

North Korea Sanctions Legislation: Comparing Three Bills under Consideration in Congress

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There are currently three related North Korea sanctions bills under consideration in Congress. [H.R. 757](#) (the “North Korea Sanctions Enforcement Act of 2015”), introduced to the House by Rep. Ed Royce in February 2015, is broadly similar to a bill that passed the House in the last session of Congress, but wasn’t acted upon by the Senate. However, H.R. 757 also contains new provisions, some of which could result in the termination of U.S. humanitarian engagement in North Korea. In the Senate, [S. 1747](#) (also the “North Korea Sanctions Enforcement Act of 2015”) was introduced by Senators Robert Menendez and Lindsay Graham in July of this year. Additionally, Senators Cory Gardner, Marco Rubio, and James Risch are co-sponsors of the recently-introduced bill [S. 2144](#), the “North Korea Sanctions and Policy Enhancement Act of 2015.” (Rep. Ileana Ros-Lehtinen has also introduced a [North Korea sanctions bill](#) in the House, but it is considerably different than the other three bills and is therefore not included in this comparison.)

Although the three bills are generally similar in scope, there are several key differences among them, including:

- The Royce and Gardner bills both include sanctions provisions that the Executive Branch is required to enforce, as well as sanctions that may be applied at the discretion of the Executive Branch; most of the sanctions in the Menendez bill are discretionary, rather than mandatory.
- Although the Royce bill includes exemptions for humanitarian activities, it nonetheless contains provisions that in practice would jeopardize U.S. NGO activities in North Korea. Neither the Menendez nor the Gardner bill includes such challenging language for NGO activities, and the Menendez bill also actively protects such activities.
- The Gardner bill (unlike the Royce or Menendez bills) includes mandatory sanctions targeting North Korea’s mineral industry, which accounts for a large portion of its trade with China and other countries.
- The Menendez and Gardner bills both include provisions authorizing funds seized through sanctions enforcement to be used for purposes outlined by the North Korea Human Rights Act. The Menendez bill also separately authorizes funds to be allocated for sanctions enforcement and investigation activities. The Royce bill does not include any funding provisions.

<i>Issue</i>	<i>Royce Bill (H.R. 757)</i>	<i>Menendez Bill (S. 1747)</i>	<i>Gardner Bill (S. 2144)</i>	<i>Notes</i>
Current Status	<i>Introduced February 2015; Marked-up and reported by House Foreign Affairs Committee; awaiting vote on House floor.</i>	<i>Introduced July 2015; pending before the Senate Foreign Relations Committee.</i>	<i>Introduced October 2015; pending before the Senate Foreign Relations Committee.</i>	
Reporting Requirements (not otherwise noted in this comparison)	Requires the Executive Branch to periodically brief Congress on efforts to implement sanctions, North Korea's foreign assets and sources of foreign income, and diplomatic efforts to encourage the international enforcement of sanctions.	Requires the Secretary of State to conduct a comprehensive review of current U.S. policy toward North Korea and possible alternatives, and to submit to Congress a report based on this review.	Requires the Secretary of State to conduct a comprehensive review of current U.S. policy toward North Korea and possible alternatives, and to submit to Congress a report based on this review. Requires the President to direct the Secretary of State to develop a strategy to improve international implementation and enforcement of UN North Korea sanctions. Requires the Executive Branch to regularly brief Congress on efforts to strengthen high-level trilateral policy coordination between the U.S., Japan, and South Korea in regards to North Korea.	
Sanctions Designations	The President is required to sanction individuals/entities determined to have: <ul style="list-style-type: none"> • Transferred WMD-related goods, arms and related services, or luxury goods 	The President has discretionary authority to sanction individuals/entities who have: <ul style="list-style-type: none"> • Transferred WMD-related goods, related services or financial transactions, or 	The President is required to sanction individuals/entities determined to have: <ul style="list-style-type: none"> • Transferred WMD-related goods and services, or luxury goods, to/from North Korea. 	This is a key section of the sanctions legislation. The major difference between the bills concerns whether

	<p>to/from North Korea.</p> <ul style="list-style-type: none"> • Been responsible for censorship or human rights abuses by the government of North Korea. • Engaged in money laundering, counterfeiting, narcotics trafficking, bulk cash smuggling, or other illicit activities that involve or support the government of North Korea. <p>The President has discretionary authority to sanction individuals/entities who have:</p> <ul style="list-style-type: none"> • Engaged in or supported any violation or evasion of relevant UN Security Council Resolutions. • Facilitated the transfer of funds or resources to a person designated by a U.S. executive order or by the UN Security Council, or to a person that has otherwise violated sanctions. • Facilitated any transaction, including those in bulk cash, without conducting enhanced monitoring to ensure that it does not contribute to sanctioned activities. • Facilitated any cash 	<p>luxury goods to/from North Korea.</p> <ul style="list-style-type: none"> • Been responsible for censorship or human rights abuses by the government of North Korea. • Engaged in money laundering, counterfeiting, narcotics trafficking, or bulk cash smuggling that supports the government of North Korea. • Knowingly provided support to any individual/entity sanctioned by the UN Security Council. • Contributed to bribery of or misappropriation of public funds by a North Korean official. 	<ul style="list-style-type: none"> • Been responsible for censorship or human rights abuses by the government of North Korea. • Engaged in money laundering, counterfeiting, narcotics trafficking, bulk cash smuggling, or other illicit activities that involve or support the government of North Korea • Engaged in acts undermining cybersecurity. • Sold, supplied, or transferred to/from North Korea precious metal, graphite, or raw or semi-finished metals (including aluminum, steel, and coal). <p>The President has discretionary authority to sanction individuals/entities who have:</p> <ul style="list-style-type: none"> • Supported any person sanctioned by the UN Security Council. • Contributed to bribery of or misappropriation of public funds by a North Korean government official. 	<p>the President is required to impose sanctions in certain cases, or only has the discretionary authority to do so. The Royce and Gardner bills also include broader terms for what constitutes a violation of sanctions, with more secondary sanctions targeting persons that facilitate prohibited North Korean conduct.</p> <p>Furthermore, the Gardner bill mandates sanctions against supplying coal and other minerals to/from North Korea (widening sanctions into the realm of commercial trade).</p>
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	transactions used to facilitate conduct prohibited by UN Security Council resolutions.			
Penalties for violations	<p>Sanctioned individuals/entities may face:</p> <ul style="list-style-type: none"> • Civil/criminal penalties; • Blocking/forfeiture of assets that come under U.S. jurisdiction; • Loss of access to the U.S. financial system; and • Denial of entry to the U.S. <p>Additionally,</p> <ul style="list-style-type: none"> • Any person who engages in a financial transaction with the government of North Korea, other than for exempted purposes such as humanitarian transactions, is liable to be fined or imprisoned; • The U.S. government may not procure goods or services from any person/entity that has violated sanctions; • Ships and aircraft used to facilitate sanctioned activities may be seized and forfeited. 	<p>Sanctioned individuals/entities may face:</p> <ul style="list-style-type: none"> • Civil/criminal penalties; • Blocking/forfeiture of assets that come under U.S. jurisdiction; • Loss of access to the U.S. financial system; and • Denial of entry to the U.S. <p>Additionally,</p> <ul style="list-style-type: none"> • The U.S. government may not procure goods or services from any person/entity that has violated sanctions; • Ships and aircraft used to facilitate sanctioned activities may be seized and forfeited. 	<p>Sanctioned individuals/entities may face:</p> <ul style="list-style-type: none"> • Civil/criminal penalties; • Blocking/forfeiture of assets that come under U.S. jurisdiction; • Loss of access to the U.S. financial system; and • Denial of entry to the U.S. <p>Additionally,</p> <ul style="list-style-type: none"> • The U.S. government may not procure goods or services from any person/entity that has violated sanctions; • Ships and aircraft used to facilitate sanctioned activities may be seized and forfeited. <p>Some exceptions are made regarding the imposition of sanctions on the importation of goods.</p>	<p>The Royce bill's prohibition on financial transactions with the government of North Korea is similar to a sanction applied to countries listed as State Sponsors of Terror. However, the Royce bill would not include provisions for licenses etc... that apply to transactions with State Sponsors of Terror.</p>
Blocking of North Korean government property	The President is directed to block the property of the government of North Korea or of the Worker's Party of Korea	<i>No similar section.</i>	<i>No similar section.</i>	The section in the Royce bill is potentially wide-reaching, since it

	that come under U.S. jurisdiction.			would effectively prohibit North Korean dollar-based transactions that are routed through the U.S. financial system.
Transaction Licensing	<p>U.S. persons are prohibited from engaging in any transactions involving any property in which the government of North Korea has an interest, located in North Korea, of North Korean origin, or transferred to the government of North Korea.</p> <p>The President may grant licenses to engage in such transactions if done for humanitarian or human rights-related purposes. However, the President may not grant such licenses if they include any transactions with the government of North Korea.</p> <p>The President shall deny or revoke a license for any transaction that lacks sufficient financial controls to ensure that it will not facilitate prohibited activities.</p>	The President shall deny or revoke a license for any transaction that lacks sufficient financial controls to ensure that it will not facilitate prohibited activities.	The President shall deny or revoke a license for any transaction that lacks sufficient financial controls to ensure that it will not facilitate prohibited activities.	The Royce bill would prohibit any transactions with the government of North Korea, even if done for humanitarian purposes. In practice, this would make it difficult or impossible for U.S. NGOs to maintain a presence on the ground in North Korea. The Senate bills lack similar provisions.
Funding	<i>No direct mention.</i>	Authorizes \$5 million annually	Fines and penalties derived from	

		<p>from the Assets Forfeiture Fund for sanctions investigations and enforcement.</p> <p>Fines and penalties derived from sanctions enforcement may be appropriated for implementing sections of the North Korean Human Rights Act promoting:</p> <ul style="list-style-type: none"> • Radio broadcasting into North Korea (\$3,000,000 authorized) • Actions to increase the availability of information sources, such as radios capable of receiving international broadcasts (\$5,000,000 authorized) • Humanitarian support for North Korean refugees (\$5,000,000 authorized) • Actions to make unrestricted electronic mass communication devices available within North Korea (\$2,000,000 authorized) <p>Additionally, such funds as exist beyond the authorized amounts may be used for payment of court judgements against the government of North Korea.</p>	<p>sanctions enforcement may be appropriated for implementing sections of the North Korean Human Rights Act promoting:</p> <ul style="list-style-type: none"> • Radio broadcasting into North Korea (\$3,000,000 authorized) • Actions to increase the availability of information sources not controlled by the government of North Korea, such as radios capable of receiving international broadcasts (\$5,000,000 authorized) 	
Money Laundering	Urges the President “in the strongest terms, to immediately designate” North Korea as a	Urges President “to consider” designating North Korea as a jurisdiction of primary money	Urges the President “in the strongest terms, to immediately designate” North Korea as a	This designation, made under Section 311 of the Patriot

	jurisdiction of primary money laundering concern, and requires the Treasury Department to determine within 180 days whether reasonable grounds exist for such a designation.	laundrying concern, and requires the Treasury Department to report within 180 days on whether reasonable grounds exist for such a designation.	jurisdiction of primary money laundering concern, and requires the Treasury Department to determine within 180 days whether reasonable grounds exist for such a designation.	Act, could require U.S. banks to implement additional due diligence measures to prevent improper access by North Korean financial institutions to U.S. correspondent accounts.
Export Licensing	Prohibits arms exports to the government of North Korea, and requires a license for the export of any goods/technology. Such licenses are subject to a presumption of denial if they are for any goods other than food, agricultural products, medicine, or medical devices.	Prohibits defense exports to the government of North Korea, and requires a license for the export of any goods/technology.	Prohibits defense exports to the government of North Korea, and requires a license for the export of any goods/technology.	Each bill contains the same export licensing penalty as is applied to countries designated as State Sponsors of Terror. However, the Royce bill also includes a provision which would effectively prohibit granting any export license for goods other than food or medicine.
Arms Trade	The President is directed to withhold foreign aid to any country that provides lethal military equipment to, or receives lethal military equipment from, the government of North Korea.	The President is directed to withhold foreign aid (other than for human rights, democracy, rule of law, or emergency humanitarian assistance) to the government of any country that provides lethal military	The President is directed to withhold foreign aid (other than for human rights, democracy, rule of law, or emergency humanitarian assistance) to the government of any country that provides lethal military	

	This provision may be waived for renewable 180 day periods if the President determines it to be vital to the national security interests of the United States.	equipment to North Korea. This provision may be waived if the Secretary of State deems it to be in the national interest.	equipment to North Korea. This provision may be waived if the Secretary of State deems it to be in the national interest.	
Cargo Inspections	The President must submit a report every 180 days identifying foreign ports or airports that are deficient at preventing the facilitation of sanctioned North Korean activities. The Department of Homeland Security must require enhanced screening for cargo that has been transported through one of the identified ports or airports, if there are reasonable grounds to believe that it contains prohibited goods.	The President must submit an annual report identifying foreign ports or airports that have not taken sufficient measures to prevent the facilitation of sanctioned North Korean activities. The Department of Homeland Security may require enhanced inspections of any cargo that has been transported through one of the identified ports or airports.	The President must submit an annual report identifying foreign ports or airports that have not taken sufficient measures to prevent the facilitation of sanctioned North Korean activities. The Department of Homeland Security may require enhanced inspections of any cargo that has been transported through one of the identified ports or airports.	
Travel warning	<i>No similar section</i>	<i>No similar section</i>	The Secretary of State is directed to expand the scope and frequency of travel warnings for North Korea.	
Exemptions	Transactions related to intelligence activities or to diplomatic activities at the UN Headquarters in New York are exempt from sanctions. The following may be exempt from sanctions, as determined by the President:	The following are generally exempt from sanctions: <ul style="list-style-type: none"> • Transactions related to intelligence activities or related to diplomatic activities at the UN Headquarters in New York are exempt from sanctions. • Financial transactions 	The following are generally exempt from sanctions: <ul style="list-style-type: none"> • Transactions related to intelligence activities or related to diplomatic activities at the UN Headquarters in New York are exempt from sanctions. • Financial transactions 	The humanitarian exemptions are strongest in the Menendez bill – its prohibition on sanctions that impede humanitarian work would help protect

	<ul style="list-style-type: none"> • Financial transactions to provide humanitarian assistance to the people of North Korea; • Financial transactions to import non-luxury food products into North Korea; • Transactions to import non-sensitive agricultural products, medicine, or medical devices into North Korea. <p>The President is also authorized to issue regulations necessary to facilitate the provision of financial services by a foreign financial institution not controlled by North Korea in support of humanitarian activities.</p>	<p>facilitating the import of non-sensitive agricultural products, medicine, or medical devices into North Korea.</p> <p>Additionally, the President may not impose any sanctions that would prevent U.S. or foreign humanitarian organizations, acting in good faith, from accessing and providing humanitarian aid to civilian populations facing humanitarian crises.</p> <p>The President is also authorized to issue regulations necessary to facilitate the provision of financial services by a foreign financial institution not controlled by North Korea in support of humanitarian activities.</p>	<p>facilitating the import of non-sensitive agricultural products, medicine, or medical devices into North Korea.</p> <p>The President is also authorized to issue regulations necessary to facilitate the provision of financial services by a foreign financial institution not controlled by North Korea in support of humanitarian activities.</p>	<p>NGOs against any adverse effects of sanctions.</p>
<p>Waivers & sanctions removal</p>	<ul style="list-style-type: none"> • The President may waive the application of sanctions for one-year renewable periods if doing so is important to U.S. economic or national security interests or for an important humanitarian purpose. • Sanctions may be suspended for up to one year (renewable every 180 day period) if North Korea has taken 	<ul style="list-style-type: none"> • The President may waive the application of sanctions for one-year renewable periods if doing so is important to U.S. national security interests or for an important humanitarian purpose. • Sanctions may be suspended for up to one year (renewable every 180 day period) if North Korea has made progress on 	<ul style="list-style-type: none"> • The President may waive the application of sanctions for one-year renewable periods if doing so is important to U.S. national security interests or for an important humanitarian purpose. • Sanctions may be suspended for up to one year (renewable every 180 day period) if North Korea has made progress on 	

	<p>actions including taking significant steps toward compliance with UN Security Council resolutions; significant progress on human rights issues; and verifiably ceasing its counterfeiting of U.S. currency.</p> <ul style="list-style-type: none"> • Sanctions may be terminated if North Korea has taken steps including complete, verifiable, and irreversible dismantlement of all WMD programs; released all political prisoners; and fully accounted for all abductions cases. 	<p>issues including compliance with UN Security Council resolutions, human rights, and illicit activities.</p> <ul style="list-style-type: none"> • Sanctions may be terminated if North Korea has made significant progress toward achieving further milestones on these issues. 	<p>issues including compliance with UN Security Council resolutions, human rights, and illicit activities.</p> <ul style="list-style-type: none"> • Sanctions may be terminated if North Korea has made significant progress toward achieving further milestones on these issues. 	
Terrorism	<p>Finds that the government of North Korea has repeatedly sponsored acts of international terrorism.</p>	<p><i>No direct mention (other than cyberterrorism)</i></p>	<p>Finds that the government of North Korea has repeatedly sponsored acts of international terrorism.</p>	<p>While the Royce and Gardner bills would not direct the State Department to re-list North Korea as a State Sponsor of Terror, it would clearly state Congress' position on the issue.</p>
Human Rights	<p>The executive branch is required to report to Congress on:</p> <ul style="list-style-type: none"> • Plans for promoting unrestricted mass electronic communications in North 	<p>The executive branch is required to report to Congress on:</p> <ul style="list-style-type: none"> • Plans for promoting unrestricted mass electronic communications in North 	<p>The executive branch is required to report to Congress on:</p> <ul style="list-style-type: none"> • Plans for promoting unrestricted mass electronic communications in North 	

	<p>Korea;</p> <ul style="list-style-type: none"> • North Korean political prison camps; and • Serious human rights abuses or censorship undertaken by the North Korean government, with specific findings as to the responsibility of Kim Jong Un, members of North Korea’s National Defense Commission, and members of the Organization and Guidance Department of the Workers’ Party of Korea. <p>The President is required to sanction any person found responsible for serious human rights abuses or censorship in North Korea.</p>	<p>Korea;</p> <ul style="list-style-type: none"> • North Korean political prison camps; and • Serious human rights abuses or censorship undertaken by the North Korean government. <p>The President may sanction any person found to be responsible for serious human rights abuses or censorship in North Korea.</p>	<p>Korea;</p> <ul style="list-style-type: none"> • Plans for a U.S. strategy to promote international awareness of the human rights situation in North Korea. • Countries that forcibly repatriate North Korean refugees or host North Korean laborers, and a diplomatic strategy to end repatriation of North Korean refugees and forced labor overseas. • North Korean political prison camps; and • Serious human rights abuses or censorship undertaken by the North Korean government, with specific findings as to the responsibility of Kim Jong Un, members of North Korea’s National Defense Commission, and members of the Organization and Guidance Department of the Workers’ Party of Korea. <p>The President is required to sanction any person found responsible for serious human rights abuses or censorship in North Korea.</p> <p>Additionally, the position of Special Envoy for North Korean</p>	
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			Human Rights is modified to report directly to the Secretary of State.	
Cyber Security	<p>The President is required to sanction any individual/entity found to have engaged in acts of cyberterrorism or cyber-vandalism against foreign targets.</p> <p>Requires the President to report to Congress every 180 days on:</p> <ul style="list-style-type: none"> • The identify of persons who have contributed to North Korean government activities undermining cyber security; • The extent to which foreign government have provided material support to North Korean activities undermining cyber security; • U.S. efforts to engage foreign governments to halt North Korea’s capability to conduct activities undermining cyber security. 	<p>The President has discretionary authority to sanction any individual/entity engaged in acts of cyberterrorism or cyber-vandalism against foreign targets.</p> <p>The Executive Branch is required to sanction any North Korean individual/entity involved in cyber attacks against the U.S. since January 1, 2014.</p> <p>The President is required to report to Congress on a strategy to counter North Korean cyberterrorism and cyber-vandalism.</p>	<p>The President is required to sanction any North Korea-linked individual/entity found to have engaged in significant acts undermining cybersecurity aimed against the U.S. government or private sector.</p> <p>Requires the President to report to Congress every 180 days on:</p> <ul style="list-style-type: none"> • The identify of persons who have contributed to North Korean government activities undermining cyber security; • The extent to which foreign government have provided material support to North Korean activities undermining cyber security; • U.S. efforts to engage foreign governments to halt North Korea’s capability to conduct activities undermining cyber security. • The U.S. strategy to counter North Korea’s efforts to undermine U.S. cybersecurity. 	
Codification of Executive Orders	<i>No similar measure.</i>	<i>No similar measure.</i>	Directs certain Executive Orders to remain in effect until the President certifies that North	

			Korea is no longer engaged in activities including violations of UN Security Council resolutions, serious human rights abuses, and significant activities undermining U.S. cybersecurity.	
Duration	<i>No similar measure.</i>	Sunsets three years after enactment.	<i>No similar measure.</i>	