



Security Council

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Security Council Committee established pursuant to resolution [1718 \(2006\)](#)

Note verbale dated 10 November 2017 from the Permanent Mission of France to the United Nations addressed to the Chair of the Committee

The Permanent Mission of France to the United Nations presents its compliments to the Chair of the Security Council Committee established pursuant to Security Council resolution [1718 \(2006\)](#) and has the honour to transmit herewith the report of France regarding implementation of resolution [2371 \(2017\)](#), in accordance with paragraph 18 thereof, and resolution [2375 \(2017\)](#), in accordance with paragraph 19 thereof (see annex).



Annex to the note verbale dated 10 November 2017 from the Permanent Mission of France to the United Nations addressed to the Chair of the Committee

Report of France on implementation of resolutions [2371 \(2017\)](#) and [2375 \(2017\)](#)

I. Introduction

Security Council resolutions [2371 \(2017\)](#) of 5 August 2017 and [2375 \(2017\)](#) of 11 September 2017 strengthen the sanctions regime against the Democratic People's Republic of Korea.

Resolution [2371 \(2017\)](#) introduces a total ban on transactions related to coal, iron and iron ore, and adds lead and lead ore to the list of banned commodities. It prohibits the hiring and payment of new workers from the Democratic People's Republic of Korea used to generate export earnings, and the export of seafood by the Democratic People's Republic of Korea. In the financial field, it prohibits the establishment or expansion of joint ventures and cooperative entities with the Democratic People's Republic of Korea, and clarifies that companies performing financial services are considered financial institutions for the purpose of implementing the relevant sanctions measures, and that paragraph 11 of resolution [2094 \(2013\)](#) also applies to clearing of funds through all Member States' territories. It designates an additional nine individuals and four entities, and provides updates on two previously designated individuals.

Resolution [2375 \(2017\)](#) establishes a full ban on the sale, supply or transfer of all condensates and natural gas liquids to the Democratic People's Republic of Korea and limits the number of barrels of refined petroleum products which may be sold, supplied or transferred to the Democratic People's Republic of Korea. It also prohibits the supply, sale or transfer to the Democratic People's Republic of Korea, during a period of 12 months from the date of adoption of the resolution, of a quantity of crude oil in excess of the amount provided by Member States in the 12-month period preceding the adoption of the resolution. It prohibits the export of textiles by the Democratic People's Republic of Korea and prohibits Member States from providing work authorizations for nationals from the Democratic People's Republic of Korea, with the exception of work authorizations for which written contracts were finalized prior to the adoption of the resolution. It prohibits all joint ventures and cooperative entities, as well as the expansion of existing joint ventures with entities or individuals from the Democratic People's Republic of Korea. It also clarifies the call upon Member States to inspect, with the consent of the flag State, vessels on the high seas. Lastly, it identifies one additional individual and three entities as subject to sanctions.

In paragraph 18 of resolution [2371 \(2017\)](#), the Security Council:

“Decides that Member States shall report to the Security Council within 90 days of the adoption of this resolution, and thereafter upon request by the Committee, on concrete measures they have taken in order to implement effectively the provisions of this resolution, requests the Panel of Experts, in cooperation with other United Nations sanctions monitoring groups, to continue its efforts to assist Member States in preparing and submitting such reports in a timely manner;”

In paragraph 19 of resolution [2375 \(2017\)](#), Member States are requested, in the same terms, to report to the Security Council on the implementation of its provisions, within 90 days.

In accordance with these provisions, France wishes to bring to the attention of the Security Council the measures taken to implement this resolution and resolution [2375 \(2017\)](#).

(a) The European Union introduced restrictive measures against the Democratic People's Republic of Korea on 22 December 2006, following that country's first nuclear test, and all Security Council resolutions are transposed into European Union law through the regulations and directives of the Council of the European Union. Additional measures have also been taken independently by the European Union. They target nuclear weapons programmes, nuclear programmes and other weapons of mass destruction and ballistic missile-related programmes of the Democratic People's Republic of Korea. The measures include prohibitions on the export and import of weapons, goods, services and technologies that could contribute to those programmes.

By Decision (CFSP) 2017/1838 of 10 October 2017, the Council of the European Union took steps to implement Security Council resolutions [2371 \(2017\)](#) and [2375 \(2017\)](#), in particular:

- Extending the prohibition on the export and import of certain goods to and from the Democratic People's Republic of Korea and the restrictions on investment in that country;
- Prohibiting the issuance of work authorizations to nationals from the Democratic People's Republic of Korea in the jurisdiction of member States;
- Strengthening the maritime interdiction of cargo vessels.

The additional 10 individuals and 7 entities designated pursuant to Security Council resolutions [2371 \(2017\)](#) and [2375 \(2017\)](#) have been included in the list of individuals and entities subject to an assets freeze and to travel restrictions by Decision (CFSP) 2017/1573 of the Council of the European Union, adopted on 15 September 2017.

By Decision (CFSP) 2017/1860 of 16 October 2017, the Council of the European Union also took independent measures to increase the pressure on the Democratic People's Republic of Korea to make the Government comply with its obligations under Security Council resolutions. With this Decision, the Security Council also added three individuals and six entities to the lists of individuals and entities contained in Annexes II and III of Council Decision (CFSP) 2016/849 of 27 May 2016.

(b) At the national level, France has strengthened its domestic law by means of the Act of 14 March 2011 on combating the proliferation of weapons of mass destruction and their delivery systems. In particular, this Act establishes the financing of proliferation as a separate offence.

The present report describes the measures taken by France pursuant to resolutions [2371 \(2017\)](#) and [2375 \(2017\)](#), as a complement to European legislation.

II. Freezing of funds and economic resources

Banks and financial institutions in France are informed of European Union measures regarding the designation of individuals and entities via, inter alia, the Official Journal of the European Union, the consolidated list of financial sanctions of the European Union and the website of the Department of the Treasury, which has a dedicated page on the sanctions regime against the Democratic People's Republic of Korea and a single list of freezing measures applicable in France. French banks and financial institutions are required to implement these measures without delay.

Article L562-3 of the Monetary and Financial Code allows the minister responsible for economic affairs to freeze, for a renewable period of six months, all or part of the funds, financial instruments and economic resources held by individuals and entities designated by the Security Council or by the European Union. By decrees of the Minister of the Economy and Finance of 7 August 2017 and 13 September 2017, the freeze was implemented against the individuals and entities designated by Security Council resolutions [2371 \(2017\)](#) and [2375 \(2017\)](#), respectively, pending the adoption of European Union legislation.

III. Inspection of vessels

The cargo of vessels, once unloaded and subject to customs procedures, is subject to *ex ante* inspection (at the time of customs clearance), based on the provisions of the Union Customs Code.

The Union Customs Code does not, however, permit on-board inspections. The legal framework governing on-board inspections is contained in articles 62 and 63 of the French Customs Code.

All inspections of vessels located at sea or berthed in ports, harbours or bays are carried out under the following identical conditions:

- Inspections are conducted both day and night;
- Checks are carried out in the absence of prior indications of fraud;
- All customs officers may exercise the right of visit, without special authorization;
- The visit concerns all parts of the vessel, including those used as private quarters or accommodation;
- The visit is conducted in the presence of the captain, or his or her representative;
- If an area used as private quarters or accommodation is visited, the inspection is conducted in the presence of their occupant or, in their absence, in the presence of the captain or his or her representative;
- The persons on board the vessel may be required to remain at the disposal of the officials carrying out the inspection for the time strictly necessary to carry it out, provided they are not held against their will and are not subject to any coercive measures;
- Following the inspection, a record of the visit should be prepared by the customs service;
- A copy of this record is immediately given to the captain of the vessel and, where applicable, his or her representative and/or any occupant of an area used as private quarters or accommodation that was visited, irrespective of the outcome of the visit;
- All occupants of an area used as private quarters or accommodation visited have an opportunity to appeal against the inspection.

The only special provision concerns inspections of areas used as private quarters or accommodation on vessels that have been berthed for at least 72 hours in a port, harbour or quai, when the occupant(s) of these areas refuse(s) to grant agents access to them. In this particular situation, the customs service requires authorization to gain access to areas used as private quarters or accommodation. Such authorization is granted by the competent judge (*juge des libertés et de la détention* — judge responsible for release and detention) at the regional court for the location of the customs directorate of the customs service in question.

All inspection visits are subject to a report which the captain of the vessel, or his or her representative, is invited to read and then sign.

These provisions are applied to the inspection of vessels in compliance with the Security Council resolutions related to the Democratic People's Republic of Korea.

IV. Sectoral

In order to implement the provisions of European Union Council Regulation (EU) 2017/1509 of 30 August 2017, concerning restrictive measures against the Democratic People's Republic of Korea related to the actual flow of goods, the Directorate-General of Customs and Indirect Duties has configured the computerized customs clearance system in order to block the relevant flows.

These selection profiles cover all imports and exports of goods to and from the Democratic People's Republic of Korea, as well as imports and exports of products originating in the Democratic People's Republic of Korea.

The profiles also cover flows that have received a special authorization for import or export.

V. Financial resources

A. Joint ventures and cooperatives with individuals or entities of the Democratic People's Republic of Korea

To the knowledge of the French Government, there are no joint ventures or cooperatives with individuals or entities of the Democratic People's Republic of Korea either established by French nationals or located in French territory.

B. Financial services

The prohibition on clearing funds to or from the Democratic People's Republic of Korea is codified in Regulation (EU) 2017/1548 of 14 September 2017. As European regulations are immediately applicable in member States from the time of their publication in the Official Journal of the European Union, this measure immediately entered into force in domestic law.

Article 451 bis of the French Customs Code considers that external financial relations include economic or financial operations carried out, either in France or with foreign flows, by or on behalf of the natural and legal persons referred to in European regulations enacted under article 215 of the Treaty on the Functioning of the European Union, or by duly approved and ratified international treaties and agreements.

These implementing regulations freeze the funds and economic resources of the individuals and entities listed in their annexes.

The violation of economic and financial sanctions imposed by European regulations constitutes a breach of the legislation and regulations governing international financial relations, and may be reported by customs officers under article 459 of the Customs Code. The penalties are severe: violators may be punished by a term of imprisonment of five years, confiscation of the corpus delicti, the means of transport used and the goods and assets constituting the proceeds of the offence, and by a fine at least equal to the amount that the offence concerns and at most double that amount.