

114TH CONGRESS
1ST SESSION

H. R. 757

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

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 discretionary designation and sanctions authorities.

Sec. 105. Forfeiture of property.

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

Sec. 201. Determinations with respect to North Korea as a jurisdiction of primary money laundering concern.

Sec. 202. Ensuring the consistent enforcement of United Nations Security Council resolutions and financial restrictions on North Korea.

Sec. 203. Proliferation prevention sanctions.

Sec. 204. Procurement sanctions.

Sec. 205. Enhanced inspections authorities.

Sec. 206. Travel sanctions.

Sec. 207. Exemptions, waivers, and removals of designation.

Sec. 208. Report on those responsible for knowingly engaging in significant activities undermining cyber security.

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 re-
4 peatedly violated its commitments to the complete,
5 verifiable, irreversible dismantlement of its nuclear
6 weapons programs, and has willfully violated mul-
7 tiple United Nations Security Council resolutions

1 calling for it to cease its development, testing, and
2 production of weapons of mass destruction.

3 (2) North Korea poses a grave risk for the pro-
4 liferation of nuclear weapons and other weapons of
5 mass destruction.

6 (3) The Government of North Korea has been
7 implicated repeatedly in money laundering and illicit
8 activities, including prohibited arms sales, narcotics
9 trafficking, the counterfeiting of United States cur-
10 rency, and the counterfeiting of intellectual property
11 of United States persons.

12 (4) The Government of North Korea has, both
13 historically and recently, repeatedly sponsored acts
14 of international terrorism, including attempts to as-
15 sassinate defectors and human rights activists, re-
16 peated threats of violence against foreign persons,
17 leaders, newspapers, and cities, and the shipment of
18 weapons to terrorists and state sponsors of ter-
19 rorism.

20 (5) North Korea has unilaterally withdrawn
21 from the 1953 Armistice Agreement that ended the
22 Korean War, and committed provocations against
23 South Korea in 2010 by sinking the warship
24 Cheonan and killing 46 of her crew, and by shelling
25 Yeonpyeong Island, killing four South Koreans.

1 (6) North Korea maintains a system of brutal
2 political prison camps that contain as many as
3 120,000 men, women, and children, who live in atro-
4 cious living conditions with insufficient food, cloth-
5 ing, and medical care, and under constant fear of
6 torture or arbitrary execution.

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

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

14 (9) The President has determined that the Gov-
15 ernment of North Korea is responsible for knowingly
16 engaging in significant activities undermining cyber
17 security with respect to United States persons and
18 interests, and for threats of violence against the ci-
19 vilian population of the United States.

20 (10) Persons, including financial institutions,
21 who engage in transactions with, or provide financial
22 services to, the Government of North Korea and its
23 financial institutions without establishing sufficient
24 financial safeguards against North Korea's use of
25 these transactions to promote proliferation, weapons

1 trafficking, human rights violations, illicit activity,
2 and the purchase of luxury goods, aid and abet
3 North Korea's misuse of the international financial
4 system, and also violate the intent of relevant United
5 Nations Security Council resolutions.

6 (11) The Government of North Korea's conduct
7 poses an imminent threat to the security of the
8 United States and its allies, to the global economy,
9 to the safety of members of the United States
10 Armed Forces, to the integrity of the global financial
11 system, to the integrity of global nonproliferation
12 programs, and to the people of North Korea.

13 (12) The Congress seeks, through this legisla-
14 tion, to use nonmilitary means to address this crisis,
15 to provide diplomatic leverage to negotiate necessary
16 changes in North Korea's conduct, and to ease the
17 suffering of the people of North Korea.

18 **SEC. 3. DEFINITIONS.**

19 In this Act:

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

22 (A) Executive Order No. 13382 (2005),
23 13466 (2008), 13551 (2010), or 13570 (2011),
24 to the extent that such Executive order author-
25 izes the imposition of sanctions on persons for

1 conduct, or prohibits transactions or activities,
2 involving the Government of North Korea; or

3 (B) any Executive order adopted on or
4 after the date of the enactment of this Act, to
5 the extent that such Executive order authorizes
6 the imposition of sanctions on persons for con-
7 duct, or prohibits transactions or activities, in-
8 volving the Government of North Korea.

9 (2) APPLICABLE UNITED NATIONS SECURITY
10 COUNCIL RESOLUTION.—The term “applicable
11 United Nations Security Council resolution”
12 means—

13 (A) United Nations Security Council Reso-
14 lution 1695 (2006), 1718 (2006), 1874 (2009),
15 2087 (2013), or 2094 (2013); or

16 (B) any United Nations Security Council
17 resolution adopted on or after the date of the
18 enactment of this Act, to the extent that such
19 resolution authorizes the imposition of sanctions
20 on persons for conduct, or prohibits trans-
21 actions or activities, involving the Government
22 of North Korea.

23 (3) APPROPRIATE CONGRESSIONAL COMMIT-
24 TEES.—The term “appropriate congressional com-
25 mittees” means—

1 (A) the Committee on Foreign Affairs, the
2 Committee on Ways and Means, and the Com-
3 mittee on Financial Services of the House of
4 Representatives; and

5 (B) the Committee on Foreign Relations
6 and the Committee on Banking, Housing, and
7 Urban Affairs of the Senate.

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

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

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

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

21 (6) INTERNATIONAL TERRORISM.—The term
22 “international terrorism” has the meaning given
23 such term in section 140(d) of the Foreign Relations
24 Authorization Act, Fiscal Years 1988 and 1989 (22
25 U.S.C. 2656f(d)), and includes the conduct de-

scribed in section 212(a)(3)(B)(iii) of the Immigration and Nationality Act (8 U.S.C. 1182(a)(3)(B)(iii)), to the extent such conduct involves the citizens of more than one country.

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

(8) MONETARY INSTRUMENT.—The term “monetary instrument” has the meaning given such term under section 5312 of title 31, United States Code.

(9) NORTH KOREAN FINANCIAL INSTITUTION.—The term “North Korean financial institution” means—

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

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

1 (C) any financial institution, wherever lo-
2 cated, owned or controlled by the Government
3 of North Korea; and

4 (D) any financial institution, wherever lo-
5 cated, owned or controlled by a financial insti-
6 tution described in subparagraph (A), (B), or
7 (C).

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

10 (A) prepaid access devices, tangible or in-
11 tangible prepaid access devices, or other instru-
12 ments or devices for the storage or transmission
13 of value, as defined in part 1010 of title 31,
14 Code of Federal Regulations; and

15 (B) any covered goods, as defined in sec-
16 tion 1027.100 of title 31, Code of Federal Reg-
17 ulations, and any instrument or tangible or in-
18 tangible access device used for the storage and
19 transmission of a representation of covered
20 goods, or other device, as defined in section
21 1027.100 of title 31, Code of Federal Regula-
22 tions.

23 (11) PERSON.—The term “person” means an
24 individual or entity as determined by the Secretary
25 of State and the Secretary of the Treasury.

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

4 (A) significant efforts to—

5 (i) deny access to or degrade, disrupt,
6 or destroy an information and communica-
7 tions technology system or network; or

8 (ii) exfiltrate information from such a
9 system or network without authorization;

10 (B) significant destructive malware at-
11 tacks;

12 (C) significant denial of service activities;
13 or

14 (D) such other significant activities as may
15 be described in regulations promulgated to im-
16 plement section 104.

17 (13) UNITED STATES PERSON.—The term
18 “United States person” means—

19 (A) a natural person who is a citizen of the
20 United States or who owes permanent alle-
21 giance to the United States; and

22 (B) a corporation or other legal entity
23 which is organized under the laws of the United
24 States, any State or territory thereof, or the
25 District of Columbia, if natural persons de-

scribed in subparagraph (A) own, directly or indirectly, more than 50 percent of the outstanding capital stock or other beneficial interest in such legal entity.

TITLE I—INVESTIGATIONS, PROHIBITED CONDUCT, AND PENALTIES

SEC. 101. STATEMENT OF POLICY.

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

(1) to encourage all states to fully and promptly implement United Nations Security Council Resolution 2094 (2013);

(2) to sanction—

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

(B) persons that fail to exercise due diligence to ensure that financial institutions do not facilitate any of the activities described in subparagraph (A) by the Government of North Korea;

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

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

11 **SEC. 102. INVESTIGATIONS.**

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

17 **SEC. 103. BRIEFING TO CONGRESS.**

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

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

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

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

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

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

16 (a) PROHIBITED CONDUCT AND MANDATORY DES-
17 IGNATION AND SANCTIONS AUTHORITY.—

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

22 (A) have knowingly engaged in significant
23 activities or transactions with the Government
24 of North Korea that have materially contrib-
25 uted to the proliferation of weapons of mass de-

1 struction or their means of delivery (including
2 missiles capable of delivering such weapons), in-
3 cluding any efforts to manufacture, acquire,
4 possess, develop, transport, transfer, or use
5 such items;

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

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

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

22 (E) have knowingly engaged in or been re-
23 sponsible for censorship by the Government of
24 North Korea, including prohibiting, limiting, or
25 penalizing the exercise of freedom of expression

1 or assembly, limiting access to print, radio or
2 other broadcast media, Internet or other elec-
3 tronic communications, or the facilitation or
4 support of intentional frequency manipulation
5 that would jam or restrict an international sig-
6 nal;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

14 (E) may exercise the authorities of the
15 International Emergency Economic Powers Act
16 (50 U.S.C. 1705 et seq.) without regard to sec-
17 tion 202 of such Act to block any property and
18 interests in property of any person designated
19 under this subsection that are in the United
20 States, that hereafter come within the United
21 States, or that are or hereafter come within the
22 possession or control of any United States per-
23 son, including any 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
8 IN PROPERTY OF THE GOVERNMENT OF NORTH KOREA
9 AND THE WORKER'S PARTY OF KOREA.—Except as pro-
10 vided in section 207, the President shall exercise the au-
11 thorities of the International Emergency Economic Pow-
12 ers Act (50 U.S.C. 1705 et seq.) to block all property and
13 interests in property of the Government of North Korea
14 or the Worker's Party of Korea that on or after the date
15 of the enactment of this Act come within the United
16 States, or that come within the possession or control of
17 any United States person, including any overseas branch.

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

1 (e) LICENSING.—

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

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

9 (B) located in North Korea;

10 (C) of North Korean origin; or

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

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

19 (3) LICENSING AUTHORIZATION.—

20 (A) IN GENERAL.—Subject to subpara-
21 graph (B), the President may issue regulations
22 to authorize—

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
5 not issue regulations to authorize transactions
6 under clause (i) or (ii) of subparagraph (A) if
7 such transactions include any transactions with
8 the 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
17 a violation, of section 104(a) of the North Korea
18 Sanctions 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

(2) by adding at the end before the semicolon the following: “, or the North Korea Sanctions Enforcement Act of 2015”.

(c) AMENDMENT TO DEFINITION OF SPECIFIED UNLAWFUL ACTIVITY.—Section 1956(c)(7)(D) of title 18, United States Code, is amended—

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

(2) by adding at the end the following: “, or section 104(a) of the North Korea Sanctions Enforcement Act of 2015”.

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 PRIMARY MONEY LAUNDERING CONCERN.

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

1 (1) The Undersecretary of the Treasury for
2 Terrorism and Financial Intelligence, who is respon-
3 sible for safeguarding the financial system against il-
4 licit use, money laundering, terrorist financing, and
5 the proliferation of weapons of mass destruction, has
6 repeatedly expressed concern about North Korea’s
7 misuse of the international financial system as fol-
8 lows:

9 (A) In 2006, the Undersecretary stated
10 that, given North Korea’s “counterfeiting of
11 U.S. currency, narcotics trafficking and use of
12 accounts worldwide to conduct proliferation-re-
13 lated transactions, the line between illicit and
14 licit North Korean money is nearly invisible”
15 and urged financial institutions worldwide to
16 “think carefully about the risks of doing any
17 North Korea-related business.”.

18 (B) In 2011, the Undersecretary stated
19 that “North Korea remains intent on engaging
20 in proliferation, selling arms as well as bringing
21 in material,” and was “aggressively pursuing
22 the effort to establish front companies.”.

23 (C) In 2013, the Undersecretary stated, in
24 reference to North Korea’s distribution of high-
25 quality counterfeit United States currency, that

1 “North Korea is continuing to try to pass a
2 supernote into the international financial sys-
3 tem,” and that the Department of the Treasury
4 would soon introduce new currency with im-
5 proved security features to protect against
6 counterfeiting by the Government of North
7 Korea.

8 (2) The Financial Action Task Force, an inter-
9 governmental body whose purpose is to develop and
10 promote national and international policies to com-
11 bat money laundering and terrorist financing, has
12 repeatedly—

13 (A) expressed concern at deficiencies in
14 North Korea’s regimes to combat money laun-
15 dering and terrorist financing;

16 (B) urged North Korea to adopt a plan of
17 action to address significant deficiencies in
18 these regimes and the serious threat they pose
19 to the integrity of the international financial
20 system;

21 (C) urged all jurisdictions to apply coun-
22 termeasures to protect the international finan-
23 cial system from ongoing and substantial money
24 laundering and terrorist financing risks ema-
25 nating from North Korea;

1 (D) urged all jurisdictions to advise their
2 financial institutions to give special attention to
3 business relationships and transactions with
4 North Korea, including North Korean compa-
5 nies and financial institutions; and

6 (E) called on all jurisdictions to protect
7 against correspondent relationships being used
8 to bypass or evade countermeasures and risk
9 mitigation practices, and take into account
10 money laundering and terrorist financing risks
11 when considering requests by North Korean fi-
12 nancial institutions to open branches and sub-
13 sidiaries in their jurisdiction.

14 (3) On March 7, 2013, the United Nations Se-
15 curity Council unanimously adopted Resolution
16 2094, which—

17 (A) welcomed the Financial Action Task
18 Force’s recommendation on financial sanctions
19 related to proliferation, and its guidance on the
20 implementation of sanctions;

21 (B) decided that Member States should
22 apply enhanced monitoring and other legal
23 measures to prevent the provision of financial
24 services or the transfer of property that could
25 contribute to activities prohibited by applicable

1 United Nations Security Council resolutions;
2 and

3 (C) called on Member States to prohibit
4 North Korean banks from establishing or main-
5 taining correspondent relationships with banks
6 in their jurisdictions, to prevent the provision of
7 financial services, if they have information that
8 provides reasonable grounds to believe that
9 these activities could contribute to activities
10 prohibited by an applicable United Nations Se-
11 curity Council resolution, or to the evasion of
12 such prohibitions.

13 (b) SENSE OF CONGRESS REGARDING THE DESIGNA-
14 TION OF NORTH KOREA AS A JURISDICTION OF PRIMARY
15 MONEY LAUNDERING CONCERN.—Congress—

16 (1) acknowledges the efforts of the United Na-
17 tions Security Council to impose limitations on, and
18 require enhanced monitoring of, transactions involv-
19 ing North Korean financial institutions that could
20 contribute to sanctioned activities;

21 (2) urges the President, in the strongest terms,
22 to immediately designate North Korea as a jurisdic-
23 tion of primary money laundering concern, and to
24 adopt stringent special measures to safeguard the fi-
25 nancial system against the risks posed by North Ko-

1 rea’s willful evasion of sanctions and its illicit activi-
2 ties; and

3 (3) urges the President to seek the prompt im-
4 plementation by other states of enhanced monitoring
5 and due diligence to prevent North Korea’s misuse
6 of the international financial system, including by
7 sharing information about activities, transactions,
8 and property that could contribute to activities sanc-
9 tioned by applicable United Nations Security Council
10 resolutions, or to the evasion of sanctions.

11 (c) DETERMINATIONS REGARDING NORTH KOREA.—

12 (1) IN GENERAL.—The Secretary of the Treas-
13 ury shall, not later than 180 days after the date of
14 the enactment of this Act, determine, in consultation
15 with the Secretary of State and Attorney General,
16 and in accordance with section 5318A of title 31,
17 United States Code, whether reasonable grounds
18 exist for concluding that North Korea is a jurisdic-
19 tion of primary money laundering concern.

20 (2) SPECIAL MEASURES.—If the Secretary of
21 the Treasury determines under this subsection that
22 reasonable grounds exist for finding that North
23 Korea is a jurisdiction of primary money laundering
24 concern, the Secretary of the Treasury, in consulta-
25 tion with the Federal functional regulators, shall im-

pose one or more of the special measures described in paragraphs (1) through (5) of section 5318A(b) of title 31, United States Code, with respect to the jurisdiction of North Korea.

(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 (1) all states and jurisdictions are obligated to
2 implement and enforce applicable United Nations
3 Security Council resolutions fully and promptly, in-
4 cluding by—

5 (A) blocking the property of, and ensuring
6 that any property is prevented from being made
7 available to, persons designated by the Security
8 Council under applicable United Nations Secu-
9 rity Council resolutions;

10 (B) blocking any property associated with
11 an activity prohibited by applicable United Na-
12 tions Security Council resolutions; and

13 (C) preventing any transfer of property
14 and any provision of financial services that
15 could contribute to an activity prohibited by ap-
16 plicable United Nations Security Council resolu-
17 tions, or to the evasion of sanctions under such
18 resolutions;

19 (2) all states and jurisdictions share a common
20 interest in protecting the international financial sys-
21 tem from the risks of money laundering and illicit
22 transactions emanating from North Korea;

23 (3) the United States Dollar and the Euro are
24 the world's principal reserve currencies, and the
25 United States and the European Union are pri-

1 marily responsible for the protection of the inter-
2 national financial system from these risks;

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

8 (5) the report of the Panel of Experts estab-
9 lished pursuant to United Nations Security Council
10 Resolution 1874, dated June 11, 2013, expressed
11 concern about the ability of banks in states with less
12 effective regulators and those unable to afford effec-
13 tive compliance to detect and prevent illicit transfers
14 involving North Korea;

15 (6) North Korea has historically exploited in-
16 consistencies between jurisdictions in the interpreta-
17 tion and enforcement of financial regulations and
18 applicable United Nations Security Council resolu-
19 tions to circumvent sanctions and launder the pro-
20 ceeds of illicit activities;

21 (7) Amrooggang Development Bank, Bank of
22 East Land, and Tanchon Commercial Bank have
23 been designated by the Secretary of the Treasury,
24 the United Nations Security Council, and the Euro-
25 pean Union;

1 (8) Korea Daesong Bank and Korea Kwangson
2 Banking Corporation have been designated by the
3 Secretary of the Treasury and the European Union;

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

9 (10) Daedong Credit Bank has been designated
10 by the Secretary of the Treasury for activities pro-
11 hibited by applicable United Nations Security Coun-
12 cil resolutions, including the use of deceptive finan-
13 cial practices to facilitate transactions on behalf of
14 persons linked to North Korea’s proliferation net-
15 work.

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

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

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

6 (3) the blocking by all states and jurisdictions,
7 in accordance with the legal process of the state or
8 jurisdiction in which the property is held, of any
9 property required to be blocked under applicable
10 United Nations Security Council resolutions;

11 (4) the blocking of any property derived from il-
12 licit activity, from significant activities undermining
13 cyber security, from the misappropriation, theft, or
14 embezzlement of public funds by, or for the benefit
15 of, officials of the Government of North Korea;

16 (5) the blocking of any property involved in sig-
17 nificant activities undermining cyber security by the
18 Government of North Korea, directly or indirectly,
19 against United States persons, or the theft of intel-
20 lectual property by the Government of North Korea,
21 directly or indirectly from United States persons;
22 and

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

1 **SEC. 203. PROLIFERATION PREVENTION SANCTIONS.**

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

3 (1) IN GENERAL.—Subject to section
4 207(a)(2)(C) of this Act, a license shall be required
5 for the export to North Korea of any goods or tech-
6 nology subject to the Export Administration Regula-
7 tions (part 730 of title 15, Code of Federal Regula-
8 tions) without regard to whether the Secretary of
9 State has designated North Korea as a country the
10 government of which has provided support for acts
11 of international terrorism, as determined by the Sec-
12 retary of State under section 6(j) of the Export Ad-
13 ministration Act of 1979 (50 U.S.C. App. 2045), as
14 continued in effect under the International Emer-
15 gency Economic Powers Act.

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

20 (b) TRANSACTIONS WITH COUNTRIES SUPPORTING
21 ACTS OF INTERNATIONAL TERRORISM.—

22 (1) ARMS EXPORT CONTROL ACT PROHIBI-
23 TIONS.—The prohibitions and restrictions described
24 in section 40 of the Arms Export Control Act (22
25 U.S.C. 2780), and other provisions provided for in
26 that Act, shall also apply to exporting or otherwise

1 providing (by sale, lease or loan, grant, or other
2 means), directly or indirectly, any munitions item to
3 the Government of North Korea without regard to
4 whether or not North Korea is a country with re-
5 spect to which subsection (d) of such section (relat-
6 ing to designation of state sponsors of terrorism) ap-
7 plies.

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

20 (c) TRANSACTIONS IN LETHAL MILITARY EQUIP-
21 MENT.—

22 (1) IN GENERAL.—The President shall withhold
23 assistance under the Foreign Assistance Act of 1961
24 (22 U.S.C. 2151 et seq.) to any country that pro-
25 vides lethal military equipment to, or receives lethal

1 military equipment from, the Government of North
2 Korea.

3 (2) APPLICABILITY.—The prohibition under
4 this subsection with respect to a country shall termi-
5 nate on the date that is 1 year after the date on
6 which such country ceases to provide lethal military
7 equipment to the Government of North Korea.

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

17 **SEC. 204. PROCUREMENT SANCTIONS.**

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

22 (b) FAR.—The Federal Acquisition Regulation
23 issued pursuant to section 1303 of title 41, United States
24 Code, shall be revised to require a certification from each
25 person that is a prospective contractor that such person

1 does not engage in any of the conduct described in sub-
2 section (a) or (b) of section 104. Such revision shall apply
3 with respect to contracts in an amount greater than the
4 simplified acquisition threshold (as defined in section 134
5 of title 41, United States Code) for which solicitations are
6 issued on or after the date that is 90 days after the date
7 of the enactment of this Act.

8 (c) TERMINATION OF CONTRACTS AND INITIATION
9 OF SUSPENSION AND DEBARMENT PROCEEDING.—

10 (1) TERMINATION OF CONTRACTS.—Except as
11 provided in paragraph (2), the head of an executive
12 agency shall terminate a contract with a person who
13 has provided a false certification under subsection
14 (b).

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

1 er and relevant information supporting the waiver
2 decision.

3 (3) INITIATION OF SUSPENSION AND DEBAR-
4 MENT PROCEEDING.—The head of an executive
5 agency shall initiate a suspension and debarment
6 proceeding against a person who has provided a
7 false certification under subsection (b). Upon deter-
8 mination of suspension, debarment, or proposed de-
9 barment, the agency shall ensure that such person
10 is entered into the Governmentwide database con-
11 taining the list of all excluded parties ineligible for
12 Federal programs pursuant to Executive Order No.
13 12549 (31 U.S.C. 6101 note; relating to debarment
14 and suspension) and Executive Order No. 12689 (31
15 U.S.C. 6101 note; relating to debarment and sus-
16 pension).

17 (d) CLARIFICATION REGARDING CERTAIN PROD-
18 UCTS.—The remedies specified in subsections (a) through
19 (c) shall not apply with respect to the procurement of eligi-
20 ble products, as defined in section 308(4) of the Trade
21 Agreements Act of 1979 (19 U.S.C. 2518(4)), of any for-
22 eign country or instrumentality designated under section
23 301(b) of such Act (19 U.S.C. 2511(b)).

24 (e) RULE OF CONSTRUCTION.—Nothing in this sub-
25 section may be construed to limit the use of other remedies

1 available to the head of an executive agency or any other
2 official of the Federal Government on the basis of a deter-
3 mination of a false certification under subsection (b).

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

7 **SEC. 205. ENHANCED INSPECTIONS AUTHORITIES.**

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

21 (b) ENHANCED SECURITY TARGETING REQUIRE-
22 MENTS.—Not later than 180 days after the identification
23 of any sea port or airport pursuant to subsection (a), the
24 Secretary of Homeland Security shall, utilizing the Auto-
25 mated Targeting System operated by the National Tar-

1 getting Center in U.S. Customs and Border Protection, re-
 2 quire enhanced screening procedures to determine if phys-
 3 ical inspections are warranted of any cargo bound for or
 4 landed in the United States that has been transported
 5 through such sea port or airport if there are reasonable
 6 grounds to believe that such cargo contains goods prohib-
 7 ited under this Act.

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

14 **SEC. 206. TRAVEL SANCTIONS.**

15 (a) ALIENS INELIGIBLE FOR VISAS, ADMISSION, OR
 16 PAROLE.—

17 (1) VISAS, ADMISSION, OR PAROLE.—An alien
 18 (or an alien who is a corporate officer of a person
 19 (as defined in subparagraph (B) or (C) of section
 20 3(11))) who the Secretary of State or the Secretary
 21 of Homeland Security (or a designee of one of such
 22 Secretaries) knows, or has reasonable grounds to be-
 23 lieve, is described in subsection (a)(1) or (b)(1) of
 24 section 104 is—

25 (A) inadmissible to the United States;

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

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

7 (2) CURRENT VISAS REVOKED.—

8 (A) IN GENERAL.—The issuing consular
9 officer, the Secretary of State, or the Secretary
10 of Homeland Security (or a designee of one of
11 such Secretaries) shall revoke any visa or other
12 entry documentation issued to an alien who is
13 described in subsection (a)(1) or (b)(1) of sec-
14 tion 104 regardless of when issued.

15 (B) EFFECT OF REVOCATION.—A revoca-
16 tion under subparagraph (A)—

17 (i) shall take effect immediately; and

18 (ii) shall automatically cancel any
19 other valid visa or entry documentation
20 that is in the alien's possession.

21 (b) EXCEPTION TO COMPLY WITH UNITED NATIONS
22 HEADQUARTERS AGREEMENT.—Sanctions under sub-
23 section (a)(1)(B) shall not apply to an alien if admitting
24 the alien into the United States is necessary to permit the
25 United States to comply with the Agreement regarding the

1 Headquarters of the United Nations, signed at Lake Suc-
 2 cess June 26, 1947, and entered into force November 21,
 3 1947, between the United Nations and the United States,
 4 or other applicable international obligations.

5 **SEC. 207. EXEMPTIONS, WAIVERS, AND REMOVALS OF DES-**
 6 **IGNATION.**

7 (a) EXEMPTIONS.—

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

11 (A) Activities subject to the reporting re-
 12 quirements of title V of the National Security
 13 Act of 1947 (50 U.S.C. 413 et seq.), or to any
 14 authorized intelligence activities of the United
 15 States.

16 (B) Any transaction necessary to comply
 17 with United States obligations under the Agree-
 18 ment between the United Nations and the
 19 United States of America regarding the Head-
 20 quarters of the United Nations, signed June
 21 26, 1947, and entered into force on November
 22 21, 1947, or under the Vienna Convention on
 23 Consular Relations, signed April 24, 1963, and
 24 entered into force on March 19, 1967, or under
 25 other international agreements.

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

4 (A) Any financial transaction the exclusive
5 purpose for which is to provide humanitarian
6 assistance to the people of North Korea.

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

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

19 (i) the Export Administration Act of
20 1979 (50 U.S.C. App. 2401 et seq.), as
21 continued in effect under the International
22 Emergency Economic Powers Act (50
23 U.S.C. 1701 et seq.);

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

- 1 (iii) part B of title VIII of the Nu-
2 clear Proliferation Prevention Act of 1994
3 (22 U.S.C. 6301 et seq.); or
4 (iv) the Chemical and Biological
5 Weapons Control and Warfare Elimination
6 Act of 1991 (22 U.S.C. 5601 et seq.).

7 (b) WAIVER.—The President may waive, on a case-
8 by-case basis, the imposition of sanctions for a period of
9 not more than one year, and may renew that waiver for
10 additional periods of not more than one year, any sanction
11 or other measure under section 104, 204, 205, 206, or
12 303 if the President submits to the appropriate congres-
13 sional committees a written determination that the waiver
14 meets one or more of the following requirements:

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

17 (2) The waiver will further the enforcement of
18 this Act or is for an important law enforcement pur-
19 pose.

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

24 (c) REMOVALS OF SANCTIONS.—The President may
25 prescribe rules and regulations for the removal of sanc-

1 tions on a person that is designated under subsection (a)
2 or (b) of section 104 and the removal of designations of
3 a person with respect to such sanctions if the President
4 determines that the designated person has verifiably
5 ceased its participation in any of the conduct described
6 in subsection (a) or (b) of section 104, as the case may
7 be, and has given assurances that it will abide by the re-
8 quirements of this Act.

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

16 **SEC. 208. REPORT ON THOSE RESPONSIBLE FOR KNOW-**
17 **INGLY ENGAGING IN SIGNIFICANT ACTIVI-**
18 **TIES UNDERMINING CYBER SECURITY.**

19 (a) IN GENERAL.—The President shall submit to the
20 appropriate congressional committees a report on signifi-
21 cant activities undermining cyber security conducted, or
22 otherwise ordered or controlled, directly or indirectly, by
23 the Government of North Korea, including—

24 (1) the identity and nationality of persons that
25 have knowingly engaged in, directed, or provided

1 material support to significant activities under-
2 mining cyber security by the Government of North
3 Korea;

4 (2) the conduct engaged in by each person iden-
5 tified;

6 (3) the extent to which a foreign government
7 has provided material support to significant activi-
8 ties undermining cyber security conducted, or other-
9 wise ordered or controlled by, the Government of
10 North Korea; and

11 (4) the efforts made by the United States to en-
12 gage foreign governments to halt the capability of
13 North Korea to conduct significant activities under-
14 mining cyber security.

15 (b) SUBMISSION AND FORM.—

16 (1) SUBMISSION.—The report required under
17 subsection (a) shall be submitted not later than 90
18 days after the date of enactment of this Act, and
19 every 180 days thereafter for a period not to exceed
20 3 years.

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

TITLE III—PROMOTION OF HUMAN RIGHTS

3 SEC. 301. INFORMATION TECHNOLOGY.

4 Section 104 of the North Korean Human Rights Act
5 of 2004 (22 U.S.C. 7814) is amended by inserting after
6 subsection (c) the following new subsection:

7 “(d) INFORMATION TECHNOLOGY STUDY.—

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

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

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

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

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

25 (2) the camp’s geographical coordinates;

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

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

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

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

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

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

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

4 (a) IN GENERAL.—The Secretary of State shall sub-
5 mit to the appropriate congressional committees a report
6 that contains an identification of each person the Sec-
7 retary determines to be responsible for serious human
8 rights abuses or censorship in North Korea and a descrip-
9 tion of such abuses or censorship engaged in by such per-
10 son.

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

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

25 (d) SUBMISSION AND FORM.—

1 (1) SUBMISSION.—The report required under
 2 subsection (a) shall be submitted not later than 90
 3 days after the date of the enactment of this Act, and
 4 every 180 days thereafter for a period not to exceed
 5 3 years, shall be included in each report required
 6 under sections 116(d) and 502B(b) of the Foreign
 7 Assistance Act of 1961 (22 U.S.C. 2151n(d) and
 8 2304(b)) (relating to the annual human rights re-
 9 port).

10 (2) FORM.—The report required under sub-
 11 section (a) shall be submitted in unclassified form,
 12 but may include a classified annex. The Secretary of
 13 State shall also publish the unclassified part of the
 14 report on the Department of State’s Web site.

15 **TITLE IV—GENERAL** 16 **AUTHORITIES**

17 **SEC. 401. SUSPENSION OF SANCTIONS AND OTHER MEAS-** 18 **URES.**

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

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

5 (2) taken significant steps toward financial
6 transparency to comply with generally accepted pro-
7 tocols to cease and prevent the laundering of mone-
8 tary instruments;

9 (3) taken significant steps toward verification
10 of its compliance with United Nations Security
11 Council Resolutions 1695, 1718, 1874, 2087, and
12 2094;

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

18 (5) accepted and begun to abide by internation-
19 ally recognized standards for the distribution and
20 monitoring of humanitarian aid;

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

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

1 (8) made significant progress in planning for
2 unrestricted family reunification meetings, including
3 for those individuals among the two million strong
4 Korean-American community who maintain family
5 ties with relatives in North Korea.

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

13 **SEC. 402. TERMINATION OF SANCTIONS AND OTHER MEAS-**
14 **URES.**

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

21 (1) completely, verifiably, and irreversibly dis-
22 mantled all of its nuclear, chemical, biological, and
23 radiological weapons programs, including all pro-
24 grams for the development of systems designed in
25 whole or in part for the delivery of such weapons;

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

4 (3) ceased its censorship of peaceful political
5 activity;

6 (4) taken significant steps toward the establish-
7 ment of an open, transparent, and representative so-
8 ciety;

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

13 (6) agreed with the Financial Action Task
14 Force on a plan of action to address deficiencies in
15 its anti-money laundering regime and begun to im-
16 plement this plan of action.

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

18 Any or all reports required to be submitted to appro-
19 priate congressional committees under this Act or any
20 amendment made by this Act that are subject to a dead-
21 line for submission consisting of the same unit of time may
22 be consolidated into a single report that is submitted to
23 appropriate congressional committees pursuant to such
24 deadline.

1 **SEC. 404. REGULATIONS.**

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

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

14 **SEC. 405. EFFECTIVE DATE.**

15 Except as otherwise provided in this Act, this Act and
16 the amendments made by this Act shall take effect on the
17 date of the enactment of this Act.

○