

115TH CONGRESS
1ST SESSION

H. R. 1644

To enhance sanctions with respect to transactions relating to North Korea,
and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

MARCH 21, 2017

Mr. ROYCE of California (for himself, Mr. ENGEL, Mr. YOHIO, and Mr. SHERMAN) introduced the following bill; which was referred to the Committee on Foreign Affairs, and in addition to the Committees on Ways and Means, Financial Services, Transportation and Infrastructure, Oversight and Government Reform, and the Judiciary, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To enhance sanctions with respect to transactions relating
to North Korea, and for other purposes.

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

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Korean Interdiction
5 and Modernization of Sanctions Act”.

6 **SEC. 2. TABLE OF CONTENTS.**

7 The table of contents for this Act is as follows:

Sec. 1. Short title.

Sec. 2. Table of contents.

Sec. 3. Definitions.

TITLE I—SANCTIONS TO ENFORCE AND IMPLEMENT UNITED NATIONS SECURITY COUNCIL SANCTIONS AGAINST NORTH KOREA

- Sec. 101. Modification and expansion of requirements for the designation of persons.
- Sec. 102. Briefing on measures to deny specialized financial messaging services to designated North Korean financial institutions.
- Sec. 103. Prohibition on indirect correspondent accounts.
- Sec. 104. Limitations on foreign assistance to noncompliant governments.
- Sec. 105. Amendments to enhance inspection authorities.
- Sec. 106. Enforcing compliance with United Nations shipping sanctions against North Korea.
- Sec. 107. Report on cooperation between North Korea and Iran.
- Sec. 108. Report on implementation of United Nations Security Council resolutions by other governments.

TITLE II—SANCTIONS WITH RESPECT TO HUMAN RIGHTS ABUSES BY THE GOVERNMENT OF NORTH KOREA

- Sec. 201. Sanctions for forced labor and slavery overseas of North Koreans.
- Sec. 202. Modifications to sanctions suspension and waiver authorities.
- Sec. 203. Reward for informants.
- Sec. 204. Report on designation of North Korea as a state sponsor of terrorism.

TITLE III—GENERAL AUTHORITIES

- Sec. 301. Authority to consolidate reports.
- Sec. 302. Rule of construction.
- Sec. 303. Regulatory authority.
- Sec. 304. Limitation on funds.

1 **SEC. 3. DEFINITIONS.**

2 (a) AMENDMENTS TO DEFINITIONS IN THE NORTH
3 KOREA SANCTIONS AND POLICY ENHANCEMENT ACT OF
4 2016.—

5 (1) APPLICABLE EXECUTIVE ORDER.—Section
6 3(1)(A) of the North Korea Sanctions and Policy
7 Enhancement Act of 2016 (22 U.S.C. 9202(1)(A))
8 is amended—

9 (A) by striking “or Executive Order
10 13694” and inserting “Executive Order
11 13694”; and

(B) by inserting “or 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),” before “to the extent”.

(2) APPLICABLE UNITED NATIONS SECURITY COUNCIL RESOLUTION.—Section 3(2)(A) of the North Korea Sanctions and Policy Enhancement Act of 2016 (22 U.S.C. 9202(2)(A)) is amended by striking “or 2094 (2013)” and inserting “, 2094 (2013), 2270 (2016), or 2321 (2016)”.

(3) FOREIGN PERSON.—Section 3 of the North Korea Sanctions and Policy Enhancement Act of 2016 (22 U.S.C. 9202) is amended—

(A) by redesignating paragraphs (5) through (14) as paragraphs (6) through (15), respectively; and

(B) by inserting after paragraph (4) the following new paragraph:

“(5) FOREIGN PERSON.—The term ‘foreign person’ means—

“(A) an individual who is not a United States citizen or an alien lawfully admitted for permanent residence to the United States; or

1 “(B) an entity that is not a United States
2 person.”.

3 (4) LUXURY GOODS.—Paragraph (9) of section
4 3 of the North Korea Sanctions and Policy En-
5 hancement Act of 2016 (22 U.S.C. 9202), as redes-
6 ignated by paragraph (3), is amended—

7 (A) in subparagraph (A), by striking
8 “and” at the end;

9 (B) in subparagraph (B), by striking the
10 period at the end and inserting “; and”; and

11 (C) by adding at the end the following new
12 subparagraph:

13 “(C) also includes any items so designated
14 under an applicable United Nations Security
15 Council resolution.”.

16 (5) NORTH KOREAN PERSON.—Section 3 of the
17 North Korea Sanctions and Policy Enhancement Act
18 of 2016 (22 U.S.C. 9202), as amended by para-
19 graph (3), is further amended—

20 (A) by redesignating paragraphs (13)
21 through (15) as paragraphs (14) through (16),
22 respectively; and

23 (B) by inserting after paragraph (12) the
24 following new paragraph:

1 “(13) NORTH KOREAN PERSON.—The term
2 ‘North Korean person’ means—

3 “(A) a North Korean citizen or national;
4 or

5 “(B) an entity owned or controlled by the
6 Government of North Korea or by a North Ko-
7 rean citizen or national.”.

8 (b) DEFINITIONS FOR PURPOSES OF THIS ACT.—In
9 this Act:

10 (1) APPLICABLE UNITED NATIONS SECURITY
11 COUNCIL RESOLUTION; LUXURY GOODS.—The terms
12 “applicable United Nations Security Council resolu-
13 tion” and “luxury goods” have the meanings given
14 those terms, respectively, in section 3 of the North
15 Korea Sanctions and Policy Enhancement Act of
16 2016 (22 U.S.C. 9202), as amended by subsection
17 (a).

18 (2) APPROPRIATE CONGRESSIONAL COMMIT-
19 TEES; GOVERNMENT OF NORTH KOREA; UNITED
20 STATES PERSON.—The terms “appropriate congres-
21 sional committees”, “Government of North Korea”,
22 and “United States person” have the meanings
23 given those terms, respectively, in section 3 of the
24 North Korea Sanctions and Policy Enhancement Act
25 of 2016 (22 U.S.C. 9202).

1 (3) FOREIGN PERSON; NORTH KOREAN PER-
 2 SON.—The terms “foreign person” and “North Ko-
 3 rean person” have the meanings given those terms,
 4 respectively, in paragraph (5) and paragraph (13) of
 5 section 3 of the North Korea Sanctions and Policy
 6 Enhancement Act of 2016 (22 U.S.C. 9202(5) and
 7 9202(13)), as added by subsection (a).

8 (4) PROHIBITED WEAPONS PROGRAM.—The
 9 term “prohibited weapons program” means—

10 (A) any program related to the develop-
 11 ment of nuclear, chemical, or biological weap-
 12 ons, and their means of delivery, including bal-
 13 listic missiles; and

14 (B) any program to develop any related
 15 materials with respect to a program described
 16 in subparagraph (A).

17 **TITLE I—SANCTIONS TO EN-**
 18 **FORCE AND IMPLEMENT**
 19 **UNITED NATIONS SECURITY**
 20 **COUNCIL SANCTIONS**
 21 **AGAINST NORTH KOREA**

22 **SEC. 101. MODIFICATION AND EXPANSION OF REQUIRE-**
 23 **MENTS FOR THE DESIGNATION OF PERSONS.**

24 (a) EXPANSION OF MANDATORY DESIGNATIONS.—
 25 Section 104(a) of the North Korea Sanctions and Policy

1 Enhancement Act of 2016 (22 U.S.C. 9214(a)) is amend-
2 ed—

3 (1) in paragraph (9), by striking “or” at the
4 end;

5 (2) by redesignating paragraph (10) as para-
6 graph (15);

7 (3) by inserting after paragraph (9) the fol-
8 lowing new paragraphs:

9 “(10) knowingly, directly or indirectly, pur-
10 chases or otherwise acquires from North Korea any
11 significant amounts of gold, titanium ore, vanadium
12 ore, copper, silver, nickel, zinc, or rare earth min-
13 erals;

14 “(11) knowingly, directly or indirectly, sells or
15 transfers to North Korea any significant amounts of
16 rocket, aviation, or jet fuel (except for use by a civil-
17 ian passenger aircraft outside North Korea, exclu-
18 sively for consumption during its flight to North
19 Korea or its return flight);

20 “(12) knowingly, directly or indirectly, provides
21 fuel, supplies, or bunkering services to, or facilitates
22 any significant transactions involving, a vessel or
23 aircraft that is designated under an applicable Exec-
24 utive order or an applicable United Nations Security
25 Council resolution, or that is owned or controlled by

1 a person designated under an applicable Executive
2 order or applicable United Nations Security Council
3 resolution;

4 “(13) knowingly, directly or indirectly, insures,
5 registers, facilitates the registration of, or maintains
6 insurance or a registration for, a vessel owned or
7 controlled by the Government of North Korea, ex-
8 cept as specifically approved by the United Nations
9 Security Council;

10 “(14) knowingly, directly or indirectly, main-
11 tains a correspondent account (as defined in section
12 201A(d)(1)) with any North Korean financial insti-
13 tution, except as specifically approved by the United
14 Nations Security Council; or”; and

15 (4) in paragraph (15), as so redesignated, by
16 striking “(9)” and inserting “(14)”.

17 (b) EXPANSION OF ADDITIONAL DISCRETIONARY
18 DESIGNATIONS.—Section 104(b)(1) of the North Korea
19 Sanctions and Policy Enhancement Act of 2016 (22
20 U.S.C. 9214(b)(1)) is amended—

21 (1) in subparagraph (A), by striking “pursuant
22 to an applicable United Nations Security Council
23 resolution;” and inserting the following: “pursuant
24 to—

1 “(i) an applicable United Nations Se-
2 curity Council resolution;

3 “(ii) any regulation promulgated
4 under section 404; or

5 “(iii) any applicable Executive
6 order;”;

7 (2) in subparagraph (B)(iii), by striking “or” at
8 the end;

9 (3) in subparagraph (C), by striking the period
10 at the end and inserting a semicolon; and

11 (4) by adding at the end the following new sub-
12 paragraphs:

13 “(D) knowingly, directly or indirectly, pur-
14 chased or otherwise acquired from the Govern-
15 ment of North Korea any coal, iron, or iron ore,
16 in excess of the limitations provided in applica-
17 ble United Nations Security Council resolutions;

18 “(E) knowingly, directly or indirectly, pur-
19 chased or otherwise acquired significant types
20 or amounts of textiles from the Government of
21 North Korea;

22 “(F) knowingly facilitated any transfer of
23 funds or property of the Government of North
24 Korea that significantly contributes to any vio-

1 lation of an applicable United Nations Security
2 Council resolution;

3 “(G) knowingly, directly or indirectly, fa-
4 cilitated a significant transfer to or from the
5 Government of North Korea of bulk cash, pre-
6 cious metals, gemstones, or other stores of
7 value not described under subsection (a)(10);

8 “(H) knowingly, directly or indirectly, sold,
9 transferred, or otherwise provided significant
10 amounts of crude oil, condensates, refined pe-
11 troleum, or other types of petroleum or petro-
12 leum byproducts to the Government of North
13 Korea (except for heavy fuel oil for humani-
14 tarian use or as excepted under subsection
15 (a)(11));

16 “(I) knowingly, directly or indirectly, en-
17 gaged in, facilitated, or was responsible for the
18 online commercial activities of the Government
19 of North Korea, including online gambling;

20 “(J) knowingly, directly or indirectly, pur-
21 chased or otherwise acquired fishing rights
22 from the Government of North Korea;

23 “(K) knowingly, directly or indirectly, pro-
24 vided significant telephonic, telegraphic, tele-
25 communications or other data services, in whole

1 or in part, into or out of North Korea, in excess
2 of services needed for humanitarian or diplo-
3 matic purposes (other than services that are ex-
4 cepted under section 203(b)(1) of the Inter-
5 national Emergency Economic Powers Act (50
6 U.S.C. 1702(b)(1)));

7 “(L) knowingly, directly or indirectly, pur-
8 chased or otherwise acquired significant types
9 or amounts of food or agricultural products
10 from the Government of North Korea;

11 “(M) knowingly, directly or indirectly, en-
12 gaged in, facilitated, or was responsible for the
13 exportation of workers from North Korea in a
14 manner intended to generate revenue, directly
15 or indirectly, for use by the Government of
16 North Korea or by the Workers’ Party of
17 Korea;

18 “(N) knowingly operated in North Korea’s
19 transportation, mining, energy, or financial
20 services industries; or

21 “(O) except as specifically approved by the
22 United Nations Security Council, and other
23 than through a correspondent account as de-
24 scribed in subsection (a)(14), knowingly facili-
25 tated the operation of any branch, subsidiary,

1 or office of a North Korean financial institu-
2 tion.”.

3 (c) MANDATORY AND DISCRETIONARY ASSET
4 BLOCKING.—Section 104(c) of the North Korea Sanctions
5 and Policy Enhancement Act of 2016 (22 U.S.C. 9214(c))
6 is amended—

7 (1) by striking “of a designated person” and in-
8 serting “of a person designated under subsection
9 (a)”;

10 (2) by striking “The President” and inserting
11 the following:

12 “(1) MANDATORY ASSET BLOCKING.—The
13 President”; and

14 (3) by adding at the end the following new
15 paragraph:

16 “(2) DISCRETIONARY ASSET BLOCKING.—The
17 President may also exercise such powers, in the
18 same manner and to the same extent described in
19 paragraph (1), with respect to a person designated
20 under subsection (b).”.

21 (d) DESIGNATION OF ADDITIONAL PERSONS.—

22 (1) IN GENERAL.—Not later than 180 days
23 after the date of the enactment of this Act, the
24 President shall submit to the appropriate congres-
25 sional committees a report including a determination

1 as to whether reasonable grounds exist, and an ex-
2 planation of the reasons for any determination that
3 such grounds do not exist, to designate, pursuant to
4 section 104 of the North Korea Sanctions and Policy
5 Enhancement Act of 2016 (22 U.S.C. 9214), as
6 amended by this section, each of the following:

7 (A) The Korea Shipowners' Protection and
8 Indemnity Association, a North Korean insur-
9 ance company, with respect to facilitating im-
10 ports, exports, and reexports of arms and re-
11 lated materiel to and from North Korea, or for
12 other activities prohibited by such section 104.

13 (B) Chinpo Shipping Company (Private)
14 Limited, a Singapore corporation, with respect
15 to facilitating imports, exports, and reexports of
16 arms and related materiel to and from North
17 Korea.

18 (C) The Central Bank of the Democratic
19 People's Republic of Korea, with respect to the
20 sale of gold to, the receipt of gold from, or the
21 import or export of gold by the Government of
22 North Korea.

23 (D) Kumgang Economic Development Cor-
24 poration (KKG), with respect to being an entity

1 controlled by Bureau 39 of the Workers' Party
2 of the Government of North Korea.

3 (E) Sam Pa, also known as Xu Jinghua,
4 and any entities owned or controlled by Sam
5 Pa, with respect to transactions with KKG.

6 (F) The Chamber of Commerce of the
7 Democratic People's Republic of Korea, with re-
8 spect to the exportation of workers in violation
9 of section 104(a)(5) or of section 104(b)(1)(M)
10 of such Act, as amended by subsection (b) of
11 this section.

12 (2) FORM.—The report submitted under para-
13 graph (1) may contain a classified annex.

14 **SEC. 102. BRIEFING ON MEASURES TO DENY SPECIALIZED**
15 **FINANCIAL MESSAGING SERVICES TO DES-**
16 **IGNATED NORTH KOREAN FINANCIAL INSTI-**
17 **TUTIONS.**

18 Section 201 of the North Korea Sanctions and Policy
19 Enhancement Act of 2016 (22 U.S.C. 9221) is amended
20 by adding at the end the following new subsection:

21 “(d) BRIEFING.—

22 “(1) IN GENERAL.—Not later than 180 days
23 after the date of the enactment of this subsection,
24 and every 180 days thereafter for 5 years, the Presi-
25 dent shall provide to the appropriate congressional

1 committees a briefing that includes the following in-
2 formation:

3 “(A) A list of each person or foreign gov-
4 ernment the President has identified that di-
5 rectly provides specialized financial messaging
6 services to, or enables or facilitates direct or in-
7 direct access to such messaging services for,
8 any North Korean financial institution des-
9 ignated under an applicable United Nations Se-
10 curity Council resolution.

11 “(B) A detailed assessment of the status of
12 efforts by the Secretary of the Treasury to work
13 with the relevant authorities in the home juris-
14 dictions of such specialized financial messaging
15 providers to end such provision or access.

16 “(2) FORM.—The briefing required under this
17 subsection may be classified.”.

18 **SEC. 103. PROHIBITION ON INDIRECT CORRESPONDENT**
19 **ACCOUNTS.**

20 (a) IN GENERAL.—Title II of the North Korea Sanc-
21 tions and Policy Enhancement Act of 2016 (22 U.S.C.
22 9221 et seq.) is amended by inserting after section 201
23 (as amended by section 102 of this Act) the following new
24 section:

1 **“SEC. 201A. PROHIBITION ON INDIRECT CORRESPONDENT**
2 **ACCOUNTS.**

3 “(a) IN GENERAL.—Except as provided in subsection
4 (b), if a United States financial institution has or obtains
5 knowledge that a correspondent account established,
6 maintained, administered, or managed by that institution
7 for a foreign financial institution is being used by the for-
8 eign financial institution to provide financial services indi-
9 rectly to any person, foreign government, or financial in-
10 stitution designated under section 104, the United States
11 financial institution shall ensure that such correspondent
12 account is no longer used to provide such services.

13 “(b) EXCEPTION.—A United States financial institu-
14 tion is authorized to process transfers of funds to or from
15 North Korea, or for the direct or indirect benefit of any
16 person, foreign government, or financial institution that
17 is designated under section 104, only if the transfer—

18 “(1) arises from, and is ordinarily incident and
19 necessary to give effect to, an underlying transaction
20 that has been authorized by a specific or general li-
21 cense issued by the Secretary of the Treasury; and

22 “(2) does not involve debiting or crediting a
23 North Korean account.

24 “(c) DEFINITIONS.—In this section:

25 “(1) CORRESPONDENT ACCOUNT.—The term
26 ‘correspondent account’ has the meaning given that

1 term in section 5318A of title 31, United States
2 Code.

3 “(2) UNITED STATES FINANCIAL INSTITU-
4 TION.—The term ‘United States financial institu-
5 tion’ has the meaning given that term in section
6 510.310 of title 31, Code of Federal Regulations, as
7 in effect on the date of the enactment of this sec-
8 tion.

9 “(3) FOREIGN FINANCIAL INSTITUTION.—The
10 term ‘foreign financial institution’ has the meaning
11 given that term in section 1010.605 of title 31, Code
12 of Federal Regulations, as in effect on the date of
13 the enactment of this section.”.

14 (b) CLERICAL AMENDMENT.—The table of contents
15 for the North Korea Sanctions and Policy Enhancement
16 Act of 2016 is amended by inserting after the item relat-
17 ing to section 201 the following new item:

“Sec. 201A. Prohibition on indirect correspondent accounts.”.

18 **SEC. 104. LIMITATIONS ON FOREIGN ASSISTANCE TO NON-**
19 **COMPLIANT GOVERNMENTS.**

20 Section 203 of the North Korea Sanctions and Policy
21 Enhancement Act of 2016 (22 U.S.C. 9223) is amended—

22 (1) in subsection (b)—

23 (A) in the heading, by striking “TRANS-
24 ACTIONS IN LETHAL MILITARY EQUIPMENT”

1 and inserting “TRANSACTIONS IN DEFENSE
2 ARTICLES OR DEFENSE SERVICES”;

3 (B) in paragraph (1), by striking “that
4 provides lethal military equipment to the Gov-
5 ernment of North Korea” and inserting “that
6 provides to or receives from the Government of
7 North Korea any defense article or defense
8 service, as such terms are defined in section 47
9 of the Arms Export Control Act (22 U.S.C.
10 2794)”;

11 (C) in paragraph (2), by striking “1 year”
12 and inserting “2 years”; and

13 (2) by adding at the end the following new sub-
14 section:

15 “(e) REPORT ON ARMS TRAFFICKING INVOLVING
16 NORTH KOREA.—

17 “(1) IN GENERAL.—Not later than 180 days
18 after the date of the enactment of this subsection,
19 and every 180 days thereafter for 5 years, the Sec-
20 retary of State shall submit to the appropriate con-
21 gressional committees a report that specifically de-
22 scribes the compliance of foreign countries and other
23 foreign jurisdictions with curtailing the trade de-
24 scribed in subsection (b)(1).

1 “(2) FORM.—The report required under para-
2 graph (1) shall be submitted in unclassified form but
3 may contain a classified annex.”.

4 **SEC. 105. AMENDMENTS TO ENHANCE INSPECTION AU-**
5 **THORITIES.**

6 Title II of the North Korea Sanctions and Policy En-
7 hancement Act of 2016 (22 U.S.C. 9221 et seq.), as
8 amended by section 103 of this Act, is further amended
9 by striking section 205 and inserting the following:

10 **“SEC. 205. ENHANCED INSPECTION AUTHORITIES.**

11 “(a) REPORT REQUIRED.—

12 “(1) IN GENERAL.—Not later than 180 days
13 after the date of the enactment of this section, and
14 annually thereafter for 5 years, the President shall
15 submit to the appropriate congressional committees
16 a report—

17 “(A) identifying the operators of foreign
18 sea ports and airports that have—

19 “(i) failed to implement or enforce
20 regulations to inspect any ships, aircraft,
21 cargo, or conveyances in transit to or from
22 North Korea, as required by applicable
23 United Nations Security Council resolu-
24 tions;

1 “(ii) facilitated the transfer, trans-
2 shipment, or conveyance of any cargo, ves-
3 sels, or aircraft owned or controlled by per-
4 sons designated under applicable United
5 Nations Security Council resolutions; or

6 “(iii) facilitated any of the activities
7 described in section 104(a);

8 “(B) describing the extent to which the re-
9 quirements of applicable United Nations Secu-
10 rity Council resolutions to de-register any vessel
11 owned, controlled, or operated by the Govern-
12 ment of North Korea have been implemented by
13 other foreign countries;

14 “(C) describing the compliance of the Is-
15 lamic Republic of Iran with the sanctions man-
16 dated in applicable United Nations Security
17 Council resolutions;

18 “(D) identifying each vessel, aircraft, and
19 conveyance that is owned or controlled by the
20 Reconnaissance General Bureau of the Work-
21 ers’ Party of Korea; and

22 “(E) describing the diplomatic and en-
23 forcement efforts by the President to secure the
24 full implementation of the applicable United

1 Nations Security Council resolutions, as de-
2 scribed in subparagraphs (A) through (C).

3 “(2) FORM.—The report required under para-
4 graph (1) shall be submitted in unclassified form but
5 may contain a classified annex.

6 “(b) SPECIFIC FINDINGS.—Each report required
7 under subsection (a) shall include specific findings with
8 respect to the following ports and airports:

9 “(1) The ports of Dandong, Dalian, and any
10 other port in the People’s Republic of China that the
11 President deems appropriate.

12 “(2) The ports of Abadan, Bandar-e-Abbas,
13 Chabahar, Bandar-e-Khomeini, Bushehr Port,
14 Asaluyeh Port, Kish, Kharg Island, Bandar-e-Lenge,
15 and Khorramshahr, and Tehran Imam Khomeini
16 International Airport, in the Islamic Republic of
17 Iran.

18 “(3) The ports of Nakhodka, Vanino, and Vlad-
19 ivostok, in the Russian Federation.

20 “(4) The ports of Latakia, Baniyas, and
21 Tartous, and Damascus International Airport, in the
22 Syrian Arab Republic.

23 “(c) ENHANCED SECURITY TARGETING REQUIRE-
24 MENTS.—

1 “(1) IN GENERAL.—Except as provided in para-
2 graph (2), the Secretary of Homeland Security may,
3 using the Automated Targeting System operated by
4 the National Targeting Center of U.S. Customs and
5 Border Protection, require enhanced screening pro-
6 cedures to determine whether physical inspections
7 are warranted of any cargo bound for or landed in
8 the United States that—

9 “(A) has been transported through a sea
10 port or airport the operator of which has been
11 identified by the President in accordance with
12 subsection (a)(1) as having repeatedly failed to
13 comply with applicable United Nations Security
14 Council resolutions;

15 “(B) is aboard a vessel or aircraft, or with-
16 in a conveyance that has, within the last 365
17 days, entered the territory, waters, or airspace
18 of North Korea, or landed in any of the sea
19 ports or airports of North Korea; or

20 “(C) is registered by a country or jurisdic-
21 tion whose compliance has been identified by
22 the President as deficient pursuant to sub-
23 section (a)(2).

24 “(2) EXCEPTION FOR FOOD, MEDICINE, AND
25 HUMANITARIAN SHIPMENTS.—Paragraph (1) shall

1 not apply to any vessel, aircraft, or conveyance that
 2 has entered the territory, waters, or airspace of
 3 North Korea, or landed in any of the sea ports or
 4 airports of North Korea, exclusively for the purposes
 5 described in section 208(b)(3)(B), or to import food,
 6 medicine, or supplies into North Korea to meet the
 7 humanitarian needs of the North Korean people.

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

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

14 “(2) part V of title IV of the Tariff Act of 1930
 15 (19 U.S.C. 1581 et seq.).”.

16 **SEC. 106. ENFORCING COMPLIANCE WITH UNITED NATIONS**
 17 **SHIPPING SANCTIONS AGAINST NORTH**
 18 **KOREA.**

19 (a) IN GENERAL.—The Ports and Waterways Safety
 20 Act (33 U.S.C. 1221 et seq.) is amended by adding at
 21 the end the following new section:

22 **“SEC. 16. PROHIBITION ON ENTRY AND OPERATION.**

23 “(a) PROHIBITION.—

24 “(1) IN GENERAL.—Except as otherwise pro-
 25 vided in this section, no vessel described in sub-

1 section (b) may enter or operate in the navigable
2 waters of the United States or transfer cargo in any
3 port or place under the jurisdiction of the United
4 States.

5 “(2) LIMITATION ON APPLICATION.—

6 “(A) DETERMINATION BY SECRETARY OF
7 STATE.—Paragraph (1) shall not apply with re-
8 spect to a vessel described in subsection (b)(2)
9 if the Secretary of State determines that the
10 vessel is no longer registered as described in
11 that subsection.

12 “(B) NOTICE.—The Secretary of State
13 shall publish a notice in the Federal Register of
14 each determination made under subparagraph
15 (A).

16 “(b) VESSELS DESCRIBED.—A vessel referred to in
17 subsection (a) is a foreign vessel for which a notice of ar-
18 rival is required to be filed under section 4(a)(5), and
19 that—

20 “(1) is on the most recent list of vessels pub-
21 lished in Federal Register under subsection (c)(2);
22 or

23 “(2) more than 180 days after the publication
24 of such list, is knowingly registered, pursuant to the
25 1958 Convention on the High Seas entered into

1 force on September 30, 1962, by a government the
2 agents or instrumentalities of which are maintaining
3 a registration of a vessel that is included on such
4 list.

5 “(c) INFORMATION AND PUBLICATION.—The Sec-
6 retary of the department in which the Coast Guard is op-
7 erating, in consultation with the Secretary of State,
8 shall—

9 “(1) maintain timely information on the reg-
10 istrations of all foreign vessels over 300 gross tons
11 that are—

12 “(A) owned or operated by or on behalf of
13 the Government of North Korea or a North Ko-
14 rean person;

15 “(B) owned or operated by or on behalf of
16 any country in which a sea port or airport is lo-
17 cated, the operator of which the President has
18 identified in the most recent report submitted
19 under section 205(a)(1) of the North Korea
20 Sanctions and Policy Enhancement Act of
21 2016; or

22 “(C) owned or operated by or on behalf of
23 any country identified by the President as a
24 country that has not complied with the applica-
25 ble United Nations Security Council resolutions

1 (as such term is defined in section 3 of such
2 Act); and

3 “(2) not later than 180 days after the date of
4 the enactment of this section, and periodically there-
5 after, publish in the Federal Register a list of the
6 vessels described in paragraph (1).

7 “(d) NOTIFICATION OF GOVERNMENTS.—

8 “(1) IN GENERAL.—The Secretary of State
9 shall notify each government, the agents or instru-
10 mentalities of which are maintaining a registration
11 of a foreign vessel that is included on a list pub-
12 lished under subsection (c)(2), not later than 30
13 days after such publication, that all vessels reg-
14 istered under such government’s authority are sub-
15 ject to the prohibition under subsection (a).

16 “(2) ADDITIONAL NOTIFICATION.—In the case
17 of a government that continues to maintain a reg-
18 istration for a vessel that is included on such list
19 after receiving an initial notification under para-
20 graph (1), the Secretary shall issue an additional no-
21 tification to such government not later than 120
22 days after the publication of a list under subsection
23 (c)(2).

24 “(e) NOTIFICATION OF VESSELS.—Upon receiving a
25 notice of arrival under section 4(a)(5) from a vessel de-

1 scribed in subsection (b), the Secretary of the department
2 in which the Coast Guard is operating shall notify the
3 master of such vessel that the vessel may not enter or op-
4 erate in the navigable waters of the United States or
5 transfer cargo in any port or place under the jurisdiction
6 of the United States, unless—

7 “(1) the Secretary of State has made a deter-
8 mination under subsection (a)(2); or

9 “(2) the Secretary of the department in which
10 the Coast Guard is operating allows provisional
11 entry of the vessel, or transfer of cargo from the ves-
12 sel, under subsection (f).

13 “(f) PROVISIONAL ENTRY OR CARGO TRANSFER.—
14 Notwithstanding any other provision of this section, the
15 Secretary of the department in which the Coast Guard is
16 operating may allow provisional entry of, or transfer of
17 cargo from, a vessel, if such entry or transfer is necessary
18 for the safety of the vessel or persons aboard.

19 “(g) RIGHT OF INNOCENT PASSAGE.—This section
20 shall not be construed as authority to restrict the right
21 of innocent passage as recognized under international law.

22 “(h) FOREIGN VESSEL DEFINED.—In this section,
23 the term ‘foreign vessel’ has the meaning given that term
24 in section 110 of title 46, United States Code.”.

25 (b) CONFORMING AMENDMENTS.—

1 (1) SPECIAL POWERS.—Section 4(b)(2) of the
2 Ports and Waterways Safety Act (33 U.S.C.
3 1223(b)(2)) is amended by inserting “or 16” after
4 “section 9”.

5 (2) DENIAL OF ENTRY.—Section 13(e) of the
6 Ports and Waterways Safety Act (33 U.S.C.
7 1232(e)) is amended by striking “section 9” and in-
8 serting “section 9 or 16”.

9 **SEC. 107. REPORT ON COOPERATION BETWEEN NORTH**
10 **KOREA AND IRAN.**

11 (a) IN GENERAL.—Not later than 90 days after the
12 date of the enactment of this Act, and annually thereafter
13 for 5 years, the President shall submit to the appropriate
14 congressional committees a report that includes—

15 (1) an assessment of the extent of cooperation
16 (including through the transfer of goods, services, or
17 technology) between North Korea and Iran relating
18 to their respective nuclear, ballistic missile develop-
19 ment, chemical or biological weapons development,
20 or conventional weapons programs;

21 (2) the names of any Iranian or North Korean
22 persons that have knowingly engaged in or di-
23 rected—

24 (A) the provision of material support to
25 such programs; or

1 (B) the exchange of information between
2 North Korea and Iran with respect to such pro-
3 grams; and

4 (3) a determination whether any of the activi-
5 ties described in paragraphs (1) and (2) violate
6 United Nations Security Council Resolution 2231
7 (2015).

8 (b) FORM.—The report required under subsection (a)
9 shall be submitted in unclassified form but may contain
10 a classified annex.

11 **SEC. 108. REPORT ON IMPLEMENTATION OF UNITED NA-**
12 **TIONS SECURITY COUNCIL RESOLUTIONS BY**
13 **OTHER GOVERNMENTS.**

14 (a) IN GENERAL.—Not later than 180 days after the
15 date of the enactment of this Act, and every 180 days
16 thereafter for 5 years, the President shall submit to the
17 appropriate congressional committees a report that evalu-
18 ates the degree to which the governments of other coun-
19 tries have knowingly failed to—

20 (1) close the representative offices of persons
21 designated under applicable United Nations Security
22 Council resolutions;

23 (2) expel any North Korean nationals, including
24 diplomats, working on behalf of such persons;

1 (3) prohibit the opening of new branches, sub-
 2 sidiaries, or representative offices of North Korean
 3 financial institutions within the jurisdictions of such
 4 governments; or

5 (4) expel any representatives of North Korean
 6 financial institutions.

7 (b) FORM.—The report required under subsection (a)
 8 shall be submitted in unclassified form but may contain
 9 a classified annex.

10 **TITLE II—SANCTIONS WITH RE-**
 11 **SPECT TO HUMAN RIGHTS**
 12 **ABUSES BY THE GOVERN-**
 13 **MENT OF NORTH KOREA**

14 **SEC. 201. SANCTIONS FOR FORCED LABOR AND SLAVERY**
 15 **OVERSEAS OF NORTH KOREANS.**

16 (a) SANCTIONS FOR TRAFFICKING IN PERSONS.—

17 (1) IN GENERAL.—Section 302(b) of the North
 18 Korea Sanctions and Policy Enhancement Act of
 19 2016 (22 U.S.C. 9241(b)) is amended—

20 (A) in paragraph (1), by striking “and” at
 21 the end;

22 (B) in paragraph (2), by striking the pe-
 23 riod at the end and inserting “; and”; and

24 (C) by adding at the end the following new
 25 paragraph:

1 “(3) a list of foreign persons that employ North
2 Korean laborers.”.

3 (2) ADDITIONAL DETERMINATIONS; RE-
4 REPORTS.—With respect to any country identified in
5 section 302(b)(2) of the North Korea Sanctions and
6 Policy Enhancement Act of 2016 (22 U.S.C.
7 9241(b)(2)), as amended by paragraph (1), the re-
8 port required under section 302(a) of such Act
9 shall—

10 (A) include a determination whether each
11 person identified in section 302(b)(3) of such
12 Act (as amended by paragraph (1)) who is a
13 national or a citizen of such identified country
14 meets the criteria for sanctions under—

15 (i) section 111 of the Trafficking Vic-
16 tims Protection Act of 2000 (22 U.S.C.
17 7108) (relating to the prevention of traf-
18 ficking in persons); or

19 (ii) section 104(a) or 104(b)(1) of the
20 North Korea Sanctions and Policy En-
21 hancement Act of 2016 (22 U.S.C.
22 9214(a)), as amended by section 101 of
23 this Act;

24 (B) be included in the report required
25 under section 110(b) of the Trafficking Victims

1 Protection Act of 2000 (22 U.S.C. 7107(b))
2 (relating to the annual report on trafficking in
3 persons); and

4 (C) be considered in any determination
5 that the government of such country has made
6 serious and sustained efforts to eliminate severe
7 forms of trafficking in persons, as such term is
8 defined for purposes of the Trafficking Victims
9 Protection Act of 2000.

10 (b) SANCTIONS ON FOREIGN PERSONS THAT EM-
11 PLOY NORTH KOREAN LABOR.—

12 (1) IN GENERAL.—Title III of the North Korea
13 Sanctions and Policy Enhancement Act of 2016 (22
14 U.S.C. 9241 et seq.) is amended by inserting after
15 section 302 the following new sections:

16 **“SEC. 302A. REBUTTABLE PRESUMPTION APPLICABLE TO**
17 **GOODS MADE WITH NORTH KOREAN LABOR.**

18 “(a) IN GENERAL.—Except as provided in subsection
19 (b), any goods, wares, articles, and merchandise mined,
20 produced, or manufactured wholly or in part by the labor
21 of North Korean nationals or citizens shall be deemed to
22 be prohibited under section 307 of the Tariff Act of 1930
23 (19 U.S.C. 1307) and shall not be entitled to entry at any
24 of the ports of the United States.

1 “(b) EXCEPTION.—The prohibition described in sub-
2 section (a) shall not apply if the Commissioner of U.S.
3 Customs and Border Protection finds, by clear and con-
4 vincing evidence, that the goods, wares, articles, or mer-
5 chandise described in such paragraph were not produced
6 with convict labor, forced labor, or indentured labor under
7 penal sanctions.

8 **“SEC. 302B. SANCTIONS ON FOREIGN PERSONS EMPLOYING**
9 **NORTH KOREAN LABOR.**

10 “(a) IN GENERAL.—Except as provided in subsection
11 (c), the President shall designate any person identified
12 under section 302(b)(3) for the imposition of sanctions
13 under subsection (b).

14 “(b) IMPOSITION OF SANCTIONS.—

15 “(1) IN GENERAL.—The President shall impose
16 the sanctions described in paragraph (2) with re-
17 spect to any person designated under subsection (a).

18 “(2) SANCTIONS DESCRIBED.—The sanctions
19 described in this paragraph are sanctions pursuant
20 to the International Emergency Economic Powers
21 Act (50 U.S.C. 1701 et seq.) to block and prohibit
22 all transactions in property and interests in property
23 of a person designated under subsection (a), if such
24 property and interests in property are in the United
25 States, come within the United States, or are or

1 come within the possession or control of a United
2 States person.

3 “(c) EXCEPTION.—

4 “(1) IN GENERAL.—A person may not be des-
5 ignated under subsection (a) if the President cer-
6 tifies to the appropriate congressional committees
7 that the President has received reliable assurances
8 from such person that—

9 “(A) the employment of North Korean la-
10 borers does not result in the direct or indirect
11 transfer of convertible currency, luxury goods,
12 or other stores of value to the Government of
13 North Korea;

14 “(B) all wages and benefits are provided
15 directly to the laborers, and are held, as appli-
16 cable, in accounts within the jurisdiction in
17 which they reside in locally denominated cur-
18 rency; and

19 “(C) the laborers are subject to working
20 conditions consistent with international stand-
21 ards.

22 “(2) RECERTIFICATION.—Not later than 180
23 days after the date on which the President transmits
24 to the appropriate congressional committees an ini-

1 tial certification under paragraph (1), and every 180
2 days thereafter, the President shall—

3 “(A) transmit a recertification stating that
4 the conditions described in such paragraph con-
5 tinue to be met; or

6 “(B) if such recertification cannot be
7 transmitted, impose the sanctions described in
8 subsection (b) beginning on the date on which
9 the President determines that such recertifi-
10 cation cannot be transmitted.”.

11 (2) CLERICAL AMENDMENT.—The table of con-
12 tents for the North Korea Sanctions and Policy En-
13 hancement Act of 2016 is amended by inserting
14 after the item relating to section 302 the following
15 new items:

“Sec. 302A. Rebuttable presumption applicable to goods made with North Ko-
rean labor.

“Sec. 302B. Sanctions on foreign persons employing North Korean labor.”.

16 **SEC. 202. MODIFICATIONS TO SANCTIONS SUSPENSION AND**
17 **WAIVER AUTHORITIES.**

18 (a) EXEMPTIONS, WAIVERS, AND REMOVALS OF
19 DESIGNATION.—

20 (1) EXEMPTIONS.—Section 208(a) of the North
21 Korea Sanctions and Policy Enhancement Act of
22 2016 (22 U.S.C. 9228(a)) is amended in the matter
23 preceding paragraph (1)—

1 (A) by inserting “201A,” after “104,”;
2 and

3 (B) by inserting “302A, 302B,” after
4 “209,”.

5 (2) HUMANITARIAN WAIVER.—Section 208(b)
6 of the North Korea Sanctions and Policy Enhance-
7 ment Act of 2016 (22 U.S.C. 9228(b)(1)) is amend-
8 ed—

9 (A) by inserting “201A,” after “104,” in
10 each place it appears; and

11 (B) by inserting “302A, 302B,” after
12 “209(b),” in each place it appears.

13 (3) WAIVER.—Section 208(c) of the North
14 Korea Sanctions and Policy Enhancement Act of
15 2016 (22 U.S.C. 9228(c)) is amended in the matter
16 preceding paragraph (1)—

17 (A) by inserting “201A,” after “104,”;
18 and

19 (B) by inserting “302A, 302B,” after
20 “209(b),”.

21 (b) SUPPORT FOR FAMILY REUNIFICATION FOR KO-
22 REAN-AMERICANS.—Section 402(2) of the North Korea
23 Sanctions and Policy Enhancement Act of 2016 (22
24 U.S.C. 9252(2)) is amended—

1 (1) in subparagraph (D), by striking “and” at
2 the end;

3 (2) in subparagraph (E), by striking the period
4 at the end and inserting “; and”; and

5 (3) by adding at the end the following new sub-
6 paragraph:

7 “(F) planning for unrestricted family re-
8 unification meetings, including for those indi-
9 viduals in the Korean-American community who
10 maintain family ties with relatives in North
11 Korea.”.

12 **SEC. 203. REWARD FOR INFORMANTS.**

13 Section 36(b) of the State Department Basic Au-
14 thorities Act of 1956 (22 U.S.C. 2708(b)), is amended—

15 (1) in paragraph (9), by striking “or” at the
16 end;

17 (2) in paragraph (10), by striking the period at
18 the end and inserting a semicolon; and

19 (3) by adding at the end the following new
20 paragraphs:

21 “(11) the identification or location of any per-
22 son who, while acting at the direction of or under
23 the control of a foreign government, aids or abets a
24 violation of section 1030 of title 18, United States
25 Code; or

1 “(12) the disruption of financial mechanisms of
 2 any person who has engaged in the conduct de-
 3 scribed in section 104(a) or 104(b)(1) of the North
 4 Korea Sanctions and Policy Enhancement Act of
 5 2016 (22 U.S.C. 2914(a) or (b)(1)).”.

6 **SEC. 204. REPORT ON DESIGNATION OF NORTH KOREA AS**
 7 **A STATE SPONSOR OF TERRORISM.**

8 (a) REPORT; DETERMINATION OR JUSTIFICATION.—

9 (1) IN GENERAL.—Not later than 90 days after
 10 the date of the enactment of this Act, the President
 11 shall submit to the appropriate congressional com-
 12 mittees a report that includes a determination
 13 whether North Korea is a state sponsor of terrorism.

14 (2) INCLUSION.—The report required by para-
 15 graph (1) shall also be included in the first annual
 16 report under section 140 of the Foreign Relations
 17 Authorization Act, Fiscal Years 1988 and 1989 (22
 18 U.S.C. 2656f) submitted on or after the date of the
 19 enactment of this Act.

20 (3) FORM.—The report required by paragraph
 21 (1) shall be submitted in unclassified form but may
 22 include a classified annex.

23 (b) STATE SPONSOR OF TERRORISM DEFINED.—For
 24 purposes of this section, the term “state sponsor of ter-
 25 rorism” means a country the government of which the

1 Secretary of State has determined, for purposes of section
2 6(j) of the Export Administration Act of 1979 (50 U.S.C.
3 4605(j)) (as in effect pursuant to the International Emer-
4 gency Economic Powers Act), section 620A of the Foreign
5 Assistance Act of 1961 (22 U.S.C. 2371), section 40 of
6 the Arms Export Control Act (22 U.S.C. 2780), or any
7 other provision of law, is a government that has repeatedly
8 provided support for acts of international terrorism.

9 **TITLE III—GENERAL**

10 **AUTHORITIES**

11 **SEC. 301. AUTHORITY TO CONSOLIDATE REPORTS.**

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

22 **SEC. 302. RULE OF CONSTRUCTION.**

23 Nothing in this Act shall be construed to limit the
24 authority or obligation of the President to apply the sanc-
25 tions described in section 104 of the North Korea Sanc-

1 tions and Policy Enhancement Act of 2016 (22 U.S.C.
2 9214), as amended by section 101 of this Act, with regard
3 to persons who meet the criteria for designation under
4 such section.

5 **SEC. 303. REGULATORY AUTHORITY.**

6 (a) IN GENERAL.—The President shall, not later
7 than 180 days after the date of the enactment of this Act,
8 promulgate regulations as necessary for the implementa-
9 tion of this Act and the amendments made by this Act.

10 (b) NOTIFICATION TO CONGRESS.—Not fewer than
11 10 days before the promulgation of a regulation under
12 subsection (a), the President shall notify and provide to
13 the appropriate congressional committees the proposed
14 regulation, specifying the provisions of this Act or the
15 amendments made by this Act that the regulation is imple-
16 menting.

17 **SEC. 304. LIMITATION ON FUNDS.**

18 No additional funds are authorized to carry out the
19 requirements of this Act or of the amendments made by
20 this Act. Such requirements shall be carried out using
21 amounts otherwise authorized.

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