

# New U.S. Sanctions on North Korea - What You Need To Know

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Last week the U.S. government announced [new sanctions on North Korea](#) designed to target non-U.S. persons, aircraft, vessels, and financial institutions that facilitate trade and transactions with the country. The Executive Order contained four elements: new authority to designate persons as Specially Designated Nationals (SDNs), sanctions on certain aircraft and vessels that visit North Korea, blocking bank accounts used by North Koreans, and secondary sanctions on foreign financial institutions that conduct or facilitate certain transactions involving North Korea.

**New SDN Designation Authority:** The Office of Foreign Assets Control (OFAC) has the power to blacklist the following persons as SDNs:

- Companies operating in the construction, energy, financial services, fishing, information technology, manufacturing, medical, mining, textiles, or transportation industries in North Korea;
- North Korean persons, including North Korean persons that have engaged in commercial activity that generates revenue for the North Korean government;
- Those materially assisting, sponsoring, or providing financial, material, or technological support for sanctioned parties;
- Companies owned or controlled by, or acting or purporting to act for or on behalf of, directly or indirectly, any person whose property and interests in property are blocked pursuant to the order;
- Companies owning, controlling, or operating any port in North Korea, including any seaport, airport, or land port of entry; and
- Companies engaging in at least one significant importation from or exportation to North Korea of any goods, services, or technology.

**Aircraft and Vessel Sanctions:**

- No aircraft in which a foreign person has an interest that has landed in North Korea may land in the United States within 180 days after departure from North Korea.
- No vessel in which a foreign person has an interest that has called at a port in North Korea within the previous 180 days (and no vessel that has engaged in a ship to ship transfer with such a vessel) may call at a port in the United States.

**Foreign Bank Account Designation Authority:** OFAC has the authority to block foreign bank

accounts that are owned or controlled by a North Korean person or to have been used to transfer funds to the benefit of a North Korean person. According to [FAQs released by OFAC](#), the agency expects to provide notice and additional guidance, as needed, on implementation of these sanctions.

**Foreign Financial Institution Sanctions:** OFAC may sanction foreign financial institutions that knowingly conduct or facilitate transactions involving parties subject to North Korea sanctions or that knowingly conducted or facilitated any significant transaction involving trade with North Korea. Sanctions can include being barred from opening and restricting from using correspondent or payable-through accounts in the United States or block the foreign financial institution as an SDN (or other blocked party).