

(b) Sanctions described

The sanctions that may be imposed with respect to a foreign financial institution subject to subsection (a) are the following:

(1) Asset blocking

The Secretary may block and prohibit, pursuant to the International Emergency Economic Powers Act (50 U.S.C. 1701 et seq.), all transactions in all property and interests in property of the foreign financial institution if such property and interests in property are in the United States, come within the United States, or are or come within the possession or control of a United States person.

(2) Restrictions on correspondent and payable-through accounts

The Secretary may prohibit, or impose strict conditions on, the opening or maintaining in the United States of a correspondent account or a payable-through account by the foreign financial institution.

(c) Implementation; penalties**(1) Implementation**

The President may exercise all authorities provided under sections 203 and 205 of the International Emergency Economic Powers Act (50 U.S.C. 1702 and 1704) to carry out this section.

(2) Penalties

A person that violates, attempts to violate, conspires to violate, or causes a violation of this section or any regulation, license, or order issued to carry out this section shall be subject to the penalties set forth in subsections (b) and (c) of section 206 of the International Emergency Economic Powers Act (50 U.S.C. 1705) to the same extent as a person that commits an unlawful act described in subsection (a) of that section.

(d) Regulations

Not later than 120 days after December 20, 2019, the President shall, as appropriate, prescribe regulations to carry out this section.

(e) Exception relating to importation of goods**(1) In general**

Notwithstanding section 9254(b) of this title or any provision of this section, the authorities and requirements to impose sanctions under this section shall not include the authority or a requirement to impose sanctions on the importation of goods.

(2) Good defined

In this subsection, the term “good” means any article, natural or manmade substance, material, supply or manufactured product, including inspection and test equipment, and excluding technical data.

(f) Definitions

In this section:

(1) Account; correspondent account; payable-through account

The terms “account”, “correspondent account”, and “payable-through account” have the meanings given those terms in section 5318A of title 31.

(2) Foreign financial institution

The term “foreign financial institution” has the meaning given that term in section 510.309 of title 31, Code of Federal Regulations (or any corresponding similar regulation or ruling).

(3) Knowingly

The term “knowingly”, with respect to conduct, a circumstance, or a result, means that a person has actual knowledge, or should have known, of the conduct, the circumstance, or the result.

(Pub. L. 114–122, title II, §201B, as added Pub. L. 116–92, div. F, title LXXI, §7121(a), Dec. 20, 2019, 133 Stat. 2245.)

Editorial Notes

REFERENCES IN TEXT

The International Emergency Economic Powers Act, referred to in subsec. (b)(1), is title II of Pub. L. 95–223, Dec. 28, 1977, 91 Stat. 1626, which is classified generally to chapter 35 (§1701 et seq.) of Title 50, War and National Defense. For complete classification of this Act to the Code, see Short Title note set out under section 1701 of Title 50 and Tables.

Executive Documents

DELEGATION OF FUNCTIONS

Functions and authorities under section 7121 of Pub. L. 116–92 with respect to this section delegated to Secretary of the Treasury, in consultation with the Secretary of State, by section 1(b)(iii) of Memorandum of President of the United States, Feb. 21, 2020, 85 F.R. 13717, set out as a note under section 286yy of this title.

§ 9221c. Prohibition on transactions with certain sanctioned persons by persons owned or controlled by United States financial institutions**(a) In general**

Not later than 180 days after December 20, 2019, the Secretary of the Treasury, in consultation with the Secretary of State, shall prohibit an entity owned or controlled by a United States financial institution and established or maintained outside the United States from knowingly engaging in any transaction described in subsection (b) directly or indirectly with the Government of North Korea or any person designated for the imposition of sanctions with respect to North Korea under—

(1) subsection (a), (b), or (g) of section 9214 of this title;

(2) an applicable Executive order; or

(3) an applicable United Nations Security Council resolution.

(b) Transactions described

A transaction described in this subsection is a transaction that would be prohibited by an order or regulation issued pursuant to the International Emergency Economic Powers Act (50 U.S.C. 1701 et seq.) if the transaction were engaged in in the United States or by a United States person.

(c) Civil penalties

The civil penalty provided for in section 206(b) of the International Emergency Economic Powers Act (50 U.S.C. 1705(b)) shall apply to a United States financial institution to the same extent

that such penalty applies to a person that commits an unlawful act described in section 206(a) of that Act if an entity owned or controlled by the United States financial institution and established or maintained outside the United States violates, attempts to violate, conspires to violate, or causes a violation of any order or regulation issued to implement subsection (a).

(d) United States financial institution defined

In this section, the term “United States financial institution” has the meaning given the term “U.S. financial institution” in section 510.328 of title 31, Code of Federal Regulations (or any corresponding similar regulation or ruling).

(Pub. L. 114-122, title II, §201C, as added Pub. L. 116-92, div. F, title LXXI, §7121(a), Dec. 20, 2019, 133 Stat. 2246.)

Editorial Notes

REFERENCES IN TEXT

The International Emergency Economic Powers Act, referred to in subsec. (b), is title II of Pub. L. 95-223, Dec. 28, 1977, 91 Stat. 1626, which is classified generally to chapter 35 (§1701 et seq.) of Title 50, War and National Defense. For complete classification of this Act to the Code, see Short Title note set out under section 1701 of Title 50 and Tables.

§ 9222. Ensuring the consistent enforcement of United Nations Security Council resolutions and financial restrictions on North Korea

(a) Findings

Congress makes the following findings:

(1) All member states of the United Nations are obligated to implement and enforce applicable United Nations Security Council resolutions fully and promptly, including by blocking the property of, and ensuring that any property is prevented from being made available to, persons designated for the blocking of property by the Security Council under applicable United Nations Security Council resolutions.

(2) As of May 2015, 158 of the 193 member states of the United Nations had not submitted reports on measures taken to implement North Korea-specific United Nations Security Council resolutions 1718, 1874, and 2094.

(3) A recent report by the Government Accountability Office (GAO-15-485)—

(A) finds that officials of the United States and representatives of the United Nations Panel of Experts established pursuant to United Nations Security Council Resolution 1874 (2009), which monitors and facilitates implementation of United Nations sanctions on North Korea, “agree that the lack of detailed reports from all member states is an impediment to the UN’s effective implementation of its sanctions”; and

(B) notes that “many member states lack the technical capacity to enforce sanctions and prepare reports” on the implementation of United Nations sanctions on North Korea.

(4) All member states share a common interest in protecting the international financial system from the risks of money laundering and illicit transactions emanating from North Korea.

(5) The United States dollar and the euro are the world’s principal reserve currencies, and the United States and the European Union are primarily responsible for the protection of the international financial system from the risks described in paragraph (4).

(6) The cooperation of the People’s Republic of China, as North Korea’s principal trading partner, is essential to—

(A) the enforcement of applicable United Nations Security Council resolutions; and

(B) the protection of the international financial system.

(7) The report of the Panel of Experts expressed concern about the ability of banks to detect and prevent illicit transfers involving North Korea if such banks are located in member states with less effective regulators or member states that are unable to afford effective compliance.

(8) North Korea has historically exploited inconsistencies between jurisdictions in the interpretation and enforcement of financial regulations and applicable United Nations Security Council resolutions to circumvent sanctions and launder the proceeds of illicit activities.

(9) Amroggang Development Bank, Bank of East Land, and Tanchon Commercial Bank have been designated by the Secretary of the Treasury, the United Nations Security Council, and the European Union as having materially contributed to the proliferation of weapons of mass destruction.

(10) Korea Daesong Bank and Korea Kwangson Banking Corporation have been designated by the Secretary of the Treasury and the European Union as having materially contributed to the proliferation of weapons of mass destruction.

(11) The Foreign Trade Bank of North Korea has been designated by the Secretary of the Treasury for facilitating transactions on behalf of persons linked to its proliferation network and for serving as “a key financial node”.

(12) Daedong Credit Bank has been designated by the Secretary of the Treasury for activities prohibited by applicable United Nations Security Council resolutions, including the use of deceptive financial practices to facilitate transactions on behalf of persons linked to North Korea’s proliferation network.

(b) Sense of Congress

It is the sense of Congress that the President should intensify diplomatic efforts in appropriate international fora, such as the United Nations, and bilaterally, to develop and implement a coordinated, consistent, multilateral strategy for protecting the global financial system against risks emanating from North Korea, including—

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

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