Chinese Entities, North Korean Shipping Companies Among Targets of New U.S. Sanctions

January 29, 2018
Sandler, Travis & Rosenberg Trade Report

The Department of the Treasury's Office of Foreign Assets Control has imposed sanctions against nine entities, 16 individuals, and six vessels found to be financing or otherwise supporting North Korea's weapons of mass destruction and other illicit businesses. As a result, any property or interests in property of the designated persons in the possession or control of U.S. persons or within the U.S. may not be transferred, paid, exported, withdrawn, or otherwise dealt in, and U.S. persons are prohibited from dealing with any of the designated parties.

Most of these actions are being taken under executive order 13810, which was issued in September 2017 and significantly expanded Treasury's authorities to target those who enable the North Korean regime's activity wherever they are located. This includes (a) targeting those conducting significant trade in goods, services, or technology with North Korea and banning them from interacting with the U.S. financial system, (b) blocking and freezing the assets of actors supporting North Korea's textiles, manufacturing, information technology, fishing, and other industries, and (c) suspending U.S. correspondent account access to any foreign bank that knowingly conducts or facilitates significant transactions tied to trade with North Korea or certain designated persons.

OFAC has designated China-based Beijing Chengxing Trading Co. Ltd. and Dandong Jinxiang Trade Co., Ltd., which between Jan. 1, 2013, and June 1, 2017, cumulatively exported more than $68 million worth of goods to, and imported more than $19 million worth of goods from, North Korea, including high-purity metals and used computers.

OFAC has also (a) designated Hana Electronics JVC, one of North Korea's only electronics companies; (b) designated five North Korean shipping companies (Gooryong Shipping Co Ltd., Hwasong Shipping Co Ltd., Korea Kumunsan Shipping Co., Korea Marine & Industrial Trdg., and CK International Ltd.); (c) blocked six vessels as property in which the above companies have an interest; and (d) sanctioned the North Korean Ministry of Crude Oil Industry.
Finally, OFAC has designated 10 representatives of the Korea Ryonbong General Corporation, which specializes in acquisition for North Korean defense industries and support to Pyongyang’s military-related sales, and five additional North Korean individuals linked to North Korean financial networks.

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