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DEPARTMENT OF STATE

Bureau of International Security and Nonproliferation

[Public Notice 10290]

Imposition of Missile Proliferation Sanctions on Two North Korean Entities

AGENCY: Bureau of International Security and Nonproliferation, Department of State.

ACTION: Notice.

SUMMARY: A determination has been made that North Korean entities have engaged in activities that require the imposition of measures pursuant to the Arms Export Control Act, as amended, and the Export Administration Act of 1979, as amended (as carried out under Executive Order 13222 of August 17, 2001).

APPLICABLE DATE: [FEDERAL REGISTER INSERT DATE OF PUBLICATION]

FOR FURTHER INFORMATION CONTACT: Pam Durham, Office of Missile, Biological, and Chemical Nonproliferation, Bureau of International Security and Nonproliferation, Department of State (202-647-4930). On import ban issues, Susan Demske, Assistant Director for Regulatory Affairs, Department of the Treasury (202-622-4855). On U.S. Government procurement ban issues, Eric Moore, Office of the Procurement Executive, Department of State (703-875-4079).

SUPPLEMENTARY INFORMATION: Pursuant to Section 73(a)(1) of the Arms Export Control Act [22 U.S.C. 2797b(a)(1)]; Section 11B(b)(1) of the Export Administration Act of 1979 [50 U.S.C. app. 2410b(b)(1)], as carried out under Executive Order 13222 of August 17, 2001 (hereinafter cited as the "Export Administration Act of 1979"); and Executive Order 12851 of June 11, 1993, the U.S. Government determined

on January 4, 2018 that the following foreign persons have engaged in missile technology proliferation activities that require the imposition of the sanctions described in Sections 73(a)(2)(B) and (C) of the Arms Export Control Act [22 U.S.C. 2797b(a)(2)(B) and (C)] and Sections 11B(b)(1)(B)(ii) and (iii) of the Export Administration Act of 1979 [50 U.S.C. app. 2410b(b)(1)(B)(ii) and (iii)] on these entities:

Chilsong Trading Corporation (North Korea) and its sub-units and successors.

Korea Kuryonggang Trading Corporation (North Korea) and its sub-units and successors.

Accordingly, the following sanctions are being imposed on these entities for two years:

- (A) Denial of all new individual licenses for the transfer to the sanctioned entities of all items on the U.S. Munitions List and all items the export of which is controlled under the Export Administration Act;
- (B) Denial of all U.S. Government contracts with the sanctioned entities; and
- (C) Prohibition on the importation into the U.S. of all products produced by the sanctioned entities.

With respect to items controlled pursuant to the Export Administration Act of 1979, the above export sanction only applies to exports made pursuant to individual export licenses.

Additionally, because North Korea is a country with a non-market economy that is not a former member of the Warsaw Pact (as referenced in the definition of “person” in section 74(8)(B) of the Arms Export Control Act), the following sanctions shall be applied for two years to all activities of the North Korean government relating to the development or production of missile equipment or technology and all activities of the North Korean government affecting the development or production of electronics, space systems or equipment, and military aircraft:

- (A) Denial of all new individual licenses for the transfer to the government activities described above of all items on the U.S. Munitions List;
- (B) Denial of all U.S. Government contracts with the government activities described above; and
- (C) Prohibition on the importation into the U.S. of all products produced by the government activities described above.

These measures shall be implemented by the responsible departments and agencies of the United States Government as provided in Executive Order 12851 of June 11, 1993.

C.S. Eliot Kang,

Acting Assistant Secretary of State for

International Security and Nonproliferation.

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