

Calendar No. 359

114TH CONGRESS
2D SESSION**H. R. 757**

IN THE SENATE OF THE UNITED STATES

JANUARY 19, 2016

Received; read twice and referred to the Committee on Foreign Relations

FEBRUARY 2, 2016

Reported by Mr. CORKER, with an amendment

[Strike out all after the enacting clause and insert the part printed in *italie*]**AN ACT**

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

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

4 (a) ~~SHORT TITLE.~~—This Act may be cited as the
5 “North Korea Sanctions Enforcement Act of 2016”.

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

Sec. 1: Short title; table of contents.

Sec. 2: Findings.

Sec. 3: Definitions.

TITLE I—INVESTIGATIONS, PROHIBITED CONDUCT, AND PENALTIES

- Sec. 101. Statement of policy.
- Sec. 102. Investigations.
- Sec. 103. Briefing to Congress.
- Sec. 104. Designation of persons for prohibited conduct and mandatory and discretionary designation and sanctions authorities.
- Sec. 105. Forfeiture of property.

TITLE II—SANCTIONS AGAINST NORTH KOREAN PROLIFERATION, HUMAN RIGHTS ABUSES, ILLICIT ACTIVITIES, AND SIGNIFI- CANT ACTIVITIES UNDERMINING CYBER SECURITY

- 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 inspections authorities.
- Sec. 206. Travel sanctions.
- Sec. 207. Exemptions, waivers, and removals of designation.
- Sec. 208. Report on those responsible for knowingly engaging in significant activities undermining cyber security.
- Sec. 209. Sense of Congress that trilateral cooperation among the United States, Japan, and the Republic of Korea is crucial to the stability of the Asia-Pacific region.
- Sec. 210. Report on nuclear program cooperation between North Korea and Iran.

TITLE III—PROMOTION OF HUMAN RIGHTS

- Sec. 301. Information technology.
- Sec. 302. Report on North Korean prison camps.
- Sec. 303. Report on persons who are responsible for 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. Authority to consolidate reports.
- Sec. 404. Regulations.
- Sec. 405. No additional funds authorized.
- Sec. 406. Effective date.

1 **SEC. 2. FINDINGS.**

2 Congress finds the following:

- 3 (1) The Government of North Korea has re-
- 4 peatedly violated its commitments to the complete,
- 5 verifiable, irreversible dismantlement of its nuclear

1 weapons programs, and has willfully violated mul-
2 tiple United Nations Security Council resolutions
3 calling for it to cease its development, testing, and
4 production of weapons of mass destruction.

5 (2) North Korea poses a grave risk for the pro-
6 liferation of nuclear weapons and other weapons of
7 mass destruction.

8 (3) The Government of North Korea has been
9 implicated repeatedly in money laundering and illicit
10 activities, including prohibited arms sales, narcotics
11 trafficking, the counterfeiting of United States cur-
12 rency, and the counterfeiting of intellectual property
13 of United States persons.

14 (4) The Government of North Korea has, both
15 historically and recently, repeatedly sponsored acts
16 of international terrorism, including attempts to as-
17 sassinate defectors and human rights activists, re-
18 peated threats of violence against foreign persons,
19 leaders, newspapers, and cities, and the shipment of
20 weapons to terrorists and state sponsors of ter-
21 rorism.

22 (5) North Korea has unilaterally withdrawn
23 from the 1953 Armistice Agreement that ended the
24 Korean War, and committed provocations against
25 South Korea in 2010 by sinking the warship

1 Cheonan and killing 46 of her crew, and by shelling
2 Yeonpyeong Island, killing four South Koreans.

3 (6) North Korea maintains a system of brutal
4 political prison camps that contain as many as
5 120,000 men, women, and children, who live in atro-
6 cious living conditions with insufficient food, cloth-
7 ing, and medical care, and under constant fear of
8 torture or arbitrary execution.

9 (7) The Congress reaffirms the purposes of the
10 North Korean Human Rights Act of 2004 contained
11 in section 4 of such Act (22 U.S.C. 7802).

12 (8) North Korea has prioritized weapons pro-
13 grams and the procurement of luxury goods, in defi-
14 ance of United Nations Security Council resolutions,
15 and in gross disregard of the needs of its people.

16 (9) The President has determined that the Gov-
17 ernment of North Korea is responsible for knowingly
18 engaging in significant activities undermining cyber
19 security with respect to United States persons and
20 interests, and for threats of violence against the ei-
21 vilian population of the United States.

22 (10) Persons, including financial institutions,
23 who engage in transactions with, or provide financial
24 services to, the Government of North Korea and its
25 financial institutions without establishing sufficient

1 financial safeguards against North Korea's use of
2 these transactions to promote proliferation, weapons
3 trafficking, human rights violations, illicit activity,
4 and the purchase of luxury goods; aid and abet
5 North Korea's misuse of the international financial
6 system; and also violate the intent of relevant United
7 Nations Security Council resolutions.

8 (11) The Government of North Korea's conduct
9 poses an imminent threat to the security of the
10 United States and its allies; to the global economy;
11 to the safety of members of the United States
12 Armed Forces; to the integrity of the global financial
13 system; to the integrity of global nonproliferation
14 programs; and to the people of North Korea.

15 (12) The Congress seeks, through this legisla-
16 tion, to use nonmilitary means to address this crisis;
17 to provide diplomatic leverage to negotiate necessary
18 changes in North Korea's conduct, and to ease the
19 suffering of the people of North Korea.

20 **SEC. 3. DEFINITIONS.**

21 In this Act:

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

24 (A) Executive Order No. 13382 (2005),
25 13466 (2008), 13551 (2010), 13570 (2011), or

1 13687 (2015) to the extent that such Executive
2 order authorizes the imposition of sanctions on
3 persons for conduct, or prohibits transactions
4 or activities, involving the Government of North
5 Korea; or

6 (B) any Executive order adopted on or
7 after the date of the enactment of this Act, to
8 the extent that such Executive order authorizes
9 the imposition of sanctions on persons for con-
10 duct, or prohibits transactions or activities, in-
11 volving the Government of North Korea.

12 (2) ~~APPLICABLE UNITED NATIONS SECURITY~~
13 ~~COUNCIL RESOLUTION.~~—The term “applicable
14 United Nations Security Council resolution”
15 means—

16 (A) United Nations Security Council Reso-
17 lution 1695 (2006), 1718 (2006), 1874 (2009),
18 2087 (2013), or 2094 (2013); or

19 (B) any United Nations Security Council
20 resolution adopted on or after the date of the
21 enactment of this Act, to the extent that such
22 resolution authorizes the imposition of sanctions
23 on persons for conduct, or prohibits trans-
24 actions or activities, involving the Government
25 of North Korea.

1 ~~(3)~~ APPROPRIATE CONGRESSIONAL COMMIT-
 2 TEES.—The term “appropriate congressional com-
 3 mittees” means—

4 ~~(A)~~ the Committee on Foreign Affairs; the
 5 Committee on Ways and Means; and the Com-
 6 mittee on Financial Services of the House of
 7 Representatives; and

8 ~~(B)~~ the Committee on Foreign Relations
 9 and the Committee on Banking, Housing, and
 10 Urban Affairs of the Senate.

11 ~~(4)~~ DESIGNATED PERSON.—The term “des-
 12 ignated person” means a person designated under
 13 subsection (a) or (b) of section 104 for purposes of
 14 applying one or more of the sanctions described in
 15 title I or II of this Act with respect to the person.

16 ~~(5)~~ GOVERNMENT OF NORTH KOREA.—The
 17 term “Government of North Korea” means—

18 ~~(A)~~ the Government of the Democratic
 19 People’s Republic of Korea or any political sub-
 20 division, agency, or instrumentality thereof; and

21 ~~(B)~~ any person owned or controlled by, or
 22 acting for or on behalf of, the Government of
 23 the Democratic People’s Republic of Korea.

24 ~~(6)~~ INTERNATIONAL TERRORISM.—The term
 25 “international terrorism” has the meaning given

such term in section 140(d) of the Foreign Relations Authorization Act, Fiscal Years 1988 and 1989 (22 U.S.C. 2656f(d)), and includes the conduct described in section 212(a)(3)(B)(iii) of the Immigration and Nationality Act (8 U.S.C. 1182(a)(3)(B)(iii)), to the extent such conduct involves the citizens of more than one country.

(7) LUXURY GOODS.—The term “luxury goods” has the meaning given such term in subpart 746.4 of title 15, Code of Federal Regulations, and includes the items listed in Supplement No. 1 to such regulation, and any similar items.

(8) MONETARY INSTRUMENT.—The term “monetary instrument” has the meaning given such term under section 5312 of title 31, United States Code.

(9) NORTH KOREAN FINANCIAL INSTITUTION.—The term “North Korean financial institution” means—

(A) a financial institution organized under the laws of North Korea or any jurisdiction within North Korea (including a foreign branch of such institution);

(B) any financial institution located in North Korea, except as may be excluded from

1 such definition by the President in accordance
 2 with section 207(d);

3 ~~(C) any financial institution, wherever lo-~~
 4 ~~cated, owned or controlled by the Government~~
 5 ~~of North Korea; and~~

6 ~~(D) any financial institution, wherever lo-~~
 7 ~~cated, owned or controlled by a financial insti-~~
 8 ~~tution described in subparagraph (A), (B), or~~
 9 ~~(C).~~

10 ~~(10) OTHER STORES OF VALUE.—The term~~
 11 ~~“other stores of value” means—~~

12 ~~(A) prepaid access devices, tangible or in-~~
 13 ~~tangible prepaid access devices, or other instru-~~
 14 ~~ments or devices for the storage or transmission~~
 15 ~~of value, as defined in part 1010 of title 31,~~
 16 ~~Code of Federal Regulations; and~~

17 ~~(B) any covered goods, as defined in sec-~~
 18 ~~tion 1027.100 of title 31, Code of Federal Reg-~~
 19 ~~ulations, and any instrument or tangible or in-~~
 20 ~~tangible access device used for the storage and~~
 21 ~~transmission of a representation of covered~~
 22 ~~goods, or other device, as defined in section~~
 23 ~~1027.100 of title 31, Code of Federal Regula-~~
 24 ~~tions.~~

1 (11) PERSON.—The term “person” has the
2 meaning given such term in section 510.306 of title
3 31, Code of Federal Regulations.

4 (12) SIGNIFICANT ACTIVITIES UNDERMINING
5 CYBER SECURITY.—The term “significant activities
6 undermining cyber security” means—

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 or

17 (D) such other significant activities as may
18 be described in regulations promulgated to im-
19 plement section 104.

20 (13) UNITED STATES PERSON.—The term
21 “United States person” has the meaning given such
22 term in section 510.311 of title 31, Code of Federal
23 Regulations.

1 **TITLE I—INVESTIGATIONS, PRO-**
2 **HIBITED CONDUCT, AND PEN-**
3 **ALTIES**

4 **SEC. 101. STATEMENT OF POLICY.**

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

7 (1) to encourage all states to fully and promptly
8 implement United Nations Security Council Resolu-
9 tion 2094 (2013);

10 (2) to sanction—

11 (A) persons that facilitate proliferation of
12 weapons of mass destruction, illicit activities,
13 arms trafficking, imports of luxury goods, cash
14 smuggling, censorship, and knowingly engage in
15 significant activities undermining cyber security
16 by the Government of North Korea; and

17 (B) persons that fail to exercise due dili-
18 gence to ensure that financial institutions do
19 not facilitate any of the activities described in
20 subparagraph (A) by the Government of North
21 Korea;

22 (3) to deny the Government of North Korea ac-
23 cess to the funds it uses to obtain nuclear weapons,
24 ballistic missiles, offensive cyber capabilities, and

1 luxury goods instead of providing for the needs of its
2 people; and

3 ~~(4) to enforce sanctions in a manner that~~
4 ~~avoids any adverse humanitarian impact on the peo-~~
5 ~~ple of North Korea to the extent possible and in a~~
6 ~~manner that does not unduly constrain the enforce-~~
7 ~~ment of such sanctions.~~

8 **SEC. 102. INVESTIGATIONS.**

9 The President shall initiate an investigation into the
10 possible designation of a person under section 104(a) upon
11 receipt by the President of credible information indicating
12 that such person has engaged in conduct described in sec-
13 tion 104(a).

14 **SEC. 103. BRIEFING TO CONGRESS.**

15 Not later than 180 days after the date of the enact-
16 ment of this Act, and periodically thereafter, the President
17 shall provide to the appropriate congressional committees
18 a briefing on efforts to implement this Act, to include the
19 following, to the extent the information is available:

20 ~~(1) The principal foreign assets and sources of~~
21 ~~foreign income of the Government of North Korea.~~

22 ~~(2) A list of the persons designated under sub-~~
23 ~~sections (a) and (b) of section 104.~~

24 ~~(3) A list of the persons with respect to which~~
25 ~~sanctions were waived or removed under section 207.~~

1 (4) A summary of any diplomatic efforts made
 2 in accordance with section 202(b) and of the
 3 progress realized from such efforts, including efforts
 4 to encourage the European Union and other states
 5 and jurisdictions to sanction and block the assets of
 6 the Foreign Trade Bank of North Korea and
 7 Daedong Credit Bank.

8 **SEC. 104. DESIGNATION OF PERSONS FOR PROHIBITED**
 9 **CONDUCT AND MANDATORY AND DISCRE-**
 10 **TIONARY DESIGNATION AND SANCTIONS AU-**
 11 **THORITIES.**

12 (a) PROHIBITED CONDUCT AND MANDATORY DES-
 13 IGNATION AND SANCTIONS AUTHORITY.—

14 (1) CONDUCT DESCRIBED.—Except as provided
 15 in section 207, the President shall designate under
 16 this subsection any person the President determines
 17 to—

18 (A) have knowingly engaged in significant
 19 activities or transactions with the Government
 20 of North Korea that have materially contrib-
 21 uted to the proliferation of weapons of mass de-
 22 struction or their means of delivery (including
 23 missiles capable of delivering such weapons), in-
 24 cluding any efforts to manufacture, acquire,

1 possess, develop, transport, transfer, or use
2 such items;

3 (B) have knowingly imported, exported, or
4 reexported to, into, or from North Korea any
5 significant arms or related materiel, whether di-
6 rectly or indirectly;

7 (C) have knowingly provided significant
8 training, advice, or other services or assistance,
9 or engaged in significant transactions, related
10 to the manufacture, maintenance, or use of any
11 arms or related materiel to be imported, ex-
12 ported, or reexported to, into, or from North
13 Korea, or following their importation, expor-
14 tation, or reexportation to, into, or from North
15 Korea, whether directly or indirectly;

16 (D) have knowingly, directly or indirectly,
17 imported, exported, or reexported significant
18 luxury goods to or into North Korea;

19 (E) have knowingly engaged in or been re-
20 sponsible for censorship by the Government of
21 North Korea, including prohibiting, limiting, or
22 penalizing the exercise of freedom of expression
23 or assembly, limiting access to print, radio or
24 other broadcast media, Internet or other elec-
25 tronic communications, or the facilitation or

1 support of intentional frequency manipulation
2 that would jam or restrict an international sig-
3 nal;

4 (F) have knowingly engaged in or been re-
5 sponsible for serious human rights abuses by
6 the Government of North Korea, including tor-
7 ture or cruel, inhuman, or degrading treatment
8 or punishment, prolonged detention without
9 charges and trial, forced labor or trafficking in
10 persons, causing the disappearance of persons
11 by the abduction and clandestine detention of
12 those persons, and other denial of the right to
13 life, liberty, or the security of a person;

14 (G) have knowingly, directly or indirectly,
15 engaged in acts of money laundering, the coun-
16 terfeiting of goods or currency, bulk cash smug-
17 gling, narcotics trafficking, or other illicit activ-
18 ity that involves or supports the Government of
19 North Korea or any senior official thereof,
20 whether directly or indirectly; or

21 (H) have knowingly attempted to engage in
22 any of the conduct described in subparagraphs
23 (A) through (G) of this paragraph.

1 (2) EFFECT OF DESIGNATION.—With respect to
2 any person designated under this subsection, the
3 President—

4 (A) shall exercise the authorities of the
5 International Emergency Economic Powers Act
6 (50 U.S.C. 1705 et seq.) to block all property
7 and interests in property of any person des-
8 ignated under this subsection that are in the
9 United States, that hereafter come within the
10 United States, or that are or hereafter come
11 within the possession or control of any United
12 States person, including any foreign branch;
13 and

14 (B) may apply any of the sanctions de-
15 scribed in sections 204, 205(e), and 206.

16 (3) PENALTIES.—The penalties provided for in
17 section 206 of the International Emergency Eco-
18 nomic Powers Act (50 U.S.C. 1705) shall apply to
19 a person who violates, attempts to violate, conspires
20 to violate, or causes a violation of any prohibition
21 provided for in this subsection, or of an order or reg-
22 ulation prescribed under this Act, to the same extent
23 that such penalties apply to a person that commits
24 an unlawful act described in section 206(a) of that
25 Act (50 U.S.C. 1705(a)).

1 (4) DEFINITION.—In paragraph (1)(F), the
 2 term “trafficking in persons” has the meaning given
 3 the term in section 103(9) of the Trafficking Vie-
 4 tims Protection Act of 2000 (22 U.S.C. 7102(9)).

5 (b) DISCRETIONARY DESIGNATION AND SANCTIONS
 6 AUTHORITY.—

7 (1) CONDUCT DESCRIBED.—Except as provided
 8 in section 207 and paragraph (3) of this subsection,
 9 the President may designate under this subsection
 10 any person that the President determines to—

11 (A) have knowingly engaged in, contrib-
 12 uted to, assisted, sponsored, or provided finan-
 13 cial, material or technological support for, or
 14 goods and services in support of, any violation
 15 of, or evasion of, an applicable United Nations
 16 Security Council resolution;

17 (B) have knowingly facilitated the transfer
 18 of any funds, financial assets, or economic re-
 19 sources of, or property or interests in property
 20 of a person designated under an applicable Ex-
 21 ecutive order, or by the United Nations Secu-
 22 rity Council pursuant to an applicable United
 23 Nations Security Council resolution;

24 (C) have knowingly facilitated the transfer
 25 of any funds, financial assets, or economic re-

1 sources; or any property or interests in property
2 derived from, involved in, or that has materially
3 contributed to conduct prohibited by subsection
4 (a) or an applicable United Nations Security
5 Council resolution;

6 (D) have knowingly facilitated any trans-
7 action, including any transaction in bulk cash
8 or other stores of value, without applying en-
9 hanced monitoring to ensure that such trans-
10 action does not contribute materially to conduct
11 described in subsection (a) an applicable Execu-
12 tive order, or an applicable United Nations Se-
13 curity Council resolution;

14 (E) have knowingly facilitated any trans-
15 actions in cash or monetary instruments or
16 other stores of value, including through cash
17 couriers transiting to or from North Korea,
18 used to facilitate any conduct prohibited by an
19 applicable United Nations Security Council res-
20 olution;

21 (F) have knowingly, directly or indirectly,
22 engaged in significant activities undermining
23 cyber security for, in support of or on behalf of,
24 the Government of North Korea or any senior
25 official thereof, or have knowingly contributed

1 to the bribery of an official of the Government
 2 of North Korea, the misappropriation, theft, or
 3 embezzlement of public funds by, or for the
 4 benefit of, an official of the Government of
 5 North Korea, or the use of any proceeds of any
 6 such conduct; or

7 (G) have knowingly and materially as-
 8 sisted, sponsored, or provided significant finan-
 9 cial, material, or technological support for, or
 10 goods or services to or in support of, the con-
 11 duct described in subparagraphs (A) through
 12 (F) of this paragraph or the conduct described
 13 in subparagraphs (A) through (G) of subsection
 14 (a)(1):

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

18 (A) may apply the sanctions described in
 19 section 204;

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

23 (C) may prohibit any transactions in for-
 24 eign exchange that are subject to the jurisdic-

tion of the United States and in which such person has any interest;

(D) may prohibit any transfers of credit or payments between financial institutions or by, through, or to any financial institution, to the extent that such transfers or payments are subject to the jurisdiction of the United States and involve any interest of the person; and

(E) may exercise the authorities of the International Emergency Economic Powers Act (50 U.S.C. 1705 et seq.) without regard to section 202 of such Act to block any property and interests in property of any person designated under this subsection that are in the United States; that hereafter come within the United States; or that are or hereafter come within the possession or control of any United States person, including any foreign branch.

(3) LIMITATION.—If the President determines that a person has engaged in any conduct described in subparagraphs (A) through (F) of paragraph (1) that may also be construed to constitute conduct described in subparagraphs (A) through (H) of subsection (a)(1), the President may not designate the

1 person under this subsection but rather shall des-
2 ignate the person under subsection (a).

3 (c) ~~BLOCKING OF ALL PROPERTY AND INTERESTS~~
4 ~~IN PROPERTY OF THE GOVERNMENT OF NORTH KOREA~~
5 ~~AND THE WORKER'S PARTY OF KOREA.~~—Except as pro-
6 vided in section 207, the President shall exercise the au-
7 thorities of the International Emergency Economic Pow-
8 ers Act (50 U.S.C. 1705 et seq.) to block all property and
9 interests in property of the Government of North Korea
10 or the Worker's Party of Korea that on or after the date
11 of the enactment of this Act come within the United
12 States, or that come within the possession or control of
13 any United States person, including any foreign branch.

14 (d) ~~APPLICATION.~~—The designation of a person
15 under subsection (a) or (b) and the blocking of property
16 and interests in property under subsection (c) shall also
17 apply with respect to a person who is determined to be
18 owned or controlled by, or to have acted or purported to
19 act for or on behalf of, directly or indirectly, any person
20 whose property and interests in property are blocked pur-
21 suant to this section.

22 (e) ~~LICENSING.~~—

23 (1) ~~LICENSE REQUIRED.~~—Not later than 180
24 days after the date of enactment of this Act, the
25 President shall promulgate regulations prohibiting

1 United States persons from engaging in any trans-
 2 action involving any property or services—

3 (A) in which the Government of North
 4 Korea has an interest;

5 (B) located in North Korea;

6 (C) of North Korean origin; or

7 (D) knowingly transferred, directly or indi-
 8 rectly, to the Government of North Korea.

9 (2) TRANSACTION LICENSING.—The President
 10 shall deny or revoke any license for any transaction
 11 that, in the determination of the President, lacks
 12 sufficient financial controls to ensure that such
 13 transaction will not facilitate any of the conduct de-
 14 scribed in subsection (a) or subsection (b).

15 (3) LICENSING AUTHORIZATION.—The Presi-
 16 dent may issue regulations to authorize—

17 (A) transactions for the purposes described
 18 in section 207; and

19 (B) transactions and activities authorized
 20 under North Korean Human Rights Act of
 21 2004 (22 U.S.C. 7801 et seq.).

22 **SEC. 105. FORFEITURE OF PROPERTY.**

23 (a) AMENDMENT TO PROPERTY SUBJECT TO FOR-
 24 FEITURE.—Section 981(a)(1) of title 18, United States

1 Code, is amended by adding at the end the following new
2 subparagraph:

3 “(I) Any property, real or personal, that is in-
4 volved in a violation or attempted violation, or which
5 constitutes or is derived from proceeds traceable to
6 a violation, of section 104(a) of the North Korea
7 Sanctions Enforcement Act of 2016.”.

8 (b) AMENDMENT TO DEFINITION OF CIVIL FOR-
9 FEITURE STATUTE.—Section 983(i)(2)(D) of title 18,
10 United States Code, is amended—

11 (1) by striking “or the International Emergency
12 Economic Powers Act” and inserting “; the Inter-
13 national Emergency Economic Powers Act”; and

14 (2) by adding at the end before the semicolon
15 the following: “; or the North Korea Sanctions En-
16 forcement Act of 2016”.

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

20 (1) by striking “or section 92 of the Atomic
21 Energy Act of 1954” and inserting “section 92 of
22 the Atomic Energy Act of 1954”; and

23 (2) by adding at the end the following: “; or
24 section 104(a) of the North Korea Sanctions En-
25 forcement Act of 2016;”.

1 **TITLE II—SANCTIONS AGAINST**
2 **NORTH KOREAN PROLIFERA-**
3 **TION, HUMAN RIGHTS**
4 **ABUSES, ILLICIT ACTIVITIES,**
5 **AND SIGNIFICANT ACTIVITIES**
6 **UNDERMINING CYBER SECU-**
7 **RITY**

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

11 (a) **FINDINGS.**—Congress makes the following find-
12 ings:

13 (1) The Undersecretary of the Treasury for
14 Terrorism and Financial Intelligence, who is respon-
15 sible for safeguarding the financial system against il-
16 licit use, money laundering, terrorist financing, and
17 the proliferation of weapons of mass destruction, has
18 repeatedly expressed concern about North Korea’s
19 misuse of the international financial system as fol-
20 lows:

21 (A) In 2006, the Undersecretary stated
22 that, given North Korea’s “counterfeiting of
23 U.S. currency, narcotics trafficking and use of
24 accounts worldwide to conduct proliferation-re-
25 lated transactions, the line between illicit and

1 licit North Korean money is nearly invisible”
2 and urged financial institutions worldwide to
3 “think carefully about the risks of doing any
4 North Korea-related business.”.

5 (B) In 2011, the Undersecretary stated
6 that “North Korea remains intent on engaging
7 in proliferation, selling arms as well as bringing
8 in material,” and was “aggressively pursuing
9 the effort to establish front companies.”.

10 (C) In 2013, the Undersecretary stated, in
11 reference to North Korea’s distribution of high-
12 quality counterfeit United States currency, that
13 “North Korea is continuing to try to pass a
14 supernote into the international financial sys-
15 tem,” and that the Department of the Treasury
16 would soon introduce new currency with im-
17 proved security features to protect against
18 counterfeiting by the Government of North
19 Korea.

20 (2) The Financial Action Task Force, an inter-
21 governmental body whose purpose is to develop and
22 promote national and international policies to com-
23 bat money laundering and terrorist financing, has
24 repeatedly—

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

4 (B) urged North Korea to adopt a plan of
5 action to address significant deficiencies in
6 these regimes and the serious threat they pose
7 to the integrity of the international financial
8 system;

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

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

19 (E) called on all jurisdictions to protect
20 against correspondent relationships being used
21 to bypass or evade countermeasures and risk
22 mitigation practices; and take into account
23 money laundering and terrorist financing risks
24 when considering requests by North Korean fi-

1 nancial institutions to open branches and sub-
2 sidiaries in their jurisdiction.

3 ~~(3)~~ On March 7, 2013, the United Nations Se-
4 curity Council unanimously adopted Resolution
5 2094, which—

6 (A) welcomed the Financial Action Task
7 Force’s recommendation on financial sanctions
8 related to proliferation, and its guidance on the
9 implementation of sanctions;

10 (B) decided that Member States should
11 apply enhanced monitoring and other legal
12 measures to prevent the provision of financial
13 services or the transfer of property that could
14 contribute to activities prohibited by applicable
15 United Nations Security Council resolutions;
16 and

17 (C) called on Member States to prohibit
18 North Korean banks from establishing or main-
19 taining correspondent relationships with banks
20 in their jurisdictions, to prevent the provision of
21 financial services, if they have information that
22 provides reasonable grounds to believe that
23 these activities could contribute to activities
24 prohibited by an applicable United Nations Se-

1 curity Council resolution, or to the evasion of
2 such prohibitions.

3 (b) ~~SENSE OF CONGRESS REGARDING THE DESIGNA-~~
4 ~~TION OF NORTH KOREA AS A JURISDICTION OF PRIMARY~~
5 ~~MONEY LAUNDERING CONCERN.—Congress—~~

6 (1) acknowledges the efforts of the United Na-
7 tions Security Council to impose limitations on, and
8 require enhanced monitoring of, transactions involv-
9 ing North Korean financial institutions that could
10 contribute to sanctioned activities;

11 (2) urges the President, in the strongest terms,
12 to immediately designate North Korea as a jurisdic-
13 tion of primary money laundering concern, and to
14 adopt stringent special measures to safeguard the fi-
15 nancial system against the risks posed by North Ko-
16 rea's willful evasion of sanctions and its illicit activi-
17 ties; and

18 (3) urges the President to seek the prompt im-
19 plementation by other states of enhanced monitoring
20 and due diligence to prevent North Korea's misuse
21 of the international financial system, including by
22 sharing information about activities, transactions,
23 and property that could contribute to activities sanc-
24 tioned by applicable United Nations Security Council
25 resolutions, or to the evasion of sanctions.

1 (c) DETERMINATIONS REGARDING NORTH KOREA.—

2 (1) IN GENERAL.—The Secretary of the Treas-
3 ury shall, not later than 180 days after the date of
4 the enactment of this Act, determine, in consultation
5 with the Secretary of State and Attorney General,
6 and in accordance with section 5318A of title 31,
7 United States Code, whether reasonable grounds
8 exist for concluding that North Korea is a jurisdic-
9 tion of primary money laundering concern.

10 (2) SPECIAL MEASURES.—If the Secretary of
11 the Treasury determines under this subsection that
12 reasonable grounds exist for finding that North
13 Korea is a jurisdiction of primary money laundering
14 concern, the Secretary of the Treasury, in consulta-
15 tion with the Federal functional regulators, shall im-
16 pose one or more of the special measures described
17 in paragraphs (1) through (5) of section 5318A(b)
18 of title 31, United States Code, with respect to the
19 jurisdiction of North Korea.

20 (3) REPORT REQUIRED.—

21 (A) IN GENERAL.—If the Secretary of the
22 Treasury determines that North Korea is a ju-
23 risdiction of primary money laundering concern,
24 the Secretary of the Treasury shall, not later
25 than 90 days after the date on which the Sec-

retary makes such determination, submit to the appropriate congressional committees a report on the determination made under paragraph (1) together with the reasons for that determination.

(B) FORM.—A report or copy of any report submitted under this paragraph shall be submitted in unclassified form but may contain a classified annex.

**SEC. 202. ENSURING THE CONSISTENT ENFORCEMENT OF
UNITED NATIONS SECURITY COUNCIL RESOLUTIONS AND FINANCIAL RESTRICTIONS ON
NORTH KOREA.**

(a) FINDINGS.—Congress finds that—

(1) all states and jurisdictions are obligated to implement and enforce applicable United Nations Security Council resolutions fully and promptly, including by—

(A) blocking the property of, and ensuring that any property is prevented from being made available to, persons designated by the Security Council under applicable United Nations Security Council resolutions;

1 (B) blocking any property associated with
2 an activity prohibited by applicable United Na-
3 tions Security Council resolutions; and

4 (C) preventing any transfer of property
5 and any provision of financial services that
6 could contribute to an activity prohibited by ap-
7 plicable United Nations Security Council resolu-
8 tions, or to the evasion of sanctions under such
9 resolutions;

10 (2) all states and jurisdictions share a common
11 interest in protecting the international financial sys-
12 tem from the risks of money laundering and illicit
13 transactions emanating from North Korea;

14 (3) the United States Dollar and the Euro are
15 the world's principal reserve currencies, and the
16 United States and the European Union are pri-
17 marily responsible for the protection of the inter-
18 national financial system from these risks;

19 (4) the cooperation of the People's Republic of
20 China, as North Korea's principal trading partner,
21 is essential to the enforcement of applicable United
22 Nations Security Council resolutions and to the pro-
23 tection of the international financial system;

24 (5) the report of the Panel of Experts estab-
25 lished pursuant to United Nations Security Council

1 Resolution 1874, dated June 11, 2013, expressed
2 concern about the ability of banks in states with less
3 effective regulators and those unable to afford effective
4 compliance to detect and prevent illicit transfers
5 involving North Korea;

6 (6) 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 (7) 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;

17 (8) Korea Daesong Bank and Korea Kwangson
18 Banking Corporation have been designated by the
19 Secretary of the Treasury and the European Union;

20 (9) the Foreign Trade Bank of North Korea
21 has been designated by the Secretary of the Treas-
22 ury for facilitating transactions on behalf of persons
23 linked to its proliferation network, and for serving as
24 “a key financial node”; and

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

8 (b) SENSE OF CONGRESS.—It is the sense of Con-
9 gress that the President should intensify diplomatic ef-
10 forts, both in appropriate international fora such as the
11 United Nations and bilaterally, to develop and implement
12 a coordinated, consistent, multilateral strategy for pro-
13 tecting the global financial system against risks emanating
14 from North Korea, including—

15 (1) the cessation of any financial services whose
16 continuation is inconsistent with applicable United
17 Nations Security Council resolutions;

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

23 (3) the blocking by all states and jurisdictions,
24 in accordance with the legal process of the state or
25 jurisdiction in which the property is held, of any

property required to be blocked under applicable United Nations Security Council resolutions;

(4) the blocking of any property derived from illicit activity, from significant activities undermining cyber security, from the misappropriation, theft, or embezzlement of public funds by, or for the benefit of, officials of the Government of North Korea;

(5) the blocking of any property involved in significant activities undermining cyber security by the Government of North Korea, directly or indirectly, against United States persons, or the theft of intellectual property by the Government of North Korea, directly or indirectly from United States persons; and

(6) the blocking of any property of persons directly or indirectly involved in censorship or human rights abuses by the Government of North Korea.

SEC. 203. PROLIFERATION PREVENTION SANCTIONS.

(a) EXPORT OF CERTAIN GOODS OR TECHNOLOGY.—

(1) IN GENERAL.—Subject to section 207(a)(2)(C) of this Act, a license shall be required for the export to North Korea of any goods or technology subject to the Export Administration Regulations (part 730 of title 15, Code of Federal Regulations) without regard to whether the Secretary of

1 State has designated North Korea as a country the
2 government of which has provided support for acts
3 of international terrorism, as determined by the Sec-
4 retary of State under section 6(j) of the Export Ad-
5 ministration Act of 1979 (50 U.S.C. App. 2045), as
6 continued in effect under the International Emer-
7 gency Economic Powers Act.

8 (2) PRESUMPTION OF DENIAL.—A license for
9 the export to North Korea of any goods or tech-
10 nology as described in paragraph (1) shall be subject
11 to a presumption of denial.

12 (b) TRANSACTIONS WITH COUNTRIES SUPPORTING
13 ACTS OF INTERNATIONAL TERRORISM.—

14 (1) ARMS EXPORT CONTROL ACT PROHIBI-
15 TIONS.—The prohibitions and restrictions described
16 in section 40 of the Arms Export Control Act (22
17 U.S.C. 2780), and other provisions provided for in
18 that Act, shall also apply to exporting or otherwise
19 providing (by sale, lease or loan, grant, or other
20 means), directly or indirectly, any munitions item to
21 the Government of North Korea without regard to
22 whether or not North Korea is a country with re-
23 spect to which subsection (d) of such section (relat-
24 ing to designation of state sponsors of terrorism) ap-
25 plies.

1 (2) ~~FINANCIAL TRANSACTIONS.~~—Except as pro-
 2 vided in section 207 of this Act and the North Ko-
 3 rean Human Rights Act of 2004 (~~22 U.S.C. 7801~~
 4 et seq.), the penalties provided for in section ~~2332d~~
 5 of title 18, United States Code, shall apply to a
 6 United States person that engages in a financial
 7 transaction with the Government of North Korea on
 8 or after the date of the enactment of this Act to the
 9 same extent that such penalties apply to a United
 10 States citizen that commits an unlawful act de-
 11 scribed in section ~~2332d~~ of title 18, United States
 12 Code.

13 ~~(c) TRANSACTIONS IN LETHAL MILITARY EQUIP-~~
 14 ~~MENT.~~—

15 ~~(1) IN GENERAL.~~—The President shall withhold
 16 assistance under the Foreign Assistance Act of 1961
 17 (~~22 U.S.C. 2151~~ et seq.) to any country that pro-
 18 vides lethal military equipment to, or receives lethal
 19 military equipment from, the Government of North
 20 Korea.

21 ~~(2) APPLICABILITY.~~—The prohibition under
 22 this subsection with respect to a country shall termi-
 23 nate on the date that is 1 year after the date on
 24 which such country ceases to provide lethal military
 25 equipment to the Government of North Korea.

1 (3) ~~WAIVER.~~—The President may, on a case-
 2 by-case basis, waive the prohibition under this sub-
 3 section with respect to a country for a period of not
 4 more than 180 days, and may renew the waiver for
 5 additional periods of not more than 180 days, if the
 6 President determines and so reports to the appro-
 7 priate congressional committees that it is vital to the
 8 national security interests of the United States to
 9 exercise such waiver authority.

10 **SEC. 204. PROCUREMENT SANCTIONS.**

11 (a) ~~IN GENERAL.~~—Except as provided in this section,
 12 the United States Government may not procure, or enter
 13 into any contract for the procurement of, any goods or
 14 services from any designated person.

15 (b) ~~FAR.~~—The Federal Acquisition Regulation
 16 issued pursuant to section 1303 of title 41, United States
 17 Code, shall be revised to require a certification from each
 18 person that is a prospective contractor that such person
 19 does not engage in any of the conduct described in sub-
 20 section (a) or (b) of section 104. Such revision shall apply
 21 with respect to contracts in an amount greater than the
 22 simplified acquisition threshold (as defined in section 134
 23 of title 41, United States Code) for which solicitations are
 24 issued on or after the date that is 90 days after the date
 25 of the enactment of this Act.

1 (c) TERMINATION OF CONTRACTS AND INITIATION
2 OF SUSPENSION AND DEBARMENT PROCEEDING.—

3 (1) TERMINATION OF CONTRACTS.—Except as
4 provided in paragraph (2), the head of an executive
5 agency shall terminate a contract with a person who
6 has provided a false certification under subsection
7 (b).

8 (2) WAIVER.—The head of an executive agency
9 may waive the requirement under paragraph (1)
10 with respect to a person based upon a written find-
11 ing of urgent and compelling circumstances signifi-
12 cantly affecting the interests of the United States. If
13 the head of an executive agency waives the require-
14 ment under paragraph (1) for a person, the head of
15 the agency shall submit to the appropriate congress-
16 sional committees, within 30 days after the waiver is
17 made, a report containing the rationale for the wai-
18 ver and relevant information supporting the waiver
19 decision.

20 (3) INITIATION OF SUSPENSION AND DEBAR-
21 MENT PROCEEDING.—The head of an executive
22 agency shall initiate a suspension and debarment
23 proceeding against a person who has provided a
24 false certification under subsection (b). Upon deter-
25 mination of suspension, debarment, or proposed de-

1 barment, the agency shall ensure that such person
 2 is entered into the Governmentwide database con-
 3 taining the list of all excluded parties ineligible for
 4 Federal programs pursuant to Executive Order No.
 5 12549 (31 U.S.C. 6101 note; relating to debarment
 6 and suspension) and Executive Order No. 12689 (31
 7 U.S.C. 6101 note; relating to debarment and sus-
 8 pension).

9 (d) ~~CLARIFICATION REGARDING CERTAIN PROD-~~
 10 ~~UCTS.~~—The remedies specified in subsections (a) through
 11 (e) shall not apply with respect to the procurement of eligi-
 12 ble products, as defined in section 308(4) of the Trade
 13 Agreements Act of 1979 (19 U.S.C. 2518(4)), of any for-
 14 eign country or instrumentality designated under section
 15 301(b) of such Act (19 U.S.C. 2511(b)).

16 (e) ~~RULE OF CONSTRUCTION.~~—Nothing in this sub-
 17 section may be construed to limit the use of other remedies
 18 available to the head of an executive agency or any other
 19 official of the Federal Government on the basis of a deter-
 20 mination of a false certification under subsection (b).

21 (f) ~~EXECUTIVE AGENCY DEFINED.~~—In this section,
 22 the term “executive agency” has the meaning given such
 23 term in section 133 of title 41, United States Code.

1 **SEC. 205. ENHANCED INSPECTIONS AUTHORITIES.**

2 (a) **REPORT REQUIRED.**—Not later than 180 days
3 after the date of the enactment of this Act, and every 180
4 days thereafter, the President, acting through the Sec-
5 retary of Homeland Security, shall submit to the appro-
6 priate congressional committees, the Committee on Home-
7 land Security of the House of Representatives, and the
8 Committee on Homeland Security and Governmental Af-
9 fairs of the Senate, a report identifying foreign sea ports
10 and airports whose inspections of ships, aircraft, and con-
11 veyances originating in North Korea, carrying North Ko-
12 rean property, or operated by the Government of North
13 Korea are deficient to effectively prevent the facilitation
14 of any of the activities described in section 104(a).

15 (b) **ENHANCED SECURITY TARGETING REQUIRE-**
16 **MENTS.**—Not later than 180 days after the identification
17 of any sea port or airport pursuant to subsection (a), the
18 Secretary of Homeland Security shall, utilizing the Auto-
19 mated Targeting System operated by the National Tar-
20 geting Center in U.S. Customs and Border Protection, re-
21 quire enhanced screening procedures to determine if phys-
22 ical inspections are warranted of any cargo bound for or
23 landed in the United States that has been transported
24 through such sea port or airport if there are reasonable
25 grounds to believe that such cargo contains goods prohib-
26 ited under this Act.

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) that comes within the jurisdic-
 4 tion of the United States may be seized and forfeited
 5 under chapter 46 of title 18, United States Code, or under
 6 the Tariff Act of 1930.

7 **SEC. 206. TRAVEL SANCTIONS.**

8 (a) ALIENS INELIGIBLE FOR VISAS, ADMISSION, OR
 9 PAROLE.—

10 (1) VISAS, ADMISSION, OR PAROLE.—An alien
 11 (or an alien who is a corporate officer of a person)
 12 who the Secretary of State or the Secretary of
 13 Homeland Security (or a designee of one of such
 14 Secretaries) knows, or has reasonable grounds to be-
 15 lieve, is described in subsection (a)(1) or (b)(1) of
 16 section 104 is—

17 (A) inadmissible to the United States;

18 (B) ineligible to receive a visa or other doc-
 19 umentation to enter the United States; and

20 (C) otherwise ineligible to be admitted or
 21 paroled into the United States or to receive any
 22 other benefit under the Immigration and Na-
 23 tionality Act (8 U.S.C. 1101 et seq.).

24 (2) CURRENT VISAS REVOKED.—

1 (A) ~~IN GENERAL.~~—The issuing consular
 2 officer, the Secretary of State, or the Secretary
 3 of Homeland Security (or a designee of one of
 4 such Secretaries) shall revoke any visa or other
 5 entry documentation issued to an alien who is
 6 described in subsection (a)(1) or (b)(1) of sec-
 7 tion 104 regardless of when issued.

8 (B) ~~EFFECT OF REVOCATION.~~—A revoca-
 9 tion under subparagraph (A)—

10 (i) shall take effect immediately; and

11 (ii) shall automatically cancel any
 12 other valid visa or entry documentation
 13 that is in the alien's possession.

14 (b) ~~EXCEPTION TO COMPLY WITH UNITED NATIONS~~
 15 ~~HEADQUARTERS AGREEMENT.~~—Sanctions under sub-
 16 section (a)(1)(B) shall not apply to an alien if admitting
 17 the alien into the United States is necessary to permit the
 18 United States to comply with the Agreement regarding the
 19 Headquarters of the United Nations, signed at Lake Sue-
 20 cess June 26, 1947, and entered into force November 21,
 21 1947, between the United Nations and the United States,
 22 or other applicable international obligations.

23 **SEC. 207. EXEMPTIONS, WAIVERS, AND REMOVALS OF DES-**
 24 **IGNATION.**

25 (a) ~~EXEMPTIONS.~~—

1 (1) MANDATORY EXEMPTIONS.—The following
2 activities shall be exempt from sanctions under sec-
3 tion 104:

4 (A) Activities subject to the reporting re-
5 quirements of title V of the National Security
6 Act of 1947 (50 U.S.C. 413 et seq.); or to any
7 authorized intelligence activities of the United
8 States.

9 (B) Any transaction necessary to comply
10 with United States obligations under the Agree-
11 ment between the United Nations and the
12 United States of America regarding the Head-
13 quarters of the United Nations, signed June
14 26, 1947, and entered into force on November
15 21, 1947, or under the Vienna Convention on
16 Consular Relations, signed April 24, 1963, and
17 entered into force on March 19, 1967, or under
18 other international agreements.

19 (2) DISCRETIONARY EXEMPTIONS.—The fol-
20 lowing activities may be exempt from sanctions
21 under section 104 as determined by the President:

22 (A) Any financial transaction the exclusive
23 purpose for which is to provide humanitarian
24 assistance to the people of North Korea.

1 (B) Any financial transaction the exclusive
2 purpose for which is to import food products
3 into North Korea, if such food items are not de-
4 fined as luxury goods.

5 (C) Any transaction the exclusive purpose
6 for which is to import agricultural products,
7 medicine, or medical devices into North Korea,
8 provided that such supplies or equipment are
9 classified as designated “EAR 99” under the
10 Export Administration Regulations (part 730 of
11 title 15, Code of Federal Regulations) and not
12 controlled under—

13 (i) the Export Administration Act of
14 1979 (50 U.S.C. App. 2401 et seq.), as
15 continued in effect under the International
16 Emergency Economic Powers Act (50
17 U.S.C. 1701 et seq.);

18 (ii) the Arms Export Control Act (22
19 U.S.C. 2751 et seq.);

20 (iii) part B of title VIII of the Nu-
21 clear Proliferation Prevention Act of 1994
22 (22 U.S.C. 6301 et seq.); or

23 (iv) the Chemical and Biological
24 Weapons Control and Warfare Elimination
25 Act of 1991 (22 U.S.C. 5601 et seq.).

1 (b) ~~WAIVER.—~~The President may waive, on a case-
 2 by-case basis, the imposition of sanctions for a period of
 3 not more than 1 year, and may renew that waiver for addi-
 4 tional periods of not more than 1 year, any sanction or
 5 other measure under section 104, 204, 205, 206, or 303
 6 if the President submits to the appropriate congressional
 7 committees a written determination that the waiver meets
 8 one or more of the following requirements:

9 (1) The waiver is important to the economic or
 10 national security interests of the United States.

11 (2) The waiver will further the enforcement of
 12 this Act or is for an important law enforcement pur-
 13 pose.

14 (3) The waiver is for an important humani-
 15 tarian purpose, including any of the purposes de-
 16 scribed in section 4 of the North Korean Human
 17 Rights Act of 2004 (22 U.S.C. 7802).

18 (c) ~~REMOVALS OF SANCTIONS.—~~The President may
 19 prescribe rules and regulations for the removal of sanc-
 20 tions on a person that is designated under subsection (a)
 21 or (b) of section 104 and the removal of designations of
 22 a person with respect to such sanctions if the President
 23 determines that the designated person has verifiably
 24 ceased its participation in any of the conduct described
 25 in subsection (a) or (b) of section 104, as the case may

1 be, and has given assurances that it will abide by the re-
2 quirements of this Act.

3 (d) ~~FINANCIAL SERVICES FOR CERTAIN ACTIVI-~~
4 ~~TIES.~~—The President may promulgate regulations, rules,
5 and policies as may be necessary to facilitate the provision
6 of financial services by a foreign financial institution that
7 is not controlled by the Government of North Korea in
8 support of the activities subject to exemption under this
9 section.

10 **SEC. 208. REPORT ON THOSE RESPONSIBLE FOR KNOW-**
11 **INGLY ENGAGING IN SIGNIFICANT ACTIVI-**
12 **TIES UNDERMINING CYBER SECURITY.**

13 (a) ~~IN GENERAL.~~—The President shall submit to the
14 appropriate congressional committees a report on signifi-
15 cant activities undermining cyber security conducted, or
16 otherwise ordered or controlled, directly or indirectly, by
17 the Government of North Korea, including—

18 (1) the identity and nationality of persons that
19 have knowingly engaged in, directed, or provided
20 material support to significant activities under-
21 mining cyber security by the Government of North
22 Korea;

23 (2) the conduct engaged in by each person iden-
24 tified;

1 (3) the extent to which a foreign government
 2 has provided material support to significant activi-
 3 ties undermining cyber security conducted, or other-
 4 wise ordered or controlled by, the Government of
 5 North Korea; and

6 (4) the efforts made by the United States to en-
 7 gage foreign governments to halt the capability of
 8 North Korea to conduct significant activities under-
 9 mining cyber security.

10 (b) SUBMISSION AND FORM.—

11 (1) SUBMISSION.—The report required under
 12 subsection (a) shall be submitted not later than 90
 13 days after the date of enactment of this Act, and
 14 every 180 days thereafter for a period not to exceed
 15 3 years.

16 (2) FORM.—The report required under sub-
 17 section (a) shall be submitted in an unclassified
 18 form, but may contain a classified annex.

19 **SEC. 209. SENSE OF CONGRESS THAT TRILATERAL CO-**
 20 **OPERATION AMONG THE UNITED STATES,**
 21 **JAPAN, AND THE REPUBLIC OF KOREA IS**
 22 **CRUCIAL TO THE STABILITY OF THE ASIA-PA-**
 23 **CIFIC REGION.**

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

1 (1) The United States, Japan, and the Republic
2 of Korea (South Korea) share the values of democ-
3 racy, free and open markets, the rule of law, and re-
4 spect for human rights.

5 (2) The alliance relationship between the
6 United States, Japan, and South Korea are critical
7 to peace and security in the Asia-Pacific region.

8 (3) The United States, Japan, and South Korea
9 are committed to continuing diplomatic efforts to en-
10 sure continued peace and stability in the Asia-Pa-
11 cific region.

12 (4) On December 28, 2014, the United States,
13 Japan, and South Korea finalized a trilateral mili-
14 tary intelligence-sharing arrangement concerning the
15 nuclear and missile threats posed by North Korea.

16 (5) The trilateral military intelligence-sharing
17 arrangement reinforces and strengthens the commit-
18 ment between the United States, Japan, and South
19 Korea toward a Korean Peninsula free of nuclear
20 weapons.

21 (b) SENSE OF CONGRESS.—It is the sense of Con-
22 gress that North Korea’s nuclear and ballistic missile pro-
23 grams are of mutual concern to the United States, Japan,
24 and South Korea and a trilateral military intelligence-

1 sharing arrangement is essential to the security of each
 2 nation and the Asia-Pacific region.

3 **SEC. 210. REPORT ON NUCLEAR PROGRAM COOPERATION**
 4 **BETWEEN NORTH KOREA AND IRAN.**

5 (a) IN GENERAL.—The President shall submit to the
 6 Committee on Foreign Affairs of the House of Representa-
 7 tives and the Committee on Foreign Relations of the Sen-
 8 ate a report on cooperation between North Korea and Iran
 9 on their nuclear programs, including the identity of Ira-
 10 nian and North Korean persons that have knowingly en-
 11 gaged in or directed the provision of material support or
 12 the exchange of information between North Korea and
 13 Iran on their respective nuclear programs.

14 (b) SUBMISSION AND FORM.—

15 (1) SUBMISSION.—The report required under
 16 subsection (a) shall be submitted not later than 90
 17 days after the date of enactment of this Act.

18 (2) FORM.—The report required under sub-
 19 section (a) shall be submitted in an unclassified
 20 form, but may contain a classified annex.

21 **TITLE III—PROMOTION OF**
 22 **HUMAN RIGHTS**

23 **SEC. 301. INFORMATION TECHNOLOGY.**

24 Section 104 of the North Korean Human Rights Act
 25 of 2004 (22 U.S.C. 7814) is amended—

1 (1) in subsection (a), by striking “radios capa-
 2 ble of receiving broadcasting” and inserting “radio,
 3 Internet, and electronic mass communications capa-
 4 ble of receiving content”; and

5 (2) by adding after subsection (c) the following
 6 new subsection:

7 “(d) INFORMATION TECHNOLOGY STUDY.—

8 “(1) IN GENERAL.—Not later than 180 days
 9 after the date of the enactment of this subsection,
 10 the President shall submit to the appropriate con-
 11 gressional committees a report setting forth a de-
 12 tailed plan for making unrestricted, unmonitored,
 13 and inexpensive, radio, Internet, and electronic mass
 14 communications available to the people of North
 15 Korea.

16 “(2) FORM.—The report required by paragraph
 17 (1) shall be submitted in unclassified form, but may
 18 contain a classified annex.”.

19 **SEC. 302. REPORT ON NORTH KOREAN PRISON CAMPS.**

20 (a) IN GENERAL.—The Secretary of State shall sub-
 21 mit to the appropriate congressional committees a report
 22 describing, with respect to each political prison camp in
 23 North Korea to the extent information is available—

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

25 (2) the camp’s geographical coordinates;

1 ~~(3)~~ the reasons for confinement of the pris-
2 oners;

3 ~~(4)~~ the camp's primary industries and products,
4 and the end users of any goods produced in such
5 camp;

6 ~~(5)~~ the natural persons and agencies respon-
7 sible for conditions in the camp;

8 ~~(6)~~ the conditions under which prisoners are
9 confined, with respect to the adequacy of food, shel-
10 ter, medical care, working conditions, and reports of
11 ill-treatment of prisoners; and

12 ~~(7)~~ imagery, to include satellite imagery of each
13 such camp, in a format that, if published, would not
14 compromise the sources and methods used by the in-
15 telligence agencies of the United States to capture
16 geospatial imagery.

17 ~~(b) FORM.—~~The report required under subsection (a)
18 may be included in the first report required to be sub-
19 mitted to Congress after the date of the enactment of this
20 Act under sections ~~116(d)~~ and ~~502B(b)~~ of the Foreign As-
21 sistance Act of 1961 (~~22 U.S.C. 2151n(d)~~ and ~~2304(b)~~)
22 ~~(relating to the annual human rights report).~~

1 **SEC. 303. REPORT ON PERSONS WHO ARE RESPONSIBLE**
2 **FOR SERIOUS HUMAN RIGHTS ABUSES OR**
3 **CENSORSHIP IN NORTH KOREA.**

4 (a) IN GENERAL.—The Secretary of State shall sub-
5 mit to the appropriate congressional committees a report
6 that contains an identification of each person the Sec-
7 retary determines to be responsible for serious human
8 rights abuses or censorship in North Korea and a descrip-
9 tion of such abuses or censorship engaged in by such per-
10 son. The report shall include a description of actions taken
11 by the Department of State to implement or support the
12 recommendations of the Commission of Inquiry's Report
13 on Human Rights in the Democratic People's Republic of
14 North Korea, including efforts to press China and other
15 countries to implement Commission recommendations.

16 (b) CONSIDERATION.—In preparing the report re-
17 quired under subsection (a), the Secretary of State shall
18 give due consideration to the findings of the United Na-
19 tions Commission of Inquiry on Human Rights in North
20 Korea, and shall make specific findings with respect to
21 the responsibility of Kim Jong Un, and of each natural
22 person who is a member of the National Defense Commis-
23 sion of North Korea, or the Organization and Guidance
24 Department of the Workers' Party of Korea, for serious
25 human rights abuses and censorship.

1 (c) DESIGNATION OF PERSONS.—The President shall
 2 designate under section 104(a) any person listed in the
 3 report required under subsection (a) as responsible for se-
 4 rious human rights abuses or censorship in North Korea.

5 (d) SUBMISSION AND FORM.—

6 (1) SUBMISSION.—The report required under
 7 subsection (a) shall be submitted not later than 90
 8 days after the date of the enactment of this Act, and
 9 every 180 days thereafter for a period not to exceed
 10 3 years, shall be included in each report required
 11 under sections 116(d) and 502B(b) of the Foreign
 12 Assistance Act of 1961 (22 U.S.C. 2151n(d) and
 13 2304(b)) (relating to the annual human rights re-
 14 port).

15 (2) FORM.—The report required under sub-
 16 section (a) shall be submitted in unclassified form,
 17 but may include a classified annex. The Secretary of
 18 State shall also publish the unclassified part of the
 19 report on the Department of State's Web site.

20 **TITLE IV—GENERAL** 21 **AUTHORITIES**

22 **SEC. 401. SUSPENSION OF SANCTIONS AND OTHER MEAS-**
 23 **URES.**

24 (a) IN GENERAL.—Any sanction or other measure
 25 provided for in title I (or any amendment made by title

1 I) or title II may be suspended for up to 365 days upon
2 certification by the President to the appropriate congres-
3 sional committees that the Government of North Korea
4 has—

5 (1) verifiably ceased its counterfeiting of United
6 States currency, including the surrender or destruc-
7 tion of specialized materials and equipment used for
8 or particularly suitable for counterfeiting;

9 (2) taken significant steps toward financial
10 transparency to comply with generally accepted pro-
11 tocols to cease and prevent the laundering of mone-
12 tary instruments;

13 (3) taken significant steps toward verification
14 of its compliance with United Nations Security
15 Council Resolutions 1695, 1718, 1874, 2087, and
16 2094;

17 (4) taken significant steps toward accounting
18 for and repatriating the citizens of other countries
19 abducted or unlawfully held captive by the Govern-
20 ment of North Korea or detained in violation of the
21 1953 Armistice Agreement;

22 (5) accepted and begun to abide by internation-
23 ally recognized standards for the distribution and
24 monitoring of humanitarian aid;

1 (6) provided credible assurances that it will not
2 support further acts of international terrorism;

3 (7) taken significant and verified steps to im-
4 prove living conditions in its political prison camps;
5 and

6 (8) made significant progress in planning for
7 unrestricted family reunification meetings, including
8 for those individuals among the two million strong
9 Korean-American community who maintain family
10 ties with relatives in North Korea.

11 (b) RENEWAL OF SUSPENSION.—The suspension de-
12 scribed in subsection (a) may be renewed for additional
13 consecutive periods of 180 days upon certification by the
14 President to the appropriate congressional committees
15 that the Government of North Korea has continued to
16 comply with the conditions described in subsection (a) dur-
17 ing the previous year.

18 **SEC. 402. TERMINATION OF SANCTIONS AND OTHER MEAS-**
19 **URES.**

20 Any sanction or other measure provided for in title
21 I (or any amendment made by title I) or title II shall ter-
22 minate on the date on which the President determines and
23 certifies to the appropriate congressional committees that
24 the Government of North Korea has met the requirements
25 of section 401, and has also—

1 (1) completely, verifiably, and irreversibly dis-
 2 mantled all of its nuclear, chemical, biological, and
 3 radiological weapons programs, including all pro-
 4 grams for the development of systems designed in
 5 whole or in part for the delivery of such weapons;

6 (2) released all political prisoners, including the
 7 citizens of North Korea detained in North Korea's
 8 political prison camps;

9 (3) ceased its censorship of peaceful political
 10 activity;

11 (4) taken significant steps toward the establish-
 12 ment of an open, transparent, and representative so-
 13 ciety;

14 (5) fully accounted for and repatriated all citi-
 15 zens of all nations abducted or unlawfully held cap-
 16 tive by the Government of North Korea or detained
 17 in violation of the 1953 Armistice Agreement; and

18 (6) agreed with the Financial Action Task
 19 Force on a plan of action to address deficiencies in
 20 its anti-money laundering regime and begun to im-
 21 plement this plan of action.

22 **SEC. 403. AUTHORITY TO CONSOLIDATE REPORTS.**

23 Any or all reports required to be submitted to appro-
 24 priate congressional committees under this Act or any
 25 amendment made by this Act that are subject to a dead-

1 line for submission consisting of the same unit of time may
2 be consolidated into a single report that is submitted to
3 appropriate congressional committees pursuant to such
4 deadline.

5 **SEC. 404. REGULATIONS.**

6 (a) ~~IN GENERAL.~~—The President is authorized to
7 promulgate such rules and regulations as may be nec-
8 essary to carry out the provisions of this Act (which may
9 include regulatory exceptions), including under sections
10 203 and 205 of the International Emergency Economic
11 Powers Act (50 U.S.C. 1702 and 1704).

12 (b) ~~RULE OF CONSTRUCTION.~~—Nothing in this Act
13 or any amendment made by this Act shall be construed
14 to limit the authority of the President pursuant to an ap-
15 plicable Executive order or otherwise pursuant to the
16 International Emergency Economic Powers Act (50
17 U.S.C. 1701 et seq.).

18 **SEC. 405. NO ADDITIONAL FUNDS AUTHORIZED.**

19 No additional funds are authorized to carry out the
20 requirements of this Act and the amendments made by
21 this Act.

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.

1 **SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

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

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

Sec. 1. Short title; table of contents.

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 commitments*
 5 *to the complete, verifiable, and irreversible dis-*
 6 *mantlement of its nuclear weapons programs;*
 7 *and*

8 (B) *has willfully violated multiple United*
 9 *Nations Security Council resolutions calling for*
 10 *North Korea to cease development, testing, and*
 11 *production of weapons of mass destruction.*

12 (2) *Based on its past actions, including the*
 13 *transfer of sensitive nuclear and missile technology to*
 14 *state sponsors of terrorism, North Korea poses a grave*
 15 *risk for the proliferation of nuclear weapons and*
 16 *other weapons of mass destruction.*

17 (3) *The Government of North Korea has been im-*
 18 *plicated repeatedly in money laundering and other il-*
 19 *licit activities, including—*

20 (A) *prohibited arms sales;*

21 (B) *narcotics trafficking;*

22 (C) *the counterfeiting of United States cur-*
 23 *rency;*

1 (D) significant activities undermining cy-
2 bersecurity; and

3 (E) the counterfeiting of intellectual prop-
4 erty of United States persons.

5 (4) North Korea has—

6 (A) unilaterally withdrawn from the Agree-
7 ment Concerning a Military Armistice in Korea,
8 signed at Panmunjom July 27, 1953 (commonly
9 referred to as the “Korean War Armistice Agree-
10 ment”); and

11 (B) committed provocations against South
12 Korea—

13 (i) by sinking the warship Cheonan
14 and killing 46 of her crew on March 26,
15 2010;

16 (ii) by shelling Yeonpyeong Island and
17 killing 4 South Korean civilians on Novem-
18 ber 23, 2010;

19 (iii) by its involvement in the
20 “DarkSeoul” cyberattacks against the fi-
21 nancial and communications interests of
22 South Korea on March 20, 2013; and

23 (iv) by planting land mines near a
24 guard post in the South Korean portion of

1 *the demilitarized zone that maimed 2 South*
2 *Korean soldiers on August 4, 2015.*

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

6 *(A) kept in atrocious living conditions with*
7 *insufficient food, clothing, and medical care; and*

8 *(B) under constant fear of torture or arbi-*
9 *trary execution.*

10 *(6) North Korea has prioritized weapons pro-*
11 *grams and the procurement of luxury goods—*

12 *(A) in defiance of United Nations Security*
13 *Council Resolutions 1695 (2006), 1718 (2006),*
14 *1874 (2009), 2087 (2013), and 2094 (2013); and*

15 *(B) in gross disregard of the needs of the*
16 *people of North Korea.*

17 *(7) Persons, including financial institutions,*
18 *who engage in transactions with, or provide financial*
19 *services to, the Government of North Korea and its fi-*
20 *nancial institutions without establishing sufficient fi-*
21 *nancial safeguards against North Korea's use of such*
22 *transactions to promote proliferation, weapons traf-*
23 *ficking, human rights violations, illicit activity, and*
24 *the purchase of luxury goods—*

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

3 (B) violate the intent of the United Nations
4 Security Council resolutions referred to in para-
5 graph (6)(A).

6 (8) The Government of North Korea has provided
7 technical support and conducted destructive and coer-
8 cive cyberattacks, including against Sony Pictures
9 Entertainment and other United States persons.

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

12 (A) the security of the United States and its
13 allies;

14 (B) the global economy;

15 (C) the safety of members of the United
16 States Armed Forces;

17 (D) the integrity of the global financial sys-
18 tem;

19 (E) the integrity of global nonproliferation
20 programs; and

21 (F) the people of North Korea.

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

24 (A) attempts to assassinate defectors and
25 human rights activists; and

1 (B) the shipment of weapons to terrorists
2 and state sponsors of terrorism.

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

4 (1) *to use nonmilitary means to address the cri-*
5 *sis described in subsection (a);*

6 (2) *to provide diplomatic leverage to negotiate*
7 *necessary changes in the conduct of the Government*
8 *of North Korea;*

9 (3) *to ease the suffering of the people of North*
10 *Korea; and*

11 (4) *to reaffirm the purposes set forth in section*
12 *4 of the North Korean Human Rights Act of 2004 (22*
13 *U.S.C. 7802).*

14 **SEC. 3. DEFINITIONS.**

15 *In this Act:*

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

18 (A) *Executive Order 13382 (50 U.S.C. 1701*
19 *note; relating to blocking property of weapons of*
20 *mass destruction proliferators and their sup-*
21 *porters), Executive Order 13466 (50 U.S.C. 1701*
22 *note; relating to continuing certain restrictions*
23 *with respect to North Korea and North Korean*
24 *nationals), Executive Order 13551 (50 U.S.C.*
25 *1701 note; relating to blocking property of cer-*

tain persons with respect to North Korea), Executive Order 13570 (50 U.S.C. 1701 note; relating to prohibiting certain transactions with respect to North Korea), Executive Order 13619 (50 U.S.C. 1701 note; relating to blocking property of persons threatening the peace, security, or stability of Burma), Executive Order 13687 (50 U.S.C. 1701 note; relating to imposing additional sanctions with respect to North Korea), or Executive Order 13694 (50 U.S.C. 1701 note; relating to blocking the property of certain persons engaging in significant malicious cyber-enabled activities), to the extent that such Executive order—

(i) authorizes the imposition of sanctions on persons for conduct with respect to North Korea;

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

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

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

1 (i) authorizes the imposition of sanc-
2 tions on persons for conduct with respect to
3 North Korea;

4 (ii) prohibits transactions or activities
5 involving the Government of North Korea;
6 or

7 (iii) otherwise imposes sanctions with
8 respect to North Korea.

9 (2) *APPLICABLE UNITED NATIONS SECURITY*
10 *COUNCIL RESOLUTION.*—*The term “applicable United*
11 *Nations Security Council resolution” means—*

12 (A) *United Nations Security Council Reso-*
13 *lution 1695 (2006), 1718 (2006), 1874 (2009),*
14 *2087 (2013), or 2094 (2013); and*

15 (B) *any United Nations Security Council*
16 *resolution adopted on or after the date of the en-*
17 *actment of this Act that—*

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

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

24 (iii) otherwise imposes sanctions with
25 respect to North Korea.

1 (3) *APPROPRIATE CONGRESSIONAL COMMIT-*
2 *TEES.*—*The term “appropriate congressional commit-*
3 *tees” means—*

4 (A) *the Committee on Foreign Relations*
5 *and the Committee on Banking, Housing, and*
6 *Urban Affairs of the Senate; and*

7 (B) *the Committee on Foreign Affairs, the*
8 *Committee on Financial Services, and the Com-*
9 *mittee on Ways and Means of the House of Rep-*
10 *resentatives.*

11 (4) *DESIGNATED PERSON.*—*The term “des-*
12 *ignated person” means a person designated under*
13 *subsection (a) or (b) of section 104 for purposes of ap-*
14 *plying 1 or more of the sanctions described in title I*
15 *or II with respect to the person.*

16 (5) *GOVERNMENT OF NORTH KOREA.*—*The term*
17 *“Government of North Korea” means the Government*
18 *of North Korea and its agencies, instrumentalities,*
19 *and controlled entities.*

20 (6) *HUMANITARIAN ASSISTANCE.*—*The term “hu-*
21 *manitarian assistance” means assistance to meet hu-*
22 *manitarian needs, including needs for food, medicine,*
23 *medical supplies, clothing, and shelter.*

24 (7) *INTELLIGENCE COMMUNITY.*—*The term “in-*
25 *telligence community” has the meaning given such*

1 *term in section 3(4) of the National Security Act of*
2 *1947 (50 U.S.C. 3003(4)).*

3 (8) *LUXURY GOODS.—The term “luxury*
4 *goods”—*

5 *(A) has the meaning given such term in sec-*
6 *tion 746.4(b)(1) of title 15, Code of Federal Reg-*
7 *ulations; and*

8 *(B) includes the items listed in Supplement*
9 *No. 1 to part 746 of such title, and any similar*
10 *items.*

11 (9) *MONETARY INSTRUMENTS.—The term “mone-*
12 *tary instruments” has the meaning given such term*
13 *in section 5312(a) of title 31, United States Code.*

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

16 (11) *NORTH KOREAN FINANCIAL INSTITUTION.—*
17 *The term “North Korean financial institution” means*
18 *any financial institution that—*

19 *(A) is organized under the laws of North*
20 *Korea or any jurisdiction within North Korea*
21 *(including a foreign branch of such an institu-*
22 *tion);*

23 *(B) is located in North Korea, except for a*
24 *financial institution that is excluded by the*
25 *President in accordance with section 208(c);*

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

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

6 (12) *SIGNIFICANT ACTIVITIES UNDERMINING CY-*
7 *BERSECURITY.*—The term “significant activities un-
8 dermining cybersecurity” includes—

9 (A) significant efforts to—

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

13 (ii) exfiltrate information from such a
14 system or network without authorization;

15 (B) significant destructive malware attacks;

16 (C) significant denial of service activities;

17 and

18 (D) such other significant activities de-
19 scribed in regulations promulgated to implement
20 section 104.

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

23 (14) *UNITED STATES PERSON.*—The term
24 “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 North*
13 *Korea, Congress finds that it is necessary—*

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

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

23 (3) *to authorize the President to sanction persons*
24 *who fail to exercise due diligence to ensure that such*
25 *financial institutions and member states do not fa-*

1 *cilitate proliferation, arms trafficking, kleptocracy, or*
2 *imports of luxury goods by the Government of North*
3 *Korea;*

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

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

16 **SEC. 102. INVESTIGATIONS.**

17 *(a) INITIATION.—The President shall initiate an inves-*
18 *tigation into the possible designation of a person under sec-*
19 *tion 104(a) upon receipt by the President of credible infor-*
20 *mation indicating that such person has engaged in conduct*
21 *described in section 104(a).*

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

1 *essary to assign sufficient experienced and qualified inves-*
 2 *tigators, 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 enforce-*
 6 *ment 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 this*
 10 *Act, and periodically thereafter, the President shall provide*
 11 *a briefing to the appropriate congressional committees on*
 12 *efforts to implement this Act.*

13 *(b) REPORT FROM SECRETARY OF STATE.—Not later*
 14 *than 180 days after the date of the enactment of this Act,*
 15 *the Secretary of State shall conduct, coordinate, and submit*
 16 *to Congress a comprehensive report on United States policy*
 17 *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 rights*
 22 *atrocities, and significant activities undermining cy-*
 23 *bersecurity; and*

1 (2) *includes recommendations for such legislative*
2 *or administrative action as the Secretary considers*
3 *appropriate based on the results of the review.*

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

5 (a) *MANDATORY DESIGNATIONS.*—*Except as provided*
6 *in section 208, the President shall designate under this sub-*
7 *section any person that the President determines—*

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

19 (2) *knowingly, directly or indirectly, provides*
20 *training, advice, or other services or assistance, or en-*
21 *gages in significant financial transactions, relating to*
22 *the manufacture, maintenance, or use of any such*
23 *weapon, device, or system to be imported, exported, or*
24 *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 Govern-
9 ment of North Korea;

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

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

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

9 *(9) knowingly, directly or indirectly, imports,*
 10 *exports, or reexports to, into, or from North Korea*
 11 *any arms or related materiel; or*

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

14 ***(b) ADDITIONAL DISCRETIONARY DESIGNATIONS.—***

15 ***(1) PROHIBITED CONDUCT DESCRIBED.—****Except*
 16 *as provided in section 208, the President may des-*
 17 *ignate under this subsection any person that the*
 18 *President determines—*

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

25 ***(B) knowingly contributed to—***

1 (i) the bribery of an official of the Gov-
2 ernment of North Korea or any person act-
3 ing for or on behalf of that official;

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

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

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

16 (2) *EFFECT OF DESIGNATION*.—With respect to
17 any person designated under this subsection, the
18 President may—

19 (A) apply the sanctions described in section
20 204, 205(c), or 206 to the person to the same ex-
21 tent and in the same manner as if the person
22 were designated under subsection (a);

23 (B) apply any applicable special measures
24 described in section 5318A of title 31, United
25 States Code;

1 (C) prohibit any transactions in foreign ex-
2 change—

3 (i) that are subject to the jurisdiction
4 of the United States; and

5 (ii) in which such person has any in-
6 terest; and

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

11 (i) are subject to the jurisdiction of the
12 United States; and

13 (ii) involve any interest of such person.

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

24 (d) *APPLICATION TO SUBSIDIARIES AND AGENTS.*—
25 The designation of a person under subsection (a) or (b) and

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

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

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

21 **SEC. 105. FORFEITURE OF PROPERTY.**

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

1 “(I) Any property, real or personal, that is in-
 2 involved in a violation or attempted violation, or which
 3 constitutes or is derived from proceeds traceable to a
 4 prohibition imposed pursuant to section 104(a) of the
 5 North Korea Sanctions and Policy Enhancement Act
 6 of 2016.”.

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

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

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

18 (1) by striking “or section 92 of” and inserting
 19 “section 92 of”; and

20 (2) by adding at the end the following: “, or sec-
 21 tion 104(a) of the North Korea Sanctions Enforce-
 22 ment Act of 2016 (relating to prohibited activities
 23 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 findings:*

10 *(1) The Under Secretary of the Treasury for Ter-*
11 *rorism and Financial Intelligence, who is responsible*
12 *for safeguarding the financial system against illicit*
13 *use, money laundering, terrorist financing, and the*
14 *proliferation of weapons of mass destruction, and has*
15 *repeatedly expressed concern about North Korea’s*
16 *misuse of the international financial system—*

17 *(A) in 2006—*

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

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

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

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

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

10 (C) in 2013, stated—

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

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

21 (2) The Financial Action Task Force, an inter-
22 governmental body whose purpose is to develop and
23 promote national and international policies to com-
24 bat money laundering and terrorist financing, has re-
25 peatedly—

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

4 (B) urged North Korea to adopt a plan of
5 action to address significant deficiencies in those
6 regimes and the serious threat those deficiencies
7 pose to the integrity of the international finan-
8 cial system;

9 (C) urged all jurisdictions to apply counter-
10 measures to protect the international financial
11 system from ongoing and substantial money
12 laundering and terrorist financing risks ema-
13 nating from North Korea;

14 (D) urged all jurisdictions to advise their
15 financial institutions to give special attention to
16 business relationships and transactions with
17 North Korea, including North Korean companies
18 and financial institutions; and

19 (E) called on all jurisdictions—

20 (i) to protect against correspondent re-
21 lationships being used to bypass or evade
22 countermeasures and risk mitigation prac-
23 tices; and

24 (ii) to take into account money laun-
25 dering and terrorist financing risks when

1 *considering requests by North Korean finan-*
2 *cial institutions to open branches and sub-*
3 *sidiaries in their respective jurisdictions.*

4 *(3) On March 7, 2013, the United Nations Secu-*
5 *urity Council unanimously adopted Resolution 2094,*
6 *which—*

7 *(A) welcomed the Financial Action Task*
8 *Force’s—*

9 *(i) recommendation on financial sanc-*
10 *tions related to proliferation; and*

11 *(ii) guidance on the implementation of*
12 *such sanctions;*

13 *(B) decided that United Nations member*
14 *states should apply enhanced monitoring and*
15 *other legal measures to prevent the provision of*
16 *financial services or the transfer of property that*
17 *could contribute to activities prohibited by appli-*
18 *cable United Nations Security Council resolu-*
19 *tions; and*

20 *(C) called upon United Nations member*
21 *states to prohibit North Korean financial insti-*
22 *tutions from establishing or maintaining cor-*
23 *respondent relationships with financial institu-*
24 *tions in their respective jurisdictions to prevent*
25 *the provision of financial services if such member*

1 *states have information that provides reasonable*
 2 *grounds to believe that such activities could con-*
 3 *tribute to—*

4 *(i) activities prohibited by an applica-*
 5 *ble United Nations Security Council resolu-*
 6 *tion; or*

7 *(ii) the evasion of such prohibitions.*

8 ***(b) SENSE OF CONGRESS REGARDING THE DESIGNA-***
 9 ***TION OF NORTH KOREA AS A JURISDICTION OF PRIMARY***
 10 ***MONEY LAUNDERING CONCERN.—Congress—***

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

16 *(2) urges the President, in the strongest terms—*

17 *(A) to immediately designate North Korea*
 18 *as a jurisdiction of primary money laundering*
 19 *concern; and*

20 *(B) to adopt stringent special measures to*
 21 *safeguard the financial system against the risks*
 22 *posed by North Korea's willful evasion of sanc-*
 23 *tions and its illicit activities; and*

24 *(3) urges the President to seek the prompt imple-*
 25 *mentation by other countries of enhanced monitoring*

1 *and due diligence to prevent North Korea’s misuse of*
 2 *the international financial system, including by shar-*
 3 *ing information about activities, transactions, and*
 4 *property that could contribute to—*

5 *(A) activities sanctioned by applicable*

6 *United Nations Security Council resolutions; or*

7 *(B) the evasion of such sanctions.*

8 *(c) DETERMINATIONS REGARDING NORTH KOREA.—*

9 *(1) IN GENERAL.—Not later than 180 days after*
 10 *the date of the enactment of this Act, the Secretary of*
 11 *the Treasury, in consultation with the Secretary of*
 12 *State and the Attorney General, and in accordance*
 13 *with section 5318A of title 31, United States Code,*
 14 *shall determine whether reasonable grounds exist for*
 15 *concluding that North Korea is a jurisdiction of pri-*
 16 *mary money laundering concern.*

17 *(2) ENHANCED DUE DILIGENCE AND REPORTING*
 18 *REQUIREMENTS.—If the Secretary of the Treasury de-*
 19 *termines under paragraph (1) that reasonable*
 20 *grounds exist for concluding that North Korea is a ju-*
 21 *risdiction of primary money laundering concern, the*
 22 *Secretary, in consultation with the Federal functional*
 23 *regulators (as defined in section 509 of the Gramm-*
 24 *Leach-Bliley Act (15 U.S.C. 6809)), shall impose 1 or*
 25 *more of the special measures described in section*

1 5318A(b) of title 31, United States Code, with respect
2 to the jurisdiction of North Korea.

3 (3) *REPORT REQUIRED.*—

4 (A) *IN GENERAL.*—Not later than 90 days
5 after the date on which the Secretary of the
6 Treasury makes a determination under para-
7 graph (1), the Secretary shall submit to the ap-
8 propriate congressional committees a report that
9 contains the reasons for such determination.

10 (B) *FORM.*—The report submitted under
11 subparagraph (A) shall be submitted in unclassi-
12 fied form, but may include a classified annex.

13 **SEC. 202. ENSURING THE CONSISTENT ENFORCEMENT OF**
14 **UNITED NATIONS SECURITY COUNCIL RESO-**
15 **LUTIONS AND FINANCIAL RESTRICTIONS ON**
16 **NORTH KOREA.**

17 (a) *FINDINGS.*—Congress makes the following findings:

18 (1) *All member states of the United Nations are*
19 *obligated to implement and enforce applicable United*
20 *Nations Security Council resolutions fully and*
21 *promptly, including by blocking the property of, and*
22 *ensuring that any property is prevented from being*
23 *made available to, persons designated for the blocking*
24 *of property by the Security Council under applicable*
25 *United Nations Security Council resolutions.*

1 (2) *As of May 2015, 158 of the 193 member*
2 *states of the United Nations had not submitted re-*
3 *ports on measures taken to implement North Korea-*
4 *specific United Nations Security Council resolutions*
5 *1718, 1874, and 2094.*

6 (3) *A recent report by the Government Account-*
7 *ability Office (GAO–15–485)—*

8 *(A) finds that officials of the United States*
9 *and representatives of the United Nations Panel*
10 *of Experts established pursuant to United Na-*
11 *tions Security Council Resolution 1874 (2009),*
12 *which monitors and facilitates implementation*
13 *of United Nations sanctions on North Korea,*
14 *“agree that the lack of detailed reports from all*
15 *member states is an impediment to the UN’s ef-*
16 *fective implementation of its sanctions”;* and

17 *(B) notes that “many member states lack*
18 *the technical capacity to enforce sanctions and*
19 *prepare reports” on the implementation of*
20 *United Nations sanctions on North Korea.*

21 (4) *All member states share a common interest*
22 *in protecting the international financial system from*
23 *the risks of money laundering and illicit transactions*
24 *emanating from North Korea.*

1 (5) *The United States dollar and the euro are the*
2 *world's principal reserve currencies, and the United*
3 *States and the European Union are primarily re-*
4 *sponsible for the protection of the international finan-*
5 *cial system from the risks described in paragraph (4).*

6 (6) *The cooperation of the People's Republic of*
7 *China, as North Korea's principal trading partner, is*
8 *essential to—*

9 (A) *the enforcement of applicable United*
10 *Nations Security Council resolutions; and*

11 (B) *the protection of the international fi-*
12 *nancial system.*

13 (7) *The report of the Panel of Experts expressed*
14 *concern about the ability of banks to detect and pre-*
15 *vent illicit transfers involving North Korea if such*
16 *banks are located in member states with less effective*
17 *regulators or member states that are unable to afford*
18 *effective compliance.*

19 (8) *North Korea has historically exploited incon-*
20 *sistencies between jurisdictions in the interpretation*
21 *and enforcement of financial regulations and applica-*
22 *ble United Nations Security Council resolutions to*
23 *circumvent sanctions and launder the proceeds of il-*
24 *licit activities.*

1 (9) *Amroggang Development Bank, Bank of East*
2 *Land, and Tanchon Commercial Bank* have been des-
3 *ignated by the Secretary of the Treasury, the United*
4 *Nations Security Council, and the European Union*
5 *as having materially contributed to the proliferation*
6 *of weapons of mass destruction.*

7 (10) *Korea Daesong Bank and Korea Kwangson*
8 *Banking Corporation* have been designated by the
9 *Secretary of the Treasury and the European Union as*
10 *having materially contributed to the proliferation of*
11 *weapons of mass destruction.*

12 (11) *The Foreign Trade Bank of North Korea*
13 *has been designated by the Secretary of the Treasury*
14 *for facilitating transactions on behalf of persons*
15 *linked to its proliferation network and for serving as*
16 *“a key financial node”.*

17 (12) *Daedong Credit Bank* has been designated
18 *by the Secretary of the Treasury for activities prohib-*
19 *ited by applicable United Nations Security Council*
20 *resolutions, including the use of deceptive financial*
21 *practices to facilitate transactions on behalf of per-*
22 *sons linked to North Korea’s proliferation network.*

23 (b) *SENSE OF CONGRESS.—It is the sense of Congress*
24 *that the President should intensify diplomatic efforts in ap-*
25 *propriate international fora, such as the United Nations,*

1 *and bilaterally, to develop and implement a coordinated,*
2 *consistent, multilateral strategy for protecting the global fi-*
3 *nancial system against risks emanating from North Korea,*
4 *including—*

5 (1) *the cessation of any financial services the*
6 *continuation of which is inconsistent with applicable*
7 *United Nations Security Council resolutions;*

8 (2) *the cessation of any financial services to per-*
9 *sons, including financial institutions, that present*
10 *unacceptable risks of facilitating money laundering*
11 *and illicit activity by the Government of North*
12 *Korea;*

13 (3) *the blocking by all member states, in accord-*
14 *ance with the legal process of the state in which the*
15 *property is held, of any property required to be*
16 *blocked under applicable United Nations Security*
17 *Council resolutions;*

18 (4) *the blocking of any property derived from il-*
19 *licit activity, or from the misappropriation, theft, or*
20 *embezzlement of public funds by, or for the benefit of,*
21 *officials of the Government of North Korea;*

22 (5) *the blocking of any property involved in sig-*
23 *nificant activities undermining cybersecurity by the*
24 *Government of North Korea, directly or indirectly,*
25 *against United States persons, or the theft of intellec-*

1 *tual property by the Government of North Korea, di-*
 2 *rectly or indirectly from United States persons; and*

3 *(6) the blocking of any property of persons di-*
 4 *rectly or indirectly involved in censorship or human*
 5 *rights abuses by the Government of North Korea.*

6 *(c) STRATEGY TO IMPROVE INTERNATIONAL IMPLE-*
 7 *MENTATION AND ENFORCEMENT OF UNITED NATIONS*
 8 *NORTH KOREA-SPECIFIC SANCTIONS.—The President shall*
 9 *direct the Secretary of State, in coordination with other*
 10 *Federal departments and agencies, as appropriate, to de-*
 11 *velop a strategy to improve international implementation*
 12 *and enforcement of United Nations North Korea-specific*
 13 *sanctions. The strategy should include elements—*

14 *(1) to increase the number of countries submit-*
 15 *ting reports to the United Nations Panel of Experts*
 16 *established pursuant to United Nations Security*
 17 *Council Resolution 1874 (2009), including developing*
 18 *a list of targeted countries where effective implemen-*
 19 *tation and enforcement of United Nations sanctions*
 20 *would reduce the threat from North Korea;*

21 *(2) to encourage member states of the United Na-*
 22 *tions to cooperate and share information with the*
 23 *panel in order to help facilitate investigations;*

24 *(3) to expand cooperation with the Panel of Ex-*
 25 *perts;*

1 (4) *to provide technical assistance to member*
 2 *states to implement United Nations sanctions, includ-*
 3 *ing developing the capacity to enforce sanctions*
 4 *through improved export control regulations, border*
 5 *security, and customs systems;*

6 (5) *to harness existing United States Govern-*
 7 *ment initiatives and assistance programs, as appro-*
 8 *priate, to improve sanctions implementation and en-*
 9 *forcement; and*

10 (6) *to increase outreach to the people of North*
 11 *Korea, and to support the engagement of independent,*
 12 *non-governmental journalistic, humanitarian, and*
 13 *other institutions in North Korea.*

14 (d) *REPORT REQUIRED.*—*Not later than 90 days after*
 15 *the date of the enactment of this Act, and annually there-*
 16 *after, the Secretary of State shall submit to the appropriate*
 17 *congressional committees a report that describes the actions*
 18 *undertaken to implement the strategy required by sub-*
 19 *section (c).*

20 **SEC. 203. PROLIFERATION PREVENTION SANCTIONS.**

21 (a) *EXPORT OF CERTAIN GOODS OR TECHNOLOGY.*—
 22 *A validated license shall be required for the export to North*
 23 *Korea of any goods or technology otherwise covered under*
 24 *section 6(j) of the Export Administration Act of 1979 (50*

1 *U.S.C. 4605(j)). No defense exports may be approved for*
 2 *the Government of North Korea.*

3 *(b) TRANSACTIONS IN LETHAL MILITARY EQUIP-*
 4 *MENT.—*

5 *(1) IN GENERAL.—The President shall withhold*
 6 *assistance under the Foreign Assistance Act of 1961*
 7 *(22 U.S.C. 2151 et seq.) to the government of any*
 8 *country that provides lethal military equipment to*
 9 *the Government of North Korea.*

10 *(2) APPLICABILITY.—The prohibition under*
 11 *paragraph (1) with respect to a government shall ter-*
 12 *minate on the date that is 1 year after the date on*
 13 *which the prohibition under paragraph (1) is applied*
 14 *to that government.*

15 *(c) WAIVER.—Notwithstanding any other provision of*
 16 *law, the Secretary of State may waive the prohibitions*
 17 *under this section with respect to a country if the Sec-*
 18 *retary—*

19 *(1) determines that such waiver is in the na-*
 20 *tional interest of the United States; and*

21 *(2) submits a written report to the appropriate*
 22 *congressional committees that describes—*

23 *(A) the steps that the relevant agencies are*
 24 *taking to curtail the trade described in sub-*
 25 *section (b)(1); and*

1 (B) *why such waiver is in the national in-*
 2 *terest of the United States.*

3 (d) *EXCEPTION.—The prohibitions under this section*
 4 *shall not apply to the provision of assistance for human*
 5 *rights, democracy, rule of law, or emergency humanitarian*
 6 *purposes.*

7 **SEC. 204. PROCUREMENT SANCTIONS.**

8 (a) *IN GENERAL.—Except as provided in this section,*
 9 *the head of an executive agency may not procure, or enter*
 10 *into any contract for the procurement of, any goods or serv-*
 11 *ices from any person designated under section 104(a).*

12 (b) *FEDERAL ACQUISITION REGULATION.—*

13 (1) *IN GENERAL.—The Federal Acquisition Reg-*
 14 *ulation issued pursuant to section 1303(a)(1) of title*
 15 *41, United States Code, shall be revised to require*
 16 *that each person that is a prospective contractor sub-*
 17 *mit a certification that such person does not engage*
 18 *in any activity described in section 104(a).*

19 (2) *APPLICABILITY.—The revision required*
 20 *under paragraph (1) shall apply with respect to con-*
 21 *tracts for which solicitations are issued on or after the*
 22 *date that is 90 days after the date of the enactment*
 23 *of this Act.*

24 (c) *REMEDIES.—*

1 (1) *INCLUSION ON LIST.*—*The Administrator of*
2 *General Services shall include, on the List of Parties*
3 *Excluded from Federal Procurement and Nonprocure-*
4 *ment Programs maintained by the Administrator*
5 *under part 9 of the Federal Acquisition Regulation,*
6 *each person that is debarred, suspended, or proposed*
7 *for debarment or suspension by the head of an execu-*
8 *tive agency on the basis of a determination of a false*
9 *certification under subsection (b).*

10 (2) *CONTRACT TERMINATION; SUSPENSION.*—*If*
11 *the head of an executive agency determines that a per-*
12 *son has submitted a false certification under sub-*
13 *section (b) after the date on which the Federal Acqui-*
14 *sition Regulation is revised to implement the require-*
15 *ments of this section, the head of such executive agen-*
16 *cy shall—*

17 (A) *terminate any contract with such per-*
18 *son; and*

19 (B) *debar or suspend such person from eli-*
20 *gibility for Federal contracts for a period of not*
21 *longer than 2 years.*

22 (3) *APPLICABLE PROCEDURES.*—*Any debarment*
23 *or suspension under paragraph (2)(B) shall be subject*
24 *to the procedures that apply to debarment and sus-*

1 *pension under subpart 9.4 of the Federal Acquisition*
 2 *Regulation.*

3 (d) *CLARIFICATION REGARDING CERTAIN PROD-*
 4 *UCTS.—The remedies specified in subsection (c) shall not*
 5 *apply with respect to the procurement of any eligible prod-*
 6 *uct (as defined in section 308(4) of the Trade Agreements*
 7 *Act of 1979 (19 U.S.C. 2518(4)) of any foreign country or*
 8 *instrumentality designated under section 301(b) of such Act*
 9 *(19 U.S.C. 2511(b)).*

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

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

18 **SEC. 205. ENHANCED INSPECTION AUTHORITIES.**

19 (a) *REPORT REQUIRED.—Not later than 180 days*
 20 *after the date of the enactment of this Act, and annually*
 21 *thereafter, the President shall submit to the appropriate*
 22 *congressional committees a report that identifies foreign*
 23 *ports and airports at which inspections of ships, aircraft,*
 24 *and conveyances originating in North Korea, carrying*
 25 *North Korean property, or operated by the Government of*

1 *North Korea are not sufficient to effectively prevent the fa-*
 2 *cilitation of any of the activities described in section 104(a).*

3 (b) *ENHANCED CUSTOMS INSPECTION REQUIRE-*
 4 *MENTS.—The Secretary of Homeland Security may require*
 5 *enhanced inspections of any goods entering the United*
 6 *States that have been transported through a port or airport*
 7 *identified by the President under subsection (a).*

8 (c) *SEIZURE AND FORFEITURE.—A vessel, aircraft, or*
 9 *conveyance used to facilitate any of the activities described*
 10 *in section 104(a) under the jurisdiction of the United States*
 11 *may be seized and forfeited under—*

12 (1) *chapter 46 of title 18, United States Code; or*

13 (2) *title V of the Tariff Act of 1930 (19 U.S.C.*
 14 *1501 et seq.).*

15 **SEC. 206. TRAVEL SANCTIONS.**

16 *The Secretary of State may deny a visa to, and the*
 17 *Secretary of Homeland Security may deny entry into the*
 18 *United States of, any alien who is—*

19 (1) *a designated person;*

20 (2) *a corporate officer of a designated person; or*

21 (3) *a principal shareholder with a controlling*
 22 *interest in a designated person.*

1 **SEC. 207. TRAVEL RECOMMENDATIONS FOR UNITED**
2 **STATES CITIZENS TO NORTH KOREA.**

3 *The Secretary of State shall expand the scope and fre-*
4 *quency of issuance of travel warnings for all United States*
5 *citizens to North Korea. The expanded travel warnings,*
6 *which should be issued or updated not less frequently than*
7 *every 90 days, should include—*

8 *(1) publicly released or credible open source in-*
9 *formation regarding the detention of United States*
10 *citizens by North Korean authorities, including avail-*
11 *able information on circumstances of arrest and de-*
12 *tention, duration, legal proceedings, and conditions*
13 *under which a United States citizen has been, or con-*
14 *tinues to be, detained by North Korean authorities,*
15 *including present-day cases and cases occurring dur-*
16 *ing the 10-year period ending on the date of the en-*
17 *actment of this Act;*

18 *(2) publicly released or credible open source in-*
19 *formation on the past and present detention and ab-*
20 *duction or alleged abduction of citizens of the United*
21 *States, South Korea, or Japan by North Korean au-*
22 *thorities;*

23 *(3) unclassified information about the nature of*
24 *the North Korean regime, as described in congression-*
25 *ally mandated reports and annual reports issued by*
26 *the Department of State and the United Nations, in-*

cluding information about North Korea's weapons of mass destruction programs, illicit activities, international sanctions violations, and human rights situation; and

(4) any other information that the Secretary deems useful to provide United States citizens with a comprehensive picture of the nature of the North Korean regime.

SEC. 208. EXEMPTIONS, WAIVERS, AND REMOVALS OF DESIGNATION.

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

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

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

1 (3) *Any activities incidental to the POW/MIA*
2 *accounting mission in North Korea, including activi-*
3 *ties by the Defense POW/MIA Accounting Agency and*
4 *other governmental or nongovernmental organizations*
5 *tasked with identifying or recovering the remains of*
6 *members of the United States Armed Forces in North*
7 *Korea.*

8 (b) *HUMANITARIAN WAIVER.—*

9 (1) *IN GENERAL.—The President may waive, for*
10 *renewable periods of between 30 days and 1 year, the*
11 *application of the sanctions authorized under section*
12 *104, 204, 205, 206, 209(b), or 304(b) if the President*
13 *submits to the appropriate congressional committees a*
14 *written determination that the waiver is necessary for*
15 *humanitarian assistance or to carry out the humani-*
16 *tarian purposes set forth section 4 of the North Ko-*
17 *rean Human Rights Act of 2004 (22 U.S.C. 7802).*

18 (2) *CONTENT OF WRITTEN DETERMINATION.—A*
19 *written determination submitted under paragraph (1)*
20 *with respect to a waiver shall include a description*
21 *of all notification and accountability controls that*
22 *have been employed in order to ensure that the activi-*
23 *ties covered by the waiver are humanitarian assist-*
24 *ance or are carried out for the purposes set forth in*
25 *section 4 of the North Korean Human Rights Act of*

1 2004 (22 U.S.C. 7802) and do not entail any activi-
 2 ties in North Korea or dealings with the Government
 3 of North Korea not reasonably related to humani-
 4 tarian assistance or such purposes.

5 (3) CLARIFICATION OF PERMITTED ACTIVITIES
 6 UNDER WAIVER.—An internationally recognized hu-
 7 manitarian organization shall not be subject to sanc-
 8 tions under section 104, 204, 205, 206, 209(b), or
 9 304(b) for—

10 (A) engaging in a financial transaction re-
 11 lating to humanitarian assistance or for human-
 12 itarian purposes pursuant to a waiver issued
 13 under paragraph (1);

14 (B) transporting goods or services that are
 15 necessary to carry out operations relating to hu-
 16 manitarian assistance or humanitarian purposes
 17 pursuant to such a waiver; or

18 (C) having merely incidental contact, in the
 19 course of providing humanitarian assistance or
 20 aid for humanitarian purposes pursuant to such
 21 a waiver, with individuals who are under the
 22 control of a foreign person subject to sanctions
 23 under this Act.

24 (c) WAIVER.—The President may waive, on a case-by-
 25 case basis, for renewable periods of between 30 days and

1 1 year, the application of the sanctions authorized under
 2 section 104, 201(c)(2), 204, 205, 206, 209(b), or 304(b) if
 3 the President submits to the appropriate congressional com-
 4 mittees a written determination that the waiver—

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

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

9 (d) *FINANCIAL SERVICES FOR HUMANITARIAN AND*
 10 *CONSULAR ACTIVITIES.*—The President may promulgate
 11 such regulations, rules, and policies as may be necessary
 12 to facilitate the provision of financial services by a foreign
 13 financial institution that is not a North Korean financial
 14 institution in support of activities conducted pursuant to
 15 an exemption or waiver under this section.

16 **SEC. 209. REPORT ON AND IMPOSITION OF SANCTIONS TO**
 17 **ADDRESS PERSONS RESPONSIBLE FOR**
 18 **KNOWINGLY ENGAGING IN SIGNIFICANT AC-**
 19 **TIVITIES UNDERMINING CYBERSECURITY.**

20 (a) *REPORT REQUIRED.*—

21 (1) *IN GENERAL.*—The President shall submit to
 22 the appropriate congressional committees a report
 23 that describes significant activities undermining cy-
 24 bersecurity aimed against the United States Govern-
 25 ment or any United States person and conducted by

1 *the Government of North Korea, or a person owned or*
2 *controlled, directly or indirectly, by the Government*
3 *of North Korea or any person acting for or on behalf*
4 *of that Government.*

5 (2) *INFORMATION.—The report required under*
6 *paragraph (1) shall include—*

7 (A) *the identity and nationality of persons*
8 *that have knowingly engaged in, directed, or pro-*
9 *vided material support to conduct significant ac-*
10 *tivities undermining cybersecurity described in*
11 *paragraph (1);*

12 (B) *a description of the conduct engaged in*
13 *by each person identified;*

14 (C) *an assessment of the extent to which a*
15 *foreign government has provided material sup-*
16 *port to the Government of North Korea or any*
17 *person acting for or on behalf of that Govern-*
18 *ment to conduct significant activities under-*
19 *mining cybersecurity; and*

20 (D) *a United States strategy to counter*
21 *North Korea's efforts to conduct significant ac-*
22 *tivities undermining cybersecurity against the*
23 *United States, that includes efforts to engage for-*
24 *eign governments to halt the capability of the*
25 *Government of North Korea and persons acting*

1 *for or on behalf of that Government to conduct*
 2 *significant activities undermining cybersecurity.*

3 (3) *SUBMISSION AND FORM.—*

4 (A) *SUBMISSION.—The report required*
 5 *under paragraph (1) shall be submitted not later*
 6 *than 90 days after the date of the enactment of*
 7 *this Act, and every 180 days thereafter.*

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

11 (b) *DESIGNATION OF PERSONS.—The President shall*
 12 *designate under section 104(a) any person identified in the*
 13 *report required under subsection (a)(1) that knowingly en-*
 14 *gages in significant activities undermining cybersecurity*
 15 *through the use of computer networks or systems against*
 16 *foreign persons, governments, or other entities on behalf of*
 17 *the Government of North Korea.*

18 **SEC. 210. CODIFICATION OF SANCTIONS WITH RESPECT TO**
 19 **NORTH KOREAN ACTIVITIES UNDERMINING**
 20 **CYBERSECURITY.**

21 (a) *IN GENERAL.—United States sanctions with re-*
 22 *spect to activities of the Government of North Korea, per-*
 23 *sons acting for or on behalf of that Government, or persons*
 24 *located in North Korea that undermine cybersecurity pro-*
 25 *vided for in Executive Order 13687 (50 U.S.C. 1701 note;*

1 *relating to imposing additional sanctions with respect to*
 2 *North Korea) or Executive Order 13694 (50 U.S.C. 1701*
 3 *note; relating to blocking the property of certain persons*
 4 *engaging in significant malicious cyber-enabled activities),*
 5 *as such Executive Orders are in effect on the day before*
 6 *the date of the enactment of this Act, shall remain in effect*
 7 *until the date that is 30 days after the date on which the*
 8 *President submits to Congress a certification that the Gov-*
 9 *ernment of North Korea, persons acting for or on behalf*
 10 *of that Government, and persons owned or controlled, di-*
 11 *rectly or indirectly, by that Government or persons acting*
 12 *for or on behalf of that Government, are no longer engaged*
 13 *in the illicit activities described in such Executive Orders,*
 14 *including actions in violation of United Nations Security*
 15 *Council Resolutions 1718 (2006), 1874 (2009), 2087 (2013),*
 16 *and 2094 (2013).*

17 (b) *RULE OF CONSTRUCTION.*—*Nothing in this section*
 18 *shall be construed to limit the authority of the President*
 19 *pursuant to the International Emergency Economic Powers*
 20 *Act (50 U.S.C. 1701 et seq.).*

21 **SEC. 211. SENSE OF CONGRESS ON TRILATERAL COOPERA-**
 22 **TION BETWEEN THE UNITED STATES, SOUTH**
 23 **KOREA, AND JAPAN.**

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

1 (1) *should seek to strengthen high-level trilateral*
2 *mechanisms for discussion and coordination of policy*
3 *toward North Korea between the Government of the*
4 *United States, the Government of South Korea, and*
5 *the Government of Japan;*

6 (2) *should ensure that the mechanisms specifi-*
7 *cally address North Korea's nuclear, ballistic, and*
8 *conventional weapons programs, its human rights*
9 *record, and cybersecurity threats posed by North*
10 *Korea;*

11 (3) *should ensure that representatives of the*
12 *United States, South Korea, and Japan meet on a*
13 *regular basis and include representatives of the*
14 *United States Department of State, the United States*
15 *Department of Defense, the United States intelligence*
16 *community, and representatives of counterpart agen-*
17 *cies in South Korea and Japan; and*

18 (4) *should continue to brief the relevant congres-*
19 *sional committees regularly on the status of such dis-*
20 *cussions.*

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

23 (1) *the Committee on Foreign Relations, the*
24 *Committee on Armed Services, and the Select Com-*
25 *mittee on Intelligence of the Senate; and*

(2) *the Committee on Foreign Affairs, the Committee on Armed Services, and the Permanent Select Committee on Intelligence of the House of Representatives.*

TITLE III—PROMOTION OF HUMAN RIGHTS

SEC. 301. INFORMATION TECHNOLOGY.

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

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

SEC. 302. STRATEGY TO PROMOTE NORTH KOREAN HUMAN RIGHTS.

(a) IN GENERAL.—Not later than 180 days after the date of the enactment of this Act, the Secretary of State, in coordination with other appropriate Federal departments and agencies, shall submit to the Committee on Foreign Relations of the Senate and the Committee on Foreign

1 *Affairs of the House of Representatives a report that details*
2 *a United States strategy to promote initiatives to enhance*
3 *international awareness of and to address the human rights*
4 *situation in North Korea.*

5 (b) *INFORMATION.—The report required under sub-*
6 *section (a) should include—*

7 (1) *a list of countries that forcibly repatriate ref-*
8 *ugees from North Korea; and*

9 (2) *a list of countries where North Korean labor-*
10 *ers work, including countries the governments of*
11 *which have formal arrangements with the Government*
12 *of North Korea or any person acting for or on behalf*
13 *of that Government to employ North Korean workers.*

14 (c) *STRATEGY.—The report required under subsection*
15 *(a) should include—*

16 (1) *a plan to enhance bilateral and multilateral*
17 *outreach, including sustained engagement with the*
18 *governments of partners and allies with overseas posts*
19 *to routinely demarche or brief those governments on*
20 *North Korea human rights issues, including forced*
21 *labor, trafficking, and repatriation of citizens of*
22 *North Korea;*

23 (2) *public affairs and public diplomacy cam-*
24 *paigns, including options to work with news organi-*
25 *zations and media outlets to publish opinion pieces*

1 *and secure public speaking opportunities for United*
2 *States Government officials on issues related to the*
3 *human rights situation in North Korea, including*
4 *forced labor, trafficking, and repatriation of citizens*
5 *of North Korea; and*

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

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

12 *(a) IN GENERAL.—The Secretary of State shall submit*
13 *to the appropriate congressional committees a report that*
14 *describes, with respect to each political prison camp in*
15 *North Korea, to the extent information is available—*

16 *(1) the camp’s estimated prisoner population;*

17 *(2) the camp’s geographical coordinates;*

18 *(3) the reasons for the confinement of the pris-*
19 *oners;*

20 *(4) the camp’s primary industries and products,*
21 *and the end users of any goods produced in the camp;*

22 *(5) the individuals and agencies responsible for*
23 *conditions in the camp;*

24 *(6) the conditions under which prisoners are*
25 *confined, with respect to the adequacy of food, shelter,*

1 *medical care, working conditions, and reports of ill-*
 2 *treatment of prisoners; and*

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

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

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

16 *(a) REPORT REQUIRED.—*

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

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

24 *(B) describes serious human rights abuses*
 25 *or censorship undertaken by the Government of*

1 *North Korea or any person acting for or on be-*
2 *half of that Government in the most recent year*
3 *ending before the submission of the report.*

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

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

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

17 (3) *SUBMISSION AND FORM.*—

18 (A) *SUBMISSION.*—*The report required*
19 *under paragraph (1) shall be submitted not later*
20 *than 120 days after the date of the enactment of*
21 *this Act, and every 180 days thereafter for a pe-*
22 *riod not to exceed 3 years, and shall be included*
23 *in each human rights report required under sec-*
24 *tions 116(d) and 502B(b) of the Foreign Assist-*

1 *ance Act of 1961 (22 U.S.C. 2151n(d) and*
 2 *2304(b)).*

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

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

10 *(b) DESIGNATION OF PERSONS.—The President shall*
 11 *designate under section 104(a) any person listed in the re-*
 12 *port required under subsection (a)(1) that—*

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

16 *(2) knowingly engages in, is responsible for, or*
 17 *facilitates serious human rights abuses by the Govern-*
 18 *ment of North Korea.*

19 *(c) SENSE OF CONGRESS.—It is the sense of Congress*
 20 *that the President should—*

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

1 (2) *fully cooperate with the prosecution of any*
2 *individual listed in the report required under sub-*
3 *section (a)(1) before any international tribunal that*
4 *may be established to prosecute persons responsible for*
5 *severe human rights abuses or censorship in North*
6 *Korea.*

7 **TITLE IV—GENERAL**
8 **AUTHORITIES**

9 **SEC. 401. SUSPENSION OF SANCTIONS AND OTHER MEAS-**
10 **URES.**

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

17 (1) *verifiably ceasing its counterfeiting of United*
18 *States currency, including the surrender or destruc-*
19 *tion of specialized materials and equipment used or*
20 *particularly suitable for counterfeiting;*

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

1 (3) *taking steps toward verification of its com-*
2 *pliance with applicable United Nations Security*
3 *Council resolutions;*

4 (4) *taking steps toward accounting for and repa-*
5 *triating the citizens of other countries—*

6 *(A) abducted or unlawfully held captive by*
7 *the Government of North Korea; or*

8 *(B) detained in violation of the Agreement*
9 *Concerning a Military Armistice in Korea,*
10 *signed at Panmunjom July 27, 1953 (commonly*
11 *referred to as the “Korean War Armistice Agree-*
12 *ment”);*

13 (5) *accepting and beginning to abide by inter-*
14 *nationally recognized standards for the distribution*
15 *and monitoring of humanitarian aid; and*

16 (6) *taking verified steps to improve living condi-*
17 *tions in its political prison camps.*

18 (b) *RENEWAL OF SUSPENSION.—The suspension de-*
19 *scribed in subsection (a) may be renewed for additional,*
20 *consecutive 180-day periods after the President certifies to*
21 *the appropriate congressional committees that the Govern-*
22 *ment of North Korea has continued to comply with the con-*
23 *ditions described in subsection (a) during the previous year.*

1 **SEC. 402. TERMINATION OF SANCTIONS AND OTHER MEAS-**
2 **URES.**

3 *Any sanction or other measure required under title I,*
4 *II, or III (or any amendment made by such titles) shall*
5 *terminate on the date on which the President determines*
6 *and certifies to the appropriate congressional committees*
7 *that the Government of North Korea has—*

8 *(1) met the requirements set forth in section 401;*
9 *and*

10 *(2) made significant progress toward—*

11 *(A) completely, verifiably, and irreversibly*
12 *dismantling all of its nuclear, chemical, biological,*
13 *and radiological weapons programs, includ-*
14 *ing all programs for the development of systems*
15 *designed in whole or in part for the delivery of*
16 *such weapons;*

17 *(B) releasing all political prisoners, includ-*
18 *ing the citizens of North Korea detained in*
19 *North Korea's political prison camps;*

20 *(C) ceasing its censorship of peaceful polit-*
21 *ical activity;*

22 *(D) establishing an open, transparent, and*
23 *representative society; and*

24 *(E) fully accounting for and repatriating*
25 *United States citizens (including deceased*
26 *United States citizens)—*

- 1 (i) abducted or unlawfully held captive
2 by the Government of North Korea; or
3 (ii) detained in violation of the Agree-
4 ment Concerning a Military Armistice in
5 Korea, signed at Panmunjom July 27, 1953
6 (commonly referred to as the “Korean War
7 Armistice Agreement”).

8 **SEC. 403. AUTHORIZATION OF APPROPRIATIONS.**

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

11 (1) \$3,000,000 to carry out section 103 of the
12 North Korea Human Rights Act of 2004 (22 U.S.C.
13 7813);

14 (2) \$3,000,000 to carry out subsections (a), (b),
15 and (c) of section 104 of that Act (22 U.S.C. 7814);

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

18 (4) \$2,000,000 to carry out section 203 of the
19 North Korea Human Rights Act of 2004 (22 U.S.C.
20 7833).

21 (b) *AVAILABILITY OF FUNDS.*—Amounts appropriated
22 for each fiscal year pursuant to subsection (a) shall remain
23 available until expended.

1 **SEC. 404. RULEMAKING.**

2 (a) *IN GENERAL.*—*The President is authorized to pro-*
3 *mulgate such rules and regulations as may be necessary to*
4 *carry out the provisions of this Act (which may include reg-*
5 *ulatory exceptions), including under section 205 of the*
6 *International Emergency Economic Powers Act (50 U.S.C.*
7 *1704).*

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

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

15 *Any and all reports required to be submitted to appro-*
16 *priate congressional committees under this Act or any*
17 *amendment made by this Act that are subject to a deadline*
18 *for submission consisting of the same unit of time may be*
19 *consolidated into a single report that is submitted to appro-*
20 *priate congressional committees pursuant to such deadline.*
21 *The consolidated reports must contain all information re-*
22 *quired under this Act or any amendment made by this Act,*
23 *in addition to all other elements mandated by previous law.*

1 **SEC. 406. EFFECTIVE DATE.**

2 *Except as otherwise provided in this Act, this Act and*
3 *the amendments made by this Act shall take effect on the*
4 *date of the enactment of this Act.*

Calendar No. 359

114TH CONGRESS
2^D Session

H. R. 757

AN ACT

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

FEBRUARY 2, 2016

Reported with an amendment