

119<sup>TH</sup> CONGRESS  
2<sup>D</sup> SESSION

# H. R. 7055

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.

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## IN THE HOUSE OF REPRESENTATIVES

JANUARY 14, 2026

Mr. SMITH of New Jersey (for himself and Ms. SALAZAR) introduced the following bill; which was referred to the Committee on Foreign Affairs, and in addition to the Committees on Financial Services, the Judiciary, and Ways and Means, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

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## 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 2026”.

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

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

TITLE I—REAUTHORIZATION AND AMENDMENT OF THE NICA-  
 RAGUAN 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 gen-  
 erate 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 Amer-  
 ican 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. Review of participation of Nicaragua in the Dominican Republic-Cen-  
 tral 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.

3 **SEC. 2. DEFINITIONS.**

4 In this Act:

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

8 (A) the Committee on Foreign Relations  
 9 and the Committee on Banking of the Senate;  
 10 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. SENSE OF CONGRESS.**

15 It is the sense of Congress that—

16 (1) the Secretary of State, working through the  
17 head of the Office of Sanctions Coordination, and in  
18 consultation with the Secretary of the Treasury,  
19 should engage in diplomatic efforts with partners of  
20 the United States, including the Government of Can-  
21 ada, governments of countries in the European  
22 Union, and governments of countries in Latin Amer-  
23 ica and the Caribbean, to impose targeted sanctions  
24 with respect to the persons subject to sanctions au-  
25 thorized by the Nicaraguan Investment Condition-

1 ality Act of 2018 and the Reinforcing Nicaragua’s  
2 Adherence to Conditions for Electoral Reform Act of  
3 2021 in order to hold the authoritarian regime of  
4 President Daniel Ortega accountable for crimes  
5 against the Catholic Church, the clergy, and the peo-  
6 ple of Nicaragua;

7 (2) the United States Government should con-  
8 tinue—

9 (A) to raise concerns about human rights  
10 and democracy in Nicaragua, and call attention  
11 to religious and opposition leaders and civil so-  
12 ciety, media, and faith-based organizations si-  
13 lenced by the Ortega regime; and

14 (B) to enforce Executive Order 13851 (50  
15 U.S.C. 1701 note; relating to blocking property  
16 of certain persons contributing to the situation  
17 in Nicaragua), and expand existing sanctions to  
18 other such sectors of the economy of Nicaragua;  
19 and

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

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

1 (B) to document all gross violations of  
2 internationally recognized human rights in  
3 Nicaragua; and

4 (C) to call for the end of political persecu-  
5 tion against members of religious organizations,  
6 including the Catholic Church.

7 **TITLE I—REAUTHORIZATION**  
8 **AND AMENDMENT OF THE**  
9 **NICARAGUAN INVESTMENT**  
10 **CONDITIONALITY ACT OF 2018**  
11 **AND THE REINFORCING**  
12 **NICARAGUA’S ADHERENCE TO**  
13 **CONDITIONS FOR ELEC-**  
14 **TORAL REFORM ACT OF 2021**

15 **SEC. 101. EXTENSION OF AUTHORITIES OF THE NICA-**  
16 **RAGUAN INVESTMENT CONDITIONALITY ACT**  
17 **OF 2018.**

18 Section 10 of the Nicaraguan Investment Condition-  
19 ality Act of 2018 (Public Law 115–335; 50 U.S.C. 1701  
20 note) is amended by striking “2023” and inserting  
21 “2030”.

1 **SEC. 102. ENHANCING SANCTIONS ON SECTORS OF THE**  
2 **NICARAGUAN ECONOMY THAT GENERATE**  
3 **REVENUE FOR THE ORTEGA FAMILY.**

4 Section 5(a) of the Nicaraguan Investment Condi-  
5 tionality Act of 2018 (Public Law 115–335; 50 U.S.C.  
6 1701 note) is amended—

- 7 (1) in paragraph (3)(B), by striking “or”;
- 8 (2) in paragraph (4), by striking the period at  
9 the end and inserting “; or”; and
- 10 (3) by adding at the end the following:

11 “(5) to operate or have operated in the gold  
12 sector of the Nicaraguan economy or in any other  
13 sector of the Nicaraguan economy identified by the  
14 Secretary of the Treasury, in consultation with the  
15 Secretary of State, for purposes of this paragraph.”.

16 **SEC. 103. IMPOSITION OF SANCTIONS WITH RESPECT TO**  
17 **THE ORTEGA ADMINISTRATION’S ABUSES**  
18 **AGAINST THE CATHOLIC CHURCH, POLITICAL**  
19 **PRISONERS, AND SUPPORT FOR THE INVA-**  
20 **SION OF UKRAINE.**

21 (a) **EXPANSION OF ACTIVITIES TRIGGERING TAR-**  
22 **GETED SANCTIONS.**—Section 5(b) of the Nicaraguan In-  
23 vestment Conditionality Act of 2018 (Public Law 115–  
24 335; 50 U.S.C. 1701 note) is amended by adding at the  
25 end the following:

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

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

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

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

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

20                 (1) by redesignating clauses (viii) and (ix) as  
21                 clauses (ix) and (x), respectively; and

22                 (2) by inserting after clause (vii) the following  
23                 new clause (viii):

24                         “(viii) Officials of the Instituto de  
25                         Previsión Social Militar (IPSM), commonly

1 known as the Military Institute of Social  
2 Security of Nicaragua.”.

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

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

11 (1) by redesignating subsection (f) as sub-  
12 section (g);

13 (2) by inserting after subsection (e) the fol-  
14 lowing new subsection (f):

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

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

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

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

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

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

15                 (B) by redesignating paragraph (5) as  
16                 paragraph (6); and

17                 (C) by inserting after paragraph (4) the  
18                 following new paragraph (5):

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

1 **TITLE II—ADDITIONAL ECO-**  
2 **NOMIC MEASURES TO HOLD**  
3 **THE GOVERNMENT OF NICA-**  
4 **RAGUA ACCOUNTABLE FOR**  
5 **HUMAN RIGHTS ABUSES**

6 **SEC. 201. STATEMENT OF POLICY.**

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

9 (1) a commitment by the Government of Nica-  
10 ragua to hold free and fair elections that meet demo-  
11 cratic standards and permit credible international  
12 electoral observation to replace the Ortega adminis-  
13 tration;

14 (2) the cessation of the violence perpetrated  
15 against civilians by the National Police of Nicaragua  
16 and by armed groups supported by the Government  
17 of Nicaragua; and

18 (3) independent investigations into the killings  
19 of protesters in Nicaragua.

20 **SEC. 202. REVIEW OF PARTICIPATION OF NICARAGUA IN**  
21 **THE DOMINICAN REPUBLIC-CENTRAL AMER-**  
22 **ICA-UNITED STATES FREE TRADE AGREE-**  
23 **MENT.**

24 (a) REPORT REQUIRED.—

1           (1) IN GENERAL.—Not later than 1 year after  
2 the date of the enactment of this Act, and annually  
3 thereafter, the Secretary of State, in consultation  
4 with the United States Trade Representative, shall  
5 submit to the appropriate congressional committees  
6 a report on the participation of Nicaragua in  
7 CAFTA–DR, which includes—

8           (A) an assessment of the benefits that the  
9 Ortega regime receives from the participation of  
10 Nicaragua in CAFTA–DR, including profits  
11 earned by Nicaraguan State-owned entities;

12           (B) a description of the violations of com-  
13 mitments made by Nicaragua under CAFTA–  
14 DR; and

15           (C) an assessment of whether Nicaragua  
16 qualifies as a nonmarket economy for the pur-  
17 poses of the Trade Act of 1974 (19 U.S.C.  
18 2101 et seq.).

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

22           (b) CAFTA–DR DEFINED.—In this section, the term  
23 “CAFTA–DR” means the Dominican Republic-Central  
24 America-United States Free Trade Agreement—

1           (1) entered into on August 5, 2004, with the  
2           Governments of Costa Rica, the Dominican Republic,  
3           El Salvador, Guatemala, Honduras, and Nicaragua,  
4           and submitted to Congress on June 23, 2005;  
5           and

6           (2) approved by Congress under section  
7           101(a)(1) of the Dominican Republic-Central American-  
8           United States Free Trade Agreement Implementation Act (19 U.S.C. 4011(a)(1)).

10 **SEC. 203. PROHIBITION ON NEW UNITED STATES INVEST-**  
11 **MENT IN NICARAGUA.**

12           (a) PROHIBITION.—After the date of the enactment  
13 of this Act, a United States person, wherever located, may  
14 not make any investment in any sector of the economy  
15 of Nicaragua.

16           (b) IMPLEMENTATION.—The President may exercise  
17 all authorities provided to the President under sections  
18 203 and 205 of the International Emergency Economic  
19 Powers Act (50 U.S.C. 1702 and 1704) to carry out this  
20 section.

21           (c) PENALTIES.—A person that violates, attempts to  
22 violate, conspires to violate, or causes a violation of this  
23 section or any regulation, license, or order issued to carry  
24 out this section shall be subject to the penalties set forth  
25 in subsections (b) and (c) of section 206 of the Inter-

1 national Emergency Economic Powers Act (50 U.S.C.  
2 1705) to the same extent as a person that commits an  
3 unlawful act described in subsection (a) of that section.

4 (d) EXCEPTIONS.—

5 (1) EXCEPTION FOR INTELLIGENCE ACTIVI-  
6 TIES.—This section shall not apply with respect to  
7 activities subject to the reporting requirements  
8 under title V of the National Security Act of 1947  
9 (50 U.S.C. 3091 et seq.) or any authorized intel-  
10 ligence activities of the United States.

11 (2) HUMANITARIAN EXCEPTION.—The prohibi-  
12 tion under subsection (a) does not apply with respect  
13 to any person for conducting or facilitating a trans-  
14 action for the sale of agricultural commodities, food,  
15 medicine, or medical devices to Nicaragua, or for the  
16 provision of humanitarian assistance to the people of  
17 Nicaragua.

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

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

23 (2) submits to the appropriate congressional  
24 committees a notification of the waiver and the rea-  
25 sons for the waiver.

1 **SEC. 204. TERMINATION.**

2       The provisions of this title shall cease to have effect  
3 upon certification by the President to the appropriate con-  
4 gressional committees that a resolution to the political cri-  
5 sis in Nicaragua as described in section 201 has been  
6 reached.

7 **TITLE III—PROMOTING THE**  
8 **HUMAN RIGHTS OF NICA-**  
9 **RAGUANS**

10 **SEC. 301. SUPPORT FOR HUMAN RIGHTS AND DEMOCRACY**  
11 **PROGRAMS.**

12 (a) GRANTS.—

13       (1) IN GENERAL.—The President may provide  
14 grants to private, nonprofit organizations to support  
15 programs that promote human rights, democracy,  
16 and the rule of law in Nicaragua, including pro-  
17 grams that document human rights abuses com-  
18 mitted by the Ortega regime since April 2018.

19       (2) ADMINISTRATION OF PROGRAMS.—Any pro-  
20 gram that receives a grant under paragraph (1)  
21 shall be administered in consultation with members  
22 of the Nicaraguan opposition, including individuals  
23 in exile in Costa Rica and the United States.

24       (3) FUNDING LIMITATION.—Any entity owned,  
25 controlled, or otherwise affiliated with the Ortega re-

1       gime is not eligible to receive a grant under this sec-  
2       tion.

3       (b) REPORT.—Not later than 1 year after the date  
4 of the enactment of this Act, and annually thereafter  
5 through fiscal year 2030, the Secretary of State, in con-  
6 sultation with the heads of other appropriate Federal  
7 agencies, shall submit to the appropriate congressional  
8 committees a report on actions taken pursuant to this sec-  
9 tion.

10 **SEC. 302. SUPPORT FOR NICARAGUAN HUMAN RIGHTS AT**  
11 **THE UNITED NATIONS.**

12       (a) SUPPORT TO EXTEND MANDATE OF THE GROUP  
13 OF HUMAN RIGHTS EXPERTS ON NICARAGUA.—The  
14 President shall direct the United States Permanent Rep-  
15 resentative to the United Nations to use the voice, vote,  
16 and influence of the United States in the United Nations  
17 Human Rights Council and the United Nations General  
18 Assembly—

19               (1) to seek to extend the mandate of the Group  
20 of Human Rights Experts on Nicaragua under  
21 Human Rights Council Resolution 49/3 (2022) until  
22 a peaceful solution to the current political crisis in  
23 Nicaragua is reached, including—

1 (A) a commitment to hold elections that  
2 meet democratic standards and permit credible  
3 international electoral observation;

4 (B) the cessation of the violence per-  
5 petrated against civilians by the National Police  
6 of Nicaragua and by armed groups supported  
7 by the Government of Nicaragua; and

8 (C) independent investigations into the  
9 killings of protesters;

10 (2) to encourage international support to em-  
11 power the Group of Human Rights Experts on Nica-  
12 ragua to fulfill its mission to conduct thorough and  
13 independent investigations into all alleged human  
14 rights violations and abuses committed in Nicaragua  
15 since April 2018; and

16 (3) to provide investigative and technical assist-  
17 ance to the Group of Human Rights Experts on  
18 Nicaragua as requested and as permitted under  
19 United Nations rules and regulations and United  
20 States law.

21 (b) SUPPORT FOR FURTHER ACTION.—The Presi-  
22 dent may direct the United States Permanent Representa-  
23 tive to the United Nations to use the voice, vote, and influ-  
24 ence of the United States to urge the United Nations to

1 provide greater action with respect to human rights viola-  
2 tions in Nicaragua by—

3           (1) urging the United Nations General Assem-  
4 bly to consider a resolution, consistent with prior  
5 United Nations resolutions, condemning the exile of  
6 political prisoners and attacks on religious freedom  
7 by the Ortega regime; and

8           (2) assisting efforts by the relevant United Na-  
9 tions Special Envoys and Special Rapporteurs to  
10 promote respect for human rights and encourage  
11 dialogue towards a peaceful and democratic transfer  
12 of power in Nicaragua.

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