

*Periodic Report on the National Emergency
With Respect to North Korea*

I hereby report to the Congress on developments and expenditures relating to the national emergency with respect to North Korea that was declared in Executive Order (E.O.) 13466 of June 26, 2008, expanded in scope in E.O. 13551 of August 30, 2010, addressed further in E.O. 13570 of April 18, 2011, further expanded in scope in E.O. 13687 of January 2, 2015, and addressed further in E.O. 13722 of March 15, 2016, and E.O. 13810 of September 20, 2017. In accordance with section 204(c) of the International Emergency Economic Powers Act (IEEPA), 50 U.S.C. 1703(c), this report covers actions taken in the exercise of national emergency authorities under IEEPA, and implementing regulations set forth at 31 C.F.R. part 510 (the North Korea Sanctions Regulations). It also covers expenses that are directly attributable to the exercise of those authorities, in accordance with section 401(c) of the National Emergencies Act (NEA), 50 U.S.C. 1641(c).

IEEPA Reporting (from May 5, 2020, through December 1, 2020)

1. On May 14, 2020, the Department of State, the Department of the Treasury, and the U.S. Coast Guard issued a sanctions advisory for the maritime industry, energy and metals sectors, and related communities titled, “Guidance to Address Illicit Shipping and Sanctions Evasion Practices.” This Guidance was issued to provide those engaged or involved in trade in the maritime industry and energy and metals sectors with further information and tools to counter current and emerging trends related to illicit shipping and sanctions evasion practices. See Attachment A for a copy of the Guidance.

On September 1, 2020, the Department of State, the Department of the Treasury, and the Department of Commerce issued a joint advisory, titled the North Korea Ballistic Missile Procurement Advisory, to alert persons globally to North Korea’s ballistic missile procurement activities. The Advisory identifies key North Korean procurement entities and deceptive techniques employed in the operation and support of the regime’s ballistic missile program. See Attachment B for a copy of the Advisory.

2. The Department of the Treasury’s Office of Foreign Assets Control (OFAC) closed 98 licensing cases (which may take the form of denial letters, license amendments,

“return-without-action” letters, general information letters, interpretive guidance letters, specific licenses, closed without determination letters, or withdrawals), pursuant to the authorities referenced above.

3. Eighty-three transactions, totaling approximately \$7,556,800, were reported to OFAC as blocked pursuant to the authorities referenced above. In addition, U.S. banks rejected 52 transactions in support of otherwise prohibited transactions in which there were no blockable interests, resulting in disruption of at least \$30,400 in business relating to North Korea. In addition, two enforcement matters were settled, involving entities, in the amount of approximately \$665,000.

4. OFAC continues to discuss this program during its numerous outreach events to the financial, securities, and international trade communities. Details of this program also are available to the public on the Department of the Treasury’s website.

NEA Reporting (from June 27, 2020, through December 26, 2020)

5. The expenses incurred by the federal government that are directly attributable to the exercise of powers and authorities conferred by the declaration of a national emergency with respect to North Korea are estimated to be approximately \$4.06 million, most of which represent wage and salary costs for the Departments of the Treasury, State, and Justice who implement, administer, and enforce the sanctions discussed in this report. This amount reflects only costs associated with the economic sanctions related to North Korea which are administered under the aforementioned authorities by the aforementioned government agencies.

I shall continue to report periodically to the Congress on significant developments as required by law.

Steven T. Mnuchin

Department of the Treasury

Dated: