

Chair's statement
Open briefing of the 1718 Committee
New York, 9 October 2017

OPENING REMARKS

Excellencies, Distinguished Delegates, Ladies and gentlemen,

On behalf of the Security Council Committee established pursuant to resolution 1718 (2006), its Panel of Experts and the Secretariat, I welcome you to this open briefing on Security Council sanctions regarding the Democratic People's Republic of Korea (DPRK). Ambassador Cardi has asked me to convey his regrets that he cannot be here, due to urgent commitments abroad.

This is the second open briefing of the 1718 Sanctions Committee for 2017. The first was on 2 February 2017, focusing on Security Council resolution 2321 adopted in 2016. Today's briefing will focus on the Security Council resolutions 2371 and 2375, both adopted in 2017.

After my general overview, the Coordinator of the Panel of Experts, Mr. Hugh Griffiths, will give you greater detail on the DPRK sanctions regime and activities of the Panel. I will then open the floor for a Q&A session.

INTRODUCTION

The DPRK continued its nuclear activities and missile launches this year in violation of multiple Security Council resolutions.

In response to the DPRK launches of two intercontinental ballistic missiles (ICBM) on 4 July and 28 July 2017, the Security Council adopted unanimously resolution 2371 on 5 August 2017. Subsequently, in response to the DPRK's reported sixth hydrogen bomb test on 3 September 2017, the Security Council adopted unanimously resolution 2375 on 11 September 2017.

Resolutions 2371 and 2375 build on the sanctions measures previously imposed by the Council. However, I wish to stress again that the sanctions are not an end in themselves but rather a tool to ultimately achieve a peaceful and comprehensive solution. Both resolutions underline the importance of maintaining peace and stability on the Korean Peninsula and in the region. They reaffirm the Council's support for the Six Party Talks and a peaceful, diplomatic and political solution. As reflected in all the relevant resolutions, let us recall that sanctions are not intended to have negative humanitarian consequences for the civilian population of the DPRK.

RESOLUTIONS 2371 and 2375

Resolutions 2371 and 2375 expand on and clarify existing measures, and introduce new ones.

- With regard to **SECTORAL SANCTIONS**, resolution 2371 expands the previous restrictions on **coal, iron and iron ore to a full ban** and adds **lead and lead ore** to the banned commodities subject to sectoral sanctions. The introduction of a full ban on coal replaces the provisions introduced in paragraph 26 of resolution 2321 which established an aggregate limit for the volume and value of DPRK coal, and allowed Member States to import DPRK coal under specific circumstances.

Resolution 2375 introduces a full ban on the supply, sale or transfer of all **condensates and natural gas liquids** to the DPRK. It also introduces restrictions on the supply, sale or transfer of **crude oil** to the DPRK that is in excess of the amount that a Member State supplied in the prior 12 months to 11 September 2017.

Resolution 2375 introduces a binding cap on the supply, sale or transfer to the DPRK of **all refined petroleum products**. The Coordinator of the Panel of Experts will give you more detail. I only wish to highlight that Member States, the Committee, the Panel and the Secretariat are each given specific tasks.

Member States must notify the 1718 Committee every thirty days of the amount of such supply, sale or transfer to the DPRK of refined petroleum products along with information about all parties to the transaction.

The Committee must make publicly available on its website the total amount of refined petroleum products supplied, sold or transferred to the DPRK by month and by supplier. This information will be updated in real time upon receipt of notifications from Member States.

The Committee Secretary must notify all Member States when an aggregate amount of refined petroleum products supplied, sold or transferred to the DPRK reaches 75, 90 and 95 per cent of the aggregate amount allowed.

- **FINANCIAL SANCTIONS** were also expanded under resolution 2375. This resolution prohibits the opening, maintenance and operation of all joint ventures or cooperative entities, new or existing, with DPRK entities or individuals, whether they are acting for or on behalf of the DPRK government. Resolution 2371 closes the loophole for financial sanctions: it clarifies that companies providing bank-like financial services to evade sanctions are subject to the same measures applied to financial institutions. It also specifies that the clearing of funds through all Member States' territories falls under the provision of financial services or the transfer of other assets to the DPRK.

- Resolution 2371 strengthens **MARITIME MEASURES**. It authorizes the Committee to designate vessels, and prohibits port calls by designated vessels, as well as the chartering of DPRK flagged vessels by Member States.

In accordance with previous Security Council resolutions, all Member States are required to **inspect cargo destined to or originating from the DPRK** or brokered by the DPRK that is within or transiting their territories. Resolution 2375 clarifies that Member States can inspect vessels with the consent of the flag State, on the **high seas**, if there are reasonable grounds to believe they contain prohibited items. It also indicates specific obligations of the flag State and Member State requirement to report non-cooperation by a flag State to the Committee. Pursuant to resolution 2375, the Committee designated four vessels transporting prohibited items from the DPRK.

- The Committee also designated additional WMD-related dual-use items, materials, equipment, goods, and technology, and additional conventional arms-related items, materials, equipment, goods, and technology.

Additional new measures include:

- Ban on the deployment and use of **chemical weapons** by the DPRK and calls for the DPRK's accession to the CWC;
- Ban on the export by the DPRK of **seafood**;
- Ban on Member States from providing work authorizations to **DPRK nationals**, other than those for whom written contracts have been finalized prior to 11 September 2017;
- Ban on the export by the DPRK of **textiles**;

Furthermore, resolutions 2371 and 2375 designated an additional 10 individuals for an **assets freeze and travel ban** and 7 entities subject to an **assets freeze**, including the Foreign Trade Bank (FTB), the DPRK's primary foreign exchange bank

Last but not least, resolution 2371 takes steps to improve sanctions' enforcement by requesting the Committee to develop appropriate **arrangements with INTERPOL** to issue UN-INTERPOL Special Notices related to the designated individuals on the 1718 Sanctions List (a total of 63 to date).

IMPLEMENTATION

For the sanctions regime to be effective, all relevant Security Council resolutions, including resolutions 2371 and 2375, must be fully implemented. Both the Committee and Member States must take action to ensure compliance with the resolutions. All Member States are required to supply to the Committee or the Panel, on a confidential basis if necessary, any information they have on non-compliance with sanctions against the DPRK, and to submit national implementation reports in a timely manner.

On implementation of the **assets freeze** measure, if there is a listed individual or entity in your territory, you should ensure that the assets freeze measures are enforced. Regarding the

travel ban, all Member States are required to prevent the entry into or transit through their territories of designated individuals. There are more details on our website, including a full version of the List of designated individuals and entities, as well as a list of designated vessels.

The Committee looks forward to receiving your national reports on **the implementation of resolution 2371 by 6 November**, and on the **implementation of resolution 2375 by 12 December**.

Distinguished Delegates,

Italy is committed to the effective implementation of all relevant Security Council resolutions. In 2017, we have organized two open briefings, including today's, and five regional outreach meetings. We will continue to engage in outreach activities, to foster a better understanding and effective implementation of the DPRK sanctions regime by Member States.

On behalf of the 1718 Committee, I thank you for your kind attention. I now give the floor to the Coordinator of the Panel of Experts, Mr. Hugh Griffiths. Following his presentation, you will be given the opportunity to ask questions.

Mr. Griffiths, the floor is yours.

Recent developments related to the UN sanctions regime on the DPRK

Open Briefing

**Chair of the Security Council Committee
established pursuant to resolution 1718 (2006)**

New York, 9 October 2017



MOST RECENT SECURITY COUNCIL RESOLUTIONS ON THE DPRK

In response to the two ballistic missiles on 4 July and 28 July and to the reported test of a hydrogen bomb on 3 September, the Security Council adopted resolutions:



**2371 on 5
August 2017**



**2375 on 11
September 2017**



PEACE AND STABILITY ON THE KOREAN PENINSULA

**Sanctions are not an end in themselves but
rather a tool to achieve**



a peaceful and comprehensive solution

**Sanctions are not intended to have negative humanitarian
consequences**



SECTORAL SANCTIONS

Sectoral sanctions

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graph TD; A["Sectoral sanctions"] --- B["Full ban on coal, iron, iron ore, lead and lead ore"]; A --- C["Full ban on all condensates and natural gas liquids"]; A --- D["Restrictions on crude oil"]; A --- E["Binding cap on all refined petroleum products"];
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Full ban on coal, iron, iron ore, lead and lead ore

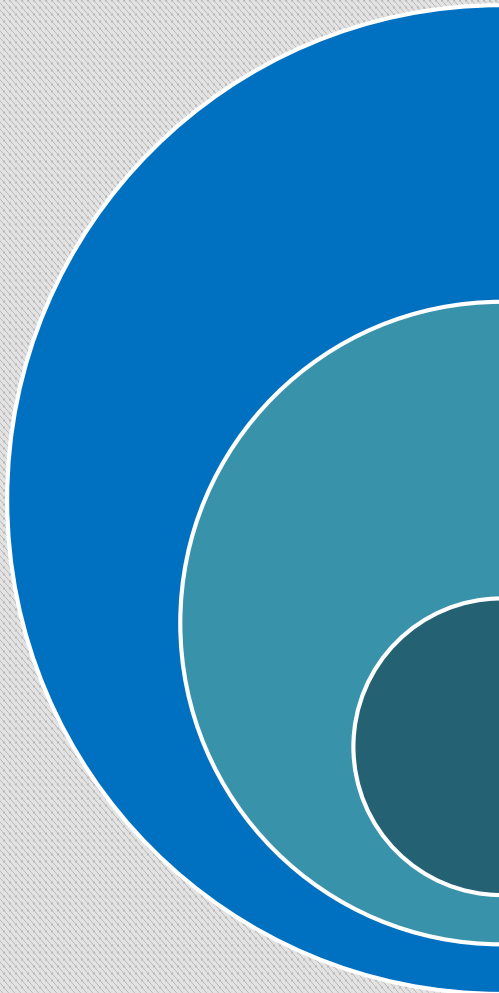
Full ban on all condensates and natural gas liquids

Restrictions on crude oil

Binding cap on all refined petroleum products



FINANCIAL SANCTIONS



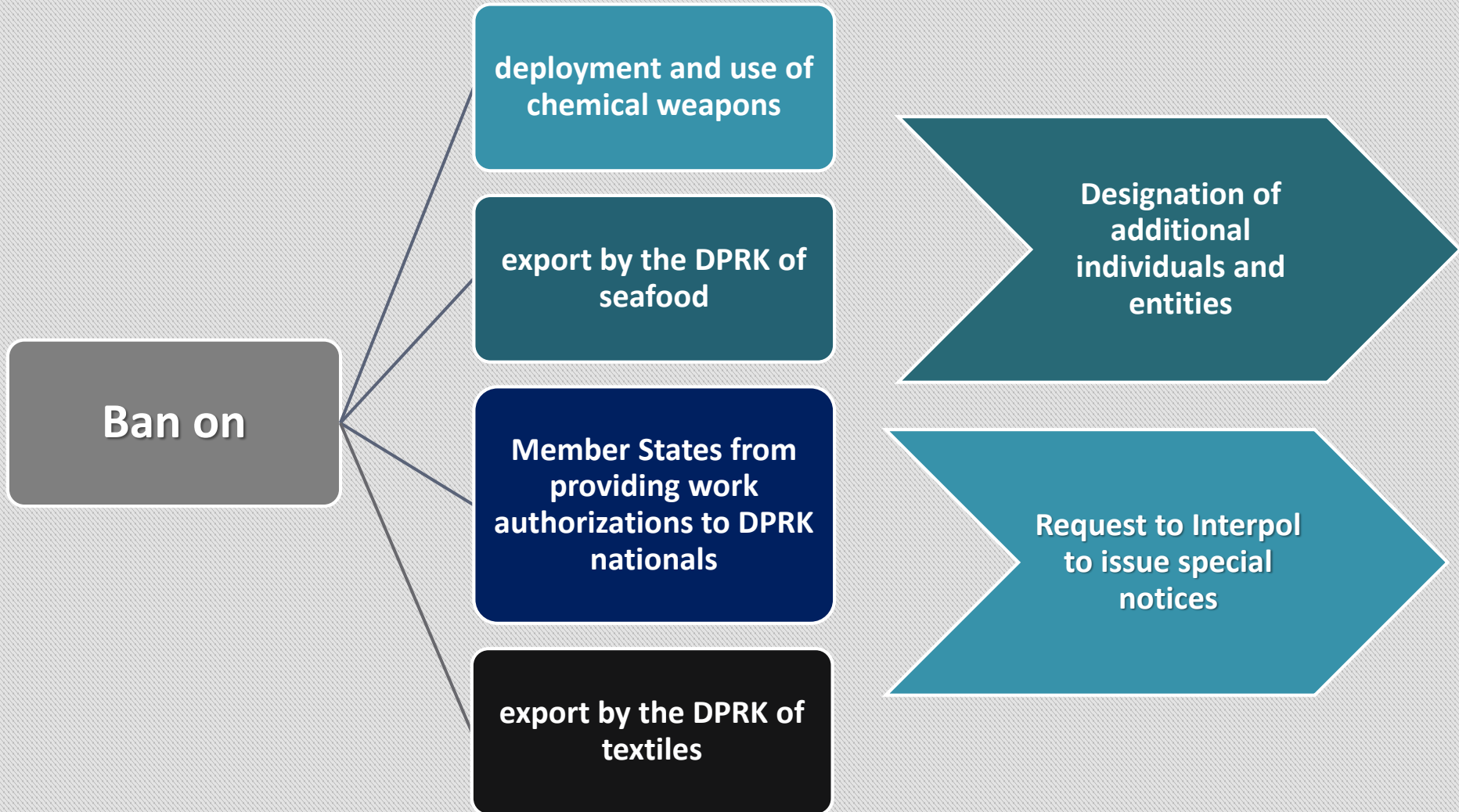
Prohibition of the opening, maintenance and operation of all **joint ventures or cooperative entities**, new or existing, with DPRK entities or individuals

Companies providing **bank-like financial services** to evade sanctions are subject to the same measures applied to **financial institutions**

The clearing of funds through all Member States' territories falls under the **provision of financial services** or the transfer of other assets to the DPRK



ADDITIONAL NEW MEASURES



IMPLEMENTATION


It is crucial that resolutions 2270 (2016), 2321 (2016), 2356 (2017), 2371 (2017) and 2375 (2017) are fully enforced

The 1718 Committee and Member States shall take action to **ensure compliance with these resolutions**

Member States are required to supply **information regarding non-compliance**

Ensure that **asset freeze and travel ban** measures are enforced

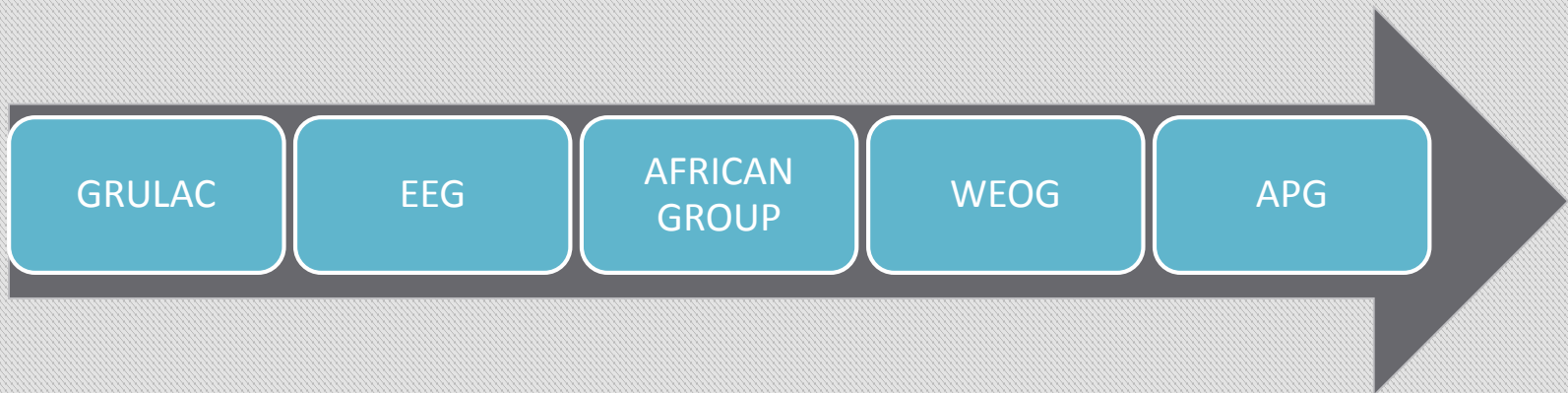
Submit **national implementation reports (NIRs)** in a timely manner



OUTREACH ACTIVITIES

In an effort to provide a better understanding and to promote the effective implementation of sanctions, in 2017, the **1718 Committee has held**:

- ❖ Two open briefings
- ❖ A series of regional outreach meetings



For a comprehensive compilation of all the measures imposed in resolutions

**1718 (2006), 1874 (2009), 2087 (2013), 2094 (2013),
2270 (2016), 2321 (2016), 2356 (2017), 2371 (2017)
and 2375 (2017)**

please visit the 1718 Committee website:

<https://www.un.org/sc/suborg/en/sanctions/1718>

