H. R. 1644

To enhance sanctions with respect to transactions relating to North Korea, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

MARCH 21, 2017

Mr. ROYCE of California (for himself, Mr. ENGEL, Mr. YOHO, and Mr. SHERMAN) introduced the following bill; which was referred to the Committee on Foreign Affairs, and in addition to the Committees on Ways and Means, Financial Services, Transportation and Infrastructure, Oversight and Government Reform, and the Judiciary, 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.

A BILL

To enhance sanctions with respect to transactions relating to North Korea, and for other purposes.

1 Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

2 SECTION 1. SHORT TITLE.

3 This Act may be cited as the “Korean Interdiction and Modernization of Sanctions Act”.

4 SEC. 2. TABLE OF CONTENTS.

5 The table of contents for this Act is as follows:

Sec. 1. Short title.
Sec. 2. Table of contents.
Sec. 3. Definitions.

TITLE I—SANCTIONS TO ENFORCE AND IMPLEMENT UNITED NATIONS SECURITY COUNCIL SANCTIONS AGAINST NORTH KOREA

Sec. 101. Modification and expansion of requirements for the designation of persons.
Sec. 102. Briefing on measures to deny specialized financial messaging services to designated North Korean financial institutions.
Sec. 103. Prohibition on indirect correspondent accounts.
Sec. 104. Limitations on foreign assistance to noncompliant governments.
Sec. 105. Amendments to enhance inspection authorities.
Sec. 106. Enforcing compliance with United Nations shipping sanctions against North Korea.
Sec. 107. Report on cooperation between North Korea and Iran.

TITLE II—SANCTIONS WITH RESPECT TO HUMAN RIGHTS ABUSES BY THE GOVERNMENT OF NORTH KOREA

Sec. 201. Sanctions for forced labor and slavery overseas of North Koreans.
Sec. 202. Modifications to sanctions suspension and waiver authorities.
Sec. 203. Reward for informants.
Sec. 204. Report on designation of North Korea as a state sponsor of terrorism.

TITLE III—GENERAL AUTHORITIES

Sec. 301. Authority to consolidate reports.
Sec. 302. Rule of construction.
Sec. 303. Regulatory authority.
Sec. 304. Limitation on funds.

1 SEC. 3. DEFINITIONS.

2 (a) AMENDMENTS TO DEFINITIONS IN THE NORTH KOREA SANCTIONS AND POLICY ENHANCEMENT ACT OF 2016.—

3 (1) APPLICABLE EXECUTIVE ORDER.—Section 3(1)(A) of the North Korea Sanctions and Policy Enhancement Act of 2016 (22 U.S.C. 9202(1)(A)) is amended—

4 (A) by striking “or Executive Order 13694” and inserting “Executive Order 13694”; and
(B) by inserting “or Executive Order 13722 (50 U.S.C. 1701 note; relating to blocking the property of the Government of North Korea and the Workers’ Party of Korea, and Prohibiting Certain Transactions With Respect to North Korea),” before “to the extent”.


(3) FOREIGN PERSON.—Section 3 of the North Korea Sanctions and Policy Enhancement Act of 2016 (22 U.S.C. 9202) is amended—

(A) by redesignating paragraphs (5) through (14) as paragraphs (6) through (15), respectively; and

(B) by inserting after paragraph (4) the following new paragraph:

“(5) FOREIGN PERSON.—The term ‘foreign person’ means—

“(A) an individual who is not a United States citizen or an alien lawfully admitted for permanent residence to the United States; or
“(B) an entity that is not a United States person.”.

(4) LUXURY GOODS.—Paragraph (9) of section 3 of the North Korea Sanctions and Policy Enhancement Act of 2016 (22 U.S.C. 9202), as redesignated by paragraph (3), is amended—

(A) in subparagraph (A), by striking “and” at the end;

(B) in subparagraph (B), by striking the period at the end and inserting “; and”;

(C) by adding at the end the following new subparagraph:

“(C) also includes any items so designated under an applicable United Nations Security Council resolution.”.

(5) NORTH KOREAN PERSON.—Section 3 of the North Korea Sanctions and Policy Enhancement Act of 2016 (22 U.S.C. 9202), as amended by paragraph (3), is further amended—

(A) by redesignating paragraphs (13) through (15) as paragraphs (14) through (16), respectively; and

(B) by inserting after paragraph (12) the following new paragraph:
“(13) North Korean person.—The term ‘North Korean person’ means—

“(A) a North Korean citizen or national;

or

“(B) an entity owned or controlled by the Government of North Korea or by a North Korean citizen or national.”.

(b) Definitions for Purposes of This Act.—In this Act:

(1) Applicable United Nations Security Council Resolution; Luxury Goods.—The terms “applicable United Nations Security Council resolution” and “luxury goods” have the meanings given those terms, respectively, in section 3 of the North Korea Sanctions and Policy Enhancement Act of 2016 (22 U.S.C. 9202), as amended by subsection (a).

(2) Appropriate Congressional Committees; Government of North Korea; United States Person.—The terms “appropriate congressional committees”, “Government of North Korea”, and “United States person” have the meanings given those terms, respectively, in section 3 of the North Korea Sanctions and Policy Enhancement Act of 2016 (22 U.S.C. 9202).
(3) FOREIGN PERSON; NORTH KOREAN PERSON.—The terms “foreign person” and “North Korean person” have the meanings given those terms, respectively, in paragraph (5) and paragraph (13) of section 3 of the North Korea Sanctions and Policy Enhancement Act of 2016 (22 U.S.C. 9202(5) and 9202(13)), as added by subsection (a).

(4) PROHIBITED WEAPONS PROGRAM.—The term “prohibited weapons program” means—

(A) any program related to the development of nuclear, chemical, or biological weapons, and their means of delivery, including ballistic missiles; and

(B) any program to develop any related materials with respect to a program described in subparagraph (A).

TITLE I—SANCTIONS TO ENFORCE AND IMPLEMENT UNITED NATIONS SECURITY COUNCIL SANCTIONS AGAINST NORTH KOREA

SEC. 101. MODIFICATION AND EXPANSION OF REQUIREMENTS FOR THE DESIGNATION OF PERSONS.

(a) EXPANSION OF MANDATORY DESIGNATIONS.—Section 104(a) of the North Korea Sanctions and Policy
Enhancement Act of 2016 (22 U.S.C. 9214(a)) is amended—

(1) in paragraph (9), by striking “or” at the end;

(2) by redesignating paragraph (10) as paragraph (15);

(3) by inserting after paragraph (9) the following new paragraphs:

“(10) knowingly, directly or indirectly, purchases or otherwise acquires from North Korea any significant amounts of gold, titanium ore, vanadium ore, copper, silver, nickel, zinc, or rare earth minerals;

“(11) knowingly, directly or indirectly, sells or transfers to North Korea any significant amounts of rocket, aviation, or jet fuel (except for use by a civilian passenger aircraft outside North Korea, exclusively for consumption during its flight to North Korea or its return flight);

“(12) knowingly, directly or indirectly, provides fuel, supplies, or bunkering services to, or facilitates any significant transactions involving, a vessel or aircraft that is designated under an applicable Executive order or an applicable United Nations Security Council resolution, or that is owned or controlled by
a person designated under an applicable Executive
order or applicable United Nations Security Council
resolution;

“(13) knowingly, directly or indirectly, insures,
registers, facilitates the registration of, or maintains
insurance or a registration for, a vessel owned or
controlled by the Government of North Korea, ex-
cept as specifically approved by the United Nations
Security Council;

“(14) knowingly, directly or indirectly, main-
tains a correspondent account (as defined in section
201A(d)(1)) with any North Korean financial insti-
tution, except as specifically approved by the United
Nations Security Council; or”; and

(4) in paragraph (15), as so redesignated, by
striking “(9)” and inserting “(14)”.

(b) EXPANSION OF ADDITIONAL DISCRETIONARY
DESIGNATIONS.—Section 104(b)(1) of the North Korea
Sanctions and Policy Enhancement Act of 2016 (22
U.S.C. 9214(b)(1)) is amended—

(1) in subparagraph (A), by striking “pursuant
to an applicable United Nations Security Council
resolution;” and inserting the following: “pursuant
to—
“(i) an applicable United Nations Security Council resolution;

“(ii) any regulation promulgated under section 404; or

“(iii) any applicable Executive order;”;

(2) in subparagraph (B)(iii), by striking “or” at the end;

(3) in subparagraph (C), by striking the period at the end and inserting a semicolon; and

(4) by adding at the end the following new subparagraphs:

“(D) knowingly, directly or indirectly, purchased or otherwise acquired from the Government of North Korea any coal, iron, or iron ore, in excess of the limitations provided in applicable United Nations Security Council resolutions;

“(E) knowingly, directly or indirectly, purchased or otherwise acquired significant types or amounts of textiles from the Government of North Korea;

“(F) knowingly facilitated any transfer of funds or property of the Government of North Korea that significantly contributes to any vio-
lation of an applicable United Nations Security Council resolution;

“(G) knowingly, directly or indirectly, facilitated a significant transfer to or from the Government of North Korea of bulk cash, precious metals, gemstones, or other stores of value not described under subsection (a)(10);

“(H) knowingly, directly or indirectly, sold, transferred, or otherwise provided significant amounts of crude oil, condensates, refined petroleum, or other types of petroleum or petroleum byproducts to the Government of North Korea (except for heavy fuel oil for humanitarian use or as excepted under subsection (a)(11));

“(I) knowingly, directly or indirectly, engaged in, facilitated, or was responsible for the online commercial activities of the Government of North Korea, including online gambling;

“(J) knowingly, directly or indirectly, purchased or otherwise acquired fishing rights from the Government of North Korea;

“(K) knowingly, directly or indirectly, provided significant telephonic, telegraphic, tele-communications or other data services, in whole
or in part, into or out of North Korea, in excess of services needed for humanitarian or diplomatic purposes (other than services that are excepted under section 203(b)(1) of the International Emergency Economic Powers Act (50 U.S.C. 1702(b)(1)));

“(L) knowingly, directly or indirectly, purchased or otherwise acquired significant types or amounts of food or agricultural products from the Government of North Korea;

“(M) knowingly, directly or indirectly, engaged in, facilitated, or was responsible for the exportation of workers from North Korea in a manner intended to generate revenue, directly or indirectly, for use by the Government of North Korea or by the Workers’ Party of Korea;

“(N) knowingly operated in North Korea’s transportation, mining, energy, or financial services industries; or

“(O) except as specifically approved by the United Nations Security Council, and other than through a correspondent account as described in subsection (a)(14), knowingly facilitated the operation of any branch, subsidiary,
or office of a North Korean financial institution.”.

(c) MANDATORY AND DISCRETIONARY ASSET BLOCKING.—Section 104(c) of the North Korea Sanctions and Policy Enhancement Act of 2016 (22 U.S.C. 9214(c)) is amended—

(1) by striking “of a designated person” and inserting “of a person designated under subsection (a)”;

(2) by striking “The President” and inserting the following:

“(1) MANDATORY ASSET BLOCKING.—The President”; and

(3) by adding at the end the following new paragraph:

“(2) DISCRETIONARY ASSET BLOCKING.—The President may also exercise such powers, in the same manner and to the same extent described in paragraph (1), with respect to a person designated under subsection (b).”.

(d) DESIGNATION OF ADDITIONAL PERSONS.—

(1) IN GENERAL.—Not later than 180 days after the date of the enactment of this Act, the President shall submit to the appropriate congressional committees a report including a determination
as to whether reasonable grounds exist, and an ex-
planation of the reasons for any determination that
such grounds do not exist, to designate, pursuant to
section 104 of the North Korea Sanctions and Policy
Enhancement Act of 2016 (22 U.S.C. 9214), as
amended by this section, each of the following:

(A) The Korea Shipowners’ Protection and
Indemnity Association, a North Korean insur-
ance company, with respect to facilitating im-
ports, exports, and reexports of arms and re-
lated materiel to and from North Korea, or for
other activities prohibited by such section 104.

(B) Chinpo Shipping Company (Private)
Limited, a Singapore corporation, with respect
to facilitating imports, exports, and reexports of
arms and related materiel to and from North
Korea.

(C) The Central Bank of the Democratic
People’s Republic of Korea, with respect to the
sale of gold to, the receipt of gold from, or the
import or export of gold by the Government of
North Korea.

(D) Kumgang Economic Development Cor-
poration (KKG), with respect to being an entity

(E) Sam Pa, also known as Xu Jinghua, and any entities owned or controlled by Sam Pa, with respect to transactions with KKG.

(F) The Chamber of Commerce of the Democratic People’s Republic of Korea, with respect to the exportation of workers in violation of section 104(a)(5) or of section 104(b)(1)(M) of such Act, as amended by subsection (b) of this section.

(2) Form.—The report submitted under paragraph (1) may contain a classified annex.

SEC. 102. BRIEFING ON MEASURES TO DENY SPECIALIZED FINANCIAL MESSAGING SERVICES TO DESIGNATED NORTH KOREAN FINANCIAL INSTITUTIONS.

Section 201 of the North Korea Sanctions and Policy Enhancement Act of 2016 (22 U.S.C. 9221) is amended by adding at the end the following new subsection:

“(d) Briefing.—

“(1) In General.—Not later than 180 days after the date of the enactment of this subsection, and every 180 days thereafter for 5 years, the President shall provide to the appropriate congressional
committees a briefing that includes the following information:

“(A) A list of each person or foreign government the President has identified that directly provides specialized financial messaging services to, or enables or facilitates direct or indirect access to such messaging services for, any North Korean financial institution designated under an applicable United Nations Security Council resolution.

“(B) A detailed assessment of the status of efforts by the Secretary of the Treasury to work with the relevant authorities in the home jurisdictions of such specialized financial messaging providers to end such provision or access.

“(2) FORM.—The briefing required under this subsection may be classified.”.

SEC. 103. PROHIBITION ON INDIRECT CORRESPONDENT ACCOUNTS.

(a) IN GENERAL.—Title II of the North Korea Sanctions and Policy Enhancement Act of 2016 (22 U.S.C. 9221 et seq.) is amended by inserting after section 201 (as amended by section 102 of this Act) the following new section:
“SEC. 201A. PROHIBITION ON INDIRECT CORRESPONDENT ACCOUNTS.

“(a) In General.—Except as provided in subsection (b), if a United States financial institution has or obtains knowledge that a correspondent account established, maintained, administered, or managed by that institution for a foreign financial institution is being used by the foreign financial institution to provide financial services indirectly to any person, foreign government, or financial institution designated under section 104, the United States financial institution shall ensure that such correspondent account is no longer used to provide such services.

“(b) Exception.—A United States financial institution is authorized to process transfers of funds to or from North Korea, or for the direct or indirect benefit of any person, foreign government, or financial institution that is designated under section 104, only if the transfer—

“(1) arises from, and is ordinarily incident and necessary to give effect to, an underlying transaction that has been authorized by a specific or general license issued by the Secretary of the Treasury; and

“(2) does not involve debiting or crediting a North Korean account.

“(c) Definitions.—In this section:

“(1) Correspondent account.—The term ‘correspondent account’ has the meaning given that

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term in section 5318A of title 31, United States Code.

“(2) UNITED STATES FINANCIAL INSTITU-
TION.—The term ‘United States financial institu-
tion’ has the meaning given that term in section 
510.310 of title 31, Code of Federal Regulations, as 
in effect on the date of the enactment of this sec-
tion.

“(3) FOREIGN FINANCIAL INSTITUTION.—The 
term ‘foreign financial institution’ has the meaning 
given that term in section 1010.605 of title 31, Code 
of Federal Regulations, as in effect on the date of 
the enactment of this section.”.

(b) CLERICAL AMENDMENT.—The table of contents 
for the North Korea Sanctions and Policy Enhancement 
Act of 2016 is amended by inserting after the item relating 
to section 201 the following new item:

“Sec. 201A. Prohibition on indirect correspondent accounts.”.

SEC. 104. LIMITATIONS ON FOREIGN ASSISTANCE TO NON-
COMPLIANT GOVERNMENTS.

Section 203 of the North Korea Sanctions and Policy 
Enhancement Act of 2016 (22 U.S.C. 9223) is amended—

(1) in subsection (b)—

(A) in the heading, by striking “TRANSA-
CTIONS IN LETHAL MILITARY EQUIPMENT”
and inserting “TRANSACTIONS IN DEFENSE ARTICLES OR DEFENSE SERVICES”;

(B) in paragraph (1), by striking “that provides lethal military equipment to the Government of North Korea” and inserting “that provides to or receives from the Government of North Korea any defense article or defense service, as such terms are defined in section 47 of the Arms Export Control Act (22 U.S.C. 2794)”;

and

(C) in paragraph (2), by striking “1 year” and inserting “2 years”; and

(2) by adding at the end the following new subsection:

“(e) REPORT ON ARMS TRAFFICKING INVOLVING NORTH KOREA.—

“(1) IN GENERAL.—Not later than 180 days after the date of the enactment of this subsection, and every 180 days thereafter for 5 years, the Secretary of State shall submit to the appropriate congressional committees a report that specifically describes the compliance of foreign countries and other foreign jurisdictions with curtailing the trade described in subsection (b)(1).
“(2) FORM.—The report required under paragraph (1) shall be submitted in unclassified form but may contain a classified annex.”.

SEC. 105. AMENDMENTS TO ENHANCE INSPECTION AUTHORITIES.

Title II of the North Korea Sanctions and Policy Enhancement Act of 2016 (22 U.S.C. 9221 et seq.), as amended by section 103 of this Act, is further amended by striking section 205 and inserting the following:

“SEC. 205. ENHANCED INSPECTION AUTHORITIES.

“(a) REPORT REQUIRED.—

“(1) IN GENERAL.—Not later than 180 days after the date of the enactment of this section, and annually thereafter for 5 years, the President shall submit to the appropriate congressional committees a report—

“(A) identifying the operators of foreign sea ports and airports that have—

“(i) failed to implement or enforce regulations to inspect any ships, aircraft, cargo, or conveyances in transit to or from North Korea, as required by applicable United Nations Security Council resolutions;
“(ii) facilitated the transfer, trans-
shipment, or conveyance of any cargo, ves-
sels, or aircraft owned or controlled by per-
sons designated under applicable United
Nations Security Council resolutions; or

“(iii) facilitated any of the activities
described in section 104(a);

“(B) describing the extent to which the re-
quirements of applicable United Nations Secu-
rity Council resolutions to de-register any vessel
owned, controlled, or operated by the Govern-
ment of North Korea have been implemented by
other foreign countries;

“(C) describing the compliance of the Is-
lamic Republic of Iran with the sanctions man-
dated in applicable United Nations Security
Council resolutions;

“(D) identifying each vessel, aircraft, and
conveyance that is owned or controlled by the
Reconnaissance General Bureau of the Work-
ers’ Party of Korea; and

“(E) describing the diplomatic and en-
forcement efforts by the President to secure the
full implementation of the applicable United
Nations Security Council resolutions, as described in subparagraphs (A) through (C).

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

“(b) SPECIFIC FINDINGS.—Each report required under subsection (a) shall include specific findings with respect to the following ports and airports:

“(1) The ports of Dandong, Dalian, and any other port in the People’s Republic of China that the President deems appropriate.


“(4) The ports of Latakia, Banias, and Tartous, and Damascus International Airport, in the Syrian Arab Republic.

“(c) ENHANCED SECURITY TARGETING REQUIREMENTS.—
“(1) IN GENERAL.—Except as provided in paragraph (2), the Secretary of Homeland Security may, using the Automated Targeting System operated by the National Targeting Center of U.S. Customs and Border Protection, require enhanced screening procedures to determine whether physical inspections are warranted of any cargo bound for or landed in the United States that—

“(A) has been transported through a sea port or airport the operator of which has been identified by the President in accordance with subsection (a)(1) as having repeatedly failed to comply with applicable United Nations Security Council resolutions;

“(B) is aboard a vessel or aircraft, or within a conveyance that has, within the last 365 days, entered the territory, waters, or airspace of North Korea, or landed in any of the sea ports or airports of North Korea; or

“(C) is registered by a country or jurisdiction whose compliance has been identified by the President as deficient pursuant to subsection (a)(2).

“(2) EXCEPTION FOR FOOD, MEDICINE, AND HUMANITARIAN SHIPPMENTS.—Paragraph (1) shall
not apply to any vessel, aircraft, or conveyance that
has entered the territory, waters, or airspace of
North Korea, or landed in any of the sea ports or
airports of North Korea, exclusively for the purposes
described in section 208(b)(3)(B), or to import food,
medicine, or supplies into North Korea to meet the
humanitarian needs of the North Korean people.

“(d) SEIZURE AND FORFEITURE.—A vessel, aircraft,
or conveyance used to facilitate any of the activities de-
scribed in section 104(a) under the jurisdiction of the
United States may be seized and forfeited under—

“(1) chapter 46 of title 18, United States Code;
or
“(2) part V of title IV of the Tariff Act of 1930
(19 U.S.C. 1581 et seq.).”.

SEC. 106. ENFORCING COMPLIANCE WITH UNITED NATIONS
SHIPPING SANCTIONS AGAINST NORTH
KOREA.

(a) IN GENERAL.—The Ports and Waterways Safety
Act (33 U.S.C. 1221 et seq.) is amended by adding at
the end the following new section:

“SEC. 16. PROHIBITION ON ENTRY AND OPERATION.

“(a) Prohibition.—
“(1) IN GENERAL.—Except as otherwise pro-
vided in this section, no vessel described in sub-
section (b) may enter or operate in the navigable waters of the United States or transfer cargo in any port or place under the jurisdiction of the United States.

“(2) LIMITATION ON APPLICATION.—

“(A) DETERMINATION BY SECRETARY OF STATE.—Paragraph (1) shall not apply with respect to a vessel described in subsection (b)(2) if the Secretary of State determines that the vessel is no longer registered as described in that subsection.

“(B) NOTICE.—The Secretary of State shall publish a notice in the Federal Register of each determination made under subparagraph (A).

“(b) VESSELS DESCRIBED.—A vessel referred to in subsection (a) is a foreign vessel for which a notice of arrival is required to be filed under section 4(a)(5), and that—

“(1) is on the most recent list of vessels published in Federal Register under subsection (c)(2); or

“(2) more than 180 days after the publication of such list, is knowingly registered, pursuant to the 1958 Convention on the High Seas entered into
force on September 30, 1962, by a government the
agents or instrumentalities of which are maintaining
a registration of a vessel that is included on such
list.

“(c) INFORMATION AND PUBLICATION.—The Sec-
retary of the department in which the Coast Guard is op-
erating, in consultation with the Secretary of State,
shall—

“(1) maintain timely information on the reg-
istrations of all foreign vessels over 300 gross tons
that are—

“(A) owned or operated by or on behalf of
the Government of North Korea or a North Ko-
rean person;

“(B) owned or operated by or on behalf of
any country in which a sea port or airport is lo-
cated, the operator of which the President has
identified in the most recent report submitted
under section 205(a)(1) of the North Korea
Sanctions and Policy Enhancement Act of
2016; or

“(C) owned or operated by or on behalf of
any country identified by the President as a
country that has not complied with the applica-
ble United Nations Security Council resolutions
(as such term is defined in section 3 of such Act); and

“(2) not later than 180 days after the date of the enactment of this section, and periodically thereafter, publish in the Federal Register a list of the vessels described in paragraph (1).

“(d) Notification of Governments.—

“(1) In general.—The Secretary of State shall notify each government, the agents or instrumentalities of which are maintaining a registration of a foreign vessel that is included on a list published under subsection (c)(2), not later than 30 days after such publication, that all vessels registered under such government’s authority are subject to the prohibition under subsection (a).

“(2) Additional notification.—In the case of a government that continues to maintain a registration for a vessel that is included on such list after receiving an initial notification under paragraph (1), the Secretary shall issue an additional notification to such government not later than 120 days after the publication of a list under subsection (e)(2).

“(e) Notification of vessels.—Upon receiving a notice of arrival under section 4(a)(5) from a vessel de-
scribed in subsection (b), the Secretary of the department in which the Coast Guard is operating shall notify the master of such vessel that the vessel may not enter or operate in the navigable waters of the United States or transfer cargo in any port or place under the jurisdiction of the United States, unless—

“(1) the Secretary of State has made a determination under subsection (a)(2); or

“(2) the Secretary of the department in which the Coast Guard is operating allows provisional entry of the vessel, or transfer of cargo from the vessel, under subsection (f).

“(f) PROVISIONAL ENTRY OR CARGO TRANSFER.—Notwithstanding any other provision of this section, the Secretary of the department in which the Coast Guard is operating may allow provisional entry of, or transfer of cargo from, a vessel, if such entry or transfer is necessary for the safety of the vessel or persons aboard.

“(g) RIGHT OF INNOCENT PASSAGE.—This section shall not be construed as authority to restrict the right of innocent passage as recognized under international law.

“(h) FOREIGN VESSEL DEFINED.—In this section, the term ‘foreign vessel’ has the meaning given that term in section 110 of title 46, United States Code.”.

(b) CONFORMING AMENDMENTS.—
(1) SPECIAL POWERS.—Section 4(b)(2) of the
Ports and Waterways Safety Act (33 U.S.C.
1223(b)(2)) is amended by inserting “or 16” after
“section 9”.

(2) DENIAL OF ENTRY.—Section 13(e) of the
Ports and Waterways Safety Act (33 U.S.C.
1232(e)) is amended by striking “section 9” and in-
serting “section 9 or 16”.

SEC. 107. REPORT ON COOPERATION BETWEEN NORTH
KOREA AND IRAN.

(a) IN GENERAL.—Not later than 90 days after the
date of the enactment of this Act, and annually thereafter
for 5 years, the President shall submit to the appropriate
congressional committees a report that includes—

(1) an assessment of the extent of cooperation
(including through the transfer of goods, services, or
technology) between North Korea and Iran relating
to their respective nuclear, ballistic missile develop-
ment, chemical or biological weapons development,
or conventional weapons programs;

(2) the names of any Iranian or North Korean
persons that have knowingly engaged in or di-
rected—

(A) the provision of material support to
such programs; or
(B) the exchange of information between North Korea and Iran with respect to such programs; and

(3) a determination whether any of the activities described in paragraphs (1) and (2) violate United Nations Security Council Resolution 2231 (2015).

(b) FORM.—The report required under subsection (a) shall be submitted in unclassified form but may contain a classified annex.

SEC. 108. REPORT ON IMPLEMENTATION OF UNITED NATIONS SECURITY COUNCIL RESOLUTIONS BY OTHER GOVERNMENTS.

(a) IN GENERAL.—Not later than 180 days after the date of the enactment of this Act, and every 180 days thereafter for 5 years, the President shall submit to the appropriate congressional committees a report that evaluates the degree to which the governments of other countries have knowingly failed to—

(1) close the representative offices of persons designated under applicable United Nations Security Council resolutions;

(2) expel any North Korean nationals, including diplomats, working on behalf of such persons;
(3) prohibit the opening of new branches, subsidiaries, or representative offices of North Korean financial institutions within the jurisdictions of such governments; or

(4) expel any representatives of North Korean financial institutions.

(b) FORM.—The report required under subsection (a) shall be submitted in unclassified form but may contain a classified annex.

**TITLE II—SANCTIONS WITH RESPECT TO HUMAN RIGHTS ABUSES BY THE GOVERNMENT OF NORTH KOREA**

**SEC. 201. SANCTIONS FOR FORCED LABOR AND SLAVERY OVERSEAS OF NORTH KOREANS.**

(a) SANCTIONS FOR TRAFFICKING IN PERSONS.—

(1) IN GENERAL.—Section 302(b) of the North Korea Sanctions and Policy Enhancement Act of 2016 (22 U.S.C. 9241(b)) is amended—

(A) in paragraph (1), by striking “and” at the end;

(B) in paragraph (2), by striking the period at the end and inserting “; and”; and

(C) by adding at the end the following new paragraph:
“(3) a list of foreign persons that employ North Korean laborers.”.

(2) ADDITIONAL DETERMINATIONS; REPORTS.—With respect to any country identified in section 302(b)(2) of the North Korea Sanctions and Policy Enhancement Act of 2016 (22 U.S.C. 9241(b)(2)), as amended by paragraph (1), the report required under section 302(a) of such Act shall—

(A) include a determination whether each person identified in section 302(b)(3) of such Act (as amended by paragraph (1)) who is a national or a citizen of such identified country meets the criteria for sanctions under—

(i) section 111 of the Trafficking Victims Protection Act of 2000 (22 U.S.C. 7108) (relating to the prevention of trafficking in persons); or

(ii) section 104(a) or 104(b)(1) of the North Korea Sanctions and Policy Enhancement Act of 2016 (22 U.S.C. 9214(a)), as amended by section 101 of this Act;

(B) be included in the report required under section 110(b) of the Trafficking Victims
Protection Act of 2000 (22 U.S.C. 7107(b)) (relating to the annual report on trafficking in persons); and

(C) be considered in any determination that the government of such country has made serious and sustained efforts to eliminate severe forms of trafficking in persons, as such term is defined for purposes of the Trafficking Victims Protection Act of 2000.

(b) SANCTIONS ON FOREIGN PERSONS THAT EMPLOY NORTH KOREAN LABOR.—

(1) IN GENERAL.—Title III of the North Korea Sanctions and Policy Enhancement Act of 2016 (22 U.S.C. 9241 et seq.) is amended by inserting after section 302 the following new sections:

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SEC. 302A. REBUTTABLE PRESUMPTION APPLICABLE TO GOODS MADE WITH NORTH KOREAN LABOR.

“(a) IN GENERAL.—Except as provided in subsection (b), any goods, wares, articles, and merchandise mined, produced, or manufactured wholly or in part by the labor of North Korean nationals or citizens shall be deemed to be prohibited under section 307 of the Tariff Act of 1930 (19 U.S.C. 1307) and shall not be entitled to entry at any of the ports of the United States.
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“(b) EXCEPTION.—The prohibition described in subsection (a) shall not apply if the Commissioner of U.S. Customs and Border Protection finds, by clear and convincing evidence, that the goods, wares, articles, or merchandise described in such paragraph were not produced with convict labor, forced labor, or indentured labor under penal sanctions.

“SEC. 302B. SANCTIONS ON FOREIGN PERSONS EMPLOYING NORTH KOREAN LABOR.

“(a) IN GENERAL.—Except as provided in subsection (c), the President shall designate any person identified under section 302(b)(3) for the imposition of sanctions under subsection (b).

“(b) IMPOSITION OF SANCTIONS.—

“(1) IN GENERAL.—The President shall impose the sanctions described in paragraph (2) with respect to any person designated under subsection (a).

“(2) SANCTIONS DESCRIBED.—The sanctions described in this paragraph are sanctions pursuant to the International Emergency Economic Powers Act (50 U.S.C. 1701 et seq.) to block and prohibit all transactions in property and interests in property of a person designated under subsection (a), if such property and interests in property are in the United States, come within the United States, or are or

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come within the possession or control of a United States person.

“(c) Exception.—

“(1) In general.—A person may not be designated under subsection (a) if the President certifies to the appropriate congressional committees that the President has received reliable assurances from such person that—

“(A) the employment of North Korean laborers does not result in the direct or indirect transfer of convertible currency, luxury goods, or other stores of value to the Government of North Korea;

“(B) all wages and benefits are provided directly to the laborers, and are held, as applicable, in accounts within the jurisdiction in which they reside in locally denominated currency; and

“(C) the laborers are subject to working conditions consistent with international standards.

“(2) Recertification.—Not later than 180 days after the date on which the President transmits to the appropriate congressional committees an ini-
tial certification under paragraph (1), and every 180
days thereafter, the President shall—

“(A) transmit a recertification stating that
the conditions described in such paragraph con-
tinue to be met; or

“(B) if such recertification cannot be
transmitted, impose the sanctions described in
subsection (b) beginning on the date on which
the President determines that such recertifi-
cation cannot be transmitted.”.

(2) CLERICAL AMENDMENT.—The table of con-
tents for the North Korea Sanctions and Policy En-
hancement Act of 2016 is amended by inserting
after the item relating to section 302 the following
new items:

“Sec. 302A. Rebuttable presumption applicable to goods made with North Ko-
rean labor.

“Sec. 302B. Sanctions on foreign persons employing North Korean labor.”.

SEC. 202. MODIFICATIONS TO SANCTIONS SUSPENSION AND
WAIVER AUTHORITIES.

(a) Exemptions, Waivers, and Removals of
Designation.—

(1) Exemptions.—Section 208(a) of the North
Korea Sanctions and Policy Enhancement Act of
2016 (22 U.S.C. 9228(a)) is amended in the matter
preceding paragraph (1)—
(A) by inserting “201A,” after “104,”; and

(B) by inserting “302A, 302B,” after “209,”.

(2) HUMANITARIAN WAIVER.—Section 208(b) of the North Korea Sanctions and Policy Enhancement Act of 2016 (22 U.S.C. 9228(b)(1)) is amended—

(A) by inserting “201A,” after “104,” in each place it appears; and

(B) by inserting “302A, 302B,” after “209(b),” in each place it appears.

(3) WAIVER.—Section 208(c) of the North Korea Sanctions and Policy Enhancement Act of 2016 (22 U.S.C. 9228(c)) is amended in the matter preceding paragraph (1)—

(A) by inserting “201A,” after “104,”; and

(B) by inserting “302A, 302B,” after “209(b),”.

(b) SUPPORT FOR FAMILY REUNIFICATION FOR KOREAN-AMERICANS.—Section 402(2) of the North Korea Sanctions and Policy Enhancement Act of 2016 (22 U.S.C. 9252(2)) is amended—
(1) in subparagraph (D), by striking “and” at the end;

(2) in subparagraph (E), by striking the period at the end and inserting “; and”; and

(3) by adding at the end the following new sub-
paragraph:

“(F) planning for unrestricted family re-
unification meetings, including for those indi-
viduals in the Korean-American community who
maintain family ties with relatives in North
Korea.”.

SEC. 203. REWARD FOR INFORMANTS.

Section 36(b) of the State Department Basic Au-
thorities Act of 1956 (22 U.S.C. 2708(b)), is amended—

(1) in paragraph (9), by striking “or” at the end;

(2) in paragraph (10), by striking the period at the end and inserting a semicolon; and

(3) by adding at the end the following new paragraphs:

“(11) the identification or location of any per-
son who, while acting at the direction of or under
the control of a foreign government, aids or abets a
violation of section 1030 of title 18, United States
Code; or
“(12) the disruption of financial mechanisms of any person who has engaged in the conduct described in section 104(a) or 104(b)(1) of the North Korea Sanctions and Policy Enhancement Act of 2016 (22 U.S.C. 2914(a) or (b)(1)).”.

SEC. 204. REPORT ON DESIGNATION OF NORTH KOREA AS A STATE SPONSOR OF TERRORISM.

(a) Report; Determination or Justification.—

(1) In general.—Not later than 90 days after the date of the enactment of this Act, the President shall submit to the appropriate congressional committees a report that includes a determination whether North Korea is a state sponsor of terrorism.

(2) Inclusion.—The report required by paragraph (1) shall also be included in the first annual report under section 140 of the Foreign Relations Authorization Act, Fiscal Years 1988 and 1989 (22 U.S.C. 2656f) submitted on or after the date of the enactment of this Act.

(3) Form.—The report required by paragraph (1) shall be submitted in unclassified form but may include a classified annex.

(b) State Sponsor of Terrorism Defined.—For purposes of this section, the term “state sponsor of terrorism” means a country the government of which the
Secretary of State has determined, for purposes of section 6(j) of the Export Administration Act of 1979 (50 U.S.C. 4605(j)) (as in effect pursuant to the International Emergency Economic Powers Act), section 620A of the Foreign Assistance Act of 1961 (22 U.S.C. 2371), section 40 of the Arms Export Control Act (22 U.S.C. 2780), or any other provision of law, is a government that has repeatedly provided support for acts of international terrorism.

TITLE III—GENERAL AUTHORITIES

SEC. 301. AUTHORITY TO CONSOLIDATE REPORTS.

Any reports required to be submitted to the appropriate congressional committees under this Act or any amendment made by this Act that are subject to a deadline for submission consisting of the same unit of time may be consolidated into a single report that is submitted to appropriate congressional committees pursuant to such deadline. The consolidated reports must contain all information required under this Act or any amendment made by this Act, in addition to all other elements mandated by previous law.

SEC. 302. RULE OF CONSTRUCTION.

Nothing in this Act shall be construed to limit the authority or obligation of the President to apply the sanctions described in section 104 of the North Korea Sanc-
tions and Policy Enhancement Act of 2016 (22 U.S.C. 9214), as amended by section 101 of this Act, with regard to persons who meet the criteria for designation under such section.

SEC. 303. REGULATORY AUTHORITY.

(a) In general.—The President shall, not later than 180 days after the date of the enactment of this Act, promulgate regulations as necessary for the implementation of this Act and the amendments made by this Act.

(b) Notification to Congress.—Not fewer than 10 days before the promulgation of a regulation under subsection (a), the President shall notify and provide to the appropriate congressional committees the proposed regulation, specifying the provisions of this Act or the amendments made by this Act that the regulation is implementing.

SEC. 304. LIMITATION ON FUNDS.

No additional funds are authorized to carry out the requirements of this Act or of the amendments made by this Act. Such requirements shall be carried out using amounts otherwise authorized.