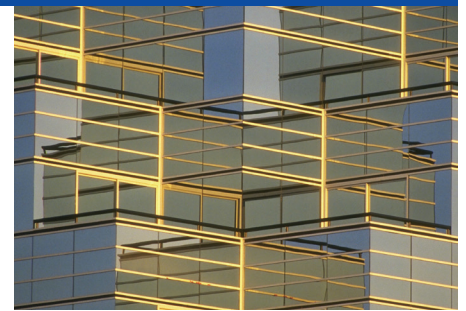


ClientAlert

International Trade

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US Issues Executive Order Imposing Sanctions with Respect to North Korea in Response to Recent Provocations



On January 2, 2015, President Obama signed an Executive Order (EO) authorizing the imposition of sanctions against the Government of North Korea and the Workers' Party of Korea. Pursuant to this EO, the United States added new individuals and entities to the List of Specially Designated Nationals and Blocked Persons (SDN List) administered by the US Department of the Treasury's Office of Foreign Assets Control (OFAC). According to OFAC, the EO was issued in direct response to recent provocations, including cyber-related actions undertaken by the Government of North Korea in November and December 2014.

Executive Order

The EO authorizes blocking the property and interests in property of any person who is determined:

- To be an agency, instrumentality, or controlled entity of the Government of North Korea or the Workers' Party of Korea;
- To be an official of the Government of North Korea;
- To be an official of the Workers' Party of Korea;
- To have materially assisted, sponsored, or provided financial, material, or technological support for, or goods or services to or in support of, the Government of North Korea or any person whose property and interests in property are blocked pursuant to the EO; or
- To be owned or controlled by, or to have acted or purported to act for or on behalf of, directly or indirectly, the Government of North Korea or any person whose property and interests in property are blocked pursuant to the EO.

This EO also prohibits transactions that evade or avoid, have the purpose of evading or avoiding, cause a violation of, or attempt to violate any of the prohibitions set forth in the EO, including any conspiracy to violate any of the prohibitions. The sanctions authorized by the EO include blocking as well as a prohibition on US persons¹ from doing business with entities or individuals designated under the EO or that are 50 percent or greater owned in the aggregate, directly or indirectly, by one or more blocked parties.

Richard J. Burke
Partner, Washington, DC
+ 1 202 626 3687
rburke@whitecase.com

Nicole E. Erb
Partner, Washington, DC
+ 1 202 626 3694
nerb@whitecase.com

Kristina Zissis
Counsel, Washington, DC
+ 1 202 626 3636
kzissis@whitecase.com

Claire A. DeLelle
Counsel, Washington, DC
+ 1 202 626 6485
claire.delelle@whitecase.com

Cristina Brayton-Lewis
Associate, Washington, DC
+ 1 202 729 2407
cbraytonlewis@whitecase.com

Tanya Hanna
Associate, Washington, DC
+ 1 202 637 6294
thanna@whitecase.com

¹ A US person is defined to include any United States citizen, permanent resident alien, entity organized under the laws of the United States or any jurisdiction within the United States (including foreign branches), or any person in the United States.

This EO also authorizes the US State Department to deny visas to those individuals whose property and interests in property are blocked pursuant to the EO. The US State Department also may revoke visas that already have been issued.

New Additions to the SDN List

The United States also announced designations of 10 individuals and three entities pursuant to the EO. OFAC has provided the following listing of individuals and entities:

- JANG, Song Chol; DOB 12 Mar 1967; nationality Korea, North; KOMID representative in Russia (individual) [DPRK2].
- JANG, Yong Son; DOB 20 Feb 1957; nationality Korea, North; KOMID Representative in Iran (individual) [DPRK2].
- KANG, Ryong; DOB 21 Aug 1968; nationality Korea, North; KOMID official in Syria (individual) [DPRK2].
- KIL, Jong Hun; DOB 20 Feb 1972; nationality Korea, North; Passport 472410022; KOMID Representative in Namibia (individual) [DPRK2].
- KIM, Kwang Chun; DOB 20 Apr 1967; Korea Ryungseng Trading Corporation Representative in Shenyang, China (individual) [DPRK2].
- KIM, Kwang Yon; DOB 30 Jul 1966; nationality Korea, North; Passport 563210059 (individual) [DPRK2].
- KIM, Kyu; DOB 30 Jul 1968; nationality Korea, North; KOMID External Affairs Officer (individual) [DPRK2].
- KIM, Yong Chol; DOB 18 Feb 1962; nationality Korea, North; KOMID Representative in Iran (individual) [DPRK2].
- RYU, Jin; DOB 07 Aug 1965; nationality Korea, North; Passport 563410081; KOMID official in Syria (individual) [DPRK2].
- YU, Kwang Ho; DOB 18 Oct 1956; nationality Korea, North (individual) [DPRK2].
- RECONNAISSANCE GENERAL BUREAU (a.k.a. CHONGCH'AL CH'ONGGUK; a.k.a. KPA UNIT 586; a.k.a. "RGB"), Hyongjesan-Guyok, Pyongyang, Korea, North; Nungrado, Pyongyang, Korea, North [DPRK].-to- RECONNAISSANCE GENERAL BUREAU (a.k.a. CHONGCH'AL CH'ONGGUK; a.k.a. KPA UNIT 586; a.k.a. "RGB"), Hyongjesan-Guyok, Pyongyang, Korea, North; Nungrado, Pyongyang, Korea, North [DPRK] [DPRK2].
- KOREA MINING DEVELOPMENT TRADING CORPORATION (a.k.a. CHANGGWANG SINYONG CORPORATION; a.k.a. EXTERNAL TECHNOLOGY GENERAL CORPORATION; a.k.a. KOREA KUMRYONG TRADING COMPANY; a.k.a. NORTH KOREAN MINING DEVELOPMENT TRADING CORPORATION; a.k.a. "KOMID"), Central District, Pyongyang, Korea, North [NPWMD].-to- KOREA MINING DEVELOPMENT TRADING CORPORATION (a.k.a. CHANGGWANG SINYONG CORPORATION; a.k.a. DPRKN MINING DEVELOPMENT TRADING COOPERATION; a.k.a. EXTERNAL TECHNOLOGY GENERAL CORPORATION; a.k.a. KOREA KUMRYONG TRADING COMPANY; a.k.a. KOREAN MINING AND INDUSTRIAL DEVELOPMENT CORPORATION; a.k.a. NORTH KOREAN MINING DEVELOPMENT TRADING CORPORATION; a.k.a. "KOMID"), Central District, Pyongyang, Korea, North; Beijing, China; Moscow, Russia; Tehran, Iran; Damascus, Syria [NPWMD] [DPRK2].
- KOREA TANGUN TRADING CORPORATION, Pyongyang, Korea, North [NPWMD].-to- KOREA TANGUN TRADING CORPORATION (a.k.a. RYUNG SENG TRADING CORPORATION; a.k.a. RYUNGSENG TRADING CORPORATION; a.k.a. RYUNGSONG TRADING CORPORATION), Pyongyang, Korea, North [NPWMD] [DPRK2].

All property and interests in property of these individuals and entities located in the United States or within the possession or control of a US person, wherever located, are considered blocked and may not be dealt in. Any entity in which one or more blocked parties hold in the aggregate, directly or indirectly, a 50 percent or greater ownership interest is itself considered blocked by operation of law. US persons may not engage in any dealings, directly or indirectly, with blocked parties. Provision of goods, services or support for blocked parties is identified as a criterion for potential future designation.

While the Government of North Korea is not automatically designated under this action, the EO authorizes future designations of its agencies and instrumentalities. Sanctions compliance risk for persons with dealings or transactions involving the Government of North Korea thus is likely to be heightened going forward. Monitoring future designations and developments under this EO will be of particular importance for such persons from a sanctions compliance perspective. Penalties for noncompliance can be severe.

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