

Treasury
Customs and Excise Division

Sanctions Notice 23

United Nations Sanctions
European Union Sanctions

North Korea



November 2006
(updated to 17 October 2017)



Isle of Man
Government

Reilts Ellan Vannin

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With effect from 3 June 2016, the transfer of funds to or from North Korea is subject to additional controls, with the transfer of funds of over €15,000 unless authorised under Council Regulation (EC) 2017/1509/EU (formerly Regulation (EC) 329/2007) and/or specific authorisation from the Treasury being prohibited.

Please see paragraph 7A and Annexes A and B of this Notice for more information.



Isle of Man
Government

Reilrys Ellan Vannin

About this Notice

This Notice draws attention in convenient form to measures adopted by the United Nations and European Union which have effect in the Island and which impose trade, economic or financial sanctions.

This Notice provides guidance on certain aspects only of any measures or Orders that implement those sanctions in the Island, and should be read in conjunction with the relevant measure or orders or regulations.

The Treasury has appointed its Customs and Excise Division to act for the purpose of enforcing financial sanctions. Accordingly, certain powers have been delegated by the Treasury to the Division.

Enquiries concerning this Notice should be addressed to the address given below and marked for the attention of the Sanctions Officer.

Enquiries may also be made by -

- facsimile transmission (01624 661725)
- Email (customs@gov.im)
- Telephone (01624 648138)

The address for any enquiries or applications relating to this Notice is -

The Sanctions Officer
The Treasury
Customs and Excise Division
PO Box 6
Custom House
North Quay
Douglas
Isle of Man
IM99 1AG

This Notice is provided for information purposes only, and its contents should not be taken as a definitive statement of the law. You are advised to seek independent legal advice if you believe you are affected by anything contained in this Notice.

For further information on sanctions in general, including how to deal with false positives, or when sanctions are lifted or persons delisted, see Sanctions Notice 26.

Sanctions Notice 32 deals with the granting of licences.

These Notices, and other information about sanctions and export and trade controls, may be found at -

<https://www.gov.im/categories/tax-vat-and-your-money/customs-and-excise/sanctions-and-export-control/>

Directions

The Customs and Excise Division, as agent for the Treasury, **directs** that any funds held for or on behalf of the individuals or entities named in the published lists having effect in the Island must not be made available, directly or indirectly, except under the authority of a licence in writing from the Treasury.

Any funds should be blocked or frozen and the details reported to the Division.

All persons in business or a profession in the Island, including financial institutions, **must** check whether they maintain any account, or otherwise hold or control funds or economic resources, for individuals or entities included in the lists and, if so, they should freeze the account, funds or economic resources and report their findings to the Division.

Any person, entity or body with information that would facilitate compliance with the sanctions Regulation(s) **must** supply such information to the Division and co-operate in any verification of the information.

Introduction

1. On 15 July 2006 the United Nations Security Council adopted Resolution 1695 in which it criticised the multiple launches of ballistic missiles carried out by the Democratic People's Republic of Korea (DPRK) on 5 July 2006.
2. On 14 October 2006 the Security Council adopted Resolution 1718 in which the nuclear test programme proclaimed by the DPRK was condemned, and the Security Council expressed grave concerns at the challenge this constituted to the Treaty on the Non-Proliferation of Nuclear Weapons, to international efforts designed to stop the proliferation of nuclear weapons, and the danger the programme posed to peace and stability in the region.
3. Security Council Resolution 1718 prohibited -
 - a. the direct or indirect supply, sale or transfer to the DPRK of certain conventional weapons, and related materials including spare parts, and other items that the Security Council or a Committee established under the Resolution list;
 - b. the direct or indirect supply, sale or transfer to the DPRK of items included in the Nuclear Suppliers Group and Missile Technology Control regime lists; and other materials, equipment, goods and technology related to nuclear, ballistic missile or other weapons of mass destruction programmes;
 - c. the provision of technical training, services and assistance in relation to that mentioned in (a) and (b) above, including the provision of financing or financial assistance;
 - d. the procurement from the DPRK of any of the items mentioned in (a) or (b) above;
 - e. the entry into, or the transit through, member States of persons designated by the Security Council or its Committees as being responsible for (including

supporting or promoting) the DPRK policies in relation to its nuclear programme, ballistic missile development and use, and other mass destruction-related programmes. Family members of designated persons are also to be covered by this prohibition.

4. Security Council Resolution also imposed a freeze of funds, other financial assets and economic resources owned or controlled directly or indirectly by -
 - a. designated persons, and
 - b. persons or entities acting on their behalf or at their direction.

The Resolution also required that no funds, financial assets or economic resources be made available to or for the benefit of such persons or entities.

5. On 29 March 2007 the European Union adopted Council Regulation 329/2007/EC ("the 2007 Regulation"), which implemented the restrictions in EU law.
 - 5A. On 3 August 2007 the European Communities (North Korea Sanctions) (Application) Order 2007 came into operation. This applied Council Regulation (EC) No. 329/2007 in the Island. On 6 August the North Korea Sanctions Regulations 2007 came into operation, providing for offences and penalties for breaches of the Council Regulation, and information powers for the investigation into suspected breaches.
 - 5B. ...
6. On 27 September 2013, the European Union (North Korea Sanctions) Order 2013 [SD 333/13] reapplied the 2007 Regulation with all subsequent amendments, up to and including Council Regulations 296/2013/EU and 696/2013/EU. At the same time the European Union (North Korea Sanctions) Regulations 2013 [SD 334/14] updated provisions relating to licensing, information powers, offences and penalties.
 - 6A. ...
 - 6B. ...
 - 6C. On 12 June 2009 the UN Security Council adopted Resolution 1874. This extended existing UN sanctions to allow for the boarding and search of vessels that could be carrying prohibited munitions and goods. It also -
 - required the prohibition of the provisioning or fuelling of vessels (except for humanitarian purposes) where there are reasonable grounds to suspect it is carrying prohibited munitions or goods;
 - required states to prevent the provision of financial services, or the freeze of assets and resources, linked to North Korea's nuclear-related activities or weapons of mass destruction and prevent the transfer through their territory of any prohibited munitions and goods; and
 - required that no public funds support (e.g. export credits, guarantees or insurance) that would contribute to North Korea's nuclear-related activities or weapons of mass destruction.

- 6D. ...
- 6E. ...
- 6F. ...
- 6G. On 23 December 2009 Council Regulation 329/2007/EC was further amended by Council Regulation 1283/2009/EU. This included provisions calling for enhanced vigilance of financial and credit institutions that could contribute to the North Korean WMD or ballistic missile programmes.
- 6H. ...
- 6J. New measures introduced from 29 March 2013 supplemented the existing arms embargo in force, as well as an embargo on dual-use items which could be used for weapons of mass destruction, an export ban on "luxury goods" and some other restrictions that affect trade with North Korea.

Council Regulation (EU) No 296/2013 (which was applied in Island law by SD 333/13 with effect from 27 September 2013) implemented several measures contained in Council Decision (EU) No 2013/88/CFSP, which in turn gave effect to several additional measures required by UN Security Council Resolution 2087 (2013). These included the following -

Restrictions on Establishing Branches of EU Credit and Financial Institutions in North Korea

A new measure prohibited EU credit and financial institutions from -

- (a) opening new representative offices in North Korea or establishing a new branch or subsidiary in North Korea; and
- (b) establishing a new joint venture with entities listed in Article 11a(2) of the 2007 Regulation.

Restrictions on Relations with Credit and Financial Institutions connected with North Korea

The new measure also prohibited -

- (a) authorising the opening of a representative office or the establishment of a branch or subsidiary in the EU of entities listed in Article 11a(2) of the 2007 Regulation;
- (b) concluding agreements pertaining to the opening of a representative office or the establishment of a branch or subsidiary in the EU, for, or on behalf of such entities;
- (c) granting an authorisation for the taking up and pursuing of the business of a credit institution (or any other business requiring prior authorisation), if the representative office, branch or subsidiary was not operational before 19

February 2013, to such entities; and

- (d) acquiring or extending of a participation in, or acquiring any other ownership interest in, an EU credit or financial institution by such entities.

Bonds issued after 19 February 2013

A new measure prohibited -

- (a) directly or indirectly selling public or public-guaranteed bonds issued after 19 February 2013 to, or purchasing such bonds from -
- (i) North Korea or its Government, and its public bodies, corporations and agencies;
 - (ii) the Central Bank of North Korea;
 - (iii) a credit or financial institution domiciled within North Korea, or any credit or financial institution referred to in Article 11a(2) of the 2007 Regulation;
 - (iv) any natural person or legal person, entity or body acting on behalf of or at the direction of a legal person, entity or body referred to in (i) and (ii) above; and
 - (v) a legal person, entity or body owned or controlled by a person, entity or body referred to in (i), (ii) or (iii) above.
- (b) providing brokering services with regard to public or public-guaranteed bonds issued after 19 February 2013 to a person, entity or body referred to in point (a) above;
- (c) assisting a person, entity or body referred to in point (a) above in order to issue public or public-guaranteed bonds, by providing brokering services, advertising or any other service with regard to such bonds.

- 6K. On 24 July 2013 Council Regulation (EU) No 696/2013 amended the EU sanctions regime, with changes that prohibited credit and financial institutions from opening a new bank account with a credit or financial institution domiciled in North Korea, or any credit or financial institution mentioned in Article 11a(2) of Regulation 329/2007. It also prohibited maintaining an existing correspondent banking relationship with a credit or financial institution domiciled in North Korea or listed in Article 11a(2) if there is information that provides reasonable grounds to believe that this could contribute to that country's nuclear-related WMD-related or ballistic missile-related programmes, or any other activities prohibited by either Regulation 329/2007 or Council Decision 2013/183/CFSP.

A new Annex Va was added to Regulation 329/2007 which included persons, entities or bodies not covered by Annexes IV or V and who are working on behalf of or at the direction of a person, entity or body listed in Annex IV or V, or persons assisting in the evasion of sanctions or violating the provisions of Regulation 329/2007.

Trade sanctions were also amended, with additional prohibited items added and

restrictions imposed on the servicing of North Korean vessels carrying prohibited items.

Regulation (EU) No 696/2013 was applied in Island law by means of SD 333/13 with effect from 27 September 2013.

- 6L. On 6 March 2016, Commission Implementing Regulation (EU) No 2016/315 came into force. This amended Regulation 329/2007 following the adoption by the UN Security Council of Resolution 2270 (2016) on 2 March 2016. The new EU Regulation added 16 natural persons and 12 entities to the sanctions lists and updated the information relating to others, this was followed by Council Regulation (EU) No 2016/682 from 4 May 2016 which further amended Regulation 329/2007 to give full effect to the provisions of Resolution 2270.

In February 2016, the US had already enhanced its sanctions regime against North Korea.

Resolution 2270 significantly increased the UN sanctions measures in place in respect of North Korea. As well as maintaining and extending the asset freeze, it also imposed -

- a ban on the opening and operation of North Korean banks abroad;
- a ban on foreign financial institutions opening new offices in North Korea (unless approved by the UN Sanctions Committee) and the closing of existing branches if there was information indicating that their services contributed to illicit activities in North Korea;
- a ban on all public and private financial trade support where there were reasonable grounds to believe that there was a link to proliferation;
- sectoral sanctions on the trade in natural resources - including a ban on the export of all gold, titanium ore, vanadium ore and rare earth metals;
- a ban on the supply of all types of aviation fuel, including rocket fuel;
- a ban on the export of coal, iron and iron ore used in the nuclear or ballistic missile programmes;
- a requirement to inspect all cargo going to or from North Korea;
- extending the arms embargo to cover small arms and light weapons;
- a ban on leasing or chartering of vessels or aircraft, providing crew services or registering vessels;
- extending the list of luxury goods that could not be exported to North Korea - including luxury watches, lead crystal items and recreational sports equipment; and
- a ban on any item whatsoever (except food and medicine), if a Member State

has reason to believe that the item involved can contribute to the development and capabilities of the North Korean armed forces.

The European Union (North Korea Sanctions) (Amendment) (No. 2) Order 2016 [SD 2016/0177] applied EU Regulation 2016/682/EU in the Island with effect from 16 May 2016, with the European Union (North Korea Sanctions) Regulations 2013 being amended at the same time by SD 2016/0178.

The EU decided to impose additional sanctions measures and these were detailed in Council Decision 2016/849/CFSP which repealed and replaced Decision 2003/183/CFSP on 27 May 2016. The further sanctions measures included -

- a prohibition on the supply, sale or transfer to North Korea of further items, materials, equipment relating to dual-use goods and technology;
- a prohibition on transfers of funds to and from North Korea, unless specifically authorised in advance, as well as investment by North Korea in the territories under the jurisdiction of Member States and investment by nationals or entities of the Member States in North Korea;
- requiring Member States to deny permission to land in, take off from or overfly their territory to any aircraft operated by North Korea carriers or originating from North Korea. Member States were also required to prohibit the entry into their ports of any vessel that is owned, operated or crewed by North Korea;
- extending the prohibition on the export of luxury goods to cover the import of such goods from North Korea; and
- extending the prohibitions on public financial support for trade with North Korea, in particular to avoid any financial support contributing to proliferation-sensitive nuclear activities or to the development of nuclear-weapon delivery systems.

These additional measures were contained in Council Regulation 2016/841/EU, which was applied in the Island by the European Union (North Korea Sanctions) (Amendment) (No. 3) Order 2016 [SD 2016/0190] with effect from 3 June 2016. The European Union (North Korea Sanctions) Regulations 2013 being amended at the same time by SD 2016/0191.

6LA. On 6 August 2016, Council Regulation (EU) No 2016/1333 further amended Regulation 329/2007/EU to bring it into line with the provisions of UN SCR 2270 (2016). A new Annex 1g was added to Regulation 329/2007/EU that listed WMD-related items, materials, equipment, goods and technology identified as sensitive goods and subject to control. The amendments made by Regulation 2016/1333/EU were applied in Island law by order (reference SD 2016/0259) with effect from 19 August 2016, with corresponding amendment also made to the European Union (North Korea Sanctions) Regulations 2013 on the same date by means of SD 2016/0260.

6LB. Following a nuclear test on 9 September 2016, the UN introduced new sanctions measures. The new measures, contained in UN SCR 2321 of 30 November 2016, included -

- (a) an annual cap imposed on North Korean coal exports, reducing their volume by around 60%;
- (b) a prohibition on North Korean exports of copper, nickel, silver and zinc;
- (c) a prohibition on the export of statues;
- (d) imposed asset freezes and travel bans on 11 people and 10 entities for alleged ties to North Korea's nuclear and ballistic missile programmes;
- (e) required states to limit North Korean diplomatic missions and consular posts to one bank account each, in an effort to prevent North Korea from using them for illicit activities;
- (f) prohibited North Korea from using real property that it owns or leases in a member state's territory for any purpose other than diplomatic or consular activity;
- (g) a call on member states to reduce the number of staff in North Korean diplomatic and consular posts (this was a non-mandatory recommendation); and
- (h) prohibited North Korean diplomatic agents from practising any professional or commercial activity for personal profit (a reminder of a pre-existing provision contained in Article 42 of the Vienna Convention on Diplomatic Relations of 1961).

Regulation 2017/330/EU was applied in the Island by means of the European Union (North Korea Sanctions) (Amendment) Order 2017 [SD 2017/0161], with effect from 26 April 2017, with the European Union (North Korea Sanctions) Regulations 2013 also being amended at the same time.

- 6LC. With effect from 22 February 2017, the Export Control (North Korea Sanctions and Iran, Ivory Coast and Syria Amendment) Order 2017 [SI 2017/80] implemented amendments to trade restrictions imposed by EU Regulation 329/2007, including creating additional offences where a person uses false information to obtain a licence, or fails to comply with a requirement or condition imposed under such a licence.
- 6LD. On 23 May 2017, Council Regulation (EU) No 2017/658 was applied in Island law by means of the European Union (North Korea Sanctions) (Amendment) (No. 2) Order 2017 [SD 2017/0186], with the European Union (North Korea Sanctions) Regulations 2013 also being amended at the same time. The pre-existing prohibition on investments in North Korea were extended to cover other industries - conventional arms-related, metallurgy and metal-working and aerospace. It was prohibited to provide persons and entities in North Korea computer services, and services linked to mining and manufacturing in the chemical, mining and refining industries.
- 6LE. On 5 August 2017 the UN further extended sanctions against North Korea with UN SCR 2371. This targeted key elements of the North Korean economy, prohibiting the exports of strategic commodities and its participation in joint ventures with foreign persons, as well as expanding the scope of asset freezes and travel bans. The sectoral sanctions involved commodities such as coal, iron ore, seafood, lead and lead

ore, including under pre-existing contracts (after a 30-day period), but with notification to the UN Sanctions Committee required. An exception was made for the export of Russian coal (or other coal originating outside North Korea). The new Resolution confirmed that the clearing of funds was caught by the sanctions regime, and the prohibition on joint ventures included situations where North Korean personnel were supplied (which then generated foreign currency for the North Korea regime).

- 6LF. On 1 September 2017, Council Regulation (EU) No 2017/1509 came into force, repealing and replacing Regulation 329/2007/EC. This new Regulation consolidated all the many changes made by the large number of amendments made to the original Regulation since 2007. The new Regulation, whilst being different in format and wording (for example, Article 5c of 329/2007 which dealt with the prohibition and control of funds transfers became a part of new Article 21) contained no wholly new provisions.

At the same time, Council Decision (CFSP) No 2017/1512 made a number of amendments to Council Decision 2016/849/CFSP, and which also came into force from 1 September 2017.

Regulation 2017/1509/EU was applied in the Island by means of the European Union (North Korea Sanctions) Order 2017 [SD 2017/274] with effect from 13 September 2017, with the European Union (North Korea Sanctions) Regulations 2017 [SD 2017/275] coming into operation at the same time.

References to the measures imposed by or under Regulation 329/2007 should be taken to refer to Regulation 2017/1509 from that date.

- 6LG. Council Regulation 2017/1548/EU and Council Implementing Regulation 2017/1568/EU amended and added to measures imposed by Regulation 2017/1509, extending the import ban on certain North Korean goods and limiting the number of work authorisations that may be issued to North Korean nationals. The export of North Korean coal, iron, iron ore, lead, lead ore and seafood became prohibited.

Regulation 2017/1548/EU was applied in the Island by means of the European Union (North Korea Sanctions) (Amendment) (No. 4) Order 2017 [SD 2017/0296] with effect from 16 October 2017, with the European Union (North Korea Sanctions) (Amendment) (No. 4) Regulations 2017 [SD 2017/0297] coming into operation at the same time.

- 6LH. UN SCR 2375 of 11 September 2017 increased to 90% the proportion of North Korean exports subject to a prohibition - banning the export of North Korean textiles with effect from 11 December 2017, and limiting the sale or transfer of refined petroleum products to North Korea and banning the sale of condensates and natural gas liquids to North Korea. Joint ventures with North Korean entities were to be ended, and no new ones entered into. The Resolution also called for the closer inspection of cargo ships that may be used to carry prohibited cargo to and from North Korea.

- 6LI. Council Regulation 2017/1858/EU and Council Implementing Regulation 2017/1859/EU amended and added to measures imposed by Regulation 2017/1509, to include:-

- a. a total ban on EU investment in the DPRK, in all sectors;

- b. a total ban on the sale of refined petroleum products and crude oil to the DPRK; and
- c. lowering the amount of personal remittances transferred to the DPRK from €15,000 to €5,000, as they are suspected of being used to support the country's illegal nuclear and ballistic missile programmes.

Definition of “economic resources”

- 6M. In Council Regulation (EU) No 2017/1509 (which replaced Regulation 329/2007/EU), “economic resources” are defined in Article 2 as meaning “assets of every kind, whether tangible or intangible, movable or immovable, actual or potential, which are not funds but can be used to obtain funds, goods or services, including vessels, such as maritime vessels.”.

Treasury information powers

7. The Treasury can serve a written notice on anyone to whom the measures apply, requiring them to furnish the Treasury with any information in their possession or control, or produce any document in their possession or control, for the owner of those funds shall furnish the Treasury with any information in their possession or control, or produce any document in their possession or control, for the purpose of allowing the Treasury to ensure compliance with, or detect evasion of, the sanctions. Failure to furnish such information or documents without reasonable excuse is an offence.

Additional prohibitions and funds transfer requirements

- 7A. With effect from 3 June 2016, it is prohibited to -
 - transfer funds to/from North Korea unless the funds are for a specific purpose as listed in Regulation 2017/1509/EU (formerly 329/2007/EC);
 - transfer any funds over €15,000 without specific authorisation from the Treasury;
 - provide financial support for trade with North Korea; and
 - accept or approve investment in any commercial activity as detailed in Regulation 2017/1509/EU (formerly 329/2007/EC).

Article 21 of Regulation 2017/1509/EU is concerned with transfers of funds and guidance on complying with its requirements, and the form to be used to request authorisation from the Treasury, for a transfer of funds can be found in the Annexes to this Notice.

- 7B. On 5 August 2017, UN SCR 2371 (2017) provided for new measures, including the designation of the Foreign Trade Bank and the Korean National Insurance Company (KNIC) with an asset freeze being imposed. However, a specific derogation was also introduced concerning certain transactions involving those bodies. Council Regulation 2017/1501/EU amended Regulation 329/2007/EC (now replaced by Regulation 2017/1509/EU) implemented the derogation under EU law. The effect was that funds

and economic resources -

- meant exclusively for the official purposes of a diplomatic or consular mission in North Korea;
- meant exclusively for humanitarian activities undertaken by, or in co-ordination with, the UN; or
- licensed by a country's competent authority in respect of activities authorised by the UN Sanctions Committee as being necessary to facilitate the work of international organisations and NGO carrying out assistance and relief activities to benefit the civilian population in North Korea,

may be exempt from the asset freeze.

The European Union (North Korea Sanctions) (Amendment) (No. 3) Order 2017 [SD 2017/0257] applied Regulation 2017/1501/EU in the Isle of Man with effect from 4 September 2017, with the European Union (North Korea Sanctions) Regulations 2013 being amended from the same date.

Appeals against UN or EU listing

8. Persons and entities who are included on the list of those subject to sanctions in the Isle of Man because they are listed by the relevant Sanctions Committee of the United Nations may petition the Committee for de-listing by contacting the relevant Focal Point for De-listing at the UN Headquarters in New York.
See <http://www.un.org/sc/committees/>
9. Any natural person affected by inclusion on a sanctions list issued by the European Commission may make a request for the grounds for their listing to the Commission. This request should be sent to:

Council of the European Union
General Secretariat
Rue de la Loi 200
1049 Bruxelles, Belgium

It is also possible to challenge inclusion on the lists published by the Commission at the General Court of the EU.

Amendments to this Notice

- | | |
|---------------|--|
| 30 March 2007 | Paragraph 5 amended to include reference to Council Regulation 329/2007/EC, and paragraph 6 to say neither the UN nor the EU had designated any person or entity. At the same time the copyright date for the Notice was changed to 2007. |
| 7 August 2007 | New paragraph 5A inserted, dealing with the Order and Regulations enacted in the Island to give effect to Council Regulation (EC) No 329/2007. At the same time paragraph 6 was amended to say that up to that date no persons had been named by the UN or EU as being subject to financial sanctions. |

13 February 2008	New paragraph 5B inserted, referring to changes made by Commission Regulation (EC) No. 1177/2008.
10 March 2009	New paragraph 6A inserted re Focal Point for De-listing at UN Headquarters.
29 April 2009	Paragraph 6 was replaced to reflect the first listing of entries by the UN Security Council Sanctions Committee.
13 May 2009	New paragraph 6B inserted re Commission Regulation (EC) No. 389/2009.
16 June 2009	New paragraph 6C inserted re UN Security Council Resolution 1874.
20 July 2009	New paragraph 6D inserted re new names on UN sanctions lists with effect from 16 July 2009, together with details of the agencies and companies included.
31 July 2009	New paragraph 6E inserted re Commission Regulation 689/2009/EC.
23 December 2009	New paragraph 6F added re the right of appeal against listing by the EU. New paragraph 6G also added re Council Regulation 1283/2009/EU.
8 February 2012	New paragraph 6H added re application of EU Regulation 1355/2011.
10 April 2013	New paragraph 6J, providing details of Council Regulation 296/2013/EU, added.
29 April 2013	Paragraph 6J amended to take account of the enactment of SD 127/13 and 128/13.
25 July 2013	New paragraph 6K inserted re Council Regulation 696/2013.
12 August 2013	Additional sentence added to paragraph 6K.
2 October 2013	Amendments to take account of enactment of SD 333/13 and 334/13. Paragraphs 5, 5A, 6G, 6J and 6K amended. Paragraphs 5B, 6B, 6D, 6E and 6H deleted. Paragraph 6 replaced.
25 November 2015	New "directions" added on page 3 and new paragraph 7 re information powers inserted.
7 March 2016	Notice reviewed and revised, with various amendments, an index added, information on appealing UN or EU listing moved to a separate section, paragraph 6 replaced and a new paragraph 6L added, dealing with new EU, UN and US sanctions measures. A new heading was also inserted before paragraph 7.

5 May 2016	Paragraph 6L amended to reflect implementation of UN SCR 2270 by means of Council Regulation (EU) No 2016/682; new paragraph 6M containing an amended definition of “economic resources” inserted.
24 May 2016	Paragraph 6L amended to mention application of EU Regulation 2016/682/EU by means of SD 2016/0177 and 2016/0178.
3 June 2016	Paragraph 6L further amended to mention further sanctions measures implemented by means of SD 2016/0190; new paragraph 7A inserted re new additional prohibitions and funds transfer requirements; and new Annexes A and B added re funds transfer requests. Index amended accordingly, and new Note added to page 2 re the funds transfer requirements.
22 August 2016	New paragraph 6LA inserted re SD 2016/0259 and 2016/0260 and EU Regulation 2016/1333/EU.
12 January 2017	New paragraph 6LB inserted re UN SCR 2321.
19 January 2017	Paragraph 6LB substituted to provide more detail of UN SCR 2321.
2 February 2017	Paragraph 6LC inserted re the amendment of trade sanctions restrictions by means of the Export Control (North Korea Sanctions and Iran, Ivory Coast and Syria Amendment) Order 2017, and new Annex C added.
10 March 2017	Mention of Sanctions Notices 26 and 32 added on page 3.
4 May 2017	Paragraph 6LB amended to mention application of EU Regulation 2017/330 by means of SD 2017/0161.
24 May 2017	Paragraph 6LB amended to insert date when SD 2017/0161 took effect, and new paragraph 6LD re SD 2017/0186 inserted.
3 August 2017	Amendments made to make clear that not only financial institutions are subject to reporting requirements of the sanctions.
7 August 2017	New paragraph 6LE inserted re UN SCR 2371.
29 August 2017	Paragraph 7B inserted re derogations from the asset freeze requirements introduced by UN SCR 2371.
1 September 2017	New paragraph 6LF inserted to refer to new Regulation 2017/1509, which consolidates Regulation 329/2007 and its many amendments, and Decision 2017/1512/CFSP, which amends Decision 2016/849/CFSP.
5 September 2017	Paragraph 7B amended to add reference to SD 2017/0257 that applied EU Regulation 2017/1501 in the Island.

- 20 September 2017 Various amendments made, including the insertion of new paragraphs 6LG and 6LH, as a result of the replacement of Regulation 329/2007/EC with Regulation 2017/1509/EU, the coming into operation of SD 2017/374 and 2017/375 and other changes.
- 17 October 2017 Paragraph 6LG amended to mention application of EU Regulation 2017/1548 by means of SD 2017/0296 and SD 2017/0297. New paragraph 6LI inserted to refer to new EU Regulation 2017/1858.

Isle of Man Customs and Excise Website

Amendments to these sanctions will be advised by means of news releases which will be published on the official Isle of Man Government website at <http://www.gov.im/>

The Isle of Man Customs and Excise website will contain details of all current sanctions, news releases and links to relevant lists at <http://www.gov.im/treasury/customs/>

Data Protection Act 2002

IOM Customs and Excise collects information in order to administer the taxes for which it is responsible (such as VAT, excise duties, air passenger duty) and other assigned matters (including UN and EU sanctions, import and export prohibitions and restrictions, and export and trade controls), and for detecting and preventing crime.

Where the law permits we may also get information about you from third parties, or give information to them, for example in order to check its accuracy, ensure compliance with legal obligations, prevent or detect crime or protect public funds in other ways.

These third parties may include the police, other government departments and agencies.

Notice 910 MAN contains details of how Treasury may use information collected by Customs and Excise.

Annex A

Guidance for Credit and Financial Institutions on Council Regulation 2017/1509/EU concerning restrictive measures against the Democratic People's Republic of Korea

Introduction

1. This guidance provides an overview of the requirements for credit and financial institutions under the new measures contained in Council Regulation (EU) 2017/1509 ("the Regulation"), which were originally introduced under Regulation (EC) 329/2007, and which had effect in the Island from 3 June 2016.
2. This guidance does not constitute legal advice and you should consider the exact wording of the Regulation in relation to any specific transaction. Please note that the Regulation contains other prohibitions as well as these particular provisions and financial institutions should consider all of their other obligations carefully.

What are credit and financial institutions required to do?

3. Credit and financial institutions are required to:
 - refrain from opening new branches, offices, subsidiaries, or banking accounts in North Korea;
 - close existing branches, subsidiaries or banking accounts in North Korea where the Treasury has determined that they could contribute to North Korea's illicit programmes;
 - refrain from entering into new joint ventures, ownership interests, and correspondent banking relationships with North Korean banks, unless authorised to do so by a Treasury licence;
 - terminate existing joint ventures, ownership interests and correspondent banking relationships with North Korean banks where the Treasury has determined that they could contribute to North Korea's illicit programmes.

In addition, where a credit or financial institution suspects that any activity that they participate in could contribute to North Korea's nuclear or ballistic missile programmes (or other activities prohibited by the Regulation), they are required to promptly inform the Treasury of this. Credit and financial institutions should provide the Treasury with the reasons why they suspect this activity might contribute to such actions. In practice, this means financial institutions should submit all the evidence that leads them to this suspicion. Breaching these obligations may constitute a criminal offence.

What should financial institutions be looking for?

4. If you are unsure about what triggers you should be looking for when identifying activities relating to nuclear and ballistic activities, please refer to the Financial Action Task Force (FATF) Typologies Report on Proliferation Financing:

<http://www.fatf-gafi.org/publications/methodsandtrends/documents/typologiesreportonproliferationfinancing.html>

How do I submit evidence?

5. Please use the following term in the subject line of your email:

“DPRK SUSPECTED PROLIFERATION ACTIVITY”

Evidence should be submitted to: customs@gov.im

What should financial institutions do once they have submitted the evidence to the Treasury?

6. Credit and financial institutions are responsible for complying with sanctions. They should make a careful assessment of whether ongoing activities comply with the sanctions regime. This consideration should include all of the prohibitions in the Regulation. Financial institutions should bear in mind that breaching sanctions is a criminal offence.

The Treasury will consider the evidence provided and will respond when it has completed its assessment.

What does Article 21 prohibit?

7. Article 21 of the Regulation prohibits transfers of funds to and from North Korea except where certain conditions are met. Specifically, credit and financial institutions are prohibited to enter into, or continue to participate in, any transactions with credit and financial institutions (including branches or subsidiaries) in North Korea unless the conditions are met. Breaching these restrictions constitutes a criminal offence.

The first condition is that the transfer must relate to type of a transaction that is set out in the Regulation. These transactions are:

- foodstuffs, healthcare, medical equipment, or for agricultural or humanitarian purposes;
- personal remittances;
- execution of the exemptions provided for in the Regulation;
- connected to a specific trade contract not prohibited in the Regulation;
- a diplomatic or consular mission;
- payment to satisfy claims against North Korea, its nationals, legal persons, entities or bodies.

The second condition is that transactions equivalent to EUR 15,000 or over have secured prior authorisation from the Treasury. If your transaction is for a reason listed above and below EUR 15,000, you do not need prior authorisation from the Treasury.

Please note that this includes a series of linked transactions where the total value is EUR 15,000 or over.

Please note that there is no provision for deeming an authorisation to have been granted after a certain time has elapsed.

My transaction(s) is below EUR 15,000, do I need to do anything?

8. If your transaction is for a reason listed above and is below EUR 15,000, you do not need to seek prior authorisation from the Treasury. However, please note that Article 21 shall apply regardless of whether a transfer of funds is undertaken in a single transaction or in several transactions which appear to be linked. Transactions which appear to be linked include:
- a series of consecutive transfers from or to the same financial or credit institution or to the same North Korean person, entity or body which are made in connection with a single obligation to a transfer of funds, where each individual transfer falls below the relevant threshold (EUR 15,000) but which, in the aggregate, meets the criteria for authorisation;
 - a single contract paid in instalments or an ongoing business relationship;
 - a chain of transfers involving a different payment service provider or persons which effect a single obligation to make a transfer of funds (e.g. multiple family members contributing towards a house purchase).

A transaction must be for a reason set out above in order to proceed.

What if my transaction involves a Designated Person or Entity?

9. If your proposed transaction involves a Designated Person on the Consolidated List of asset freeze targets, you cannot use the authorisation provisions but must seek a licence from the Treasury for the transaction to proceed.

Timeframes

10. The Treasury will endeavour to respond to authorisation requests within 6 weeks. However, if further checks are needed this may take longer.

IF YOUR AUTHORISATION IS NOT GRANTED WITHIN 6 WEEKS, YOU CANNOT ASSUME THAT YOUR TRANSACTION IS AUTHORISED AND YOU SHOULD NOT PROCEED.

How do I submit a request for authorisation or licence?

11. The form for making authorisation requests is in Annex B to this Notice (and can also be obtained from Customs and Excise).

When submitting an application, please use the following term in the subject line of your email: "DPRK AUTHORISATION".

The form for making a licence application can be obtained on request from Customs and Excise.

Please use the following term in the subject line of your email: "DPRK LICENCE APPLICATION".

All requests for authorisation and licence applications should be submitted to: customs@gov.im

Annex B



Isle of Man Customs and Excise Prior Authorisation of transfers of funds under Article 21 of Council Regulation 2017/1509/EU concerning restrictive measures against the Democratic People's Republic of Korea (North Korea)

This form should be used to seek prior authorisation from the Treasury regarding otherwise prohibited transfers of funds to or from North Korea. Further guidance on Article 21 of Council Regulation 2017/1509/EU can be found in Sanctions Notice 23 (North Korea).

Please email completed forms to customs@gov.im with "DPRK AUTHORISATION" in the subject line.

Date of proposed transfer	
Name, address and contact details of submitter	
Submitter's role in the transaction	
Sender of funds e.g. Name, address	
Remitting bank/institution, location, and account details (where appropriate)	
Beneficiary of funds e.g. Name, address	
Beneficiary's bank, location, and account details (where appropriate)	
Payment route i.e. details of other intermediaries – names, addresses, account details	
Amount of transfer (specify currency)	
Purpose of transfer	
Method of payment i.e. bank transfer, cash, cheques, money orders etc. (If you are using an agent, please specify Agent/Institution in 'payment route' section above)	

Payment Schedule If you are making multiple smaller payments, please specify amounts and time frame here	
Additional information Please provide any additional information you feel may assist Treasury in assessing your request for authorisation	

Annex C

Summary of Trade Sanctions Restrictions imposed under Export Control Law

The following activities are prohibited by Regulation (EU) 2017/1509 unless authorised:

- the sale, supply, etc. of goods and technology, including software, listed in Annexes to the Regulation, to any natural or legal person, entity or body in, or for use in North Korea;
- the sale, supply, etc. of aviation fuel to North Korea or transport to North Korea of aviation fuel on board flag vessels and aircraft of Member States;
- the purchase, import or transport of goods and technology listed in Annexes to the Regulation from North Korea;
- the import, purchase or transport of gold, titanium ore, vanadium ore and rare earth minerals, or coal, iron and iron ore, as listed from North Korea;
- the import, purchase or transfer from North Korea of petroleum products;
- the sale, supply, etc. of any item, except food or medicine, if the exporter knows or has reasonable grounds to believe the item is destined for North Korea's or another State's armed forces;
- the purchase, import or transport from North Korea of items referred to in Article 2a(1) of the Regulation;
- the provision of technical assistance and brokering services related to goods and technology listed in the EU Common Military List or in Annexes to the Regulation to any natural or legal person, entity or body in, or for use in, North Korea;
- the provision of financing or financial assistance related to goods and technology listed in the EU Common Military List or in Annexes to the Regulation to any natural or legal person, entity or body in, or for use in, North Korea;
- obtaining technical assistance related goods and technology listed in the EU Common Military List or in Annexes to the Regulation from any natural or legal person, entity or body in, or for use in, North Korea;
- obtaining financing or financial assistance related to goods and technology listed in the EU Common Military List or in Annexes to the Regulation from any natural or legal person, entity or body in, or for use in, North Korea;
- the sale, supply, etc. of luxury goods, as listed in Annex VIII to the Regulation, to North Korea.

The following activities are prohibited by the Regulation (and authorisation is not available or applicable):

- the purchase, import or transfer from North Korea of luxury goods;

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- the sale, supply, etc. of gold, precious metals and diamonds to or for the Government of North Korea and public bodies;
 - the purchase, import or transport of gold, precious metals and diamonds from the Government of North Korea and certain other public bodies;
 - the provision of technical assistance, brokering services, financing or financial assistance, related to the goods referred to in Articles 3 of the Regulation, to the Government of North Korea and public bodies either -
 - ◊ insofar as that Article concerns the provision of technical assistance or brokering services; or
 - ◊ insofar as that Article concerns the provision of financing or financial assistance;
 - the sale, supply, etc. of newly printed or unissued North Korean dominated banknotes and minted coinage, to or for the benefit of the Central Bank or North Korea;
 - accepting or approving investment in any commercial activity where such investment is made by certain persons, entities or bodies associated with North Korea;
 - establishing a joint venture with or taking or extending an ownership interest in any legal person, entity or body referred to in points (a) to (f) of Article 17(1) of the Regulation engaged in North Korea's nuclear-related, ballistic-missile-related or other WMD-related activities or programmes, or in the sectors of mining, refining and chemical industries;
 - granting financing or financial assistance to any legal person, entity or body referred to in points (d) to (f) of Article 17(1) of the Regulation or for the documented purpose of financing such legal persons, entities or bodies;
 - providing investment services directly related to the activities referred to in points (a) and (b) of Article 17(2) of the Regulation;
 - participating in joint ventures or any other business arrangements with entities listed in Annex XIII to the Regulation as well as individuals or entities acting for or on their behalf or direction; and
 - provision of financing or financial assistance for trade with North Korea where such financial support could contribute to North Korea's nuclear missile programmes or other activities prohibited by the Regulation or to the circumvention of this prohibition.
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Isle of Man
Government

Reilts Ellan Vannin