

# OFAC

Office of Foreign Assets Control

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## NORTH KOREA SANCTIONS PROGRAM

*This document is explanatory only and does not have the force of law. Please see particularly Executive Orders 13382, 13466, 13551, 13570, 13687, and 13722, and the implementing regulations pertaining to North Korea (31 C.F.R. part 510) and weapons of mass destruction proliferators (31 C.F.R. part 544). This document does not supplement or modify the Executive orders or regulations.*



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# SANCTIONS WITH RESPECT TO NORTH KOREA

## I. INTRODUCTION

The Office of Foreign Assets Control's (OFAC's) current North Korea sanctions program began in 2008 when the President issued Executive Order (E.O.) 13466. 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 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 previously had been imposed under the authority of the Trading With the Enemy Act (TWEA). At the same time, the President signed Proclamation 8271, terminating the application of TWEA authorities with respect to North Korea. Since 2008, the President has issued subsequent Executive orders expanding the 2008 national emergency and taking additional steps with respect to that emergency, including blocking the property of certain persons (individuals and entities) and prohibiting certain types of transactions.

## II. OVERVIEW OF AUTHORITIES

### North Korea-Specific Sanctions

*Executive Orders:* On June 26, 2008, the President issued [E.O. 13466](#), declaring a national emergency to deal with the unusual and extraordinary threat to the national security and foreign policy of the United States constituted by the existence and risk of the proliferation of weapons-usable fissile material on the Korean Peninsula. E.O. 13466 was issued under the authority of, *inter alia*, the International Emergency Economic Powers Act (50 U.S.C. § 1701 *et seq.*) (IEEPA) and the National Emergencies Act (50 U.S.C. § 1601 *et seq.*) (the NEA). Also on June 26, 2008, the President issued [Proclamation 8271](#), which terminated the application of authorities under TWEA with respect to North Korea, effective June 27, 2008. E.O. 13466 continued in effect under IEEPA the sanctions measures against North Korea that had been in place pursuant to TWEA.

On August 30, 2010, the President issued [E.O. 13551](#) pursuant to, *inter alia*, IEEPA, the NEA, and the United Nations Participation Act (22 U.S.C. § 287c) (the UNPA), expanding the scope of the national emergency declared in E.O. 13466 and providing for the blocking of property and interests in property of certain persons with respect to North Korea.

On April 18, 2011, the President issued [E.O. 13570](#) pursuant to, *inter alia*, IEEPA, the NEA, and the UNPA, to take additional steps to address the national emergency declared in E.O. 13466 and expanded in E.O. 13551. E.O. 13570 was issued to 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 to complement the import restrictions provided for in the [Arms Export Control Act](#) (22 U.S.C. § 2751 *et seq.*).

On January 2, 2015, the President issued [E.O. 13687](#) pursuant to, *inter alia*, IEEPA and the NEA, to take additional steps to address the national emergency declared in E.O. 13466 and expanded in E.O. 13551. E.O. 13687 provides for the blocking of property and interests in property of certain persons with respect to North Korea.

On March 15, 2016, the President issued [E.O. 13722](#) pursuant to, *inter alia*, IEEPA, the NEA, the UNPA, and the North Korea Sanctions and Policy Enhancement Act of 2016 (22 U.S.C. § 9201 *et seq.*) (the NKSPEA), to take additional steps to address the national emergency declared in E.O. 13466 and expanded in E.O. 13551, in light of further North Korean nuclear and ballistic missile tests. E.O. 13722 was issued to ensure implementation of certain provisions of UNSCR 2270 of March 2, 2016 and the NKSPEA; it strengthened export and other trade restrictions against North Korea; and imposed a comprehensive blocking of the Government of North Korea and the Workers' Party of Korea.

*Regulations:* On November 4, 2010, OFAC issued the North Korea Sanctions Regulations, [31 C.F.R. part 510](#) (the NKSR), to implement E.O. 13466 and E.O. 13551. On June 20, 2011, OFAC amended the NKSR to implement E.O. 13570. Also on June 20, 2011, pursuant to Proclamation 8271, OFAC removed parts 500 (the Foreign Assets Control Regulations) and 505 (the Transaction Control Regulations) from 31 C.F.R. chapter V. The NKSR replace the Foreign Assets Control Regulations, to the extent they pertained to North Korea.

## Weapons of Mass Destruction Proliferators Sanctions

*Executive Orders:* In addition to the Executive orders listed above that contain provisions specifically relating to North Korea, on June 28, 2005, the President issued [E.O. 13382](#), pursuant to, *inter alia*, IEEPA and the NEA. E.O. 13382 takes additional steps with respect to the national emergency declared in E.O. 12938. E.O. 13382 provides for the blocking of the property and interests in property of persons listed in its annex and those determined to meet certain criteria related to the proliferation of weapons of mass destruction and their means of delivery. Three North Korean entities are listed in the annex, and OFAC and the State Department have designated a number of North Korean persons determined to meet one or more of the E.O.'s designation criteria.

*Regulations:* On April 13, 2009, OFAC issued the Weapons of Mass Destruction Proliferators Sanctions Regulations, [31 C.F.R. part 544](#), to implement E.O. 13382.

*This fact sheet is a broad summary of the sanctions as of the date of publication. For an updated list of authorities and sanctions please refer to the North Korea and Non-proliferation Sanctions pages on OFAC's website at: [www.treasury.gov/resource-center/sanctions/Programs/pages/nkorea.aspx](http://www.treasury.gov/resource-center/sanctions/Programs/pages/nkorea.aspx) and [www.treasury.gov/resource-center/sanctions/Programs/Pages/wmd.aspx](http://www.treasury.gov/resource-center/sanctions/Programs/Pages/wmd.aspx).*

## III. PROHIBITED TRANSACTIONS

### BLOCKED PROPERTY AND INTERESTS IN PROPERTY

Pursuant to E.O. 13466, certain property and interests in property of North Korea or its nationals that were blocked pursuant to TWEA as of June 16, 2000, and remained blocked immediately prior to June 26, 2008 (the date of E.O. 13466), continue to be blocked.

E.O. 13551 blocks the property and interests in property of persons listed in the Annex to E.O. 13551, as well as of persons determined by the Secretary of the Treasury, in consultation with the Secretary of State:

- To have, directly or indirectly, imported, exported, or reexported to, into, or from North Korea any arms or related materiel;
- To have, directly or indirectly, provided training, advice, or other services or assistance, or engaged in financial transactions, related to the manufacture, maintenance, or use of any arms or related materiel to be imported, exported, or reexported to, into, or from North Korea, or following their importation, exportation, or reexportation to, into, or from North Korea;
- To have, directly or indirectly, imported, exported, or reexported luxury goods to or into North Korea;
- To have, directly or indirectly, engaged in money laundering, the counterfeiting of goods or currency, bulk cash smuggling, narcotics trafficking, or other illicit economic activity that involves or supports the Government of North Korea or any senior official thereof;
- To have materially assisted, sponsored, or provided financial, material, or technological support for, or goods or services to or in support of, any of the above-listed activities or any person whose property and interests in property are blocked pursuant to the E.O.;
- To be owned or controlled by, or to have acted or purported to act for or on behalf of, directly or indirectly, any person whose property and interests in property are blocked pursuant to the E.O.; or
- To have attempted to engage in any of the activities described above.

E.O. 13687 blocks the property and interests in property of persons determined by the Secretary of the Treasury, in consultation with the Secretary of State:

- To be an agency, instrumentality, or controlled entity of the Government of North Korea or the Workers' Party of Korea;
- To be an official of the Government of North Korea;
- To be an official of the Workers' Party of Korea;
- To have materially assisted, sponsored, or provided financial, material, or technological support for, or goods or services to or in support of, the Government of North Korea or any person whose property and interests in property are blocked pursuant to the E.O.; or
- To be owned or controlled by, or to have acted or purported to act for or on behalf of, directly or indirect, the Government of North Korea or any person whose property and interests in property are blocked pursuant to the E.O.

E.O. 13722 blocks the property and interests in property of the Government of North Korea and the Workers' Party of Korea, as well as the property and interests in property of persons determined by the Secretary of the Treasury, in consultation with the Secretary of State:

- To operate in any industry in the North Korean economy as may be determined by the Secretary of the Treasury, in consultation with the Secretary of State, to be subject to this provision, such as transportation, mining, energy, or financial services;
- To have sold, supplied, transferred, or purchased, directly or indirectly, to or from North Korea or any person acting for or on behalf of the Government of North Korea or the Workers' Party of Korea, metal, graphite, coal, or software, where any revenue or goods received may benefit the Government of North Korea or the Workers' Party of Korea, including North Korea's nuclear or ballistic missile programs;
- To have engaged in, facilitated, or been responsible for an abuse or violation of human rights by the Government of North Korea, the Workers' Party of Korea, or any person acting for or on behalf of either entity;
- To have engaged in, facilitated, or been responsible for the exportation of workers from North Korea, including exportation to generate revenue for the Government of North Korea or the Workers' Party of Korea;
- To have engaged in significant activities undermining cybersecurity through the use of computer networks or systems against targets outside of North Korea on behalf of the Government of North Korea or the Workers' Party of Korea;
- To have engaged in, facilitated, or been responsible for censorship by the Government of North Korea or the Workers' Party of Korea;
- To have materially assisted, sponsored, or provided financial, material, or technological support for, or goods or services to or in support of, any person whose property and interests in property are blocked pursuant to the E.O.;
- To be owned or controlled by, or to have acted or purported to act for or on behalf of, directly or indirectly, any person whose property and interests in property are blocked pursuant to the E.O.; or
- To have attempted to engage in any of the activities described above.

As noted above, E.O. 13382, relating to weapons of mass destruction proliferators, has been applied to certain North Korean persons. E.O. 13382 blocks the property and interests in property of three North Korean persons listed in the Annex to E.O. 13382, as well as:



- Any foreign person determined by the Secretary of State, in consultation with the Secretary of the Treasury, the Attorney General, and other relevant agencies, to have engaged, or attempted to engage, in activities or transactions that have materially contributed to, or pose a risk of materially contributing to, the proliferation of weapons of mass destruction or their means of delivery, including any efforts to manufacture, acquire, possess, develop, transport, transfer, or use such items, by any person or foreign country of proliferation concern;
- Any person determined by the Secretary of the Treasury, in consultation with the Secretary of State, the Attorney General, and other relevant agencies, to have provided, or attempted to provide, financial, material, technological, or other support for, or goods or services in support of, any such activity or transaction, or any person whose property and interests in property are blocked pursuant to the E.O.; or
- Any person determined by the Secretary of the Treasury, in consultation with the Secretary of State, the Attorney General, and other relevant agencies, to be owned or controlled by, or acting or purporting to act for or on behalf of, directly or indirectly, any person whose property and interests in property are blocked pursuant to the E.O.

The names of persons listed in the Annex to E.O. 13551 or designated pursuant to E.O. 13551, whose property and interests in property are therefore blocked, are published in the *Federal Register* and incorporated into OFAC's Specially Designated Nationals and Blocked Persons List (SDN List) with the identifier "[DPRK]." The names of persons designated pursuant to E.O. 13687, whose property and interests in property are therefore blocked, are published in the *Federal Register* and incorporated into OFAC's SDN List with the identifier "[DPRK2]." The names of persons designated pursuant to E.O. 13722, whose property and interests in property are therefore blocked, are published in the *Federal Register* and incorporated into OFAC's SDN List with the identifier "[DPRK3]." The names of persons listed in the Annex or designated pursuant to E.O. 13382, whose property and interests in property are therefore blocked, are published in the *Federal Register* and incorporated into OFAC's SDN List with the identifier "[NPWMD]." The SDN List and Treasury's other sanctions lists are available on OFAC's website at [www.treasury.gov/sdn](http://www.treasury.gov/sdn).

Unless otherwise authorized or exempt, transactions by U.S. persons or in or involving the United States are prohibited if they involve transferring, paying, exporting, withdrawing, or otherwise dealing in the property or interests in property of an entity or individual listed on the SDN List. The property and interests in property of an entity that is 50 percent or more owned, whether individually or in the aggregate, directly or indirectly, by one or more blocked persons are also blocked, regardless of whether the entity itself is listed. For details please see: [http://www.treasury.gov/resource-center/sanctions/Documents/licensing\\_guidance.pdf](http://www.treasury.gov/resource-center/sanctions/Documents/licensing_guidance.pdf).

## **TRANSACTIONS INVOLVING NORTH KOREAN VESSELS**

Pursuant to E.O. 13466, 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.

## **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 or applicable exemption. 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. § 501, subpart E, to OFAC. Those wishing to request a license are directed to the Specific Licenses section of this brochure for details. U.S. depository institutions handling letters of credit or documentary collections involving imports from North Korea should 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.

## EXPORTING TO NORTH KOREA

Pursuant to E.O. 13722, goods, services, and technology may not be exported or reexported, directly or indirectly, to North Korea from the United States, or by a U.S. person, wherever located, except to the extent provided by statutes, or in regulations, orders, directives, or licenses that may be issued pursuant to the E.O. or pursuant to the export control authorities implemented by the Department of Commerce. The Department of Commerce's Bureau of Industry and Security (BIS) maintains authority to license exports and reexports of goods and technology subject to the Export Administration Regulations to persons that are not on the SDN List and to the Government of North Korea and the Workers' Party of Korea. To export to designated persons, U.S. persons must obtain a license from both OFAC and BIS.

## INVESTMENT IN NORTH KOREA

Pursuant to E.O. 13722, new investment in North Korea by U.S. persons without a license from OFAC or applicable exemption is prohibited.

## TRANSACTIONS INVOLVING NORTH KOREA

Pursuant to E.O. 13722, any approval, financing, facilitation, or guarantee by a U.S. person, wherever located, of a transaction by a foreign person, where the transaction by that foreign person would be prohibited by the E.O. if performed by a U.S. person or within the United States, is prohibited.

# IV. AUTHORIZED AND EXEMPT TRANSACTIONS

## EXEMPT TRANSACTIONS

Certain types of transactions may be exempt from the prohibitions of the NKSR and the relevant Executive orders. IEEPA contains exemptions for transactions ordinarily incident to travel, the importation and exportation of information and informational materials, personal communications, and others. Thus, OFAC restrictions that rely solely on IEEPA authority do not extend to such transactions. These exemptions do not apply to OFAC restrictions that are based on other authorities, including the UNPA. U.S. persons generally do not need an OFAC license to travel to North Korea or to provide or receive services ordinarily incident to travel to and from North Korea. However, U.S. persons are generally prohibited from engaging in transactions or dealings involving persons designated pursuant to the UNPA, including during travel, and from importing non-exempt goods from North Korea into the United States upon return. (Note that prospective travelers to North Korea may wish to consult the [U.S. Department of State](#) travel web page regarding such travel.)

## GENERAL LICENSES

OFAC may authorize certain categories of transactions that would otherwise be prohibited with respect to North Korea by issuing a general license. General licenses may be published in the regulations or on OFAC's website. For example, the provision of certain legal services to or on behalf of persons whose property and interests in property are blocked pursuant to 31 C.F.R. § 510.201 is authorized, provided that all receipts of payment of professional fees and reimbursement of incurred expenses must be specifically licensed. See 31 C.F.R. § 510.506.

For a current list of all general licenses relating to the North Korea sanctions program, please see 31 C.F.R. § 510 subpart E and visit: <http://www.treasury.gov/resource-center/sanctions/Programs/Pages/nkorea.aspx>.

## SPECIFIC LICENSES

On a case-by-case basis, OFAC considers applications for specific licenses to authorize otherwise prohibited transactions that are neither exempt from regulation nor covered by a general license. Requests for a specific license must be submitted to OFAC's Licensing Division. License requests may be submitted using any of these three methods:

- Online: <http://www.treasury.gov/resource-center/sanctions/Pages/licensing.aspx>;
- Fax: (202) 622-1657; or
- Mail: Assistant Director for Licensing, Office of Foreign Assets Control, U.S. Department of the Treasury, 1500 Pennsylvania Avenue, NW, Washington, DC 20220.

## V. PENALTIES

Civil monetary penalties of up to the greater of \$250,000 (\$284,582 as of August 1, 2016 for violations occurring after November 2, 2015) or twice the amount of the underlying transaction may be imposed administratively against any person who violates, attempts to violate, conspires to violate, or causes a violation of any license, order, regulation or prohibition issued under IEEPA. Upon conviction, criminal penalties of up to \$1,000,000, imprisonment for up to 20 years, or both, may be imposed on any person who willfully commits or attempts to commit, or willfully conspires to commit, or aids or abets in the commission of a violation of the any license, order, regulation or prohibition issued under IEEPA. Criminal violations of any order, rule, or regulation issued under the UNPA may result in fines of up to \$1,000,000, imprisonment for up to 20 years, or both.

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OFAC administers a number of U.S. economic sanctions programs. OFAC sanctions programs can range from being comprehensive in nature, such as a program that blocks the entire government of a country and includes broad geographically-based trade restrictions, to being fairly limited, such as a program that targets only specific individuals and entities. Some programs both target particular individuals and entities and prohibit types of transactions. It is therefore important to review the details of any given sanctions program to understand its scope. It is also important to note that although a program may be targeted, the prohibitions in such programs on dealings with individuals and entities whose property and interests in property are blocked are very broad, and they apply regardless of where the targeted person is located. The names of individuals and entities that are designated or identified as blocked by OFAC are incorporated into OFAC's list of Specially Designated Nationals and Blocked Persons (SDN List), which includes over 5,000 names of persons whose property and interests in property are blocked. Note, however, that the SDN List is not a comprehensive list of all such entities and individuals. The property and interests in property of an entity that is 50 percent or more owned, whether individually or in the aggregate, directly or indirectly, by one or more sanctioned persons are also sanctioned, regardless of whether the entity itself is listed on the SDN.

*Please note that* OFAC maintains other sanctions lists that may have different prohibitions associated with them. See the "[Sanctions Programs and Country Information](#)" page for information on specific programs and other Treasury sanctions lists). Because OFAC's programs are constantly changing, it is very important to check OFAC's website on a regular basis. You may also wish to sign up for updates via OFAC's Email Notification System to receive notifications regarding changes to OFAC's sanctions programs. For additional information about these programs or about sanctions involving North Korea please contact:

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