

# GLOBAL SANCTIONS IN A CHANGING WORLD

## US, UK and EU Sanctions Overview

October 5, 2021

## Overview of US Sanctions

**Peter Feldman**  
Partner, Washington, DC

## Today, we will discuss:



## US sanctions

### Executive summary

Sanctions are legal instruments of public policy	Restrict with <b>whom, where</b> , and <b>how someone</b> can do business - or penalties for doing so without authorization
	May be imposed by the <b>United Nations</b> , the <b>European Union</b> , or by <u>individual countries</u> , like the <b>United States</b>
Sanctions don't just apply in the United States	Sanctions can apply <b>globally</b> , especially if the US Dollar or US-origin items are involved
	They can affect <b>day-to-day business</b> , up and down the supply chain, customers, and vendors
Compliance is critical	Violations can result in criminal <b>prosecution</b> , <b>fines</b> , administrative <b>penalties</b> , <b>breach</b> of contract / insurance, <b>debarment</b> from contracting and <b>reputational damage</b> . . .
	For entities <b>and for individuals</b>

## Where do US sanctions come from? Legal history

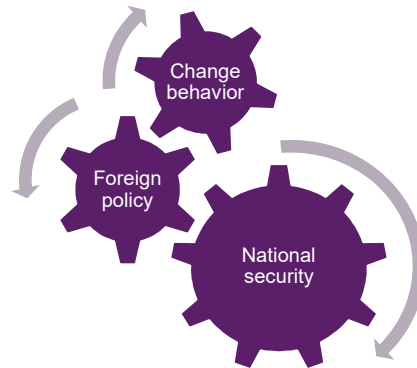
- US trade policy has been used to advance national security and foreign policy goals since the American Revolution
  - Blocking
  - Prohibiting
  - Licensing
- The Office of Foreign Funds Control (WWII - era)
- The Office of Foreign Assets Control (1950 - today)



## Where do US sanctions come from? Legal foundation

- US Constitution
- Trading With the Enemy Act (1917)
- United Nations Participation Act (1945)
- International Emergency Economic Powers Act (1977)
- And a growing range of other, more specific authorities, such as:
  - CISADA
  - CAATSA
  - NDAAs

## Why are they used? The purpose



## Why are they Used? The impact of sanction

- Aggressive oversight and enforcement
- Broad extraterritorial reach
  - Most transactions in US Dollars (clearing)
  - US-origin items (or foreign items with US content), anywhere in the world
  - Conduct in the United States (including e-mails, phone calls, and text messages, using US-based servers)
  - Transactions involving US citizens, green card holders, and companies
- Strict liability for some sanctions; "should-have-known" for others
- Counterparties are on high alert (particularly financial institutions)
- Reputational risks

## Key terms

### Types of sanctions

"Comprehensive" sanctions	• Crimea, Cuba, Iran, North Korea, Syria
List-based designations	• SDN, SDNTK, SDGT, FSE, Iran Government, Cuba Government, etc.
Sectoral sanctions	• Russia, Venezuela
Secondary/extraterritorial sanctions	• Penalties on non-US Persons that do business with certain sanctioned persons, or certain types of sanctioned activities

## Key terms

### Types sanctions work

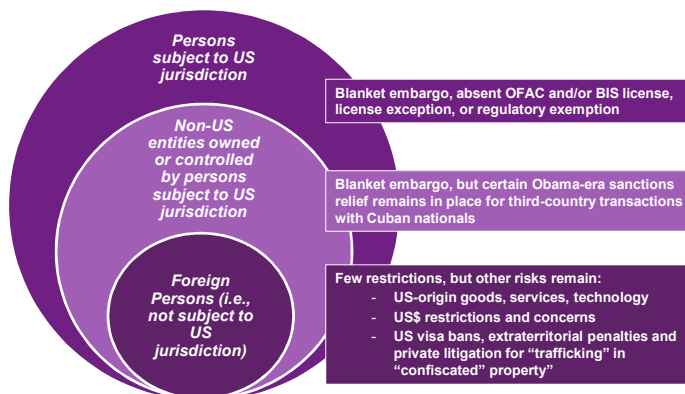
"Facilitation"	• Approving, financing, facilitating, or guaranteeing any transaction by a non-US person when the transaction would be prohibited if performed by a US Person
Blocking/Freezing	• Obligates any party in possession or control of funds or property of a sanctions target to block or freeze those assets and file certain reports
50% Rule	• Where there is a restriction against a designated sanctions target, the same restriction automatically applies to entities which the target owns 50% or more
"Control"	• Entities "controlled" by a sanctions target are subject to the same controls - but ONLY upon a finding by US authorities
Licenses	• General License means no further authorization required • Specific License requires authorization in advance

## Key terms

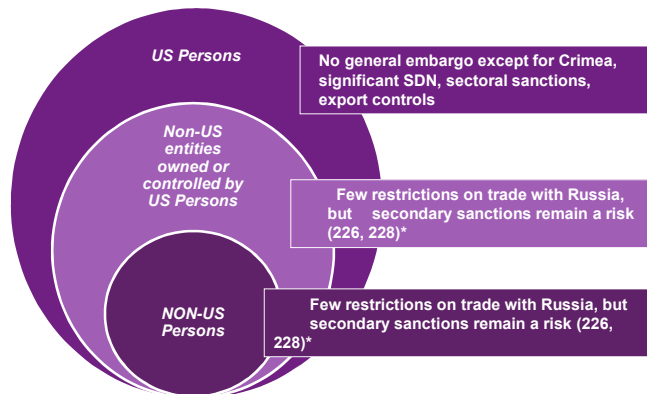
### Current sanctions programs

<b>Comprehensive sanctions</b>	<ul style="list-style-type: none"> <li>▪ Cuba, Iran, North Korea, Syria</li> <li>▪ Crimea region of Ukraine</li> </ul>
<b>Sectoral sanctions</b>	<ul style="list-style-type: none"> <li>▪ Russia</li> <li>▪ Venezuela</li> </ul>
<b>List-based sanctions</b>	<ul style="list-style-type: none"> <li>▪ W. Balkans, Belarus, Burundi, Central African Republic, DR Congo, Iraq, Lebanon, Libya, Mali, Nicaragua, Somalia, South Sudan, Ukraine, Yemen, Zimbabwe, etc.</li> <li>▪ Terrorism, WMD, human rights violators, transnational criminal organizations, narcotics traffickers, Magnitsky, rough diamonds, foreign sanctions evaders, etc.</li> </ul>
<b>Secondary sanctions</b>	<ul style="list-style-type: none"> <li>▪ CAATSA (NS2, TS2, Russia program designations, etc.)</li> <li>▪ Iran</li> </ul>

## Cuba sanctions, for example



## Russia-related sanctions, for another example



\*Sections 226 and 228 of the Countering America's Adversaries Through Sanctions Act penalize foreign persons engaged in "significant" transactions involving sanctioned people and entities

## Key terms

### Core US sanctions compliance principles

- US Persons may **NOT** engage in or facilitate a transaction directly or indirectly involving a country (or Crimea) or person subject to sanctions, absent a license or other authorization from OFAC
  - US Persons cannot buy, sell, or transfer any goods, services or technology to, from or involving any sanctioned country or person, absent OFAC approval
  - **no de minimis** threshold
  - no requirement that money or goods change hands, or that a transaction be consummated
- US law also prohibits "facilitation," aiding-and-abetting, conspiracy, etc.
  - Rule of thumb: if a US Person cannot engage in the transaction directly, then he/she cannot do so indirectly
- OFAC expects risk-based compliance measures, including 5 essential elements
- Documentation and recordkeeping is critical

# Iran Sanctions

**Jason Silverman**  
Partner, Washington, DC

## **Iran Sanctions** **Statutory sources**

- International Emergency Economic Powers Act (IEEPA)
- Countering America's Adversaries Through Sanctions Act (CAATSA)
- Iran Freedom and Counter-Proliferation Act (IFCA)
- Iran Threat Reduction and Syria Human Rights Act
- Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010 (CISADA)
- Iran Sanctions Act of 1996
- Section 1245 of the National Defense Authorization Act (NDAA) for Fiscal Year 2012, as amended
- Trade Sanctions Reform and Export Enhancement Act of 2000 (TSRA)

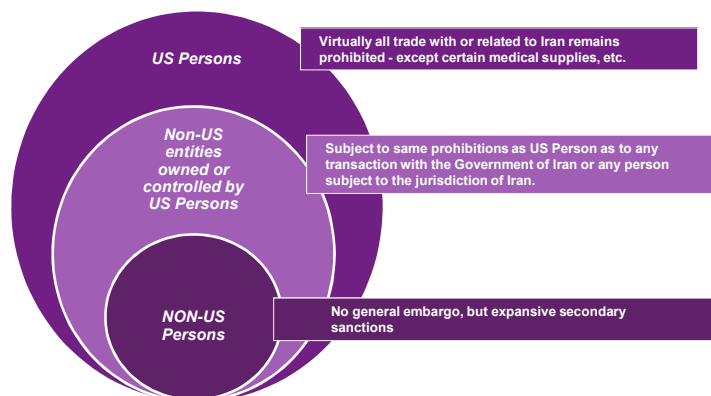


## Iran Sanctions Regulatory authorities and agency guidance

- Codified Regulations
  - Iranian Assets Control Regulations (31 CFR Part 535)
  - Iranian Transactions and Sanctions Regulations (31 CFR Part 560)
  - Iranian Financial Sanctions Regulations (31 CFR Part 561)
  - Iranian Human Rights Abuses Sanctions Regulations (31 CFR Part 562)
- As of December 13, 2020, 26 Executive Orders
- General Licenses
- Agency guidance
  - Interpretive guidance
  - Trade advisories
  - Frequently Asked Questions (over 200)
  - List of medical devices requiring specific authorization

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## Iran sanctions commercial landscape



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## Iran Sanctions

### Key concepts

- *What* do the Iran sanctions prohibit?
- *Who* must comply? (Jurisdictional question)
- "Primary" typically refers to the prohibitions that govern the conduct of *US Persons* and, in certain cases, dealing in US-origin goods
- "Secondary" typically refers to sanctions that can be imposed on *NON-US Persons* for specified types of conduct
- United States Person
  - US citizens
  - US permanent residents
  - Entities organized under the laws of the United States and foreign branches
  - Any person while in the United States

## Iran Sanctions

### Prohibitions under the Iranian Transactions and Sanctions Regulations (ITSR) (not an exclusive list)

- Importing goods and services into the US from Iran (not limited to US Persons)
- Exporting or re-exporting to Iran any goods or services from the US or by a US person
- Exporting or re-exporting certain goods to Iran by *non-US* persons
- Dealing in any goods of Iranian origin or providing goods to Iran or the Iranian government by US Persons
- Transactions in blocked property

## Iran Sanctions

### Prohibitions under the Iranian Transactions and Sanctions Regulations (ITSR) (not an exclusive list)

- Several notable features of the ITSR and sanctions generally expand these prohibitions beyond their own terms
  - Foreign companies owned or controlled by a US person may not engage in any transaction with the Government of Iran or any person subject to the jurisdiction of Iran, if the transaction would be prohibited to a US person
  - Causing, conspiring, attempting, evading
  - Facilitation: *no United States person, wherever located, may approve, finance, facilitate, or guarantee any transaction by a foreign person where the transaction by that foreign person would be prohibited by this part if performed by a United States person or within the United States.*" 31 CFR 560.208
    - Certain changes to policies to allow transactions prohibited to US persons
    - Referring a foreign person business opportunities involving Iran or the GOI that a US person could not pursue

## Iran Sanctions

### General Licenses

- Exporting food, medicine, and medical devices to Iran; other humanitarian activities
- Exporting goods and services relating to telecommunications and mail, personal communications
- Journalism and journalistic activities; publishing
- Legal services and certain legal proceeding and other activities

## Iran Sanctions (Cont.)

### General Licenses

- A general license is an authorization of transactions otherwise prohibited under the regulations. They are available to the public and do not require a specific request to OFAC
- They have specific terms and limitations, all of which must be complied with for the license to cover the transaction
- Authorize transactions that are consistent with or advance US foreign policy and other interests (examples on next page)

## Iran Sanctions

### “Secondary” Sanctions

- Restrictive measures imposed on non-US persons for certain conduct
- The “sanctions relief” extended under the JCPOA and subsequently rescinded by the Trump administration almost entirely involved secondary sanctions
- Certain authorities apply to foreign financial institutions, while others apply to any person
- Key concept: “significant transaction”
  - (a) the size, number, and frequency of the transactions, financial services, or financial transactions; (b) the nature of the transactions, financial services, or financial transactions, including their type, complexity, and commercial purpose; (c) the level of awareness of management and whether the transactions are part of a pattern of conduct; (d) the nexus of the transactions, financial services, and financial transactions and blocked persons; (e) the impact of the transactions, financial services, and financial transactions on statutory objectives; (f) whether the transactions, financial services, and financial transactions involve deceptive practices; (g) whether the transactions solely involve the passive holdings of Central Bank of Iran (CBI) reserves or repayment by the CBI of official development assistance or the transfer of funds required as a condition of Iran’s membership in an international financial institution; and (h) other relevant factors that the Secretary of the Treasury deems relevant.
- Exceptions relating to humanitarian trade and transactions for which a US Person would not require a specific license

## **Iran Sanctions (Cont.)** **“Secondary” Sanctions**

- OFAC can impose a range of restrictive measures on conduct it deems sanctionable
  - Blocking sanctions
  - Visa ban and exclusion from the U.S.
  - Denial of ExIm bank financing
  - Government contracting debarment
  - Licensing debarment
  - Restrictions on loans from or equity investment by U.S. persons
  - Restrictions on foreign exchange, correspondent and payable-through accounts and transactions

## **Iran Sanctions** **“Secondary” Sanctions (not an exhaustive list)**

- EO 13902
  - Significant transactions for the sale, supply, or transfer to or from Iran of significant goods or services used in connection with the construction, mining, manufacturing, or textiles sectors of the Iranian economy, or other sectors specified by the Secretary of the Treasury, in consultation with the Secretary of State, pursuant to EO 13902
- EO 13871
  - Significant transactions for the sale, supply, or transfer to Iran of significant goods or services used in connection with the iron, steel, aluminum, or copper sectors of Iran;
  - Significant transactions for the purchase, acquisition, sale, transport, or marketing of iron, iron products, aluminum, aluminum products, steel, steel products, copper, or copper products from Iran

## Iran Sanctions (Cont.)

### “Secondary” Sanctions (not an exhaustive list)

- EO 13846
  - Significant transactions
    - the sale, supply, or transfer to Iran of significant goods or services used in connection with the automotive sector of Iran
    - the purchase, acquisition, sale, transport, or marketing of petroleum or petroleum products from Iran
    - the purchase, acquisition, sale, transport, or marketing of petrochemical products from Iran
    - the purchase or sale of Iranian rials or a derivative, swap, future, forward, or other similar contract whose value is based on the exchange rate of the Iranian rial
    - As to foreign financial institutions, conducting or facilitating a significant financial transaction with certain SDNs or NIOC or NICO, or the foregoing types of transaction involving the automotive sector of Iran, or petroleum, petroleum products, or petrochemicals from Iran
  - Providing significant financial, material, technological, or other support to, or goods or services in support of
    - the National Iranian Oil Company (NIOC), Naftiran Intertrade Company (NICO), or the Central Bank of Iran
    - Iranian persons included on the list of Specially Designated Nationals and Blocked Persons, and certain other SDNs (other than certain Iranian depository institutions listed solely because they are owned by the Government of Iran and not for other activity such as weapons proliferation, support for international terrorism, or human rights abuses)
    - a person determined to be a part of the energy, shipping, or shipbuilding sectors of Iran, or a person determined to operate a port in Iran

## Russia Sanctions

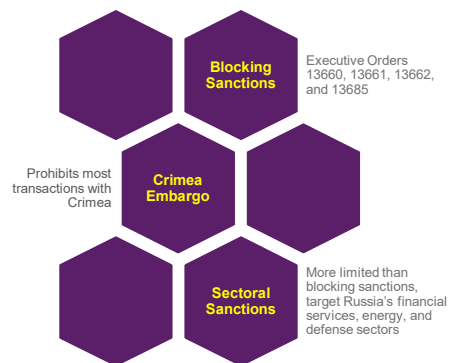
**Mike Zolandz**  
Partner, Washington, DC

## Russia Sanctions Overview of US Sanctions Policy Aims

- Russia's invasion of Ukraine
- Interference in US elections
- Other malicious cyber activity
- Human rights abuses
- Use of a chemical weapon against Sergei Skripal and his daughter
- Weapons proliferation
- Illicit trade with North Korea
- Support to Syria and Venezuela
- Restricting Nord Stream II and TurkStream pipelines

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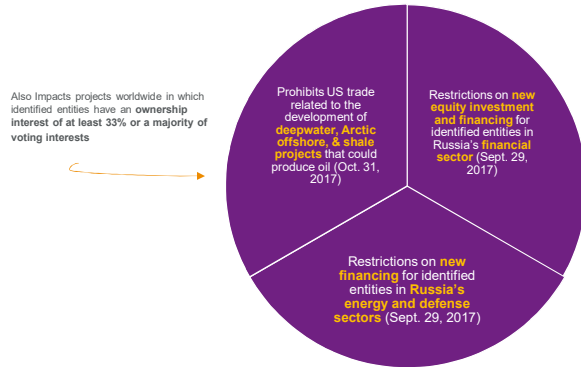
## Russia Sanctions US Primary Sanctions



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# Russia Sanctions Sectoral Sanctions

Sectoral sanctions on Russia's financial, energy, and defense sectors:



## Secondary sanctions related to energy sector, malign behavior; sectoral sanctions; more sanctions possible

- Corruption of Russian government officials (s. 227)
- Human rights abuses in territories controlled or forcibly occupied by the Russian government (s. 228)
- Transactions with the Russian defense and intelligence sectors (s. 231)
- Investment in or facilitation of the privatization of Russian state assets in a manner that unjustly benefits Russian government officials (s. 233)
- Arms sales to Syria (s. 234)
- Cybersecurity (s. 224) (blocking and more limited sanctions)



## Russia Sanctions CAATSA Section 228

Impose blocking sanctions on any person that OFAC determines has **knowingly facilitated significant transactions for or on behalf of “any person subject to US sanctions with respect to the Russian Federation”**

Applies to both **SDNs and SSIs**

Persons knowingly facilitating significant transactions with a blocked person **can be added to the SDN List**

Requires the presence of deceptive practices

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## Russia Sanctions CAATSA Section 226

Requires the President to prohibit the opening of a **US correspondent or payable-through account, or prohibit or impose strict conditions on the maintenance of a US correspondent or payable-through account, for a foreign financial institution** that, “on or after the date that is 30 days after 2 August 2017 [i.e., 1 September 2017], knowingly facilitates a significant financial transaction on behalf of any Russian person” on the SDN List.

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## Russia Sanctions CAATSA Section 232

Authorizes the President to impose a menu of sanctions against any person who knowingly:

makes investments that directly and significantly contribute to the enhancement of the ability of the Russian Federation to construct energy export pipelines; or

provides to the Russian Federation, for the construction of Russian energy export pipelines, goods, services, technology, information, or support.

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## Russia Sanctions PEESA and PEESCA

### PEESA targets foreign persons who knowingly:

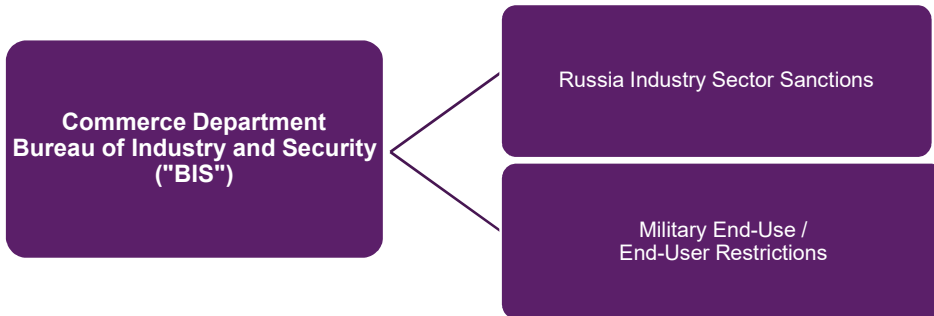
- Sold, leased, or provided vessels for the construction of the Nord Stream 2 pipeline, the Turkstream pipeline, or any successor project; or
- Facilitated deceptive or structured transactions to provide those vessels for such a project.

### PEESCA further targets foreign persons who knowingly:

- Engage in "pipe-laying activities" in connection with the construction of the enumerated projects;
- Include "activities that facilitate pipe-laying, including site preparation, trenching, surveying, placing rocks, stringing, bending, welding, coating, lowering of pipe, and backfilling";
- Facilitate the sale, lease, or provision of vessels identified as engaged in pipe-laying or pipe-laying activities for the construction of the enumerated projects; or
- Provide underwriting, insurance, reinsurance, services or facilities for technology updates or installation of welding equipment for, or retrofitting or tethering of, vessels identified by the Secretary of State pursuant to PEESA.

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## Russia Sanctions Other Agency Actions



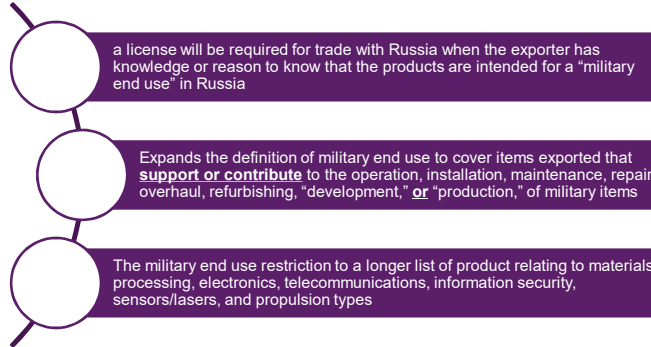
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## Russia Sanctions Russia Industry Sector Sanctions

- Items include: ECCNs 0A998, 1C992, 3A229, 3A231, 3A232, 6A991, 8A992, 8D992
- Items listed in Supplement No. 2 to Part 746 (List of Schedule B numbers)
- Presumption of denial for any license requests
- Broader impact than sectoral sanctions, which focus on debt & limited to designated entities

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## Russia Sanctions New Military End-Use / End-User Controls



## China & Hong Kong Sanctions

Mike Zolanz  
Partner, Washington, DC

## US/China



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## US/China Sanctions Focus Areas

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Cybersecurity	Concern over access to US systems, and use of technology to gain that access
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Human Rights	Targeting specific instances of forced labor or concerns over specific populations
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Involvement with other sanctions programs	Designation of Chinese entities in the context of Iran and Venezuela programs
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## **US/China Sanctions** **Multiple US Authorities**

- OFAC
  - Hong Kong Autonomy Act
  - EO 13936
  - GLOMAG
- Commerce Department
  - Designation of Chinese firms to Entity List
  - Designation of Chinese firms tied to Chinese Government/Military
- Homeland Security/CBP
  - Seizure of goods produced with forced labor
- Department of Defense
  - Limits on procurement - 2019 NDAA
  - Designation of entities connected to Chinese military

## **US/China Sanctions** **Basis for Sanctions**

- Chinese officials involved in undermining Hong Kong autonomy
- Foreign financial institutions that “materially support” designated individuals or entities
- Government officials or Chinese firms that are responsible for, or complicit in, human rights abuses in Xinjiang
- Prohibitions on contracts to any entity that utilizes systems that are made by or significantly incorporate technology from specified Chinese technology companies

## **US/China Sanctions** **Recent Developments**

- Designation of CEIC under Venezuela Program
  - Targeted both for Venezuela and military ties
- First Report under Hong Kong Autonomy Act - 10.14.2020
  - Identified 10 individuals, trigger for potential future sanctions related to financial transactions
- OFAC Designation of Chinese officials - 2020-21
  - Targeting of companies and individuals involved in alleged Xinjiang human rights abuses
- Precursor to Autonomy Act Report - blocking measures
- GLOMAG designations related to Xinjiang - 7.9.2020
- Joint BIS/OFAC Xinjiang supply chain advisory - 7.1.2020
- Securities Restrictions - EO 14032
  - Identifies Chinese Military-Industrial Complex (CMIC) Companies

## **US/China Sanctions** **Implications for Business**

- Supply chain disruption related to source of inputs or products
- Enhanced “great Firewall” protocols for operations in China/Hong Kong
- Enhanced due diligence on Chinese partners/customers/suppliers
- Increased certifications related to use of Chinese technology in commercial operations
- Increased licensing requirements for sales of US components or technology incorporating US-origin items

# Venezuela Sanctions

**Peter Feldman**  
Partner, Washington, DC

## Venezuela Sanctions Program

Sanctioned 354 targets under the Venezuela sanctions authorities - plus 50% Rule

Expansion of Venezuela sanctions scope

"Material Support" provisions of EO 13850 and 13884



## Venezuela Sanctions Program

### Government of Venezuela designation pursuant to EO 13884

#### Sanctions targeting the Maduro regime

- Blocking sanctions on **Petróleos de Venezuela, S.A. ("PdVSA")** and its subsidiaries (Jan. 28, 2019)
- Limitations on dealing in **pre-sanctions bonds** issued by the **Government of Venezuela** (Feb. 1, 2019)
- Blocking sanctions against **Banco de Desarrollo Económico y Social de Venezuela ("BANDES")** and four of its subsidiaries (Mar. 22, 2019)
- Designation of the **Central Bank of Venezuela** (Apr. 17, 2019)

#### Sanctions targeting sources of support for the Maduro regime

- Designation of Russia's **Evrofinance Mosnarbank** for helping funnel revenue from oil sales (Mar. 11, 2019)
- Designations of **shipping companies** and blocking of related vessels **involved in the shipment of oil** from Venezuela to Cuba (Apr. 2019)
- Designation of **Rosneft Trading** in connection with **crude swaps and sales** (February and March 2020)
- Designation of **China National Electronic Import-Export Company**, for supporting Maduro regime (November 30, 2020).

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## Venezuela Developments (Cont.)

Open question as to how OFAC will implement EO 13850 relating to Venezuela's gold sector as well as **"any other sector of the Venezuelan economy"**

- Expansive in scope as it allows designation of any sector the Secretary of Treasury wishes
- No designations have been made pursuant to the EO yet

Open question about how **"material support"** provision in EO 13850 and EO 13884 will be interpreted

- Although **no statutory secondary sanctions authorities**, there is a "material support" provision that authorizes OFAC to block the property of any person who provides material assistance or support for persons designated under the EO and designate these entities or individuals as SDNs

**No formal guidance** from OFAC about its **licensing criteria or policy**; however, OFAC has been providing some information to companies who have reached out via informal channels

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## Venezuela

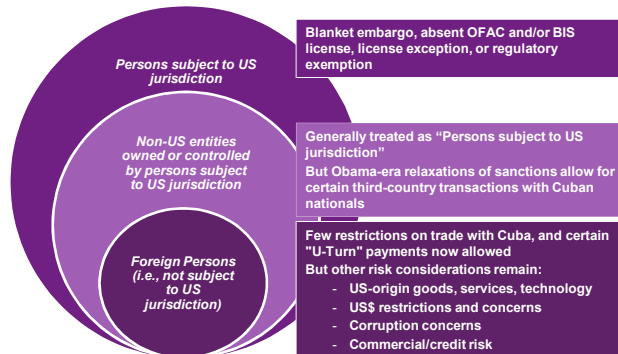
- EO 13884 requires blocking of Government of Venezuela assets in the possession of US Persons, and prohibits transactions with any Government of Venezuela Entities
- This broadly prohibits US Persons from engaging in any transactions with the Government of Venezuela, including its subsidiaries and instrumentalities, unless authorized by a general or specific license
- Over **two dozen** general licenses have been issued authorizing various transactions otherwise prohibited, including by carving out certain PdVSA or GoV-owned entities, allowing transactions with Guaido government, winding down transactions, authorizing humanitarian and certain infrastructure-related transactions
- Many current and former government officials are also on the SDN list

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## Cuba Sanctions

**Peter Feldman**  
Partner, Washington, DC

## Cuba sanctions landscape



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## Cuba Sanctions Developments

A national security presidential memorandum by Trump in 2017 reversed sanctions relief provided by the Obama administration

- State Department's issuance of a "Restricted Entities" List
- Removal of the authorization for "U-turn" transactions
- Limits on remittances to Cuba
- Reversal of policy to allow non-family travel to Cuba

Title III of the Helms-Burton Act permits US nationals that own certain confiscated property to sue any person who "traffics" in such property for damages

- The EU and Canada criticized the action, promising to block the enforcement of judgments obtained under the Act
- Numerous lawsuits filed so far

# Global Magnitsky and other recent developments

Jason Silverman  
Partner, Washington, DC

## Global Magnitsky “Glomag”

- Global Magnitsky Human Rights Accountability Act (2016)
- Authorizes blocking sanctions and US visa ban/revocation on “any foreign person” engaged in:
  - Human rights abuses, or
  - Corruption
- The President “shall” consider information provided by appropriate congressional committees, AND “credible information obtained by other countries and nongovernmental organizations that monitor violations of human rights”
- For information submitted by the appropriate congressional committees, President “shall” make a determination “not later than 120 days” after receiving
- Designations: 146 individual / 189 entity (vs 105 each in December 2020)

## Recent developments

### Revived / terminated programs; new threats to address

- Ethiopia sanctions program created
  - Address human rights concerns amid conflict in Northern Ethiopia
- Burma sanctions program
  - Program terminated in 2016; revived in response to 2021 coup
- ICC sanctions program terminated
  - Widely viewed as inappropriately political of former president; terminated by President Biden
- Belarus sanctions escalated
  - Existing sanctions program with new importance in light of election widely seen as fraudulent; targeting civil society and opposition organizations; diverting Irish plane to make a political arrest

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## Recent developments

### Revived / terminated programs; new threats to address

- Ransomware sanctions; advisory updated
  - Sanctioned a cryptocurrency exchange involved in payments to ransomware groups
  - Issued an updated ransomware advisory to industry
    - Emphasized that ransomware payments to sanctioned parties or jurisdictions, or facilitating such payments, is a violation
    - Persons can mitigate potential exposure to penalties by
      - Having a risk-based sanctions compliance program that addresses ransomware
      - Maintaining appropriate cybersecurity practices and infrastructure, which will be viewed as cooperation
      - Promptly notifying government of relevant government agencies, which will be considered a voluntary self-disclosure, and ongoing cooperation with law enforcement will be viewed as a significant mitigating factor
- Afghanistan
  - Sanctions program terminated in 2011, but had effectively ended years before; Taliban has remained sanctioned under the Global Terrorism Sanctions Regulations ("GTSR"); Haqqani Network added more recently.
  - No program yet, but the Taliban, which now governs Afghanistan, are sanctioned under GTSR
  - General license for humanitarian aid issued

# North Korea Sanctions

Mike Zolandz  
Partner, Washington, DC

## North Korea Sanctions Comprehensive Embargo

Complements and adds to existing international sanctions maintained by the United Nations and the international community

Aimed at impeding North Korea's **development of missile and nuclear technology, cyber attacks, human rights violations, censorship, and money laundering**

A comprehensive embargo **prohibits US persons from importing, exporting, or facilitating transactions** involving North Korea

**New investments** in North Korea by US persons are also prohibited

## North Korea Sanctions Recent Increased Pressure

2020 saw an **increase in the pressure** on the North Korean government

Issuance of three separate sanctions **advisories**

**Amendments** expanding restrictions in the **North Korea Sanctions Regulations**

**Criminal indictments** of sanctions evaders that supported NK's **nuclear program**

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## North Korea Sanctions Joint Cybersecurity Advisory

Malicious cyber activity from North Korea declared a **significant threat to integrity and stability of global financial system**

NK has used state-owned organizations to run cyberattacks against US and international **financial institutions, critical infrastructure, government and military networks, private industry, and individuals**

Encourage industry to **adopt enhanced security measures**

Recommend that industry reach out to the **Cybersecurity and Infrastructure Security Agency** and the **FBI Cyber Division** if they are targeted

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## North Korea Sanctions Joint Ballistic Missile Procurement Advisory

Intends to put the international community on notice as to **North Korean ballistic missile procurement entities and deceptive techniques**

Highlights industries most at risk: **electronics, chemical, metals, and materials industries as well as the financial, transportation, and logistics** sectors

Identifies **numerous types of products** that are likely to be implicated

Recommends **additional due diligence and Know-Your-Customer policies and procedures**

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## North Korea Sanctions Joint Maritime Advisory

**Updates** previous guidance issued for Syria, Iran, and Venezuela

Intended for the **maritime industry as well as the energy and metals sectors**

Outlines tools for the industry in these sectors to **counter illicit shipping and sanctions evasion** vis-à-vis North Korea

Common deceptive techniques: **disabling or manipulation of automatic ID systems on vessels, physical alteration of vessel IDs, falsifying cargo and vessel documents, and ship-to-ship transfers**, etc.

Recommends due diligence and monitoring for the **entire supply chain and transaction lifecycle**, among other best practices

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## North Korea Sanctions Amendments to the NKSR

Intensify the pressure against the North Korean regime by:

Implementing secondary sanctions for certain transactions

Adding potential sanctions restrictions on the use of correspondent accounts for non-US financial institutions that have provided significant services to SDNs

Updates key terms such as “luxury goods” for purposes of certain sanctions prohibitions

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