
STATUTORY INSTRUMENTS

2013 No. 1718

OVERSEAS TERRITORIES

**The Democratic People’s Republic of Korea (Sanctions)
(Overseas Territories) (Amendment) Order 2013**

<i>Made</i>	- - - -	<i>10th July 2013</i>
<i>Laid before Parliament</i>		<i>17th July 2013</i>
<i>Coming into force</i>	- -	<i>7th August 2013</i>

At the Court at Windsor Castle, the 10th day of July 2013

Present,

The Queen’s Most Excellent Majesty in Council

Under Article 41 of the Charter of the United Nations the Security Council of the United Nations has, by a resolution adopted on 7th March 2013, called upon Her Majesty’s Government in the United Kingdom to apply certain measures to give effect to decisions of that Council in relation to the Democratic People’s Republic of Korea:

Her Majesty, in exercise of the powers conferred on Her by section 1 of the United Nations Act 1946(1), section 112 of the Saint Helena Act 1833(2), the British Settlements Acts 1887 and 1945(3), and all of the other powers enabling Her to do so, is pleased, by and with the advice of Her Privy Council, to order as follows:

Citation, commencement, interpretation and extent

1.—(1) This Order may be cited as the Democratic People’s Republic of Korea (Sanctions) (Overseas Territories) (Amendment) Order 2013.

(2) It comes into force on 7th August 2013.

(3) In this Order “the principal Order” means the Democratic People’s Republic of Korea (Sanctions) (Overseas Territories) Order 2012(4).

(4) This Order extends to the territories listed in Schedule 1 to the principal Order.

(1) 1946 c.45.
(2) 1833 c.85.
(3) 1887 c.54 and 1945 c.7.
(4) S.I. 2012/3066.

Amendment of the principal Order

2. The principal Order is amended as follows.
3. In article 3(1)—
 - (a) at the appropriate place insert—

““branch”, in relation to a financial or credit institution, means a place of business which forms a legally dependent part of a financial or credit institution and which carries out directly all or some of the transactions inherent in the business of financial or credit institutions;

“reinsurance” means the activity consisting in accepting risks ceded by an insurance undertaking or by another reinsurance undertaking or, in the case of the association of underwriters known as Lloyd’s, the activity consisting in accepting risks, ceded by any member of Lloyd’s, by an insurance or reinsurance undertaking other than the association of underwriters known as Lloyd’s;”;
 - (b) in the definition of “financing and financial assistance” after the words “credit insurance” insert “, as well as insurance and reinsurance,”;
 - (c) in the definition of “restricted goods” delete “Annexes I and Ia” and substitute “Annexes I, Ia and Ib”.
4. In article 4(7), delete “and 11” and substitute “, 11 and 12”.
5. In article 7(11), delete “article 11” and substitute “articles 11 and 12”.
6. In article 8(3), delete “article 11” and substitute “articles 11 and 12”.
7. In article 9(3), delete “article 11” and substitute “articles 11 and 12”.
8. After article 10, insert—

“PART 2A

Other Restrictions

Sale or purchase of North Korean bonds

10A.—(1) A person (“P”) commits an offence if P sells or purchases (directly or indirectly) North Korean public or public-guaranteed bonds issued after the date on which this Order comes into force to or from a person, entity or body falling within paragraph (4) if P knows or has reasonable cause to suspect that the sale or purchase is to or from such a person, entity or body.

(2) A person (“P”) commits an offence if P provides brokering services with respect to North Korean public or public-guaranteed bonds issued after the date on which this Order comes into force to a person, entity or body falling within paragraph (4) if P knows or has reasonable cause to suspect that the services are being provided to such a person, entity or body.

(3) A person (“P”) commits an offence if P assists a person, entity or body falling within paragraph (4) to issue North Korean public or public-guaranteed bonds, by providing—

- (a) brokering services,
- (b) advertising, or
- (c) any other service with respect to such bonds,

if P knows or has reasonable cause to suspect that P is assisting such a person, entity or body.

- (4) The following persons, entities or bodies fall within this paragraph—
- (a) North Korea or its Government, and its public bodies, corporations and agencies;
 - (b) a credit or financial institution domiciled in North Korea, including the Central Bank of North Korea;
 - (c) a branch or subsidiary, wherever located, of a credit or financial institution domiciled in North Korea;
 - (d) a credit or financial institution that is not domiciled in North Korea, but is controlled by a person or entity domiciled in North Korea;
 - (e) a person, entity or body acting on behalf of or at the direction of a legal person, entity or body falling within sub-paragraph (a), (b), (c) or (d);
 - (f) a legal person, entity or body owned or controlled by a person, entity or body falling within sub-paragraph (a), (b), (c), (d) or (e).

Agreements

10B. A person (“P”) commits an offence if P concludes an agreement for, or on behalf of, a person, entity or body falling within article 10A (4), which relates to the opening of a representative office or the establishment of a branch or subsidiary in the Territory or P knows or has reasonable cause to suspect that the agreement is for, or on behalf of, such a person.

Credit and financial institutions: accounts and correspondent banking relationships

- 10C.—(1)** A credit or financial institution (“P”) commits an offence if P—
- (a) opens a new bank account,
 - (b) establishes a new correspondent banking relationship, or
 - (c) establishes a new joint venture,

with a person, entity or body falling within article 10A (4) if P knows or has reasonable cause to suspect that the account, relationship or venture is with such a person, entity or body.

(2) P commits an offence if P maintains a correspondent banking relationship with a credit or financial institution falling within article 10A (4) if P knows or has reasonable grounds to suspect that the relationship could contribute to North Korea’s nuclear-related, other weapons of mass destruction-related or ballistic missile related programmes.

- (3) P commits an offence if P—
- (a) opens a new representative office in North Korea, or
 - (b) establishes a new branch or subsidiary in North Korea.

Acquisition or extension of ownership interest

10D. A credit or financial institution (“P”) commits an offence if P allows a person, entity or body falling within article 10A (4) to acquire or extend a participation, or acquire any other ownership interest in P.

Offences related to the movement of gold, precious metals or diamonds listed in Annex VII

10E. A person to whom this Order applies (“P”) commits an offence if P knowingly —

- (a) sells, supplies, transfers or exports (directly or indirectly) gold, precious metals or diamonds, as listed in Annex VII to the Council Regulation, to the Government of North Korea, its public bodies, corporations and agencies, the Central Bank of North Korea or any person, entity or body acting on their behalf or at their direction, or any entity or body owned or controlled by them;
- (b) purchases, imports or transports (directly or indirectly) gold, precious metals or diamonds as listed in Annex VII, whether or not the item concerned originated in North Korea, from the Government of North Korea, its public bodies, corporations and agencies or any person, entity or body acting on their behalf or at their direction, or any entity or body owned or controlled by them; or
- (c) provides (directly or indirectly) technical assistance or brokering services, financing or financial assistance, related to gold, precious metals and diamonds as listed in Annex VII, to the Government of North Korea, its public bodies, corporations and agencies, the Central Bank of North Korea or any person, entity or body acting on their behalf or at their direction, or any entity or body owned or controlled by them.

Offences related to the movement of North Korean banknotes or coins

10F. A person to whom this Order applies (P) commits an offence if P knowingly sells, supplies, transfers or exports (directly or indirectly) new North Korean denominated banknotes or coinage printed or minted in the Territory, to the Central Bank of North Korea.”.

9. In article 16, delete “10” and substitute “10F”.

10. In article 17—

- (a) in paragraph (1) after “10” insert “, 10E(a), 10F”;
- (b) in paragraph (2) after “6” insert “, 10A, 10B, 10C, 10D, 10E(b), 10E(c)”.

11. In Schedule 3—

- (a) in paragraph 1 after “10” insert “, 10E(a), 10F”;
- (b) in paragraph 2 after “6” insert “, 10A, 10B, 10C, 10D, 10E(b), 10E(c)”.

12. In Schedule 5—

- (a) in paragraph 1 after “10” insert “, 10E(a), 10F”;
- (b) in paragraph 2 after “6” insert “, 10A, 10B, 10C, 10D, 10E(b), 10E(c)”.

Richard Tilbrook
Clerk of the Privy Council

EXPLANATORY NOTE

(This note is not part of the Order)

This Order amends the Democratic People's Republic of Korea (Sanctions) (Overseas Territories) Order 2012.

This Order gives effect in specified Overseas Territories to the additional sanctions against North Korea adopted by the United Nations Security Council in resolution 2094 (2013), which are reflected and implemented in EU Council Decision 2013/183/CFSP and Council Regulation (EU) 296/2013. The Council Decision prohibits banks and financial institutions established in North Korea from opening branches, acquiring a joint venture, establishing correspondent banking relationships, or maintaining correspondent banking relationships in certain circumstances.

This Order also implements prohibitions introduced by the European Union in Council Decision 2013/153/CFSP on the sale or purchase of gold, precious metals or diamonds; the sale or purchase of North Korean bonds, and the movement of North Korean bank notes.