

**Security Council**

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**Security Council Committee established pursuant to
resolution [1718 \(2006\)](#)****Letter dated 14 December 2017 from the Permanent Representative
of the United Kingdom of Great Britain and Northern Ireland to the
United Nations addressed to the Chair of the Committee**

On behalf of the Permanent Mission of the United Kingdom to the United Nations, I wish to submit for the attention of the Security Council Committee established pursuant to resolution [1718 \(2006\)](#) and of the Panel of Experts on the Democratic People's Republic of Korea the attached 90-day report on the implementation of Security Council resolution [2375 \(2017\)](#) (see annex).

This submission is in accordance with paragraph 19 of resolution [2375 \(2017\)](#).

The United Kingdom takes its responsibilities under Security Council resolutions on the Democratic People's Republic of Korea most seriously, and we monitor closely any activity to ensure compliance with United Nations sanctions.

(Signed) Matthew **Rycroft**



Annex to the letter dated 14 December 2017 from the Permanent Representative of the United Kingdom of Great Britain and Northern Ireland to the United Nations addressed to the Chair of the Committee

Report of the United Kingdom on the implementation of resolution 2375 (2017)

Introduction

1. The Permanent Mission of the United Kingdom to the United Nations has the honour to submit its report pursuant to paragraph 19 of Security Council resolution 2375 (2017) on the steps taken by the Government of the United Kingdom to implement the measures of the resolution.

Legal background

2. Security Council resolutions are implemented into the national law of States members of the European Union through decisions and regulations of the Council of the European Union, which have direct legal effect in each member State. The Council of the European Union has also implemented autonomous restrictive measures, including designations of further individuals and wider economic measures. These measures have effect only within the territories of States members of the European Union.

3. The Security Council, in its resolution 2375 (2017), imposed new measures and widened the scope of a number of existing measures. On 15 September 2017, the Council of the European Union adopted Council Implementing Decision (CFSP) 2017/1573, and on 10 October 2017, it adopted Council Decision (CFSP) 2017/1838 amending Decision (CFSP) 2016/849 concerning restrictive measures against the Democratic People's Republic of Korea, giving effect to Security Council resolution 2375 (2017).

4. For the elements of the above-mentioned decisions that fall within the competence of the European Union under the Treaty on the Functioning of the European Union, the measures were implemented by the Council of the European Union in Council Regulation (EC) No. 329/2007 of 27 March 2007. This regulation was repealed and replaced with Council Implementing Regulation (EU) 2017/1568 of 15 September 2017, which was amended by Council Regulation (EU) 2017/1836 of 10 October 2017. European Union restrictive measures implement Security Council resolutions 1718 (2006), 1874 (2009), 2087 (2013), 2094 (2013), 2270 (2016), 2321 (2016), 2356 (2017), 2371 (2017) and 2375 (2017). The European Union has also implemented additional European Union autonomous measures.

5. The United Kingdom drafts its own legislation to implement sanctions measures in respect of national criminal offences in the United Kingdom and for its overseas territories. It also drafts its own national legislation to control arms exports.

6. Criminal offences that relate to breaching of the financial sanctions are implemented by legislation in the form of the following financial sanctions regulations, which are drafted by Her Majesty's Treasury: the North Korea (United Nations Sanctions) Order 2009 No. 1749 and the Democratic People's Republic of Korea (European Union Financial Sanctions) Regulations 2013 No. 1877.

7. The Department for International Trade is responsible for implementing the existing comprehensive national and European Union controls on the export of and trade in arms and other goods controlled for strategic reasons. These controls are contained in various national and European Union legal instruments, notably the

Export Control Order 2008 No. 3231 (as amended) and Council Regulation (EC) No. 428/2009.

8. The present report details the implementation of Security Council resolution [2375 \(2017\)](#) in the national law of the United Kingdom and in European Union legislation. These measures are also being implemented in the overseas territories of the United Kingdom.

9. The United Kingdom has responsibility for the implementation of Security Council resolutions in those overseas territories that fall outside the jurisdiction of the European Union. The Foreign and Commonwealth Office is in the process of drafting the necessary legislation implementing resolution [2375 \(2017\)](#) in those overseas territories. It has implemented other resolutions in the Democratic People's Republic of Korea (Sanctions) (Overseas Territories) Order 2012 No. 3066. This is the principal Order implementing sanctions with regard to the Democratic People's Republic of Korea in the overseas territories, and is amended by other Orders as necessary when new Security Council resolutions are adopted. This legislation applies to all overseas territories with the exception of Bermuda, which drafts its own legislation, and Gibraltar, where European Union regulations apply.

Designations and financial matters

10. Criminal penalties are in place to deter credit or financial institutions based in the United Kingdom from maintaining accounts, branches or subsidiaries in the Democratic People's Republic of Korea where Her Majesty's Treasury has made a direction that there are reasonable grounds to believe that they could contribute to the nuclear, weapons of mass destruction or ballistic missile programmes of the Democratic People's Republic of Korea.

11. The United Kingdom has recently introduced new powers onto the statute book, through the Policing and Crime Act 2017, which strengthen sanctions enforcement in the United Kingdom, including through new civil monetary penalties and an increase in maximum sentences for those that breach sanctions. This includes breaches of Security Council resolution [2375 \(2017\)](#). The new powers also include "without delay" provisions, which ensure that new United Nations listings, including any annexed to future resolutions related to the Democratic People's Republic of Korea, come into force in the United Kingdom within 48 hours, in accordance with the Financial Action Task Force guidelines. These powers came into force in April 2017.

12. The Democratic People's Republic of Korea remains on the Financial Action Task Force's list of jurisdictions that have strategic deficiencies in their anti-money-laundering and counter-terrorist financing regimes. Following each plenary meeting of the Task Force, Her Majesty's Treasury publishes a notice advising regulated entities to consider the Democratic People's Republic of Korea as high-risk for the purposes of the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 No. 692 (previously the Money Laundering Regulations 2007 No. 2157). It advises firms to apply enhanced due diligence measures in accordance with the risks. This includes applying enhanced customer due diligence and enhanced ongoing monitoring on a risk-sensitive basis. The most recent notice was published on 19 October 2017. Suspicions of money-laundering, terrorist financing or proliferation financing must be reported to the United Kingdom Financial Intelligence Unit at the National Crime Agency.

Sectoral matters

13. The Council of the European Union adopted Council Implementing Regulation (EU) 2017/1568 on 15 September 2017 to transpose the sectoral measures in Security Council resolution [2375 \(2017\)](#) to prohibit the direct or indirect supply, sale or

transfer of natural gas liquids, refined petroleum products, crude oil or textiles and to not provide new work authorizations to Democratic People's Republic of Korea nationals. The Council of the European Union also adopted Council Regulation (EU) 2017/1836 on 10 October 2017 to transpose similar measures with regards to natural gas liquids, refined petroleum products, crude oil, textiles and the provision of new work authorisations.

14. The Office of Financial Sanctions Implementation implements financial sectoral sanctions by ensuring that the financial sector of the United Kingdom does not deal with people, entities or companies of the Democratic People's Republic of Korea that are listed in Security Council resolutions. The Office enables financial sanctions to make the fullest possible contribution to United Nations counter-proliferation objectives with regard to the Democratic People's Republic of Korea by implementing all financial sanctions in accordance with obligations under United Nations and European Union law. This includes implementing sectoral sanctions against the Democratic People's Republic of Korea swiftly and effectively.

15. Criminal offences that relate to the breaching of trade sanctions are implemented by legislation in the form of the following export control regulations, drafted by the Department for International Trade: the Export Control (North Korea Sanctions and Iran, Ivory Coast and Syria Amendment) Order 2017 No. 83 and the Export Control (North Korea and Ivory Coast Sanctions and Syria Amendment) Order 2013 No. 3182. A new criminal offences regulation related to the breaching of trade sanctions is being prepared and will be implemented once the United Kingdom Parliamentary process has concluded. This new regulation will reflect the changes introduced by Council Regulation (EU) 2017/1509 of 30 August 2017, as amended by Council Regulation (EU) 2017/1548 of 14 September 2017.

Impact on the people of the Democratic People's Republic of Korea

16. In its resolution [2375 \(2017\)](#), the Security Council expressed deep concern at the grave hardship to which the people in the Democratic People's Republic of Korea are subjected and condemned the Democratic People's Republic of Korea for pursuing nuclear weapons and ballistic missiles instead of the welfare of its people. The United Kingdom calls on the Democratic People's Republic of Korea to engage with the international community and take credible, concrete steps to prioritize the well-being of its own people instead of the illegal pursuit of its nuclear and ballistic missile programmes.