II

Calendar No. 263

115TH CONGRESS
1ST SESSION

S. 1591

To impose sanctions with respect to the Democratic People's Republic of Korea, and for other purposes.

IN THE SENATE OF THE UNITED STATES

JULY 19, 2017

Mr. VAN HOLLEN (for himself, Mr. TOOMEY, Mr. CRUZ, Mr. SCOTT, Ms. HIRONO, Mr. COTTON, Mr. TESTER, Ms. CORTEZ MASTO, Ms. WARREN, Mr. SCHATZ, Mr. KENNEDY, Mr. BROWN, Mr. CASEY, and Mr. CRAPO) introduced the following bill; which was read twice and referred to the Committee on Banking, Housing, and Urban Affairs

NOVEMBER 16, 2017

Reported by Mr. CRAPO, with an amendment

[Strike out all after the enacting clause and insert the part printed in italic]

A BILL

To impose sanctions with respect to the Democratic People's Republic of Korea, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

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

~~(a) SHORT TITLE.—This Act may be cited as the "Banking Restrictions Involving North Korea (BRINK) Act of 2017".~~

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

~~SEC. 2. FINDINGS.~~

~~Congress finds the following:~~

~~(1) Since 2006, the United Nations Security Council has approved 5 resolutions imposing sanctions against North Korea under chapter VII of the United Nations Charter, which—~~

~~(A) prohibit the use, development, and proliferation of weapons of mass destruction by the Government of North Korea;~~

~~(B) prohibit the transfer of arms and related materiel to or by the Government of North Korea;~~

~~(C) prohibit the transfer of luxury goods to North Korea;~~

~~(D) restrict access by the Government of North Korea to the financial system and require due diligence on the part of financial institutions to prevent the financing of proliferation involving the Government of North Korea;~~

~~(E) restrict North Korean shipping, including the reflagging of ships owned or controlled by the Government of North Korea;~~

~~(F) limit the sale by the Government of North Korea of precious metals, iron, coal, vanadium, and rare earth minerals; and~~

~~(G) prohibit the transfer to North Korea of rocket, aviation, or jet fuel.~~

~~(2) The Government of North Korea has threatened to carry out nuclear attacks against the United States and South Korea and has sent clandestine agents to kidnap or murder the citizens of foreign countries and murder dissidents in exile.~~

~~(3) The Federal Bureau of Investigation has determined that the Government of North Korea was responsible for cyberattacks against the United States and South Korea.~~

~~(4) In February 2016, the Director of National Intelligence reported that the Government of North Korea is "committed to developing a long-range, nuclear-armed missile that is capable of posing a direct threat to the United States" and some arms control experts have estimated that the Government of North Korea may acquire this capability by 2020.~~

~~(5) The Government of North Korea tested its 5th and largest nuclear device on September 9, 2016.~~

~~(6) The Government of North Korea has increased the pace of its missile testing, including the test of a submarine-launched ballistic missile, potentially furthering the development of capability to attack the United States with a nuclear weapon.~~

~~(7) Financial transactions and investments that provide financial resources to the Government of North Korea, and that fail to incorporate adequate safeguards against the misuse of those financial resources, pose an undue risk of contributing to—~~

~~(A) weapons of mass destruction programs of that government; and~~

~~(B) prohibited imports or exports of arms and related materiel, services, or technology by that government.~~

~~(8) The strict enforcement of sanctions is essential to the efforts by the international community to achieve the peaceful, complete, verifiable, and irreversible dismantlement of weapons of mass destruction programs of the Government of North Korea.~~

~~SEC. 3. DEFINITIONS.~~

~~In this Act:~~

~~(1) APPLICABLE EXECUTIVE ORDER; APPLICABLE UNITED NATIONS SECURITY COUNCIL RESOLUTION; GOVERNMENT OF NORTH KOREA; NORTH KOREA.—The terms "applicable Executive order", "applicable United Nations Security Council resolution", "Government of North Korea", and "North Korea" have the meanings given those terms in sec-~~

~~tion 3 of the North Korea Sanctions and Policy Enhancement Act of 2016 (22 U.S.C. 9202).~~

~~(2) APPROPRIATE CONGRESSIONAL COMMITTEES.—The term "appropriate congressional committees" means—~~

~~(A) the Committee on Banking, Housing, and Urban Affairs and the Committee on Foreign Relations of the Senate; and~~

~~(B) the Committee on Financial Services and the Committee on Foreign Affairs of the House of Representatives.~~

~~(3) KNOWINGLY.—The term "knowingly", with respect to conduct, a circumstance, or a result, means that a person has actual knowledge, or should have known, of the conduct, the circumstance, or the result.~~

~~(4) NORTH KOREAN COVERED PROPERTY.—~~

~~(A) IN GENERAL.—The term "North Korean covered property" includes any goods, services, or technology—~~

~~(i) that are in North Korea;~~

~~(ii) that are made with significant amounts of North Korean labor, materials, goods, or technology;~~

~~(iii) in which the Government of North Korea or a North Korean financial institution has a significant interest or exercises significant control; or~~

~~(iv) in which a designated person has a significant interest or exercises significant control.~~

~~(B) DESIGNATED PERSON.—In this paragraph, the term designated person means a person who is designated under—~~

~~(i) an applicable Executive order;~~

~~(ii) an applicable United Nations Security Council resolution; or~~

~~(iii) section 104 of the North Korea Sanctions and Policy Enhancement Act of 2016 (22 U.S.C. 9204).~~

~~(5) NORTH KOREAN FINANCIAL INSTITUTION.—The term "North Korean financial institution" includes—~~

~~(A) any North Korean financial institution, as defined in section 3 of the North Korea Sanctions and Policy Enhancement Act of 2016 (22 U.S.C. 9202);~~

~~(B) any financial agency, as defined in section 5312 of title 31, United States Code, that~~

~~is owned or controlled by the Government of North Korea;~~

~~(C) any money transmitting business, as defined in section 5330(d) of title 31, United States Code, that is owned or controlled by the Government of North Korea; and~~

~~(D) any financial institution that is a joint venture between any person and the Government of North Korea.~~

~~(6) SECRETARY.—Unless otherwise specified, the term "Secretary" means the Secretary of the Treasury.~~

~~(7) UNITED STATES FINANCIAL INSTITUTION.—The term "United States financial institution" means a financial institution that—~~

~~(A) is a United States person, regardless of where the person operates; or~~

~~(B) operates or does business in the United States, including by conducting wire transfers through correspondent banks in the United States.~~

~~(8) UNITED STATES PERSON.—The term "United States person" means—~~

~~(A) a citizen or resident of the United States or a national of the United States (as~~

~~defined in section 101(a) of the Immigration and Nationality Act (8 U.S.C. 1101(a))); and~~

~~(B) an entity that is organized under the laws of the United States or any jurisdiction within the United States, including a foreign subsidiary of such an entity.~~

~~TITLE I—FINANCIAL REQUIREMENTS AND SANCTIONS RELATING TO TRANSACTIONS INVOLVING NORTH KOREA~~

~~SEC. 101. SANCTIONS WITH RESPECT TO FINANCIAL INSTITUTIONS PROVIDING SUPPORT TO THE GOVERNMENT OF NORTH KOREA.~~

~~(a) REPORT ON NONCOMPLIANT FINANCIAL INSTITUTIONS.—~~

~~(1) IN GENERAL.—Not later than 60 days after the date of the enactment of this Act, and every 180 days thereafter, the President shall submit to the appropriate congressional committees and publish in the Federal Register a report that contains a list of any financial institutions that the President has identified as having engaged in, during the one-year period preceding the submission of the report, the following conduct:~~

~~(A) Dealing in North Korean covered property.~~

~~(B) Providing correspondent or interbank services to one or more North Korean financial institutions.~~

~~(C) Failing to apply enhanced due diligence to prevent North Korean financial institutions from gaining access to correspondent or interbank services in the United States or provided by United States persons.~~

~~(D) Knowingly operating or participating with or on behalf of an offshore United States dollar clearing system that conducts transactions involving the Government of North Korea or North Korean covered property.~~

~~(E) Conducting or facilitating one or more significant transactions in North Korean covered property involving covered goods (as that term is defined in section 1027.100 of title 31, Code of Federal Regulations, or any successor regulation) or the currency of a country other than the country in which the person is operating at the time of the transaction.~~

~~(2) FORM OF REPORT.—Each report required under paragraph (1) shall be submitted in unclassified form but may contain a classified annex.~~

~~(b) IMPOSITION OF SANCTIONS.—~~

~~(1) IN GENERAL.—If the President determines that a financial institution identified under subsection (a) has knowingly engaged in conduct described in that subsection, the President shall apply the following sanctions with respect to that financial institution:~~

~~(A) Prohibit the designation of the financial institution, or the continuation of any prior designation of the financial institution, as a primary dealer in United States Government debt instruments.~~

~~(B) Prohibit the financial institution from serving as agent of the United States Government or as a repository for funds of the United States Government.~~

~~(C) One or more of the following:~~

~~(i) Prohibit the opening, and prohibit or impose strict conditions on the maintaining, in the United States of any correspondent account or payable-through account by the financial institution if the fi-~~

~~nancial institution is a foreign financial institution.~~

~~(ii) Prohibit any transactions in foreign exchange that are subject to the jurisdiction of the United States and in which the financial institution has any interest.~~

~~(iii) In accordance with the International Emergency Economic Powers Act (50 U.S.C. 1701 et seq.), block and prohibit all transactions in all property and interests in property of the financial institution if such property and interests in property are in the United States, come within the United States, or are or come within the possession or control of a United States person.~~

~~(2) CIVIL PENALTIES.—If the President determines that a financial institution identified under subsection (a) that is a United States financial institution has knowingly engaged in conduct described in that subsection—~~

~~(A) if the financial institution has taken reasonable steps to prevent a recurrence of conduct described in that subsection and is cooper-~~

~~ating fully with the efforts of the President to enforce the provisions of this Act—~~

~~(i) unless the financial institution is described in clause (ii), the President shall impose a civil penalty not to exceed $100,000 for each reportable act described in subparagraphs (A) through (E) of subsection (a)(1) that is knowingly conducted; or~~

~~(ii) if the financial institution has not previously been reported for similar conduct under subsection (a), the President shall issue a cautionary letter to that financial institution; or~~

~~(B) if the financial institution is not a financial institution described in subparagraph (A), the President shall impose a civil penalty not to exceed $250,000 for each reportable act described in subparagraphs (A) through (E) of subsection (a)(1) that is knowingly conducted.~~

~~(c) SUSPENSION FOR LAW ENFORCEMENT PURPOSES.—The President may suspend the submission of the reports described in subsection (a) and the application of sanctions and penalties described in subsection (b) for a one-year period if—~~

~~(1) such reporting and application of sanctions and penalties could compromise an ongoing law enforcement investigation or prosecution; or~~

~~(2) a criminal prosecution is pending, or a criminal or civil fine or penalty has been imposed or conditionally deferred, for the conduct reported pursuant to subsection (a).~~

~~(d) SUSPENSION AND TERMINATION OF SANCTIONS AND PENALTIES.—~~

~~(1) SUSPENSION.—The President may suspend the application of any sanctions or penalties under subsection (b) for a period of not more than one year if the President certifies to the appropriate congressional committees that the Government of North Korea is taking steps toward—~~

~~(A) the verification of its compliance with applicable United Nations Security Council Resolutions; and~~

~~(B) fully accounting for and repatriating United States citizens and permanent residents (including deceased United States citizens and permanent residents)—~~

~~(i) abducted or unlawfully held captive by the Government of North Korea; or~~

~~(ii) detained in violation of the Agreement Concerning a Military Armistice in Korea, signed at Panmunjom July 27, 1953 (commonly referred to as the "Korean War Armistice Agreement").~~

~~(2) RENEWAL OF SUSPENSION.—The President may renew a suspension described in paragraph (1) for additional periods of not more than 180 days if the President certifies to the appropriate congressional committees that the Government of North Korea continues to take steps as described in paragraph (1).~~

~~(3) TERMINATION OF SANCTIONS.—Subject to subsection (f), the President may terminate the application of any sanctions or penalties under subsection (b) if the President certifies that the Government of North Korea has made significant progress towards—~~

~~(A) completely, verifiably, and irreversibly dismantling all of its nuclear, chemical, biological, and radiological weapons programs, including all programs for the development of systems designed in whole or in part for the delivery of such weapons; and~~

~~(B) fully accounting for and repatriating United States citizens and permanent residents (including deceased United States citizens and permanent residents)—~~

~~(i) abducted or unlawfully held captive by the Government of North Korea; or~~

~~(ii) detained in violation of the Agreement Concerning a Military Armistice in Korea, signed at Panmunjom July 27, 1953 (commonly referred to as the "Korean War Armistice Agreement").~~

~~(e) WAIVER.—Subject to subsection (f), the President may waive the application of sanctions or penalties under subsection (b) with respect to a financial institution if the President determines that the waiver is in the national security interest of the United States.~~

~~(f) CONGRESSIONAL REVIEW OF PROPOSED ACTIONS TO WAIVE OR TERMINATE SANCTIONS.—~~

~~(1) SUBMISSION TO CONGRESS OF PROPOSED ACTION.—~~

~~(A) IN GENERAL.—Notwithstanding any other provision of law, before taking any action described in subparagraph (B), the President shall submit to the appropriate congressional committees and leadership a report that de-~~

~~scribes the proposed action and the reasons for that action.~~

~~(B) ACTIONS DESCRIBED.—An action described in this subparagraph is—~~

~~(i) an action to suspend, renew a suspension, or terminate under subsection (d) the application of sanctions or penalties under subsection (b); or~~

~~(ii) with respect to sanctions or penalties under subsection (b) imposed by the President with respect to a person, an action to waive under subsection (c) the application of those sanctions or penalties with respect to that person.~~

~~(C) DESCRIPTION OF TYPE OF ACTION.—Each report submitted under subparagraph (A) with respect to an action described in subparagraph (B) shall include a description of whether the action—~~

~~(i) is not intended to significantly alter United States foreign policy with regard to North Korea; or~~

~~(ii) is intended to significantly alter United States foreign policy with regard to North Korea.~~

~~(D) INCLUSION OF ADDITIONAL MATTER.—~~

~~(i) IN GENERAL.—Each report submitted under subparagraph (A) that relates to an action that is intended to significantly alter United States foreign policy with regard to North Korea shall include a description of—~~

~~(I) the significant alteration to United States foreign policy with regard to North Korea;~~

~~(II) the anticipated effect of the action on the national security interests of the United States; and~~

~~(III) the policy objectives for which the sanctions affected by the action were initially imposed.~~

~~(ii) REQUESTS FROM BANKING AND FINANCIAL SERVICES COMMITTEES.—The Committee on Banking, Housing, and Urban Affairs of the Senate or the Committee on Financial Services of the House of Representatives may request the submission to the Committee of the matter described in subclauses (II) and (III) of~~

~~clause (i) with respect to a report submitted under subparagraph (A) that relates to an action that is not intended to significantly alter United States foreign policy with regard to North Korea.~~

~~(2) PERIOD FOR REVIEW BY CONGRESS.—~~

~~(A) IN GENERAL.—During the period of 30 calendar days beginning on the date on which the President submits a report under paragraph (1)(A)—~~

~~(i) in the case of a report that relates to an action that is not intended to significantly alter United States foreign policy with regard to North Korea, the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Financial Services of the House of Representatives should, as appropriate, hold hearings and briefings and otherwise obtain information in order to fully review the report; and~~

~~(ii) in the case of a report that relates to an action that is intended to significantly alter United States foreign policy with regard to North Korea, the Com-~~

~~mittee on Foreign Relations of the Senate and the Committee on Foreign Affairs of the House of Representatives should, as appropriate, hold hearings and briefings and otherwise obtain information in order to fully review the report.~~

~~(B) EXCEPTION.—The period for congressional review under subparagraph (A) of a report required to be submitted under paragraph (1)(A) shall be 60 calendar days if the report is submitted on or after July 10 and on or before September 7 in any calendar year.~~

~~(C) LIMITATION ON ACTIONS DURING INITIAL CONGRESSIONAL REVIEW PERIOD.—Notwithstanding any other provision of law, during the period for congressional review provided for under subparagraph (A) of a report submitted under paragraph (1)(A) proposing an action described in paragraph (1)(B), including any additional period for such review as applicable under the exception provided in subparagraph (B), the President may not take that action unless a joint resolution of approval with respect to that action is enacted in accordance with paragraph (3).~~

~~(D) LIMITATION ON ACTIONS DURING PRESIDENTIAL CONSIDERATION OF A JOINT RESOLUTION OF DISAPPROVAL.—Notwithstanding any other provision of law, if a joint resolution of disapproval relating to a report submitted under paragraph (1)(A) proposing an action described in paragraph (1)(B) passes both Houses of Congress in accordance with paragraph (3), the President may not take that action for a period of 12 calendar days after the date of passage of the joint resolution of disapproval.~~

~~(E) LIMITATION ON ACTIONS DURING CONGRESSIONAL RECONSIDERATION OF A JOINT RESOLUTION OF DISAPPROVAL.—Notwithstanding any other provision of law, if a joint resolution of disapproval relating to a report submitted under paragraph (1)(A) proposing an action described in paragraph (1)(B) passes both Houses of Congress in accordance with paragraph (3), and the President vetoes the joint resolution, the President may not take that action for a period of 10 calendar days after the date of the President's veto.~~

~~(F) EFFECT OF ENACTMENT OF A JOINT RESOLUTION OF DISAPPROVAL.—Notwithstanding any other provision of law, if a joint resolution of disapproval relating to a report submitted under paragraph (1)(A) proposing an action described in paragraph (1)(B) is enacted in accordance with paragraph (3), the President may not take that action.~~

~~(3) JOINT RESOLUTIONS OF DISAPPROVAL OR APPROVAL.—~~

~~(A) JOINT RESOLUTIONS OF DISAPPROVAL OR APPROVAL DEFINED.—In this paragraph:~~

~~(i) JOINT RESOLUTION OF APPROVAL.—The term "joint resolution of approval" means only a joint resolution of either House of Congress—~~

~~(I) the title of which is as follows: "A joint resolution approving the President's proposal to take an action relating to the application of certain sanctions with respect to North Korea."; and~~

~~(II) the sole matter after the resolving clause of which is the following: "Congress approves of the ac-~~

~~tion relating to the application of sanctions imposed with respect to North Korea proposed by the President in the report submitted to Congress under section 101(f)(1)(A) of the Banking Restrictions Involving North Korea (BRINK) Act of 2017 on ______________ relating to ________________.", with the first blank space being filled with the appropriate date and the second blank space being filled with a short description of the proposed action.~~

~~(ii) JOINT RESOLUTION OF DISAPPROVAL.—The term "joint resolution of disapproval" means only a joint resolution of either House of Congress—~~

~~(I) the title of which is as follows: "A joint resolution disapproving the President's proposal to take an action relating to the application of certain sanctions with respect to North Korea."; and~~

~~(II) the sole matter after the resolving clause of which is the fol-~~

~~lowing: "Congress disapproves of the action relating to the application of sanctions imposed with respect to North Korea proposed by the President in the report submitted to Congress under section 101(f)(1)(A) of the Banking Restrictions Involving North Korea (BRINK) Act of 2017 on ______________ relating to ________________.", with the first blank space being filled with the appropriate date and the second blank space being filled with a short description of the proposed action.~~

~~(B) INTRODUCTION.—During the period of 30 calendar days provided for under paragraph (2)(A), including any additional period as applicable under the exception provided in paragraph (2)(B), a joint resolution of approval or joint resolution of disapproval may be introduced—~~

~~(i) in the House of Representatives, by the majority leader or the minority leader; and~~

~~(ii) in the Senate, by the majority leader (or the majority leader's designee)~~

~~or the minority leader (or the minority leader's designee).~~

~~(C) FLOOR CONSIDERATION IN HOUSE OF REPRESENTATIVES.—~~

~~(i) REPORTING AND DISCHARGE.—If a committee of the House of Representatives to which a joint resolution of approval or joint resolution of disapproval has been referred has not reported the joint resolution within 10 calendar days after the date of referral, that committee shall be discharged from further consideration of the joint resolution.~~

~~(ii) PROCEEDING TO CONSIDERATION.—Beginning on the third legislative day after each committee to which a joint resolution of approval or joint resolution of disapproval has been referred reports the joint resolution to the House or has been discharged from further consideration of the joint resolution, it shall be in order to move to proceed to consider the joint resolution in the House. All points of order against the motion are waived. Such a motion shall not be in order after the House~~

~~has disposed of a motion to proceed on the joint resolution. The previous question shall be considered as ordered on the motion to its adoption without intervening motion. The motion shall not be debatable. A motion to reconsider the vote by which the motion is disposed of shall not be in order.~~

~~(iii) CONSIDERATION.—The joint resolution of approval or joint resolution of disapproval shall be considered as read. All points of order against the joint resolution and against its consideration are waived. The previous question shall be considered as ordered on the joint resolution to final passage without intervening motion except 2 hours of debate equally divided and controlled by the sponsor of the joint resolution (or a designee) and an opponent. A motion to reconsider the vote on passage of the joint resolution shall not be in order.~~

~~(D) CONSIDERATION IN THE SENATE.—~~

~~(i) COMMITTEE REFERRAL.—A joint resolution of approval or joint resolution of~~

~~disapproval introduced in the Senate shall be—~~

~~(I) referred to the Committee on Banking, Housing, and Urban Affairs if the joint resolution relates to a report submitted under paragraph (1)(A) with respect to an action that is not intended to significantly alter United States foreign policy with regard to North Korea; and~~

~~(II) referred to the Committee on Foreign Relations if the joint resolution relates to a report submitted under paragraph (1)(A) with respect to an action that is intended to significantly alter United States foreign policy with respect to North Korea.~~

~~(ii) REPORTING AND DISCHARGE.—If the committee to which a joint resolution of approval or joint resolution of disapproval was referred has not reported the joint resolution within 10 calendar days after the date of referral of the joint resolution, that committee shall be discharged from further consideration of the joint res-~~

~~olution and the joint resolution shall be placed on the appropriate calendar.~~

~~(iii) PROCEEDING TO CONSIDERATION.—Notwithstanding Rule XXII of the Standing Rules of the Senate, it is in order at any time after the Committee on Banking, Housing, and Urban Affairs or the Committee on Foreign Relations, as the case may be, reports a joint resolution of approval or joint resolution of disapproval to the Senate or has been discharged from consideration of such a joint resolution (even though a previous motion to the same effect has been disagreed to) to move to proceed to the consideration of the joint resolution, and all points of order against the joint resolution (and against consideration of the joint resolution) are waived. The motion to proceed is not debatable. The motion is not subject to a motion to postpone. A motion to reconsider the vote by which the motion is agreed to or disagreed to shall not be in order.~~

~~(iv) RULINGS OF THE CHAIR ON PROCEDURE.—Appeals from the decisions of~~

~~the Chair relating to the application of the rules of the Senate, as the case may be, to the procedure relating to a joint resolution of approval or joint resolution of disapproval shall be decided without debate.~~

~~(v) CONSIDERATION OF VETO MESSAGES.—Debate in the Senate of any veto message with respect to a joint resolution of approval or joint resolution of disapproval, including all debatable motions and appeals in connection with the joint resolution, shall be limited to 10 hours, to be equally divided between, and controlled by, the majority leader and the minority leader or their designees.~~

~~(E) RULES RELATING TO SENATE AND HOUSE OF REPRESENTATIVES.—~~

~~(i) COORDINATION WITH ACTION BY OTHER HOUSE.—If, before the passage by one House of a joint resolution of approval or joint resolution of disapproval of that House, that House receives an identical joint resolution from the other House, the following procedures shall apply:~~

~~(I) The joint resolution of the other House shall not be referred to a committee.~~

~~(II) With respect to the joint resolution of the House receiving the joint resolution from the other House—~~

~~(aa) the procedure in that House shall be the same as if no joint resolution had been received from the other House; but~~

~~(bb) the vote on passage shall be on the joint resolution of the other House.~~

~~(ii) TREATMENT OF A JOINT RESOLUTION OF OTHER HOUSE.—If one House fails to introduce a joint resolution of approval or joint resolution of disapproval, a joint resolution of approval or joint resolution of disapproval of the other House shall be entitled to expedited procedures in that House under this subsection.~~

~~(iii) TREATMENT OF HOUSE JOINT RESOLUTION IN SENATE.—If, following passage of a joint resolution of approval or~~

~~joint resolution of disapproval in the Senate, the Senate receives an identical joint resolution from the House of Representatives, that joint resolution shall be placed on the appropriate Senate calendar.~~

~~(iv) APPLICATION TO REVENUE MEASURES.—The provisions of this subparagraph shall not apply in the House of Representatives to a joint resolution of approval or joint resolution of disapproval that is a revenue measure.~~

~~(F) RULES OF HOUSE OF REPRESENTATIVES AND SENATE.—This paragraph is enacted by Congress—~~

~~(i) as an exercise of the rulemaking power of the Senate and the House of Representatives, respectively, and as such is deemed a part of the rules of each House, respectively, but applicable only with respect to the procedure to be followed in that House in the case of a joint resolution of approval or joint resolution of disapproval, and supersedes other rules only to the extent that it is inconsistent with such rules; and~~

~~(ii) with full recognition of the constitutional right of either House to change the rules (so far as relating to the procedure of that House) at any time, in the same manner, and to the same extent as in the case of any other rule of that House.~~

~~(g) BRIEFING REQUIRED.—Not later than 180 days after the date of the enactment of this Act, and every 180 days thereafter, the President shall brief the appropriate congressional committees on the status of efforts by the President to prevent conduct described in subparagraphs (A) through (E) of subsection (a)(1).~~

~~(h) RULE OF CONSTRUCTION.—Nothing in this section shall be construed to prohibit any person from, or authorize or require the imposition of sanctions with respect to any person for, conducting or facilitating any transaction for the sale or donation of agricultural commodities, food, medicine, or medical devices.~~

~~(i) APPROPRIATE CONGRESSIONAL COMMITTEES AND LEADERSHIP DEFINED.—In this section, the term "appropriate congressional committees and leadership" means—~~

~~(1) the Committee on Banking, Housing, and Urban Affairs, the Committee on Foreign Relations,~~

~~and the majority and minority leaders of the Senate; and~~

~~(2) the Committee on Financial Services, the Committee on Foreign Affairs, and the Speaker, the majority leader, and the minority leader of the House of Representatives.~~

~~SEC. 102. EXPANSION OF LICENSING REQUIREMENTS FOR TRANSACTIONS IN NORTH KOREAN COVERED PROPERTY.~~

~~(a) LICENSE REQUIRED.—~~

~~(1) IN GENERAL.—Except as provided in paragraph (2), not later than 180 days after the date of the enactment of this Act, the President shall prescribe regulations prohibiting any transaction involving the manufacture, sale, purchase, transfer, import, or export of North Korean covered property by a United States person or conducted in the United States.~~

~~(2) EXCEPTION.—~~

~~(A) IN GENERAL.—Except as provided in subparagraph (B), the Secretary may grant licenses and permits for the following purposes:~~

~~(i) For any purpose covered by an exemption or waiver under section 208 of the North Korea Sanctions and Policy En-~~

~~hancement Act of 2016 (22 U.S.C. 9228), including humanitarian, diplomatic, consular, law enforcement, and other purposes.~~

~~(ii) To import food products into North Korea if such food products are not defined as luxury goods.~~

~~(iii) To meet an urgent and compelling humanitarian need.~~

~~(iv) For activities to promote human rights in North Korea, the development of private agriculture and markets in North Korea, and the free flow of information to, from, and within North Korea.~~

~~(v) To import agricultural products, medicine, or medical devices into North Korea if such products, medicine, or devices are classified as designated "EAR 99" under subchapter C of chapter VII of title 15, Code of Federal Regulations, or any successor regulations (commonly known as the "Export Administration Regulations"), and not controlled under—~~

~~(I) the Export Administration Act of 1979 (50 U.S.C. App. 2401 et~~

~~seq.), as continued in effect under the International Emergency Economic Powers Act (50 U.S.C. 1701 et seq.);~~

~~(II) the Arms Export Control Act (22 U.S.C. 2751 et seq.);~~

~~(III) part B of title VIII of the Nuclear Proliferation Prevention Act of 1994 (22 U.S.C. 6301 et seq.); or~~

~~(IV) the Chemical and Biological Weapons Control and Warfare Elimination Act of 1991 (22 U.S.C. 5601 et seq.).~~

~~(B) EXCEPTION.—The Secretary may not grant a license or permit under subparagraph (A) for an activity described in section 104(a) of the North Korea Sanctions and Policy Enhancement Act of 2016 (22 U.S.C. 9214(a)).~~

~~(b) PENALTIES.—~~

~~(1) IN GENERAL.—A person shall be fined not more than $5,000,000, imprisoned for not more than 20 years, or both, if the person knowingly—~~

~~(A) engages in a transaction described in subsection (a)(1), except pursuant to a license or permit granted under this section or regulations prescribed pursuant to this section; or~~

~~(B) evades a requirement to obtain a license or permit under this section or a regulations prescribed pursuant to this section.~~

~~(2) FORFEITURE OF PROPERTY.—Any property, real or personal, that is involved in a transaction that is a violation of subsection (a)(1), is involved in an attempt to conduct such a transaction, or constitutes or is derived from proceeds traceable to such a transaction, is subject to forfeiture to the United States.~~

~~(c) REPORT REQUIRED.—~~

~~(1) IN GENERAL.—Not later than 180 days after the date of the enactment of this Act, and annually thereafter, the President shall submit to the appropriate congressional committees a report listing any licenses or permits granted under subsection (a).~~

~~(2) FORM.—Each report required under paragraph (1) shall be submitted in unclassified form but may include a classified annex.~~

~~(3) PUBLIC AVAILABILITY.—Not later than 30 days after the submission of a report under paragraph (1), the Secretary of the Treasury and the Secretary of State shall each publish the unclassified part of the report on a publicly available Internet~~

~~website of the Department of the Treasury and the Department of State, as the case may be.~~

~~(d) TERMINATION OF REQUIREMENTS.—The President may terminate the prohibition on transactions described in subsection (a) and the imposition of penalties under subsection (b) if the President submits to the appropriate congressional committees the certification described in section 402 of the North Korea Sanctions and Policy Enhancement Act of 2016 (22 U.S.C. 9252).~~

~~(e) MODIFICATION OF DEFINITION OF SPECIFIED UNLAWFUL ACTIVITY FOR MONEY LAUNDERING PURPOSES.—Section 1956(c)(7)(D) of title 18, United States Code, is amended—~~

~~(1) by striking "or section 104(a) of" and inserting "section 104(a) of"; and~~

~~(2) by inserting before the semicolon at the end the following: ", or section 102(b) of the Banking Restrictions Involving North Korea (BRINK) Act of 2017 (relating to transactions in certain North Korean property)".~~

~~**SEC. 103. AUTHORIZATION OF IMPOSITION OF SANCTIONS WITH RESPECT TO THE PROVISION OF SPECIALIZED FINANCIAL MESSAGING SERVICES TO NORTH KOREAN FINANCIAL INSTITUTIONS AND SANCTIONED PERSONS.**~~

~~(a) SENSE OF CONGRESS.—It is the sense of Congress that—~~

~~(1) providers of specialized financial messaging services have been used as a critical link between the Government of North Korea and the international financial system;~~

~~(2) the Financial Action Task Force has repeatedly called for jurisdictions to apply countermeasures to protect the financial system from the risks of money laundering and proliferation financing emanating from North Korea;~~

~~(3) credible published reports have implicated the Government of North Korea in stealing approximately $81,000,000 from the Bangladesh Bank and attempting to steal another $951,000,000 from other banks using a financial messaging service; and~~

~~(4) directly providing specialized financial messaging services to, or enabling or facilitating direct or indirect access to such messaging services for, any financial institution designated by the United~~

~~Nations Security Council is inconsistent with applicable United Nations Security Council resolutions.~~

~~(b) AUTHORIZATION OF IMPOSITION OF SANCTIONS.—The President may impose sanctions pursuant to the International Emergency Economic Powers Act (50 U.S.C. 1701 et seq.) with respect to a person if, on or after the date that is 90 days after the date of the enactment of this Act, the person knowingly and directly provides specialized financial messaging services to, or knowingly enables or facilitates direct or indirect access to such messaging services for—~~

~~(1) a North Korean financial institution;~~

~~(2) a person, including a financial institution, that is designated pursuant to—~~

~~(A) an applicable Executive order;~~

~~(B) an applicable United Nations Security Council resolution; or~~

~~(C) section 104 of the North Korea Sanctions and Policy Enhancement Act of 2016 (22 U.S.C. 9214); or~~

~~(3) a person subject to sanctions under this Act.~~

~~(c) ENABLING OR FACILITATING ACCESS TO SPECIALIZED FINANCIAL MESSAGING SERVICES.—For purposes of this section, enabling or facilitating direct or indi-~~

~~rect access to specialized financial messaging services to a person described in paragraph (1) or (2) of subsection (b) includes doing so by serving as an intermediary financial institution with access to such messaging services.~~

~~(d) SUSPENSION AND TERMINATION OF SANCTIONS.—~~

~~(1) SUSPENSION.—The President may suspend the application of any sanctions under subsection (b) for a period of not more than one year if the President certifies to the appropriate congressional committees that the Government of North Korea is taking steps toward—~~

~~(A) the verification of its compliance with applicable United Nations Security Council Resolutions; and~~

~~(B) fully accounting for and repatriating United States citizens and permanent residents (including deceased United States citizens and permanent residents)—~~

~~(i) abducted or unlawfully held captive by the Government of North Korea; or~~

~~(ii) detained in violation of the Agreement Concerning a Military Armistice in Korea, signed at Panmunjom July 27,~~

~~1953 (commonly referred to as the "Korean War Armistice Agreement").~~

~~(2) RENEWAL OF SUSPENSION.—The President may renew a suspension described in paragraph (1) for additional periods of not more than 180 days if the President certifies to the appropriate congressional committees that the Government of North Korea continues to take steps as described in paragraph (1).~~

~~(3) TERMINATION OF SANCTIONS.—The President may terminate the application of any sanctions under subsection (b) if the President certifies that the Government of North Korea has made significant progress towards—~~

~~(A) completely, verifiably, and irreversibly dismantling all of its nuclear, chemical, biological, and radiological weapons programs, including all programs for the development of systems designed in whole or in part for the delivery of such weapons; and~~

~~(B) fully accounting for and repatriating United States citizens and permanent residents (including deceased United States citizens and permanent residents)—~~

~~(i) abducted or unlawfully held captive by the Government of North Korea; or~~

~~(ii) detained in violation of the Agreement Concerning a Military Armistice in Korea, signed at Panmunjom July 27, 1953 (commonly referred to as the "Korean War Armistice Agreement").~~

~~SEC. 104. AUTHORIZATION OF IMPOSITION OF SANCTIONS WITH RESPECT TO GOVERNMENTS THAT FAIL TO COMPLY WITH UNITED NATIONS SECURITY COUNCIL SANCTIONS AGAINST NORTH KOREA.~~

~~(a) BRIEFING REQUIRED.—Not later than 90 days after the date of the enactment of this Act, the President shall brief the appropriate congressional committees regarding each government of a foreign country that the President has identified as failing to—~~

~~(1) close the branches, subsidiaries, or representative offices of North Korean financial institutions in that country;~~

~~(2) expel representatives of North Korean financial institutions;~~

~~(3) close the representative offices and expel the representatives of persons designated under applicable United Nations Security Council resolutions;~~

~~(4) prohibit joint ventures with North Korean financial institutions;~~

~~(5) deregister any vessel that constitutes North Korean covered property; or~~

~~(6) expel North Korean nationals, including diplomats, working on behalf of persons designated under applicable United Nations Security Council resolutions.~~

~~(b) PUBLICATION.—The Secretary of the Treasury shall publish in the Federal Register the names of each foreign country that has failed to carry out the activities described in paragraphs (1) through (6) of subsection (a).~~

~~(c) SANCTIONS AUTHORIZED.—With respect to any government of a foreign country included in the briefing under subsection (a), the President may, until such time as the President determines that the government has taken substantial steps to terminate conduct described in that subsection, impose one or more of the following sanctions with respect to that government:~~

~~(1) Prohibit or curtail the export of any goods or technology to that foreign country pursuant to the authorities provided in section 6 of the Export Administration Act of 1979 (50 U.S.C. 4605) (as continued in effect pursuant to the International~~

~~Emergency Economic Powers Act (50 U.S.C. 1701 et seq.)).~~

~~(2) Withhold assistance under the Foreign Assistance Act of 1961 (22 U.S.C. 2151 et seq.) to that government.~~

~~(3) Instruct the United States executive director at each international financial institution (as defined in section 1701(c) of the International Financial Institutions Act (22 U.S.C. 262r(c))) to use the voice and vote of the United States to oppose the provision of loans, benefits, or other use of the funds of the institution to that government.~~

~~(d) RULE OF CONSTRUCTION.—This section shall not be construed to limit the use of other sanctions authorities available to the President in response to conduct described in subsection (a).~~

~~**SEC. 105. GRANTS TO CONDUCT RESEARCH ON FINANCIAL NETWORKS AND FINANCIAL METHODS OF THE GOVERNMENT OF NORTH KOREA.**~~

~~(a) GRANTS AUTHORIZED.—~~

~~(1) IN GENERAL.—The President, acting through the Attorney General, the Secretary of State, the Secretary of the Treasury, or the Director of National Intelligence, may award grants to, and enter into cooperative agreements with, States, units~~

~~of local government, nongovernmental organizations, and relevant international organizations to further the purposes of this title and provide data to address the issues identified in section 2.~~

~~(2) RESEARCH INITIATIVES.—Grants awarded and cooperative agreements entered into under paragraph (1) shall include grants and agreements for the purpose of conducting research initiatives on the following:~~

~~(A) The methods used by the Government of North Korea to deal in, transact in, or conceal the ownership, control, or origin of North Korean covered property.~~

~~(B) The relationship between proliferation by the Government of North Korea and the financial industry or financial institutions.~~

~~(C) The export by any person to the United States of North Korean covered property.~~

~~(D) The involvement of any person in human trafficking involving citizens or nationals of North Korea.~~

~~(E) Information relating to transactions described in section 102(a).~~

~~(F) Information relating to activities described in section 104(a).~~

~~(G) Information relating to the identification, blocking, and release of property or proceeds described in section 107(a).~~

~~(H) The effectiveness of law enforcement and diplomatic initiatives of Federal, State, and foreign governments to comply with the provisions of applicable United Nations Security Council resolutions.~~

~~(I) The effectiveness of compliance programs within the financial industry to ensure compliance with applicable United Nations Security Council resolutions.~~

~~(b) INTERAGENCY COORDINATION.—The President shall ensure that any information collected pursuant to subsection (a) is shared among the agencies involved in investigations described in section 102(b) of the North Korea Sanctions and Policy Enhancement Act of 2016 (22 U.S.C. 9212).~~

~~(c) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated for each of fiscal years 2018 through 2021 such sums as may be necessary to carry out this section.~~

~~SEC. 106. REPORT ON USE BY THE GOVERNMENT OF NORTH KOREA OF BENEFICIAL OWNERSHIP RULES TO ACCESS THE INTERNATIONAL FINANCIAL SYSTEM.~~

~~(a) IN GENERAL.—Not later than November 11, 2018, the Director of the Financial Crimes Enforcement Network of the Department of the Treasury shall submit to the appropriate congressional committees and publish in the Federal Register a report setting forth the findings of the Director regarding how the Government of North Korea is using laws regarding beneficial ownership of property to access the international financial system.~~

~~(b) ELEMENTS.—The Director shall include in the report required under subsection (a) proposals for such legislative and administrative action as the Director considers appropriate.~~

~~SEC. 107. SENSE OF CONGRESS ON IDENTIFICATION AND BLOCKING OF PROPERTY OF NORTH KOREAN OFFICIALS.~~

~~(a) IN GENERAL.—It is the sense of Congress that the President should collaborate with the Stolen Asset Recovery Initiative of the World Bank Group and the United Nations Office on Drugs and Crime to prioritize the identification, blocking, and release for humanitarian purposes of—~~

~~(1) any property owned or controlled by a North Korean official; or~~

~~(2) any significant proceeds of kleptocracy by the Government of North Korea or a North Korean official.~~

~~(b) NORTH KOREAN OFFICIAL DEFINED.—In this section, the term "North Korean official" includes—~~

~~(1) the individuals described in section 304(a)(2)(B) of the North Korea Sanctions and Policy Enhancement Act of 2016 (22 U.S.C. 9243(a)(2)(B)); and~~

~~(2) such additional officials as the President may determine to be officials of the Government of North Korea.~~

~~SEC. 108. SENSE OF CONGRESS REGARDING THE KAESONG INDUSTRIAL COMPLEX.~~

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

~~(1) On October 14, 2006, the United Nations Security Council adopted Resolution 1718, paragraph 8(d) of which requires member states of the United Nations to ensure that persons under their jurisdiction prevent any funds, financial assets, and economic resources from being used by persons or entities engaged in or proving support for the nuclear, chemical, or biological weapons programs of~~

~~North Korea or the ballistic missile programs of North Korea.~~

~~(2) On April 11, 2011, the President signed Executive Order 13570 (50 U.S.C. 1701 note; relating to prohibiting certain transactions with respect to North Korea), which prohibits the importation into the United States, directly or indirectly, of any goods, services, or technology from North Korea, except as provided in statute or in licenses, regulations, orders, or directives that may be issued pursuant to that Executive order.~~

~~(3) In April 2013, the Under Secretary of the Treasury for Terrorism and Financial Intelligence said, in reference to the Kaesong Industrial Complex, "Precisely what North Koreans do with earnings from Kaesong, I think, is something that we are concerned about.".~~

~~(4) In February 2016, on announcing the suspension of operations at the Kaesong Industrial Complex, the Unification Ministry of the Republic of Korea stated that the Government of North Korea may have used the proceeds from the Kaesong Industrial Complex to finance its nuclear weapons program.~~

~~(5) On November 30, 2016, the United States Security Council approved Resolution 2321, paragraph 32 of which requires member states of the United Nations to prohibit public and private financial support for trade with North Korea from within their territories or by persons subject to their jurisdiction, including the granting of export credits, guarantees, or insurance to persons involved in such trade, except as approved in advance by a committee appointed by the Security Council on a case-by-case basis.~~

~~(b) SENSE OF CONGRESS.—It is the sense of Congress that—~~

~~(1) the United States stands in solidarity with its ally in the Republic of Korea, and has expressed that solidarity with the sacrifice of 36,914 people of the United States and with the continued presence of 29,500 members of the Armed Forces of the United States in the Republic of Korea;~~

~~(2) the nuclear weapons program of North Korea poses a grave and imminent threat to the freedom and security of both the United States and the Republic of Korea;~~

~~(3) the Kaesong Industrial Complex yielded few, if any, apparent benefits with regard to the reform, liberalization, or disarmament of North Korea;~~

~~(4) the unconditional provision of revenue from the Kaesong Industrial Complex to the Government of North Korea undermines the financial pressure necessary to strict and effective enforcement of United Nations Security Council sanctions;~~

~~(5) the strict and effective enforcement of United Nations Security Council sanctions is the last plausible option to achieve the complete, verifiable, irreversible, and peaceful nuclear disarmament of North Korea; and~~

~~(6) the Kaesong Industrial Complex should not be reopened until the Government of North Korea has completely, verifiably, and irreversibly dismantled all of its nuclear, chemical, biological, and radiological weapons programs, including all programs for the development of systems designed in whole or in part for the delivery of such weapons.~~

~~TITLE II—DIVESTMENT FROM NORTH KOREA~~

~~SEC. 201. AUTHORITY OF STATE AND LOCAL GOVERNMENTS TO DIVEST FROM COMPANIES THAT INVEST IN NORTH KOREA.~~

~~(a) SENSE OF CONGRESS.—It is the sense of Congress that the United States should support the decision of any State or local government, for moral, prudential, or reputational reasons, to divest from, or prohibit the investment of assets of the State or local government in, a person that engages in investment activities involving North Korean covered property if North Korea is subject to economic sanctions imposed by the United States or the United Nations Security Council.~~

~~(b) AUTHORITY TO DIVEST.—Notwithstanding any other provision of law, a State or local government may adopt and enforce measures that meet the requirements of subsection (c) to divest the assets of the State or local government from, or prohibit investment of the assets of the State or local government in, any person that the State or local government determines, using credible information available to the public, engages in investment activities involving North Korean covered property of a value of more than $10,000.~~

~~(c) REQUIREMENTS.—Any measure taken by a State or local government under subsection (b) shall meet the following requirements:~~

~~(1) NOTICE.—The State or local government shall provide written notice to each person with respect to which a measure under this section is to be applied.~~

~~(2) TIMING.—The measure applied under this section shall apply to a person not earlier than the date that is 90 days after the date on which written notice under paragraph (1) is provided to the person.~~

~~(3) OPPORTUNITY TO DEMONSTRATE COMPLIANCE.—~~

~~(A) IN GENERAL.—The State or local government shall provide to each person with respect to which a measure is to be applied under this section an opportunity to demonstrate to the State or local government that the person does not engage in investment activities in North Korean covered property.~~

~~(B) NONAPPLICATION.—If a person with respect to which a measure is to be applied under this section demonstrates to the State or local government under subparagraph (A) that~~

~~the person does not engage in investment activities in North Korean covered property, the measure shall not apply to that person.~~

~~(4) SENSE OF CONGRESS ON AVOIDING ERRONEOUS TARGETING.—It is the sense of Congress that a State or local government should not adopt a measure under subsection (b) with respect to a person unless the State or local government has—~~

~~(A) made every effort to avoid erroneously targeting the person; and~~

~~(B) verified that the person engages in investment activities in North Korean covered property.~~

~~(d) NOTICE TO DEPARTMENT OF JUSTICE.—Not later than 30 days after a State or local government applies a measure under this section, the State or local government shall notify the Attorney General of that measure.~~

~~(e) AUTHORIZATION FOR PRIOR APPLIED MEASURES.—~~

~~(1) IN GENERAL.—Notwithstanding any other provision of this section or any other provision of law, a State or local government may enforce a measure (without regard to the requirements of subsection (c), except as provided in paragraph (2)) ap-~~

~~plied by the State or local government before the date of the enactment of this Act that provides for the divestment of assets of the State or local government from, or prohibits the investment of the assets of the State or local government in, any person that the State or local government determines, using credible information available to the public, engages in investment activities in North Korean covered property that are identified in that measure.~~

~~(2) APPLICATION OF NOTICE REQUIREMENTS.—A measure described in paragraph (1) shall be subject to the requirements of paragraphs (1), (2), and (3)(A) of subsection (c) on and after the date that is two years after the date of the enactment of this Act.~~

~~(f) NO PREEMPTION.—A measure applied by a State or local government authorized under subsection (b) or (e) is not preempted by any Federal law.~~

~~(g) DEFINITIONS.—In this section:~~

~~(1) ASSET.—~~

~~(A) IN GENERAL.—Except as provided in subparagraph (B), the term "asset" means public monies, and includes any pension, retirement, annuity, endowment fund, or similar in-~~

~~strument, that is controlled by a State or local government.~~

~~(B) EXCEPTION.—The term "asset" does not include employee benefit plans covered by title I of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1001 et seq.).~~

~~(2) INVESTMENT.—The term "investment" includes—~~

~~(A) a commitment or contribution of funds or property;~~

~~(B) a loan or other extension of credit; and~~

~~(C) the entry into or renewal of a contract for goods or services.~~

~~(h) EFFECTIVE DATE.—~~

~~(1) IN GENERAL.—Except as provided in paragraph (2) and subsection (c), this section applies to measures applied by a State or local government before, on, or after the date of the enactment of this Act.~~

~~(2) NOTICE REQUIREMENTS.—Except as provided in subsection (h), subsections (c) and (d) apply to measures applied by a State or local government on or after the date of the enactment of this Act.~~

~~SEC. 202. SAFE HARBOR FOR CHANGES OF INVESTMENT POLICIES BY ASSET MANAGERS.~~

~~(a) IN GENERAL.—Section 13(c)(1) of the Investment Company Act of 1940 (15 U.S.C. 80a–13(c)(1)) is amended—~~

~~(1) in subparagraph (A) by striking "or" at the end;~~

~~(2) in subparagraph (B) by striking the period and inserting "; or"; and~~

~~(3) by adding at the end the following:~~

~~"(C) engage in investment activities involving North Korean covered property, as defined in section 3 of the Banking Restrictions Involving North Korea (BRINK) Act of 2017.".~~

~~(b) SECURITIES AND EXCHANGE COMMISSION REGULATIONS.—Not later than 120 days after the date of the enactment of this Act, the Securities and Exchange Commission shall issue any revisions the Securities and Exchange Commission determines to be necessary to the regulations requiring disclosure by each registered investment company that divests itself of securities in accordance with section 13(c) of the Investment Company Act of 1940 (15 U.S.C. 80a–13(c)), including in accordance with paragraph (1)(C) of that section, as added by subsection (a)(3).~~

~~SEC. 203. SENSE OF CONGRESS REGARDING CERTAIN ERISA PLAN INVESTMENTS.~~

~~It is the sense of Congress that—~~

~~(1) a fiduciary of an employee benefit plan, as defined in section 3(3) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1002(3)), may divest plan assets from, or avoid investing plan assets in, any person the fiduciary determines engages in investment activities involving North Korean covered property, if—~~

~~(A) the fiduciary makes that determination using credible information that is available to the public; and~~

~~(B) the fiduciary prudently determines that the result of that divestment or avoidance of investment would not be expected to provide the employee benefit plan with—~~

~~(i) a lower rate of return than alternative investments with commensurate degrees of risk; or~~

~~(ii) a higher degree of risk than alternative investments with commensurate rates of return; and~~

~~(2) by divesting assets or avoiding the investment of assets as described in paragraph (1), the fiduciary is not breaching the responsibilities, obliga-~~

~~tions, or duties imposed upon the fiduciary by subparagraph (A) or (B) of section 404(a)(1) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1104(a)(1)).~~

~~SEC. 204. RULE OF CONSTRUCTION.~~

~~Nothing in this Act or any other provision of law authorizing sanctions with respect to North Korea shall be construed to affect or displace—~~

~~(1) the authority of a State or local government to issue and enforce rules governing the safety, soundness, and solvency of a financial institution subject to its jurisdiction; or~~

~~(2) the regulation and taxation by the several States of the business of insurance, pursuant to the Act of March 9, 1945 (59 Stat. 34, chapter 20; 15 U.S.C. 1011 et seq.) (commonly known as the "McCarran-Ferguson Act").~~

~~TITLE III—GENERAL AUTHORITIES~~

~~SEC. 301. RULEMAKING.~~

~~The President may prescribe such rules and regulations as may be necessary to carry out this Act.~~

~~SEC. 302. AUTHORITY TO CONSOLIDATE REPORTS.~~

~~(a) IN GENERAL.—Any and all reports required to be submitted to the appropriate congressional committees~~

~~under this Act that are subject to a deadline for submission consisting of the same unit of time may be consolidated into a single report that is submitted pursuant to that deadline.~~

~~(b) CONTENTS.—Any reports consolidated under subsection (a) shall contain all information required under this Act and any other elements that may be required by existing law.~~

~~**SEC. 303. RULE OF CONSTRUCTION.**~~

~~Nothing in this Act shall be construed to limit the authority or obligation of the President—~~

~~(1) to apply the sanctions described in section 104 of the North Korea Sanctions and Policy Enhancement Act of 2016 (22 U.S.C. 9214) with regard to persons that meet the criteria for designation under such section; or~~

~~(2) to exercise any other law enforcement authorities available to the President.~~

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the "Otto Warmbier Banking Restrictions Involving North Korea Act of 2017".

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

TITLE I—SANCTIONS WITH RESPECT TO NORTH KOREA

SEC. 101. FINDINGS.

Congress finds the following:

(1) Since 2006, the United Nations Security Council has approved 9 resolutions imposing sanctions against North Korea under chapter VII of the United Nations Charter, which—

(A) prohibit the use, development, and proliferation of weapons of mass destruction by the Government of North Korea;

(B) prohibit the transfer of arms and related materiel to or by the Government of North Korea;

(C) prohibit the transfer of luxury goods to North Korea;

(D) restrict access by the Government of North Korea to the financial system and require due diligence on the part of financial institu-

tions to prevent the financing of proliferation involving the Government of North Korea;

(E) restrict North Korean shipping, including the reflagging of ships owned or controlled by the Government of North Korea;

(F) limit the sale by the Government of North Korea of precious metals, iron, coal, vanadium, and rare earth minerals;

(G) prohibit the transfer to North Korea of rocket, aviation, or jet fuel;

(H) prohibit new work authorization for North Korean labors;

(I) prohibit exports of North Korean seafood;

(J) prohibit joint ventures or cooperative commercial entities or expanding joint ventures with North Korea;

(K) prohibit exports of North Korean textiles; and

(L) call on member countries of the United Nations to interdict and inspect vessels suspected of containing prohibited North Korean cargo.

(2) The Government of North Korea has threatened to carry out nuclear attacks against the United States, South Korea, and Japan.

(3) The Federal Bureau of Investigation has determined that the Government of North Korea was responsible for cyberattacks against entities in the United States and South Korea.

(4) In May 2017, the Director of National Intelligence found that "North Korea has also expanded the size and sophistication of its ballistic missile forces—from close-range ballistic missiles (CRBMs) to ICBMs—and continues to conduct test launches. In 2016, North Korea conducted an unprecedented number of ballistic missile tests. Pyongyang is committed to developing a long-range, nuclear-armed missile that is capable of posing a direct threat to the United States; it has publicly displayed its road-mobile ICBMs on multiple occasions. We assess that North Korea has taken steps toward fielding an ICBM but has not flight-tested it.".

(5) The Government of North Korea tested its sixth and largest nuclear device on September 3, 2017.

(6) The Government of North Korea has increased the pace of its missile testing, including the test of a submarine-launched ballistic missile, potentially furthering the development of the capability to attack the United States with a nuclear weapon.

(7) Financial transactions and investments that provide financial resources to the Government of North Korea, and that fail to incorporate adequate safeguards against the misuse of those financial resources, pose an undue risk of contributing to—

(A) weapons of mass destruction programs of that Government; and

(B) efforts to evade restrictions required by the United Nations Security Council on imports or exports of arms and related materiel, services, or technology by that Government.

(8) The strict enforcement of sanctions is essential to the efforts of the international community to achieve the peaceful, complete, verifiable, and irreversible dismantlement of weapons of mass destruction programs of the Government of North Korea.

SEC. 102. SENSE OF CONGRESS.

It is the sense of Congress that—

(1) the United States is committed to working with its allies and partners to halt the nuclear and ballistic missile programs of North Korea through a policy of maximum pressure and diplomatic engagement;

(2) the imposition of sanctions, including those under this Act, should not be construed to limit the

authority of the President to fully engage in diplomatic negotiations to further the policy objective described in paragraph (1);

(3) the successful use of sanctions to halt the nuclear and ballistic missile programs of North Korea is part of a broader diplomatic and economic strategy that relies on effective coordination among relevant Federal agencies and officials, as well as with international partners of the United States; and

(4) the coordination described in paragraph (3) should include proper vetting of external messaging and communications from all parts of the Executive branch to ensure that those communications are an intentional component of and aligned with the strategy of the United States with respect to North Korea.

SEC. 103. DEFINITIONS.

(a) IN GENERAL.—In this title, the terms "applicable Executive order", "applicable United Nations Security Council resolution", "appropriate congressional committees", "Government of North Korea", "North Korea", and "North Korean financial institution" have the meanings given those terms in section 3 of the North Korea Sanctions and Policy Enhancement Act of 2016 (22 U.S.C. 9202), as amended by subsection (b).

(b) AMENDMENTS TO DEFINITIONS IN NORTH KOREA SANCTIONS AND POLICY ENHANCEMENT ACT OF 2016.—Section 3 of the North Korea Sanctions and Policy Enhancement Act of 2016 (22 U.S.C. 9202) is amended—

(1) in paragraph (1)(A), in the matter preceding clause (i), by striking "Executive Order No. 13694" and all that follows through "to the extent that" and inserting the following: "Executive Order 13694 (50 U.S.C. 1701 note; relating to blocking the property of certain persons engaging in significant malicious cyber-enabled activities), Executive Order 13722 (50 U.S.C. 1701 note; relating to blocking the property of the Government of North Korea and the Workers' Party of Korea, and prohibiting certain transactions with respect to North Korea), or Executive Order 13810 (82 Fed. Reg. 44705; relating to imposing additional sanctions with respect to North Korea), to the extent that"; and

(2) in paragraph (2)(A), by striking "or 2321 (2016)" and inserting "2321 (2016), 2356 (2017), 2371 (2017), or 2375 (2017)".

Subtitle A—Expansion of Sanctions and Related Matters

SEC. 111. SANCTIONS WITH RESPECT TO FOREIGN FINANCIAL INSTITUTIONS THAT PROVIDE FINANCIAL SERVICES TO CERTAIN SANCTIONED PERSONS.

(a) IN GENERAL.—Title II of the North Korea Sanctions and Policy Enhancement Act of 2016 (22 U.S.C. 9221 et seq.) is amended by inserting after the item relating to section 201A the following:

"SEC. 201B. SANCTIONS WITH RESPECT TO FOREIGN FINANCIAL INSTITUTIONS THAT PROVIDE FINANCIAL SERVICES TO CERTAIN SANCTIONED PERSONS.

"(a) IN GENERAL.—The Secretary of the Treasury shall impose one or more of the sanctions described in subsection (b) with respect to a foreign financial institution that the Secretary determines, on or after the date that is 90 days after the date of the enactment of the Otto Warmbier Banking Restrictions Involving North Korea Act of 2017, knowingly provides significant financial services to any person designated for the imposition of sanctions under—

"(1) subsection (a) or (b) of section 104;

"(2) an applicable Executive order; or

"(3) an applicable United Nations Security Council resolution.

"(b) SANCTIONS DESCRIBED.—The sanctions that may be imposed with respect to a foreign financial institution subject to subsection (a) are the following:

"(1) ASSET BLOCKING.—The Secretary may block and prohibit, pursuant to the International Emergency Economic Powers Act (50 U.S.C. 1701 et seq.), all transactions in all property and interests in property of the foreign financial institution if such property and interests in property are in the United States, come within the United States, or are or come within the possession or control of a United States person.

"(2) RESTRICTIONS ON CORRESPONDENT AND PAYABLE-THROUGH ACCOUNTS.—The Secretary may prohibit, or impose strict conditions on, the opening or maintaining in the United States of a correspondent account or a payable-through account by the foreign financial institution.

"(c) IMPLEMENTATION; PENALTIES.—

"(1) IMPLEMENTATION.—The President may exercise all authorities provided under sections 203 and 205 of the International Emergency Economic Powers

Act (50 U.S.C. 1702 and 1704) to carry out this section.

"(2) PENALTIES.—A person that violates, attempts to violate, conspires to violate, or causes a violation of this section or any regulation, license, or order issued to carry out this section shall be subject to the penalties set forth in subsections (b) and (c) of section 206 of the International Emergency Economic Powers Act (50 U.S.C. 1705) to the same extent as a person that commits an unlawful act described in subsection (a) of that section.

"(d) REGULATIONS.—Not later than 120 days after the date of the enactment of the Otto Warmbier Banking Restrictions Involving North Korea Act of 2017, the President shall, as appropriate, prescribe regulations to carry out this section.

"(e) DEFINITIONS.—In this section:

"(1) ACCOUNT; CORRESPONDENT ACCOUNT; PAYABLE-THROUGH ACCOUNT.—The terms 'account', 'correspondent account', and 'payable-through account' have the meanings given those terms in section 5318A of title 31, United States Code.

"(2) FINANCIAL INSTITUTION.—The term 'financial institution' means a financial institution specified in subparagraph (A), (B), (C), (D), (E), (F), (G),

(H), (I), (J), (M), or (Y) of section 5312(a)(2) of title 31, United States Code.

"(3) FOREIGN FINANCIAL INSTITUTION.—The term 'foreign financial institution' shall have the meaning of that term as determined by the Secretary of the Treasury.

"(4) KNOWINGLY.—The term 'knowingly', with respect to conduct, a circumstance, or a result, means that a person has actual knowledge, or should have known, of the conduct, the circumstance, or the result.".

(b) CLERICAL AMENDMENT.—The table of contents for the North Korea Sanctions and Policy Enhancement Act of 2016 is amended by inserting after the item relating to section 201A the following:

"201B. Sanctions with respect to foreign financial institutions that provide financial services to certain sanctioned persons.".

SEC. 112. CODIFICATION OF EXECUTIVE ORDERS RELATING TO SANCTIONS WITH RESPECT TO NORTH KOREA.

(a) IN GENERAL.—Section 210 of the North Korea Sanctions and Policy Enhancement Act of 2016 (22 U.S.C. 9230) is amended—

(1) by striking "United States sanctions" and all that follows through "the date of the enactment of this Act" and inserting "United States sanctions pro-

vided for in Executive Order 13687 (50 U.S.C. 1701 note; relating to imposing additional sanctions with respect to North Korea), Executive Order 13694 (50 U.S.C. 1701 note; relating to blocking the property of certain persons engaging in significant malicious cyber-enabled activities), Executive Order 13722 (50 U.S.C. 1701 note; relating to blocking the property of the Government of North Korea and the Workers' Party of Korea, and prohibiting certain transactions with respect to North Korea), or Executive Order 13810 (82 Fed. Reg. 44705; relating to imposing additional sanctions with respect to North Korea), as such Executive Orders are in effect on the day before the date of the enactment of the Otto Warmbier Banking Restrictions Involving North Korea Act of 2017";

(2) by striking "the Government of North Korea, persons acting for or on behalf of that Government, and persons owned or controlled, directly or indirectly, by that Government or persons acting for or on behalf of that Government," and inserting "persons subject to such sanctions"; and

(3) by striking "and 2094 (2013)" and inserting "2094 (2013), 2270 (2016), 2321 (2016), 2356 (2017), 2371 (2017), and 2375 (2017)".

*(b) CONFORMING AMENDMENT.—Section 210 of the North Korea Sanctions and Policy Enhancement Act of 2016 (22 U.S.C. 9230) is amended in the section heading by striking "**SANCTIONS WITH RESPECT TO NORTH KOREAN ACTIVITIES UNDERMINING CYBERSECURITY**" and inserting "**EXECUTIVE ORDERS RELATING TO SANCTIONS WITH RESPECT TO NORTH KOREA**".*

(c) CLERICAL AMENDMENT.—The table of contents for the North Korea Sanctions and Policy Enhancement Act of 2016 is amended by striking the item relating to section 210 and inserting the following:

"Sec. 210. Codification of Executive orders relating to sanctions with respect to North Korea.".

SEC. 113. EXPANSION OF MANDATORY DESIGNATIONS UNDER NORTH KOREA SANCTIONS AND POLICY ENHANCEMENT ACT OF 2016.

(a) IN GENERAL.—Section 104(a) of the North Korea Sanctions and Policy Enhancement Act of 2016 (22 U.S.C. 9214(a)) is amended—

(1) in paragraph (14), by striking "or" at the end;

(2) by redesignating paragraph (15) as paragraph (23);

(3) by inserting after paragraph (14) the following:

"(15) knowingly, directly or indirectly, purchased or otherwise acquired from the Government of North Korea significant quantities of coal, iron, or iron ore;

"(16) knowingly, directly or indirectly, provided to the Government of North Korea coal, iron, or iron ore;

"(17) knowingly, directly or indirectly, purchased or otherwise acquired textiles from the Government of North Korea;

"(18) knowingly facilitated a significant transfer of funds or property of the Government of North Korea that materially contributes to any violation of an applicable United Nations Security Council resolution;

"(19) knowingly, directly or indirectly, purchased or otherwise acquired significant types or amounts of seafood from North Korea;

"(20) knowingly, directly or indirectly, engaged in, facilitated, or was responsible for the exportation of workers from North Korea in a manner intended to generate significant revenue, directly or indirectly, for use by the Government of North Korea or by the Workers' Party of Korea;

"(21) knowingly, directly or indirectly, sells or transfers vessels to North Korea, except as specifically approved by the United Nations Security Council;

"(22) knowingly contributed to—

"(A) the bribery of an official of the Government of North Korea or any person acting for or on behalf of that official;

"(B) the misappropriation, theft, or embezzlement of public funds by, or for the benefit of, an official of the Government of North Korea or any person acting for or on behalf of that official; or

"(C) the use of any proceeds of any activity described in subparagraph (A) or (B); or"; and

(4) in paragraph (23), as redesignated by paragraph (2), by striking "through (14)" and inserting "through (22)".

(b) CONFORMING AMENDMENTS.—The North Korea Sanctions and Policy Enhancement Act of 2016 is amended—

(1) in section 104(b)(1) (22 U.S.C. 9214(b)(1))—

(A) by striking subparagraphs (B), (D), (E), (F), and (L); and

(B) by redesignating subparagraphs (C), (G), (H), (I), (J), (K), (M), and (N) as subpara-

graphs (B), (C), (D), (E), (F), (G), (H), and (I), respectively; and

(2) in section 302(b)(3) (22 U.S.C. 9241(b)(3)), by striking "section 104(b)(1)(M)" and inserting "section 104(a)(20)".

SEC. 114. EXTENSION OF APPLICABILITY PERIOD OF PROLIFERATION PREVENTION SANCTIONS.

Section 203(b)(2) of the North Korea Sanctions and Policy Enhancement Act of 2016 (22 U.S.C. 9223(b)(2)) is amended by striking "2 years" and inserting "5 years".

SEC. 115. SENSE OF CONGRESS ON IDENTIFICATION AND BLOCKING OF PROPERTY OF NORTH KOREAN OFFICIALS.

It is the sense of Congress that the President should—

(1) encourage international collaboration through the Financial Action Task Force and its network of Financial Action Task Force-style regional bodies to apply best practices in disrupting money laundering related to kleptocracy and corruption, especially as it relates to North Korea; and

(2) prioritize multilateral efforts to identify and block—

(A) any property owned or controlled by a North Korean official; and

(B) any significant proceeds of kleptocracy by the Government of North Korea or a North Korean official.

SEC. 116. MODIFICATION OF REPORT ON IMPLEMENTATION OF UNITED NATIONS SECURITY COUNCIL RESOLUTIONS BY OTHER GOVERNMENTS.

Section 317 of the Korean Interdiction and Modernization of Sanctions Act (title III of Public Law 115–44) is amended—

(1) in subsection (a)—

(A) in paragraph (3), by striking "; or" and inserting a semicolon;

(B) by redesignating paragraph (4) as paragraph (8); and

(C) by inserting after paragraph (3) the following:

"(4) prohibit, in the territories of such countries or by persons subject to the jurisdiction of such governments, the opening of new joint ventures or cooperative entities with North Korean persons or the expansion of existing joint ventures through additional investments, whether or not for or on behalf of the Government of North Korea, unless such joint ventures or cooperative entities have been approved by the Committee of the United Nations Security Council

established by United Nations Security Council Resolution 1718 (2006);

"(5) prohibit the unauthorized clearing of funds by North Korean financial institutions through financial institutions subject to the jurisdiction of such governments;

"(6) prohibit the unauthorized conduct of commercial trade with North Korea that is prohibited under applicable United Nations Security Council resolutions;

"(7) prevent the provision of financial services to North Korean persons or the transfer of financial services to North Korean persons to, through, or from the territories of such countries or by persons subject to the jurisdiction of such governments; or"; and

(2) by amending subsection (c) to read as follows:

"(c) DEFINITIONS.—In this section:

"(1) APPROPRIATE CONGRESSIONAL COMMITTEES AND LEADERSHIP.—The term 'appropriate congressional committees and leadership' means—

"(A) the Committee on Foreign Relations, the Committee on Banking, Housing, and Urban Affairs, and the majority and minority leaders of the Senate; and

"(B) the Committee on Foreign Affairs, the Committee on Financial Services, the Committee on Ways and Means, and the Speaker, the majority leader, and the minority leader of the House of Representatives.

"(2) APPLICABLE UNITED NATIONS SECURITY COUNCIL RESOLUTION; NORTH KOREAN FINANCIAL INSTITUTION; NORTH KOREAN PERSON.—The terms 'applicable United Nations Security Council resolution', 'North Korean financial institution', and 'North Korean person' have the meanings given those terms in section 3 of the North Korea Sanctions and Policy Enhancement Act of 2016 (22 U.S.C. 9202).".

SEC. 117. REPORT ON USE BY THE GOVERNMENT OF NORTH KOREA OF BENEFICIAL OWNERSHIP RULES TO ACCESS THE INTERNATIONAL FINANCIAL SYSTEM.

(a) IN GENERAL.—Not later than 180 days after the date of the enactment of this Act, the Secretary of the Treasury shall submit to the appropriate congressional committees a report setting forth the findings of the Secretary regarding how the Government of North Korea is exploiting laws regarding beneficial ownership of property to access the international financial system.

(b) ELEMENTS.—The Secretary shall include in the report required under subsection (a) proposals for such legislative and administrative action as the Secretary considers appropriate to combat the abuse by the Government of North Korea of shell companies and other similar entities to avoid or evade sanctions.

(c) FORM.—The report required by subsection (a) shall be submitted in unclassified form but may include a classified annex.

SEC. 118. NORTH KOREA STRATEGY.

(a) REPORT ON STRATEGY REQUIRED.—Not later than 90 days after the date of the enactment of this Act, the President shall submit to the appropriate congressional committees a report that sets forth a strategy of the United States with respect to North Korea.

(b) ELEMENTS.—The report required by subsection (a) shall include the following elements:

(1) The desired end state in North Korea and current United States objectives relative to security, economic, and illicit finance threats emanating from North Korea.

(2) A detailed strategy to accomplish the end state described in paragraph (1).

(3) A description of existing unilateral and multilateral levers the United States has to exert coercive

pressure on North Korea, together with an assessment of the degree to which those levers have been utilized thus far, the degree to which those actions have imposed costs on North Korea, remaining options for increasing those costs, and parameters the President will use to determine when and to what degree increasing those costs is necessary.

(4) An identification of the resources and authorities necessary to carry out the strategy described in paragraph (2).

(5) An identification of any capacity and resource gaps that would affect the execution of the strategy described in paragraph (2) and a mitigation plan to address such gaps.

(6) A description of the economic, political, and trade relationships between the People's Republic of China and North Korea and the Russian Federation and North Korea, including trends in those relationships and their impact on the Government of North Korea.

(7) A description of the significant economic, political, and trade relationships between North Korea and countries other than the People's Republic of China or the Russian Federation, and an identifica-

tion of countries that may be undermining United States objectives identified in paragraph (1).

(8) A description of the channels North Korea is using to access the United States and international financial systems and the degree to which those channels have been targeted by United States and multilateral sanctions thus far.

(9) An assessment of current and desired partner nation contributions to countering threats from North Korea and a plan to enhance economic and political cooperation with nations that have shared security interests.

(c) FORM.—The report required by subsection (a) shall be submitted in unclassified form but may include a classified annex.

(d) UPDATES REQUIRED.—The President shall provide Congress with regular updates on the implementation of the strategy required pursuant to subsection (a) in unclassified form.

Subtitle B—Congressional Review and Oversight

SEC. 121. NOTIFICATION OF TERMINATION OR SUSPENSION OF SANCTIONS.

Not less than 15 days before taking any action to terminate or suspend the application of sanctions under this *title or an amendment made by this title, the President shall notify the appropriate congressional committees of the President's intent to take the action and the reasons for the action.*

SEC. 122. REPORTS ON CERTAIN LICENSING ACTIONS.

(a) IN GENERAL.—Not later than 180 days after the date of the enactment of this Act, and every 180 days thereafter, the President shall submit to the appropriate congressional committees a report on the operation of the system for issuing licenses for transactions under covered regulatory provisions during the preceding 180-day period that includes—

(1) the number and types of such licenses applied for during that period;

(2) the number and types of such licenses issued during that period; and

(3) a summary of all general and specific licenses issued with respect to North Korea.

(b) COVERED REGULATORY PROVISION DEFINED.—In this section, the term "covered regulatory provision" means any of the following provisions, as in effect on the day before the date of the enactment of this Act and as such provisions relate to North Korea:

(1) Part 743, 744, or 746 of title 15, Code of Federal Regulations.

(2) Part 510 of title 31, Code of Federal Regulations.

(3) Any other provision of title 31, Code of Federal Regulations.

(c) FORM.—Each report required by subsection (a) shall be submitted in unclassified form but may include a classified annex.

SEC. 123. BRIEFINGS ON IMPLEMENTATION AND ENFORCEMENT OF SANCTIONS.

Not later than 90 days after the date of the enactment of this Act, and regularly thereafter, the Secretary of the Treasury shall provide to the appropriate congressional committees a briefing on efforts relating to the implementation and enforcement of United States sanctions with respect to North Korea, including appropriate updates on the efforts of the Department of the Treasury to address compliance with such sanctions by foreign financial institutions.

SEC. 124. REPORT ON FINANCIAL NETWORKS AND FINANCIAL METHODS OF THE GOVERNMENT OF NORTH KOREA.

(a) REPORT REQUIRED.—

(1) IN GENERAL.—Not later than 180 days after the date of the enactment of this Act, and annually thereafter through 2021, the President shall submit to the appropriate congressional committees a report on

sources of external support for the Government of North Korea that includes—

(A) a description of the methods used by the Government of North Korea to deal in, transact in, or conceal the ownership, control, or origin of goods and services exported by North Korea;

(B) an assessment of the relationship between the proliferation of weapons of mass destruction by the Government of North Korea and the financial industry or financial institutions;

(C) an assessment of the relationship between the acquisition by the Government of North Korea of military expertise, equipment, and technology and the financial industry or financial institutions;

(D) a description of the export by any person to the United States of goods, services, or technology that are made with significant amounts of North Korean labor, material, or goods, including minerals, manufacturing, seafood, overseas labor, or other exports from North Korea;

(E) an assessment of the involvement of any person in human trafficking involving citizens or nationals of North Korea;

(F) a description of how the President plans to address the flow of funds generated by activities described in subparagraphs (A) through (E), including through the use of sanctions or other means;

(G) an assessment of the extent to which the Government of North Korea engages in criminal activities, including money laundering, to support that Government;

(H) information relating to the identification, blocking, and release of property described in section 201B(b)(1) of the North Korea Sanctions and Policy Enhancement Act of 2016, as added by section 111;

(I) a description of the metrics used to measure the effectiveness of law enforcement and diplomatic initiatives of Federal, State, and foreign governments to comply with the provisions of applicable United Nations Security Council resolutions; and

(J) an assessment of the effectiveness of programs within the financial industry to ensure compliance with United States sanctions, applicable United Nations Security Council resolutions, and applicable Executive orders.

(2) FORM.—Each report required by paragraph (1) shall be submitted in unclassified form but may include a classified annex.

(b) INTERAGENCY COORDINATION.—The President shall ensure that any information collected pursuant to subsection (a) is shared among the Federal departments and agencies involved in investigations described in section 102(b) of the North Korea Sanctions and Policy Enhancement Act of 2016 (22 U.S.C. 9212(b)).

SEC. 125. REPORT ON NORTH KOREAN CYBER CAPABILITIES AND THREATS TO UNITED STATES ECONOMIC AND SECURITY INTERESTS.

Section 209(a)(2) of the North Korea Sanctions and Policy Enhancement Act of 2016 (22 U.S.C. 9229(a)(2)) is amended—

(1) in subparagraph (C), by striking "; and" and inserting a semicolon;

(2) by redesignating subparagraph (D) as subparagraph (E); and

(3) by inserting after subparagraph (C) the following:

"(D) an analysis of the cyber capabilities of the Government of North Korea, the threat posed by such capabilities, and the capacity of the Government of North Korea to potentially under-

mine United States economic and security interests, including the United States financial system; and".

SEC. 126. REPORT ON COUNTRIES OF CONCERN WITH RESPECT TO TRANSSHIPMENT, REEXPORTATION, OR DIVERSION OF CERTAIN ITEMS TO NORTH KOREA.

(a) IN GENERAL.—Not later than 180 days after the date of the enactment of this Act, and annually thereafter through 2021, the Director of National Intelligence shall submit to the President, the Secretary of Defense, the Secretary of Commerce, the Secretary of State, the Secretary of the Treasury, and the appropriate congressional committees a report that identifies all countries that the Director determines are of concern with respect to transshipment, reexportation, or diversion of items subject to the provisions of the Export Administration Regulations under subchapter C of chapter VII of title 15, Code of Federal Regulations, to an entity owned or controlled by the Government of North Korea.

(b) FORM.—Each report required by subsection (a) shall be submitted in unclassified form but may include a classified annex.

Subtitle C—General Matters

SEC. 131. RULEMAKING.

The President shall prescribe such rules and regulations as may be necessary to carry out this title and amendments made by this title.

SEC. 132. AUTHORITY TO CONSOLIDATE REPORTS.

(a) IN GENERAL.—Any and all reports required to be submitted to the appropriate congressional committees under this title or an amendment made by this title that are subject to a deadline for submission consisting of the same unit of time may be consolidated into a single report that is submitted pursuant to that deadline.

(b) CONTENTS.—Any reports consolidated under subsection (a) shall contain all information required under this title or an amendment made by this title and any other elements that may be required by existing law.

SEC. 133. WAIVERS, EXEMPTIONS, AND TERMINATION.

(a) APPLICATION AND MODIFICATION OF EXEMPTIONS AND WAIVERS FROM NORTH KOREA SANCTIONS AND POLICY ENHANCEMENT ACT OF 2016.—Section 208 of the North Korea Sanctions and Policy Enhancement Act of 2016 (22 U.S.C. 9228) is amended—

(1) by inserting "201B," after "201A," each place it appears; and

(2) in subsection (c), by inserting ", not less than 15 days before the waiver takes effect," after "if the President".

(b) EXCEPTION RELATING TO IMPORTATION OF GOODS.—

(1) IN GENERAL.—No provision affecting sanctions under this title or an amendment made by this title shall apply to sanctions on the importation of goods.

(2) GOOD DEFINED.—In this subsection, the term "good" has the meaning given that term in section 16 of the Export Administration Act of 1979 (50 U.S.C. 4618) (as continued in effect pursuant to the International Emergency Economic Powers Act (50 U.S.C. 1701 et seq.)).

(c) SUSPENSION.—

(1) IN GENERAL.—Subject to section 121, any requirement to impose sanctions under this title or the amendments made by this title, and any sanctions imposed pursuant to this title or any such amendment, may be suspended for up to one year if the President makes the certification described in section 401 of the North Korea Sanctions and Policy Enhancement Act of 2016 (22 U.S.C. 9251) to the appropriate congressional committees.

(2) RENEWAL.—A suspension under paragraph (1) may be renewed in accordance with section 401(b) of the North Korea Sanctions and Policy Enhancement Act of 2016 (22 U.S.C. 9251(b)).

(d) TERMINATION.—Subject to section 121, any requirement to impose sanctions under this title or the amendments made by this title, and any sanctions imposed pursuant to this title or any such amendment, shall terminate on the date on which the President makes the certification described in section 402 of the North Korea Sanctions and Policy Enhancement Act of 2016 (22 U.S.C. 9252).

SEC. 134. PROCEDURES FOR REVIEW OF CLASSIFIED INFORMATION.

(a) IN GENERAL.—If a finding under this title or an amendment made by this title, a prohibition, condition, or penalty imposed as a result of any such finding, or a penalty imposed under this title or an amendment made by this title, is based on classified information (as defined in section 1(a) of the Classified Information Procedures Act (18 U.S.C. App.)) and a court reviews the finding or the imposition of the prohibition, condition, or penalty, the Secretary of the Treasury may submit such information to the court ex parte and in camera.

(b) RULE OF CONSTRUCTION.—Nothing in this section shall be construed to confer or imply any right to judicial review of any finding under this title or an amendment made by this title, any prohibition, condition, or penalty imposed as a result of any such finding, or any penalty imposed under this title or an amendment made by this title.

SEC. 135. BRIEFING ON RESOURCING OF SANCTIONS PROGRAMS.

Not later than 30 days after the date of the enactment of this Act, the Secretary of the Treasury shall provide to the appropriate congressional committees a briefing on—

(1) the resources allocated by the Department of the Treasury to support each sanctions program administered by the Department; and

(2) recommendations for additional authorities or resources necessary to expand the capacity or capability of the Department related to implementation and enforcement of such programs.

SEC. 136. BRIEFING ON PROLIFERATION FINANCING.

(a) IN GENERAL.—Not later than 60 days after the date of the enactment of this Act, the Secretary of the Treasury shall provide to the appropriate congressional committees a briefing on addressing proliferation finance.

(b) ELEMENTS.—The briefing required by subsection (a) shall include the following:

(1) The Department of the Treasury's definition and description of an appropriate risk-based approach to combating financing of the proliferation of weapons of mass destruction.

(2) An assessment of—

(A) Federal financial regulatory agency oversight, including by the Financial Crimes Enforcement Network, of United States financial institutions and the adoption by their foreign subsidiaries, branches, and correspondent institutions of a risk-based approach to proliferation financing; and

(B) whether financial institutions in foreign jurisdictions known by the United States intelligence and law enforcement communities to be jurisdictions through which North Korea moves substantial sums of licit and illicit finance are applying a risk-based approach to proliferation financing, and if that approach is comparable to the approach required by United States financial institution supervisors.

(3) A survey of the technical assistance the Office of Technical Assistance of the Department of the

Treasury, and other appropriate Executive branch offices, currently provide foreign institutions on implementing counter-proliferation financing best practices.

(4) An assessment of the ability of foreign subsidiaries, branches, and correspondent institutions of United States financial institutions to implement a risk-based approach to proliferation financing.

TITLE II—DIVESTMENT FROM NORTH KOREA

SEC. 201. AUTHORITY OF STATE AND LOCAL GOVERNMENTS TO DIVEST FROM COMPANIES THAT INVEST IN NORTH KOREA.

(a) SENSE OF CONGRESS.—It is the sense of Congress that the United States should support the decision of any State or local government made for moral, prudential, or reputational reasons, to divest from, or prohibit the investment of assets of the State or local government in, a person that engages in investment activities described in subsection (c) if North Korea is subject to economic sanctions imposed by the United States or the United Nations Security Council.

(b) AUTHORITY TO DIVEST.—Notwithstanding any other provision of law, a State or local government may adopt and enforce measures that meet the requirements of

subsection (d) to divest the assets of the State or local government from, or prohibit investment of the assets of the State or local government in, any person that the State or local government determines, using credible information available to the public, engages in investment activities described in subsection (c).

(c) INVESTMENT ACTIVITIES DESCRIBED.—Investment activities described in this subsection are activities of a value of more than $10,000 relating to an investment in North Korea or in goods or services originating in North Korea that are not conducted pursuant to a license issued by the Department of the Treasury.

(d) REQUIREMENTS.—Any measure taken by a State or local government under subsection (b) shall meet the following requirements:

(1) NOTICE.—The State or local government shall provide written notice to each person with respect to which a measure under this section is to be applied.

(2) TIMING.—The measure applied under this section shall apply to a person not earlier than the date that is 90 days after the date on which written notice under paragraph (1) is provided to the person.

(3) OPPORTUNITY TO DEMONSTRATE COMPLIANCE.—

(A) IN GENERAL.—The State or local government shall provide to each person with respect to which a measure is to be applied under this section an opportunity to demonstrate to the State or local government that the person does not engage in investment activities described in subsection (c).

(B) NONAPPLICATION.—If a person with respect to which a measure is to be applied under this section demonstrates to the State or local government under subparagraph (A) that the person does not engage in investment activities described in subsection (c), the measure shall not apply to that person.

(4) SENSE OF CONGRESS ON AVOIDING ERRONEOUS TARGETING.—It is the sense of Congress that a State or local government should not adopt a measure under subsection (b) with respect to a person unless the State or local government has—

(A) made every effort to avoid erroneously targeting the person; and

(B) verified that the person engages in investment activities described in subsection (c).

(e) NOTICE TO DEPARTMENT OF JUSTICE.—Not later than 30 days before a State or local government applies

a measure under this section, the State or local government shall notify the Attorney General of that measure.

(f) AUTHORIZATION FOR PRIOR APPLIED MEASURES.—

(1) IN GENERAL.—Notwithstanding any other provision of this section or any other provision of law, a State or local government may enforce a measure (without regard to the requirements of subsection (d), except as provided in paragraph (2)) applied by the State or local government before the date of the enactment of this Act that provides for the divestment of assets of the State or local government from, or prohibits the investment of the assets of the State or local government in, any person that the State or local government determines, using credible information available to the public, engages in investment activities described in subsection (c) that are identified in that measure.

(2) APPLICATION OF NOTICE REQUIREMENTS.—A measure described in paragraph (1) shall be subject to the requirements of paragraphs (1), (2), and (3)(A) of subsection (d) on and after the date that is 2 years after the date of the enactment of this Act.

(g) NO PREEMPTION.—A measure applied by a State or local government that is consistent with subsection (b) or (f) is not preempted by any Federal law.

(h) DEFINITIONS.—In this section:

(1) ASSET.—

(A) IN GENERAL.—Except as provided in subparagraph (B), the term "asset" means public monies, and includes any pension, retirement, annuity, endowment fund, or similar instrument, that is controlled by a State or local government.

(B) EXCEPTION.—The term "asset" does not include employee benefit plans covered by title I of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1001 et seq.).

(2) INVESTMENT.—The term "investment" includes—

(A) a commitment or contribution of funds or property;

(B) a loan or other extension of credit; and

(C) the entry into or renewal of a contract for goods or services.

(i) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as provided in paragraph (2) and subsection (f), this section applies to

measures applied by a State or local government before, on, or after the date of the enactment of this Act.

(2) NOTICE REQUIREMENTS.—Except as provided in subsection (f), subsections (d) and (e) apply to measures applied by a State or local government on or after the date of the enactment of this Act.

SEC. 202. SAFE HARBOR FOR CHANGES OF INVESTMENT POLICIES BY ASSET MANAGERS.

Section 13(c)(1) of the Investment Company Act of 1940 (15 U.S.C. 80a–13(c)(1)) is amended—

(1) in subparagraph (A), by striking "or" at the end;

(2) in subparagraph (B), by striking the period and inserting "; or"; and

(3) by adding at the end the following:

"(C) engage in investment activities described in section 201(c) of the Otto Warmbier Banking Restrictions Involving North Korea Act of 2017.".

SEC. 203. SENSE OF CONGRESS REGARDING CERTAIN ERISA PLAN INVESTMENTS.

It is the sense of Congress that—

(1) a fiduciary of an employee benefit plan, as defined in section 3(3) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1002(3)),

may divest plan assets from, or avoid investing plan assets in, any person the fiduciary determines engages in investment activities described in section 201(c), if—

(A) the fiduciary makes that determination using credible information that is available to the public; and

(B) the fiduciary prudently determines that the result of that divestment or avoidance of investment would not be expected to provide the employee benefit plan with—

(i) a lower rate of return than alternative investments with commensurate degrees of risk; or

(ii) a higher degree of risk than alternative investments with commensurate rates of return; and

(2) by divesting assets or avoiding the investment of assets as described in paragraph (1), the fiduciary is not breaching the responsibilities, obligations, or duties imposed upon the fiduciary by subparagraph (A) or (B) of section 404(a)(1) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1104(a)(1)).

SEC. 204. RULE OF CONSTRUCTION.

Nothing in this title, an amendment made by this title, or any other provision of law authorizing sanctions with respect to North Korea shall be construed to affect or displace—

(1) the authority of a State or local government to issue and enforce rules governing the safety, soundness, and solvency of a financial institution subject to its jurisdiction; or

(2) the regulation and taxation by the several States of the business of insurance, pursuant to the Act of March 9, 1945 (59 Stat. 33, chapter 20; 15 U.S.C. 1011 et seq.) (commonly known as the "McCarran-Ferguson Act").

TITLE III—FINANCIAL INDUSTRY GUIDANCE TO HALT TRAFFICKING

SEC. 301. SHORT TITLE.

This title may be cited as the "Financial Industry Guidance to Halt Trafficking Act" or the "FIGHT Act".

SEC. 302. FINDINGS.

Congress finds the following:

(1) The terms "human trafficking" and "trafficking in persons" are used interchangeably to describe crimes involving the exploitation of a person

for the purposes of compelled labor or commercial sex through the use of force, fraud, or coercion.

(2) According to the International Labour Organization, there are an estimated 24,900,000 people worldwide who are victims of forced labor, including human trafficking victims in the United States.

(3) Human trafficking is perpetrated for financial gain.

(4) According to the International Labour Organization, of the estimated $150,000,000,000 or more in global profits generated annually from human trafficking—

(A) approximately 2/3 are generated by commercial sexual exploitation, exacted by fraud or by force; and

(B) approximately 1/3 are generated by forced labor.

(5) Most purchases of commercial sex acts are paid for with cash, making trafficking proceeds difficult to identify in the financial system. Nonetheless, traffickers rely heavily on access to financial institutions as destinations for trafficking proceeds and as conduits to finance every step of the trafficking process.

(6) Under section 1956 of title 18, United States Code (relating to money laundering), human trafficking is a "specified unlawful activity" and transactions conducted with proceeds earned from trafficking people, or used to further trafficking operations, can be prosecuted as money laundering offenses.

SEC. 303. SENSE OF CONGRESS.

It is the sense of Congress that—

(1) the President should aggressively apply, as appropriate, existing sanctions for human trafficking authorized under section 111 of the Trafficking Victims Protection Act of 2000 (22 U.S.C. 7108);

(2) the Financial Crimes Enforcement Network of the Department of the Treasury should continue—

(A) to monitor reporting required under subchapter II of chapter 53 of title 31, United States Code (commonly known as the "Bank Secrecy Act") and to update advisories, as warranted;

(B) to periodically review its advisories to provide covered financial institutions, as appropriate, with a list of new "red flags" for identifying activities of concern, particularly human trafficking;

(C) to encourage entities covered by the advisories described in subparagraph (B) to incorporate relevant elements provided in the advisories into their current transaction and account monitoring systems or in policies, procedures, and training on human trafficking to enable financial institutions to maintain ongoing efforts to examine transactions and accounts;

(D) to use geographic targeting orders, as appropriate, to impose additional reporting and recordkeeping requirements under section 5326(a) of title 31, United States Code, to carry out the purposes of, and prevent evasions of the Bank Secrecy Act; and

(E) to utilize the Bank Secrecy Act Advisory Group and other relevant entities to identify opportunities for nongovernmental organizations to share relevant actionable information on human traffickers' use of the financial sector for nefarious purposes;

(3) Federal banking regulators, the Department of the Treasury, relevant law enforcement agencies, and the Human Smuggling and Trafficking Center, in partnership with representatives from the United States financial community, should adopt regular

forms of sharing information to disrupt human trafficking, including developing protocols and procedures to share actionable information between and amongst covered institutions, law enforcement, and the United States intelligence community;

(4) training front line bank and money service business employees, school teachers, law enforcement officers, foreign service officers, counselors, and the general public is an important factor in identifying trafficking victims;

(5) the Department of Homeland Security's Blue Campaign, training by the BEST Employers Alliance, and similar efforts by industry, human rights, and nongovernmental organizations focused on human trafficking provide good examples of current efforts to educate employees of critical sectors to save victims and disrupt trafficking networks;

(6) the President should intensify diplomatic efforts, bilaterally and in appropriate international fora, such as the United Nations, to develop and implement a coordinated, consistent, multilateral strategy for addressing the international financial networks supporting human trafficking; and

(7) in deliberations between the United States Government and any foreign country, including

through participation in the Egmont Group of Financial Intelligence Units, regarding money laundering, corruption, and transnational crimes, the United States Government should—

(A) encourage cooperation by foreign governments and relevant international fora in identifying the extent to which the proceeds from human trafficking are being used to facilitate terrorist financing, corruption, or other illicit financial crimes;

(B) encourage cooperation by foreign governments and relevant international fora in identifying the nexus between human trafficking and money laundering;

(C) advance policies that promote the cooperation of foreign governments, through information sharing, training, or other measures, in the enforcement of this title;

(D) encourage the Financial Action Task Force to update its July 2011 typology reports entitled, "Laundering the Proceeds of Corruption" and "Money Laundering Risks Arising from Trafficking in Human Beings and Smuggling of Migrants", to identify the money laun-

dering risk arising from the trafficking of human beings; and

(E) encourage the Egmont Group of Financial Intelligence Units to study the extent to which human trafficking operations are being used for money laundering, terrorist financing, or other illicit financial purposes.

SEC. 304. COORDINATION OF HUMAN TRAFFICKING ISSUES BY THE OFFICE OF TERRORISM AND FINANCIAL INTELLIGENCE.

(a) FUNCTIONS.—Section 312(a)(4) of title 31, United States Code, is amended—

(1) by redesignating subparagraphs (E), (F), and (G) as subparagraphs (F), (G), and (H), respectively; and

(2) by inserting after subparagraph (D) the following:

"(E) combating illicit financing relating to human trafficking;".

(b) INTERAGENCY COORDINATION.—Section 312(a) of such title is amended by adding at the end the following:

"(8) INTERAGENCY COORDINATION.—The Secretary of the Treasury, after consultation with the Undersecretary for Terrorism and Financial Crimes, shall designate an office within the OTFI that shall

coordinate efforts to combat the illicit financing of human trafficking with—

"(A) other offices of the Department of the Treasury;

"(B) other Federal agencies, including—

"(i) the Office to Monitor and Combat Trafficking in Persons of the Department of State; and

"(ii) the Interagency Task Force to Monitor and Combat Trafficking;

"(C) State and local law enforcement agencies; and

"(D) foreign governments.".

SEC. 305. STRENGTHENING THE ROLE OF ANTI-MONEY LAUNDERING AND OTHER FINANCIAL TOOLS IN COMBATING HUMAN TRAFFICKING.

(a) INTERAGENCY TASK FORCE RECOMMENDATIONS TARGETING MONEY LAUNDERING RELATED TO HUMAN TRAFFICKING.—

(1) IN GENERAL.—Not later than 270 days after the date of the enactment of this Act, the Interagency Task Force to Monitor and Combat Trafficking shall submit to the Committee on Banking, Housing, and Urban Affairs, the Committee on Foreign Relations, and the Committee on the Judiciary of the Senate, the

Committee on Financial Services, the Committee on Foreign Affairs, and the Committee on the Judiciary of the House of Representatives, the Secretary of the Treasury, and each appropriate Federal banking agency—

(A) an analysis of anti-money laundering efforts of the United States Government and United States financial institutions related to human trafficking; and

(B) appropriate legislative, administrative, and other recommendations to strengthen efforts against money laundering relating to human trafficking.

(2) REQUIRED RECOMMENDATIONS.—The recommendations under paragraph (1) shall include—

(A) best practices based on successful anti-human trafficking programs currently in place at financial institutions that are suitable for broader adoption;

(B) stakeholder feedback on policy proposals derived from the analysis conducted by the task force referred to in paragraph (1) that would enhance the efforts and programs of financial institutions to detect and deter money laundering related to human trafficking, including any rec-

ommended changes to internal policies, procedures, and controls related to human trafficking;

(C) any recommended changes to training programs at financial institutions to better equip employees to deter and detect money laundering related to human trafficking; and

(D) any recommended changes to expand human trafficking-related information sharing among financial institutions and between such financial institutions, appropriate law enforcement agencies, and appropriate Federal agencies.

(b) ADDITIONAL REPORTING REQUIREMENT.—Section 105(d)(7) of the Trafficking Victims Protection Act of 2000 (22 U.S.C. 7103(d)(7)) is amended—

(1) in the matter preceding subparagraph (A)—

(A) by inserting "the Committee on Financial Services," after "the Committee on Foreign Affairs"; and

(B) by inserting "the Committee on Banking, Housing, and Urban Affairs," after "the Committee on Foreign Relations,";

(2) in subparagraph (Q)(vii), by striking "; and" and inserting a semicolon;

(3) in subparagraph (R), by striking the period at the end and inserting "; and"; and

(4) by adding at the end the following:

"(S) the efforts of the United States to eliminate money laundering related to human trafficking and the number of investigations, arrests, indictments, and convictions in money laundering cases with a nexus to human trafficking.".

(c) REQUIRED REVIEW OF PROCEDURES.—Not later than 180 days after the date of the enactment of this Act, the Federal Financial Institutions Examination Council, in consultation with the Secretary of the Treasury, the private sector, and appropriate law enforcement agencies, shall—

(1) review and enhance training and examinations procedures to improve the surveillance capabilities of anti-money laundering and countering the financing of terrorism programs to detect human trafficking-related financial transactions;

(2) review and enhance procedures for referring potential human trafficking cases to the appropriate law enforcement agency; and

(3) determine, as appropriate, whether requirements for financial institutions and covered financial institutions are sufficient to detect and deter money laundering related to human trafficking.

SEC. 306. SENSE OF CONGRESS ON RESOURCES TO COMBAT HUMAN TRAFFICKING.

It is the sense of Congress that—

(1) adequate funding should be provided for critical Federal efforts to combat human trafficking;

(2) the Department of the Treasury should have the appropriate resources to vigorously investigate human trafficking networks under section 111 of the Trafficking Victims Protection Act of 2000 (22 U.S.C. 7108) and other relevant statutes and Executive orders;

(3) the Department of the Treasury and the Department of Justice should each have the capacity and appropriate resources to support technical assistance to develop foreign partners' ability to combat human trafficking through strong national anti-money laundering and countering the financing of terrorism programs;

(4) each United States Attorney's Office should be provided appropriate funding to increase the number of personnel for community education and outreach and investigative support and forensic analysis related to human trafficking; and

(5) the Department of State should be provided additional resources, as necessary, to carry out the

Survivors of Human Trafficking Empowerment Act (section 115 of Public Law 114–22; 129 Stat. 243).

TITLE IV—DEFENSE PRODUCTION ACT MATTERS

SEC. 401. LIMITATION ON CANCELLATION OF DESIGNATION OF SECRETARY OF THE AIR FORCE AS DEPARTMENT OF DEFENSE EXECUTIVE AGENT FOR A CERTAIN DEFENSE PRODUCTION ACT PROGRAM.

(a) LIMITATION ON CANCELLATION OF DESIGNATION.—The Secretary of Defense may not implement the decision, issued on July 1, 2017, to cancel the designation, under Department of Defense Directive 4400.01E, entitled "Defense Production Act Programs" and dated October 12, 2001, of the Secretary of the Air Force as the Department of Defense Executive Agent for the program carried out under title III of the Defense Production Act of 1950 (50 U.S.C. 4531 et seq.) until the date specified in subsection (c).

(b) DESIGNATION.—The Secretary of the Air Force shall continue to serve as the sole and exclusive Department of Defense Executive Agent for the program described in subsection (a) until the date specified in subsection (c).

(c) DATE SPECIFIED.—The date specified in this subsection is the date of the enactment of a joint resolution

or an Act approving the implementation of the decision described in subsection (a).

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115TH CONGRESS
1ST SESSION

S. 1591

A BILL

To impose sanctions with respect to the Democratic People's Republic of Korea, and for other purposes.

NOVEMBER 16, 2017

Reported with an amendment