

## **Democratic People's Republic of Korea - Enforcement of UN, U.S. and EU**

### **Sanctions**

***Dear Members:***

This circular informs Members of the significant risk of evading the comprehensive international sanctions regime against the Democratic People's Republic of Korea (DPRK) which the United Nations Security Council introduced in 2017.

Enforcement of sanctions generally, and against the maritime industry specifically, has intensified since 2017. This circular draws attention to some of the measures that Governments are taking to enforce sanctions and warns of the serious consequences of trading with DPRK and DPRK-related interests.

#### **Enforcement**

Since 2017, the United Nations Security Council has combined with some of its prominent members to step up surveillance of any maritime activity that arouses a suspicion of sanctions evasion and there are now even more restrictive measures on DPRK and related activities. As a result of the heightened surveillance of shipping activities in the Yellow Sea, East China Sea and Sea of Japan, surveillance agencies will continue to detect and identify ships which engage in trading activities with the DPRK and foreign flagged vessels and their owners linked to the DPRK that have been sanctioned for a global port entry ban and assets freeze. Surveillance photographs of foreign-flagged ships and the people connected with them have resulted in their listing by the United Nations Security Council 1718 Committee as designated entities and individuals, subject to a UN assets freeze and travel ban.

Photographs reveal the extent to which some shipowners involved in both North Korean sanctions evasions and related transnational organised crime syndicates are prepared to go, including attempts to conceal the ship's identity by covering or overwriting its legitimate IMO number and name while also turning off the AIS transmitter to hide its track from view on AIS system trackers. Such ships invariably conceal their identity to hide the unlawful transfer of coal and liquid cargoes in STS operations with North Korean vessels and foreign flagged or stateless vessels that have been designated by the UN for earlier violations. The UN Panel of Experts on DPRK sanctions has documented these ships' activities and the people associated with them. The UN reports are publicly accessible<sup>1</sup> and they have been disclosed to or read by maritime authorities. In some cases, this has resulted in the withdrawal of registration services to ships engaging in such activities and some of these ships were detained at their next port of call under the auspices of a global port entry ban on such ships.

The United States Department of Treasury has so far designated individuals and entities along with 28 ships involved in DPRK sanctions evasion. Any shipowner, charterer or manager involved in these activities will find it very difficult to trade such ships or to raise finance because of the US designation resulting in asset freeze and exclusion from trading in US Dollars. A ship which is linked to such activities by the UN or State agencies inevitably attracts further scrutiny from the banking sector which may freeze or cancel accounts or freeze transactions.