



March 2016

New North Korea Sanctions Designations

Further to the newly-enacted North Korea Sanctions and Policy Enhancement Act of 2016 (H.R. 757) (the Act) summarized in our previous [GT Alert](#), on March 16, 2016, President Obama issued an executive order implementing a number of sanctions measures pursuant to the Act.

The EU has also introduced new sanctions against North Korea, following the far-reaching sanctions resolution passed by the UN Security Council on March 2, 2016.

ADDITIONAL U.S. SANCTIONS DESIGNATIONS

In addition to the preexisting sanctions against North Korea, the Act granted the President additional authority to impose sanctions on individuals and entities deemed to have engaged or assisted in a number of activities, including participation in North Korea-related proliferation activities, human rights abuses, money laundering, counterfeiting, narcotics trafficking, and dealings in luxury goods, among others. Yesterday's executive order, *Blocking Property of the Government of North Korea and the Worker's Party of Korea, and Prohibiting Certain Transactions with Respect to North Korea* (the EO), blocked (or froze) the assets and property of the following individuals, entities, and vessels, representing the first set of sanctions designations under the Act:

Individuals:

- > JO, Yong Chol, North Korea's Ministry of State Security Official
- > RI, Won Ho, North Korea's Ministry of State Security Official

Entities:

- > CHONGBONG SHIPPING CO LTD.
- > HOERYONG SHIPPING CO LTD.
- > ILSIM INTERNATIONAL BANK
- > KOREA FOREIGN TECHNICAL TRADE CENTER

- > KOREA OCEAN SHIPPING AGENCY
- > KOREA SAMILPO SHIPPING CO.
- > KOREA UNITED DEVELOPMENT BANK
- > KOREA ZUZAGBONG MARITIME LTD.
- > KOREAN BUYON SHIPPING CO. LTD.
- > KOREAN POLISH SHPG CO LTD.
- > KOREAN WORKERS PARTY, PROPAGANDA AND AGITATION DEPARTMENT
- > MIRIM SHIPPING CO LTD.
- > OCEAN BUNKERING JV CO.
- > SINGWANG ECONOMICS AND TRADING GENERAL CORPORATION
- > THAEPHYONGSAN SHIPPING CO LTD.

Vessels:

- > CHONG BONG, Democratic People's Republic of Korea flag
- > CHONG RIM 2, Democratic People's Republic of Korea flag
- > EVER BRIGHT 88, Sierra Leone flag
- > GOLD STAR 3, Cambodia flag
- > GRAND KARO, Cambodia flag
- > HOE RYONG, Democratic People's Republic of Korea flag
- > JH 86, Cambodia flag
- > JIN TAI 7, Sierra Leone flag
- > JIN TENG, Sierra Leone flag
- > MI RIM 2, Democratic People's Republic of Korea flag
- > MI RIM Democratic People's Republic of Korea flag
- > ORION STAR
- > RA NAM 2, Democratic People's Republic of Korea flag
- > RA NAM 3, Democratic People's Republic of Korea flag
- > RYO MYONG, Democratic People's Republic of Korea flag
- > SOUTH HILL 2, Sierra Leone flag
- > SOUTH HILL 5, Palau flag
- > THAE PYONG SAN, Democratic People's Republic of Korea flag
- > TONG HUNG 1, Democratic People's Republic of Korea flag
- > VICTORY 2, Mongolia flag

All individuals, entities, and vessels designated under the EO are now listed on the Specially Designated Nationals (SDN) list maintained by the Department of the Treasury's Office of Foreign Assets Control (OFAC). These measures effectively prohibit U.S. individuals or companies from engaging in any transactions with the sanctioned parties, or with any entity owned by one of the sanctioned parties.

The EO also delegated to the Secretary of the Treasury authority to impose sanctions on individuals and entities, whether U.S. or non-U.S., determined to operate in the North Korean transportation, mining, energy, or financial services industries. Any party specifically identified as operating in these North Korean industries will now become eligible for U.S. blocking sanctions.

Limited General Licenses

The EO was accompanied by the issuance of nine OFAC general licenses authorizing certain individuals and entities meeting specific criteria to engage in limited North Korea-related activities, including:

- > Certain activities related to the United Nations mission to North Korea;
- > Provision of limited legal services to North Korea;
- > Entries in certain accounts for service charges;
- > Transfers of non-commercial, personal remittances to North Korea;
- > Certain services in support of NGO activities in North Korea;

- > Transfers of diplomatic and consular funds to North Korea;
- > Limited activities related to telecommunications and mail services;
- > Transactions related to patents, trademarks, and copyrights; and
- > The provision of emergency medical services.

Although the Administration previously announced that it may issue exemptions from the Act's enhanced licensing requirements for North Korea-related transactions involving agricultural products, medicine, and medical devices, the EO did not provide further guidance in this respect.

EU'S NEW RESTRICTIVE MEASURES AGAINST NORTH KOREA

The EU Council has added the 16 individuals and 12 entities targeted in the UN's new North Korea sanctions resolution to its own sanctions listings. Among them is the National Aerospace Development Agency, which was responsible for the rocket launch in February.

The EU has implemented the new sanctions against North Korea by implementing [Regulation 2016/315](#) amending Regulation 329/2007, and Decision 2016/319 amending Decision 2013/183/CFSP. Furthermore, the EU has published a notice to the listed persons that they included in the list of persons and entities subject to restrictive measures.

Further to the UN Security Council's decision to adopt resolution 2270 (2016) on March 2, 2016, Annex IV to Regulation (EC) No. 329/2007 is amended as follows to blacklist:

Individuals:

- > Choe Chun-Sik (alias (a) Choe Chun Sik; (b) Ch'oe Ch'un Sik, as Chun-sik was the director of the Second Academy of Natural Sciences (SANS) and was the head of the DPRK's long-range missile program;
- > Choe Song Il, Tanchon Commercial Bank Representative in Vietnam;
- > Hyon Kwang Il (alias Hyon Gwang Il), the Department Director for Scientific Development at the National Aerospace Development Administration;
- > Jang Bom Su (alias Jang Pom Su), Tanchon Commercial Bank Representative in Syria;
- > Jang Yong Son, Korea Mining Development Trading Corporation (KOMID) Representative in Iran;
- > Jon Myong Guk (alias Cho'n Myo'ng-kuk), Tanchon Commercial Bank Representative in Syria;
- > Kang Mun Kil (alias Jiang Wen-ji), conducted nuclear procurement activities as a representative of Namchongang, also known as Namhung;
- > Kang Ryong, Korea Mining Development Trading Corporation (KOMID) Representative in Syria;
- > Kim Jung Jong (alias Kim Chung Chong), Tanchon Commercial Bank Representative in Vietnam;
- > Kim Kyu, Korea Mining Development Trading Corporation (KOMID) External Affairs Officer;
- > Kim Tong My'ong (alias (a) Kim Chin-So'k, (b) Kim Tong-Myong, (c) Kim Jin-Sok; (d) Kim, (e) Hyok-Chol), President of Tanchon Commercial Bank;
- > Kim Yong Chol, Korea Mining Development Trading Corporation (KOMID) Representative in Iran;
- > Ko Tae Hun (alias Kim Myong Gi), Tanchon Commercial Bank Representative;
- > Ri Man Gon, Minister of the Munitions Industry Department;
- > Ryu Jin, Korea Mining Development Trading Corporation (KOMID) Representative in Syria;
- > Yu Chol U, Director of the National Aerospace Development Administration.

The following entities were added to the Annex IV to Regulation (EC) No. 329/2007 and thus blacklisted as well:

Entities:

- > Academy of National Defence Science;
- > Chongchongang Shipping Company. (alias Chong Chon Gang Shipping Co. Ltd.);
- > Daedong Credit Bank (DCB) (alias (a) DCB, (b) Taedong Credit Bank);
- > Hesong Trading Company (alias Hesong Trading Corporation);
- > Korea Kwangson Banking Corporation (KKBC) (alias KKBC);
- > Korea Kwangsong Trading Corporation;

- > Ministry Of Atomic Energy Industry (alias MAEI);
- > Munitions Industry Department (alias: Military Supplies Industry Department);
- > National Aerospace Development Administration (alias NADA);
- > Office 39 (alias (a) Office #39, (b) Office No. 39, (c) Bureau 39, (d) Central Committee Bureau 39, (e) Third Floor, (f) Division 39;
- > Reconnaissance General Bureau (alias (a) Chongch'al Ch'ongguk, (b) KPA Unit 586, (c) RGB);
- > Second Economic Committee.

The vessels mentioned in the U.S. section of this Alert and in the UN Security Council resolution are listed in the separate national laws of the EU Member States. However, even if EU Member States have not done so yet, the UN sanctions are directly applicable and enforceable in several EU Member States. EU individuals and legal persons should therefore screen all parties in their international transactions against the relevant EU lists and against the additional national EU Member States' lists.

By implementing Regulation 2016/315 and Decision 2016/319, the EU has transposed the UN Security Council's Resolution on North Korea into EU law, but the EU will further consider whether additional autonomous restrictive measures are called for to complement the UN's resolution.

Impact on North Korea Activities

The issuance of the U.S. EO and the new EU sanctions measures signal an important intensification of the U.S. and EU sanctions against North Korea. Businesses and individuals interested in or currently pursuing opportunities in North Korea should consult with counsel to review all relevant sanctions and export controls provisions to determine whether proposed activities remain permissible. From a U.S. perspective, although the EO was accompanied by the issuance of a number of OFAC general licenses authorizing certain activities related to North Korea, we note that OFAC tends to interpret the scope of these authorizations extremely narrowly. Therefore any activity undertaken pursuant to an OFAC general license must be carefully analyzed to ensure it complies with all of the requirements and limitations of the relevant general license. Finally, U.S. and EU persons should continue to screen all parties and entities involved in international business transactions against the most up-to-date U.S. government and EU lists of designated and sanctions individuals and prohibited transactions.

Based in Washington, D.C., and Amsterdam, our [Export Controls](#) team advises and represents clients on the full range of international goods, software and technology transfer issues. We have broad experience providing export controls and related regulatory counsel to both U.S. and foreign businesses. Our industry-specific experience includes assisting companies in a wide range of industries such as aerospace, defense, firearms and ammunition, electronics, software and information technology, financial services, energy, food, consumer products, biotechnology, medical device, and engineering services.

This *GT Alert* was prepared by **Kara M. Bombach**, **Erik de Bie**, **Marie-José van der Heijden**, **Cyril T. Brennan**, and **Sandra K. Jorgensen**. Questions about this information can be directed to:

- > [Kara M. Bombach](#) | +1 202.533.2334 | bombachk@gtlaw.com
- > [Erik de Bie](#) | +31 20 30 17 315 | DeBieE@eu.gtlaw.com
- > [Marie-José van der Heijden](#) | +31 20 30 17 348 | vanderheijdenm@eu.gtlaw.com
- > [Cyril T. Brennan](#) | +1 202.533.2342 | brennanct@gtlaw.com
- > [Sandra K. Jorgensen](#) | +1 202.530.8569 | jorgensens@gtlaw.com
- > [Michael X. Marinelli](#) | +1 512.320.7236 | marinellimx@gtlaw.com
- > [Renee A. Latour[‡]](#) | +1 202.533.2358 | latourr@gtlaw.com
- > [Sandra D. Gonzalez](#) | +1 512.320.7234 | gonzalezsd@gtlaw.com

[‡]Admitted to practice only in Virginia. Practice in the District of Columbia limited to matters and proceedings before federal courts and agencies.

Albany +1 518.689.1400	Delaware +1 302.661.7000	New York +1 212.801.9200	Silicon Valley +1 650.328.8500
Amsterdam + 31 20 301 7300	Denver +1 303.572.6500	Northern Virginia +1 703.749.1300	Tallahassee +1 850.222.6891
Atlanta +1 678.553.2100	Fort Lauderdale +1 954.765.0500	Orange County +1 949.732.6500	Tampa +1 813.318.5700
Austin +1 512.320.7200	Houston +1 713.374.3500	Orlando +1 407.420.1000	Tel Aviv[^] +972 (0) 3.636.6000
Berlin⁻ +49 (0) 30 700 171 100	Las Vegas +1 702.792.3773	Philadelphia +1 215.988.7800	Tokyo[⌘] +81 (0)3 4510 2200
Berlin-GT Restructuring⁻ +49 (0) 30 700 171 100	London[*] +44 (0)203 349 8700	Phoenix +1 602.445.8000	Warsaw[~] +48 22 690 6100
Boca Raton +1 561.955.7600	Los Angeles +1 310.586.7700	Sacramento +1 916.442.1111	Washington, D.C. +1 202.331.3100
Boston +1 617.310.6000	Mexico City⁺ +52 55 5029.0000	San Francisco +1 415.655.1300	Westchester County +1 914.286.2900
Chicago +1 312.456.8400	Miami +1 305.579.0500	Seoul[∞] +1 82-2-369-1000	West Palm Beach +1 561.650.7900
Dallas +1 214.665.3600	New Jersey +1 973.360.7900	Shanghai +86 21 6391 6633	

This Greenberg Traurig Alert is issued for informational purposes only and is not intended to be construed or used as general legal advice nor as a solicitation of any type. Please contact the author(s) or your Greenberg Traurig contact if you have questions regarding the currency of this information. The hiring of a lawyer is an important decision. Before you decide, ask for written information about the lawyer's legal qualifications and experience. Greenberg Traurig is a service mark and trade name of Greenberg Traurig, LLP and Greenberg Traurig, P.A. ⁻Greenberg Traurig's Berlin office is operated by Greenberg Traurig Germany, an affiliate of Greenberg Traurig, P.A. and Greenberg Traurig, LLP. ⁻ Berlin - GT Restructuring is operated by Köhler-Ma Geiser Partnerschaft Rechtsanwälte, Insolvenzverwalter. ^{}Operates as Greenberg Traurig Maher LLP. ^{**}Greenberg Traurig is not responsible for any legal or other services rendered by attorneys employed by the strategic alliance firms. ⁺Greenberg Traurig's Mexico City office is operated by Greenberg Traurig, S.C., an affiliate of Greenberg Traurig, P.A. and Greenberg Traurig, LLP. [∞]Operates as Greenberg Traurig LLP Foreign Legal Consultant Office. [^]Greenberg Traurig's Tel Aviv office is a branch of Greenberg Traurig, P.A., Florida, USA. [⌘]Greenberg Traurig Tokyo Law Offices are operated by GT Tokyo Horitsu Jimusho, an affiliate of Greenberg Traurig, P.A. and Greenberg Traurig, LLP. [~]Greenberg Traurig's Warsaw office is operated by Greenberg Traurig Grzesiak sp.k., an affiliate of Greenberg Traurig, P.A. and Greenberg Traurig, LLP. Certain partners in Greenberg Traurig Grzesiak sp.k. are also shareholders in Greenberg Traurig, P.A. Images in this advertisement do not depict Greenberg Traurig attorneys, clients, staff or facilities. No aspect of this advertisement has been approved by the Supreme Court of New Jersey. ©2016 Greenberg Traurig, LLP. All rights reserved.*