

AMENDMENT NO. \_\_\_\_\_ Calendar No. \_\_\_\_\_

Purpose: In the nature of a substitute.

**IN THE SENATE OF THE UNITED STATES—114th Cong., 2d Sess.**

**H. R. 757**

To improve the enforcement of sanctions against the Government of North Korea, and for other purposes.

Referred to the Committee on \_\_\_\_\_ and  
ordered to be printed

Ordered to lie on the table and to be printed

AMENDMENT IN THE NATURE OF A SUBSTITUTE intended  
to be proposed by \_\_\_\_\_

Viz:

1 Strike all after the enacting clause and insert the fol-  
2 lowing:

3 **SECTION 1. SHORT TITLE.**

4 (a) **SHORT TITLE.**—This Act may be cited as the  
5 “North Korea Sanctions and Policy Enhancement Act of  
6 2016”.

7 (b) **TABLE OF CONTENTS.**—The table of contents for  
8 this Act is as follows:

- Sec. 1. Short title.
- Sec. 2. Findings; purposes.
- Sec. 3. Definitions.

**TITLE I—INVESTIGATIONS, PROHIBITED CONDUCT, AND  
PENALTIES**

- Sec. 101. Statement of policy.
- Sec. 102. Investigations.

- Sec. 103. Reporting requirements.
- Sec. 104. Designation of persons.
- Sec. 105. Forfeiture of property.

TITLE II—SANCTIONS AGAINST NORTH KOREAN PROLIFERATION,  
HUMAN RIGHTS ABUSES, AND ILLICIT ACTIVITIES

- Sec. 201. Determinations with respect to North Korea as a jurisdiction of primary money laundering concern.
- Sec. 202. Ensuring the consistent enforcement of United Nations Security Council resolutions and financial restrictions on North Korea.
- Sec. 203. Proliferation prevention sanctions.
- Sec. 204. Procurement sanctions.
- Sec. 205. Enhanced inspection authorities.
- Sec. 206. Travel sanctions.
- Sec. 207. Travel recommendations for United States citizens to North Korea.
- Sec. 208. Exemptions, waivers, and removals of designation.
- Sec. 209. Report on and imposition of sanctions to address persons responsible for knowingly engaging in significant activities undermining cybersecurity.
- Sec. 210. Codification of sanctions with respect to North Korean activities undermining cybersecurity.
- Sec. 211. Sense of Congress on trilateral cooperation between the United States, South Korea, and Japan.

TITLE III—PROMOTION OF HUMAN RIGHTS

- Sec. 301. Information technology.
- Sec. 302. Strategy to promote North Korean human rights.
- Sec. 303. Report on North Korean prison camps.
- Sec. 304. Report on and imposition of sanctions with respect to serious human rights abuses or censorship in North Korea.

TITLE IV—GENERAL AUTHORITIES

- Sec. 401. Suspension of sanctions and other measures.
- Sec. 402. Termination of sanctions and other measures.
- Sec. 403. Authorization of appropriations.
- Sec. 404. Rulemaking.
- Sec. 405. Authority to consolidate reports.
- Sec. 406. Effective date.

**1 SEC. 2. FINDINGS; PURPOSES.**

2 (a) FINDINGS.—Congress finds the following:

3 (1) The Government of North Korea—

4 (A) has repeatedly violated its commit-  
5 ments to the complete, verifiable, and irrevers-  
6 ible dismantlement of its nuclear weapons pro-  
7 grams; and

1 (B) has willfully violated multiple United  
2 Nations Security Council resolutions calling for  
3 North Korea to cease development, testing, and  
4 production of weapons of mass destruction.

5 (2) Based on its past actions, including the  
6 transfer of sensitive nuclear and missile technology  
7 to state sponsors of terrorism, North Korea poses a  
8 grave risk for the proliferation of nuclear weapons  
9 and other weapons of mass destruction.

10 (3) The Government of North Korea has been  
11 implicated repeatedly in money laundering and other  
12 illicit activities, including—

13 (A) prohibited arms sales;

14 (B) narcotics trafficking;

15 (C) the counterfeiting of United States  
16 currency;

17 (D) significant activities undermining cy-  
18 bersecurity; and

19 (E) the counterfeiting of intellectual prop-  
20 erty of United States persons.

21 (4) North Korea has—

22 (A) unilaterally withdrawn from the Agree-  
23 ment Concerning a Military Armistice in Korea,  
24 signed at Panmunjom July 27, 1953 (com-

1 monly referred to as the “Korean War Armi-  
2 stice Agreement”); and

3 (B) committed provocations against South  
4 Korea—

5 (i) by sinking the warship *Cheonan*  
6 and killing 46 of her crew on March 26,  
7 2010;

8 (ii) by shelling Yeonpyeong Island and  
9 killing 4 South Korean civilians on Novem-  
10 ber 23, 2010; and

11 (iii) by its involvement in the  
12 “DarkSeoul” cyberattacks against the fi-  
13 nancial and communications interests of  
14 South Korea on March 20, 2013.

15 (5) North Korea maintains a system of brutal  
16 political prison camps that contain as many as  
17 200,000 men, women, and children, who are—

18 (A) kept in atrocious living conditions with  
19 insufficient food, clothing, and medical care;  
20 and

21 (B) under constant fear of torture or arbi-  
22 trary execution.

23 (6) North Korea has prioritized weapons pro-  
24 grams and the procurement of luxury goods—

1 (A) in defiance of United Nations Security  
2 Council Resolutions 1695 (2006), 1718 (2006),  
3 1874 (2009), 2087 (2013), and 2094 (2013);  
4 and

5 (B) in gross disregard of the needs of the  
6 people of North Korea.

7 (7) Persons, including financial institutions,  
8 who engage in transactions with, or provide financial  
9 services to, the Government of North Korea and its  
10 financial institutions without establishing sufficient  
11 financial safeguards against North Korea's use of  
12 such transactions to promote proliferation, weapons  
13 trafficking, human rights violations, illicit activity,  
14 and the purchase of luxury goods—

15 (A) aid and abet North Korea's misuse of  
16 the international financial system; and

17 (B) violate the intent of the United Na-  
18 tions Security Council resolutions referred to in  
19 paragraph (6)(A).

20 (8) The Government of North Korea has pro-  
21 vided technical support and conducted destructive  
22 and coercive cyberattacks, including against Sony  
23 Pictures Entertainment and other United States  
24 persons.

1           (9) The conduct of the Government of North  
2 Korea poses an imminent threat to—

3           (A) the security of the United States and  
4 its allies;

5           (B) the global economy;

6           (C) the safety of members of the United  
7 States Armed Forces;

8           (D) the integrity of the global financial  
9 system;

10           (E) the integrity of global nonproliferation  
11 programs; and

12           (F) the people of North Korea.

13           (10) The Government of North Korea has spon-  
14 sored acts of international terrorism, including—

15           (A) attempts to assassinate defectors and  
16 human rights activists; and

17           (B) the shipment of weapons to terrorists  
18 and state sponsors of terrorism.

19           (b) PURPOSES.—The purposes of this Act are—

20           (1) to use nonmilitary means to address the cri-  
21 sis described in subsection (a);

22           (2) to provide diplomatic leverage to negotiate  
23 necessary changes in the conduct of the Government  
24 of North Korea;

1 (3) to ease the suffering of the people of North  
2 Korea; and

3 (4) to reaffirm the purposes set forth in section  
4 4 of the North Korean Human Rights Act of 2004  
5 (22 U.S.C. 7802).

6 **SEC. 3. DEFINITIONS.**

7 In this Act:

8 (1) **APPLICABLE EXECUTIVE ORDER.**—The  
9 term “applicable Executive order” means—

10 (A) Executive Order 13382 (50 U.S.C.  
11 1701 note; relating to blocking property of  
12 weapons of mass destruction proliferators and  
13 their supports), Executive Order 13466 (50  
14 U.S.C. 1701 note; relating to continuing certain  
15 restrictions with respect to North Korea and  
16 North Korean nationals), Executive Order  
17 13551 (50 U.S.C. 1701 note; relating to block-  
18 ing property of certain persons with respect to  
19 North Korea), Executive Order 13570 (50  
20 U.S.C. 1701 note; relating to prohibiting cer-  
21 tain transactions with respect to North Korea),  
22 Executive Order 13619 (50 U.S.C. 1701 note;  
23 relating to blocking property of persons threat-  
24 ening the peace, security, or stability of  
25 Burma), Executive Order 13687 (50 U.S.C.

1           1701 note; relating to imposing additional sanc-  
2           tions with respect to North Korea), or Execu-  
3           tive Order 13694 (50 U.S.C. 1701 note; relat-  
4           ing to blocking the property of certain persons  
5           engaging in significant malicious cyber-enabled  
6           activities), to the extent that such Executive  
7           order—

8                   (i) authorizes the imposition of sanc-  
9                   tions on persons for conduct with respect  
10                  to North Korea;

11                  (ii) prohibits transactions or activities  
12                  involving the Government of North Korea;  
13                  or

14                  (iii) otherwise imposes sanctions with  
15                  respect to North Korea; and

16           (B) any Executive order adopted on or  
17           after the date of the enactment of this Act, to  
18           the extent that such Executive order—

19                   (i) authorizes the imposition of sanc-  
20                   tions on persons for conduct with respect  
21                  to North Korea;

22                  (ii) prohibits transactions or activities  
23                  involving the Government of North Korea;  
24                  or



1 (iii) otherwise imposes sanctions with  
2 respect to North Korea.

3 (2) APPLICABLE UNITED NATIONS SECURITY  
4 COUNCIL RESOLUTION.—The term “applicable  
5 United Nations Security Council resolution”  
6 means—

7 (A) United Nations Security Council Reso-  
8 lution 1695 (2006), 1718 (2006), 1874 (2009),  
9 2087 (2013), or 2094 (2013); and

10 (B) any United Nations Security Council  
11 resolution adopted on or after the date of the  
12 enactment of this Act that—

13 (i) authorizes the imposition of sanc-  
14 tions on persons for conduct with respect  
15 to North Korea;

16 (ii) prohibits transactions or activities  
17 involving the Government of North Korea;  
18 or

19 (iii) otherwise imposes sanctions with  
20 respect to North Korea.

21 (3) APPROPRIATE CONGRESSIONAL COMMIT-  
22 TEES.—The term “appropriate congressional com-  
23 mittees” means—

1 (A) the Committee on Foreign Relations  
2 and the Committee on Banking, Housing, and  
3 Urban Affairs of the Senate; and

4 (B) the Committee on Foreign Affairs and  
5 the Committee on Financial Services of the  
6 House of Representatives.

7 (4) DESIGNATED PERSON.—The term “des-  
8 ignated person” means a person designated under  
9 subsection (a) or (b) of section 104 for purposes of  
10 applying 1 or more of the sanctions described in title  
11 I or II with respect to the person.

12 (5) GOVERNMENT OF NORTH KOREA.—The  
13 term “Government of North Korea” means the Gov-  
14 ernment of North Korea and its agencies, instru-  
15 mentalities, and controlled entities.

16 (6) HUMANITARIAN ASSISTANCE.—The term  
17 “humanitarian assistance” means assistance to meet  
18 humanitarian needs, including needs for food, medi-  
19 cine, medical supplies, clothing, and shelter.

20 (7) INTELLIGENCE COMMUNITY.—The term  
21 “intelligence community” has the meaning given  
22 such term in section 3(4) of the National Security  
23 Act of 1947 (50 U.S.C. 3003(4)).

24 (8) LUXURY GOODS.—The term “luxury  
25 goods”—

1 (A) has the meaning given such term in  
2 section 746.4(b)(1) of title 15, Code of Federal  
3 Regulations; and

4 (B) includes the items listed in Supplement  
5 No. 1 to part 746 of such title, and any similar  
6 items.

7 (9) MONETARY INSTRUMENTS.—The term  
8 “monetary instruments” has the meaning given such  
9 term in section 5312(a) of title 31, United States  
10 Code.

11 (10) NORTH KOREA.—The term “North Korea”  
12 means the Democratic People’s Republic of Korea.

13 (11) NORTH KOREAN FINANCIAL INSTITU-  
14 TION.—The term “North Korean financial institu-  
15 tion” means any financial institution that—

16 (A) is organized under the laws of North  
17 Korea or any jurisdiction within North Korea  
18 (including a foreign branch of such an institu-  
19 tion);

20 (B) is located in North Korea, except for  
21 a financial institution that is excluded by the  
22 President in accordance with section 208(c);

23 (C) is owned or controlled by the Govern-  
24 ment of North Korea, regardless of location; or

1 (D) is owned or controlled by a financial  
2 institution described in subparagraph (A), (B),  
3 or (C), regardless of location.

4 (12) SIGNIFICANT ACTIVITIES UNDERMINING  
5 CYBERSECURITY.—The term “significant activities  
6 undermining cybersecurity” includes—

7 (A) significant efforts to—

8 (i) deny access to or degrade, disrupt,  
9 or destroy an information and communica-  
10 tions technology system or network; or

11 (ii) exfiltrate information from such a  
12 system or network without authorization;

13 (B) significant destructive malware at-  
14 tacks;

15 (C) significant denial of service activities;

16 and

17 (D) such other significant activities de-  
18 scribed in regulations promulgated to imple-  
19 ment section 104.

20 (13) SOUTH KOREA.—The term “South Korea”  
21 means the Republic of Korea.

22 (14) UNITED STATES PERSON.—The term  
23 “United States person” means—

1 (A) a United States citizen or an alien law-  
2 fully admitted for permanent residence to the  
3 United States; or

4 (B) an entity organized under the laws of  
5 the United States or of any jurisdiction within  
6 the United States, including a foreign branch of  
7 such an entity.

8 **TITLE I—INVESTIGATIONS, PRO-**  
9 **HIBITED CONDUCT, AND PEN-**  
10 **ALTIES**

11 **SEC. 101. STATEMENT OF POLICY.**

12 In order to achieve the peaceful disarmament of  
13 North Korea, Congress finds that it is necessary—

14 (1) to encourage all member states of the  
15 United Nations to fully and promptly implement  
16 United Nations Security Council Resolution 2094  
17 (2013);

18 (2) to sanction the persons, including financial  
19 institutions, that facilitate proliferation, illicit activi-  
20 ties, arms trafficking, cyberterrorism, imports of lux-  
21 ury goods, serious human rights abuses, cash smug-  
22 gling, and censorship by the Government of North  
23 Korea;

24 (3) to authorize the President to sanction per-  
25 sons who fail to exercise due diligence to ensure that

1 such financial institutions and member states do not  
2 facilitate proliferation, arms trafficking, kleptocracy,  
3 and imports of luxury goods by the Government of  
4 North Korea;

5 (4) to deny the Government of North Korea ac-  
6 cess to the funds it uses to obtain nuclear weapons,  
7 ballistic missiles, cyberwarfare capabilities, and lux-  
8 ury goods instead of providing for the needs of the  
9 people of North Korea; and

10 (5) to enforce sanctions in a manner that does  
11 not significantly hinder or delay the efforts of legiti-  
12 mate United States or foreign humanitarian organi-  
13 zations from providing assistance to meet the needs  
14 of civilians facing humanitarian crisis, including ac-  
15 cess to food, health care, shelter, and clean drinking  
16 water, to prevent or alleviate human suffering.

17 **SEC. 102. INVESTIGATIONS.**

18 (a) INITIATION.—The President shall initiate an in-  
19 vestigation into the possible designation of a person under  
20 section 104(a) upon receipt by the President of credible  
21 information indicating that such person has engaged in  
22 conduct described in section 104(a).

23 (b) PERSONNEL.—The President may direct the Sec-  
24 retary of State, the Secretary of the Treasury, and the  
25 heads of other Federal departments and agencies as may

1 be necessary to assign sufficient experienced and qualified  
2 investigators, attorneys, and technical personnel—

3 (1) to investigate the conduct described in sub-  
4 sections (a) and (b) of section 104; and

5 (2) to coordinate and ensure the effective en-  
6 forcement of this Act.

7 **SEC. 103. REPORTING REQUIREMENTS.**

8 (a) **PRESIDENTIAL BRIEFINGS TO CONGRESS.**—Not  
9 later than 180 days after the date of the enactment of  
10 this Act, and periodically thereafter, the President shall  
11 provide a briefing to the appropriate congressional com-  
12 mittees on efforts to implement this Act.

13 (b) **REPORT FROM SECRETARY OF STATE.**—Not  
14 later than 180 days after the date of the enactment of  
15 this Act, the Secretary of State shall conduct, coordinate,  
16 and submit to Congress a comprehensive report on United  
17 States policy towards North Korea that—

18 (1) is based on a full and complete interagency  
19 review of current policies and possible alternatives,  
20 including with respect to North Korea's weapons of  
21 mass destruction and missile programs, human  
22 rights atrocities, and significant activities under-  
23 mining cybersecurity; and

1           (2) includes recommendations for such legisla-  
2           tive or administrative action as the Secretary con-  
3           siders appropriate based on the results of the review.

4 **SEC. 104. DESIGNATION OF PERSONS.**

5           (a) MANDATORY DESIGNATIONS.—Except as pro-  
6           vided in section 208, the President shall designate under  
7           this subsection any person that the President deter-  
8           mines—

9           (1) knowingly, directly or indirectly, imports,  
10          exports, or reexports to, into, or from North Korea  
11          any goods, services, or technology controlled for ex-  
12          port by the United States because of the use of such  
13          goods, services, or technology for weapons of mass  
14          destruction and delivery systems for such weapons  
15          and materially contributes to the use, development,  
16          production, possession, or acquisition by any person  
17          of a nuclear, radiological, chemical, or biological  
18          weapon or any device or system designed in whole or  
19          in part to deliver such a weapon;

20          (2) knowingly, directly or indirectly, provides  
21          training, advice, or other services or assistance, or  
22          engages in significant financial transactions, relating  
23          to the manufacture, maintenance, or use of any such  
24          weapon, device, or system to be imported, exported,  
25          or reexported to, into, or from North Korea;



1           (3) knowingly, directly or indirectly, imports,  
2 exports, or reexports luxury goods to or into North  
3 Korea;

4           (4) knowingly engages in, is responsible for, or  
5 facilitates censorship by the Government of North  
6 Korea;

7           (5) knowingly engages in, is responsible for, or  
8 facilitates serious human rights abuses by the Gov-  
9 ernment of North Korea;

10          (6) knowingly, directly or indirectly, engages in  
11 money laundering, the counterfeiting of goods or  
12 currency, bulk cash smuggling, or narcotics traf-  
13 ficking that supports the Government of North  
14 Korea or any senior official or person acting for or  
15 on behalf of that Government;

16          (7) knowingly engages in significant activities  
17 undermining cybersecurity through the use of com-  
18 puter networks or systems against foreign persons,  
19 governments, or other entities on behalf of the Gov-  
20 ernment of North Korea;

21          (8) knowingly, directly or indirectly, sells, sup-  
22 plies, or transfers to or from the Government of  
23 North Korea or any person acting for or on behalf  
24 of that Government, a significant amount of pre-  
25 cious metal, graphite, raw or semi-finished metals or

1 aluminum, steel, coal, or software, for use by or in  
2 industrial processes directly related to weapons of  
3 mass destruction and delivery systems for such  
4 weapons, other proliferation activities, the Korean  
5 Workers' Party; armed forces, internal security, or  
6 intelligence activities, or the operation and mainte-  
7 nance of political prison camps or forced labor  
8 camps, including outside of North Korea; or

9 (9) knowingly attempts to engage in any of the  
10 conduct described in paragraphs (1) through (9).

11 (b) ADDITIONAL DISCRETIONARY DESIGNATIONS.—

12 (1) PROHIBITED CONDUCT DESCRIBED.—Ex-  
13 cept as provided in section 208, the President may  
14 designate under this subsection any person that the  
15 President determines—

16 (A) knowingly engages in, contributes to,  
17 assists, sponsors, or provides financial, material  
18 or technological support for, or goods and serv-  
19 ices in support of, any person designated pursu-  
20 ant to an applicable United Nations Security  
21 Council resolution;

22 (B) knowingly contributed to—

23 (i) the bribery of an official of the  
24 Government of North Korea or any person  
25 acting for on behalf of that official;

1                   (ii) the misappropriation, theft, or em-  
2                   bezzlement of public funds by, or for the  
3                   benefit of, an official of the Government of  
4                   North Korea or any person acting for on  
5                   behalf of that official; or

6                   (iii) the use of any proceeds of any ac-  
7                   tivity described in clause (i) or (ii); or

8                   (C) knowingly and materially assisted,  
9                   sponsored, or provided significant financial, ma-  
10                  terial, or technological support for, or goods or  
11                  services to or in support of, the activities de-  
12                  scribed in subparagraph (A) or (B).

13               (2) EFFECT OF DESIGNATION.—With respect to  
14               any person designated under this subsection, the  
15               President may—

16                   (A) apply the sanctions described in sec-  
17                   tion 204, 205(c), or 206 to the person to the  
18                   same extent and in the same manner as if the  
19                   person were designated under subsection (a);

20                   (B) apply any of the special measures de-  
21                   scribed in section 5318A of title 31, United  
22                   States Code;

23                   (C) prohibit any transactions in foreign ex-  
24                   change—

1 (i) that are subject to the jurisdiction  
2 of the United States; and

3 (ii) in which such person has any in-  
4 terest; and

5 (D) prohibit any transfers of credit or pay-  
6 ments between financial institutions or by,  
7 through, or to any financial institution, to the  
8 extent that such transfers or payments—

9 (i) are subject to the jurisdiction of  
10 the United States; and

11 (ii) involve any interest of such per-  
12 son.

13 (c) ASSET BLOCKING.—The President shall exercise  
14 all of the powers granted to the President under the Inter-  
15 national Emergency Economic Powers Act (50 U.S.C.  
16 1701 et seq.) to the extent necessary to block and prohibit  
17 all transactions in property and interests in property of  
18 a designated person, the Government of North Korea, or  
19 the Workers' Party of Korea, if such property and inter-  
20 ests in property are in the United States, come within the  
21 United States, or are or come within the possession or  
22 control of a United States person.

23 (d) APPLICATION TO SUBSIDIARIES AND AGENTS.—  
24 The designation of a person under subsection (a) or (b)  
25 and the blocking of property and interests in property

1 under subsection (c) shall apply with respect to a person  
2 who is determined to be owned or controlled by, or to have  
3 acted or purported to have acted for or on behalf of, di-  
4 rectly or indirectly, any person whose property and inter-  
5 ests in property are blocked pursuant to this section.

6 (e) TRANSACTION LICENSING.—The President shall  
7 deny or revoke any license for any transaction that the  
8 President determines to lack sufficient financial controls  
9 to ensure that such transaction will not facilitate any ac-  
10 tivity described in subsection (a) or (b).

11 (f) PENALTIES.—The penalties provided for in sub-  
12 sections (b) and (c) of section 206 of the International  
13 Emergency Economic Powers Act (50 U.S.C. 1705) shall  
14 apply to any person who violates, attempts to violate, con-  
15 spires to violate, or causes a violation of any prohibition  
16 of this section, or an order or regulation prescribed under  
17 this section, to the same extent that such penalties apply  
18 to a person that commits an unlawful act described in sec-  
19 tion 206(a) of such Act (50 U.S.C. 1705(a)).

20 **SEC. 105. FORFEITURE OF PROPERTY.**

21 (a) AMENDMENT TO PROPERTY SUBJECT TO FOR-  
22 FEITURE.—Section 981(a)(1) of title 18, United States  
23 Code, is amended by adding at the end the following:

24 “(I) Any property, real or personal, that is in-  
25 volved in a violation or attempted violation, or which

1 constitutes or is derived from proceeds traceable to  
2 a prohibition imposed pursuant to section 104(a) of  
3 the North Korea Sanctions and Policy Enhancement  
4 Act of 2016.”.

5 (b) AMENDMENT TO DEFINITION OF CIVIL FOR-  
6 FEITURE STATUTE.—Section 983(i)(2)(D) of title 18,  
7 United States Code, is amended to read as follows:

8 “(D) the Trading with the Enemy Act (50  
9 U.S.C. 4301 et seq.), the International Emer-  
10 gency Economic Powers Act (50 U.S.C. 1701 et  
11 seq.), or the North Korea Sanctions Enforce-  
12 ment Act of 2016; or”.

13 (c) AMENDMENT TO DEFINITION OF SPECIFIED UN-  
14 LAWFUL ACTIVITY.—Section 1956(e)(7)(D) of title 18,  
15 United States Code, is amended—

16 (1) by striking “or section 92 of” and inserting  
17 “section 92 of”; and

18 (2) by adding at the end the following: “, or  
19 section 104(a) of the North Korea Sanctions En-  
20 forcement Act of 2016 (relating to prohibited activi-  
21 ties with respect to North Korea);”.

1 **TITLE II—SANCTIONS AGAINST**  
2 **NORTH KOREAN PROLIFERA-**  
3 **TION, HUMAN RIGHTS**  
4 **ABUSES, AND ILLICIT ACTIVI-**  
5 **TIES**

6 **SEC. 201. DETERMINATIONS WITH RESPECT TO NORTH**  
7 **KOREA AS A JURISDICTION OF PRIMARY**  
8 **MONEY LAUNDERING CONCERN.**

9 (a) FINDINGS.—Congress makes the following find-  
10 ings:

11 (1) The Under Secretary of the Treasury for  
12 Terrorism and Financial Intelligence, who is respon-  
13 sible for safeguarding the financial system against il-  
14 licit use, money laundering, terrorist financing, and  
15 the proliferation of weapons of mass destruction,  
16 and has repeatedly expressed concern about North  
17 Korea’s misuse of the international financial sys-  
18 tem—

19 (A) in 2006—

20 (i) stated, “Given [North Korea’s]  
21 counterfeiting of U.S. currency, narcotics  
22 trafficking and use of accounts world-wide  
23 to conduct proliferation-related trans-  
24 actions, the line between illicit and licit

1 North Korean money is nearly invisible.”;

2 and

3 (ii) urged financial institutions world-  
4 wide to “think carefully about the risks of  
5 doing any North Korea-related business”;

6 (B) in 2011, stated that North Korea—

7 (i) “remains intent on engaging in  
8 proliferation, selling arms as well as bring-  
9 ing in material”; and

10 (ii) was “aggressively pursuing the ef-  
11 fort to establish front companies.”; and

12 (C) in 2013, stated—

13 (i) in reference to North Korea’s dis-  
14 tribution of high-quality counterfeit United  
15 States currency, that “North Korea is con-  
16 tinuing to try to pass a supernote into the  
17 international financial system”; and

18 (ii) the Department of the Treasury  
19 would soon introduce new currency with  
20 improved security features to protect  
21 against counterfeiting by the Government  
22 of North Korea.

23 (2) The Financial Action Task Force, an inter-  
24 governmental body whose purpose is to develop and  
25 promote national and international policies to com-



1       bat money laundering and terrorist financing, has  
2       repeatedly—

3               (A) expressed concern at deficiencies in  
4       North Korea's regimes to combat money laun-  
5       dering and terrorist financing;

6               (B) urged North Korea to adopt a plan of  
7       action to address significant deficiencies in  
8       those regimes and the serious threat those defi-  
9       ciencies pose to the integrity of the inter-  
10      national financial system;

11              (C) urged all jurisdictions to apply coun-  
12      termeasures to protect the international finan-  
13      cial system from ongoing and substantial money  
14      laundering and terrorist financing risks ema-  
15      nating from North Korea;

16              (D) urged all jurisdictions to advise their  
17      financial institutions to give special attention to  
18      business relationships and transactions with  
19      North Korea, including North Korean compa-  
20      nies and financial institutions; and

21              (E) called on all jurisdictions—

22                      (i) to protect against correspondent  
23                      relationships being used to bypass or evade  
24                      countermeasures and risk mitigation prac-  
25                      tices; and

1                   (ii) to take into account money laun-  
2                   dering and terrorist financing risks when  
3                   considering requests by North Korean fi-  
4                   nancial institutions to open branches and  
5                   subsidiaries in their respective jurisdic-  
6                   tions.

7                   (3) On March 7, 2013, the United Nations Se-  
8                   curity Council unanimously adopted Resolution  
9                   2094, which—

10                   (A) welcomed the Financial Action Task  
11                   Force’s—

12                   (i) recommendation on financial sanc-  
13                   tions related to proliferation; and

14                   (ii) guidance on the implementation of  
15                   such sanctions;

16                   (B) decided that United Nations member  
17                   states should apply enhanced monitoring and  
18                   other legal measures to prevent the provision of  
19                   financial services or the transfer of property  
20                   that could contribute to activities prohibited by  
21                   applicable United Nations Security Council res-  
22                   olutions; and

23                   (C) called upon United Nations member  
24                   states to prohibit North Korean financial insti-  
25                   tutions from establishing or maintaining cor-

1 respondent relationships with financial institu-  
2 tions in their respective jurisdictions to prevent  
3 the provision of financial services if such mem-  
4 ber states have information that provides rea-  
5 sonable grounds to believe that such activities  
6 could contribute to—

7 (i) activities prohibited by an applica-  
8 ble United Nations Security Council reso-  
9 lution; or

10 (ii) the evasion of such prohibitions.

11 (b) SENSE OF CONGRESS REGARDING THE DESIGNA-  
12 TION OF NORTH KOREA AS A JURISDICTION OF PRIMARY  
13 MONEY LAUNDERING CONCERN.—Congress—

14 (1) acknowledges the efforts of the United Na-  
15 tions Security Council to impose limitations on, and  
16 to require the enhanced monitoring of, transactions  
17 involving North Korean financial institutions that  
18 could contribute to sanctioned activities;

19 (2) urges the President, in the strongest  
20 terms—

21 (A) to immediately designate North Korea  
22 as a jurisdiction of primary money laundering  
23 concern; and

24 (B) to adopt stringent special measures to  
25 safeguard the financial system against the risks

1           posed by North Korea’s willful evasion of sanc-  
2           tions and its illicit activities; and

3           (3) urges the President to seek the prompt im-  
4           plementation by other countries of enhanced moni-  
5           toring and due diligence to prevent North Korea’s  
6           misuse of the international financial system, includ-  
7           ing by sharing information about activities, trans-  
8           actions, and property that could contribute to—

9                   (A) activities sanctioned by applicable  
10           United Nations Security Council resolutions; or

11                   (B) the evasion of such sanctions.

12           (c) DETERMINATIONS REGARDING NORTH KOREA.—

13                   (1) IN GENERAL.—Not later than 180 days  
14           after the date of the enactment of this Act, the Sec-  
15           retary of the Treasury, in consultation with the Sec-  
16           retary of State and the Attorney General, and in ac-  
17           cordance with section 5318A of title 31, United  
18           States Code, shall determine whether reasonable  
19           grounds exist for concluding that North Korea is a  
20           jurisdiction of primary money laundering concern.

21                   (2) ENHANCED DUE DILIGENCE AND REPORT-  
22           ING REQUIREMENTS.—Except as provided in section  
23           208, if the Secretary of the Treasury determines  
24           under paragraph (1) that reasonable grounds exist  
25           for concluding that North Korea is a jurisdiction of

1 primary money laundering concern, the Secretary, in  
2 consultation with the Federal functional regulators  
3 (as defined in section 509 of the Gramm-Leach-Bliley  
4 Act (15 U.S.C. 6809)), shall impose 1 or more  
5 of the special measures described in section  
6 5318A(b) of title 31, United States Code, with re-  
7 spect to the jurisdiction of North Korea.

8 (3) REPORT REQUIRED.—

9 (A) IN GENERAL.—Not later than 90 days  
10 after the date on which the Secretary of the  
11 Treasury makes a determination under para-  
12 graph (1), the Secretary shall submit to the ap-  
13 propriate congressional committees a report  
14 that contains the reasons for such determina-  
15 tion.

16 (B) FORM.—The report submitted under  
17 subparagraph (A) shall be submitted in unclas-  
18 sified form, but may include a classified annex.

19 **SEC. 202. ENSURING THE CONSISTENT ENFORCEMENT OF**  
20 **UNITED NATIONS SECURITY COUNCIL RESO-**  
21 **LUTIONS AND FINANCIAL RESTRICTIONS ON**  
22 **NORTH KOREA.**

23 (a) FINDINGS.—Congress makes the following find-  
24 ings:

1           (1) All member states of the United Nations  
2           are obligated to implement and enforce applicable  
3           United Nations Security Council resolutions fully  
4           and promptly, including by blocking the property of,  
5           and ensuring that any property is prevented from  
6           being made available to, persons designated for the  
7           blocking of property by the Security Council under  
8           applicable United Nations Security Council resolu-  
9           tions.

10           (2) As of May 2015, 158 of the 193 member  
11           states of the United Nations have not submitted re-  
12           ports on measures taken to implement North Korea-  
13           specific United Nations Security Council resolutions  
14           1718, 1874, and 2094.

15           (3) A recent report by the Government Ac-  
16           countability Office (GAO-15-485)—

17           (A) finds that officials of the United States  
18           and representatives of the United Nations  
19           Panel of Experts established pursuant to  
20           United Nations Security Council Resolution  
21           1874 (2009), which monitors and facilitates im-  
22           plementation of United Nations sanctions on  
23           North Korea, “agree that the lack of detailed  
24           reports from all member states is an impedi-

1           ment to the UN’s effective implementation of  
2           its sanctions”; and

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

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

11          (5) The United States dollar and the euro are  
12          the world’s principal reserve currencies, and the  
13          United States and the European Union are pri-  
14          marily responsible for the protection of the inter-  
15          national financial system from the risks described in  
16          paragraph (4).

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

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

22                   (B) the protection of the international fi-  
23           nancial system.

24          (7) The report of the Panel of Experts ex-  
25          pressed concern about the ability of banks in—

1 (A) member states with less effective regu-  
2 lators; and

3 (B) member states that are unable to af-  
4 ford effective compliance to detect and prevent  
5 illicit transfers involving North Korea.

6 (8) North Korea has historically exploited in-  
7 consistencies between jurisdictions in the interpreta-  
8 tion and enforcement of financial regulations and  
9 applicable United Nations Security Council resolu-  
10 tions to circumvent sanctions and launder the pro-  
11 ceeds of illicit activities.

12 (9) Amrogang Development Bank, Bank of  
13 East Land, and Tanchon Commercial Bank have  
14 been designated by the Secretary of the Treasury,  
15 the United Nations Security Council, and the Euro-  
16 pean Union as having materially contributed to the  
17 proliferation of weapons of mass destruction.

18 (10) Korea Daesong Bank and Korea  
19 Kwangson Banking Corporation have been des-  
20 ignated by the Secretary of the Treasury and the  
21 European Union as having materially contributed to  
22 the proliferation of weapons of mass destruction.

23 (11) The Foreign Trade Bank of North Korea  
24 has been designated by the Secretary of the Treas-  
25 ury for facilitating transactions on behalf of persons



1 linked to its proliferation network and for serving as  
2 “a key financial node”.

3 (12) Daedong Credit Bank has been designated  
4 by the Secretary of the Treasury for activities pro-  
5 hibited by applicable United Nations Security Coun-  
6 cil resolutions, including the use of deceptive finan-  
7 cial practices to facilitate transactions on behalf of  
8 persons linked to North Korea’s proliferation net-  
9 work.

10 (b) SENSE OF CONGRESS.—It is the sense of Con-  
11 gress that the President should intensify diplomatic efforts  
12 in appropriate international fora, such as the United Na-  
13 tions, and bilaterally, to develop and implement a coordi-  
14 nated, consistent, multilateral strategy for protecting the  
15 global financial system against risks emanating from  
16 North Korea, including—

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

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

1           (3) the blocking by all member states, in ac-  
2           cordance with the legal process of the state in which  
3           the property is held, of any property required to be  
4           blocked under applicable United Nations Security  
5           Council resolutions;

6           (4) the blocking of any property derived from il-  
7           licit activity, or from the misappropriation, theft, or  
8           embezzlement of public funds by, or for the benefit  
9           of, officials of the Government of North Korea;

10          (5) the blocking of any property involved in sig-  
11          nificant activities undermining cybersecurity by the  
12          Government of North Korea, directly or indirectly,  
13          against United States persons, or the theft of intel-  
14          lectual property by the Government of North Korea,  
15          directly or indirectly from United States persons;  
16          and

17          (6) the blocking of any property of persons di-  
18          rectly or indirectly involved in censorship or human  
19          rights abuses by the Government of North Korea.

20          (c) STRATEGY TO IMPROVE INTERNATIONAL IMPLE-  
21          MENTATION AND ENFORCEMENT OF UNITED NATIONS  
22          NORTH KOREA-SPECIFIC SANCTIONS.—The President  
23          shall direct the Secretary of State, in coordination with  
24          other Federal departments and agencies, as appropriate,  
25          to develop a strategy to improve international implementa-

1 tion and enforcement of United Nations North Korea-spe-  
2 cific sanctions. The strategy should include elements—

3           (1) to increase the number of countries submit-  
4           ting reports to the United Nations Panel of Experts  
5           established pursuant to United Nations Security  
6           Council Resolution 1874 (2009), including devel-  
7           oping a list of targeted countries where effective im-  
8           plementation and enforcement of United Nations  
9           sanctions would reduce the threat from North  
10          Korea;

11          (2) to encourage member states of the United  
12          Nations to cooperate and share information with the  
13          panel in order to help facilitate investigations;

14          (3) to expand cooperation with the Panel of Ex-  
15          perts;

16          (4) to provide technical assistance to member  
17          states to implement United Nations sanctions, in-  
18          cluding developing the capacity to enforce sanctions  
19          through improved export control regulations, border  
20          security, and customs systems;

21          (5) to harness existing United States Govern-  
22          ment initiatives and assistance programs, as appro-  
23          priate, to improve sanctions implementation and en-  
24          forcement; and

1           (6) to increase outreach to the people of North  
2           Korea, and to support the engagement of inde-  
3           pendent, non-governmental journalistic, humani-  
4           tarian, and other institutions in North Korea.

5           (d) REPORT REQUIRED.—Not later than 90 days  
6           after the date of the enactment of this Act, and annually  
7           thereafter, the Secretary of State shall submit to the ap-  
8           propriate congressional committees a report that describes  
9           the actions undertaken to implement the strategy required  
10          by subsection (c).

11   **SEC. 203. PROLIFERATION PREVENTION SANCTIONS.**

12          (a) EXPORT OF CERTAIN GOODS OR TECHNOLOGY.—  
13          A validated license shall be required for the export to  
14          North Korea of any goods or technology otherwise covered  
15          under section 6(j) of the Export Administration Act of  
16          1979 (50 U.S.C. 4605(j)). No defense exports may be ap-  
17          proved for the Government of North Korea.

18          (b) TRANSACTIONS IN LETHAL MILITARY EQUIP-  
19          MENT.—

20                 (1) IN GENERAL.—The President shall withhold  
21                 assistance under the Foreign Assistance Act of 1961  
22                 (22 U.S.C. 2151 et seq.) to the government of any  
23                 country that provides lethal military equipment to  
24                 the Government of North Korea.

1           (2) APPLICABILITY.—The prohibition under  
2 paragraph (1) with respect to a government shall  
3 terminate on the date that is 1 year after the date  
4 on which the prohibition under paragraph (1) is ap-  
5 plied to that government.

6           (c) WAIVER.—Notwithstanding any other provision of  
7 law, the Secretary of State may waive the prohibitions  
8 under this section with respect to a country if the Sec-  
9 retary—

10           (1) determines that such waiver is in the na-  
11 tional interest of the United States; and

12           (2) submits a written report to the appropriate  
13 congressional committees that describes—

14           (A) the steps that the relevant agencies are  
15 taking to curtail the trade described in sub-  
16 section (b)(1); and

17           (B) why such waiver is in the national in-  
18 terest of the United States.

19           (d) EXCEPTION.—The prohibitions under this section  
20 shall not apply to the provision of assistance for human  
21 rights, democracy, rule of law, or emergency humanitarian  
22 purposes.

23 **SEC. 204. PROCUREMENT SANCTIONS.**

24           (a) IN GENERAL.—Except as provided in this section,  
25 the head of an executive agency may not procure, or enter

1 into any contract for the procurement of, any goods or  
2 services from any person designated under section 104(a).

3 (b) FEDERAL ACQUISITION REGULATION.—

4 (1) IN GENERAL.—The Federal Acquisition  
5 Regulation issued pursuant to section 1303(a)(1) of  
6 title 41, United States Code, shall be revised to re-  
7 quire that each person that is a prospective con-  
8 tractor submit a certification that such person does  
9 not engage in any activity described in section  
10 104(a).

11 (2) APPLICABILITY.—The revision required  
12 under paragraph (1) shall apply with respect to con-  
13 tracts for which solicitations are issued on or after  
14 the date that is 90 days after the date of the enact-  
15 ment of this Act.

16 (c) REMEDIES.—

17 (1) INCLUSION ON LIST.—The Administrator of  
18 General Services shall include, on the List of Parties  
19 Excluded from Federal Procurement and Non-  
20 procurement Programs maintained by the Adminis-  
21 trator under part 9 of the Federal Acquisition Regu-  
22 lation, each person that is debarred, suspended, or  
23 proposed for debarment or suspension by the head  
24 of an executive agency on the basis of a determina-  
25 tion of a false certification under subsection (b).

1           (2) CONTRACT TERMINATION; SUSPENSION.—If  
2           the head of an executive agency determines that a  
3           person has submitted a false certification under sub-  
4           section (b) after the date on which the Federal Ac-  
5           quisition Regulation is revised to implement the re-  
6           quirements of this section, the head of such execu-  
7           tive agency shall—

8                   (A) terminate any contract with such per-  
9                   son; or

10                   (B) debar or suspend such person from eli-  
11                   gibility for Federal contracts for a period of not  
12                   longer than 2 years.

13           (3) APPLICABLE PROCEDURES.—Any debar-  
14           ment or suspension under paragraph (2)(B) shall be  
15           subject to the procedures that apply to debarment  
16           and suspension under subpart 9.4 of the Federal Ac-  
17           quisition Regulation.

18           (d) CLARIFICATION REGARDING CERTAIN PROD-  
19           UCTS.—The remedies specified in subsection (c) shall not  
20           apply with respect to the procurement of any eligible prod-  
21           uct (as defined in section 308(4) of the Trade Agreements  
22           Act of 1979 (19 U.S.C. 2518(4)) of any foreign country  
23           or instrumentality designated under section 301(b) of such  
24           Act (19 U.S.C. 2511(b)).

1 (e) **RULE OF CONSTRUCTION.**—Nothing in this sub-  
2 section may be construed to limit the use of other remedies  
3 available to the head of an executive agency or any other  
4 official of the Federal Government on the basis of a deter-  
5 mination of a false certification under subsection (b).

6 (f) **EXECUTIVE AGENCY DEFINED.**—In this section,  
7 the term “executive agency” has the meaning given such  
8 term in section 133 of title 41, United States Code.

9 **SEC. 205. ENHANCED INSPECTION AUTHORITIES.**

10 (a) **REPORT REQUIRED.**—Not later than 180 days  
11 after the date of the enactment of this Act, and annually  
12 thereafter, the President shall submit to the appropriate  
13 congressional committees a report that identifies foreign  
14 ports and airports at which inspections of ships, aircraft,  
15 and conveyances originating in North Korea, carrying  
16 North Korean property, or operated by the Government  
17 of North Korea are not sufficient to effectively prevent the  
18 facilitation of any of the activities described in section  
19 104(a).

20 (b) **ENHANCED CUSTOMS INSPECTION REQUIRE-**  
21 **MENTS.**—The Secretary of Homeland Security may re-  
22 quire enhanced inspections of any goods entering the  
23 United States that have been transported through a port  
24 or airport identified by the President under subsection (a).



1 (c) SEIZURE AND FORFEITURE.—A vessel, aircraft,  
2 or conveyance used to facilitate any of the activities de-  
3 scribed in section 104(a) under the jurisdiction of the  
4 United States may be seized and forfeited under—

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

6 or

7 (2) title V of the Tariff Act of 1930 (19 U.S.C.  
8 1501 et seq.).

9 **SEC. 206. TRAVEL SANCTIONS.**

10 The Secretary of State may deny a visa to, and the  
11 Secretary of Homeland Security may deny entry into the  
12 United States of, any alien who is—

13 (1) a designated person;

14 (2) a corporate officer of a designated person;

15 or

16 (3) a principal shareholder with a controlling  
17 interest in a designated person.

18 **SEC. 207. TRAVEL RECOMMENDATIONS FOR UNITED**

19 **STATES CITIZENS TO NORTH KOREA.**

20 The Secretary of State shall expand the scope and  
21 frequency of issuance of travel warnings for all United  
22 States citizens to North Korea. The expanded travel warn-  
23 ings, which should be issued or updated not less frequently  
24 than every 90 days, should include—

1           (1) publicly released or credible open source in-  
2           formation regarding the detention of United States  
3           citizens by North Korean authorities, including  
4           available information on circumstances of arrest and  
5           detention, duration, legal proceedings, and condi-  
6           tions under which a United States citizen has been,  
7           or continues to be, detained by North Korean au-  
8           thorities, including present-day cases and cases oc-  
9           curring during the 10-year period ending on the date  
10          of the enactment of this Act;

11          (2) publicly released or credible open source in-  
12          formation on the past and present detention and ab-  
13          duction or alleged abduction of citizens of the  
14          United States, South Korea, or Japan by North Ko-  
15          rean authorities;

16          (3) unclassified information about the nature of  
17          the North Korean regime, as described in congres-  
18          sionally mandated reports and annual reports issued  
19          by the Department of State and the United Nations,  
20          including information about North Korea's weapons  
21          of mass destruction programs, illicit activities, inter-  
22          national sanctions violations, and human rights situ-  
23          ation; and

24          (4) any other information that the Secretary  
25          deems useful to provide United States citizens with

1 a comprehensive picture of the nature of the North  
2 Korean regime.

3 **SEC. 208. EXEMPTIONS, WAIVERS, AND REMOVALS OF DES-**  
4 **IGNATION.**

5 (a) EXEMPTIONS.—The following activities shall be  
6 exempt from sanctions under sections 104, 206, 209, and  
7 304:

8 (1) Activities subject to the reporting require-  
9 ments under title V of the National Security Act of  
10 1947 (50 U.S.C. 3091 et seq.), or to any authorized  
11 intelligence activities of the United States.

12 (2) Any transaction necessary to comply with  
13 United States obligations under the Agreement be-  
14 tween the United Nations and the United States of  
15 America regarding the Headquarters of the United  
16 Nations, signed at Lake Success June 26, 1947, and  
17 entered into force November 21, 1947, or under the  
18 Convention on Consular Relations, done at Vienna  
19 April 24, 1963, and entered into force March 19,  
20 1967, or under other international agreements.

21 (b) HUMANITARIAN WAIVER.—

22 (1) IN GENERAL.—The President may waive,  
23 for renewable periods of between 30 days and 1  
24 year, the application of the sanctions authorized  
25 under section 104, 204, 205, 206, 209(b), or 304(b)

1 if the President submits to the appropriate congress-  
2 sional committees a written determination that the  
3 waiver is necessary for humanitarian assistance or to  
4 carry out the humanitarian purposes set forth sec-  
5 tion 4 of the North Korean Human Rights Act of  
6 2004 (22 U.S.C. 7802).

7 (2) CONTENT OF WRITTEN DETERMINATION.—  
8 A written determination submitted under paragraph  
9 (1) with respect to a waiver shall include a descrip-  
10 tion of all notification and accountability controls  
11 that have been employed in order to ensure that the  
12 activities covered by the waiver are humanitarian as-  
13 sistance or are carried out for the purposes set forth  
14 in section 4 of the North Korean Human Rights Act  
15 of 2004 (22 U.S.C. 7802) and do not entail any ac-  
16 tivities in or dealings with the Government of North  
17 Korea not reasonably related to humanitarian assist-  
18 ance or such purposes.

19 (3) CLARIFICATION OF PERMITTED ACTIVITIES  
20 UNDER WAIVER.—An internationally recognized hu-  
21 manitarian organization shall not be subject to sanc-  
22 tions under section 104, 204, 205, 206, 209(b), or  
23 304(b) for—

24 (A) engaging in a financial transaction re-  
25 lating to humanitarian assistance or for human-

1           itarian purposes pursuant to a waiver issued  
2           under paragraph (1);

3                   (B) transporting goods or services that are  
4           necessary to carry out operations relating to  
5           humanitarian assistance or humanitarian pur-  
6           poses pursuant to such a waiver; or

7                   (C) having merely incidental contact, in  
8           the course of providing humanitarian assistance  
9           or aid for humanitarian purposes pursuant to  
10          such a waiver, with individuals who are under  
11          the control of a foreign person subject to sanc-  
12          tions under this Act.

13          (c) WAIVER.—The President may waive, on a case-  
14          by-case basis, for renewable periods of between 30 days  
15          and 1 year, the application of the sanctions authorized  
16          under section 104, 204, 205, 206, 209(b), or 304(b) if  
17          the President submits to the appropriate congressional  
18          committees a written determination that the waiver—

19                   (1) is important to the national security inter-  
20          ests of the United States; or

21                   (2) will further the enforcement of this Act or  
22          is for an important law enforcement purpose.

23          (d) FINANCIAL SERVICES FOR HUMANITARIAN AND  
24          CONSULAR ACTIVITIES.—The President may promulgate  
25          such regulations, rules, and policies as may be necessary

1 to facilitate the provision of financial services by a foreign  
2 financial institution that is not a North Korean financial  
3 institution in support of activities conducted pursuant to  
4 an exemption or waiver under this section.

5 **SEC. 209. REPORT ON AND IMPOSITION OF SANCTIONS TO**  
6 **ADDRESS PERSONS RESPONSIBLE FOR**  
7 **KNOWINGLY ENGAGING IN SIGNIFICANT AC-**  
8 **TIVITIES UNDERMINING CYBERSECURITY.**

9 (a) REPORT REQUIRED.—

10 (1) IN GENERAL.—The President shall submit  
11 to the appropriate congressional committees a report  
12 that describes significant activities undermining cy-  
13 bersecurity aimed against the United States Govern-  
14 ment or any United States person and conducted by  
15 the Government of North Korea, or a person owned  
16 or controlled, directly or indirectly, by the Govern-  
17 ment of North Korea or any person acting for or on  
18 behalf of that Government.

19 (2) INFORMATION.—The report required under  
20 paragraph (1) shall include—

21 (A) the identity and nationality of persons  
22 that have knowingly engaged in, directed, or  
23 provided material support to conduct significant  
24 activities undermining cybersecurity described  
25 in paragraph (1);

1 (B) a description of the conduct engaged  
2 in by each person identified;

3 (C) an assessment of the extent to which  
4 a foreign government has provided material  
5 support to the Government of North Korea or  
6 any person acting for or on behalf of that Gov-  
7 ernment to conduct significant activities under-  
8 mining cybersecurity; and

9 (D) a United States strategy to counter  
10 North Korea's efforts to conduct significant ac-  
11 tivities undermining cybersecurity against the  
12 United States, that includes efforts to engage  
13 foreign governments to halt the capability of  
14 the Government of North Korea and persons  
15 acting for or on behalf of that Government to  
16 conduct significant activities undermining cy-  
17 bersecurity.

18 (3) SUBMISSION AND FORM.—

19 (A) SUBMISSION.—The report required  
20 under paragraph (1) shall be submitted not  
21 later than 90 days after the date of the enact-  
22 ment of this Act, and every 180 days there-  
23 after.

1 (B) FORM.—The report required under  
2 paragraph (1) shall be submitted in an unclassi-  
3 fied form, but may include a classified annex.

4 (b) DESIGNATION OF PERSONS.—The President shall  
5 designate under section 104(a) any person identified in  
6 the report required under subsection (a)(1) that knowingly  
7 engages in significant activities undermining cybersecurity  
8 through the use of computer networks or systems against  
9 foreign persons, governments, or other entities on behalf  
10 of the Government of North Korea.

11 **SEC. 210. CODIFICATION OF SANCTIONS WITH RESPECT TO**  
12 **NORTH KOREAN ACTIVITIES UNDERMINING**  
13 **CYBERSECURITY.**

14 (a) IN GENERAL.—United States sanctions with re-  
15 spect to activities of the Government of North Korea, per-  
16 sons acting for or on behalf of that Government, or per-  
17 sons located in North Korea that undermine cybersecurity  
18 provided for in Executive Order 13687 (50 U.S.C. 1701  
19 note; relating to imposing additional sanctions with re-  
20 spect to North Korea) and Executive Order 13694 (50  
21 U.S.C. 1701 note; relating to blocking the property of cer-  
22 tain persons engaging in significant malicious cyber-en-  
23 abled activities), as such Executive Orders are in effect  
24 on the day before the date of the enactment of this Act,  
25 shall remain in effect until the date that is 30 days after



1 the date on which the President submits to Congress a  
2 certification that the Government of North Korea, persons  
3 acting for or on behalf of that Government, and persons  
4 owned or controlled, directly or indirectly, by that Govern-  
5 ment or persons acting for or on behalf of that Govern-  
6 ment, are no longer engaged in the illicit activities de-  
7 scribed in such Executive Orders, including actions in vio-  
8 lation of United Nations Security Council Resolutions  
9 1718 (2006), 1874 (2009), 2087 (2013), and 2094  
10 (2013).

11 (b) **RULE OF CONSTRUCTION.**—Nothing in this sec-  
12 tion shall be construed to limit the authority of the Presi-  
13 dent pursuant to the International Emergency Economic  
14 Powers Act (50 U.S.C. 1701 et seq.).

15 **SEC. 211. SENSE OF CONGRESS ON TRILATERAL COOPERA-**  
16 **TION BETWEEN THE UNITED STATES, SOUTH**  
17 **KOREA, AND JAPAN.**

18 (a) **IN GENERAL.**—It is the sense of Congress that  
19 the President—

20 (1) should seek to strengthen high-level tri-  
21 lateral mechanisms for discussion and coordination  
22 of policy toward North Korea between the Govern-  
23 ment of the United States, the Government of South  
24 Korea, and the Government of Japan;

1           (2) should ensure that the mechanisms specifi-  
2 cally address North Korea's nuclear, ballistic, and  
3 conventional weapons programs, its human rights  
4 record, and cybersecurity threats posed by North  
5 Korea;

6           (3) should ensure that representatives of the  
7 United States, South Korea, and Japan meet on a  
8 regular basis and include representatives of the  
9 United States Department of State, the United  
10 States Department of Defense, the United States in-  
11 telligence community, and representatives of coun-  
12 terpart agencies in South Korea and Japan; and

13           (4) should continue to brief the relevant con-  
14 gressional committees regularly on the status of  
15 such discussions.

16           (b) RELEVANT COMMITTEES.—The relevant commit-  
17 tees referred to in subsection (a)(4) shall include—

18           (1) the Committee on Foreign Relations, the  
19 Committee on Armed Services, and the Select Com-  
20 mittee on Intelligence of the Senate; and

21           (2) the Committee on Foreign Affairs, the  
22 Committee on Armed Services, and the Permanent  
23 Select Committee on Intelligence of the House of  
24 Representatives.

1           **TITLE III—PROMOTION OF**  
2                           **HUMAN RIGHTS**

3   **SEC. 301. INFORMATION TECHNOLOGY.**

4           Section 104 of the North Korean Human Rights Act  
5 of 2004 (22 U.S.C. 7814) is amended by adding at the  
6 end the following:

7           “(d) **INFORMATION TECHNOLOGY STUDY.**—Not later  
8 than 180 days after the date of the enactment of the  
9 North Korea Sanctions and Policy Enhancement Act of  
10 2015, the President shall submit to the appropriate con-  
11 gressional committees a classified report that sets forth  
12 a detailed plan for making unrestricted, unmonitored, and  
13 inexpensive electronic mass communications available to  
14 the people of North Korea.”.

15   **SEC. 302. STRATEGY TO PROMOTE NORTH KOREAN HUMAN**  
16                           **RIGHTS.**

17           (a) **IN GENERAL.**—Not later than 180 days after the  
18 date of the enactment of this Act, the Secretary of State,  
19 in coordination with other appropriate Federal depart-  
20 ments and agencies, shall submit to the Committee on  
21 Foreign Relations of the Senate and the Committee on  
22 Foreign Affairs of the House of Representatives a report  
23 that details a United States strategy to promote initiatives  
24 to enhance international awareness of and to address the  
25 human rights situation in North Korea.

1 (b) INFORMATION.—The report required under sub-  
2 section (a) should include—

3 (1) a list of countries that forcibly repatriate  
4 refugees from North Korea; and

5 (2) a list of countries where North Korean la-  
6 borers work, including countries the governments of  
7 which have formal arrangements with the Govern-  
8 ment of North Korea or any person acting for or on  
9 behalf of that Government to employ North Korean  
10 workers.

11 (c) STRATEGY.—The report required under sub-  
12 section (a) should include—

13 (1) a plan to enhance bilateral and multilateral  
14 outreach, including sustained engagement with the  
15 governments of partners and allies with overseas  
16 posts to routinely demarche or brief those govern-  
17 ments on North Korea human rights issues, includ-  
18 ing forced labor, trafficking, and repatriation of citi-  
19 zens of North Korea;

20 (2) public affairs and public diplomacy cam-  
21 paigns, including options to work with news organi-  
22 zations and media outlets to publish opinion pieces  
23 and secure public speaking opportunities for United  
24 States Government officials on issues related to the  
25 human rights situation in North Korea, including

1 forced labor, trafficking, and repatriation of citizens  
2 of North Korea; and

3 (3) opportunities to coordinate and collaborate  
4 with appropriate nongovernmental organizations and  
5 private sector entities to raise awareness and provide  
6 assistance to North Korean defectors throughout the  
7 world.

8 **SEC. 303. REPORT ON NORTH KOREAN PRISON CAMPS.**

9 (a) IN GENERAL.—The Secretary of State shall sub-  
10 mit to the appropriate congressional committees a report  
11 that describes, with respect to each political prison camp  
12 in North Korea, to the extent information is available—

13 (1) the camp’s estimated prisoner population;

14 (2) the camp’s geographical coordinates;

15 (3) the reasons for the confinement of the pris-  
16 oners;

17 (4) the camp’s primary industries and products,  
18 and the end users of any goods produced in the  
19 camp;

20 (5) the individuals and agencies responsible for  
21 conditions in the camp;

22 (6) the conditions under which prisoners are  
23 confined, with respect to the adequacy of food, shel-  
24 ter, medical care, working conditions, and reports of  
25 ill-treatment of prisoners; and

1           (7) imagery, to include satellite imagery of the  
2           camp, in a format that, if published, would not com-  
3           promise the sources and methods used by the United  
4           States intelligence community to capture geospatial  
5           imagery.

6           (b) FORM.—The report required under subsection (a)  
7           may be included in the first human rights report required  
8           to be submitted to Congress after the date of the enact-  
9           ment of this Act under sections 116(d) and 502B(b) of  
10          the Foreign Assistance Act of 1961 (22 U.S.C. 2151n(d)  
11          and 2304(b)).

12 **SEC. 304. REPORT ON AND IMPOSITION OF SANCTIONS**  
13                                   **WITH RESPECT TO SERIOUS HUMAN RIGHTS**  
14                                   **ABUSES OR CENSORSHIP IN NORTH KOREA.**

15          (a) REPORT REQUIRED.—

16           (1) IN GENERAL.—The Secretary of State shall  
17           submit to the appropriate congressional committees  
18           a report that—

19                   (A) identifies each person the Secretary  
20                   determines to be responsible for serious human  
21                   rights abuses or censorship in North Korea and  
22                   describes the conduct of that person; and

23                   (B) describes serious human rights abuses  
24                   or censorship undertaken by the Government of  
25                   North Korea or any person acting for or on be-

1 half of that Government in the most recent year  
2 ending before the submission of the report.

3 (2) CONSIDERATION.—In preparing the report  
4 required under paragraph (1), the Secretary of State  
5 shall—

6 (A) give due consideration to the findings  
7 of the United Nations Commission of Inquiry  
8 on Human Rights in North Korea; and

9 (B) make specific findings with respect to  
10 the responsibility of Kim Jong Un, and of each  
11 individual who is a member of the National De-  
12 fense Commission of North Korea or the Orga-  
13 nization and Guidance Department of the  
14 Workers' Party of Korea, for serious human  
15 rights abuses and censorship.

16 (3) SUBMISSION AND FORM.—

17 (A) SUBMISSION.—The report required  
18 under paragraph (1) shall be submitted not  
19 later than 120 days after the date of the enact-  
20 ment of this Act, and every 180 days thereafter  
21 for a period not to exceed 3 years, and shall be  
22 included in each human rights report required  
23 under sections 116(d) and 502B(b) of the For-  
24 eign Assistance Act of 1961 (22 U.S.C.  
25 2151n(d) and 2304(b)).

1 (B) FORM.—The report required under  
2 paragraph (1) shall be submitted in unclassified  
3 form, but may include a classified annex.

4 (C) PUBLIC AVAILABILITY.—The Secretary  
5 of State shall publish the unclassified part of  
6 the report required under paragraph (1) on the  
7 website of the Department of State.

8 (b) DESIGNATION OF PERSONS.—The President shall  
9 designate under section 104(a) any person listed in the  
10 report required under subsection (a)(1) that—

11 (1) knowingly engages in, is responsible for, or  
12 facilitates censorship by the Government of North  
13 Korea; or

14 (2) knowingly engages in, is responsible for, or  
15 facilitates serious human rights abuses by the Gov-  
16 ernment of North Korea.

17 (c) SENSE OF CONGRESS.—It is the sense of Con-  
18 gress that the President should—

19 (1) seek the prompt adoption by the United Na-  
20 tions Security Council of a resolution calling for the  
21 blocking of the assets of all persons responsible for  
22 severe human rights abuses or censorship in North  
23 Korea; and

24 (2) fully cooperate with the prosecution of any  
25 individual listed in the report required under sub-



1 section (a)(1) before any international tribunal that  
2 may be established to prosecute persons responsible  
3 for severe human rights abuses or censorship in  
4 North Korea.

## 5 **TITLE IV—GENERAL** 6 **AUTHORITIES**

### 7 **SEC. 401. SUSPENSION OF SANCTIONS AND OTHER MEAS-** 8 **URES.**

9 (a) IN GENERAL.—Any sanction or other measure re-  
10 quired under title I, II, or III (or any amendment made  
11 by such titles) may be suspended for up to 1 year upon  
12 certification by the President to the appropriate congres-  
13 sional committees that the Government of North Korea  
14 has made progress toward—

15 (1) verifiably ceasing its counterfeiting of  
16 United States currency, including the surrender or  
17 destruction of specialized materials and equipment  
18 used or particularly suitable for counterfeiting;

19 (2) taking steps toward financial transparency  
20 to comply with generally accepted protocols to cease  
21 and prevent the laundering of monetary instruments;

22 (3) taking steps toward verification of its com-  
23 pliance with applicable United Nations Security  
24 Council resolutions;

1           (4) taking steps toward accounting for and re-  
2           patriating the citizens of other countries—

3                   (A) abducted or unlawfully held captive by  
4           the Government of North Korea; or

5                   (B) detained in violation of the Agreement  
6           Concerning a Military Armistice in Korea,  
7           signed at Panmunjom July 27, 1953 (com-  
8           monly referred to as the “Korean War Armi-  
9           stice Agreement”);

10           (5) accepting and beginning to abide by inter-  
11           nationally recognized standards for the distribution  
12           and monitoring of humanitarian aid; and

13           (6) taking verified steps to improve living condi-  
14           tions in its political prison camps.

15           (b) RENEWAL OF SUSPENSION.—The suspension de-  
16           scribed in subsection (a) may be renewed for additional,  
17           consecutive 180-day periods after the President certifies  
18           to the appropriate congressional committees that the Gov-  
19           ernment of North Korea has continued to comply with the  
20           conditions described in subsection (a) during the previous  
21           year.

22           **SEC. 402. TERMINATION OF SANCTIONS AND OTHER MEAS-**  
23   **URES.**

24           Any sanction or other measure required under title  
25           I, II, or III (or any amendment made by such titles) shall

1 terminate on the date on which the President determines  
2 and certifies to the appropriate congressional committees  
3 that the Government of North Korea has—

4 (1) met the requirements set forth in section  
5 401; and

6 (2) has made significant progress toward—

7 (A) completely, verifiably, and irreversibly  
8 dismantling all of its nuclear, chemical, biologi-  
9 cal, and radiological weapons programs, includ-  
10 ing all programs for the development of systems  
11 designed in whole or in part for the delivery of  
12 such weapons;

13 (B) releasing all political prisoners, includ-  
14 ing the citizens of North Korea detained in  
15 North Korea's political prison camps;

16 (C) ceasing its censorship of peaceful polit-  
17 ical activity;

18 (D) establishing an open, transparent, and  
19 representative society; and

20 (E) fully accounting for and repatriating  
21 United States citizens (including deceased  
22 United States citizens)—

23 (i) abducted or unlawfully held captive  
24 by the Government of North Korea; or

1 (ii) detained in violation of the Agree-  
2 ment Concerning a Military Armistice in  
3 Korea, signed at Panmunjom July 27,  
4 1953 (commonly referred to as the “Ko-  
5 rean War Armistice Agreement”).

6 **SEC. 403. AUTHORIZATION OF APPROPRIATIONS.**

7 (a) IN GENERAL.—There are authorized to be appro-  
8 priated for each of fiscal years 2017 through 2021—

9 (1) \$3,000,000 to carry out section 103 of the  
10 North Korea Human Rights Act of 2004 (22 U.S.C.  
11 7813);

12 (2) \$3,000,000 to carry out subsection (a), (b),  
13 and (c) of section 104 of that Act (22 U.S.C. 7814);

14 (3) \$2,000,000 to carry out subsection (d) of  
15 such section 104, as add by section 301 of this Act;  
16 and

17 (4) \$2,000,000 to carry out section 203 of the  
18 North Korea Human Rights Act of 2004 (22 U.S.C.  
19 7833).

20 (b) AVAILABILITY OF FUNDS.—Amounts appro-  
21 priated for each fiscal year pursuant to subsection (a)  
22 shall remain available until expended.

23 **SEC. 404. RULEMAKING.**

24 (a) IN GENERAL.—The President is authorized to  
25 promulgate such rules and regulations as may be nec-

1    essary to carry out the provisions of this Act (which may  
2    include regulatory exceptions), including under section  
3    205 of the International Emergency Economic Powers Act  
4    (50 U.S.C. 1704).

5           (b) **RULE OF CONSTRUCTION.**—Nothing in this Act,  
6    or in any amendment made by this Act, may be construed  
7    to limit the authority of the President to designate or  
8    sanction persons pursuant to an applicable Executive  
9    order or otherwise pursuant to the International Emer-  
10   gency Economic Powers Act (50 U.S.C. 1701 et seq.).

11   **SEC. 405. AUTHORITY TO CONSOLIDATE REPORTS.**

12           Any and all reports required to be submitted to ap-  
13   propriate congressional committees under this Act or any  
14   amendment made by this Act that are subject to a dead-  
15   line for submission consisting of the same unit of time may  
16   be consolidated into a single report that is submitted to  
17   appropriate congressional committees pursuant to such  
18   deadline. The consolidated reports must contain all infor-  
19   mation required under this Act or any amendment made  
20   by this Act, in addition to all other elements mandated  
21   by previous law.

22   **SEC. 406. EFFECTIVE DATE.**

23           Except as otherwise provided in this Act, this Act and  
24   the amendments made by this Act shall take effect on the  
25   date of the enactment of this Act.