

Union Calendar No. 295

114TH CONGRESS
2D SESSION

H. R. 757

[Report No. 114–392, Part I]

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

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 5, 2015

Mr. ROYCE (for himself, Mr. ENGEL, Mr. POE of Texas, Mr. SHERMAN, Mr. SALMON, and Mr. KEATING) introduced the following bill; which was referred to the Committee on Foreign Affairs, and in addition to the Committees on Ways and Means, the Judiciary, Financial Services, and Oversight and Government Reform, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

JANUARY 11, 2016

Additional sponsors: Ms. GABBARD, Mr. AUSTIN SCOTT of Georgia, Mr. CONNOLLY, Mr. COOK, Mr. REICHERT, Mr. RIBBLE, Mr. DESJARLAIS, Mr. BISHOP of Michigan, Mr. STEWART, Mr. HASTINGS, Ms. ROS-LEHTINEN, Mr. PETERSON, Mr. KLINE, Ms. LORETTA SANCHEZ of California, Mr. RODNEY DAVIS of Illinois, Mr. HECK of Nevada, Mr. MACARTHUR, Mr. VEASEY, Mr. WOODALL, Mr. TED LIEU of California, Mr. SMITH of Washington, Mr. ISRAEL, Mr. SAM JOHNSON of Texas, Mr. DOLD, Mr. GUINTA, Mr. BOUSTANY, Mr. GUTHRIE, Mr. GIBSON, Ms. DUCKWORTH, Mrs. ELLMERS of North Carolina, and Mr. POMPEO

JANUARY 11, 2016

Reported from the Committee on Foreign Affairs with an amendment

[Strike out all after the enacting clause and insert the part printed in *italic*]

JANUARY 11, 2016

The Committees on Ways and Means, the Judiciary, Financial Services, and Oversight and Government Reform discharged; committed to the Committee of the Whole House on the State of the Union and ordered to be printed

[For text of introduced bill, see copy of bill as introduced on February 5, 2015]

A BILL

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,*

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

4 (a) *SHORT TITLE.*—*This Act may be cited as the*
 5 *“North Korea Sanctions Enforcement Act of 2015”.*

6 (b) *TABLE OF CONTENTS.*—*The table of contents for*
 7 *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 dis-
cretionary designation and sanctions authorities.

Sec. 105. Forfeiture of property.

**TITLE II—SANCTIONS AGAINST NORTH KOREAN PROLIFERATION,
 HUMAN RIGHTS ABUSES, ILLICIT ACTIVITIES, AND SIGNIFICANT
 ACTIVITIES UNDERMINING CYBER SECURITY**

Sec. 201. Determinations with respect to North Korea as a jurisdiction of pri-
mary 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 ac-
tivities 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. Effective date.

1 **SEC. 2. FINDINGS.**

2 Congress finds the following:

3 (1) The Government of North Korea has repeat-
4 edly 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 im-
14 plicated 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 of
21 international terrorism, including attempts to assas-
22 sinate defectors and human rights activists, repeated

1 *threats of violence against foreign persons, leaders,*
2 *newspapers, and cities, and the shipment of weapons*
3 *to terrorists and state sponsors of terrorism.*

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 Cheonan*
8 *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 tor-*
15 *ture 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 in-*
2 *terests, and for threats of violence against the civilian*
3 *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 fi-*
7 *nancial institutions without establishing sufficient fi-*
8 *nancial safeguards against North Korea's use of these*
9 *transactions to promote proliferation, weapons traf-*
10 *ficking, human rights violations, illicit activity, and*
11 *the purchase of luxury goods, aid and abet North Ko-*
12 *rea's misuse of the international financial system,*
13 *and also violate the intent of relevant United Nations*
14 *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, to*
18 *the safety of members of the United States Armed*
19 *Forces, to the integrity of the global financial system,*
20 *to the integrity of global nonproliferation programs,*
21 *and to the people of North Korea.*

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

1 *changes in North Korea’s conduct, and to ease the suf-*
2 *fering of the people of North Korea.*

3 **SEC. 3. DEFINITIONS.**

4 *In this Act:*

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

7 (A) *Executive Order No. 13382 (2005),*
8 *13466 (2008), 13551 (2010), or 13570 (2011), to*
9 *the extent that such Executive order authorizes*
10 *the imposition of sanctions on persons for con-*
11 *duct, or prohibits transactions or activities, in-*
12 *volving the Government of North Korea; or*

13 (B) *any Executive order adopted on or after*
14 *the date of the enactment of this Act, to the ex-*
15 *tent that such Executive order authorizes the im-*
16 *position of sanctions on persons for conduct, or*
17 *prohibits transactions or activities, involving the*
18 *Government of North Korea.*

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

22 (A) *United Nations Security Council Reso-*
23 *lution 1695 (2006), 1718 (2006), 1874 (2009),*
24 *2087 (2013), or 2094 (2013); or*

1 (B) any United Nations Security Council
2 resolution adopted on or after the date of the en-
3 actment of this Act, to the extent that such reso-
4 lution authorizes the imposition of sanctions on
5 persons for conduct, or prohibits transactions or
6 activities, involving the Government of North
7 Korea.

8 (3) *APPROPRIATE CONGRESSIONAL COMMIT-*
9 *TEES.*—The term “appropriate congressional commit-
10 tees” means—

11 (A) the Committee on Foreign Affairs, the
12 Committee on Ways and Means, and the Com-
13 mittee on Financial Services of the House of
14 Representatives; and

15 (B) the Committee on Foreign Relations
16 and the Committee on Banking, Housing, and
17 Urban Affairs of the Senate.

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

23 (5) *GOVERNMENT OF NORTH KOREA.*—The term
24 “Government of North Korea” means—

1 (A) *the Government of the Democratic Peo-*
2 *ple’s Republic of Korea or any political subdivi-*
3 *sion, agency, or instrumentality thereof; and*

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

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

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

21 (8) *MONETARY INSTRUMENT.—The term “mone-*
22 *tary instrument” has the meaning given such term*
23 *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 of*
14 *North Korea; and*

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

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

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

1 (B) any covered goods, as defined in section
 2 1027.100 of title 31, Code of Federal Regula-
 3 tions, and any instrument or tangible or intan-
 4 gible access device used for the storage and trans-
 5 mission of a representation of covered goods, or
 6 other device, as defined in section 1027.100 of
 7 title 31, Code of Federal Regulations.

8 (11) *PERSON*.—The term “person” means an in-
 9 dividual or entity as determined by the Secretary of
 10 State and the Secretary of the Treasury.

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

14 (A) significant efforts to—

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

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

20 (B) significant destructive malware attacks;

21 (C) significant denial of service activities;

22 or

23 (D) such other significant activities as may
 24 be described in regulations promulgated to im-
 25 plement section 104.

1 (13) *UNITED STATES PERSON.*—*The term*
 2 *“United States person” means—*

3 *(A) a natural person who is a citizen of the*
 4 *United States or who owes permanent allegiance*
 5 *to the United States; and*

6 *(B) a corporation or other legal entity*
 7 *which is organized under the laws of the United*
 8 *States, any State or territory thereof, or the Dis-*
 9 *trict of Columbia, if natural persons described in*
 10 *subparagraph (A) own, directly or indirectly,*
 11 *more than 50 percent of the outstanding capital*
 12 *stock or other beneficial interest in such legal en-*
 13 *tity.*

14 ***TITLE I—INVESTIGATIONS, PRO-***
 15 ***HIBITED CONDUCT, AND PEN-***
 16 ***ALTIES***

17 ***SEC. 101. STATEMENT OF POLICY.***

18 *In order to achieve the peaceful disarmament of North*
 19 *Korea, Congress finds that it is necessary—*

20 *(1) to encourage all states to fully and promptly*
 21 *implement United Nations Security Council Resolu-*
 22 *tion 2094 (2013);*

23 *(2) to sanction—*

24 *(A) persons that facilitate proliferation of*
 25 *weapons of mass destruction, illicit activities,*

1 *arms trafficking, imports of luxury goods, cash*
2 *smuggling, censorship, and knowingly engage in*
3 *significant activities undermining cyber security*
4 *by the Government of North Korea; and*

5 *(B) persons that fail to exercise due dili-*
6 *gence to ensure that financial institutions do not*
7 *facilitate any of the activities described in sub-*
8 *paragraph (A) by the Government of North*
9 *Korea;*

10 *(3) to deny the Government of North Korea ac-*
11 *cess to the funds it uses to obtain nuclear weapons,*
12 *ballistic missiles, offensive cyber capabilities, and lux-*
13 *ury goods instead of providing for the needs of its*
14 *people; and*

15 *(4) to enforce sanctions in a manner that avoids*
16 *any adverse humanitarian impact on the people of*
17 *North Korea to the extent possible and in a manner*
18 *that does not unduly constrain the enforcement of*
19 *such sanctions.*

20 **SEC. 102. INVESTIGATIONS.**

21 *The President shall initiate an investigation into the*
22 *possible designation of a person under section 104(a) upon*
23 *receipt by the President of credible information indicating*
24 *that such person has engaged in conduct described in section*
25 *104(a).*

1 **SEC. 103. BRIEFING TO CONGRESS.**

2 *Not later than 180 days after the date of the enactment*
3 *of this Act, and periodically thereafter, the President shall*
4 *provide to the appropriate congressional committees a brief-*
5 *ing on efforts to implement this Act, to include the fol-*
6 *lowing, to the extent the information is available:*

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

9 *(2) A list of the persons designated under sub-*
10 *sections (a) and (b) of section 104.*

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

13 *(4) A summary of any diplomatic efforts made*
14 *in accordance with section 202(b) and of the progress*
15 *realized from such efforts, including efforts to encour-*
16 *age the European Union and other states and juris-*
17 *dictions to sanction and block the assets of the For-*
18 *oreign Trade Bank of North Korea and Daedong Credit*
19 *Bank.*

20 **SEC. 104. DESIGNATION OF PERSONS FOR PROHIBITED**
21 **CONDUCT AND MANDATORY AND DISCRE-**
22 **TIONARY DESIGNATION AND SANCTIONS AU-**
23 **THORITIES.**

24 *(a) PROHIBITED CONDUCT AND MANDATORY DESIGNA-*
25 *TION AND SANCTIONS AUTHORITY.—*

1 (1) *CONDUCT DESCRIBED.*—*Except as provided*
2 *in section 207, the President shall designate under*
3 *this subsection any person the President determines*
4 *to—*

5 (A) *have knowingly engaged in significant*
6 *activities or transactions with the Government of*
7 *North Korea that have materially contributed to*
8 *the proliferation of weapons of mass destruction*
9 *or their means of delivery (including missiles ca-*
10 *pable of delivering such weapons), including any*
11 *efforts to manufacture, acquire, possess, develop,*
12 *transport, transfer, or use such items;*

13 (B) *have knowingly imported, exported, or*
14 *reexported to, into, or from North Korea any sig-*
15 *nificant arms or related materiel, whether di-*
16 *rectly or indirectly;*

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

1 (D) have knowingly, directly or indirectly,
2 imported, exported, or reexported significant lux-
3 ury goods to or into North Korea;

4 (E) have knowingly engaged in or been re-
5 sponsible for censorship by the Government of
6 North Korea, including prohibiting, limiting, or
7 penalizing the exercise of freedom of expression
8 or assembly, limiting access to print, radio or
9 other broadcast media, Internet or other elec-
10 tronic communications, or the facilitation or
11 support of intentional frequency manipulation
12 that would jam or restrict an international sig-
13 nal;

14 (F) have knowingly engaged in or been re-
15 sponsible for serious human rights abuses by the
16 Government of North Korea, including torture or
17 cruel, inhuman, or degrading treatment or pun-
18 ishment, prolonged detention without charges
19 and trial, forced labor or trafficking in persons,
20 causing the disappearance of persons by the ab-
21 duction and clandestine detention of those per-
22 sons, and other denial of the right to life, liberty,
23 or the security of a person;

24 (G) have knowingly, directly or indirectly,
25 engaged in acts of money laundering, the coun-

1 *terfeiting of goods or currency, bulk cash smug-*
2 *gling, narcotics trafficking, or other illicit activ-*
3 *ity that involves or supports the Government of*
4 *North Korea or any senior official thereof,*
5 *whether directly or indirectly; or*

6 *(H) have knowingly attempted to engage in*
7 *any of the conduct described in subparagraphs*
8 *(A) through (G) of this paragraph.*

9 *(2) EFFECT OF DESIGNATION.—With respect to*
10 *any person designated under this subsection, the*
11 *President—*

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

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

24 *(3) PENALTIES.—The penalties provided for in*
25 *section 206 of the International Emergency Economic*

1 *Powers Act (50 U.S.C. 1705) shall apply to a person*
 2 *who violates, attempts to violate, conspires to violate,*
 3 *or causes a violation of any prohibition provided for*
 4 *in this subsection, or of an order or regulation pre-*
 5 *scribed under this Act, to the same extent that such*
 6 *penalties apply to a person that commits an unlawful*
 7 *act described in section 206(a) of that Act (50 U.S.C.*
 8 *1705(a)).*

9 (4) *DEFINITION.*—*In paragraph (1)(F), the term*
 10 *“trafficking in persons” has the meaning given the*
 11 *term in section 103(9) of the Trafficking Victims Pro-*
 12 *tection Act of 2000 (22 U.S.C. 7102(9)).*

13 (b) *DISCRETIONARY DESIGNATION AND SANCTIONS*
 14 *AUTHORITY.*—

15 (1) *CONDUCT DESCRIBED.*—*Except as provided*
 16 *in section 207 and paragraph (3) of this subsection,*
 17 *the President may designate under this subsection*
 18 *any person that the President determines to—*

19 (A) *have knowingly engaged in, contributed*
 20 *to, assisted, sponsored, or provided financial,*
 21 *material or technological support for, or goods*
 22 *and services in support of, any violation of, or*
 23 *evasion of, an applicable United Nations Secu-*
 24 *rity Council resolution;*

1 (B) have knowingly facilitated the transfer
2 of any funds, financial assets, or economic re-
3 sources of, or property or interests in property of
4 a person designated under an applicable Execu-
5 tive order, or by the United Nations Security
6 Council pursuant to an applicable United Na-
7 tions Security Council resolution;

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

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

23 (E) have knowingly facilitated any trans-
24 actions in cash or monetary instruments or other
25 stores of value, including through cash couriers

1 *transiting to or from North Korea, used to facili-*
2 *tate any conduct prohibited by an applicable*
3 *United Nations Security Council resolution;*

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

14 *(G) have knowingly and materially assisted,*
15 *sponsored, or provided significant financial, ma-*
16 *terial, or technological support for, or goods or*
17 *services to or in support of, the conduct described*
18 *in subparagraphs (A) through (F) of this para-*
19 *graph or the conduct described in subparagraphs*
20 *(A) through (G) of subsection (a)(1).*

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

24 *(A) may apply the sanctions described in*
25 *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 jurisdiction
6 of the United States and in which such person
7 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 overseas 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 IN*
8 *PROPERTY OF THE GOVERNMENT OF NORTH KOREA AND*
9 *THE WORKER'S PARTY OF KOREA.—Except as provided in*
10 *section 207, the President shall exercise the authorities of*
11 *the International Emergency Economic Powers Act (50*
12 *U.S.C. 1705 et seq.) to block all property and interests in*
13 *property of the Government of North Korea or the Worker's*
14 *Party of Korea that on or after the date of the enactment*
15 *of this Act come within the United States, or that come*
16 *within the possession or control of any United States per-*
17 *son, including any overseas branch.*

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

1 (e) *LICENSING.*—

2 (1) *LICENSE REQUIRED.*—Not later than 180
3 days after the date of enactment of this Act, the Presi-
4 dent shall promulgate regulations prohibiting United
5 States persons from engaging in any transaction in-
6 volving any property—

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 suf-
16 ficient financial controls to ensure that such trans-
17 action will not facilitate any of the conduct described
18 in subsection (a) or subsection (b).

19 (3) *LICENSING AUTHORIZATION.*—

20 (A) *IN GENERAL.*—Subject to subparagraph
21 (B), the President may issue regulations to au-
22 thorize—

23 (i) transactions for the purposes de-
24 scribed in section 207; and

1 (ii) transactions and activities author-
 2 ized under North Korean Human Rights
 3 Act of 2004 (22 U.S.C. 7801 et seq.).

4 (B) *PROHIBITION.*—The President may not
 5 issue regulations to authorize transactions under
 6 clause (i) or (ii) of subparagraph (A) if such
 7 transactions include any transactions with the
 8 Government of North Korea.

9 **SEC. 105. FORFEITURE OF PROPERTY.**

10 (a) *AMENDMENT TO PROPERTY SUBJECT TO FOR-*
 11 *FEITURE.*—Section 981(a)(1) of title 18, United States
 12 Code, is amended by adding at the end the following new
 13 subparagraph:

14 “(I) Any property, real or personal, that is in-
 15 volved in a violation or attempted violation, or which
 16 constitutes or is derived from proceeds traceable to a
 17 violation, of section 104(a) of the North Korea Sanc-
 18 tions Enforcement Act of 2015.”.

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

22 (1) by striking “or the International Emergency
 23 Economic Powers Act” and inserting “, the Inter-
 24 national Emergency Economic Powers Act”; and

1 (2) by adding at the end before the semicolon the
 2 following: “, or the North Korea Sanctions Enforce-
 3 ment Act of 2015”.

4 (c) AMENDMENT TO DEFINITION OF SPECIFIED UN-
 5 LAWFUL ACTIVITY.—Section 1956(c)(7)(D) of title 18,
 6 United States Code, is amended—

7 (1) by striking “or section 92 of the Atomic En-
 8 ergy Act of 1954” and inserting “section 92 of the
 9 Atomic Energy Act of 1954”; and

10 (2) by adding at the end the following: “, or sec-
 11 tion 104(a) of the North Korea Sanctions Enforce-
 12 ment Act of 2015;”.

13 **TITLE II—SANCTIONS AGAINST**
 14 **NORTH KOREAN PROLIFERA-**
 15 **TION, HUMAN RIGHTS**
 16 **ABUSES, ILLICIT ACTIVITIES,**
 17 **AND SIGNIFICANT ACTIVITIES**
 18 **UNDERMINING CYBER SECU-**
 19 **RITY**

20 **SEC. 201. DETERMINATIONS WITH RESPECT TO NORTH**
 21 **KOREA AS A JURISDICTION OF PRIMARY**
 22 **MONEY LAUNDERING CONCERN.**

23 (a) FINDINGS.—Congress makes the following findings:

24 (1) The Undersecretary of the Treasury for Ter-
 25 rorism and Financial Intelligence, who is responsible

1 *for safeguarding the financial system against illicit*
2 *use, money laundering, terrorist financing, and the*
3 *proliferation of weapons of mass destruction, has re-*
4 *peatedly expressed concern about North Korea's mis-*
5 *use of the international financial system as follows:*

6 *(A) In 2006, the Undersecretary stated that,*
7 *given North Korea's "counterfeiting of U.S. cur-*
8 *rency, narcotics trafficking and use of accounts*
9 *worldwide to conduct proliferation-related trans-*
10 *actions, the line between illicit and licit North*
11 *Korean money is nearly invisible" and urged fi-*
12 *nancial institutions worldwide to "think care-*
13 *fully about the risks of doing any North Korea-*
14 *related business."*

15 *(B) In 2011, the Undersecretary stated that*
16 *"North Korea remains intent on engaging in*
17 *proliferation, selling arms as well as bringing in*
18 *material," and was "aggressively pursuing the*
19 *effort to establish front companies."*

20 *(C) In 2013, the Undersecretary stated, in*
21 *reference to North Korea's distribution of high-*
22 *quality counterfeit United States currency, that*
23 *"North Korea is continuing to try to pass a*
24 *supernote into the international financial sys-*
25 *tem," and that the Department of the Treasury*

1 *would soon introduce new currency with im-*
2 *proved security features to protect against coun-*
3 *terfeiting by the Government of North Korea.*

4 *(2) The Financial Action Task Force, an inter-*
5 *governmental body whose purpose is to develop and*
6 *promote national and international policies to com-*
7 *bat money laundering and terrorist financing, has re-*
8 *peatedly—*

9 *(A) expressed concern at deficiencies in*
10 *North Korea's regimes to combat money laun-*
11 *dering and terrorist financing;*

12 *(B) urged North Korea to adopt a plan of*
13 *action to address significant deficiencies in these*
14 *regimes and the serious threat they pose to the*
15 *integrity of the international financial system;*

16 *(C) urged all jurisdictions to apply counter-*
17 *measures to protect the international financial*
18 *system from ongoing and substantial money*
19 *laundering and terrorist financing risks ema-*
20 *nating from North Korea;*

21 *(D) urged all jurisdictions to advise their*
22 *financial institutions to give special attention to*
23 *business relationships and transactions with*
24 *North Korea, including North Korean companies*
25 *and financial institutions; and*

1 (E) called on all jurisdictions to protect
2 against correspondent relationships being used to
3 bypass or evade countermeasures and risk miti-
4 gation practices, and take into account money
5 laundering and terrorist financing risks when
6 considering requests by North Korean financial
7 institutions to open branches and subsidiaries in
8 their jurisdiction.

9 (3) On March 7, 2013, the United Nations Secu-
10 rity Council unanimously adopted Resolution 2094,
11 which—

12 (A) welcomed the Financial Action Task
13 Force’s recommendation on financial sanctions
14 related to proliferation, and its guidance on the
15 implementation of sanctions;

16 (B) decided that Member States should
17 apply enhanced monitoring and other legal
18 measures to prevent the provision of financial
19 services or the transfer of property that could
20 contribute to activities prohibited by applicable
21 United Nations Security Council resolutions;
22 and

23 (C) called on Member States to prohibit
24 North Korean banks from establishing or main-
25 taining correspondent relationships with banks

1 *in their jurisdictions, to prevent the provision of*
2 *financial services, if they have information that*
3 *provides reasonable grounds to believe that these*
4 *activities could contribute to activities prohibited*
5 *by an applicable United Nations Security Coun-*
6 *cil resolution, or to the evasion of such prohibi-*
7 *tions.*

8 ***(b) SENSE OF CONGRESS REGARDING THE DESIGNA-***
9 ***TION OF NORTH KOREA AS A JURISDICTION OF PRIMARY***
10 ***MONEY LAUNDERING CONCERN.—Congress—***

11 *(1) acknowledges the efforts of the United Na-*
12 *tions Security Council to impose limitations on, and*
13 *require enhanced monitoring of, transactions involv-*
14 *ing North Korean financial institutions that could*
15 *contribute to sanctioned activities;*

16 *(2) urges the President, in the strongest terms, to*
17 *immediately designate North Korea as a jurisdiction*
18 *of primary money laundering concern, and to adopt*
19 *stringent special measures to safeguard the financial*
20 *system against the risks posed by North Korea's will-*
21 *ful evasion of sanctions and its illicit activities; and*

22 *(3) urges the President to seek the prompt imple-*
23 *mentation by other states of enhanced monitoring and*
24 *due diligence to prevent North Korea's misuse of the*
25 *international financial system, including by sharing*

1 *information about activities, transactions, and prop-*
2 *erty that could contribute to activities sanctioned by*
3 *applicable United Nations Security Council resolu-*
4 *tions, or to the evasion of sanctions.*

5 *(c) DETERMINATIONS REGARDING NORTH KOREA.—*

6 *(1) IN GENERAL.—The Secretary of the Treasury*
7 *shall, not later than 180 days after the date of the en-*
8 *actment of this Act, determine, in consultation with*
9 *the Secretary of State and Attorney General, and in*
10 *accordance with section 5318A of title 31, United*
11 *States Code, whether reasonable grounds exist for con-*
12 *cluding that North Korea is a jurisdiction of primary*
13 *money laundering concern.*

14 *(2) SPECIAL MEASURES.—If the Secretary of the*
15 *Treasury determines under this subsection that rea-*
16 *sonable grounds exist for finding that North Korea is*
17 *a jurisdiction of primary money laundering concern,*
18 *the Secretary of the Treasury, in consultation with*
19 *the Federal functional regulators, shall impose one or*
20 *more of the special measures described in paragraphs*
21 *(1) through (5) of section 5318A(b) of title 31, United*
22 *States Code, with respect to the jurisdiction of North*
23 *Korea.*

24 *(3) REPORT REQUIRED.—*

(A) *IN GENERAL.*—If the Secretary of the Treasury determines that North Korea is a jurisdiction of primary money laundering concern, the Secretary of the Treasury shall, not later than 90 days after the date on which the Secretary makes such determination, submit to the appropriate congressional committees a report on the determination made under paragraph (1) together with the reasons for that determination.

(B) *FORM.*—A report or copy of any report submitted under this paragraph shall be submitted in unclassified form but may contain a classified annex.

SEC. 202. ENSURING THE CONSISTENT ENFORCEMENT OF UNITED NATIONS SECURITY COUNCIL RESOLUTIONS AND FINANCIAL RESTRICTIONS ON NORTH KOREA.

(a) *FINDINGS.*—Congress finds that—

(1) all states and jurisdictions are obligated to implement and enforce applicable United Nations Security Council resolutions fully and promptly, including by—

(A) blocking the property of, and ensuring that any property is prevented from being made available to, persons designated by the Security

1 *Council under applicable United Nations Secu-*
2 *rity Council resolutions;*

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

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

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

16 *(3) the United States Dollar and the Euro are*
17 *the world's principal reserve currencies, and the*
18 *United States and the European Union are primarily*
19 *responsible for the protection of the international fi-*
20 *nancial system from these risks;*

21 *(4) the cooperation of the People's Republic of*
22 *China, as North Korea's principal trading partner, is*
23 *essential to the enforcement of applicable United Na-*
24 *tions Security Council resolutions and to the protec-*
25 *tion of the international financial system;*

1 (5) *the report of the Panel of Experts established*
2 *pursuant to United Nations Security Council Resolu-*
3 *tion 1874, dated June 11, 2013, expressed concern*
4 *about the ability of banks in states with less effective*
5 *regulators and those unable to afford effective compli-*
6 *ance to detect and prevent illicit transfers involving*
7 *North Korea;*

8 (6) *North Korea has historically exploited incon-*
9 *sistencies between jurisdictions in the interpretation*
10 *and enforcement of financial regulations and applica-*
11 *ble United Nations Security Council resolutions to*
12 *circumvent sanctions and launder the proceeds of il-*
13 *licit activities;*

14 (7) *Amrogang Development Bank, Bank of East*
15 *Land, and Tanchon Commercial Bank have been des-*
16 *ignated by the Secretary of the Treasury, the United*
17 *Nations Security Council, and the European Union;*

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

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

1 (10) *Daedong Credit Bank has been designated*
2 *by the Secretary of the Treasury for activities prohib-*
3 *ited by applicable United Nations Security Council*
4 *resolutions, including the use of deceptive financial*
5 *practices to facilitate transactions on behalf of per-*
6 *sons linked to North Korea's proliferation network.*

7 (b) *SENSE OF CONGRESS.—It is the sense of Congress*
8 *that the President should intensify diplomatic efforts, both*
9 *in appropriate international fora such as the United Na-*
10 *tions and bilaterally, to develop and implement a coordi-*
11 *nated, consistent, multilateral strategy for protecting the*
12 *global financial system against risks emanating from North*
13 *Korea, including—*

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

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

22 (3) *the blocking by all states and jurisdictions,*
23 *in accordance with the legal process of the state or ju-*
24 *risdiction in which the property is held, of any prop-*

1 *erty required to be blocked under applicable United*
 2 *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 of,*
 7 *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 intellec-*
 12 *tual property by the Government of North Korea, di-*
 13 *rectly or indirectly from United States persons; and*

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

17 **SEC. 203. PROLIFERATION PREVENTION SANCTIONS.**

18 *(a) EXPORT OF CERTAIN GOODS OR TECHNOLOGY.—*

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

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

7 (2) *PRESUMPTION OF DENIAL.—A license for the*
 8 *export to North Korea of any goods or technology as*
 9 *described in paragraph (1) shall be subject to a pre-*
 10 *sumption of denial.*

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

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

24 (2) *FINANCIAL TRANSACTIONS.—Except as pro-*
 25 *vided in section 207 of this Act and the North Korean*

1 *Human Rights Act of 2004 (22 U.S.C. 7801 et seq.),*
2 *the penalties provided for in section 2332d of title 18,*
3 *United States Code, shall apply to a United States*
4 *person that engages in a financial transaction with*
5 *the Government of North Korea on or after the date*
6 *of the enactment of this Act to the same extent that*
7 *such penalties apply to a United States citizen that*
8 *commits an unlawful act described in section 2332d*
9 *of title 18, United States Code.*

10 (c) *TRANSACTIONS IN LETHAL MILITARY EQUIP-*
11 *MENT.—*

12 (1) *IN GENERAL.—The President shall withhold*
13 *assistance under the Foreign Assistance Act of 1961*
14 *(22 U.S.C. 2151 et seq.) to any country that provides*
15 *lethal military equipment to, or receives lethal mili-*
16 *tary equipment from, the Government of North Korea.*

17 (2) *APPLICABILITY.—The prohibition under this*
18 *subsection with respect to a country shall terminate*
19 *on the date that is 1 year after the date on which*
20 *such country ceases to provide lethal military equip-*
21 *ment to the Government of North Korea.*

22 (3) *WAIVER.—The President may, on a case-by-*
23 *case basis, waive the prohibition under this subsection*
24 *with respect to a country for a period of not more*
25 *than 180 days, and may renew the waiver for addi-*

1 *tional periods of not more than 180 days, if the Presi-*
 2 *dent determines and so reports to the appropriate*
 3 *congressional committees that it is vital to the na-*
 4 *tional security interests of the United States to exer-*
 5 *cise such waiver authority.*

6 **SEC. 204. PROCUREMENT SANCTIONS.**

7 *(a) IN GENERAL.—Except as provided in this section,*
 8 *the United States Government may not procure, or enter*
 9 *into any contract for the procurement of, any goods or serv-*
 10 *ices from any designated person.*

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

22 *(c) TERMINATION OF CONTRACTS AND INITIATION OF*
 23 *SUSPENSION AND DEBARMENT PROCEEDING.—*

24 *(1) TERMINATION OF CONTRACTS.—Except as*
 25 *provided in paragraph (2), the head of an executive*

1 *agency shall terminate a contract with a person who*
2 *has provided a false certification under subsection (b).*

3 (2) *WAIVER.—The head of an executive agency*
4 *may waive the requirement under paragraph (1) with*
5 *respect to a person based upon a written finding of*
6 *urgent and compelling circumstances significantly af-*
7 *fecting the interests of the United States. If the head*
8 *of an executive agency waives the requirement under*
9 *paragraph (1) for a person, the head of the agency*
10 *shall submit to the appropriate congressional commit-*
11 *tees, within 30 days after the waiver is made, a re-*
12 *port containing the rationale for the waiver and rel-*
13 *evant information supporting the waiver decision.*

14 (3) *INITIATION OF SUSPENSION AND DEBARMENT*
15 *PROCEEDING.—The head of an executive agency shall*
16 *initiate a suspension and debarment proceeding*
17 *against a person who has provided a false certifi-*
18 *cation under subsection (b). Upon determination of*
19 *suspension, debarment, or proposed debarment, the*
20 *agency shall ensure that such person is entered into*
21 *the Governmentwide database containing the list of*
22 *all excluded parties ineligible for Federal programs*
23 *pursuant to Executive Order No. 12549 (31 U.S.C.*
24 *6101 note; relating to debarment and suspension) and*

1 *Executive Order No. 12689 (31 U.S.C. 6101 note; re-*
 2 *lating to debarment and suspension).*

3 (d) *CLARIFICATION REGARDING CERTAIN PROD-*
 4 *UCTS.—The remedies specified in subsections (a) through*
 5 *(c) shall not apply with respect to the procurement of eligi-*
 6 *ble products, as defined in section 308(4) of the Trade*
 7 *Agreements Act of 1979 (19 U.S.C. 2518(4)), of any foreign*
 8 *country or instrumentality designated under section 301(b)*
 9 *of such Act (19 U.S.C. 2511(b)).*

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

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

18 **SEC. 205. ENHANCED INSPECTIONS AUTHORITIES.**

19 (a) *REPORT REQUIRED.—Not later than 180 days*
 20 *after the date of the enactment of this Act, and every 180*
 21 *days thereafter, the President, acting through the Secretary*
 22 *of Homeland Security, shall submit to the appropriate con-*
 23 *gressional committees, the Committee on Homeland Secu-*
 24 *rity of the House of Representatives, and the Committee on*
 25 *Homeland Security and Governmental Affairs of the Sen-*

1 ate, a report identifying foreign sea ports and airports
2 whose inspections of ships, aircraft, and conveyances origi-
3 nating in North Korea, carrying North Korean property,
4 or operated by the Government of North Korea are deficient
5 to effectively prevent the facilitation of any of the activities
6 described in section 104(a).

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

19 (c) *SEIZURE AND FORFEITURE.*—A vessel, aircraft, or
20 conveyance used to facilitate any of the activities described
21 in section 104(a) that comes within the jurisdiction of the
22 United States may be seized and forfeited under chapter
23 46 of title 18, United States Code, or under the Tariff Act
24 of 1930.

1 **SEC. 206. TRAVEL SANCTIONS.**

2 (a) *ALIENS INELIGIBLE FOR VISAS, ADMISSION, OR*
3 *PAROLE.*—

4 (1) *VISAS, ADMISSION, OR PAROLE.*—*An alien*
5 *(or an alien who is a corporate officer of a person (as*
6 *defined in subparagraph (B) or (C) of section 3(11)))*
7 *who the Secretary of State or the Secretary of Home-*
8 *land Security (or a designee of one of such Secre-*
9 *taries) knows, or has reasonable grounds to believe, is*
10 *described in subsection (a)(1) or (b)(1) of section 104*
11 *is—*

12 (A) *inadmissible to the United States;*

13 (B) *ineligible to receive a visa or other doc-*
14 *umentation to enter the United States; and*

15 (C) *otherwise ineligible to be admitted or*
16 *paroled into the United States or to receive any*
17 *other benefit under the Immigration and Nation-*
18 *ality Act (8 U.S.C. 1101 et seq.).*

19 (2) *CURRENT VISAS REVOKED.*—

20 (A) *IN GENERAL.*—*The issuing consular of-*
21 *ficer, the Secretary of State, or the Secretary of*
22 *Homeland Security (or a designee of one of such*
23 *Secretaries) shall revoke any visa or other entry*
24 *documentation issued to an alien who is de-*
25 *scribed in subsection (a)(1) or (b)(1) of section*
26 *104 regardless of when issued.*

1 (B) *EFFECT OF REVOCATION.*—A revocation
2 under subparagraph (A)—

3 (i) shall take effect immediately; and

4 (ii) shall automatically cancel any
5 other valid visa or entry documentation
6 that is in the alien's possession.

7 (b) *EXCEPTION TO COMPLY WITH UNITED NATIONS*
8 *HEADQUARTERS AGREEMENT.*—Sanctions under sub-
9 section (a)(1)(B) shall not apply to an alien if admitting
10 the alien into the United States is necessary to permit the
11 United States to comply with the Agreement regarding the
12 Headquarters of the United Nations, signed at Lake Success
13 June 26, 1947, and entered into force November 21, 1947,
14 between the United Nations and the United States, or other
15 applicable international obligations.

16 **SEC. 207. EXEMPTIONS, WAIVERS, AND REMOVALS OF DES-**
17 **IGNATION.**

18 (a) *EXEMPTIONS.*—

19 (1) *MANDATORY EXEMPTIONS.*—The following
20 activities shall be exempt from sanctions under sec-
21 tion 104:

22 (A) Activities subject to the reporting re-
23 quirements of title V of the National Security
24 Act of 1947 (50 U.S.C. 413 et seq.), or to any

1 *authorized intelligence activities of the United*
2 *States.*

3 *(B) Any transaction necessary to comply*
4 *with United States obligations under the Agree-*
5 *ment between the United Nations and the United*
6 *States of America regarding the Headquarters of*
7 *the United Nations, signed June 26, 1947, and*
8 *entered into force on November 21, 1947, or*
9 *under the Vienna Convention on Consular Rela-*
10 *tions, signed April 24, 1963, and entered into*
11 *force on March 19, 1967, or under other inter-*
12 *national agreements.*

13 *(2) DISCRETIONARY EXEMPTIONS.—The fol-*
14 *lowing activities may be exempt from sanctions under*
15 *section 104 as determined by the President:*

16 *(A) Any financial transaction the exclusive*
17 *purpose for which is to provide humanitarian*
18 *assistance to the people of North Korea.*

19 *(B) Any financial transaction the exclusive*
20 *purpose for which is to import food products into*
21 *North Korea, if such food items are not defined*
22 *as luxury goods.*

23 *(C) Any transaction the exclusive purpose*
24 *for which is to import agricultural products,*
25 *medicine, or medical devices into North Korea,*

1 *provided that such supplies or equipment are*
2 *classified as designated “EAR 99” under the Ex-*
3 *port Administration Regulations (part 730 of*
4 *title 15, Code of Federal Regulations) and not*
5 *controlled under—*

6 *(i) the Export Administration Act of*
7 *1979 (50 U.S.C. App. 2401 et seq.), as con-*
8 *tinued in effect under the International*
9 *Emergency Economic Powers Act (50*
10 *U.S.C. 1701 et seq.);*

11 *(ii) the Arms Export Control Act (22*
12 *U.S.C. 2751 et seq.);*

13 *(iii) part B of title VIII of the Nuclear*
14 *Proliferation Prevention Act of 1994 (22*
15 *U.S.C. 6301 et seq.); or*

16 *(iv) the Chemical and Biological*
17 *Weapons Control and Warfare Elimination*
18 *Act of 1991 (22 U.S.C. 5601 et seq.).*

19 **(b) WAIVER.**—*The President may waive, on a case-by-*
20 *case basis, the imposition of sanctions for a period of not*
21 *more than one year, and may renew that waiver for addi-*
22 *tional periods of not more than one year, any sanction or*
23 *other measure under section 104, 204, 205, 206, or 303 if*
24 *the President submits to the appropriate congressional com-*

1 *mittees a written determination that the waiver meets one*
2 *or more of the following requirements:*

3 (1) *The waiver is important to the economic or*
4 *national security interests of the United States.*

5 (2) *The waiver will further the enforcement of*
6 *this Act or is for an important law enforcement pur-*
7 *pose.*

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

12 (c) *REMOVALS OF SANCTIONS.—The President may*
13 *prescribe rules and regulations for the removal of sanctions*
14 *on a person that is designated under subsection (a) or (b)*
15 *of section 104 and the removal of designations of a person*
16 *with respect to such sanctions if the President determines*
17 *that the designated person has verifiably ceased its partici-*
18 *pation in any of the conduct described in subsection (a)*
19 *or (b) of section 104, as the case may be, and has given*
20 *assurances that it will abide by the requirements of this*
21 *Act.*

22 (d) *FINANCIAL SERVICES FOR CERTAIN ACTIVITIES.—*
23 *The President may promulgate regulations, rules, and poli-*
24 *cies as may be necessary to facilitate the provision of finan-*
25 *cial services by a foreign financial institution that is not*

1 *controlled by the Government of North Korea in support*
2 *of the activities subject to exemption under this section.*

3 **SEC. 208. REPORT ON THOSE RESPONSIBLE FOR KNOW-**
4 **INGLY ENGAGING IN SIGNIFICANT ACTIVI-**
5 **TIES UNDERMINING CYBER SECURITY.**

6 *(a) IN GENERAL.—The President shall submit to the*
7 *appropriate congressional committees a report on signifi-*
8 *cant activities undermining cyber security conducted, or*
9 *otherwise ordered or controlled, directly or indirectly, by*
10 *the Government of North Korea, including—*

11 *(1) the identity and nationality of persons that*
12 *have knowingly engaged in, directed, or provided ma-*
13 *terial support to significant activities undermining*
14 *cyber security by the Government of North Korea;*

15 *(2) the conduct engaged in by each person identi-*
16 *fied;*

17 *(3) the extent to which a foreign government has*
18 *provided material support to significant activities*
19 *undermining cyber security conducted, or otherwise*
20 *ordered or controlled by, the Government of North*
21 *Korea; and*

22 *(4) the efforts made by the United States to en-*
23 *gage foreign governments to halt the capability of*
24 *North Korea to conduct significant activities under-*
25 *mining cyber security.*

1 (b) *SUBMISSION AND FORM.*—

2 (1) *SUBMISSION.*—*The report required under*
 3 *subsection (a) shall be submitted not later than 90*
 4 *days after the date of enactment of this Act, and every*
 5 *180 days thereafter for a period not to exceed 3 years.*

6 (2) *FORM.*—*The report required under subsection*
 7 *(a) shall be submitted in an unclassified form, but*
 8 *may contain a classified annex.*

9 **SEC. 209. SENSE OF CONGRESS THAT TRILATERAL CO-**
 10 **OPERATION AMONG THE UNITED STATES,**
 11 **JAPAN, AND THE REPUBLIC OF KOREA IS**
 12 **CRUCIAL TO THE STABILITY OF THE ASIA-PA-**
 13 **CIFIC REGION.**

14 (a) *FINDINGS.*—*Congress finds the following:*

15 (1) *The United States, Japan, and the Republic*
 16 *of Korea (South Korea) share the values of democ-*
 17 *racy, free and open markets, the rule of law, and re-*
 18 *spect for human rights.*

19 (2) *The alliance relationship between the United*
 20 *States, Japan, and South Korea are critical to peace*
 21 *and security in the Asia-Pacific region.*

22 (3) *The United States, Japan, and South Korea*
 23 *are committed to continuing diplomatic efforts to en-*
 24 *sure continued peace and stability in the Asia-Pacific*
 25 *region.*

(b) *SENSE OF CONGRESS.—It is the sense of Congress that North Korea's nuclear and ballistic missile programs are of mutual concern to the United States, Japan, and South Korea and a trilateral military intelligence-sharing arrangement is essential to the security of each nation and the Asia-Pacific region.*

(a) *IN GENERAL.*—The President shall submit to the Committee on Foreign Affairs of the House of Representatives and the Committee on Foreign Relations of the Senate a report on cooperation between North Korea and Iran on their nuclear programs, including the identity of Iranian and North Korean persons that have knowingly engaged in or directed the provision of material support or the ex-

1 *change of information between North Korea and Iran on*
 2 *their respective nuclear programs.*

3 *(b) SUBMISSION AND FORM.—*

4 *(1) SUBMISSION.—The report required under*
 5 *subsection (a) shall be submitted not later than 90*
 6 *days after the date of enactment of this Act.*

7 *(2) FORM.—The report required under subsection*
 8 *(a) shall be submitted in an unclassified form, but*
 9 *may contain a classified annex.*

10 ***TITLE III—PROMOTION OF*** 11 ***HUMAN RIGHTS***

12 ***SEC. 301. INFORMATION TECHNOLOGY.***

13 *Section 104 of the North Korean Human Rights Act*
 14 *of 2004 (22 U.S.C. 7814) is amended by inserting after sub-*
 15 *section (c) the following new subsection:*

16 *“(d) INFORMATION TECHNOLOGY STUDY.—*

17 *“(1) IN GENERAL.—Not later than 180 days*
 18 *after the date of the enactment of this subsection, the*
 19 *President shall submit to the appropriate congres-*
 20 *sional committees a report setting forth a detailed*
 21 *plan for making unrestricted, unmonitored, and inex-*
 22 *pensive, radio, Internet, and electronic mass commu-*
 23 *nications available to the people of North Korea.*

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

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

5 *(a) IN GENERAL.*—*The Secretary of State shall submit*
6 *to the appropriate congressional committees a report de-*
7 *scribing, with respect to each political prison camp in*
8 *North Korea to the extent information is available—*

9 *(1) the camp’s estimated prisoner population;*

10 *(2) the camp’s geographical coordinates;*

11 *(3) the reasons for confinement of the prisoners;*

12 *(4) the camp’s primary industries and products,*
13 *and the end users of any goods produced in such*
14 *camp;*

15 *(5) the natural persons and agencies responsible*
16 *for conditions in the camp;*

17 *(6) the conditions under which prisoners are*
18 *confined, with respect to the adequacy of food, shelter,*
19 *medical care, working conditions, and reports of ill-*
20 *treatment of prisoners; and*

21 *(7) imagery, to include satellite imagery of each*
22 *such camp, in a format that, if published, would not*
23 *compromise the sources and methods used by the in-*
24 *telligence agencies of the United States to capture*
25 *geospatial imagery.*

1 (b) *FORM.*—The report required under subsection (a)
2 may be included in the first report required to be submitted
3 to Congress after the date of the enactment of this Act under
4 sections 116(d) and 502B(b) of the Foreign Assistance Act
5 of 1961 (22 U.S.C. 2151n(d) and 2304(b)) (relating to the
6 annual human rights report).

7 **SEC. 303. REPORT ON PERSONS WHO ARE RESPONSIBLE**
8 **FOR SERIOUS HUMAN RIGHTS ABUSES OR**
9 **CENSORSHIP IN NORTH KOREA.**

10 (a) *IN GENERAL.*—The Secretary of State shall submit
11 to the appropriate congressional committees a report that
12 contains an identification of each person the Secretary de-
13 termines to be responsible for serious human rights abuses
14 or censorship in North Korea and a description of such
15 abuses or censorship engaged in by such person. The report
16 shall include a description of actions taken by the Depart-
17 ment of State to implement or support the recommendations
18 of the Commission of Inquiry's Report on Human Rights
19 in the Democratic People's Republic of North Korea, includ-
20 ing efforts to press China and other countries to implement
21 Commission recommendations.

22 (b) *CONSIDERATION.*—In preparing the report re-
23 quired under subsection (a), the Secretary of State shall
24 give due consideration to the findings of the United Nations
25 Commission of Inquiry on Human Rights in North Korea,

1 *and shall make specific findings with respect to the respon-*
2 *sibility of Kim Jong Un, and of each natural person who*
3 *is a member of the National Defense Commission of North*
4 *Korea, or the Organization and Guidance Department of*
5 *the Workers' Party of Korea, for serious human rights*
6 *abuses and censorship.*

7 (c) *DESIGNATION OF PERSONS.—The President shall*
8 *designate under section 104(a) any person listed in the re-*
9 *port required under subsection (a) as responsible for serious*
10 *human rights abuses or censorship in North Korea.*

11 (d) *SUBMISSION AND FORM.—*

12 (1) *SUBMISSION.—The report required under*
13 *subsection (a) shall be submitted not later than 90*
14 *days after the date of the enactment of this Act, and*
15 *every 180 days thereafter for a period not to exceed*
16 *3 years, shall be included in each report required*
17 *under sections 116(d) and 502B(b) of the Foreign As-*
18 *sistance Act of 1961 (22 U.S.C. 2151n(d) and*
19 *2304(b)) (relating to the annual human rights re-*
20 *port).*

21 (2) *FORM.—The report required under subsection*
22 *(a) shall be submitted in unclassified form, but may*
23 *include a classified annex. The Secretary of State*
24 *shall also publish the unclassified part of the report*
25 *on the Department of State's Web site.*

**TITLE IV—GENERAL
AUTHORITIES**

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

(a) IN GENERAL.—Any sanction or other measure provided for in title I (or any amendment made by title I) or title II may be suspended for up to 365 days upon certification by the President to the appropriate congressional committees that the Government of North Korea has—

(1) verifiably ceased its counterfeiting of United States currency, including the surrender or destruction of specialized materials and equipment used for or particularly suitable for counterfeiting;

(2) taken significant steps toward financial transparency to comply with generally accepted protocols to cease and prevent the laundering of monetary instruments;

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

(4) taken significant steps toward accounting for and repatriating the citizens of other countries abducted or unlawfully held captive by the Government of North Korea or detained in violation of the 1953 Armistice Agreement;

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

(b) *RENEWAL OF SUSPENSION.*—The suspension described in subsection (a) may be renewed for additional consecutive periods of 180 days upon certification by the President to the appropriate congressional committees that the Government of North Korea has continued to comply with the conditions described in subsection (a) during the previous year.

23 *Any sanction or other measure provided for in title*
24 *I (or any amendment made by title I) or title II shall ter-*
25 *minate on the date on which the President determines and*

1 *certifies to the appropriate congressional committees that*
2 *the Government of North Korea has met the requirements*
3 *of section 401, and has also—*

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

9 (2) *released all political prisoners, including the*
10 *citizens of North Korea detained in North Korea’s po-*
11 *litical prison camps;*

12 (3) *ceased its censorship of peaceful political ac-*
13 *tivity;*

14 (4) *taken significant steps toward the establish-*
15 *ment of an open, transparent, and representative so-*
16 *ciet;*

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

21 (6) *agreed with the Financial Action Task Force*
22 *on a plan of action to address deficiencies in its anti-*
23 *money laundering regime and begun to implement*
24 *this plan of action.*

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

2 *Any or all reports required to be submitted to appro-*
3 *priate congressional committees under this Act or any*
4 *amendment made by this Act that are subject to a deadline*
5 *for submission consisting of the same unit of time may be*
6 *consolidated into a single report that is submitted to appro-*
7 *priate congressional committees pursuant to such deadline.*

8 **SEC. 404. REGULATIONS.**

9 *(a) IN GENERAL.—The President is authorized to pro-*
10 *mulgate such rules and regulations as may be necessary to*
11 *carry out the provisions of this Act (which may include reg-*
12 *ulatory exceptions), including under sections 203 and 205*
13 *of the International Emergency Economic Powers Act (50*
14 *U.S.C. 1702 and 1704).*

15 *(b) RULE OF CONSTRUCTION.—Nothing in this Act or*
16 *any amendment made by this Act shall be construed to*
17 *limit the authority of the President pursuant to an applica-*
18 *ble Executive order or otherwise pursuant to the Inter-*
19 *national Emergency Economic Powers Act (50 U.S.C. 1701*
20 *et seq.).*

21 **SEC. 405. EFFECTIVE DATE.**

22 *Except as otherwise provided in this Act, this Act and*
23 *the amendments made by this Act shall take effect on the*
24 *date of the enactment of this Act.*

Union Calendar No. 295

114TH CONGRESS
2D Session

H. R. 757

[Report No. 114-392, Part I]

A BILL

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

JANUARY 11, 2016

Reported from the Committee on Foreign Affairs with an amendment

JANUARY 11, 2016

The Committees on Ways and Means, the Judiciary, Financial Services, and Oversight and Government Reform discharged; committed to the Committee of the Whole House on the State of the Union and ordered to be printed