

12H.2 Definitions.

As used in [this chapter](#), unless the context otherwise requires:

1. “Active business operations” means all business operations that are not inactive business operations.

2. “Business operations” means engaging in commerce in any form in Iran, including by acquiring, developing, maintaining, owning, selling, possessing, leasing, or operating equipment, facilities, personnel, products, services, personal property, real property, or any other apparatus of business or commerce.

3. “Company” means any sole proprietorship, organization, association, corporation, partnership, joint venture, limited partnership, limited liability partnership, limited liability company, or other entity or business association, including all wholly owned subsidiaries, majority-owned subsidiaries, parent companies, or affiliates of such entities or business associations, that exists for profit-making purposes.

4. “Direct holdings” in a company means all securities of that company held directly by the public fund or in an account or fund in which the public fund owns all shares or interests.

5. “Inactive business operations” means the mere continued holding or renewal of rights to property previously operated for the purpose of generating revenues but not presently deployed for such purpose.

6. “Indirect holdings” in a company means all securities of that company held in an account or fund managed by one or more persons not employed by the public fund, in which the public fund owns shares or interests together with other investors not subject to the provisions of [this chapter](#). Indirect holdings include but are not limited to mutual funds, fund of funds, private equity funds, hedge funds, and real estate funds.

7. “Military equipment” means weapons, arms, military supplies, and equipment that readily may be used for military purposes including but not limited to radar systems or military-grade transport vehicles, or supplies or services sold or provided directly or indirectly to any terrorist organization.

8. “Mineral extraction activities” include exploring, extracting, processing, transporting, or wholesale selling or trading of elemental minerals or associated metal alloys or oxides, including gold, copper, chromium, chromite, diamonds, iron, iron ore, silver, tungsten, uranium, and zinc, as well as facilitating such activities, including by providing supplies or services in support of such activities.

9. “Oil-related activities” include but are not limited to owning rights to oil blocks; exporting, extracting, producing, refining, processing, exploring for, transporting, selling, or trading of oil; constructing, maintaining, or operating a pipeline, refinery, or other oil field infrastructure; and facilitating such activities, including by providing supplies or services in support of such activities, provided that the mere retail sale of gasoline and related consumer products shall not be considered oil-related activities.

10. “Power production activities” means any business operation that involves a project commissioned by any Iranian government entity whose purpose is to facilitate power-generation and delivery including but not limited to establishing power generating plants or hydroelectric dams, selling or installing components for the project, providing service contracts related to the installation or maintenance of the project, as well as facilitating such activities, including by providing supplies or services in support of such activities.

11. “Public fund” means the treasurer of state, the state board of regents, the public safety peace officers’ retirement system created in [chapter 97A](#), the Iowa public employees’ retirement system created in [chapter 97B](#), the statewide fire and police retirement system created in [chapter 411](#), or the judicial retirement system created in [chapter 602](#).

12. “Scrutinized company” means any company that is not a social development company that meets any of the following criteria:

a. The company has business operations that involve contracts with or provision of supplies or services to the government of Iran, companies in which the government of Iran has any direct or indirect equity share, Iranian government-commissioned consortiums or projects, or companies involved in Iranian government-commissioned consortiums or projects; and meets any of the additional following criteria:

(1) More than ten percent of the company's revenues or assets linked to Iran involve oil-related activities or mineral extraction activities and the company has failed to take substantial action.

(2) More than ten percent of the company's revenues or assets linked to Iran involve power production activities and the company has failed to take substantial action.

b. The company supplies military equipment to Iran, unless it clearly shows that the military equipment cannot be used to facilitate international acts of terrorism.

13. "*Social development company*" means a company whose primary purpose in Iran is to provide humanitarian goods or services, including medicine or medical equipment, agricultural supplies or infrastructure, educational opportunities, journalism-related activities, information or information materials, spiritual-related activities, services of a purely clerical or reporting nature, food, clothing, or general consumer goods that are unrelated to oil-related activities, mineral extraction activities, or power production activities.

14. "*Substantial action*" means adopting, publicizing, and implementing a formal plan to cease scrutinized business operations within one year and to refrain from any such new business operations.

[2011 Acts, ch 82, §2](#)