

H.R. 757, North Korea Sanctions Enforcement Act of 2016

Section-by-Section

Title I - Investigations, Prohibited Conduct, and Penalties.

Section 101. This section states that it is the policy of the United States to vigorously pursue sanctions against the North Korean government in order to peacefully disarm Pyongyang.

Section 102. This section mandates that the President investigate sanctionable conduct involving North Korea upon the receipt of credible information that a person or entity has engaged in such activity. Among other things, sanctionable conduct may include proliferation of weapons of mass destruction, arms-related materials, luxury goods, and counterfeit goods. This provision would prevent any Administration from ignoring destructive North Korean behavior.

Section 103. This section requires the Administration to regularly brief Congress on North Korean assets and transactions, so that Congress can oversee the enforcement of sanctions and ensure that North Korea is cut off from its offshore assets and income.

Section 104. This section describes the conduct and entities subject to “blocking sanctions” (a prohibition on any transfers in financial instruments or other property). Although these blocking sanctions are permitted through existing regulations, this section makes them mandatory, rather than discretionary. Sanctions under this section are mandated against persons that have materially contributed to North Korea’s nuclear and ballistic missile development or engaged in other destructive activities, including importing or exporting related WMD materiel into North Korea, or providing training to, or advising on, their weapons programs. This section also levies mandatory sanctions on those who import luxury goods into North Korea, or enable its censorship efforts or continuing human rights abuses. Finally, this section strikes at the heart of North Korea’s efforts to fund their illicit activities by mandating sanctions against those who have engaged in money laundering, the manufacture of counterfeit goods, or narcotics trafficking. It also mandates the blocking of property of the Government of North Korea and the Worker’s Party of Korea.

This section provides the President with the necessary authorities to effectively target those who enabled North Korea’s cyber attack against the United States. It also provides the Administration the ability to sanction those transferring, or facilitating the transfer of, financial assets and property of the North Korea regime.

Section 105. This section seizes assets forfeited for violations of North Korea sanctions laws, and provides it to the US Treasury.

Title II - Sanctions against North Korean Proliferation, Human Rights Abuses, Illicit Activities, and significant Activities Undermining Cyber Security.

Section 201. This section instructs the Secretary of the Treasury to determine whether North Korea is a “primary money laundering concern.” Such a determination would block North Korean banks from direct or indirect access to the U.S. financial system, and require “special

measures” against designated persons, North Korean government entities, and banks that provide financial services to entities found to have engaged in sanctionable conduct. Such a designation could have a debilitating effect on North Korea’s ability to access the international financial system. *This determination has currently been made for both Iran and Burma.*

Section 202. This section finds that all foreign states and jurisdictions are obligated to implement and enforce U.N. Security Council resolutions and provides as a sense of Congress that the President should intensify efforts to implement a diplomatic strategy to protect the global financial system from North Korean threats.

Section 203. This section re-imposes those sanctions that were applied to North Korea until 2008, when the country was removed from the State Sponsors of Terrorism list. The sanctions prohibit the export of munitions to North Korea and severely restrict export licenses for controlled goods and technologies, prohibit financial transactions between U.S. persons and the Government of North Korea, and sanction those who send or receive lethal military equipment from North Korea.

Section 204. This section bars persons or entities designated for facilitating North Korea’s destructive policies from receiving U.S. government contracts.

Section 205. This section requires the Administration to report to Congress on foreign sea ports and airports whose inspections of vessels originating from North Korea are deficient. Cargo coming from ports that consistently fail to inspect North Korean cargo, as required by U.N. resolutions, may be subject to increased inspection requirements at U.S. ports. It also allows for the seizure of ships or aircraft used for smuggling. This provision would therefore protect the U.S. homeland from ports that deliberately fail to sufficiently inspect North Korean cargo.

Section 206. This section allows the President to deny the entry into the U.S. of any foreigner that has been sanctioned under this Act.

Section 207. This section provides for exclusions and waivers from sanctions for humanitarian aid, consular activities, cooperating witnesses and banks, and when vital to the economic or national security interests of the United States.

Section 208. This section requires a report from the Administration on persons that conduct cyber attacks against the United States on behalf of the Government of North Korea.

Section 209. This section contains a sense of the Congress supporting a trilateral military intelligence sharing agreement between the US, Japan, and South Korea to address North Korea’s proliferation-related activities.

Section 210. This section requires a report from the Administration on nuclear cooperation between Iran and North Korea.

Title III—Promotion of Human Rights.

Section 301. This section requires the President to study the feasibility of bringing unmonitored and inexpensive cellular and internet communications to the people of North Korea, to break the information blockade the regime has imposed on its own population.

Section 302. This section requires a report by the State Department on North Korea's political prison camps, which are estimated to hold up to 200,000 men, women, and children, with the hope that more public attention will be paid to North Korea's grave and pervasive crimes against humanity.

Section 303. This section requires a report by the State Department that identifies severe human rights abusers in North Korea, utilizing information collected in the recent U.N. Commission of Inquiry Report on North Korean human rights abuses, the most comprehensive such report to date.

Title IV— General Authorities.

Section 401. This provision provides for a one-year suspension of sanctions, renewable for one consecutive year, if North Korea takes significant steps toward disarmament and reform, while preventing the premature relaxation of sanctions for false North Korean promises.

Section 402. This section terminates these sanctions if North Korea undergoes a fundamental change of governance toward an open, free, and peaceful society.

Section 403. The section allows reports to Congress required by this Act to be consolidated into one report.

Section 404. This section allows the President to pass rules and regulations needed to carry out the Act's requirements.

Section 405. This section clarifies that no additional funds are authorized to carry out this Act.

Section 406. Effective date.