** FINANCIAL SERVICES COMMISSION**



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| |  | | --- | | 6 May 2016  **Democratic People’s Republic of Korea (North Korea)**  **Introduction**   1. Council Regulation (EC) 329/2007 (“the Regulation”) imposing financial sanctions against the Democratic People’s Republic of Korea (North Korea) has been amended to include additional prohibitions.   **Notice summary**   1. The following is a summary of the additional prohibitions:   i. By 31 May 2016, credit and financial institutions are obliged to:  a. close existing branches, subsidiaries or banking accounts in North Korea if it has been determined by HM Governor that such branches or accounts could contribute to North Korea's illicit programmes; and  b. terminate existing joint ventures, ownership interests and correspondent banking relationships with North Korea’s banks.  ii. Credit and financial institutions are also obliged to inform HM Governor if they consider that the operation of any account or office might contribute to North Korea’s illicit programmes.  iii. The current prohibitions on credit and financial institutions to open new banking accounts with North Korea or North Korean owned/controlled entities, open new 2 branches, subsidiaries or representative offices, and enter into new correspondent banking relationships and joint ventures remain. All new acquisitions of ownership interests in a North Korea or North Korean owned/controlled entity, joint ventures with designated persons, and financial support for trade with North Korea are now prohibited.  iv. It is now prohibited to make funds or economic resources available to the Government of North Korea, the Worker’s Party of Korea, or any person acting on their direction or behalf, if HM Governor has determined that to do so would contribute to North Korea’s illicit programmes.  **Legislative Details**   1. On 3 May 2016 Council Regulation (EU) No 2016/682 (“the Amending Regulation”) was published in the Official Journal of the European Union (O.J. L 117, 3.5.2016, p.1) by the Council of the European Union. 2. The Amending Regulation amended the Regulation with effect from 4 May 2016. 3. The Amending Regulation reflects UN Security Council Resolution 2270 (2016) which was adopted on 2 March 2016, and which provides for new restrictive measures against North Korea. 4. Although the UK Statutory Instrument containing the criminal penalties for breaching the Regulation is yet to be amended to cover all of these additional measures, please note that EU Regulations take direct effect in the UK and despite the temporary absence of criminal penalties you will be breaking the law if you do not abide by the Regulation.   **Further Information**   1. A copy of the Amending Regulation can be obtained from the website of the Official Journal of the European Union:   <http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32016R0682&from=EN>   1. Copies of relevant Notices, relevant EU Regulations, UNSC Resolutions and UK legislation can be obtained from the North Korea Financial Sanctions page accessible via the GOV.UK website: <https://www.gov.uk/government/collections/financial-sanctions-regime-specificconsolidated-lists-and-releases> 2. Further details on the UN measures in respect of the North Korea can be found on the relevant UN Sanctions Committee webpage:   <http://www.un.org/sc/committees>.   1. Please note there are also import and export restrictions on the North Korea. Further guidance on exports and trade is available from the GOV.UK website:   <https://www.gov.uk/sanctions-embargoes-and-restrictions>.   1. For more information please see our guide to financial sanctions: <https://www.gov.uk/government/publications/financial-sanctions-faqs>   **Enquiries**   1. Non-media enquiries should be addressed to:   Her Excellency, the Governor  The Governor’s Office  #8 Farara Plaza  Brades, MSR1110  Montserrat  Email: [Tony.Bates@fco.gsi.gov.uk](mailto:Tony.Bates@fco.gsi.gov.uk)  **Financial Services Commission**  **06/05/2016** | |