

# OFAC

Office of Foreign Assets Control

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## NORTH KOREA:

### An Overview of Sanctions With Respect to North Korea

*This document is explanatory only and does not have the force of law. Executive Order 13466, Executive Order 13551, Executive Order 13570, and the implementing regulations pertaining to North Korea contain the legally binding provisions governing the sanctions. This document does not supplement or modify the Executive Orders or regulations from a legal perspective.*



# An Overview of Sanctions With Respect to North Korea

## I. INTRODUCTION

On June 26, 2008, the President issued Executive Order 13466 (“[E.O. 13466](#)”), pursuant to the International Emergency Economic Powers Act (“IEEPA”). In E.O. 13466, the President declared a national emergency to deal with the threat to the national security and foreign policy of the United States constituted by the current existence and risk of the proliferation of weapons-usable fissile material on the Korean Peninsula, and continued certain restrictions with respect to North Korea that had been imposed under the authority of the Trading With the Enemy Act (“TWEA”). Also on June 26, 2008, the President signed [Proclamation 8271](#), terminating the application of TWEA authorities with respect to North Korea, effective June 27, 2008. The Foreign Assets Control Regulations, 31 C.F.R. part 500, to the extent they were promulgated under TWEA authority, are therefore no longer in force with respect to North Korea.

On August 30, 2010, the President issued Executive Order 13551 (“[E.O. 13551](#)”) pursuant to IEEPA and the United Nations Participation Act (the “UNPA”), expanding the scope of the national emergency declared in E.O. 13466 and adding new restrictions.

On April 18, 2011, the President issued Executive Order 13570 (“[E.O. 13570](#)”), pursuant to IEEPA and the UNPA, to take additional steps to address the national emergency declared in E.O. 13466 and expanded in E.O. 13551 that will ensure implementation of the import restrictions contained in United Nations Security Council Resolution (“UNSCR”) 1718 of October 14, 2006, and UNSCR 1874 of June 12, 2009, and complement the import restrictions provided for in the Arms Export Control Act (22 U.S.C. 2751 *et seq.*).

The Office of Foreign Assets Control (“OFAC”) issued the North Korea Sanctions Regulations, 31 C.F.R. part 510 (the “NKSr”) (75 *Fed. Reg.* 67912, November 4, 2010), to implement E.O. 13466 and E.O. 13551, and will revise the NKSr to implement E.O. 13570. The NKSr replace the Foreign Assets Control Regulations, 31 C.F.R. part 500, to the extent they pertained to North Korea.

Criminal fines for violating the E.O.s range up to \$1,000,000; individuals may also face imprisonment up to 20 years. In addition, civil penalties of up to the greater of \$250,000 or twice the amount of the underlying transaction may be imposed administratively for each violation.

This fact sheet is a broad summary of the sanctions currently in place.

## II. PROHIBITED TRANSACTIONS

### A. Blocked Property and Interests in Property

Property and interests in property of North Korea or a North Korean national that, pursuant to the TWEA and the Foreign Assets Control Regulations, were blocked as of June 16, 2000, and remained blocked immediately prior to June 26, 2008 (the date of E.O. 13466), remain blocked pursuant to E.O. 13466. In addition, E.O. 13551 blocks the property and interests in property of persons listed in the Annex to E.O. 13551, as well as of individuals and entities determined by the Secretary of the Treasury, in consultation with the Secretary of State, to be facilitating North Korean trafficking in arms and related materiel, facilitating North Korean procurement of luxury goods, or engaging in illicit activities that involve or support the Government of North Korea or its senior officials, including money laundering, the counterfeiting of goods or currency, bulk cash smuggling, and narcotics trafficking.

With certain exceptions, U.S. persons are prohibited from transferring, paying, exporting, withdrawing, or otherwise dealing in the property and interests in property of an entity or individual named in the Annex to E.O. 13551 or

designated under the authority of the E.O. The names of such entities and individuals are published in the Federal Register and incorporated into OFAC's Specially Designated Nationals and Blocked Persons List ("SDN List"). The SDN List is accessible via OFAC's Web site at [www.treasury.gov/sdn](http://www.treasury.gov/sdn). The property and interests in property of an entity are also blocked if the entity is owned, directly or indirectly, 50 percent or more by a person listed on OFAC's SDN List pursuant to E.O. 13551, regardless of whether the entity itself is on OFAC's SDN List.

### ***B. Transactions Involving North Korean Vessels***

U.S. persons are prohibited from registering vessels in North Korea, obtaining authorization for a vessel to fly the North Korean flag, and owning, leasing, operating, or insuring any vessel flagged by North Korea.

### ***C. Importing from North Korea***

Pursuant to E.O. 13570, goods, services, and technology from North Korea may not be imported into the United States, directly or indirectly, without a license from OFAC. This broad prohibition applies to goods, services, and technology from North Korea that are used as components of finished products of, or substantially transformed in, a third country. Importers seeking a license from OFAC must provide the information specified in 31 C.F.R. part 501, subpart E, to OFAC. Requests for a license must be submitted by mail to the Licensing Division, Office of Foreign Assets Control, U.S. Department of the Treasury, 1500 Pennsylvania Ave., NW, Annex, Washington, DC 20220. After reviewing the importer's application, OFAC will make a license determination. U.S. depository institutions handling letters of credit or documentary collections involving imports from North Korea must obtain a copy of OFAC's license from the importer before proceeding with such transactions. The license must also be provided to U.S. Customs and Border Protection before imports from North Korea will be allowed into the United States.

## **III. EXPORTING TO NORTH KOREA**

Treasury prohibitions on exporting goods to North Korea specifically relate to sales involving parties whose property and interests in property are blocked under E.O. 13551. Otherwise, there are no Treasury prohibitions on exporting goods to North Korea. Depending on the goods involved (*e.g.*, luxury goods), the export may be subject to other U.S. export controls, such as those administered by the U.S. Department of Commerce.

## **IV. TRAVELING TO NORTH KOREA**

U.S. persons do not need U.S. Government permission to travel to North Korea. U.S. persons may also provide services ordinarily incident to travel to and from North Korea. Prospective travelers may wish to consult the Department of State's travel web page regarding travel to North Korea.



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The Office of Foreign Assets Control also administers sanctions programs involving Belarus, Burma (Myanmar), Cote d'Ivoire, Cuba, Democratic Republic of the Congo, Iran, Iraq, Lebanon, Liberia, Libya, Somalia, Sudan, Syria, Zimbabwe, certain targets in the Western Balkans, highly enriched uranium transactions, diamond trading, designated terrorists and international narcotics traffickers, Foreign Terrorist Organizations, and designated foreign persons who have engaged in activities relating to the proliferation of weapons of mass destruction. For additional information about these programs or about the North Korea sanctions program, please contact the:

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