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The Morning Risk Report: Ruling Opens Up Terrorist Asset Hunt

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The U.S. Supreme Court **ruled Wednesday** that Congress acted within its powers to pass a law that granted victims of Iranian terrorism involved in a court case the explicit right to collect frozen money linked to Iran's central bank. Legal experts said that the ruling asserted Congressional authority over foreign affairs, and that though the law only applied to frozen Iranian funds, the case allows Congress to set standards in the future for terrorism-linked assets to be sought by victims.

Lyle Denniston, in a post on **Scotusblog**, wrote that the court found the law in question didn't dictate the outcome of the claims made by the victims, but instead changed the law underlying those claims, "a typical legislative task." At least part of what appeared to have influenced the ruling, Mr. Denniston wrote, was that this case focused on a dispute involving foreign policy, an area in which "the judiciary has less power than the other branches" of government.

Andrew Hall, a founding partner of the law firm Hall Lamb and Hall, said a key question in the case concerned how lawmakers can proscribe assets linked to state sponsors of terrorism already blocked by U.S. sanctions as executable for claims by victims of terrorism by those countries. The organs of the Iranian state, such as the central bank, can't hide behind intermediaries and holding companies, Mr. Hall noted. Citing a lawsuit filed in U.S. court earlier this week against the Syrian government by the family of Stephen Sotloff, a journalist beheaded by the Islamic State, Mr. Hall said the Supreme Court's decision can apply in the Sotloff case if Congress passes a law similar to the one concerning blocked Iranian assets. "The important part of the case is it recognizes [Congress'] power to do it," he said.

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