

115TH CONGRESS
1ST SESSION

H. R. 1644

IN THE SENATE OF THE UNITED STATES

MAY 4, 2017

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

AN ACT

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 Representa-*
2 *tives of the United States of America in Congress assembled,*

1 SECTION 1. SHORT TITLE.

2 This Act may be cited as the “Korean Interdiction
3 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 NA-
 TIONS SECURITY COUNCIL SANCTIONS AGAINST NORTH KOREA**

Sec. 101. Modification and expansion of requirements for the designation of
 persons.

Sec. 102. Prohibition on indirect correspondent accounts.

Sec. 103. Limitations on foreign assistance to noncompliant governments.

Sec. 104. Amendments to enhance inspection authorities.

Sec. 105. Enforcing compliance with United Nations shipping sanctions against
 North Korea.

Sec. 106. Report on cooperation between North Korea and Iran.

Sec. 107. Report on implementation of United Nations Security Council resolu-
 tions by other governments.

Sec. 108. Briefing on measures to deny specialized financial messaging services
 to designated North Korean financial institutions.

**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. Determination 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.

6 SEC. 3. DEFINITIONS.

7 (a) AMENDMENTS TO DEFINITIONS IN THE NORTH
8 KOREA SANCTIONS AND POLICY ENHANCEMENT ACT OF
9 2016.—

1 (1) APPLICABLE EXECUTIVE ORDER.—Section
2 3(1)(A) of the North Korea Sanctions and Policy
3 Enhancement Act of 2016 (22 U.S.C. 9202(1)(A))
4 is amended—

5 (A) by striking “or Executive Order
6 13694” and inserting “Executive Order No.
7 13694”; and

8 (B) by inserting “or Executive Order No.
9 13722 (50 U.S.C. 1701 note; relating to block-
10 ing the property of the Government of North
11 Korea and the Workers’ Party of Korea, and
12 Prohibiting Certain Transactions With Respect
13 to North Korea),” before “to the extent”.

14 (2) APPLICABLE UNITED NATIONS SECURITY
15 COUNCIL RESOLUTION.—Section 3(2)(A) of the
16 North Korea Sanctions and Policy Enhancement Act
17 of 2016 (22 U.S.C. 9202(2)(A)) is amended by
18 striking “or 2094 (2013)” and inserting “2094
19 (2013), 2270 (2016), or 2321 (2016)”.

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

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

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

3 “(5) FOREIGN PERSON.—The term ‘foreign per-
4 son’ means—

5 “(A) an individual who is not a United
6 States citizen or an alien lawfully admitted for
7 permanent residence to the United States; or

8 “(B) an entity that is not a United States
9 person.”.

10 (4) LUXURY GOODS.—Paragraph (9) of section
11 3 of the North Korea Sanctions and Policy En-
12 hancement Act of 2016 (22 U.S.C. 9202), as redes-
13 ignated by paragraph (3) of this subsection, is
14 amended—

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

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

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

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

24 (5) NORTH KOREAN PERSON.—Section 3 of the
25 North Korea Sanctions and Policy Enhancement Act

1 of 2016 (22 U.S.C. 9202), as amended by para-
2 graph (3) of this subsection, is further amended—

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

6 (B) by inserting after paragraph (12) the
7 following new paragraph:

8 “(13) NORTH KOREAN PERSON.—The term
9 ‘North Korean person’ means—

10 “(A) a North Korean citizen or national;
11 or

12 “(B) an entity owned or controlled by the
13 Government of North Korea or by a North Ko-
14 rean citizen or national.”.

15 (b) DEFINITIONS FOR PURPOSES OF THIS ACT.—In
16 this Act:

17 (1) APPLICABLE UNITED NATIONS SECURITY
18 COUNCIL RESOLUTION; LUXURY GOODS.—The terms
19 “applicable United Nations Security Council resolu-
20 tion” and “luxury goods” have the meanings given
21 those terms, respectively, in section 3 of the North
22 Korea Sanctions and Policy Enhancement Act of
23 2016 (22 U.S.C. 9202), as amended by subsection
24 (a).

1 (2) APPROPRIATE CONGRESSIONAL COMMIT-
2 TEES; GOVERNMENT OF NORTH KOREA; UNITED
3 STATES PERSON.—The terms “appropriate congress-
4 sional committees”, “Government of North Korea”,
5 and “United States person” have the meanings
6 given those terms, respectively, in section 3 of the
7 North Korea Sanctions and Policy Enhancement Act
8 of 2016 (22 U.S.C. 9202).

9 (3) FOREIGN PERSON; NORTH KOREAN PER-
10 SON.—The terms “foreign person” and “North Ko-
11 rean person” have the meanings given those terms,
12 respectively, in paragraph (5) and paragraph (13) of
13 section 3 of the North Korea Sanctions and Policy
14 Enhancement Act of 2016 (22 U.S.C. 9202(5) and
15 9202(13)), as added by subsection (a).

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

18 (A) any program related to the develop-
19 ment of nuclear, chemical, or biological weap-
20 ons, and their means of delivery, including bal-
21 listic missiles; and

22 (B) any program to develop related mate-
23 rials with respect to a program described in
24 subparagraph (A).

1 **TITLE I—SANCTIONS TO EN-**
2 **FORCE AND IMPLEMENT**
3 **UNITED NATIONS SECURITY**
4 **COUNCIL SANCTIONS**
5 **AGAINST NORTH KOREA**

6 **SEC. 101. MODIFICATION AND EXPANSION OF REQUIRE-**
7 **MENTS FOR THE DESIGNATION OF PERSONS.**

8 (a) EXPANSION OF MANDATORY DESIGNATIONS.—

9 Section 104(a) of the North Korea Sanctions and Policy
10 Enhancement Act of 2016 (22 U.S.C. 9214(a)) is amend-
11 ed—

12 (1) in paragraph (9), by striking “; or” and in-
13 serting “or any defense article or defense service (as
14 such terms are defined in section 47 of the Arms
15 Export Control Act (22 U.S.C. 2794));”;

16 (2) by redesignating paragraph (10) as para-
17 graph (15);

18 (3) by inserting after paragraph (9) the fol-
19 lowing new paragraphs:

20 “(10) knowingly, directly or indirectly, pur-
21 chases or otherwise acquires from North Korea any
22 significant amounts of gold, titanium ore, vanadium
23 ore, copper, silver, nickel, zinc, or rare earth min-
24 erals;

1 “(11) knowingly, directly or indirectly, sells or
2 transfers to North Korea any significant amounts of
3 rocket, aviation, or jet fuel (except for use by a civil-
4 ian passenger aircraft outside North Korea, exclu-
5 sively for consumption during its flight to North
6 Korea or its return flight);

7 “(12) knowingly, directly or indirectly, provides
8 significant amounts of fuel or supplies, provides bun-
9 kering services, or facilitates a significant trans-
10 action or transactions to operate or maintain, a ves-
11 sel or aircraft that is designated under an applicable
12 Executive order or an applicable United Nations Se-
13 curity Council resolution, or that is owned or con-
14 trolled by a person designated under an applicable
15 Executive order or applicable United Nations Secu-
16 rity Council resolution;

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

23 “(14) knowingly, directly or indirectly, main-
24 tains a correspondent account (as defined in section
25 201A(d)(1)) with any North Korean financial insti-

1 tution, except as specifically approved by the United
2 Nations Security Council; or”; and

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

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

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

13 “(i) an applicable United Nations Se-
14 curity Council resolution;

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

17 “(iii) any applicable Executive
18 order;”;

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

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

23 (4) by adding at the end the following new sub-
24 paragraphs:

1 “(D) knowingly, directly or indirectly, pur-
2 chased or otherwise acquired from the Govern-
3 ment of North Korea significant quantities of
4 coal, iron, or iron ore, in excess of the limita-
5 tions provided in applicable United Nations Se-
6 curity Council resolutions;

7 “(E) knowingly, directly or indirectly, pur-
8 chased or otherwise acquired significant types
9 or amounts of textiles from the Government of
10 North Korea;

11 “(F) knowingly facilitated a significant
12 transfer of funds or property of the Govern-
13 ment of North Korea that materially contrib-
14 utes to any violation of an applicable United
15 National Security Council resolution;

16 “(G) knowingly, directly or indirectly, fa-
17 cilitated a significant transfer to or from the
18 Government of North Korea of bulk cash, pre-
19 cious metals, gemstones, or other stores of
20 value not described under subsection (a)(10);

21 “(H) knowingly, directly or indirectly, sold,
22 transferred, or otherwise provided significant
23 amounts of crude oil, condensates, refined pe-
24 troleum, other types of petroleum or petroleum
25 byproducts, liquified natural gas, or other nat-

1 ural gas resources to the Government of North
2 Korea (except for heavy fuel oil, gasoline, or
3 diesel fuel for humanitarian use or as excepted
4 under subsection (a)(11));

5 “(I) knowingly, directly or indirectly, en-
6 gaged in, facilitated, or was responsible for the
7 online commercial activities of the Government
8 of North Korea, including online gambling;

9 “(J) knowingly, directly or indirectly, pur-
10 chased or otherwise acquired fishing rights
11 from the Government of North Korea;

12 “(K) knowingly, directly or indirectly, pro-
13 vided significant telephonic, telegraphic, tele-
14 communications or other data services, in whole
15 or in part, into or out of North Korea, in excess
16 of services needed for humanitarian or diplo-
17 matic purposes (other than services that are ex-
18 cepted under section 203(b)(1) of the Inter-
19 national Emergency Economic Powers Act (50
20 U.S.C. 1702(b)(1)));

21 “(L) knowingly, directly or indirectly, pur-
22 chased or otherwise acquired significant types
23 or amounts of food or agricultural products
24 from the Government of North Korea;

1 “(M) knowingly, directly or indirectly, en-
2 gaged in, facilitated, or was responsible for the
3 exportation of workers from North Korea in a
4 manner intended to generate significant rev-
5 enue, directly or indirectly, for use by the Gov-
6 ernment of North Korea or by the Workers’
7 Party of Korea;

8 “(N) knowingly conducted a significant
9 transaction or transactions in North Korea’s
10 transportation, mining, energy, or financial
11 services industries; or

12 “(O) except as specifically approved by the
13 United Nations Security Council, and other
14 than through a correspondent account as de-
15 scribed in subsection (a)(14), knowingly facili-
16 tated the operation of any branch, subsidiary,
17 or office of a North Korean financial institu-
18 tion.”.

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

23 (1) by striking “of a designated person” and in-
24 serting “of a person designated under subsection
25 (a)”;

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

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

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

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

12 (d) DESIGNATION OF ADDITIONAL PERSONS.—

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

23 (A) The Korea Shipowners’ Protection and
24 Indemnity Association, a North Korean insurance
25 company, with respect to facilitating im-

1 ports, exports, and reexports of arms and re-
2 lated materiel to and from North Korea, or for
3 other activities prohibited by such section 104.

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

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

14 (D) Kumgang Economic Development Cor-
15 poration (KKG), with respect to being an entity
16 controlled by Bureau 39 of the Workers' Party
17 of the Government of North Korea.

18 (E) Sam Pa, also known as Xu Jinghua,
19 Xu Songhua, Sa Muxu, Samo, Sampa, or Sam
20 King, and any entities owned or controlled by
21 such individual, with respect to transactions
22 with KKG.

23 (F) The Chamber of Commerce of the
24 Democratic People's Republic of Korea, with re-
25 spect to the exportation of workers in violation

1 of section 104(a)(5) or of section 104(b)(1)(M)
2 of such Act, as amended by subsection (b) of
3 this section.

4 (2) FORM.—The report submitted under para-
5 graph (1) may contain a classified annex.

6 **SEC. 102. PROHIBITION ON INDIRECT CORRESPONDENT**
7 **ACCOUNTS.**

8 (a) IN GENERAL.—Title II of the North Korea Sanc-
9 tions and Policy Enhancement Act of 2016 (22 U.S.C.
10 9221 et seq.) is amended by inserting after section 201
11 the following new section:

12 **“SEC. 201A. PROHIBITION ON INDIRECT CORRESPONDENT**
13 **ACCOUNTS.**

14 “(a) IN GENERAL.—Except as provided in subsection
15 (b), if a United States financial institution has or obtains
16 knowledge that a correspondent account established,
17 maintained, administered, or managed by that institution
18 for a foreign financial institution is being used by the for-
19 eign financial institution to provide significant financial
20 services indirectly to any person, foreign government, or
21 financial institution designated under section 104, the
22 United States financial institution shall ensure that such
23 correspondent account is no longer used to provide such
24 services.

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

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

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

12 “(c) DEFINITIONS.—In this section:

13 “(1) CORRESPONDENT ACCOUNT.—The term
14 ‘correspondent account’ has the meaning given that
15 term in section 5318A of title 31, United States
16 Code.

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

23 “(3) FOREIGN FINANCIAL INSTITUTION.—The
24 term ‘foreign financial institution’ has the meaning
25 given that term in section 1010.605 of title 31, Code

1 of Federal Regulations, as in effect on the date of
 2 the enactment of this section.”.

3 (b) CLERICAL AMENDMENT.—The table of contents
 4 in section 1(b) of the North Korea Sanctions and Policy
 5 Enhancement Act of 2016 is amended by inserting after
 6 the item relating to section 201 the following new item:

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

7 **SEC. 103. LIMITATIONS ON FOREIGN ASSISTANCE TO NON-**
 8 **COMPLIANT GOVERNMENTS.**

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

11 (1) in subsection (b)—

12 (A) in the heading, by striking “TRANS-
 13 ACTIONS IN LETHAL MILITARY EQUIPMENT”
 14 and inserting “TRANSACTIONS IN DEFENSE
 15 ARTICLES OR DEFENSE SERVICES”;

16 (B) in paragraph (1), by striking “that
 17 provides lethal military equipment to the Gov-
 18 ernment of North Korea” and inserting “that
 19 provides to or receives from the Government of
 20 North Korea a defense article or defense serv-
 21 ice, as such terms are defined in section 47 of
 22 the Arms Export Control Act (22 U.S.C. 2794),
 23 if the President determines that a significant
 24 type or amount of such article or service has
 25 been so provided or received”; and

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

3 (2) in subsection (d), by striking “or emer-
4 gency” and inserting “maternal and child health,
5 disease prevention and response, or”; and

6 (3) by adding at the end the following new sub-
7 section:

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

10 “(1) IN GENERAL.—Not later than 180 days
11 after the date of the enactment of this subsection,
12 and annually thereafter for 5 years, the Secretary of
13 State shall submit to the appropriate congressional
14 committees a report that specifically describes the
15 compliance of foreign countries and other foreign ju-
16 risdictions with the requirement to curtail the trade
17 described in subsection (b)(1).

18 “(2) FORM.—The report required under para-
19 graph (1) shall be submitted in unclassified form but
20 may contain a classified annex.”.

21 **SEC. 104. AMENDMENTS TO ENHANCE INSPECTION AU-**
22 **THORITIES.**

23 Title II of the North Korea Sanctions and Policy En-
24 hancement Act of 2016 (22 U.S.C. 9221 et seq.), as

1 amended by section 102 of this Act, is further amended
2 by striking section 205 and inserting the following:

3 **“SEC. 205. ENHANCED INSPECTION AUTHORITIES.**

4 “(a) REPORT REQUIRED.—

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

10 “(A) identifying the operators of foreign
11 sea ports and airports that knowingly—

12 “(i) significantly fail to implement or
13 enforce regulations to inspect ships, air-
14 craft, cargo, or conveyances in transit to or
15 from North Korea, as required by applica-
16 ble United Nations Security Council reso-
17 lutions;

18 “(ii) facilitate the transfer, trans-
19 shipment, or conveyance of significant
20 types or quantities of cargo, vessels, or air-
21 craft owned or controlled by persons des-
22 ignated under applicable United Nations
23 Security Council resolutions; or

24 “(iii) facilitate any of the activities de-
25 scribed in section 104(a);

1 “(B) describing the extent to which the re-
2 quirements of applicable United Nations Secu-
3 rity Council resolutions to de-register any vessel
4 owned, controlled, or operated by or on behalf
5 of the Government of North Korea have been
6 implemented by other foreign countries;

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

11 “(D) identifying vessels, aircraft, and con-
12 veyances owned or controlled by the Reconnaiss-
13 sance General Bureau of the Workers’ Party of
14 Korea; and

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

20 “(2) FORM.—The report required under para-
21 graph (1) shall be submitted in unclassified form but
22 may contain a classified annex.

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

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

4 “(2) The ports of Abadan, Bandar-e-Abbas,
5 Chabahar, Bandar-e-Khomeini, Bushehr Port,
6 Asaluyeh Port, Kish, Kharg Island, Bandar-e-Lenge,
7 and Khorramshahr, and Tehran Imam Khomeini
8 International Airport, in the Islamic Republic of
9 Iran.

10 “(3) The ports of Nakhodka, Vanino, and Vlad-
11 ivostok, in the Russian Federation.

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

15 “(c) ENHANCED SECURITY TARGETING REQUIRE-
16 MENTS.—

17 “(1) IN GENERAL.—Except as provided in para-
18 graph (2), the Secretary of Homeland Security may,
19 using a layered approach, require enhanced screen-
20 ing procedures to determine whether physical inspec-
21 tions are warranted of any cargo bound for or land-
22 ed in the United States that—

23 “(A) has been transported through a sea
24 port or airport the operator of which has been
25 identified by the President in accordance with

1 subsection (a)(1) as having repeatedly failed to
2 comply with applicable United Nations Security
3 Council resolutions;

4 “(B) is aboard a vessel or aircraft, or with-
5 in a conveyance that has, within the last 365
6 days, entered the territory or waters of North
7 Korea, or landed in any of the sea ports or air-
8 ports of North Korea; or

9 “(C) is registered by a country or jurisdic-
10 tion whose compliance has been identified by
11 the President as deficient pursuant to sub-
12 section (a)(2).

13 “(2) EXCEPTION FOR FOOD, MEDICINE, AND
14 HUMANITARIAN SHIPMENTS.—Paragraph (1) shall
15 not apply to any vessel, aircraft, or conveyance that
16 has entered the territory or waters of North Korea,
17 or landed in any of the sea ports or airports of
18 North Korea, exclusively for the purposes described
19 in section 208(b)(3)(B), or to import food, medicine,
20 or supplies into North Korea to meet the humani-
21 tarian needs of the North Korean people.

22 “(d) SEIZURE AND FORFEITURE.—A vessel, aircraft,
23 or conveyance used to facilitate any of the activities de-
24 scribed in section 104(a) under the jurisdiction of the

1 United States may be seized and forfeited, or subject to
 2 forfeiture, under—

3 “(1) chapter 46 of title 18, United States Code;

4 or

5 “(2) part V of title IV of the Tariff Act of 1930
 6 (19 U.S.C. 1581 et seq.).”.

7 **SEC. 105. ENFORCING COMPLIANCE WITH UNITED NATIONS**
 8 **SHIPPING SANCTIONS AGAINST NORTH**
 9 **KOREA.**

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

13 **“SEC. 16. PROHIBITION ON ENTRY AND OPERATION.**

14 “(a) PROHIBITION.—

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

21 “(2) LIMITATIONS ON APPLICATION.—

22 “(A) IN GENERAL.—The prohibition under
 23 paragraph (1) shall not apply with respect to—

1 “(i) a vessel described in subsection
2 (b)(1), if the Secretary of State determines
3 that—

4 “(I) the vessel is owned or oper-
5 ated by or on behalf of a country the
6 government of which the Secretary of
7 State determines is closely cooperating
8 with the United States with respect to
9 implementing the applicable United
10 Nations Security Council resolutions
11 (as such term is defined in section 3
12 of the North Korea Sanctions and
13 Policy Enhancement Act of 2016); or

14 “(II) it is in the national security
15 interest not to apply the prohibition to
16 such vessel; or

17 “(ii) a vessel described in subsection
18 (b)(2), if the Secretary of State determines
19 that the vessel is no longer registered as
20 described in that subsection.

21 “(B) NOTICE.—Not later than 15 days
22 after making a determination under subpara-
23 graph (A), the Secretary of State shall submit
24 to the Committee on Foreign Affairs and the
25 Committee on Transportation and Infrastruc-

1 ture of the House of Representatives and the
2 Committee on Foreign Relations and the Com-
3 mittee on Commerce, Science, and Transpor-
4 tation of the Senate written notice of the deter-
5 mination and the basis upon which the deter-
6 mination was made.

7 “(C) PUBLICATION.—The Secretary of
8 State shall publish a notice in the Federal Reg-
9 ister of each determination made under sub-
10 paragraph (A).

11 “(b) VESSELS DESCRIBED.—A vessel referred to in
12 subsection (a) is a foreign vessel for which a notice of ar-
13 rival is required to be filed under section 4(a)(5), and
14 that—

15 “(1) is on the most recent list of vessels pub-
16 lished in Federal Register under subsection (c)(2);
17 or

18 “(2) more than 180 days after the publication
19 of such list, is knowingly registered, pursuant to the
20 1958 Convention on the High Seas entered into
21 force on September 30, 1962, by a government the
22 agents or instrumentalities of which are maintaining
23 a registration of a vessel that is included on such
24 list.

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

5 “(1) maintain timely information on the reg-
6 istrations of all foreign vessels over 300 gross tons
7 that are known to be—

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

11 “(B) owned or operated by or on behalf of
12 any country in which a sea port is located, the
13 operator of which the President has identified
14 in the most recent report submitted under sec-
15 tion 205(a)(1)(A) of the North Korea Sanctions
16 and Policy Enhancement Act of 2016; or

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

23 “(2) not later than 180 days after the date of
24 the enactment of this section, and periodically there-

1 after, publish in the Federal Register a list of the
2 vessels described in paragraph (1).

3 “(d) NOTIFICATION OF GOVERNMENTS.—

4 “(1) IN GENERAL.—The Secretary of State
5 shall notify each government, the agents or instru-
6 mentalities of which are maintaining a registration
7 of a foreign vessel that is included on a list pub-
8 lished under subsection (c)(2), not later than 30
9 days after such publication, that all vessels reg-
10 istered under such government’s authority are sub-
11 ject to subsection (a).

12 “(2) ADDITIONAL NOTIFICATION.—In the case
13 of a government that continues to maintain a reg-
14 istration for a vessel that is included on such list
15 after receiving an initial notification under para-
16 graph (1), the Secretary shall issue an additional no-
17 tification to such government not later than 120
18 days after the publication of a list under subsection
19 (c)(2).

20 “(e) NOTIFICATION OF VESSELS.—Upon receiving a
21 notice of arrival under section 4(a)(5) from a vessel de-
22 scribed in subsection (b), the Secretary of the department
23 in which the Coast Guard is operating shall notify the
24 master of such vessel that the vessel may not enter or op-
25 erate in the navigable waters of the United States or

1 transfer cargo in any port or place under the jurisdiction
2 of the United States, unless—

3 “(1) the Secretary of State has made a deter-
4 mination under subsection (a)(2); or

5 “(2) the Secretary of the department in which
6 the Coast Guard is operating allows provisional
7 entry of the vessel, or transfer of cargo from the ves-
8 sel, under subsection (f).

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

15 “(g) RIGHT OF INNOCENT PASSAGE AND RIGHT OF
16 TRANSIT PASSAGE.—This section shall not be construed
17 as authority to restrict the right of innocent passage or
18 the right of transit passage as recognized under inter-
19 national law.

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

23 (b) CONFORMING AMENDMENTS.—

24 (1) SPECIAL POWERS.—Section 4(b)(2) of the
25 Ports and Waterways Safety Act (33 U.S.C.

1 1223(b)(2)) is amended by inserting “or 16” after
2 “section 9”.

3 (2) DENIAL OF ENTRY.—Section 13(e) of the
4 Ports and Waterways Safety Act (33 U.S.C.
5 1232(e)) is amended by striking “section 9” and in-
6 serting “section 9 or 16”.

7 **SEC. 106. REPORT ON COOPERATION BETWEEN NORTH**
8 **KOREA AND IRAN.**

9 (a) IN GENERAL.—Not later than 180 days after the
10 date of the enactment of this Act, and annually thereafter
11 for 5 years, the President shall submit to the appropriate
12 congressional committees a report that includes—

13 (1) an assessment of the extent of cooperation
14 (including through the transfer of goods, services,
15 technology, or intellectual property) between North
16 Korea and Iran relating to their respective nuclear,
17 ballistic missile development, chemical or biological
18 weapons development, or conventional weapons pro-
19 grams;

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

23 (A) the provision of material support to
24 such programs; or

1 (B) the exchange of information between
2 North Korea and Iran with respect to such pro-
3 grams;

4 (3) the names of any other foreign persons that
5 have facilitated the activities described in paragraph
6 (1); and

7 (4) a determination whether any of the activi-
8 ties described in paragraphs (1) and (2) violate
9 United Nations Security Council Resolution 2231
10 (2015).

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

14 **SEC. 107. REPORT ON IMPLEMENTATION OF UNITED NA-**
15 **TIONS SECURITY COUNCIL RESOLUTIONS BY**
16 **OTHER GOVERNMENTS.**

17 (a) IN GENERAL.—Not later than 180 days after the
18 date of the enactment of this Act, and annually thereafter
19 for 5 years, the President shall submit to the appropriate
20 congressional committees a report that evaluates the de-
21 gree to which the governments of other countries have
22 knowingly failed to—

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

1 (2) expel any North Korean nationals, including
2 diplomats, working on behalf of such persons;

3 (3) prohibit the opening of new branches, sub-
4 sidiaries, or representative offices of North Korean
5 financial institutions within the jurisdictions of such
6 governments; or

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

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

12 **SEC. 108. BRIEFING ON MEASURES TO DENY SPECIALIZED**
13 **FINANCIAL MESSAGING SERVICES TO DES-**
14 **IGNATED NORTH KOREAN FINANCIAL INSTI-**
15 **TUTIONS.**

16 (a) IN GENERAL.—Not later than 180 days after the
17 date of the enactment of this Act, and every 180 days
18 thereafter for 5 years, the President shall provide to the
19 appropriate congressional committees a briefing that in-
20 cludes the following information:

21 (1) A list of each person or foreign government
22 the President has identified that directly provides
23 specialized financial messaging services to, or en-
24 ables or facilitates direct or indirect access to such
25 messaging services for—

(A) any North Korean financial institution (as such term is defined in section 3 of the North Korea Sanctions and Policy Enhancement Act of 2016 (22 U.S.C. 9202)) designated under an applicable United Nations Security Council resolution; or

(B) any other North Korean person, on behalf of such a North Korean financial institution.

(2) 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.

(b) FORM.—The briefing required under subsection

(a) may be classified.

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 (1) IN GENERAL.—Section 302(b) of the North
2 Korea Sanctions and Policy Enhancement Act of
3 2016 (22 U.S.C. 9241(b)) is amended—

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

6 (B) in paragraph (2), by striking the pe-
7 riod at the end and inserting “; and”; and

8 (C) by adding at the end the following new
9 paragraph:

10 “(3) a list of foreign persons that knowingly
11 employ North Korean laborers, as described in sec-
12 tion 104(b)(1)(M).”.

13 (2) ADDITIONAL DETERMINATIONS; RE-
14 PORTS.—With respect to any country identified in
15 section 302(b)(2) of the North Korea Sanctions and
16 Policy Enhancement Act of 2016 (22 U.S.C.
17 9241(b)(2)), as amended by paragraph (1), the re-
18 port required under section 302(a) of such Act
19 shall—

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

1 (i) section 111 of the Trafficking Vic-
2 tims Protection Act of 2000 (22 U.S.C.
3 7108) (relating to the prevention of traf-
4 ficking in persons); or

5 (ii) section 104(a) or 104(b)(1) of the
6 North Korea Sanctions and Policy En-
7 hancement Act of 2016 (22 U.S.C.
8 9214(a)), as amended by section 101 of
9 this Act;

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

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

21 (b) SANCTIONS ON FOREIGN PERSONS THAT EM-
22 PLOY NORTH KOREAN LABOR.—

23 (1) IN GENERAL.—Title III of the North Korea
24 Sanctions and Policy Enhancement Act of 2016 (22

1 U.S.C. 9241 et seq.) is amended by inserting after
2 section 302 the following new sections:

3 **“SEC. 302A. REBUTTABLE PRESUMPTION APPLICABLE TO**
4 **GOODS MADE WITH NORTH KOREAN LABOR.**

5 “(a) IN GENERAL.—Except as provided in subsection
6 (b), any significant goods, wares, articles, and merchan-
7 dise mined, produced, or manufactured wholly or in part
8 by the labor of North Korean nationals or citizens shall
9 be deemed to be prohibited under section 307 of the Tariff
10 Act of 1930 (19 U.S.C. 1307) and shall not be entitled
11 to entry at any of the ports of the United States.

12 “(b) EXCEPTION.—The prohibition described in sub-
13 section (a) shall not apply if the Commissioner of U.S.
14 Customs and Border Protection finds, by clear and con-
15 vincing evidence, that the goods, wares, articles, or mer-
16 chandise described in such paragraph were not produced
17 with convict labor, forced labor, or indentured labor under
18 penal sanctions.

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

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

25 “(b) IMPOSITION OF SANCTIONS.—

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

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

14 “(c) EXCEPTION.—

15 “(1) IN GENERAL.—A person may not be des-
16 ignated under subsection (a) if the President cer-
17 tifies to the appropriate congressional committees
18 that the President has received reliable assurances
19 from such person that—

20 “(A) the employment of North Korean la-
21 borers does not result in the direct or indirect
22 transfer of convertible currency, luxury goods,
23 or other stores of value to the Government of
24 North Korea;

1 “(B) all wages and benefits are provided
2 directly to the laborers, and are held, as appli-
3 cable, in accounts within the jurisdiction in
4 which they reside in locally denominated cur-
5 rency; and

6 “(C) the laborers are subject to working
7 conditions consistent with international stand-
8 ards.

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

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

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

22 (2) CLERICAL AMENDMENT.—The table of con-
23 tents in section 1(b) of the North Korea Sanctions
24 and Policy Enhancement Act of 2016 is amended by

1 inserting after the item relating to section 302 the
 2 following new items:

“Sec. 302A. Rebuttable presumption applicable to goods made with North Korean labor.

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

3 **SEC. 202. MODIFICATIONS TO SANCTIONS SUSPENSION AND**
 4 **WAIVER AUTHORITIES.**

5 (a) EXEMPTIONS.—Section 208(a) of the North
 6 Korea Sanctions and Policy Enhancement Act of 2016 (22
 7 U.S.C. 9228(a)) is amended in the matter preceding para-
 8 graph (1)—

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

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

11 (b) HUMANITARIAN WAIVER.—Section 208(b) of the
 12 North Korea Sanctions and Policy Enhancement Act of
 13 2016 (22 U.S.C. 9228(b)(1)) is amended—

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

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

18 (c) WAIVER.—Section 208(c) of the North Korea
 19 Sanctions and Policy Enhancement Act of 2016 (22
 20 U.S.C. 9228(c)) is amended in the matter preceding para-
 21 graph (1)—

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

23 (2) by inserting “302A, 302B,” after
 24 “209(b),”.

1 **SEC. 203. REWARD FOR INFORMANTS.**

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

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

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

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

10 “(11) the identification or location of any per-
11 son who, while acting at the direction of or under
12 the control of a foreign government, aids or abets a
13 violation of section 1030 of title 18, United States
14 Code; or

15 “(12) the disruption of financial mechanisms of
16 any person who has engaged in the conduct de-
17 scribed in sections 104(a) or 104(b)(1) of the North
18 Korea Sanctions and Policy Enhancement Act of
19 2016 (22 U.S.C. 2914(a) or (b)(1)).”.

20 **SEC. 204. DETERMINATION ON DESIGNATION OF NORTH**
21 **KOREA AS A STATE SPONSOR OF TERRORISM.**

22 (a) DETERMINATION.—

23 (1) IN GENERAL.—Not later than 90 days after
24 the date of the enactment of this Act, the Secretary
25 of State shall submit to the appropriate congres-
26 sional committees a determination whether North

1 Korea meets the criteria for designation as a state
2 sponsor of terrorism.

3 (2) FORM.—The determination required by
4 paragraph (1) shall be submitted in unclassified
5 form but may include a classified annex, if appro-
6 priate.

7 (b) STATE SPONSOR OF TERRORISM DEFINED.—For
8 purposes of this section, the term “state sponsor of ter-
9 rorism” means a country the government of which the
10 Secretary of State has determined, for purposes of section
11 6(j) of the Export Administration Act of 1979 (50 U.S.C.
12 4605(j)) (as in effect pursuant to the International Emer-
13 gency Economic Powers Act), section 620A of the Foreign
14 Assistance Act of 1961 (22 U.S.C. 2371), section 40 of
15 the Arms Export Control Act (22 U.S.C. 2780), or any
16 other provision of law, is a government that has repeatedly
17 provided support for acts of international terrorism.

18 **TITLE III—GENERAL**

19 **AUTHORITIES**

20 **SEC. 301. AUTHORITY TO CONSOLIDATE REPORTS.**

21 Any reports required to be submitted to the appro-
22 priate congressional committees under this Act or any
23 amendment made by this Act that are subject to deadlines
24 for submission consisting of similar units of time may be
25 consolidated into a single report that is submitted to ap-

1 appropriate congressional committees pursuant to the earlier
2 of such deadlines. The consolidated reports must contain
3 all information required under this Act or any amendment
4 made by this Act, in addition to all other elements man-
5 dated by previous law.

6 **SEC. 302. RULE OF CONSTRUCTION.**

7 Nothing in this Act shall be construed to limit—

8 (1) the authority or obligation of the President
9 to apply the sanctions described in section 104 of
10 the North Korea Sanctions and Policy Enhancement
11 Act of 2016 (22 U.S.C. 9214), as amended by sec-
12 tion 101 of this Act, with regard to persons who
13 meet the criteria for designation under such section,
14 or in any other provision of law; or

15 (2) the authorities of the President pursuant to
16 the International Emergency Economic Powers Act
17 (50 U.S.C. 1701 et seq.).

18 **SEC. 303. REGULATORY AUTHORITY.**

19 (a) IN GENERAL.—The President shall, not later
20 than 180 days after the date of the enactment of this Act,
21 promulgate regulations as necessary for the implementa-
22 tion of this Act and the amendments made by this Act.

23 (b) NOTIFICATION TO CONGRESS.—Not fewer than
24 10 days before the promulgation of a regulation under
25 subsection (a), the President shall notify and provide to

1 the appropriate congressional committees the proposed
2 regulation, specifying the provisions of this Act or the
3 amendments made by this Act that the regulation is imple-
4 menting.

5 **SEC. 304. LIMITATION ON FUNDS.**

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

Passed the House of Representatives May 4, 2017.

Attest:

KAREN L. HAAS,

Clerk.