

a person has actual knowledge, or should have known, of the conduct, the circumstance, or the result.

(Pub. L. 114–122, title II, §201B, as added Pub. L. 116–92, div. F, title LXXI, §7121(a), Dec. 20, 2019, 133 Stat. 2245.)

Editorial Notes

REFERENCES IN TEXT

The International Emergency Economic Powers Act, referred to in subsec. (b)(1), is title II of Pub. L. 95–223, Dec. 28, 1977, 91 Stat. 1626, which is classified generally to chapter 35 (§1701 et seq.) of Title 50, War and National Defense. For complete classification of this Act to the Code, see Short Title note set out under section 1701 of Title 50 and Tables.

Executive Documents

DELEGATION OF FUNCTIONS

Functions and authorities under section 7121 of Pub. L. 116–92 with respect to this section delegated to Secretary of the Treasury, in consultation with the Secretary of State, by section 1(b)(iii) of Memorandum of President of the United States, Feb. 21, 2020, 85 F.R. 13717, set out as a note under section 286yy of this title.

§ 9221c. Prohibition on transactions with certain sanctioned persons by persons owned or controlled by United States financial institutions

(a) In general

Not later than 180 days after December 20, 2019, the Secretary of the Treasury, in consultation with the Secretary of State, shall prohibit an entity owned or controlled by a United States financial institution and established or maintained outside the United States from knowingly engaging in any transaction described in subsection (b) directly or indirectly with the Government of North Korea or any person designated for the imposition of sanctions with respect to North Korea under—

- (1) subsection (a), (b), or (g) of section 9214 of this title;
- (2) an applicable Executive order; or
- (3) an applicable United Nations Security Council resolution.

(b) Transactions described

A transaction described in this subsection is a transaction that would be prohibited by an order or regulation issued pursuant to the International Emergency Economic Powers Act (50 U.S.C. 1701 et seq.) if the transaction were engaged in in the United States or by a United States person.

(c) Civil penalties

The civil penalty provided for in section 206(b) of the International Emergency Economic Powers Act (50 U.S.C. 1705(b)) shall apply to a United States financial institution to the same extent that such penalty applies to a person that commits an unlawful act described in section 206(a) of that Act if an entity owned or controlled by the United States financial institution and established or maintained outside the United States violates, attempts to violate, conspires to violate, or causes a violation of any order or regulation issued to implement subsection (a).

(d) United States financial institution defined

In this section, the term “United States financial institution” has the meaning given the

term “U.S. financial institution” in section 510.328 of title 31, Code of Federal Regulations (or any corresponding similar regulation or ruling).

(Pub. L. 114–122, title II, §201C, as added Pub. L. 116–92, div. F, title LXXI, §7121(a), Dec. 20, 2019, 133 Stat. 2246.)

Editorial Notes

REFERENCES IN TEXT

The International Emergency Economic Powers Act, referred to in subsec. (b), is title II of Pub. L. 95–223, Dec. 28, 1977, 91 Stat. 1626, which is classified generally to chapter 35 (§1701 et seq.) of Title 50, War and National Defense. For complete classification of this Act to the Code, see Short Title note set out under section 1701 of Title 50 and Tables.

§ 9222. Ensuring the consistent enforcement of United Nations Security Council resolutions and financial restrictions on North Korea

(a) Findings

Congress makes the following findings:

(1) All member states of the United Nations are obligated to implement and enforce applicable United Nations Security Council resolutions fully and promptly, including by blocking the property of, and ensuring that any property is prevented from being made available to, persons designated for the blocking of property by the Security Council under applicable United Nations Security Council resolutions.

(2) As of May 2015, 158 of the 193 member states of the United Nations had not submitted reports on measures taken to implement North Korea-specific United Nations Security Council resolutions 1718, 1874, and 2094.

(3) A recent report by the Government Accountability Office (GAO–15–485)—

(A) finds that officials of the United States and representatives of the United Nations Panel of Experts established pursuant to United Nations Security Council Resolution 1874 (2009), which monitors and facilitates implementation of United Nations sanctions on North Korea, “agree that the lack of detailed reports from all member states is an impediment to the UN’s effective implementation of its sanctions”; and

(B) notes that “many member states lack the technical capacity to enforce sanctions and prepare reports” on the implementation of United Nations sanctions on North Korea.

(4) All member states share a common interest in protecting the international financial system from the risks of money laundering and illicit transactions emanating from North Korea.

(5) The United States dollar and the euro are the world’s principal reserve currencies, and the United States and the European Union are primarily responsible for the protection of the international financial system from the risks described in paragraph (4).

(6) The cooperation of the People’s Republic of China, as North Korea’s principal trading partner, is essential to—

(A) the enforcement of applicable United Nations Security Council resolutions; and

(B) the protection of the international financial system.

(7) The report of the Panel of Experts expressed concern about the ability of banks to detect and prevent illicit transfers involving North Korea if such banks are located in member states with less effective regulators or member states that are unable to afford effective compliance.

(8) North Korea has historically exploited inconsistencies between jurisdictions in the interpretation and enforcement of financial regulations and applicable United Nations Security Council resolutions to circumvent sanctions and launder the proceeds of illicit activities.

(9) Amroggang Development Bank, Bank of East Land, and Tanchon Commercial Bank have been designated by the Secretary of the Treasury, the United Nations Security Council, and the European Union as having materially contributed to the proliferation of weapons of mass destruction.

(10) Korea Daesong Bank and Korea Kwangson Banking Corporation have been designated by the Secretary of the Treasury and the European Union as having materially contributed to the proliferation of weapons of mass destruction.

(11) The Foreign Trade Bank of North Korea has been designated by the Secretary of the Treasury for facilitating transactions on behalf of persons linked to its proliferation network and for serving as “a key financial node”.

(12) Daedong Credit Bank has been designated by the Secretary of the Treasury for activities prohibited by applicable United Nations Security Council resolutions, including the use of deceptive financial practices to facilitate transactions on behalf of persons linked to North Korea’s proliferation network.

(b) Sense of Congress

It is the sense of Congress that the President should intensify diplomatic efforts in appropriate international fora, such as the United Nations, and bilaterally, to develop and implement a coordinated, consistent, multilateral strategy for protecting the global financial system against risks emanating from North Korea, including—

(1) the cessation of any financial services the continuation of which is inconsistent with applicable United Nations Security Council resolutions;

(2) the cessation of any financial services to persons, including financial institutions, that present unacceptable risks of facilitating money laundering and illicit activity by the Government of North Korea;

(3) the blocking by all member states, in accordance with the legal process of the state in which the property is held, of any property required to be blocked under applicable United Nations Security Council resolutions;

(4) the blocking of any property derived from illicit activity, or from the misappropriation, theft, or embezzlement of public funds by, or for the benefit of, officials of the Government of North Korea;

(5) the blocking of any property involved in significant activities undermining cybersecurity by the Government of North Korea, directly or indirectly, against United States persons, or the theft of intellectual property by the Government of North Korea, directly or indirectly from United States persons; and

(6) the blocking of any property of persons directly or indirectly involved in censorship or human rights abuses by the Government of North Korea.

(c) Strategy to improve international implementation and enforcement of United Nations North Korea-specific sanctions

The President shall direct the Secretary of State, in coordination with other Federal departments and agencies, as appropriate, to develop a strategy to improve international implementation and enforcement of United Nations North Korea-specific sanctions. The strategy should include elements—

(1) to increase the number of countries submitting reports to the United Nations Panel of Experts established pursuant to United Nations Security Council Resolution 1874 (2009), including developing a list of targeted countries where effective implementation and enforcement of United Nations sanctions would reduce the threat from North Korea;

(2) to encourage member states of the United Nations to cooperate and share information with the panel in order to help facilitate investigations;

(3) to expand cooperation with the Panel of Experts;

(4) to provide technical assistance to member states to implement United Nations sanctions, including developing the capacity to enforce sanctions through improved export control regulations, border security, and customs systems;

(5) to harness existing United States Government initiatives and assistance programs, as appropriate, to improve sanctions implementation and enforcement; and

(6) to increase outreach to the people of North Korea, and to support the engagement of independent, non-governmental journalistic, humanitarian, and other institutions in North Korea.

(d) Report required

Not later than 90 days after February 18, 2016, and annually thereafter, the Secretary of State shall submit to the appropriate congressional committees a report that describes the actions undertaken to implement the strategy required by subsection (c).

(Pub. L. 114-122, title II, §202, Feb. 18, 2016, 130 Stat. 104.)

§ 9223. Proliferation prevention sanctions

(a) Export of certain goods or technology

A validated license shall be required for the export to North Korea of any goods or technology otherwise covered under section 4605(j)¹

¹ See References in Text note below.