



Turkey Sanctions in Pending Legislation: Issues for Congress

October 23, 2019

Congress is actively considering a variety of bills that could impose sanctions on Turkey. The pending legislation is largely in response to a [Turkish-led incursion into Syria](#) (which Turkey calls Operation Peace Spring, or OPS) that began in early October after the Trump Administration announced that the United States was relocating some U.S. Special Forces away from the Syria-Turkey border area. Sanctions imposed via legislation would add to sanctions that [the Administration imposed](#) on Turkey in response to OPS, and many would stand until Turkey withdraws from areas it has already occupied.

Administration Sanctions by Executive Order

On October 14, President Trump signed an executive order ([EO 13894](#)) authorizing sanctions against current and former Turkish officials, government agencies, and sectors of the Turkish economy—as determined by the Secretary of the Treasury. The order also authorizes sanctions against any person (along with other parties deemed to be assisting any designated persons) found to be responsible for (1) ongoing military operations in northeastern Syria, (2) intimidation of displaced persons or forcible repatriation of persons to Syria, or (3) interference with a political solution to the Syrian conflict. [According to the President](#), the order authorizes “a broad range of consequences, including financial sanctions, the blocking of property, and barring entry into the United States.”

The Administration’s sanctions may have [been intended to mollify](#) Members of Congress [calling for stronger sanctions](#) and to encourage diplomacy to end hostilities. On October 14, the [Department of the Treasury designated](#) for sanctions—under EO 13894—Turkey’s defense and energy ministries and their ministers, as well as Turkey’s interior minister. However, the [Administration issued](#) three general licenses alongside EO 13894, including one that exempted from sanctions official U.S. government business with designated persons—thus possibly permitting continued bilateral dealings, including [U.S. arms sales](#) to Turkey. In addition, on October 17, a [joint U.S.-Turkey statement](#) declaring a pause to OPS provided for the possibility of reversing the October 14 sanctions designations. The Department of the Treasury [reversed the designations](#) on October 23, after [President Trump said](#) that in light of the sustained pause to OPS, the sanctions on Turkey would be lifted “unless something happens that we’re not happy with.” As of October 23, EO 13894 remains available to impose sanctions on Turkish individuals and economic

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sectors. The President may exercise that authority, or revoke the Executive Order, at any time going forward. Congressional consideration of sanctions [has continued](#).

Pending Legislation

The following major Turkey sanctions bills have been introduced in October:

- The Protect Against Conflict by Turkey Act ([H.R. 4695](#));
- The Promoting American National Security and Preventing the Resurgence of ISIS Act of 2019 (S. 2641); and
- two versions of the Countering Turkish Aggression Act of 2019 ([S. 2644](#) and [H.R. 4692](#)).

It is unclear whether President Trump would sign sanctions legislation on Turkey. It also is unclear whether legislation could attract veto-proof support in Congress, though the House passed [H.J.Res. 77](#), which criticized OPS and certain Administration actions regarding Syria, by a [vote](#) of 354-60 on October 16.

Leverage with Turkey

The potential for sanctions prompted by OPS to affect Turkish behavior could depend on various factors. The following considerations suggest that Turkish-led forces may not give up control of the areas of Syria that they have occupied to date during OPS:

- [Turkish priorities](#) to prevent control of those areas by the Kurdish YPG (People's Protection Units) elements of the Syrian Democratic Forces, and open areas for Syrian refugees in Turkey to return; and
- the Trump Administration's [October 17 approval](#) of a primarily Turkish-patrolled "safe zone."

In an [October 9 letter](#) to Turkish President Recep Tayyip Erdogan, President Trump referred to August 2018 U.S. sanctions and other economic actions against Turkey—when U.S. officials were seeking the release of an American pastor from a Turkish prison—as a "little sample" of what the United States can do. Turkey [released the pastor](#) in October 2018.

Turkish Economy and Financial Stability

Effects from sanctions on Turkey's economy and financial system could potentially affect its behavior. [Some sources](#) assert that sanctions could negatively affect market confidence in Turkey, as well as its financial and commercial activities. While Turkey's economy has rebounded somewhat in 2019 from a 2018 recession, the [International Monetary Fund said](#) in September, "The current calm appears fragile. Reserves remain low, and private sector [foreign exchange] debt and external financing needs high." At various points in Turkey's history, economic crises have contributed to [political instability](#).

New sanctions could affect key Turkish financial institutions, given their indebtedness and dependence on foreign investment flows. Those institutions include Halkbank—a major bank that is majority-owned by the Turkish government, and (in a case that is [domestically sensitive](#) for President Erdogan) was [indicted](#) in U.S. federal court on October 15 in relation to an alleged scheme to evade U.S. sanctions on Iran.

Turkish Public Sentiment

Sanctions' effect on Turkish public sentiment may be difficult to gauge. While [negative effects](#) on Turkey's economy could lead to domestic pressure to change Turkish policies, they also could increase popular support for the government. [Some sources suggest](#) that Turkish citizens broadly support action in Syria to counter the YPG and to increase the likelihood of Syrian refugees returning home. Provisions in the pending bills requiring the imposition of sanctions against Turkey in connection with domestically popular policies could potentially create a “[‘rally-round-the-flag’ effect](#)” and [boost support](#) for President Erdogan given substantial [existing anti-U.S. sentiment](#). While Turkey has long-standing, deeply rooted ties with the West, provisions such as the following from the pending bills also could potentially create incentives for Turkey to increase trade, investment, and arms dealings [with non-Western actors](#):

- sanctions or other penalties against Turkish financial institutions;
- provisions prohibiting U.S. arms sales to Turkey and imposing sanctions on foreign persons who knowingly support or transact with the Turkish military; and
- a provision requiring a report on the net worth and sources of income of Erdogan and his family.

Linkage with Russian S-400 Issue

Requiring sanctions against Turkey—because of OPS—that are linked to other sensitive aspects of U.S.-Turkey relations could affect U.S. leverage on Turkey. Each of the pending bills would require the President to impose sanctions under title II of [P.L. 115-44](#) (Countering American's Adversaries Through Sanctions Act, or CAATSA) in connection with [Turkey's acquisition of a Russian S-400 air defense system](#). Members of Congress might consider how these provisions could influence Turkish actions both on Syria and the S-400 issue, and how they might otherwise apply carrots and sticks to affect Turkish behavior on both issues.

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