



## Security Council

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

#### **Note verbale dated 18 July 2017 from the Permanent Mission of Armenia to the United Nations addressed to the Chair of the Committee**

The Permanent Mission of the Republic of Armenia to the United Nations presents its compliments to the Chair of the Committee established pursuant to resolution [1718 \(2006\)](#) and has the honour to transmit the national implementation report of the Republic of Armenia pursuant to Security Council resolution [2321 \(2016\)](#) (see annex).



**Annex to the note verbale dated 18 July 2017 from the Permanent Mission of Armenia to the United Nations addressed to the Chair of the Committee**

**Measures contained in Security Council resolutions 1718 (2006), 1874 (2009), 2087 (2013), 2094 (2013), 2270 (2016) and 2321 (2016) relevant to Member States' national implementation reports: report of Armenia**

<i>Have concrete measures, procedures, legislation, regulations or policies been adopted in order to</i>	<i>Yes/No</i>	<i>Indicate measures (in detail)</i>	<i>Additional information</i>	<i>Remarks</i>
1. <b>Prevent the direct or indirect supply, sale or transfer to DPRK of:</b>  ( <i>Fact Sheet sections I to IV, X, XIII and XIV</i> )	No			
(a) <b>All arms and related materiel?</b>				
(b) <b>Nuclear, ballistic missile or other WMD-related items or technology?<sup>a</sup></b>				
(c) <b>Luxury goods?<sup>b</sup></b>				
(d) <b>Any item</b> that could contribute to prohibited programmes or activities or evasion of sanctions?				
(e) <b>Prohibited items</b> for repair, servicing, refurbishing, testing, reverse-engineering, and marketing, regardless of whether ownership or control is transferred?				
(f) <b>New helicopters and vessels?</b>				
(g) <b>Aviation fuel</b> , including <b>aviation gasoline, naphtha-type jet fuel, kerosene-type jet fuel, and kerosene-type rocket fuel</b> (unless the Committee approves in advance on an exceptional case-by-case basis the transfer to the DPRK of such products for verified essential humanitarian needs, subject to arrangement for effective monitoring of delivery and use)?				

<sup>a</sup> The lists of prohibited nuclear-, ballistic missile- and other WMD-related items, materials, equipment, goods and technology, as well as luxury goods, are available on the website of the Committee, <https://www.un.org/sc/suborg/en/sanctions/1718/materials>.

<sup>b</sup> See above.

Have concrete measures, procedures, legislation, regulations or policies been adopted in order to	Yes/No	Indicate measures (in detail)	Additional information	Remarks
<p>These measures <b>shall not apply</b> with respect to the sale or supply of aviation fuel to civilian passenger aircraft outside the DPRK exclusively for consumption during its flight to the DPRK and its return flight. States are called upon to exercise vigilance to ensure that <b>no more fuel</b> is provided to DPRK-flagged civil passenger aircraft than is necessary for the relevant flight, including a standard margin for safety of flight.</p>				
<p>2. <b>Prohibit the procurement from the DPRK of:</b></p>	No			
<p>(Fact Sheet sections I to IV, and XI to XII)</p>				
(a) <b>All arms and related materiel?</b>				
(b) <b>Nuclear, ballistic missile or other WMD-related items or technology?</b>				
(c) <b>Any item</b> that could contribute to prohibited programmes or activities or evasion of sanctions?				
(d) <b>Prohibited items</b> for repair, servicing, refurbishing, testing, reverse-engineering, and marketing, regardless of whether ownership or control is transferred?				
(e) <b>Coal, iron, iron ore, gold, titanium ore, vanadium ore, and rare earth minerals?</b>				
(f) <b>Copper, nickel, silver and zinc?</b>				
(g) <b>Statues</b> (unless the Committee approves on a case-by-case basis in advance)?				
<p><b>These measures shall not apply with respect to:</b></p>				
(a) <b>Coal</b> that the procuring State confirms on the basis of credible information has <b>originated outside the DPRK</b> and was transported through the DPRK solely for export from the Port of Rajin (Rason), provided that the State				

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*Yes/No*

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notifies the Committee in advance, and such transactions are unrelated to generating revenue for the DPRK's nuclear or ballistic missile programmes or other activities prohibited by the resolutions;

- (b) Total exports to all Member States of coal originating in the DPRK that in the aggregate do not exceed 53,495,894 US dollars or 1,000,866 metric tons, whichever is lower, between the date of adoption of resolution [2321 \(2016\)](#) (30 November 2016) and 31 December 2016, and total exports to all Member States of coal originating in the DPRK that in the aggregate do not exceed 400,870,018 US dollars or 7,500,000 metric tons per year, whichever is lower, beginning 1 January 2017, provided that the procurements:
- (i) involve no individuals or entities that are associated with the DPRK's nuclear or ballistic missile programmes or other activities prohibited by the resolutions, including designated individuals or entities, or individuals or entities acting on their behalf or at their direction, or entities owned or controlled by them, directly or indirectly, or individuals or entities assisting in the evasion of sanctions; and
  - (ii) are exclusively for livelihood purposes of DPRK nationals and unrelated to generating revenue for the DPRK's nuclear or ballistic missile programmes or other activities prohibited by the resolutions, and decides that each Member State that procures coal from the DPRK shall notify the Committee of the aggregate amount of the volume of

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such procurement for each month no later than 30 days after the conclusion of that month on the form in annex V to resolution [2321 \(2016\)](#);

- (c) Transactions in **iron** and **iron ore** that are determined to be exclusively for livelihood purposes and unrelated to generating revenue for the DPRK's nuclear or ballistic missile programmes or other activities prohibited by the resolutions.

**3. Prevent the transfer from or to the Democratic People's Republic of Korea of financial transactions, technical training, advice, services and assistance related to:**

- (a) **All arms and related materiel?**
- (b) **Nuclear, ballistic missile or other WMD-related items or technology?**
- (c) **Any item** that could contribute to prohibited programmes or activities or evasion of sanctions?
- (d) **Engagement in the hosting** of trainers, advisers, or other officials for the purpose of military-, paramilitary- or police-related training?

Yes  
(Central Bank)

1. According to article 10 (18) of the Anti-Money Laundering/Combating the Financing of Terrorism (AML/CFT) Law of the Republic of Armenia, the Financial Monitoring Centre of the Central Bank of Armenia is entitled to publish the lists of non-compliant countries or territories, based on data publicized by international structures.

2. According to the order of the Head of the Financial Monitoring Centre, lists published by international structures shall be monitored and the amendments published on a daily basis.

1. The Financial Monitoring Centre of the Central Bank of Armenia notifies reporting entities about the requirements to freeze funds in the cases described in Security Council resolutions [1718 \(2006\)](#), [1874 \(2009\)](#), [2087 \(2013\)](#), [2094 \(2013\)](#) and [2270 \(2016\)](#) and provides the financial institutions with the list of designated persons and entities.

2. The Committee of Experts on the Evaluation of Anti-Money Laundering Measures and the Financing of Terrorism (MONEYVAL), in its fifth Round of Mutual Evaluation of anti-money-laundering and counter-terrorism financing measures of the Republic of Armenia,<sup>c</sup> summarized the AML/CFT measures that are in place in Armenia with respect to the level of technical compliance with the Financial Action Task Force (FATF)

<sup>c</sup> [http://www.coe.int/t/dghl/monitoring/moneyval/Evaluations/round5/MONEYVAL\(2015\)34\\_5thR\\_MER\\_Armenia.pdf](http://www.coe.int/t/dghl/monitoring/moneyval/Evaluations/round5/MONEYVAL(2015)34_5thR_MER_Armenia.pdf).

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4. **Prohibit the transfer of any items** if a designated individual or entity is the originator, intended recipient or facilitator of the item's transfer: **in accordance with its national legal procedures, freeze funds, other financial assets and economic resources** owned or controlled by, and ensure that none are made available to benefit designated individuals or entities, entities of the Government of the DPRK or the Worker's Party of Korea, those acting on their behalf or at their direction and entities owned or controlled by them?

Yes  
(Central Bank)

1. The mechanism for freezing assets, including funds, other assets and economic resources of individuals or entities designated under United Nations sanctions resolutions is set out under article 28 of the AML/CFT Law.

2. According to article 30 of the AML/CFT Law, non-compliance or inadequate compliance with the requirements of the Law (including freezing requirements) or the legal statutes adopted on the basis thereof by financial institutions shall result in responsibility measures, as established by the legislation regulating their activities, in the manner provided for under such legislation.

under Recommendation 7 and the level of effectiveness under Immediate Outcome 11. As a result, it was noted that the Republic of Armenia is partially compliant with Recommendation 7 and has achieved a substantial level of effectiveness for Immediate Outcome 11.

The Financial Monitoring Centre of the Central Bank of Armenia notifies reporting entities about the requirements to freeze funds in the cases described in Security Council resolutions [1718 \(2006\)](#), [1874 \(2009\)](#), [2087 \(2013\)](#), [2094 \(2013\)](#) and [2270 \(2016\)](#) and provides the financial institutions with the list of designated persons and entities.

5. **Prevent (restrict) entry or transit of designated individuals** together with their family members; of **any individual acting on behalf or at the direction** of a designated individual or entity or **violating the sanctions or assisting in their evasion; of members of the Government of the DPRK, officials of that Government, and members of the DPRK armed forces** if the State determines that such members or officials are associated with the DPRK's nuclear or

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<p>ballistic missile programmes or other activities prohibited by resolutions?</p> <p>The travel ban <b>does not apply</b> to such individuals and entities when the Committee determines on a case-by-case basis that such travel is justified on the grounds of humanitarian need, including religious obligations, or the Committee concludes that an exemption would further the objectives of the resolutions. States can submit requests for exemptions from the travel ban for designated individuals and entities following the instructions set out in the Committee Guidelines.</p> <p><b>Expel</b> such an individual for the purpose of repatriation to the DPRK or to the individual's state of nationality consistent with applicable national and international law, provided that these measures shall not impede the transit of representatives of the Government of the DPRK to the United Nations Headquarters or other United Nations facilities to conduct United Nations business. These measures shall not apply with respect to a particular individual if:</p> <ul style="list-style-type: none"> <li>• The presence of the individual is required for fulfilment of judicial process;</li> <li>• The presence of the individual is required exclusively for medical, safety or other humanitarian purposes; or</li> <li>• The Committee has determined on a case-by-case basis that the expulsion of the individual would be contrary to the objectives of the resolutions.</li> </ul>				
(Fact Sheet section V and VIII)				
<p>6. <b>Financial measures:</b></p> <p>(a) <b>Prevent provision of financial services, or transfer of any financial or other assets or</b></p>	<p>Yes (Central Bank)</p>	<p>1. According to chapter 2.1 of decision 386-N of 29 July 2005 of the Board of the Central Bank of the</p>	<p>1. The Financial Monitoring Centre of the Central Bank of Armenia notifies reporting entities</p>	

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**resources, including bulk cash and gold** and through cash and gold couriers, which could contribute to the DPRK's prohibited programmes or activities, or to the evasion of sanctions, and exercise enhanced vigilance in this regard?

- (b) **Prohibit DPRK banks** from opening and operation of new branches, subsidiaries, or representative offices; establishing new joint ventures; or taking an ownership interest in or establishing or maintaining correspondent relationships with banks in a State's jurisdiction or within its territory, **unless such transactions have been approved by the Committee in advance?**
- (c) **Prohibit financial institutions** from opening representative offices or subsidiaries or banking accounts in the DPRK?
- (d) **Prohibit States from having** representative offices, subsidiaries or banking accounts in the DPRK, if the State has credible information that provides reasonable grounds to believe that such financial services could contribute to the prohibited programmes or activities, **unless the Committee determines on a case-by-case basis** that such offices, subsidiaries or accounts are required for the delivery of humanitarian assistance or the activities of diplomatic missions in the DPRK pursuant to the Vienna Convention on Diplomatic Relations or the activities of the United Nations or its specialized agencies or related organizations, or for any other purposes consistent with the resolutions?
- (e) **No provision of public and private financial support** from within their territories or by

Republic of Armenia: "In case of a lump sum import or export of currency (except for coins made of precious metals) and treasury bills (hereinafter referred to as monetary instruments), as well as traveller's checks in excess of the total amount of US\$ 10 thousand through the customs border of the Customs Union, natural persons shall be obliged to declare in writing the full amount of the monetary instruments and (or) traveller's checks before producing them for customs control, by means of filing a passenger customs declaration."

2. According to article 156.1 of the Customs Code "Customs authorities shall suspend transportation of currency and (or) bearer securities based on information received for anti-money-laundering or counter-terrorism financing purposes from the Authorized Body as defined under the Republic of Armenia Law on Combating Money Laundering and Terrorism Financing or from law enforcement agencies, in accordance with legislation or with international treaties of the Republic of Armenia, and shall draw up a report in two copies in the manner prescribed by legislation or by international treaties of the Republic of Armenia. One copy of the report shall be provided to the person transporting currency

about the requirements to freeze funds in the cases described in Security Council resolutions [1718 \(2006\)](#), [1874 \(2009\)](#), [2087 \(2013\)](#), [2094 \(2013\)](#) and [2270 \(2016\)](#) and provides the financial institutions with the list of designated persons and entities.

(2) By Presidential Ordinance an Interagency Committee on Combating Counterfeit Money, Fraud with Plastic Cards and Other Payment Instruments, Money Laundering and Terrorism Financing in the Republic of Armenia was established on 21 March 2002 and renamed as Republic of Armenia Interagency Committee on Combating Money Laundering, Terrorism Financing and Financing of Proliferation of Weapons of Mass Destruction. The inter-agency Committee's objectives are:

- (a) Coordinating actions aimed at the identification and assessment of money-laundering, terrorism financing and proliferation financing risks in Armenia, as well as ensuring that the findings of such assessments are up to date;
- (b) Developing a unified state policy that reflects the findings of the assessment of



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persons or entities subject to their jurisdiction for trade with the DPRK that could contribute to the DPRK's nuclear or ballistic missile programmes or other activities prohibited by the resolutions?		<p>and (or) bearer securities, and the other copy shall be maintained by the customs authority. Immediately upon suspending transportation of currency and (or) bearer securities, customs authorities shall promptly notify the Authorized Body or the law enforcement agency specified under clause 1 of the article, which had submitted the relevant information.</p> <p>3. According to point 7 of article 13 of the AML/CFT Law, "Within 3 business days after being notified that the customs authority suspended transportation of currency and (or) bearer securities through the customs border, the Authorized Body shall be obligated to advise the customs authority on lifting the suspension, or to submit a notification to law enforcement agencies. In case of submitting a notification, the Authorized Body shall provide information substantiating the potential link between the suspended currency and (or) bearer securities and money-laundering or terrorism financing. The Authorized Body shall without delay advise the customs authority on submitting the notification." Additionally, according to point 1 of article 28 of the AML/CFT Law, "The property owned or controlled, directly or indirectly, by terrorism-related persons included in the lists</p>	<p>money-laundering, terrorism financing and proliferation financing risks in Armenia;</p> <p>(c) Coordinating domestic and international cooperation in the field of combating money-laundering, terrorism financing and proliferation financing;</p> <p>(d) Implementing other objectives that are aimed at the enhancement of the effective system in Armenia for combating money-laundering, terrorism financing and proliferation financing and do not contradict the provisions of Presidential Ordinance No. NK-1075 "On Establishment of a Committee" of 21 March 2002.</p>	

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		<p>published by or in accordance with the Security Council resolutions, as well as in the lists specified under part 2 of this article shall be subject to freezing by customs authorities and reporting entities without delay and without prior notice to the persons involved. The state bodies or persons which have legally defined powers to restrict (arrest, block, freeze, suspend) the possession, use and (or) disposal of the property stipulated in this part shall exercise their power in the manner established by the law whenever they disclose such property.”</p> <p>4. The procedure of licensing for banking activity, including registration of branches and representative offices of foreign banks, is regulated by the Republic of Armenia Law on Banks and Banking, as well as by Regulation 1 on Procedures for Licensing, Registration, Giving Consent and Permission, Appraisal of Professional Adequacy and Qualification in the Area of Activity of Banks. Articles 27 and 28 of the Law on Banks and Banking specify, inter alia, the documents necessary to submit for the registration of a branch or a representative office of a foreign bank, the registration procedure as well as grounds for waiving applications for registration. Pursuant to Regulation 1, for the</p>		

Have concrete measures, procedures, legislation, regulations or policies been adopted in order to	Yes/No	Indicate measures (in detail)	Additional information	Remarks
<p>7. <b>Prevent new commitments for grants, financial assistance or concessional loans to the DPRK, except for humanitarian and developmental purposes, or the promotion of denuclearization?</b></p> <p>(Fact sheet section IX (d))</p>	–	<p>prior approval of the issuance of the banking licence, documents to be submitted to the Central Bank by a branch of a foreign bank include a statement that the home country of the foreign bank is considered to be a cooperative country in terms of combating money-laundering and terrorism financing, and that no statement has been published for the given country by FATF and/or other relevant international body about the non-compliance of the AML/CFT system of the country.</p> <p>5. The definition of freezing, as stated in clause 37, part 1, article 3 of the AML/CFT Law, includes, inter alia, prohibition on the establishment of any business relationship (including provision of financial services) or conduct of occasional transactions with designated persons and entities. Accordingly, reporting entities are prohibited from establishing financial relationships with the DPRK banks and making funds or other assets available to or for the benefit of designated entities.</p>		
<p>8. <b>Inspect in the State's territory, including in its airports, seaports and free trade zones, the cargo to or from the DPRK, or brokered or facilitated by</b></p>	No			

Have concrete measures, procedures, legislation, regulations or policies been adopted in order to

Yes/No

Indicate measures (in detail)

Additional information

Remarks

the DPRK or its nationals, or by individuals or entities acting on their behalf, or transported on DPRK-flagged vessel or aircraft?

(Fact Sheet section XIV)

- (a) **Under certain conditions and with certain exceptions, inspect vessels on the high seas and prohibit the provision of bunkering services to DPRK vessels** if the State has information that provides reasonable grounds to believe their cargo contains prohibited items?
- (b) **Prohibit their nationals and those in their territories from leasing or chartering their flagged vessels or aircraft or providing crew services to the DPRK?**

This measure shall apply without exception, **unless the Committee approves on a case-by-case basis in advance.**

- (c) **Prohibit their nationals from procuring vessel and aircraft crewing services from the DPRK?**
- (d) **Prohibit** their nationals, persons subject to their jurisdiction and entities incorporated in their territory or subject to their jurisdiction **from registering vessels in the DPRK**, obtaining authorization for a vessel to use the DPRK flag, and from owning, leasing, operating, providing any vessel classification, certification or associated service, or insuring any vessel flagged by the DPRK?

This measure shall apply without exception, **unless the Committee approves on a case-by-case basis** accompanied in advance.

- (e) **Prohibit** their nationals, persons subject to their jurisdiction and entities incorporated in

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*Yes/No*

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their territory or subject to their jurisdiction from providing insurance or re-insurance services to vessels owned, controlled, or operated, including through illicit means, by the DPRK?

This measure shall apply without exception, **unless the Committee determines on a case-by-case basis** that the vessel is engaged in activities exclusively for livelihood purposes which will not be used by DPRK individuals or entities to generate revenue or exclusively for humanitarian purposes.

(f) De-register any vessel that is owned, controlled, or operated by the DPRK, and shall not register any such vessel that has been de-registered by another Member State pursuant to paragraph 24 of resolution [2321 \(2016\)](#)?

(g) **Deny permission to any aircraft to take off from, land in or overfly Member States' territory unless** under the condition of landing for inspection, if the State has information that provides reasonable grounds to believe that the aircraft contains prohibited items, except in the case of an emergency landing?

(h) **Prohibit the entry into their ports of any vessel** if the State has information that provides reasonable grounds to believe the vessel is owned or controlled, directly or indirectly, by a designated individual or entity, or contains cargo the supply, sale, transfer or export of which is prohibited by the resolutions, unless entry is required in the case of emergency or in the case of return to its port of origination, or for inspection, or unless the Committee determines in advance that such entry is required for humanitarian purposes or any other purposes consistent with the

Have concrete measures, procedures, legislation, regulations or policies been adopted in order to	Yes/No	Indicate measures (in detail)	Additional information	Remarks
objectives of resolution <a href="#">2270 (2016)</a> ?				
9. <b>Under certain conditions, seize and dispose of prohibited items</b> found during an inspection? ( <i>Fact Sheet section XV</i> )	n/a			
10. <b>Prevent specialized teaching or training of DPRK nationals</b> within their territories or by their nationals of disciplines which could contribute to the DPRK's prohibited programmes or activities?  <b>Suspend scientific and technical cooperation</b> involving persons or groups officially sponsored by or representing the DPRK except for medical exchanges <b>unless</b> :  (a) In the case of scientific or technical cooperation in the fields of nuclear science and technology, aerospace and aeronautical engineering and technology, or advanced manufacturing production techniques and methods, <b>the Committee has determined on a case-by-case basis</b> that a particular activity will not contribute to the DPRK's proliferation sensitive nuclear activities or ballistic missile-related programmes; or  (b) In the case of all other scientific or technical cooperation, the State engaging in scientific or technical cooperation determines that the particular activity will not contribute to the DPRK's proliferation sensitive nuclear activities or ballistic missile-related programmes and <b>notifies the Committee in advance</b> of such determination.  ( <i>Fact Sheet section VI</i> )	—			