



Democratic People's Republic of Korea

COUNCIL REGULATION (EU) No 1283/2009

Her Majesty's Treasury issue this Notice in respect of the financial sanctions taken against the Democratic People's Republic of Korea ("DPRK"). It draws attention to Council Regulation (EU) No 1283/2009 of 22 December 2009. This Notice provides guidance on certain aspects only of that Regulation and should be read alongside the Regulation.

Introduction

1. On 14 October 2006 the United Nations Security Council adopted Resolution 1718 (2006) ("the Resolution") which, inter alia, introduced financial sanctions against those persons designated by the Security Council or the Committee of the Security Council established pursuant to paragraph 12 of the Resolution ("the Sanctions Committee") as persons who engage in or provide support for, including through other illicit means, DPRK's nuclear-related, other weapons of mass destruction-related and ballistic missile-related programmes.
2. On 27 March 2007 the Council of the European Union adopted Council Regulation (EC) No 329/2007 ("Regulation 329/2007"), which implements the Resolution at Community level.
3. On 22 December 2009 the Council of the European Union adopted Council Regulation (EU) No 1283/2009 ("Regulation 1283/2009") which amended Regulation 329/2007 and, inter alia, extended EU measures to other categories of persons and introduces financial vigilance measures in respect of the activities of financial institutions which could contribute to DPRK's nuclear-related, other weapons of mass destruction-related or ballistic missile-related programmes.
4. A copy of Regulation 1283/2009 is available from the Financial Sanctions pages of the Treasury website at:

http://www.hm-treasury.gov.uk/d/council_regulation_ec_1283_221209.pdf

FREEZING OF FUNDS AND ECONOMIC RESOURCES OF DESIGNATED PERSONS

5. Annex IV to Regulation 329/2007 includes persons, entities and bodies designated by the Sanctions Committee or the UN Security Council in accordance with paragraph 8(d) of the Resolution.
6. Regulation 1283/2009 amends Article 6 to also provide that all funds and economic resources belonging to, owned, held or controlled by persons, entities and bodies listed in the new Annex V to Regulation 329/2007 must be frozen. No funds or economic resources shall be made available, directly or indirectly, to or for the benefit of such persons.
7. Annex V includes persons, entities and bodies not listed in Annex IV, who have been identified by the Council of the European Union:
 - (a) as responsible for the DPRK's nuclear-related, other weapons of mass destructions-related or ballistic missile-related programmes, as well as persons or bodies acting in their name or on their instructions and entities owned or controlled by them; or
 - (b) as providing financial services or the transfer to, through, or from the EU, or involving nationals of Member States or entities organised under their laws, or persons or financial institutions in the EU, of any financial or other assets or resources that could contribute to the DPRK's nuclear-related, other weapons of mass destructions-related or ballistic missile-related programmes, as well as person pr bodies acting in their name or on their instructions and entities owned or controlled by them.
8. The participation, knowingly and intentionally, in activities the object or effect of which is, directly or indirectly, to circumvent the asset freeze is prohibited.
9. For convenience, the names of the persons in the new Annex V are set out in the Annex to this Notice.
10. The Consolidated List of Financial Sanctions Targets which is maintained on the Treasury website has been updated to include the persons added in Annex V. Further information can be obtained from the Financial Sanctions pages of the Treasury website:
http://www.hm-treasury.gov.uk/fin_sanctions_index.htm

Provision of information

11. All financial institutions and other bodies and persons in the UK are requested to check whether they maintain any accounts or otherwise hold any funds or economic resources for

the persons in Annex V to Regulation 329/2007 and, if so, they should report to the Treasury details of all funds or economic resources that they have frozen.

ACTIVITIES OF CREDIT AND FINANCIAL INSTITUTIONS DOMICILED IN THE DPRK AND THEIR BRANCHES AND SUBSIDIARIES ABROAD

12. Regulation 1283/2009 adds Article 11a to Regulation 329/2007. In accordance with Article 11a, credit and financial institutions within the jurisdiction of the Member States should, in their activities with credit and financial institutions referred to below, and in order to prevent such activities contributing to the DPRK's nuclear-related, other weapons of mass destruction-related or ballistic missile-related programmes:

- (a) exercise continuous vigilance over account activity, particularly by means of their programmes on customer due diligence and under obligations relating to the prevention of money-laundering and the financing of terrorism;
- (b) require that in payment instructions all information fields which relate to the originator and beneficiary of the transaction in question be completed; and if that information is not supplied, refuse the transaction;
- (c) maintain all records of transactions for a period of five years and make them available to national authorities on request; and
- (d) if they suspect or have reasonable grounds to suspect that funds are related to proliferation financing, promptly report their suspicions to the relevant financial intelligence unit.

13. The measures set out in Article 11a apply to credit and financial institutions in their activities with:

- (a) credit and financial institutions domiciled in the DPRK;
- (b) branches and subsidiaries of credit and financial institutions domiciled in the DPRK both inside and outside the jurisdiction of Member States, as listed in Annex VI to Regulation 329/2007;
- (c) credit and financial institutions that are neither domiciled in the DPRK nor in Member States but are controlled by persons and entities domiciled in the DPRK, as listed in Annex VI to Regulation 329/2007.

14. However, it should be noted that the new Annex VI to Regulation 329/2007 does not, at this time, list any DPRK credit or financial institution.

15. Further information and guidance for UK credit and financial institutions conducting business with DPRK credit and financial institutions that are added to Annex VI of Regulation 329/2007 will be issued in due course.

Enquiries

16. Non-media enquiries should be addressed by post to the Asset Freezing Unit, HM Treasury, 1 Horse Guards Road, London SW1A 2HQ, or by phone 020 7270 5454/5664, by fax 020 7451 7677 or by e-mail to AFU@hmtreasury.x.gsi.gov.uk

17. Media enquiries should be addressed to the Treasury Press Office on 020 7270 5238.

HM Treasury
30/12/2009

ANNEX TO NOTICE

FINANCIAL SANCTIONS: DEMOCRATIC PEOPLE'S REPUBLIC OF KOREA

COUNCIL REGULATION (EU) NO 1283/2009 (ANNEX V)

INDIVIDUALS

1. CHI BU, Chon

Position: Member of the General Bureau of Atomic Energy.

Other Information: Former technical director of Yongbyon.

2. CHOL-HAE, Hyon

DOB: 1934

POB: Manchuria, China

Position: Deputy Director of the General Political Department of the People's Armed Forces (military adviser to Kim Jong Il)

3. JAE-GYONG, Pak

DOB: 1933

a.k.a: CHAE-KYONG, Pak

Passport Details: 554410661

Position: Deputy Director of the General Political Department of the People's Armed Forces and Deputy Director of the Logistics Bureau of the People's Armed Forces (military adviser to Kim Jong Il)

4. KUK-RYOL, O

DOB: 1931

POB: Jilin Province, China

Position: Deputy Chairman of the National Defence Commission, supervising the acquisition abroad of advanced technology for nuclear and ballistics programmes

5. KYU-CHANG, Chu

DOB: 1928 – 1933

a.k.a: KYU-CHANG, Ju

Position: First Deputy Director of the Defence Industry Department (ballistics programme), Korean Workers' Party. Member of the National Defence Commission

6. PYONG-HO, Jon

DOB: 1926

Position: Secretary of the Central Committee of the Korean Workers' Party. Head of the Central Committee's Military Supplies Industry Department controlling the Second Economic Committee of the Central Committee. Member of the National Defence Commission

7. SANG-KUK, So

DOB: 1932 – 1938

Position: Head of the Department of Nuclear Physics, Kim Il Sung University

8. SE-BONG, Paek

DOB: 1946

Position: Chairman of the Second Economic Committee (responsible for the ballistics programme) of the Central Committee of the Korean Workers' Party. Member of the National Defence Commission

9. SONG-TAEK, Chang

DOB: (1) 2 February 1946

(2) 6 February 1946

(3) 23 February 1946

POB: North Hamgyong province, Democratic People's Republic of Korea

a.k.a: SONG-TAEK, Jang

Passport Details: PS 736420617 (as of 2006)

Position: Member of the National Defence Commission. Director of the Administrative Department of the Korean Workers' Party

10. TONG-UN, Kim

DOB: 1936

Passport Details: 554410660

Position: Director of 'Office 39' of the Central Committee of the Korean Workers' Party, which is involved in proliferation financing

11. YONG, Ryom

Position: Director of the General Bureau of Atomic Energy (entity designated by UN), in charge of international relations

12. YONG RIP, Pyon

DOB: 20 September 1929

a.k.a: YONG-NIP, Pyon

Passport Details: 645310121. Issued on 13 September 2005

Position: President of the Academy of Science, involved in WMD-related biological research

13. YONG-CHUN, Kim

DOB: 4 March 1935

a.k.a: YOUNG-CHUN, Kim

Position: Deputy Chairman of the National Defence Commission. Minister for the People's Armed Forces. Special adviser to Kim Jong Il on nuclear strategy

ENTITIES

1. KOREA PUGANG MINING AND MACHINERY CORPORATION LTD

Other Information: Subsidiary of Korea Ryongbong General Corporation (entity designated by UN on 24 April 2009). Operates facilities for the production of aluminium powder, which can be used in missiles.

2. KOREAN RYENGWANG TRADING CORPORATION

Other Information: Subsidiary of Korea Ryongbong General Corporation (entity designated by UN on 24 April 2009).

3. SOBAEKU UNITED CORP.

a.k.a: Sobaeksu United Corp.

Other Information: State-owned company, involved in research into, and the acquisition of, sensitive products and equipment. Possesses several deposits of natural graphite, which provide raw material for two processing facilities which, inter alia, produce graphite blocks that can be used in missiles.

4. YONGBYON NUCLEAR RESEARCH CENTRE

Other Information: Taken part in the production of military-grade plutonium. Maintained by the General Bureau of Atomic Energy (entity designated by UN on 16 July 2009).

HM Treasury
30/12/2009