

114TH CONGRESS  
2D SESSION

# H. R. 757

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IN THE SENATE OF THE UNITED STATES

JANUARY 19, 2016

Received; read twice and referred to the Committee on Foreign Relations

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## AN ACT

To improve the enforcement of sanctions against the Government of North Korea, and for other purposes.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*

1 **SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

2 (a) **SHORT TITLE.**—This Act may be cited as the  
3 “North Korea Sanctions Enforcement Act of 2016”.

4 (b) **TABLE OF CONTENTS.**—The table of contents for  
5 this Act is as follows:

- Sec. 1. Short title; table of contents.
- Sec. 2. Findings.
- Sec. 3. Definitions.

TITLE I—INVESTIGATIONS, PROHIBITED CONDUCT, AND  
PENALTIES

- Sec. 101. Statement of policy.
- Sec. 102. Investigations.
- Sec. 103. Briefing to Congress.
- Sec. 104. Designation of persons for prohibited conduct and mandatory and discretionary designation and sanctions authorities.
- Sec. 105. Forfeiture of property.

TITLE II—SANCTIONS AGAINST NORTH KOREAN PROLIFERATION,  
HUMAN RIGHTS ABUSES, ILLICIT ACTIVITIES, AND SIGNIFI-  
CANT ACTIVITIES UNDERMINING CYBER SECURITY

- Sec. 201. Determinations with respect to North Korea as a jurisdiction of primary money laundering concern.
- Sec. 202. Ensuring the consistent enforcement of United Nations Security Council resolutions and financial restrictions on North Korea.
- Sec. 203. Proliferation prevention sanctions.
- Sec. 204. Procurement sanctions.
- Sec. 205. Enhanced inspections authorities.
- Sec. 206. Travel sanctions.
- Sec. 207. Exemptions, waivers, and removals of designation.
- Sec. 208. Report on those responsible for knowingly engaging in significant activities undermining cyber security.
- Sec. 209. Sense of Congress that trilateral cooperation among the United States, Japan, and the Republic of Korea is crucial to the stability of the Asia-Pacific region.
- Sec. 210. Report on nuclear program cooperation between North Korea and Iran.

TITLE III—PROMOTION OF HUMAN RIGHTS

- Sec. 301. Information technology.
- Sec. 302. Report on North Korean prison camps.
- Sec. 303. Report on persons who are responsible for serious human rights abuses or censorship in North Korea.

TITLE IV—GENERAL AUTHORITIES

- Sec. 401. Suspension of sanctions and other measures.
- Sec. 402. Termination of sanctions and other measures.

Sec. 403. Authority to consolidate reports.  
Sec. 404. Regulations.  
Sec. 405. No additional funds authorized.  
Sec. 406. Effective date.

1 **SEC. 2. FINDINGS.**

2 Congress finds the following:

3 (1) The Government of North Korea has re-  
4 peatedly violated its commitments to the complete,  
5 verifiable, irreversible dismantlement of its nuclear  
6 weapons programs, and has willfully violated mul-  
7 tiple United Nations Security Council resolutions  
8 calling for it to cease its development, testing, and  
9 production of weapons of mass destruction.

10 (2) North Korea poses a grave risk for the pro-  
11 liferation of nuclear weapons and other weapons of  
12 mass destruction.

13 (3) The Government of North Korea has been  
14 implicated repeatedly in money laundering and illicit  
15 activities, including prohibited arms sales, narcotics  
16 trafficking, the counterfeiting of United States cur-  
17 rency, and the counterfeiting of intellectual property  
18 of United States persons.

19 (4) The Government of North Korea has, both  
20 historically and recently, repeatedly sponsored acts  
21 of international terrorism, including attempts to as-  
22 sassinate defectors and human rights activists, re-  
23 peated threats of violence against foreign persons,

1 leaders, newspapers, and cities, and the shipment of  
2 weapons to terrorists and state sponsors of ter-  
3 rorism.

4 (5) North Korea has unilaterally withdrawn  
5 from the 1953 Armistice Agreement that ended the  
6 Korean War, and committed provocations against  
7 South Korea in 2010 by sinking the warship  
8 Cheonan and killing 46 of her crew, and by shelling  
9 Yeonpyeong Island, killing four South Koreans.

10 (6) North Korea maintains a system of brutal  
11 political prison camps that contain as many as  
12 120,000 men, women, and children, who live in atro-  
13 cious living conditions with insufficient food, cloth-  
14 ing, and medical care, and under constant fear of  
15 torture or arbitrary execution.

16 (7) The Congress reaffirms the purposes of the  
17 North Korean Human Rights Act of 2004 contained  
18 in section 4 of such Act (22 U.S.C. 7802).

19 (8) North Korea has prioritized weapons pro-  
20 grams and the procurement of luxury goods, in defi-  
21 ance of United Nations Security Council resolutions,  
22 and in gross disregard of the needs of its people.

23 (9) The President has determined that the Gov-  
24 ernment of North Korea is responsible for knowingly  
25 engaging in significant activities undermining cyber

1 security with respect to United States persons and  
2 interests, and for threats of violence against the ci-  
3 vilian population of the United States.

4 (10) Persons, including financial institutions,  
5 who engage in transactions with, or provide financial  
6 services to, the Government of North Korea and its  
7 financial institutions without establishing sufficient  
8 financial safeguards against North Korea's use of  
9 these transactions to promote proliferation, weapons  
10 trafficking, human rights violations, illicit activity,  
11 and the purchase of luxury goods, aid and abet  
12 North Korea's misuse of the international financial  
13 system, and also violate the intent of relevant United  
14 Nations Security Council resolutions.

15 (11) The Government of North Korea's conduct  
16 poses an imminent threat to the security of the  
17 United States and its allies, to the global economy,  
18 to the safety of members of the United States  
19 Armed Forces, to the integrity of the global financial  
20 system, to the integrity of global nonproliferation  
21 programs, and to the people of North Korea.

22 (12) The Congress seeks, through this legisla-  
23 tion, to use nonmilitary means to address this crisis,  
24 to provide diplomatic leverage to negotiate necessary

1 changes in North Korea’s conduct, and to ease the  
2 suffering of the people of North Korea.

3 **SEC. 3. DEFINITIONS.**

4 In this Act:

5 (1) **APPLICABLE EXECUTIVE ORDER.**—The  
6 term “applicable Executive order” means—

7 (A) Executive Order No. 13382 (2005),  
8 13466 (2008), 13551 (2010), 13570 (2011), or  
9 13687 (2015) to the extent that such Executive  
10 order authorizes the imposition of sanctions on  
11 persons for conduct, or prohibits transactions  
12 or activities, involving the Government of North  
13 Korea; or

14 (B) any Executive order adopted on or  
15 after the date of the enactment of this Act, to  
16 the extent that such Executive order authorizes  
17 the imposition of sanctions on persons for con-  
18 duct, or prohibits transactions or activities, in-  
19 volving the Government of North Korea.

20 (2) **APPLICABLE UNITED NATIONS SECURITY**  
21 **COUNCIL RESOLUTION.**—The term “applicable  
22 United Nations Security Council resolution”  
23 means—

1 (A) United Nations Security Council Reso-  
2 lution 1695 (2006), 1718 (2006), 1874 (2009),  
3 2087 (2013), or 2094 (2013); or

4 (B) any United Nations Security Council  
5 resolution adopted on or after the date of the  
6 enactment of this Act, to the extent that such  
7 resolution authorizes the imposition of sanctions  
8 on persons for conduct, or prohibits trans-  
9 actions or activities, involving the Government  
10 of North Korea.

11 (3) APPROPRIATE CONGRESSIONAL COMMIT-  
12 TEES.—The term “appropriate congressional com-  
13 mittees” means—

14 (A) the Committee on Foreign Affairs, the  
15 Committee on Ways and Means, and the Com-  
16 mittee on Financial Services of the House of  
17 Representatives; and

18 (B) the Committee on Foreign Relations  
19 and the Committee on Banking, Housing, and  
20 Urban Affairs of the Senate.

21 (4) DESIGNATED PERSON.—The term “des-  
22 ignated person” means a person designated under  
23 subsection (a) or (b) of section 104 for purposes of  
24 applying one or more of the sanctions described in  
25 title I or II of this Act with respect to the person.

1           (5) GOVERNMENT OF NORTH KOREA.—The  
2 term “Government of North Korea” means—

3           (A) the Government of the Democratic  
4 People’s Republic of Korea or any political sub-  
5 division, agency, or instrumentality thereof; and

6           (B) any person owned or controlled by, or  
7 acting for or on behalf of, the Government of  
8 the Democratic People’s Republic of Korea.

9           (6) INTERNATIONAL TERRORISM.—The term  
10 “international terrorism” has the meaning given  
11 such term in section 140(d) of the Foreign Relations  
12 Authorization Act, Fiscal Years 1988 and 1989 (22  
13 U.S.C. 2656f(d)), and includes the conduct de-  
14 scribed in section 212(a)(3)(B)(iii) of the Immigra-  
15 tion and Nationality Act (8 U.S.C.  
16 1182(a)(3)(B)(iii)), to the extent such conduct in-  
17 volves the citizens of more than one country.

18           (7) LUXURY GOODS.—The term “luxury goods”  
19 has the meaning given such term in subpart 746.4  
20 of title 15, Code of Federal Regulations, and in-  
21 cludes the items listed in Supplement No. 1 to such  
22 regulation, and any similar items.

23           (8) MONETARY INSTRUMENT.—The term “mon-  
24 etary instrument” has the meaning given such term  
25 under section 5312 of title 31, United States Code.



1 (9) NORTH KOREAN FINANCIAL INSTITUTION.—

2 The term “North Korean financial institution”  
3 means—

4 (A) a financial institution organized under  
5 the laws of North Korea or any jurisdiction  
6 within North Korea (including a foreign branch  
7 of such institution);

8 (B) any financial institution located in  
9 North Korea, except as may be excluded from  
10 such definition by the President in accordance  
11 with section 207(d);

12 (C) any financial institution, wherever lo-  
13 cated, owned or controlled by the Government  
14 of North Korea; and

15 (D) any financial institution, wherever lo-  
16 cated, owned or controlled by a financial insti-  
17 tution described in subparagraph (A), (B), or  
18 (C).

19 (10) OTHER STORES OF VALUE.—The term  
20 “other stores of value” means—

21 (A) prepaid access devices, tangible or in-  
22 tangible prepaid access devices, or other instru-  
23 ments or devices for the storage or transmission  
24 of value, as defined in part 1010 of title 31,  
25 Code of Federal Regulations; and

1 (B) any covered goods, as defined in sec-  
2 tion 1027.100 of title 31, Code of Federal Reg-  
3 ulations, and any instrument or tangible or in-  
4 tangible access device used for the storage and  
5 transmission of a representation of covered  
6 goods, or other device, as defined in section  
7 1027.100 of title 31, Code of Federal Regula-  
8 tions.

9 (11) PERSON.—The term “person” has the  
10 meaning given such term in section 510.306 of title  
11 31, Code of Federal Regulations.

12 (12) SIGNIFICANT ACTIVITIES UNDERMINING  
13 CYBER SECURITY.—The term “significant activities  
14 undermining cyber security” means—

15 (A) significant efforts to—

16 (i) deny access to or degrade, disrupt,  
17 or destroy an information and communica-  
18 tions technology system or network; or

19 (ii) exfiltrate information from such a  
20 system or network without authorization;

21 (B) significant destructive malware at-  
22 tacks;

23 (C) significant denial of service activities;

24 or

1 (D) such other significant activities as may  
2 be described in regulations promulgated to im-  
3 plement section 104.

4 (13) UNITED STATES PERSON.—The term  
5 “United States person” has the meaning given such  
6 term in section 510.311 of title 31, Code of Federal  
7 Regulations.

8 **TITLE I—INVESTIGATIONS, PRO-**  
9 **HIBITED CONDUCT, AND PEN-**  
10 **ALTIES**

11 **SEC. 101. STATEMENT OF POLICY.**

12 In order to achieve the peaceful disarmament of  
13 North Korea, Congress finds that it is necessary—

14 (1) to encourage all states to fully and promptly  
15 implement United Nations Security Council Resolu-  
16 tion 2094 (2013);

17 (2) to sanction—

18 (A) persons that facilitate proliferation of  
19 weapons of mass destruction, illicit activities,  
20 arms trafficking, imports of luxury goods, cash  
21 smuggling, censorship, and knowingly engage in  
22 significant activities undermining cyber security  
23 by the Government of North Korea; and

24 (B) persons that fail to exercise due dili-  
25 gence to ensure that financial institutions do

1 not facilitate any of the activities described in  
2 subparagraph (A) by the Government of North  
3 Korea;

4 (3) to deny the Government of North Korea ac-  
5 cess to the funds it uses to obtain nuclear weapons,  
6 ballistic missiles, offensive cyber capabilities, and  
7 luxury goods instead of providing for the needs of its  
8 people; and

9 (4) to enforce sanctions in a manner that  
10 avoids any adverse humanitarian impact on the peo-  
11 ple of North Korea to the extent possible and in a  
12 manner that does not unduly constrain the enforce-  
13 ment of such sanctions.

14 **SEC. 102. INVESTIGATIONS.**

15 The President shall initiate an investigation into the  
16 possible designation of a person under section 104(a) upon  
17 receipt by the President of credible information indicating  
18 that such person has engaged in conduct described in sec-  
19 tion 104(a).

20 **SEC. 103. BRIEFING TO CONGRESS.**

21 Not later than 180 days after the date of the enact-  
22 ment of this Act, and periodically thereafter, the President  
23 shall provide to the appropriate congressional committees  
24 a briefing on efforts to implement this Act, to include the  
25 following, to the extent the information is available:

1           (1) The principal foreign assets and sources of  
2 foreign income of the Government of North Korea.

3           (2) A list of the persons designated under sub-  
4 sections (a) and (b) of section 104.

5           (3) A list of the persons with respect to which  
6 sanctions were waived or removed under section 207.

7           (4) A summary of any diplomatic efforts made  
8 in accordance with section 202(b) and of the  
9 progress realized from such efforts, including efforts  
10 to encourage the European Union and other states  
11 and jurisdictions to sanction and block the assets of  
12 the Foreign Trade Bank of North Korea and  
13 Daedong Credit Bank.

14 **SEC. 104. DESIGNATION OF PERSONS FOR PROHIBITED**  
15 **CONDUCT AND MANDATORY AND DISCRE-**  
16 **TIONARY DESIGNATION AND SANCTIONS AU-**  
17 **THORITIES.**

18           (a) PROHIBITED CONDUCT AND MANDATORY DES-  
19 IGNATION AND SANCTIONS AUTHORITY.—

20           (1) CONDUCT DESCRIBED.—Except as provided  
21 in section 207, the President shall designate under  
22 this subsection any person the President determines  
23 to—

24                   (A) have knowingly engaged in significant  
25 activities or transactions with the Government

1 of North Korea that have materially contrib-  
2 uted to the proliferation of weapons of mass de-  
3 struction or their means of delivery (including  
4 missiles capable of delivering such weapons), in-  
5 cluding any efforts to manufacture, acquire,  
6 possess, develop, transport, transfer, or use  
7 such items;

8 (B) have knowingly imported, exported, or  
9 reexported to, into, or from North Korea any  
10 significant arms or related materiel, whether di-  
11 rectly or indirectly;

12 (C) have knowingly provided significant  
13 training, advice, or other services or assistance,  
14 or engaged in significant transactions, related  
15 to the manufacture, maintenance, or use of any  
16 arms or related materiel to be imported, ex-  
17 ported, or reexported to, into, or from North  
18 Korea, or following their importation, expor-  
19 tation, or reexportation to, into, or from North  
20 Korea, whether directly or indirectly;

21 (D) have knowingly, directly or indirectly,  
22 imported, exported, or reexported significant  
23 luxury goods to or into North Korea;

24 (E) have knowingly engaged in or been re-  
25 sponsible for censorship by the Government of

1 North Korea, including prohibiting, limiting, or  
2 penalizing the exercise of freedom of expression  
3 or assembly, limiting access to print, radio or  
4 other broadcast media, Internet or other elec-  
5 tronic communications, or the facilitation or  
6 support of intentional frequency manipulation  
7 that would jam or restrict an international sig-  
8 nal;

9 (F) have knowingly engaged in or been re-  
10 sponsible for serious human rights abuses by  
11 the Government of North Korea, including tor-  
12 ture or cruel, inhuman, or degrading treatment  
13 or punishment, prolonged detention without  
14 charges and trial, forced labor or trafficking in  
15 persons, causing the disappearance of persons  
16 by the abduction and clandestine detention of  
17 those persons, and other denial of the right to  
18 life, liberty, or the security of a person;

19 (G) have knowingly, directly or indirectly,  
20 engaged in acts of money laundering, the coun-  
21 terfeiting of goods or currency, bulk cash smug-  
22 gling, narcotics trafficking, or other illicit activ-  
23 ity that involves or supports the Government of  
24 North Korea or any senior official thereof,  
25 whether directly or indirectly; or

1           (H) have knowingly attempted to engage in  
2           any of the conduct described in subparagraphs  
3           (A) through (G) of this paragraph.

4           (2) EFFECT OF DESIGNATION.—With respect to  
5           any person designated under this subsection, the  
6           President—

7           (A) shall exercise the authorities of the  
8           International Emergency Economic Powers Act  
9           (50 U.S.C. 1705 et seq.) to block all property  
10          and interests in property of any person des-  
11          ignated under this subsection that are in the  
12          United States, that hereafter come within the  
13          United States, or that are or hereafter come  
14          within the possession or control of any United  
15          States person, including any foreign branch;  
16          and

17          (B) may apply any of the sanctions de-  
18          scribed in sections 204, 205(c), and 206.

19          (3) PENALTIES.—The penalties provided for in  
20          section 206 of the International Emergency Eco-  
21          nomic Powers Act (50 U.S.C. 1705) shall apply to  
22          a person who violates, attempts to violate, conspires  
23          to violate, or causes a violation of any prohibition  
24          provided for in this subsection, or of an order or reg-  
25          ulation prescribed under this Act, to the same extent



1 that such penalties apply to a person that commits  
2 an unlawful act described in section 206(a) of that  
3 Act (50 U.S.C. 1705(a)).

4 (4) DEFINITION.—In paragraph (1)(F), the  
5 term “trafficking in persons” has the meaning given  
6 the term in section 103(9) of the Trafficking Vic-  
7 tims Protection Act of 2000 (22 U.S.C. 7102(9)).

8 (b) DISCRETIONARY DESIGNATION AND SANCTIONS  
9 AUTHORITY.—

10 (1) CONDUCT DESCRIBED.—Except as provided  
11 in section 207 and paragraph (3) of this subsection,  
12 the President may designate under this subsection  
13 any person that the President determines to—

14 (A) have knowingly engaged in, contrib-  
15 uted to, assisted, sponsored, or provided finan-  
16 cial, material or technological support for, or  
17 goods and services in support of, any violation  
18 of, or evasion of, an applicable United Nations  
19 Security Council resolution;

20 (B) have knowingly facilitated the transfer  
21 of any funds, financial assets, or economic re-  
22 sources of, or property or interests in property  
23 of a person designated under an applicable Ex-  
24 ecutive order, or by the United Nations Secu-

1 rity Council pursuant to an applicable United  
2 Nations Security Council resolution;

3 (C) have knowingly facilitated the transfer  
4 of any funds, financial assets, or economic re-  
5 sources, or any property or interests in property  
6 derived from, involved in, or that has materially  
7 contributed to conduct prohibited by subsection  
8 (a) or an applicable United Nations Security  
9 Council resolution;

10 (D) have knowingly facilitated any trans-  
11 action, including any transaction in bulk cash  
12 or other stores of value, without applying en-  
13 hanced monitoring to ensure that such trans-  
14 action does not contribute materially to conduct  
15 described in subsection (a) an applicable Execu-  
16 tive order, or an applicable United Nations Se-  
17 curity Council resolution;

18 (E) have knowingly facilitated any trans-  
19 actions in cash or monetary instruments or  
20 other stores of value, including through cash  
21 couriers transiting to or from North Korea,  
22 used to facilitate any conduct prohibited by an  
23 applicable United Nations Security Council res-  
24 olution;

1           (F) have knowingly, directly or indirectly,  
2 engaged in significant activities undermining  
3 cyber security for, in support of on behalf of,  
4 the Government of North Korea or any senior  
5 official thereof, or have knowingly contributed  
6 to the bribery of an official of the Government  
7 of North Korea, the misappropriation, theft, or  
8 embezzlement of public funds by, or for the  
9 benefit of, an official of the Government of  
10 North Korea, or the use of any proceeds of any  
11 such conduct; or

12           (G) have knowingly and materially as-  
13 sisted, sponsored, or provided significant finan-  
14 cial, material, or technological support for, or  
15 goods or services to or in support of, the con-  
16 duct described in subparagraphs (A) through  
17 (F) of this paragraph or the conduct described  
18 in subparagraphs (A) through (G) of subsection  
19 (a)(1).

20           (2) EFFECT OF DESIGNATION.—With respect to  
21 any person designated under this subsection, the  
22 President—

23           (A) may apply the sanctions described in  
24 section 204;

1 (B) may apply any of the special measures  
2 described in section 5318A of title 31, United  
3 States Code;

4 (C) may prohibit any transactions in for-  
5 eign exchange that are subject to the jurisdic-  
6 tion of the United States and in which such  
7 person has any interest;

8 (D) may prohibit any transfers of credit or  
9 payments between financial institutions or by,  
10 through, or to any financial institution, to the  
11 extent that such transfers or payments are sub-  
12 ject to the jurisdiction of the United States and  
13 involve any interest of the person; and

14 (E) may exercise the authorities of the  
15 International Emergency Economic Powers Act  
16 (50 U.S.C. 1705 et seq.) without regard to sec-  
17 tion 202 of such Act to block any property and  
18 interests in property of any person designated  
19 under this subsection that are in the United  
20 States, that hereafter come within the United  
21 States, or that are or hereafter come within the  
22 possession or control of any United States per-  
23 son, including any foreign branch.

24 (3) LIMITATION.—If the President determines  
25 that a person has engaged in any conduct described

1 in subparagraphs (A) through (F) of paragraph (1)  
2 that may also be construed to constitute conduct de-  
3 scribed in subparagraphs (A) through (H) of sub-  
4 section (a)(1), the President may not designate the  
5 person under this subsection but rather shall des-  
6 ignate the person under subsection (a).

7 (c) BLOCKING OF ALL PROPERTY AND INTERESTS  
8 IN PROPERTY OF THE GOVERNMENT OF NORTH KOREA  
9 AND THE WORKER'S PARTY OF KOREA.—Except as pro-  
10 vided in section 207, the President shall exercise the au-  
11 thorities of the International Emergency Economic Pow-  
12 ers Act (50 U.S.C. 1705 et seq.) to block all property and  
13 interests in property of the Government of North Korea  
14 or the Worker's Party of Korea that on or after the date  
15 of the enactment of this Act come within the United  
16 States, or that come within the possession or control of  
17 any United States person, including any foreign branch.

18 (d) APPLICATION.—The designation of a person  
19 under subsection (a) or (b) and the blocking of property  
20 and interests in property under subsection (c) shall also  
21 apply with respect to a person who is determined to be  
22 owned or controlled by, or to have acted or purported to  
23 act for or on behalf of, directly or indirectly, any person  
24 whose property and interests in property are blocked pur-  
25 suant to this section.

1 (e) LICENSING.—

2 (1) LICENSE REQUIRED.—Not later than 180  
3 days after the date of enactment of this Act, the  
4 President shall promulgate regulations prohibiting  
5 United States persons from engaging in any trans-  
6 action involving any property or services—

7 (A) in which the Government of North  
8 Korea has an interest;

9 (B) located in North Korea;

10 (C) of North Korean origin; or

11 (D) knowingly transferred, directly or indi-  
12 rectly, to the Government of North Korea.

13 (2) TRANSACTION LICENSING.—The President  
14 shall deny or revoke any license for any transaction  
15 that, in the determination of the President, lacks  
16 sufficient financial controls to ensure that such  
17 transaction will not facilitate any of the conduct de-  
18 scribed in subsection (a) or subsection (b).

19 (3) LICENSING AUTHORIZATION.—The Presi-  
20 dent may issue regulations to authorize—

21 (A) transactions for the purposes described  
22 in section 207; and

23 (B) transactions and activities authorized  
24 under North Korean Human Rights Act of  
25 2004 (22 U.S.C. 7801 et seq.).

1 **SEC. 105. FORFEITURE OF PROPERTY.**

2 (a) AMENDMENT TO PROPERTY SUBJECT TO FOR-  
3 FEITURE.—Section 981(a)(1) of title 18, United States  
4 Code, is amended by adding at the end the following new  
5 subparagraph:

6 “(I) Any property, real or personal, that is in-  
7 volved in a violation or attempted violation, or which  
8 constitutes or is derived from proceeds traceable to  
9 a violation, of section 104(a) of the North Korea  
10 Sanctions Enforcement Act of 2016.”.

11 (b) AMENDMENT TO DEFINITION OF CIVIL FOR-  
12 FEITURE STATUTE.—Section 983(i)(2)(D) of title 18,  
13 United States Code, is amended—

14 (1) by striking “or the International Emergency  
15 Economic Powers Act” and inserting “, the Inter-  
16 national Emergency Economic Powers Act”; and

17 (2) by adding at the end before the semicolon  
18 the following: “, or the North Korea Sanctions En-  
19 forcement Act of 2016”.

20 (c) AMENDMENT TO DEFINITION OF SPECIFIED UN-  
21 LAWFUL ACTIVITY.—Section 1956(e)(7)(D) of title 18,  
22 United States Code, is amended—

23 (1) by striking “or section 92 of the Atomic  
24 Energy Act of 1954” and inserting “section 92 of  
25 the Atomic Energy Act of 1954”; and

1 (2) by adding at the end the following: “, or  
2 section 104(a) of the North Korea Sanctions En-  
3 forcement Act of 2016;”.

4 **TITLE II—SANCTIONS AGAINST**  
5 **NORTH KOREAN PROLIFERA-**  
6 **TION, HUMAN RIGHTS**  
7 **ABUSES, ILLICIT ACTIVITIES,**  
8 **AND SIGNIFICANT ACTIVITIES**  
9 **UNDERMINING CYBER SECU-**  
10 **RITY**

11 **SEC. 201. DETERMINATIONS WITH RESPECT TO NORTH**  
12 **KOREA AS A JURISDICTION OF PRIMARY**  
13 **MONEY LAUNDERING CONCERN.**

14 (a) FINDINGS.—Congress makes the following find-  
15 ings:

16 (1) The Undersecretary of the Treasury for  
17 Terrorism and Financial Intelligence, who is respon-  
18 sible for safeguarding the financial system against il-  
19 licit use, money laundering, terrorist financing, and  
20 the proliferation of weapons of mass destruction, has  
21 repeatedly expressed concern about North Korea’s  
22 misuse of the international financial system as fol-  
23 lows:

24 (A) In 2006, the Undersecretary stated  
25 that, given North Korea’s “counterfeiting of



1 U.S. currency, narcotics trafficking and use of  
2 accounts worldwide to conduct proliferation-re-  
3 lated transactions, the line between illicit and  
4 licit North Korean money is nearly invisible”  
5 and urged financial institutions worldwide to  
6 “think carefully about the risks of doing any  
7 North Korea-related business.”.

8 (B) In 2011, the Undersecretary stated  
9 that “North Korea remains intent on engaging  
10 in proliferation, selling arms as well as bringing  
11 in material,” and was “aggressively pursuing  
12 the effort to establish front companies.”.

13 (C) In 2013, the Undersecretary stated, in  
14 reference to North Korea’s distribution of high-  
15 quality counterfeit United States currency, that  
16 “North Korea is continuing to try to pass a  
17 supernote into the international financial sys-  
18 tem,” and that the Department of the Treasury  
19 would soon introduce new currency with im-  
20 proved security features to protect against  
21 counterfeiting by the Government of North  
22 Korea.

23 (2) The Financial Action Task Force, an inter-  
24 governmental body whose purpose is to develop and  
25 promote national and international policies to com-

1 bat money laundering and terrorist financing, has  
2 repeatedly—

3 (A) expressed concern at deficiencies in  
4 North Korea’s regimes to combat money laun-  
5 dering and terrorist financing;

6 (B) urged North Korea to adopt a plan of  
7 action to address significant deficiencies in  
8 these regimes and the serious threat they pose  
9 to the integrity of the international financial  
10 system;

11 (C) urged all jurisdictions to apply coun-  
12 termeasures to protect the international finan-  
13 cial system from ongoing and substantial money  
14 laundering and terrorist financing risks ema-  
15 nating from North Korea;

16 (D) urged all jurisdictions to advise their  
17 financial institutions to give special attention to  
18 business relationships and transactions with  
19 North Korea, including North Korean compa-  
20 nies and financial institutions; and

21 (E) called on all jurisdictions to protect  
22 against correspondent relationships being used  
23 to bypass or evade countermeasures and risk  
24 mitigation practices, and take into account  
25 money laundering and terrorist financing risks

1           when considering requests by North Korean fi-  
2           nancial institutions to open branches and sub-  
3           sidiaries in their jurisdiction.

4           (3) On March 7, 2013, the United Nations Se-  
5           curity Council unanimously adopted Resolution  
6           2094, which—

7                   (A) welcomed the Financial Action Task  
8                   Force’s recommendation on financial sanctions  
9                   related to proliferation, and its guidance on the  
10                  implementation of sanctions;

11                  (B) decided that Member States should  
12                  apply enhanced monitoring and other legal  
13                  measures to prevent the provision of financial  
14                  services or the transfer of property that could  
15                  contribute to activities prohibited by applicable  
16                  United Nations Security Council resolutions;  
17                  and

18                  (C) called on Member States to prohibit  
19                  North Korean banks from establishing or main-  
20                  taining correspondent relationships with banks  
21                  in their jurisdictions, to prevent the provision of  
22                  financial services, if they have information that  
23                  provides reasonable grounds to believe that  
24                  these activities could contribute to activities  
25                  prohibited by an applicable United Nations Se-

1           curity Council resolution, or to the evasion of  
2           such prohibitions.

3           (b) SENSE OF CONGRESS REGARDING THE DESIGNA-  
4 TION OF NORTH KOREA AS A JURISDICTION OF PRIMARY  
5 MONEY LAUNDERING CONCERN.—Congress—

6           (1) acknowledges the efforts of the United Na-  
7 tions Security Council to impose limitations on, and  
8 require enhanced monitoring of, transactions involv-  
9 ing North Korean financial institutions that could  
10 contribute to sanctioned activities;

11           (2) urges the President, in the strongest terms,  
12 to immediately designate North Korea as a jurisdic-  
13 tion of primary money laundering concern, and to  
14 adopt stringent special measures to safeguard the fi-  
15 nancial system against the risks posed by North Ko-  
16 rea’s willful evasion of sanctions and its illicit activi-  
17 ties; and

18           (3) urges the President to seek the prompt im-  
19 plementation by other states of enhanced monitoring  
20 and due diligence to prevent North Korea’s misuse  
21 of the international financial system, including by  
22 sharing information about activities, transactions,  
23 and property that could contribute to activities sanc-  
24 tioned by applicable United Nations Security Council  
25 resolutions, or to the evasion of sanctions.

1 (c) DETERMINATIONS REGARDING NORTH KOREA.—

2 (1) IN GENERAL.—The Secretary of the Treas-  
3 ury shall, not later than 180 days after the date of  
4 the enactment of this Act, determine, in consultation  
5 with the Secretary of State and Attorney General,  
6 and in accordance with section 5318A of title 31,  
7 United States Code, whether reasonable grounds  
8 exist for concluding that North Korea is a jurisdic-  
9 tion of primary money laundering concern.

10 (2) SPECIAL MEASURES.—If the Secretary of  
11 the Treasury determines under this subsection that  
12 reasonable grounds exist for finding that North  
13 Korea is a jurisdiction of primary money laundering  
14 concern, the Secretary of the Treasury, in consulta-  
15 tion with the Federal functional regulators, shall im-  
16 pose one or more of the special measures described  
17 in paragraphs (1) through (5) of section 5318A(b)  
18 of title 31, United States Code, with respect to the  
19 jurisdiction of North Korea.

20 (3) REPORT REQUIRED.—

21 (A) IN GENERAL.—If the Secretary of the  
22 Treasury determines that North Korea is a ju-  
23 risdiction of primary money laundering concern,  
24 the Secretary of the Treasury shall, not later  
25 than 90 days after the date on which the Sec-

1           retary makes such determination, submit to the  
2           appropriate congressional committees a report  
3           on the determination made under paragraph (1)  
4           together with the reasons for that determina-  
5           tion.

6                   (B) FORM.—A report or copy of any re-  
7           port submitted under this paragraph shall be  
8           submitted in unclassified form but may contain  
9           a classified annex.

10 **SEC. 202. ENSURING THE CONSISTENT ENFORCEMENT OF**  
11                   **UNITED NATIONS SECURITY COUNCIL RESO-**  
12                   **LUTIONS AND FINANCIAL RESTRICTIONS ON**  
13                   **NORTH KOREA.**

14           (a) FINDINGS.—Congress finds that—

15                   (1) all states and jurisdictions are obligated to  
16           implement and enforce applicable United Nations  
17           Security Council resolutions fully and promptly, in-  
18           cluding by—

19                           (A) blocking the property of, and ensuring  
20           that any property is prevented from being made  
21           available to, persons designated by the Security  
22           Council under applicable United Nations Secu-  
23           rity Council resolutions;

1 (B) blocking any property associated with  
2 an activity prohibited by applicable United Na-  
3 tions Security Council resolutions; and

4 (C) preventing any transfer of property  
5 and any provision of financial services that  
6 could contribute to an activity prohibited by ap-  
7 plicable United Nations Security Council resolu-  
8 tions, or to the evasion of sanctions under such  
9 resolutions;

10 (2) all states and jurisdictions share a common  
11 interest in protecting the international financial sys-  
12 tem from the risks of money laundering and illicit  
13 transactions emanating from North Korea;

14 (3) the United States Dollar and the Euro are  
15 the world's principal reserve currencies, and the  
16 United States and the European Union are pri-  
17 marily responsible for the protection of the inter-  
18 national financial system from these risks;

19 (4) the cooperation of the People's Republic of  
20 China, as North Korea's principal trading partner,  
21 is essential to the enforcement of applicable United  
22 Nations Security Council resolutions and to the pro-  
23 tection of the international financial system;

24 (5) the report of the Panel of Experts estab-  
25 lished pursuant to United Nations Security Council

1 Resolution 1874, dated June 11, 2013, expressed  
2 concern about the ability of banks in states with less  
3 effective regulators and those unable to afford effective  
4 compliance to detect and prevent illicit transfers  
5 involving North Korea;

6 (6) North Korea has historically exploited in-  
7 consistencies between jurisdictions in the interpreta-  
8 tion and enforcement of financial regulations and  
9 applicable United Nations Security Council resolu-  
10 tions to circumvent sanctions and launder the pro-  
11 ceeds of illicit activities;

12 (7) Amrogang Development Bank, Bank of  
13 East Land, and Tanchon Commercial Bank have  
14 been designated by the Secretary of the Treasury,  
15 the United Nations Security Council, and the Euro-  
16 pean Union;

17 (8) Korea Daesong Bank and Korea Kwangson  
18 Banking Corporation have been designated by the  
19 Secretary of the Treasury and the European Union;

20 (9) the Foreign Trade Bank of North Korea  
21 has been designated by the Secretary of the Treas-  
22 ury for facilitating transactions on behalf of persons  
23 linked to its proliferation network, and for serving as  
24 “a key financial node”; and



1           (10) Daedong Credit Bank has been designated  
2           by the Secretary of the Treasury for activities pro-  
3           hibited by applicable United Nations Security Coun-  
4           cil resolutions, including the use of deceptive finan-  
5           cial practices to facilitate transactions on behalf of  
6           persons linked to North Korea’s proliferation net-  
7           work.

8           (b) SENSE OF CONGRESS.—It is the sense of Con-  
9           gress that the President should intensify diplomatic ef-  
10          forts, both in appropriate international fora such as the  
11          United Nations and bilaterally, to develop and implement  
12          a coordinated, consistent, multilateral strategy for pro-  
13          tecting the global financial system against risks emanating  
14          from North Korea, including—

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

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

23               (3) the blocking by all states and jurisdictions,  
24               in accordance with the legal process of the state or  
25               jurisdiction in which the property is held, of any

1 property required to be blocked under applicable  
2 United Nations Security Council resolutions;

3 (4) the blocking of any property derived from il-  
4 licit activity, from significant activities undermining  
5 cyber security, from the misappropriation, theft, or  
6 embezzlement of public funds by, or for the benefit  
7 of, officials of the Government of North Korea;

8 (5) the blocking of any property involved in sig-  
9 nificant activities undermining cyber security by the  
10 Government of North Korea, directly or indirectly,  
11 against United States persons, or the theft of intel-  
12 lectual property by the Government of North Korea,  
13 directly or indirectly from United States persons;  
14 and

15 (6) the blocking of any property of persons di-  
16 rectly or indirectly involved in censorship or human  
17 rights abuses by the Government of North Korea.

18 **SEC. 203. PROLIFERATION PREVENTION SANCTIONS.**

19 (a) EXPORT OF CERTAIN GOODS OR TECHNOLOGY.—

20 (1) IN GENERAL.—Subject to section  
21 207(a)(2)(C) of this Act, a license shall be required  
22 for the export to North Korea of any goods or tech-  
23 nology subject to the Export Administration Regula-  
24 tions (part 730 of title 15, Code of Federal Regula-  
25 tions) without regard to whether the Secretary of

1 State has designated North Korea as a country the  
2 government of which has provided support for acts  
3 of international terrorism, as determined by the Sec-  
4 retary of State under section 6(j) of the Export Ad-  
5 ministration Act of 1979 (50 U.S.C. App. 2045), as  
6 continued in effect under the International Emer-  
7 gency Economic Powers Act.

8 (2) PRESUMPTION OF DENIAL.—A license for  
9 the export to North Korea of any goods or tech-  
10 nology as described in paragraph (1) shall be subject  
11 to a presumption of denial.

12 (b) TRANSACTIONS WITH COUNTRIES SUPPORTING  
13 ACTS OF INTERNATIONAL TERRORISM.—

14 (1) ARMS EXPORT CONTROL ACT PROHIBI-  
15 TIONS.—The prohibitions and restrictions described  
16 in section 40 of the Arms Export Control Act (22  
17 U.S.C. 2780), and other provisions provided for in  
18 that Act, shall also apply to exporting or otherwise  
19 providing (by sale, lease or loan, grant, or other  
20 means), directly or indirectly, any munitions item to  
21 the Government of North Korea without regard to  
22 whether or not North Korea is a country with re-  
23 spect to which subsection (d) of such section (relat-  
24 ing to designation of state sponsors of terrorism) ap-  
25 plies.

1           (2) FINANCIAL TRANSACTIONS.—Except as pro-  
2       vided in section 207 of this Act and the North Ko-  
3       rean Human Rights Act of 2004 (22 U.S.C. 7801  
4       et seq.), the penalties provided for in section 2332d  
5       of title 18, United States Code, shall apply to a  
6       United States person that engages in a financial  
7       transaction with the Government of North Korea on  
8       or after the date of the enactment of this Act to the  
9       same extent that such penalties apply to a United  
10      States citizen that commits an unlawful act de-  
11      scribed in section 2332d of title 18, United States  
12      Code.

13      (c) TRANSACTIONS IN LETHAL MILITARY EQUIP-  
14      MENT.—

15           (1) IN GENERAL.—The President shall withhold  
16      assistance under the Foreign Assistance Act of 1961  
17      (22 U.S.C. 2151 et seq.) to any country that pro-  
18      vides lethal military equipment to, or receives lethal  
19      military equipment from, the Government of North  
20      Korea.

21           (2) APPLICABILITY.—The prohibition under  
22      this subsection with respect to a country shall termi-  
23      nate on the date that is 1 year after the date on  
24      which such country ceases to provide lethal military  
25      equipment to the Government of North Korea.

1           (3) WAIVER.—The President may, on a case-  
2           by-case basis, waive the prohibition under this sub-  
3           section with respect to a country for a period of not  
4           more than 180 days, and may renew the waiver for  
5           additional periods of not more than 180 days, if the  
6           President determines and so reports to the appro-  
7           priate congressional committees that it is vital to the  
8           national security interests of the United States to  
9           exercise such waiver authority.

10 **SEC. 204. PROCUREMENT SANCTIONS.**

11           (a) IN GENERAL.—Except as provided in this section,  
12           the United States Government may not procure, or enter  
13           into any contract for the procurement of, any goods or  
14           services from any designated person.

15           (b) FAR.—The Federal Acquisition Regulation  
16           issued pursuant to section 1303 of title 41, United States  
17           Code, shall be revised to require a certification from each  
18           person that is a prospective contractor that such person  
19           does not engage in any of the conduct described in sub-  
20           section (a) or (b) of section 104. Such revision shall apply  
21           with respect to contracts in an amount greater than the  
22           simplified acquisition threshold (as defined in section 134  
23           of title 41, United States Code) for which solicitations are  
24           issued on or after the date that is 90 days after the date  
25           of the enactment of this Act.

1 (c) TERMINATION OF CONTRACTS AND INITIATION  
2 OF SUSPENSION AND DEBARMENT PROCEEDING.—

3 (1) TERMINATION OF CONTRACTS.—Except as  
4 provided in paragraph (2), the head of an executive  
5 agency shall terminate a contract with a person who  
6 has provided a false certification under subsection  
7 (b).

8 (2) WAIVER.—The head of an executive agency  
9 may waive the requirement under paragraph (1)  
10 with respect to a person based upon a written find-  
11 ing of urgent and compelling circumstances signifi-  
12 cantly affecting the interests of the United States. If  
13 the head of an executive agency waives the require-  
14 ment under paragraph (1) for a person, the head of  
15 the agency shall submit to the appropriate congress-  
16 sional committees, within 30 days after the waiver is  
17 made, a report containing the rationale for the waiv-  
18 er and relevant information supporting the waiver  
19 decision.

20 (3) INITIATION OF SUSPENSION AND DEBAR-  
21 MENT PROCEEDING.—The head of an executive  
22 agency shall initiate a suspension and debarment  
23 proceeding against a person who has provided a  
24 false certification under subsection (b). Upon deter-  
25 mination of suspension, debarment, or proposed de-

1       barment, the agency shall ensure that such person  
2       is entered into the Governmentwide database con-  
3       taining the list of all excluded parties ineligible for  
4       Federal programs pursuant to Executive Order No.  
5       12549 (31 U.S.C. 6101 note; relating to debarment  
6       and suspension) and Executive Order No. 12689 (31  
7       U.S.C. 6101 note; relating to debarment and sus-  
8       pension).

9       (d) CLARIFICATION REGARDING CERTAIN PROD-  
10      UCTS.—The remedies specified in subsections (a) through  
11      (c) shall not apply with respect to the procurement of eligi-  
12      ble products, as defined in section 308(4) of the Trade  
13      Agreements Act of 1979 (19 U.S.C. 2518(4)), of any for-  
14      eign country or instrumentality designated under section  
15      301(b) of such Act (19 U.S.C. 2511(b)).

16      (e) RULE OF CONSTRUCTION.—Nothing in this sub-  
17      section may be construed to limit the use of other remedies  
18      available to the head of an executive agency or any other  
19      official of the Federal Government on the basis of a deter-  
20      mination of a false certification under subsection (b).

21      (f) EXECUTIVE AGENCY DEFINED.—In this section,  
22      the term “executive agency” has the meaning given such  
23      term in section 133 of title 41, United States Code.

1 **SEC. 205. ENHANCED INSPECTIONS AUTHORITIES.**

2 (a) REPORT REQUIRED.—Not later than 180 days  
3 after the date of the enactment of this Act, and every 180  
4 days thereafter, the President, acting through the Sec-  
5 retary of Homeland Security, shall submit to the appro-  
6 priate congressional committees, the Committee on Home-  
7 land Security of the House of Representatives, and the  
8 Committee on Homeland Security and Governmental Af-  
9 fairs of the Senate, a report identifying foreign sea ports  
10 and airports whose inspections of ships, aircraft, and con-  
11 veyances originating in North Korea, carrying North Ko-  
12 rean property, or operated by the Government of North  
13 Korea are deficient to effectively prevent the facilitation  
14 of any of the activities described in section 104(a).

15 (b) ENHANCED SECURITY TARGETING REQUIRE-  
16 MENTS.—Not later than 180 days after the identification  
17 of any sea port or airport pursuant to subsection (a), the  
18 Secretary of Homeland Security shall, utilizing the Auto-  
19 mated Targeting System operated by the National Tar-  
20 geting Center in U.S. Customs and Border Protection, re-  
21 quire enhanced screening procedures to determine if phys-  
22 ical inspections are warranted of any cargo bound for or  
23 landed in the United States that has been transported  
24 through such sea port or airport if there are reasonable  
25 grounds to believe that such cargo contains goods prohib-  
26 ited under this Act.



1           (c) SEIZURE AND FORFEITURE.—A vessel, aircraft,  
2 or conveyance used to facilitate any of the activities de-  
3 scribed in section 104(a) that comes within the jurisdic-  
4 tion of the United States may be seized and forfeited  
5 under chapter 46 of title 18, United States Code, or under  
6 the Tariff Act of 1930.

7 **SEC. 206. TRAVEL SANCTIONS.**

8           (a) ALIENS INELIGIBLE FOR VISAS, ADMISSION, OR  
9 PAROLE.—

10           (1) VISAS, ADMISSION, OR PAROLE.—An alien  
11 (or an alien who is a corporate officer of a person)  
12 who the Secretary of State or the Secretary of  
13 Homeland Security (or a designee of one of such  
14 Secretaries) knows, or has reasonable grounds to be-  
15 lieve, is described in subsection (a)(1) or (b)(1) of  
16 section 104 is—

17                   (A) inadmissible to the United States;

18                   (B) ineligible to receive a visa or other doc-  
19 umentation to enter the United States; and

20                   (C) otherwise ineligible to be admitted or  
21 paroled into the United States or to receive any  
22 other benefit under the Immigration and Na-  
23 tionality Act (8 U.S.C. 1101 et seq.).

24           (2) CURRENT VISAS REVOKED.—

1 (A) IN GENERAL.—The issuing consular  
2 officer, the Secretary of State, or the Secretary  
3 of Homeland Security (or a designee of one of  
4 such Secretaries) shall revoke any visa or other  
5 entry documentation issued to an alien who is  
6 described in subsection (a)(1) or (b)(1) of sec-  
7 tion 104 regardless of when issued.

8 (B) EFFECT OF REVOCATION.—A revoca-  
9 tion under subparagraph (A)—

10 (i) shall take effect immediately; and

11 (ii) shall automatically cancel any  
12 other valid visa or entry documentation  
13 that is in the alien’s possession.

14 (b) EXCEPTION TO COMPLY WITH UNITED NATIONS  
15 HEADQUARTERS AGREEMENT.—Sanctions under sub-  
16 section (a)(1)(B) shall not apply to an alien if admitting  
17 the alien into the United States is necessary to permit the  
18 United States to comply with the Agreement regarding the  
19 Headquarters of the United Nations, signed at Lake Suc-  
20 cess June 26, 1947, and entered into force November 21,  
21 1947, between the United Nations and the United States,  
22 or other applicable international obligations.

23 **SEC. 207. EXEMPTIONS, WAIVERS, AND REMOVALS OF DES-**  
24 **IGNATION.**

25 (a) EXEMPTIONS.—

1           (1) MANDATORY EXEMPTIONS.—The following  
2 activities shall be exempt from sanctions under sec-  
3 tion 104:

4           (A) Activities subject to the reporting re-  
5 quirements of title V of the National Security  
6 Act of 1947 (50 U.S.C. 413 et seq.), or to any  
7 authorized intelligence activities of the United  
8 States.

9           (B) Any transaction necessary to comply  
10 with United States obligations under the Agree-  
11 ment between the United Nations and the  
12 United States of America regarding the Head-  
13 quarters of the United Nations, signed June  
14 26, 1947, and entered into force on November  
15 21, 1947, or under the Vienna Convention on  
16 Consular Relations, signed April 24, 1963, and  
17 entered into force on March 19, 1967, or under  
18 other international agreements.

19           (2) DISCRETIONARY EXEMPTIONS.—The fol-  
20 lowing activities may be exempt from sanctions  
21 under section 104 as determined by the President:

22           (A) Any financial transaction the exclusive  
23 purpose for which is to provide humanitarian  
24 assistance to the people of North Korea.

1           (B) Any financial transaction the exclusive  
2 purpose for which is to import food products  
3 into North Korea, if such food items are not de-  
4 fined as luxury goods.

5           (C) Any transaction the exclusive purpose  
6 for which is to import agricultural products,  
7 medicine, or medical devices into North Korea,  
8 provided that such supplies or equipment are  
9 classified as designated “EAR 99” under the  
10 Export Administration Regulations (part 730 of  
11 title 15, Code of Federal Regulations) and not  
12 controlled under—

13           (i) the Export Administration Act of  
14 1979 (50 U.S.C. App. 2401 et seq.), as  
15 continued in effect under the International  
16 Emergency Economic Powers Act (50  
17 U.S.C. 1701 et seq.);

18           (ii) the Arms Export Control Act (22  
19 U.S.C. 2751 et seq.);

20           (iii) part B of title VIII of the Nu-  
21 clear Proliferation Prevention Act of 1994  
22 (22 U.S.C. 6301 et seq.); or

23           (iv) the Chemical and Biological  
24 Weapons Control and Warfare Elimination  
25 Act of 1991 (22 U.S.C. 5601 et seq.).

1 (b) WAIVER.—The President may waive, on a case-  
2 by-case basis, the imposition of sanctions for a period of  
3 not more than 1 year, and may renew that waiver for addi-  
4 tional periods of not more than 1 year, any sanction or  
5 other measure under section 104, 204, 205, 206, or 303  
6 if the President submits to the appropriate congressional  
7 committees a written determination that the waiver meets  
8 one or more of the following requirements:

9 (1) The waiver is important to the economic or  
10 national security interests of the United States.

11 (2) The waiver will further the enforcement of  
12 this Act or is for an important law enforcement pur-  
13 pose.

14 (3) The waiver is for an important humani-  
15 tarian purpose, including any of the purposes de-  
16 scribed in section 4 of the North Korean Human  
17 Rights Act of 2004 (22 U.S.C. 7802).

18 (c) REMOVALS OF SANCTIONS.—The President may  
19 prescribe rules and regulations for the removal of sanc-  
20 tions on a person that is designated under subsection (a)  
21 or (b) of section 104 and the removal of designations of  
22 a person with respect to such sanctions if the President  
23 determines that the designated person has verifiably  
24 ceased its participation in any of the conduct described  
25 in subsection (a) or (b) of section 104, as the case may

1 be, and has given assurances that it will abide by the re-  
2 quirements of this Act.

3 (d) FINANCIAL SERVICES FOR CERTAIN ACTIVI-  
4 TIES.—The President may promulgate regulations, rules,  
5 and policies as may be necessary to facilitate the provision  
6 of financial services by a foreign financial institution that  
7 is not controlled by the Government of North Korea in  
8 support of the activities subject to exemption under this  
9 section.

10 **SEC. 208. REPORT ON THOSE RESPONSIBLE FOR KNOW-**  
11 **INGLY ENGAGING IN SIGNIFICANT ACTIVI-**  
12 **TIES UNDERMINING CYBER SECURITY.**

13 (a) IN GENERAL.—The President shall submit to the  
14 appropriate congressional committees a report on signifi-  
15 cant activities undermining cyber security conducted, or  
16 otherwise ordered or controlled, directly or indirectly, by  
17 the Government of North Korea, including—

18 (1) the identity and nationality of persons that  
19 have knowingly engaged in, directed, or provided  
20 material support to significant activities under-  
21 mining cyber security by the Government of North  
22 Korea;

23 (2) the conduct engaged in by each person iden-  
24 tified;

1           (3) the extent to which a foreign government  
2           has provided material support to significant activi-  
3           ties undermining cyber security conducted, or other-  
4           wise ordered or controlled by, the Government of  
5           North Korea; and

6           (4) the efforts made by the United States to en-  
7           gage foreign governments to halt the capability of  
8           North Korea to conduct significant activities under-  
9           mining cyber security.

10       (b) SUBMISSION AND FORM.—

11           (1) SUBMISSION.—The report required under  
12           subsection (a) shall be submitted not later than 90  
13           days after the date of enactment of this Act, and  
14           every 180 days thereafter for a period not to exceed  
15           3 years.

16           (2) FORM.—The report required under sub-  
17           section (a) shall be submitted in an unclassified  
18           form, but may contain a classified annex.

19   **SEC. 209. SENSE OF CONGRESS THAT TRILATERAL CO-**  
20                   **OPERATION AMONG THE UNITED STATES,**  
21                   **JAPAN, AND THE REPUBLIC OF KOREA IS**  
22                   **CRUCIAL TO THE STABILITY OF THE ASIA-PA-**  
23                   **CIFIC REGION.**

24           (a) FINDINGS.—Congress finds the following:

1           (1) The United States, Japan, and the Republic  
2 of Korea (South Korea) share the values of democ-  
3 racy, free and open markets, the rule of law, and re-  
4 spect for human rights.

5           (2) The alliance relationship between the  
6 United States, Japan, and South Korea are critical  
7 to peace and security in the Asia-Pacific region.

8           (3) The United States, Japan, and South Korea  
9 are committed to continuing diplomatic efforts to en-  
10 sure continued peace and stability in the Asia-Pa-  
11 cific region.

12           (4) On December 28, 2014, the United States,  
13 Japan, and South Korea finalized a trilateral mili-  
14 tary intelligence-sharing arrangement concerning the  
15 nuclear and missile threats posed by North Korea.

16           (5) The trilateral military intelligence-sharing  
17 arrangement reinforces and strengthens the commit-  
18 ment between the United States, Japan, and South  
19 Korea toward a Korean Peninsula free of nuclear  
20 weapons.

21           (b) SENSE OF CONGRESS.—It is the sense of Con-  
22 gress that North Korea’s nuclear and ballistic missile pro-  
23 grams are of mutual concern to the United States, Japan,  
24 and South Korea and a trilateral military intelligence-



1 sharing arrangement is essential to the security of each  
2 nation and the Asia-Pacific region.

3 **SEC. 210. REPORT ON NUCLEAR PROGRAM COOPERATION**  
4 **BETWEEN NORTH KOREA AND IRAN.**

5 (a) IN GENERAL.—The President shall submit to the  
6 Committee on Foreign Affairs of the House of Representa-  
7 tives and the Committee on Foreign Relations of the Sen-  
8 ate a report on cooperation between North Korea and Iran  
9 on their nuclear programs, including the identity of Ira-  
10 nian and North Korean persons that have knowingly en-  
11 gaged in or directed the provision of material support or  
12 the exchange of information between North Korea and  
13 Iran on their respective nuclear programs.

14 (b) SUBMISSION AND FORM.—

15 (1) SUBMISSION.—The report required under  
16 subsection (a) shall be submitted not later than 90  
17 days after the date of enactment of this Act.

18 (2) FORM.—The report required under sub-  
19 section (a) shall be submitted in an unclassified  
20 form, but may contain a classified annex.

21 **TITLE III—PROMOTION OF**  
22 **HUMAN RIGHTS**

23 **SEC. 301. INFORMATION TECHNOLOGY.**

24 Section 104 of the North Korean Human Rights Act  
25 of 2004 (22 U.S.C. 7814) is amended—

1           (1) in subsection (a), by striking “radios capa-  
2           ble of receiving broadcasting” and inserting “radio,  
3           Internet, and electronic mass communications capa-  
4           ble of receiving content”; and

5           (2) by adding after subsection (c) the following  
6           new subsection:

7           “(d) INFORMATION TECHNOLOGY STUDY.—

8           “(1) IN GENERAL.—Not later than 180 days  
9           after the date of the enactment of this subsection,  
10          the President shall submit to the appropriate con-  
11          gressional committees a report setting forth a de-  
12          tailed plan for making unrestricted, unmonitored,  
13          and inexpensive, radio, Internet, and electronic mass  
14          communications available to the people of North  
15          Korea.

16          “(2) FORM.—The report required by paragraph  
17          (1) shall be submitted in unclassified form, but may  
18          contain a classified annex.”.

19   **SEC. 302. REPORT ON NORTH KOREAN PRISON CAMPS.**

20          (a) IN GENERAL.—The Secretary of State shall sub-  
21          mit to the appropriate congressional committees a report  
22          describing, with respect to each political prison camp in  
23          North Korea to the extent information is available—

24                  (1) the camp’s estimated prisoner population;

25                  (2) the camp’s geographical coordinates;

1           (3) the reasons for confinement of the pris-  
2           oners;

3           (4) the camp's primary industries and products,  
4           and the end users of any goods produced in such  
5           camp;

6           (5) the natural persons and agencies respon-  
7           sible for conditions in the camp;

8           (6) the conditions under which prisoners are  
9           confined, with respect to the adequacy of food, shel-  
10          ter, medical care, working conditions, and reports of  
11          ill-treatment of prisoners; and

12          (7) imagery, to include satellite imagery of each  
13          such camp, in a format that, if published, would not  
14          compromise the sources and methods used by the in-  
15          telligence agencies of the United States to capture  
16          geospatial imagery.

17          (b) FORM.—The report required under subsection (a)  
18          may be included in the first report required to be sub-  
19          mitted to Congress after the date of the enactment of this  
20          Act under sections 116(d) and 502B(b) of the Foreign As-  
21          sistance Act of 1961 (22 U.S.C. 2151n(d) and 2304(b))  
22          (relating to the annual human rights report).

1 **SEC. 303. REPORT ON PERSONS WHO ARE RESPONSIBLE**  
2 **FOR SERIOUS HUMAN RIGHTS ABUSES OR**  
3 **CENSORSHIP IN NORTH KOREA.**

4 (a) IN GENERAL.—The Secretary of State shall sub-  
5 mit to the appropriate congressional committees a report  
6 that contains an identification of each person the Sec-  
7 retary determines to be responsible for serious human  
8 rights abuses or censorship in North Korea and a descrip-  
9 tion of such abuses or censorship engaged in by such per-  
10 son. The report shall include a description of actions taken  
11 by the Department of State to implement or support the  
12 recommendations of the Commission of Inquiry’s Report  
13 on Human Rights in the Democratic People’s Republic of  
14 North Korea, including efforts to press China and other  
15 countries to implement Commission recommendations.

16 (b) CONSIDERATION.—In preparing the report re-  
17 quired under subsection (a), the Secretary of State shall  
18 give due consideration to the findings of the United Na-  
19 tions Commission of Inquiry on Human Rights in North  
20 Korea, and shall make specific findings with respect to  
21 the responsibility of Kim Jong Un, and of each natural  
22 person who is a member of the National Defense Commis-  
23 sion of North Korea, or the Organization and Guidance  
24 Department of the Workers’ Party of Korea, for serious  
25 human rights abuses and censorship.

1 (c) DESIGNATION OF PERSONS.—The President shall  
2 designate under section 104(a) any person listed in the  
3 report required under subsection (a) as responsible for se-  
4 rious human rights abuses or censorship in North Korea.

5 (d) SUBMISSION AND FORM.—

6 (1) SUBMISSION.—The report required under  
7 subsection (a) shall be submitted not later than 90  
8 days after the date of the enactment of this Act, and  
9 every 180 days thereafter for a period not to exceed  
10 3 years, shall be included in each report required  
11 under sections 116(d) and 502B(b) of the Foreign  
12 Assistance Act of 1961 (22 U.S.C. 2151n(d) and  
13 2304(b)) (relating to the annual human rights re-  
14 port).

15 (2) FORM.—The report required under sub-  
16 section (a) shall be submitted in unclassified form,  
17 but may include a classified annex. The Secretary of  
18 State shall also publish the unclassified part of the  
19 report on the Department of State’s Web site.

## 20 **TITLE IV—GENERAL**

### 21 **AUTHORITIES**

22 **SEC. 401. SUSPENSION OF SANCTIONS AND OTHER MEAS-**  
23 **URES.**

24 (a) IN GENERAL.—Any sanction or other measure  
25 provided for in title I (or any amendment made by title

1 I) or title II may be suspended for up to 365 days upon  
2 certification by the President to the appropriate congres-  
3 sional committees that the Government of North Korea  
4 has—

5           (1) verifiably ceased its counterfeiting of United  
6 States currency, including the surrender or destruc-  
7 tion of specialized materials and equipment used for  
8 or particularly suitable for counterfeiting;

9           (2) taken significant steps toward financial  
10 transparency to comply with generally accepted pro-  
11 tocols to cease and prevent the laundering of mone-  
12 tary instruments;

13           (3) taken significant steps toward verification  
14 of its compliance with United Nations Security  
15 Council Resolutions 1695, 1718, 1874, 2087, and  
16 2094;

17           (4) taken significant steps toward accounting  
18 for and repatriating the citizens of other countries  
19 abducted or unlawfully held captive by the Govern-  
20 ment of North Korea or detained in violation of the  
21 1953 Armistice Agreement;

22           (5) accepted and begun to abide by internation-  
23 ally recognized standards for the distribution and  
24 monitoring of humanitarian aid;

1 (6) provided credible assurances that it will not  
2 support further acts of international terrorism;

3 (7) taken significant and verified steps to im-  
4 prove living conditions in its political prison camps;  
5 and

6 (8) made significant progress in planning for  
7 unrestricted family reunification meetings, including  
8 for those individuals among the two million strong  
9 Korean-American community who maintain family  
10 ties with relatives in North Korea.

11 (b) RENEWAL OF SUSPENSION.—The suspension de-  
12 scribed in subsection (a) may be renewed for additional  
13 consecutive periods of 180 days upon certification by the  
14 President to the appropriate congressional committees  
15 that the Government of North Korea has continued to  
16 comply with the conditions described in subsection (a) dur-  
17 ing the previous year.

18 **SEC. 402. TERMINATION OF SANCTIONS AND OTHER MEAS-**

19 **URES.**

20 Any sanction or other measure provided for in title  
21 I (or any amendment made by title I) or title II shall ter-  
22minate on the date on which the President determines and  
23 certifies to the appropriate congressional committees that  
24 the Government of North Korea has met the requirements  
25 of section 401, and has also—

1           (1) completely, verifiably, and irreversibly dis-  
2           mantled all of its nuclear, chemical, biological, and  
3           radiological weapons programs, including all pro-  
4           grams for the development of systems designed in  
5           whole or in part for the delivery of such weapons;

6           (2) released all political prisoners, including the  
7           citizens of North Korea detained in North Korea's  
8           political prison camps;

9           (3) ceased its censorship of peaceful political  
10          activity;

11          (4) taken significant steps toward the establish-  
12          ment of an open, transparent, and representative so-  
13          ciety;

14          (5) fully accounted for and repatriated all citi-  
15          zens of all nations abducted or unlawfully held cap-  
16          tive by the Government of North Korea or detained  
17          in violation of the 1953 Armistice Agreement; and

18          (6) agreed with the Financial Action Task  
19          Force on a plan of action to address deficiencies in  
20          its anti-money laundering regime and begun to im-  
21          plement this plan of action.

22 **SEC. 403. AUTHORITY TO CONSOLIDATE REPORTS.**

23          Any or all reports required to be submitted to appro-  
24          priate congressional committees under this Act or any  
25          amendment made by this Act that are subject to a dead-



1 line for submission consisting of the same unit of time may  
2 be consolidated into a single report that is submitted to  
3 appropriate congressional committees pursuant to such  
4 deadline.

5 **SEC. 404. REGULATIONS.**

6 (a) IN GENERAL.—The President is authorized to  
7 promulgate such rules and regulations as may be nec-  
8 essary to carry out the provisions of this Act (which may  
9 include regulatory exceptions), including under sections  
10 203 and 205 of the International Emergency Economic  
11 Powers Act (50 U.S.C. 1702 and 1704).

12 (b) RULE OF CONSTRUCTION.—Nothing in this Act  
13 or any amendment made by this Act shall be construed  
14 to limit the authority of the President pursuant to an ap-  
15 plicable Executive order or otherwise pursuant to the  
16 International Emergency Economic Powers Act (50  
17 U.S.C. 1701 et seq.).

18 **SEC. 405. NO ADDITIONAL FUNDS AUTHORIZED.**

19 No additional funds are authorized to carry out the  
20 requirements of this Act and the amendments made by  
21 this Act.

1 **SEC. 406. EFFECTIVE DATE.**

2       Except as otherwise provided in this Act, this Act and  
3 the amendments made by this Act shall take effect on the  
4 date of the enactment of this Act.

        Passed the House of Representatives January 12,  
2016.

Attest:

KAREN L. HAAS,  
*Clerk.*