreement between the two branches over the application of certain sanctions policy tools.

Executive Branch Agency Roles

Various agencies and departments in the executive branch, including the Departments of State, the Treasury, and Commerce administer sanctions.

- **State** manages arms sales, diplomacy, visas, military aid, and foreign aid. This includes maintaining various sanctions lists, such as the list of groups designated as Foreign Terrorist Organizations, a list of restricted entities and sub-entities associated with Cuba (known as the Cuba Restricted List), country-specific policies of arms trade denial, targeted sanctions against those engaged in proliferation activities, and lists of countries whose governments engaged in sanctionable actions.
- **Treasury** regulates economic transactions, access to U.S.-based assets, use of the U.S. dollar, the U.S. banking system, and the U.S. voice and vote in international financial institutions. This includes maintaining 45 program-specific sanctions regulations (31 C.F.R. Chapter V); a consolidated list of Specially Designated Nationals (SDNs), whose property within U.S. jurisdiction is blocked and with whom U.S. persons are generally prohibited from doing business; several other non-SDN lists, including the Non-SDN Chinese Military-Industrial Complex Companies List; and special anti-money laundering regulations that can prohibit U.S. financial institutions from engaging with targeted jurisdictions, financial institutions, international transactions, or types of accounts.
- **Commerce** oversees export licensing, including for dual-use items, and implements controls coordinated with partner countries. This includes maintaining certain lists to which restrictive end-user controls apply, such as the Entity List, Denied Persons List, Unverified List, and Military End-User List. Through its subagency, the National Oceanic and Atmospheric Administration, Commerce also plays a role in identifying countries engaged in Illegal, Unreported, and Unregulated fishing, upon which sanctions, such as U.S. port access restrictions and/or import bans, may be imposed.

Other agencies also play a role in U.S. sanctions policy. The **Department of Justice** investigates and prosecutes sanctions violations. The **Department of Homeland Security** oversees immigration controls and customs policy affecting the importation of goods, including with respect to goods made with forced labor. The **Department of Energy** oversees international nuclear agreement obligations. The **Department of the Interior** plays a role in determining whether instances of endangered species trafficking may warrant an import ban on goods from the offending country. The **Department of Defense** may impose military procurement restrictions (including with respect to certain foreign adversary countries) and maintains a list of Chinese military companies operating in the United States.

Policy Outlook

The 120th Congress may consider reviewing sanctions actions that occurred during the 119th Congress, as well as proposed legislation not enacted. The 119th Congress, for example, passed the Lindsey O. Graham Sanctioning Russia and Iran Act of 2026 (P.L. 119-111) as well as the National Defense Authorization Act for Fiscal Year 2026 (P.L. 119-60), which included several sanction provisions related to Syria (§8369), state sponsors of wrongful detention (§8352), and the Western Balkans (§8335).

Some in Congress have reacted to sanctions actions taken by the second Trump Administration, including actions to end several national emergencies (i.e., those related to Ethiopia, Hong Kong, and the West Bank); remove Syria as a state sponsor of terrorism; take energy-related licensing actions involving Venezuela, Russia, and Iran; expand Cuba-related sanctions, reintroduce ICC sanctions; target cartels with terrorism sanctions; expand the use of visa restriction policies; apply (and end) certain tariffs as sanctions; and withdraw its designation of cryptocurrency mixers as a class of transactions of primary money laundering concern.

The 120th Congress may also consider enduring questions related to sanctions effectiveness, as well as the risk of sanctions overuse and potential unintended economic and humanitarian consequences.

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