



Security Council

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Note by the President of the Security Council

In paragraph 2 of resolution [2464 \(2019\)](#), the Security Council requested the Panel of Experts established pursuant to resolution [1874 \(2009\)](#) to provide a midterm report to the Council with its findings and recommendations.

Accordingly, the President hereby circulates the report received from the Panel of Experts (see annex).

* Reissued for technical reasons on 4 December 2019.



Annex

Letter dated 27 August 2019 from the Panel of Experts established pursuant to resolution 1874 (2009) addressed to the President of the Security Council

The Panel of Experts established pursuant to Security Council resolution 1874 (2009) has the honour to transmit herewith, in accordance with paragraph 2 of Security Council resolution 2464 (2019), the midterm report on its work.

The attached report was provided to the Security Council Committee established pursuant to resolution 1718 (2006) on 31 July 2019 and was considered by the Committee on 26 August 2019.

The Panel would appreciate it if the present letter and its enclosure were brought to the attention of the members of the Security Council and issued as a document of the Council.

Panel of Experts established pursuant to Security Council
resolution 1874 (2009)

Enclosure**Letter dated 31 July 2019 from the Panel of Experts established pursuant to resolution 1874 (2009) addressed to the Chair of the Security Council Committee established pursuant to resolution 1718 (2006)**

The Panel of Experts established pursuant to Security Council resolution 1874 (2009) has the honour to transmit herewith, in accordance with paragraph 2 of Security Council resolution 2464 (2019), the midterm report on its work.

The Panel would appreciate it if the present letter and its annex were brought to the attention of the members of the Security Council Committee established pursuant to resolution 1718 (2006).

Panel of Experts established pursuant to Security Council
resolution 1874 (2009)

Report of the Panel of Experts established pursuant to resolution 1874 (2009)

Summary

During the reporting period, the Democratic People's Republic of Korea continued to enhance its nuclear and missile programmes, although it did not conduct a nuclear test or intercontinental ballistic missile launch. Missile launches in May and July of 2019 enhanced its overall ballistic missile capabilities. While there have been continued diplomatic efforts, including at the highest levels, to achieve the verifiable denuclearization of the Korean Peninsula in a peaceful manner, and generally lower levels of tension on the Peninsula, the investigations carried out by the Panel of Experts show continued violations of the resolutions. For example, the Democratic People's Republic of Korea continued to violate sanctions through ongoing illicit ship-to-ship transfers and the procurement of weapons of mass destruction-related items and luxury goods. These and other sanctions violations are facilitated through the country's access to the global financial system, through bank representatives and networks operating worldwide. The Democratic People's Republic of Korea has also used cyberspace to launch increasingly sophisticated attacks to steal funds from financial institutions and cryptocurrency exchanges to generate income.

Ongoing deficiencies in the implementation by Member States of financial sanctions, combined with the deceptive practices of the Democratic People's Republic of Korea, enabled the country to continue to access the international financial system. Democratic People's Republic of Korea financial institutions, including designated banks, maintain more than 30 overseas representatives controlling bank accounts and facilitating transactions, including for illicit transfers of coal and petroleum. The country's bank representatives and designated entities make use of complicit foreign nationals to obfuscate their activities. The Panel also investigated the widespread and increasingly sophisticated use by the Democratic People's Republic of Korea of cyber means to illegally force the transfer of funds from financial institutions and cryptocurrency exchanges, launder stolen proceeds and generate income in evasion of financial sanctions. In particular, large-scale attacks against cryptocurrency exchanges allow the Democratic People's Republic of Korea to generate income in ways that are harder to trace and subject to less government oversight and regulation than the traditional banking sector. Democratic People's Republic of Korea cyber actors, many operating under the direction of the Reconnaissance General Bureau, raise money for the country's weapons of mass destruction programmes, with total proceeds to date estimated at up to \$2 billion.

Representatives of designated entities, including the Korea Mining Development Trading Corporation, Saeng Pil and Namchongang, continued to operate overseas, including under diplomatic cover, attempting to transfer conventional weapons and expertise and to procure equipment and technology for the weapons of mass destruction programmes of the Democratic People's Republic of Korea. The Munitions Industry Department and other designated entities continued to raise funds for those programmes, including through the overseas dispatch of information technology workers. The Reconnaissance General Bureau and other designated entities such as the Mansudae Overseas Project Group also engaged in the import of luxury goods and the attempted sale of frozen assets overseas.

The Democratic People's Republic of Korea continued unabated its ship-to-ship transfers, in violation of the resolutions. The Panel identified new evasion techniques, including the use of class B Automatic Identification Systems by feeder vessels and multiple transfers using smaller vessels. The Panel received a report from the United

States of America and 25 other Member States containing imagery, data, calculations and an assessment that the annual cap for 2019, as set by the Security Council, of the aggregate amount of 500,000 barrels of refined petroleum transferred to the Democratic People's Republic of Korea, had been exceeded in the first four months of 2019. The Panel also received a response to this from the Russian Federation that, at the present stage, it would be premature for the Security Council Committee established pursuant to resolution [1718 \(2006\)](#) to make a conclusive determination and to cease refined petroleum imports. It also received a response from China that more evidence and information were needed to make a judgment on the issue.

The Panel noted that sanctions measures were not intended to have adverse humanitarian consequences for the civilian population of the Democratic People's Republic of Korea or the work of international and non-governmental organizations carrying out assistance and relief activities in the country. While the average time for the processing of exemption requests has been reduced, there has been no restoration of a banking channel, hindering the ongoing operations of United Nations and humanitarian organizations.

The Panel recommends a series of designations and practical measures in order to provide the Security Council, the 1718 Committee and Member States additional tools by which to address the current challenges and shortcomings in the implementation of the resolutions.

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* The annexes are being circulated in the language of submission only and without formal editing.

I. Introduction

1. In paragraph 2 of its resolution [2464 \(2019\)](#), the Security Council requested the Panel of Experts to provide to the Committee a midterm report with its findings and recommendations, as requested in paragraph 43 of resolution [2321 \(2016\)](#). The present report covers the period from 2 February to 2 August 2019.

II. Sectoral and maritime sanctions

Ship-to-ship transfers

Ship-to-ship transfers and direct delivery of petroleum products

2. The Democratic People's Republic of Korea has continued to violate the resolutions through the conducting of illicit ship-to-ship transfers as a primary means of importing refined petroleum.

3. The Panel received a report containing updated data covering the period 1 January to 23 April 2019 on tanker deliveries of refined petroleum products into the Democratic People's Republic of Korea. That communication, provided by the United States of America to the Security Council Committee established pursuant to resolution [1718 \(2006\)](#) on 11 June 2019 and supported by 25 other co-signatories,¹ included a request for the Committee to make an immediate determination that the petroleum “cap has been breached, and to subsequently notify UN Member States of the breach and confirm that all subsequent transfers of refined petroleum to the DPRK must immediately halt” (see annex 1). The Russian Federation responded on 18 June 2019 that, “at the current stage it is premature for the Committee to make a conclusive decision regarding the US proposal and to cease refined petroleum export to the DPRK” (see annex 2). China noted on 18 June 2019 that it needed “more evidence and information to make a judgment on this issue”.

4. According to the report provided by the United States, the Democratic People's Republic of Korea would have effectively exceeded the import cap of 500 000 barrels (resolution [2397 \(2017\)](#), para. 5) as at 23 April 2019 under any of three calculated scenarios covering the reported 70 deliveries: fully laden tankers, half-laden tankers or tankers that were one-third laden.² Under the last scenario, assuming each tanker's port call delivered only one third of the identified vessel's capacity, the associated volume would already have exceeded the annual cap for 2019 by 23 April, when added to the petroleum delivery amounts submitted to the Committee by China and the Russian Federation.³ According to the report, under the first scenario, assuming fully laden tankers, the import cap would have been exceeded by at least 100 per cent, at an estimated total of 1.093 million barrels. In addition to its estimates, the United States also provided the Panel with indicative satellite imagery of illicit petroleum products to the Democratic People's Republic of Korea ports (see figure I) and another Member State provided information on illicit ship-to-ship transfers by the Democratic People's Republic of Korea tankers (see figure II). The Russian Federation pointed out that it was “still considering the information provided by the United States regarding the cases of alleged ship-to-ship transfers of refined

¹ The Republic of Korea and the United Kingdom of Great Britain and Northern Ireland also joined the 23 co-sponsors (see annex 1).

² This scenario is based on the likely minimum economically viable amount of cargo for a tanker.

³ As of April 2019, China had submitted to the 1718 Committee an accumulated amount of 4,194.43 tons of refined petroleum products exported to the Democratic People's Republic of Korea since January 2019. The Russian Federation submitted an accumulated amount of 18,974.616 metric tons for the same period. In May, China and the Russian Federation reported an additional amount of 1,536.03 tons and 3,208.969 tons, respectively, that had been exported.

petroleum products to the DPRK, as well as the results of the computer modelling” (see annex 2).

5. The Panel has also continued to document the widespread use of concealment and obfuscation techniques by the tankers and complicit parties, which, according to the Panel, amount to the evasion of the prohibition on illicit ship-to-ship transfers of petroleum to the Democratic People’s Republic of Korea. There were undeclared direct deliveries in violation of the reporting requirement on petroleum product imports (see resolution 2397 (2017), para. 5). Economic indicators reflecting overall stable prices for gasoline and diesel within the Democratic People’s Republic of Korea are indicative of a lack of domestic shortages, notwithstanding international sanctions.

Figure I
Deliveries at Democratic People’s Republic of Korea ports from February to April 2019



Source: Member State; Map: the Panel.

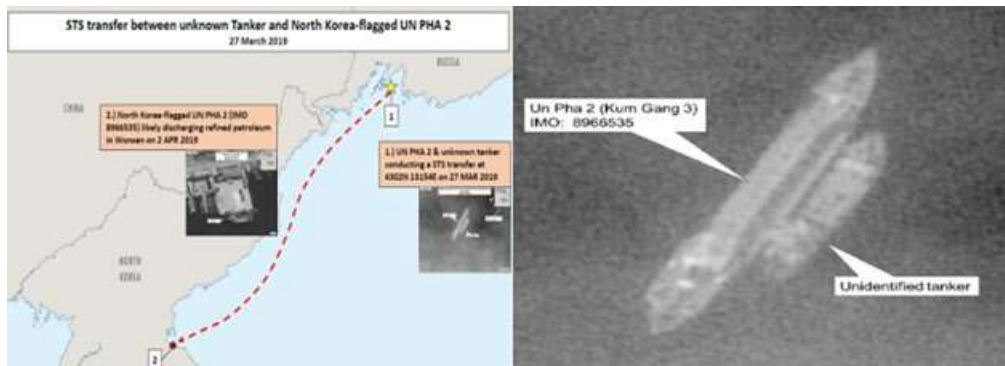
Figure II
Illicit ship-to-ship transfers

***Yu Son* conducting ship-to-ship transfer with an unidentified vessel
 20 March 2019**



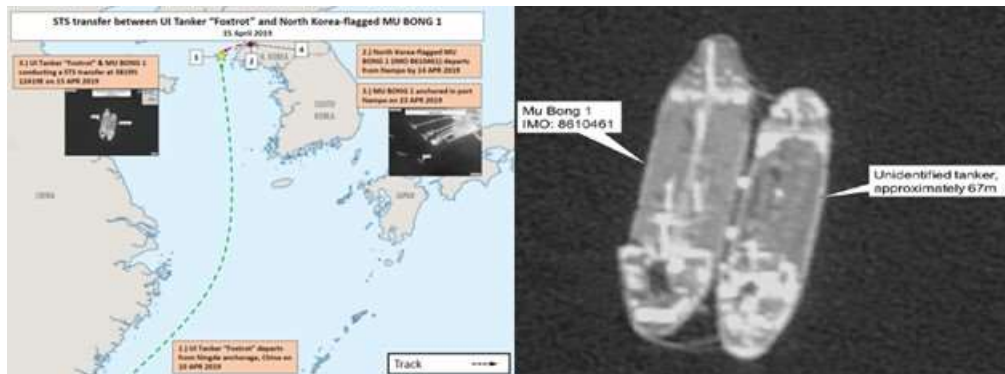
Source: Member State.

***Un Pha 2* conducting ship-to-ship transfer with an unidentified tanker on
 27 March 2019**



Source: Member State.

***Mu Bong 1* conducting ship-to-ship transfer with unidentified tanker on
 15 April 2019**



Source: Member State.

Recommendations

6. Member States should report any known transfers to the Committee, as required pursuant to the resolutions.

7. Member States should promote information-sharing by international commodity traders, tanker fleet owners and operators, and vessel insurers to verify the actual destination of tankers in order to prevent evasion through the manipulation of Automatic Identification System transmission.

8. The Panel recommends that the 1718 Committee designate the following vessels for illicit transfers of petroleum products in violation of paragraph 5 of resolution [2397 \(2017\)](#):

(a) *Un Pha 2* (IMO No. 8966535), flag of the Democratic People's Republic of Korea, for conducting a ship-to-ship transfer with an unknown tanker on 27 March 2019;

(b) *Mu Bong 1* (IMO No. 8610461), flag of the Democratic People's Republic of Korea, for conducting a ship-to-ship transfer with an unknown tanker on 15 April 2019.

New evasion methods

9. The Panel notes the ongoing use of already well-documented evasion techniques, including Automatic Identification System turn-off; physical disguise; the use of small vessels without IMO numbers, name-changing, night transfers and other forms of identity fraud. In addition, the Panel found during the period under review the use of previously unreported evasion methods to circumvent sanctions.

Foreign-flagged vessels conducting direct deliveries to Nampo

10. A Member State has observed cases of direct deliveries by foreign-flagged vessels of unreported refined petroleum products to the Democratic People's Republic of Korea. Examples of such vessels include the deflagged *New Regent* (IMO No. 8312497), the Viet Nam-flagged *Viet Tin 01* (IMO No. 8508838) and the Sierra Leone-flagged *Sen Lin 01* (IMO No. 8910378). These vessels discharged petroleum products at Nampo between January and April 2019. The *Viet Tin 01* conducted one call at Nampo port, while the *Sen Lin 01* visited Nampo on 10 separate occasions. The *New Regent*, designated for deflagging and a global port ban, has delivered petroleum to Nampo (see figure III) twice in 2019.⁴ According to the Member State, the *New Regent's* designation likely led to a decision by the Democratic People's Republic of Korea to convert the ship from a feeder vessel to a delivery tanker.

⁴ Mega Glory Holdings stated in an email to the Panel dated 8 July 2019 that it had sold the *New Regent* to another company in April 2018. The Panel noted that, as at 21 July 2019, maritime databases continued to list Mega Glory Holdings as the vessel's registered owner, ship operator and manager. Panel investigations continue.

Figure III
New Regent at Nampo for first time



Source: Member State; Map: the Panel.

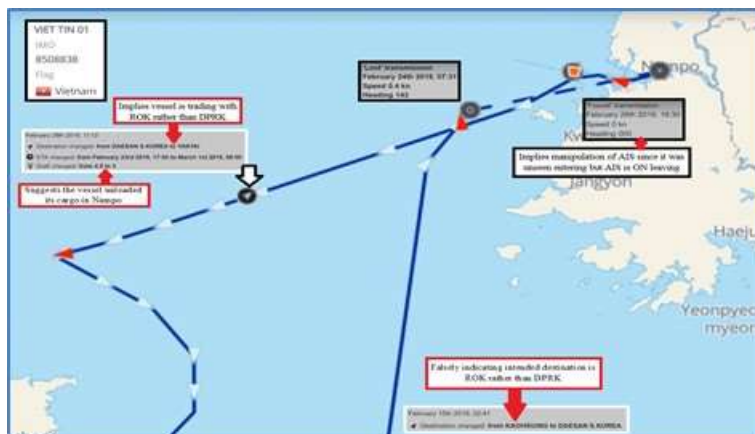
11. The *Viet Tin 01* sailed to Nampo on 26 February to deliver a cargo of refined petroleum and departed the next day. The Panel found that the vessel had been operating on the basis of a bareboat charter since 4 January 2019.⁵ The company “Happy Shipping Co. Ltd.”, based in Fujian, China, chartered the vessel through a Singapore-based company, KLJ Marine Services Pte. Ltd. (see annex 3). Viet Nam informed the Panel that the *Viet Tin 01*’s owner, Viet Trust Shipping Corporation, had been unsuccessful in contacting the bareboat charterer to reclaim its vessel. A Member State informed the Panel that contact between the vessel owner and Happy Shipping Co. Ltd. had been conducted through the individual broker, K.S. Kwek.⁶ Mr. Kwek stated to the Panel that he had only provided personal translation services. The Panel’s investigation continues.

12. The *Viet Tin 01*’s last recorded port of call was Singapore between 30 January and 2 February 2019. Documents indicated that the port of discharge for the cargo was Ulsan, Republic of Korea (see annex 4), but the *Viet Tin 01*’s Automatic Identification System on 2 February 2019 at first indicated its next port as Nampo, though this was then changed an hour later to Kaohsiung. It subsequently loitered off Kaohsiung from 13 to 16 February, before heading for Nampo (see figure IV). The vessel’s Automatic Identification System was turned off for most of its voyage in the month leading up to its Nampo port call. The Government of Viet Nam is investigating, and, from its own investigations, Singapore has provided information on the port call and on the 5,108 barrels of petroleum cargo.

⁵ A chartering arrangement, whereby no crew or provisions are included as part of the agreement and are instead the responsibility of the renter.

⁶ Mr. Kwek’s company is a different company from KLJ Marine Services Pte Ltd. Mr. Kwek has denied any business or personal relations with KLJ Marine Services Pte Ltd.

Figure IV
Route of the Viet Tin 01 and satellite imagery of the Nampo oil dock (38° 42' 55" N 125° 22' 04" E) on 26 February 2019 showing a vessel with a similar dimension at Nampo



Source: Windward.

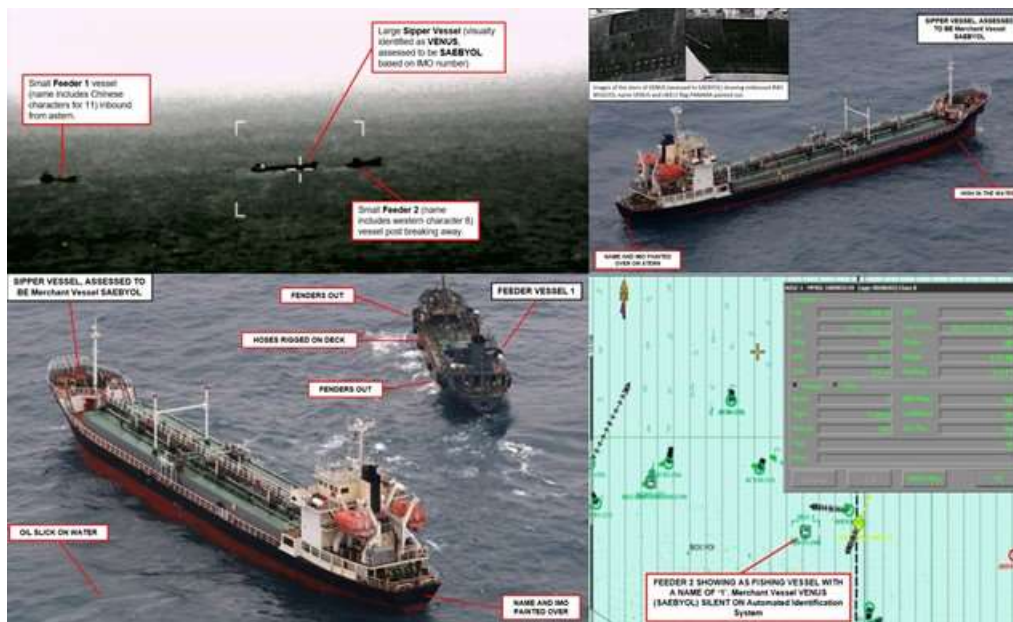


Source: Planet Labs, Inc.

Vessel disguise techniques

13. A Member State provided to the Panel evidence of a merchant tanker operating in the East China Sea on 19 March 2019 with its Automatic Identification System switched off while carrying out a ship-to-ship transfer with another smaller unidentified feeder vessel. The larger vessel had, in part, painted over its IMO number but “8916293”, still visible, correlates with the designated *Saebyo*l (also known as *Chong Rim 2*). The vessel’s name, likewise painted over, was embossed with the name “Venus”. Figure V shows a heavily laden vessel (feeder 1) approaching the *Saebyo*l, while another vessel appearing unladen (feeder 2) has detached post ship-to-ship fuel transfer. Feeder 1 showed indications of readiness for a ship-to-ship transfer with rigged hoses on deck and fenders out. A nearby oil slick indicates a just completed ship-to-ship transfer with feeder 2.

Figure V
***Saebiyol* conducting ship-to-ship transfer on 19 March 2019 and feeder 2 transmitting as a “fishing vessel” and potentially acting as decoy locator**



Source: Member State.

14. In a new technique, feeder 2 appeared to be utilizing a class B Automatic Identification System transponder identifying itself as a fishing vessel to obfuscate its identity and limit its range of detection. Feeder 2 could also have been serving as a homing locator⁷ for potential transfer vessels on behalf of the *Saebiyol* with its Automatic Identification System switched off.

Returning feeder vessels

15. Feeder vessels returned to conduct successive ship-to-ship transfers with the Democratic People’s Republic of Korea tanker *An San 1* (IMO No. 7303803) in the East China Sea on 13 and 14 May 2019. Those transfers averaged 1.5 hours and took place at dawn and dusk on consecutive days (see figure VI) using smaller vessels lacking identifiers, probably to avoid aerial surveillance.

⁷ Automatic Identification System class B transponders are used by vessels that fall below the threshold for compulsory Automatic Identification System fitment (class A) required under the International Convention for the Safety of Life at Sea, 1974, such as small fishing vessels. While class B units have less functionality and reduced power and range, they operate and communicate with class A units used on vessels of 300 or more gross tonnage.

Figure VI
Ships of unknown nationality conducting ship-to-ship transfers with the tanker *An San 1* over two consecutive days



Source: Member State.

16. The information provided above by different Member States involving the *Saebjol* and the *An San 1* illustrates that Democratic People's Republic of Korea tankers are meeting with multiple vessels to ensure fuller loads before returning to the country to discharge their illicit cargo.

Owners, operators and managers

17. Vessels conducting ship-to-ship transfer or delivering refined petroleum directly to the Democratic People's Republic of Korea are typically smaller ships with a deadweight tonnage of between 1,000 and 20,000 tons and older vessels of between 30 and 35 years of age. The registered owners of such vessels own, in general, small fleets of up to four vessels and appear to be recently established shell or front companies listed under third-party ship operators in a different jurisdiction.

Coal shipments

Transfers of coal at sea

18. The Democratic People's Republic of Korea continues to violate the ban on coal exports established under resolution 2371 (2017). According to a Member State, it is believed to have exported a total of 930,000 metric tons of coal through at least 127 deliveries⁸ during the first four months of 2019.

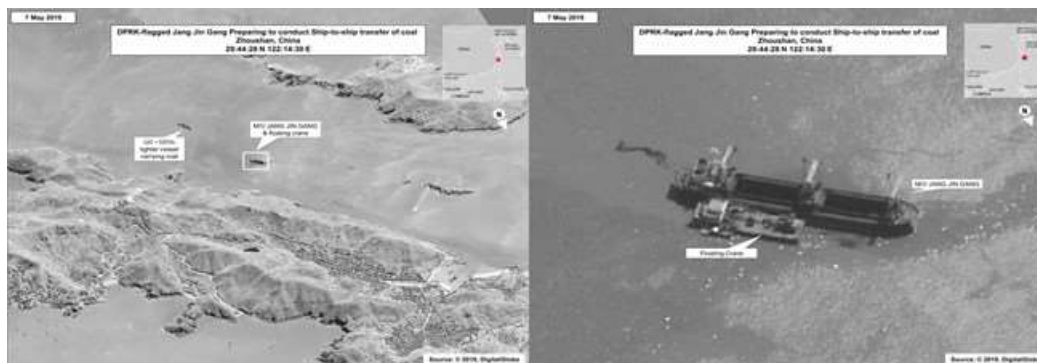
19. The Member State provided to the Panel images showing vessels loaded with coal off the Ningbo-Zhoushan port area, which it identified as Democratic People's Republic of Korea-associated vessels (see figures VII and VIII). China replied that "the information provided by the Panel lacks timeliness and cannot lead to on-site investigation. The information of relevant vessels is ambiguous and lacks accuracy,

⁸ The estimated value of the coal, based on \$100 per metric ton, is calculated at approximately \$93 million by the Member State supplying the information.

which does not constitute a full evidence chain or basis for further investigation” (see annex 6.1).

Figure VII

Democratic People’s Republic of Korea-flagged *Jang Jin Gang* preparing to conduct a ship-to-ship transfer near Ningbo with the aid of a floating crane



Source: Member State; Map: the Panel.

Figure VIII

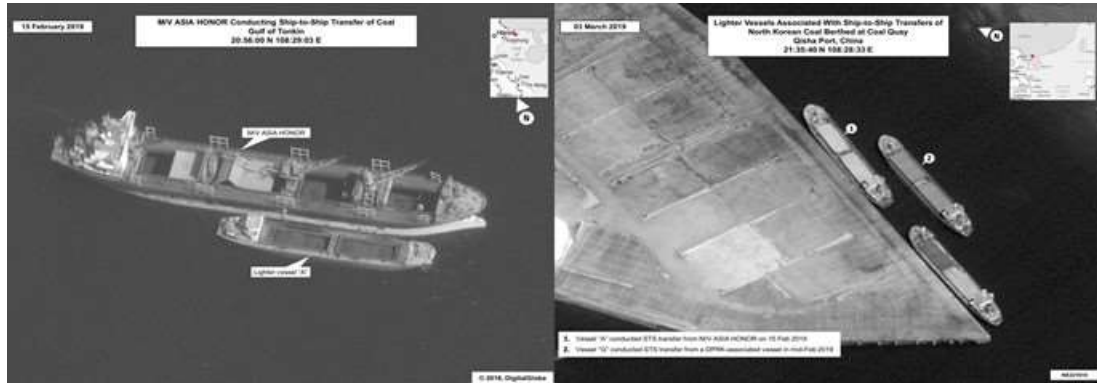
Five Democratic People’s Republic of Korea-associated vessels in the Ningbo area and another three vessels associated with the country on the same day



Source: Member State; Map: the Panel.

20. The Panel received imagery showing the Democratic People’s Republic of Korea vessels *Paek Yang San* (IMO No. 9020534), *Ka Rim Chon* (IMO No. 8314811), *Pho Phyoung* (IMO No. 8417962) and *Tae Yang* (IMO No. 8306929) conducting ship-to-ship transfers of coal to lighters in the Gulf of Tonkin between September and October 2018 (see annex 5) (see figure IX). The Member State also provided images of lighters berthed at Qisha (see figure X) and in an anchorage area around the coal pier (see figure XI). China replied that “the information provided by the Panel lacks timeliness and cannot lead to on-site investigation. The information of relevant vessels is ambiguous and lacks accuracy, which does not constitute a full evidence chain or basis for further investigation.”; and “all of the coal vessels berthed at Qisha port have legal importing documents, and the origin of the coal is not the DPRK. In fact, most of the bulk cargo ships are very similar in shape, and it is imprudent to make association between the vessels involved in the ship-to-ship transfers with the ones berthed at Qisha port merely based on the satellite images” (see annex 6.1).

Figure IX
Ship-to-ship transfer of coal in the Gulf of Tonkin



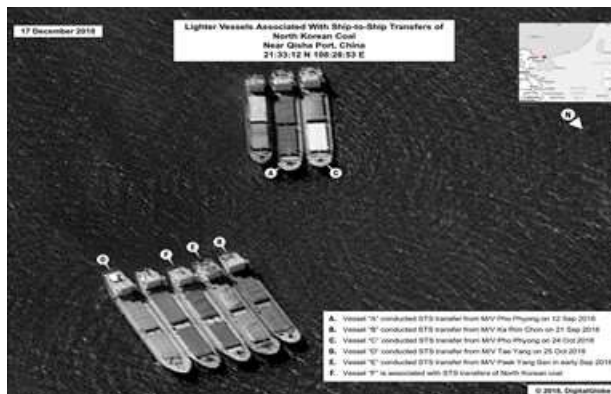
Source: Member State; Map: the Panel.

Figure X
Lighters delivering coal to the port of Qisha



Source: Member State; Map: the Panel.

Figure XI
Specific anchorage area for lighters



Source: Member State, Map: the Panel.

Recommendations

21. Given that Democratic People's Republic of Korea vessels use lighters to avoid port calls, port authorities should engage in heightened scrutiny of such vessels through the verification of documentation, including certificates of origin, manifests and bills of lading, and seize, inspect and impound any vessel suspected of transporting prohibited items (resolution 2397 (2017), para. 9).

22. The Panel recommends that the 1718 Committee designate the following Democratic People's Republic of Korea vessels in violation of paragraph 8 of resolution 2371 (2017):

(a) *Paek Yang San* (IMO No. 9020534), for conducting a ship-to-ship transfer on 5 September 2018;

(b) *Ka Rim Chon* (IMO No. 8314811), for conducting a ship-to-ship transfer on 21 September 2018;

(c) *Pho Phyong* (IMO No. 8417962), for conducting a ship-to-ship transfer on 24 October 2018;

(d) *Tae Yang* (IMO No. 8306929), for conducting a ship-to-ship transfer on 25 October 2018.

Investigations of the Democratic People's Republic of Korea coal in third countries

23. In March 2019, the Republic of Korea reported to the Committee that it had additionally indicted an individual and two companies involved in prohibited coal exports through Kholmsk by the Democratic People's Republic of Korea in 2017 (S/2019/171, para. 37). It also reported that it had submitted six individuals and five entities to the Public Prosecutor's Office, based on its investigations into two additional cases of prohibited coal exports by the Democratic People's Republic of Korea between December 2017 and June 2018. A total of 14,840 metric tons of coal were brought in after trans-shipment in third countries. The Republic of Korea applied a national port entry ban against additional vessels in relation to those cases (see table below).

Table

National port entry bans applied by the Republic of Korea since August 2018

Vessel Name	IMO Number	Flag	Date of the National Port Entry Ban
<i>Yu Yuan</i>	9358694	Togo	18 August 2018
<i>An Quan Zhou 66</i>	8742240	Stateless	28 December 2018
<i>Tai Xin</i>	9088598	Togo	28 December 2018
<i>Xin Yang 688</i>	8657809	Belize	28 December 2018
<i>Lucky Star</i>	9015278	Togo	28 December 2018
<i>East River</i>	9109952	Panama	28 February 2019

Source: Member State, the Panel.

Democratic People's Republic of Korea-originated coal from the *Wise Honest*

24. The Panel continued to investigate and track the illicit coal shipment initially carried onboard the Democratic People's Republic of Korea-flagged vessel *Wise Honest* (IMO No. 8905490), which had been detained by Indonesia on 4 April 2018 for falsely declaring its flag as Sierra Leone. Since then, its captain, Kim Chung Son,

has been fined⁹ for violating shipping regulations and, together with the crew, deported from Indonesia. The Panel has also continued its investigations into the company, Enermax, listed as the buyer of the coal on board the *Wise Honest* (see paras. 52–53). According to the United States, “more than \$750,000 were transmitted through accounts at a U.S. financial institution in connection with the March 2018 shipment of coal on board the *Wise Honest*”.¹⁰

25. According to the United States,¹⁰ the *Wise Honest* was the only vessel registered to the Korea Songi Shipping Company (for information on the payment for the coal, see para. 52). The United States also reported the vessel as being controlled by the Korea Songi General Trading Corporation (also known as the Songi Trading Company), which is “subordinate to the KPA [Korean People’s Army] and involved in exporting DPRK coal”.¹⁰

26. Following a court order in November 2018 from the District Court in Balikpapan, Indonesia,¹¹ the coal was “returned” to the Indonesian broker, Eko Setyamoko, who had originally been involved in the brokering of coal onboard the *Wise Honest*. The 26,500 metric tons of illicit coal was transferred from the *Wise Honest* to the Panama-flagged *Dong Thanh* (IMO No. 9180035). The *Dong Thanh* then sailed for the Malaysian port of Kemaman on 13 April 2019 under instructions of the operator Qingdao Global Shipping Co. Ltd (see annex 7), arriving on 19 April when it was refused entry. Malaysian authorities provided the Panel with documents showing that the shipper, Pt. Bara Makmur Sadayana, which is also Mr. Setyamoko’s company (see annex 8),¹² falsely labelled the coal as of Indonesian origin (see figure XII).¹³ The Panel’s investigations into the *Wise Honest* coal transactions revealed the various certificates of origin issued contained fraudulent information (see annex 9).

⁹ The fine was set at 400,000,000 rupiah or approximately \$28,500.

¹⁰ See Case 1:19-cv-04210, filed on 9 May 2019, United States District Court, Southern District of New York.

¹¹ See Case No. 682/Pid.B/2018/PN.BPP, ruling of 22 November 2019, Balikpapan Court of First Instance.

¹² [S/2019/171](#), annex 19, and according to Indonesian court documents.

¹³ Mr. Setyamoko appealed to the court for approval for the coal to be sold on the basis that the price for coal was decreasing (page 3 of ruling No. 682/Pid.B/2018/PN Bpp). The contractual value was \$2,990,000.

Figure XII
Document falsely listing the coal as of Indonesian origin

CODE NAME / "CONGONBEL" EDITION 1994	BILL OF LADING TO BE USED WITH CHARTER PARTY Reference No.	Part 1 BL No. BPAK1841
Shipper PT. BARA MAKMUR SADAYANA		
Consignee TO ORDER		3rd ORIGINAL
Ship's address EASTERN STEEL SDN. BHD LOT 4293 AND 4294, KAWASAN PERINDUSTRIAN TELUK KALONG, MUKIM TELUK KALONG, 2400 KEMAMAN TERENGGANU DARUL IMAN, MALAYSIA		
Transit MV. DONG THANH VOY 83-19	Port of loading TELUK BALIKPAPAN, INDONESIA	
Port of discharge KEMAMAN PORT, MALAYSIA		
Shipper's description of goods INDONESIAN COAL		SAYD TO WEIGHT 26,400 MTS
FREIGHT PAYABLE AS PER CHARTER PARTY		

Source: the Panel.

27. The decision by the District Court to release the illicit coal and approve its re-export by the same broker who had facilitated the illegal transaction once again demonstrates the clear need for Member States to prioritize the incorporation of Security Council resolutions into national law. The lack of such a legal framework allows the Democratic People's Republic of Korea and complicit actors to exploit shortcomings. Indonesia has initiated a review of its legal framework to ensure that its obligations under the resolutions are met. This case also highlights the ongoing involvement of the Democratic People's Republic of Korea embassies and their diplomats in the circumvention of sanctions measures.¹⁴

28. The *Dong Thanh's* time charterer informed the Panel that, because the vessel had been carrying coal from the *Wise Honest*, it was unable to enter port and had sailed for Vung Tau, Viet Nam, pending a decision on the disposal of its cargo (resolution 2937 (2017), para. 9). Viet Nam confirmed the vessel's arrival in its internal waters in the area of Ba Ria-Vung Tau on 6 June 2019 and that its customs authority had interdicted the vessel and was investigating the case. The Panel identified a link between the ship operator of the *Dong Thanh*, Qingdao Global Shipping Co. Ltd, now known as Qingdao Global Shipping Group Ltd,¹⁵ and the *Wise Honest*. A payment to Qingdao Global was made in 2018 from an account used to fund the *Wise Honest's* transactions. Qingdao Global told the Panel that the payment was to compensate them for a non-delivery of coal from the "*White Honest*" [sic] to its vessel *Ken Orchid* (IMO No. 9598153). Documents supplied by Qingdao Global show that *Ken Orchid* was chartered to trans-ship the coal onboard the *Wise Honest*

¹⁴ Paragraph 13 of resolution 2270 (2016) and paragraph 17 of resolution 2321 (2016). See also S/2019/171, para. 36.

¹⁵ Qingdao Global informed the Panel it was aware that the cargo carried on board the *Dong Thanh* was from the *Wise Honest* but legal to export under court order and "can be treated cgo from Indonesia to export instead of Russian cgo origin, and by that time we hv no any info that such cgo suspected saction cgo under UN on watch" (sic).

to Pohang, Republic of Korea (see annex 10). The document details match the content of a contract that lists Enermax as its consignee.¹⁶

Recommendation

29. The Panel recommends that the 1718 Committee designate the *Wise Honest's* captain, Kim Chung Son, its owner Korea Songi Shipping Company (IMO No. 5607043) and Korea Songi General Trading Corporation for their role in violating sanctions.

Prohibited fishing activities

30. Two Member States provided the Panel with information showing the continuation of fishing rights transfers, including an image of a fishing vessel of a third country displaying a fishing permit number plate issued by the Democratic People's Republic of Korea (see figure XIII).

Figure XIII

Fishing vessel displaying the name “琼东渔 12122” with the Democratic People's Republic of Korea fishing permit number plate



Source: Member State.

31. One Member State also reported that it had encountered fishing vessels from a third country heading towards Democratic People's Republic of Korea fishing zones without fishing permit number plates. In communication with those vessels, the crews responded that they had already sent applications for fishing right certificates to the Democratic People's Republic of Korea and would receive the permits upon arrival in the country's fishing zones. The crews also stated that those permits would be handed over to them at sea by a command vessel from the third country, which had picked up the permit number plates in advance at Wonsan port. They also stated that Democratic People's Republic of Korea patrol boats would sometimes deliver fishing certificates directly to their vessels, possibly to avoid international monitoring. To the Panel's enquiry, China replied: "Chinese authorities have prohibited ocean fishing operations in the DPRK sea areas" and "琼东渔 12122 is not a fishing vessel legally registered in China. The flag state and vessel identification could not be verified simply based on the painted ship name" (see annex 6.2).

¹⁶ The documents show that the volume and value of the coal scheduled to be trans-shipped from the *Wise Honest* to the *Ken Orchid* match with the figures in the contract between Enermax and Hong Kong Nova International Trade Company (S/2019/171, annex 17).

III. Embargoes, designated individuals and entities

32. Although the Panel notes that instances of military cooperation appear to have been declining as more Member States have complied with resolutions, it also notes ongoing illicit activities by Democratic People's Republic of Korea nationals and individuals of third countries in violation of the resolutions.

33. The Panel has yet to receive replies to its requests for information on military cooperation from countries, including the Democratic Republic of the Congo, Eritrea, Libya, Myanmar, Uganda, the United Republic of Tanzania and Yemen.

Islamic Republic of Iran

34. With regard to its ongoing investigations into military cooperation with the Democratic People's Republic of Korea (S/2019/171, para. 72), a Member State indicated to the Panel that two designated entities, KOMID and Saeng Pil, maintain active offices in the Islamic Republic of Iran and that at least three KOMID representatives remain in the Islamic Republic of Iran under diplomatic cover. On 30 July 2019, the Islamic Republic of Iran replied to the Panel rejecting the Member State's indications (see annex 11).

Namibia

35. A Member State reported to the Panel a possible visit of Kim Tong Chol,¹⁷ the former representative of "M.O.P. Architectural & Technical Service (NAMIBIA)",¹⁸ seeking to sell its assets in Namibia. Namibia replied to the Panel that, after his departure in September 2017, Kim returned to Namibia two times on tourist visas in a new service passport before exiting in May 2019 (see annex 12).

Recommendation

36. Member States should enhance the monitoring of re-entry into their territory by individuals who worked for designated entities, using past records and biometric data.

Rwanda

37. A Member State indicated that Democratic People's Republic of Korea nationals in Rwanda are conducting special forces training at a military camp in Gabiro. The Panel has requested information from Rwanda.

Syrian Arab Republic

38. With regard to its investigations into the activities of Democratic People's Republic of Korea nationals in the Syrian Arab Republic and Syrian arms brokers' attempts to sell the Democratic People's Republic of Korea-originated military equipment in the Middle East and Africa (S/2019/171, paras. 86–92), the Panel continues to receive information from Member States that these activities are ongoing. The Panel received only a general reply from the Syrian Arab Republic in January 2019 but no substantive information.

¹⁷ Date of birth 7 August 1968.

¹⁸ Namibian subsidiary of the Mansudae Overseas Project Group of Companies (S/2018/171, para. 108; S/2019/171, para. 79).

Uganda

39. Member States indicated the presence of KOMID and the provision of specialized training is ongoing and that Democratic People's Republic of Korea workers remain in the country (S/2019/171, paras. 93–94). The Panel awaits replies from Uganda to multiple enquiries.

Seizure of Mansudae paintings

40. In January 2019, the Ministry of Unification of the Republic of Korea stated that its customs service at Incheon Airport had seized paintings of Mansudae Art Studio purchased by some members of the World Federation of Korean Association of Commerce during its business visit to Pyongyang in November 2018. To the Panel's enquiries, the Republic of Korea replied that, of 19 paintings, it had seized 10 and 9 had been transferred to third countries.

Munitions Industry Department and information technology workers

41. A Member State informed the Panel that the Democratic People's Republic of Korea Munitions Industry Department, an entity designated for its supervisory role in the development of the country's nuclear and ballistic missile programmes (KPe.028), is using its subordinate trading corporations (see annex 13) to station abroad information technology workers such as software programmers and developers in order to earn foreign currency.

42. According to the Member State, hundreds of information technology workers are deployed overseas in Europe, Asia, Africa and the Middle East, earning on average \$3,000 to 5,000 a month and paying a significant portion of their earnings to Democratic People's Republic of Korea entities that control the workers. To obscure their nationality and identity, they employ an operational model whereby a local citizen serves as a nominal head of a company that, in fact, is run by Democratic People's Republic of Korea developers who, in turn, pay the company for their cover. These workers also use foreign websites to obtain freelance work while disguising their identity. Alongside non-malicious information technology work, the Democratic People's Republic of Korea information technology workers conduct illicit work involving the theft of assets such as cryptocurrency in support of Democratic People's Republic of Korea cyber actors in the evasion of financial sanctions (see paras. 57–68).

Nuclear program procurement: pressure transducers

43. The Panel found that pressure transducers with appearance and model numbers very similar to the products investigated and reported in the Panel's last report (S/2019/171, para. 65) were advertised by other retailers. When products are not directly exported, the manufacturer's end user controls may not apply. The Panel continues to investigate possible procurement routes.

Luxury goods

44. The Democratic People's Republic of Korea has continued to import luxury goods in violation of sanctions.

45. A Mercedes-Maybach S-class limousine was observed first in Pyongyang and then in Hanoi during the United States-Democratic People's Republic of Korea summit in February 2019. Daimler AG confirmed to the Panel that the images were of vehicles produced by the company, with modifications by another party. Daimler could not determine the date of production or sale without more information and stated that it had complied with all relevant applicable embargoes and did no business with the Democratic People's Republic of Korea.

46. With regard to the Mercedes-Maybach S-class, Mercedes-Benz S-600 vehicles and at least one Toyota Land Cruiser transferred into Viet Nam for the United States-Democratic People's Republic of Korea summit in Hanoi, Viet Nam responded that its request for the Democratic People's Republic of Korea delegation to enter Viet Nam for the summit had been approved by the 1718 Committee. Viet Nam indicated that it had requested information several times on the number and type of vehicles brought into Viet Nam, but the Democratic People's Republic of Korea never provided that information, citing security reasons. It was underlined in a recent investigative report¹⁹ that two armoured Mercedes-Maybach S-600 vehicles originated in Germany and were shipped through various countries before possibly being transported to the Democratic People's Republic of Korea in October 2018.

47. A Member State informed the Panel of the seizure of two shipments of vodka, classified as luxury goods in this Member State, and ultimately destined for the Democratic People's Republic of Korea. See annex 14 for the Panel's preliminary findings.

48. The Panel obtained information that the Taesong department store in Pyongyang, which was reopened in April 2019 after renovation and is selling luxury goods, is part of the Taesong Group, which includes designated entities Korea Taesong Trading Company (KPe.041) and Korea Daesong Bank (KPe.035), and is under the direction of Office 39 (KPe.030) and previously linked with Democratic People's Republic of Korea proliferation and procurement for its ballistic missile programmes.

IV. Finance

49. The Panel's investigations show that the Democratic People's Republic of Korea enjoys ongoing access to the international financial system, that its networks continue to evade financial sanctions in ways that make it difficult to detect illicit activity and that Member States continue to fail to take the measures required under the resolutions, including the expulsion of Democratic People's Republic of Korea bank representatives operating abroad. The increasing scope and sophistication of cyberattacks by the Democratic People's Republic of Korea to steal funds from financial institutions and cryptocurrency exchanges also allows the country to evade financial sanctions and generate income in ways that are harder to trace and subject to less government oversight and regulation. A Member State informed the Panel that the proportion of revenue received from attacks by Democratic People's Republic of Korea cyber actors has grown in relation to income generated through other activities.

Bank representatives of the Democratic People's Republic of Korea abroad

50. The Panel continued its investigation into more than 30 representatives of financial institutions of the Democratic People's Republic of Korea operating abroad, including from the Tanchon Commercial Bank, Korea Kumgang Bank, Foreign Trade Bank, Cheil Credit Bank, Daesong Bank, Ilsim International Bank, Bank of East Land, Daedong Credit Bank, Unification Development Bank and Ryugyong Commercial Bank. The Panel found those banks to be operating through representatives in China, Indonesia (see para. 52), Libya, the Russian Federation, the Syrian Arab Republic and the United Arab Emirates (see annexes 15 and 16, which contain replies received from the relevant Member States). The Panel notes that all the above-mentioned Member States must expel all individuals acting on behalf of a

¹⁹ See C4ADS, *Lux & Loaded: Exposing North Korea's Strategic Procurement Networks* (July 2019).

financial institution of the Democratic People's Republic of Korea in accordance with paragraph 33 of resolution 2321 (2016).

51. Overseas Democratic People's Republic of Korea bank representatives continue to play an active role in brokering networks for ship-to-ship transfers and other related violations using third-country brokers and other financial evasion techniques. One of those representatives had previously been investigated by the Panel for the illicit financial trade in arms and related materiel.²⁰

Financial and contractual arrangements for coal and petroleum transfers

52. The Panel investigated the evasion techniques used in contractual and financial arrangements and transactions, including the trans-shipment of the coal aboard the *Wise Honest*. Trans-shipment costs for the transfer were paid by a Democratic People's Republic of Korea overseas bank representative for Jinmyong Joint Bank, who arranged a transfer of \$760,000 through Huitong Minerals and routed through a financial institution in the United States (see annex 17). Similar evasion techniques were seen in the financial arrangements associated with the sale of a \$2,990,000 coal shipment aboard the vessel that was the subject of a contract between the Republic of Korea company Enermax (as final recipient) and the Hong Kong Nova International Trade Company (as seller). While Enermax claimed to the Panel that it had agreed to purchase "Indonesian coal" from a "local broker in Indonesia", the company was unable to substantiate those assertions, stating that all relevant email communications had been "deleted".²¹ In addition, Enermax did not find anything suspicious about a "local Indonesian broker" issuing all contracts, paperwork and financing for the coal procurement through a company based in Hong Kong specialized in a completely different area (selling cigarette manufacturing machinery). Enermax did not seek to undertake any due diligence before signing a contract requiring it to transfer \$3 million (an unprecedented transaction for the company) to the Hong Kong-based bank account of Hong Kong Nova International Trade Company and could not identify the representative who had signed the contract for the company.

53. Just seven months later, Enermax was again listed as the consignee on a bill of lading for a shipment of 2,588 metric tons of coal from Nakhodka to Pohang port on 1 November 2018 aboard the *DN5505* on the return trip from shipping two armoured Mercedes-Benz vehicles that reportedly ended up in the Democratic People's Republic of Korea in violation of sanctions.²² The consigner for the armoured vehicles was the same as for the coal purchased by Enermax, Do Young Shipping, a Marshall Islands shell company that is also the owner and ship manager for the *DN5505*. With regard to the origin of the coal, the Republic of Korea detained the *DN5505* in Pohang for importing Democratic People's Republic of Korea coal from Nakhodka in February and referenced the *DN5505*'s coal import in November 2018 (see annexes 18 and 19). Similar to its explanation for purchasing the "Indonesian coal", Enermax claimed in a press interview that it had taken another local broker at his word that the

²⁰ For example, Ko Il Hwan of Korea Daesong Bank. See S/2019/171, para. 21, and annex 32; S/2017/150, paras. 225, 227 and 230.

²¹ The Chief Executive Officer of Enermax did not reply to the Panel's questions about how he had learned about the deal and come into contact with the local Indonesia broker for it (he had not been to Indonesia in years). Enermax maintains an extremely low company profile for a deal of this magnitude. It does not have a company website and has not reported its annual sales figures since 2014.

²² C4ADS, *Lux & Loaded: Exposing North Korea's Strategic Procurement Networks* (16 July 2019), pp. 41–42.

coal originated in the Russian Federation.²³ The Panel did not receive replies from Enermax to its latest enquiries on its involvement in cases of the import of Democratic People's Republic of Korea-originated coal into the Republic of Korea.

Financial operations of designated entities and Democratic People's Republic of Korea diplomats²⁴

54. With regard to the ongoing financial activities and assets of Reconnaissance General Bureau agents, including Kim Sou Gwang (also known as Kim Sou-gwang, Son-kwang KIM, KIM Son-gwang, KIM Su-kwang), Ms. Kim Su Gyong (aka Kim Su Kyong), Kim Yong Nam and their family members, the Panel investigated the payment of rental income from apartments owned by Kim Sou Gwang in Paris and Rome. While the rental income on his Paris apartment has been frozen, the real estate company was permitted to transfer amounts of it for the payment of taxes (but not to Kim Sou Gwang himself). The payments were transferred to a French national residing in China working with a Chinese company. Subsequent information revealed that this French national is connected to Kim and that the payments were likely still reaching him. France is investigating the case, with a view to ensuring the effective implementation of the assets freeze. This case highlights the importance of Member States freezing the assets of all individuals and entities working on behalf of designated individuals and entities.

55. With regard to Kim Sou Gwang's Rome apartment,²⁵ Italy indicated to the Panel in July 2018 that the monthly rental income of 850 euros was being transferred to an account held by Kim in an Italian financial institution, which had a then-balance of 4,071.16 euros. Italy also indicated that its Ministry of Finance had informed the lessee that the rent should no longer be paid to Kim but rather to an administrator identified and named by the State Property Office who would manage the property.

56. Kim Chol Yong, a Democratic People's Republic of Korea diplomat who arranged an attempted shipment of four generator units to the Democratic People's Republic of Korea through East Asia in 2016 (interdicted by the Netherlands), has served as a Democratic People's Republic of Korea diplomat in France for many years and has established multiple bank accounts in the European Union using numerous evasion techniques (S/2019/171, paras. 120–123). While France ordered the closure of his accounts, along with those of other Democratic People's Republic of Korea diplomats in accordance with paragraph 16 of resolution 2321 (2016), the Panel learned about reported recent business activities by Kim on behalf of Democratic People's Republic of Korea entities and made enquiries with France.²⁶ In addition, Austria replied to the Panel's enquiry regarding its investigation on attempts by the Democratic People's Republic of Korea Embassy in Vienna to release funds from a frozen account of Korea Ungum Corporation to pay for an outstanding salary to an individual allegedly working for that company. Austria confirmed that those requests

²³ See Edward Wong and Christoph Koetti, "How North Korea's leader gets his luxury cars", *New York Times*, 16 July 2019. In another interview on the case, an Enermax official tried to defend Do Young Shipping and the *DN5505* by arguing that it was not feasible for the vessel to transport vehicles on the basis of its structure and design, which he had seen in person. See "Vessel seized by South Korea exported armored limos, imported coal: report", *NK Pro*, 16 July 2019.

²⁴ For the Panel's previous reporting on this issue, see S/2019/171, para. 126; S/2018/171, paras. 169–172; S/2017/742, para. 50.

²⁵ Address: Via Mar della Cina 179/Viale della Grande Muraglia Cinese 484, Rome. The apartment has been under lease since 15 November 2016.

²⁶ The Panel welcomes information provided by France that it had been conducting outreach with its financial institutions on the risks relating to Democratic People's Republic of Korea diplomats, including the sharing of lists of accredited Democratic People's Republic of Korea diplomats in France and other European Union countries, in line with the Panel's recommendation to Member States in this regard (S/2019/171, para. 161).

were refused, the alleged employee of the company was the Embassy's accredited administrative and technical staff member and that any such work of that individual would be in breach of the resolutions and article 42 of the Vienna Convention on Consular Relations (see annex 20).

Evasion of financial sanctions through cyber means

57. The Panel continued its investigations into the evasion by the Democratic People's Republic of Korea of financial sanctions through cyber means to illegally force the transfer of funds from financial institutions and cryptocurrency exchanges, launder stolen proceeds and generate income, whether in fiat or cryptocurrency.²⁷ Based on information provided by Member States and open source reports, the Panel is undertaking investigations of at least 35 reported instances of Democratic People's Republic of Korea actors attacking financial institutions, cryptocurrency exchanges and mining activity designed to earn foreign currency, including in the following Member States: Bangladesh (2 cases), Chile (2), Costa Rica (1), the Gambia (1), Guatemala (1), India (3), Kuwait (1), Liberia (1), Malaysia (1), Malta (1), Nigeria (1), Poland (1), the Republic of Korea (10), Slovenia (1), South Africa (1), Tunisia (1) and Viet Nam (1) (see annex 21).²⁸ The Panel is investigating such attacks as attempted sanctions violations by Democratic People's Republic of Korea cyber actors of paragraph 8 (d) of resolution 1718 (2006), paragraphs 8 and 11 of resolution 2094 (2013) and paragraph 32 of resolution 2270 (2016). The Panel's investigations show a marked increase in the scope and sophistication of cyberactivities, including attacks in violation of financial sanctions. Some estimates placed the amount illegally acquired by the Democratic People's Republic of Korea at as much as \$2 billion.

58. The main cyberactivities carried out by Democratic People's Republic of Korea actors have included the following: attacks through the Society for Worldwide Interbank Financial Telecommunication (SWIFT) network (with bank employee computers and infrastructure accessed to send fraudulent messages and destroy evidence), the theft of cryptocurrency (through attacks on both exchanges and users) and the mining of cryptocurrency as a source of funds for a professional branch of the military. In one notable example, Democratic People's Republic of Korea cyber actors gained access to the infrastructure managing entire automatic teller machine networks of a Member State for the purposes of installing malware modifying transaction processing in order to force 10,000 cash distributions to individuals working for or on behalf of the Democratic People's Republic of Korea across more than 20 countries in five hours.²⁹ That operation required large numbers of people on the ground, which suggests extensive coordination with Democratic People's Republic of Korea nationals working abroad and possible cooperation with organized crime.

²⁷ The act of generating revenue with cybertools and obfuscating and laundering through cyber means constitutes sanctions evasion. For previous Panel reporting, see S/2019/171, paras. 109–118. According to a Member State, Democratic People's Republic of Korea actors use cyberspace as an asymmetric means to engage in the theft of military technology in violation of an arms embargo; revenue operations; cyberblackmail and extortion campaigns; hacking for pay; and the movement of money.

²⁸ Replies from Member States to the Panel's enquiries to date are contained in annexes 20 and 23. The Panel has requested that all relevant Member States provide information on the results of their investigations, including technical information on tactics used by the attackers, patterns of attack, attribution, information on other cyberattacks attributable to the Democratic People's Republic of Korea or carried out in a similar manner, or any measures taken to address the attacks and prevent such attacks from occurring in the future.

²⁹ See "FASTCash: How the Lazarus Group is emptying millions from ATMs", Symantec, 2 October 2018. Available at www.symantec.com/blogs/threat-intelligence/fastcash-lazarus-atm-malware.

59. With regard to the foreign currency earned through cyberattacks, according to one Member State, “These activities contribute to the DPRK’s WMD programme”. Implementing such attacks is low risk and high yield,³⁰ often requiring minimal resources (e.g., a laptop and Internet access). That Member State indicated that the increasing sophistication of the attacks, combined with advances in global technology and digitization, results in growing attack surfaces and an expanding selection of targets for those actors, leading to an increase in vulnerable countries and sectors, given that cyberdefence is never absolute.

60. The Panel had previously established the role of the Reconnaissance General Bureau in cyberattacks by the Democratic People’s Republic of Korea (S/2019/171, paras. 109–118), further confirmed by a Member State that stated that many Democratic People’s Republic of Korea cyber actors are subordinate to the Bureau. That Member State added that the Democratic People’s Republic of Korea has an elaborate selection process for its cyber units, with recruits being selected at a very young age and given specialized training, mostly by the military and secret services. The Panel notes that different Member States and companies employ their own naming conventions for Democratic People’s Republic of Korea-linked advanced persistent threats.³¹

61. A Member State highlighted that attacks by Democratic People’s Republic of Korea actors also demonstrate increasing sophistication in social engineering. In an attack against Redbanc, an interbank network in Chile, Democratic People’s Republic of Korea hackers approached a target employee through LinkedIn with a job opportunity followed by an entire interview over Skype in Spanish to build trust before asking the target to download malware.³² For information on patterns and methods of attacks, see annex 22.

62. Democratic People’s Republic of Korea cyber actors steal cryptocurrency, use it to launder proceeds in evasion of financial sanctions and mine it through cryptojacking attacks for the purposes of revenue generation. According to a Member State, cryptocurrency attacks allow the Democratic People’s Republic of Korea to more readily use the proceeds of their attacks abroad. In order to obfuscate their activities, attackers use a digital version of layering in which they create thousands of transactions in real time through one-time use cryptocurrency wallets. According to that Member State, stolen funds following one attack in 2018 were transferred through at least 5,000 separate transactions and further routed to multiple countries before eventual conversion to fiat currency, making it highly difficult to track the funds.

63. Another Member State informed the Panel that the “DPRK mostly attacks ROK crypto currency exchanges from within the DPRK”. While Democratic People’s Republic of Korea cyberattacks on Republic of Korea targets have been increasing in number, sophistication and scope since 2008,³³ including a clear shift in 2016 to attacks focused on generating financial revenue. In 2019, Democratic People’s Republic of Korea cyber actors shifted focus to targeting cryptocurrency exchanges. Some cryptocurrency exchanges have been attacked multiple times. Bithumb was reportedly attacked by Democratic People’s Republic of Korea cyber actors at least

³⁰ While the chances of being detected and punished are low, the potential benefit is high. Investigation and attribution processes are complex, and there is a low risk of reprisal because the Democratic People’s Republic of Korea has limited Internet access.

³¹ These include APT 37, APT 38, Hidden Cobra, the Lazarus Group, the Reaper Group, Labyrinth Chollima, Stardust Chollima, Velvet Chollima, the Kimsuky Group, Lab 110 and Bureau 121.

³² See “Así fue el intento de ciberataque a Redbanc en diciembre”, *TrendTIC*. 10 January 2019.

³³ The Republic of Korea has come under dozens of attacks by Democratic People’s Republic of Korea cyber actors since 2008 on various targets, including banks, government and military targets, power plants, corporate entities and the media.

four times. The first two attacks, in February and July 2017, resulted in losses of approximately \$7 million each, with subsequent attacks in June 2018 and March 2019 resulting in the loss of \$31 million and \$20 million, respectively, showing the increased capacity and determination of Democratic People's Republic of Korea cyber actors. Similarly, Youbit (formerly Yapizon) suffered multiple attacks involving a \$4.8 million loss in April 2017 and then 17 per cent of its overall assets in December 2017, forcing the exchange to close. Those attacks, along with an attack on UpBit on 28 May 2019, used similar tools, codes and attack vectors (including spear phishing and watering holes) to those used in previous cyberattacks on security and defence targets attributed to the Democratic People's Republic of Korea.³⁴ In addition to the Republic of Korea, the Panel investigated Democratic People's Republic of Korea attacks on cryptocurrency exchanges in five other countries (see annex 21 B).

64. With regard to laundering the proceeds of attacks through cryptocurrency, the worldwide WannaCry ransomware attacks in May 2017, which affected more than 200,000 computers in 150 countries, demanded ransom payments in the Bitcoin cryptocurrency. A Member State investigation found that the cryptocurrency obtained through WannaCry malware had been laundered through multiple virtual currencies and multiple jurisdictions to obfuscate transactions.

65. Bitcoin ransom payments made by victims of WannaCry were transferred from a Bitcoin wallet through cryptocurrency exchanges and ultimately converted to Monero, another cryptocurrency, using a Swiss-based cryptocurrency exchange called ShapeShift.³⁵ Monero is an anonymity-enhanced virtual currency and therefore more difficult to trace than standard cryptocurrencies such as Bitcoin, Litecoin or Ethereum, which prolongs attribution. The proceeds of the third attack on Bithumb in June 2018 were transferred through YoBit.³⁶ By August 2018, less than two months after the attack, the funds were sent to YoBit in a complex series of hundreds of transactions with the aim of converting and cashing out the entirety of the stolen cryptocurrency (as opposed to spending the acquired cryptocurrency directly on goods and services). The above-mentioned cases show a clear evolution from the earlier Democratic People's Republic of Korea cyberattack on the customers of a Republic of Korea online shopping mall, Interpark, which was designed to generate foreign currency.

66. The Panel notes that, in addition to Democratic People's Republic of Korea cyberattacks on cryptocurrency exchanges and individual users, Democratic People's Republic of Korea cyber actors have also engaged in the mining of cryptocurrency. A Member State informed the Panel that a professional branch of the Democratic People's Republic of Korea military is engaging in such mining. One open source report noted a significant increase in Bitcoin and Monero mining activity within the Democratic People's Republic of Korea, which it attributed to elites and others with Internet access within the country.³⁷ Given the increased anonymity of cryptocurrencies, newly mined cryptocurrency can be used to facilitate sanctions-evasion activity.

³⁴ This included the attack Operation Fake Striker carried out earlier in May and an attack on 7 January 2019 on 77 reporters who previously had contact with the Ministry of Unification.

³⁵ See Thomas Brewster, "WannaCry hackers are using this Swiss company to launder \$142,000 Bitcoin ransoms", *Forbes*, 3 August 2017.

³⁶ The aim of the hackers appears to have been to convert and cash out the entirety of the large amount of cryptocurrency that they had stolen, rather than spending the acquired cryptocurrency directly on goods and services. See David Carlisle and Kayla Izenman, "Closing the crypto gap", RUSI Occasional Papers, 14 April 2019. See also Thomas Brewster, "WannaCry hackers are using this Swiss company to launder \$142,000 Bitcoin ransoms", *Forbes*, 3 August 2017. Proceeds from WannaCry were also transferred through ShapeShift (Switzerland).

³⁷ See Priscilla Moriuchi, "North Korea's ruling elite adapt Internet behavior to foreign scrutiny", *Recorded Future*, 25 April 2018.

67. The panel also investigated alleged instances of cryptojacking, in which malware is used to infect a computer for the purposes of illicitly using its resources to generate cryptocurrency. In one report, a piece of malware designed to mine Monero and send any mined currency to servers located at Kim Il Sung University in Pyongyang was analysed.³⁸ Separately, according to another report, the Republic of Korea Financial Security Institute specifically attributed a similar cryptojacking attack on an Republic of Korea company's computer to Democratic People's Republic of Korea hackers.³⁹ According to the report, the malware is believed to have generated approximately \$25,000 worth of Monero for the hackers who deployed the malware. Given the increased anonymity of Monero, it is difficult to determine the total amount of revenue that the Democratic People's Republic of Korea may be generating from such attacks. Nevertheless, this cryptojacking incident suggests the increasingly sophisticated use of cryptojacking by the Democratic Republic of Korea and its willingness to use malware to generate cryptocurrency through mining for the benefit of the regime.

68. The Panel takes positive note of information provided by Member States on action that they have taken to counter losses due to attacks by Democratic People's Republic of Korea cyber actors (see annex 23).

Asset-backed cryptocurrency company using blockchain technology to generate revenue

69. Registered in Hong Kong on 12 April 2018, Marine Chain Platform Limited⁴⁰ was set up as a blockchain-enabled platform for vessel transactions that offered partial ownership of maritime vessels in exchange for digital tokens.⁴¹ According to a Member State, Marine Chain had ties with the Democratic People's Republic of Korea, and at least one company employee had links to Democratic People's Republic of Korea cyber actors who have extorted Bitcoin from online companies. The Member State further indicated that Marine Chain's start-up funds likely came from the extortion of cybercurrencies. The Panel investigated Marine Chain for evasion of financial sanctions and the prohibition of cooperative entities pursuant to paragraph 18 of resolution 2375 (2017).

70. The Panel's investigation found that, while Captain Jonathan Foong Kah Keong⁴² was formally listed as the Chief Executive Officer of Marine Chain Platform Limited (Hong Kong Companies Registry No. 2679578), in reality, Julien Kim was the owner, sole investor and de facto Chief Executive Officer, directing all company activities through orders that he gave to Foong and other consultants. All documents and communications issued by Kim were done in the name of his alias, "Tony Walker", with the exception of an internal company phone list describing "Julien Kim aka Tony Walker" as "Brain child and main investor" and a consultancy contract that

³⁸ See Chris Doman, "A North Korean Monero cryptocurrency miner", *AlienVault*, 8 January 2018.

³⁹ See Sam Kim, "North Korean hackers hijack computers to mine cryptocurrencies", *Bloomberg*, 1 January 2018.

⁴⁰ Marine Chain Platform Limited was closed on 17 September 2018. Information from the Investor Deck and other company documents describing its business plan and activities are contained in annex 24.

⁴¹ According to a Member State, such buying and selling of marine vessels through digital tokenization could facilitate the relatively anonymous ownership and management of vessels and enable investors to convert their share to other cryptocurrency platforms.

⁴² Foong has been active in the maritime industry in Singapore for decades and his company, Singclass, has served as the classification society for two Democratic People's Republic of Korea-flagged vessels, the *Hung Tae 1* (IMO No. 8604541) and the *Pyong Hua* (IMO No. 8510518). Foong was first approached by Kim in October 2017 when Kim presented himself as a blockchain expert who, according to Foong, "needed my expertise on shipping issues to ensure the success of this start up".

Kim had signed with Foong on 18 January 2018 to set out his responsibilities as Kim's external face and facilitator, with a number of tasks relating to setting up the company and bank account and signing all official paperwork (see annexes 25–28).

71. In terms of the company's financial operations, Foong undertook multiple transfers on behalf of Kim from his company account in a Singaporean financial institution. Foong stated, "I would use my Singclass account (which is my business separate from Marine Chain) to make some of these payments upon receiving payments from Tony and upon Tony's instructions to pay them. This was because the Singclass account was the only USD account that I had". The payments into the account from Kim (in amounts ranging from \$30,000 to \$150,000) were all done through Hong Kong front companies, with a separate company used for each transaction. The payments processed by Foong through Singclass International Pte Ltd included some that appeared suspicious (see annex 29). A summary of further findings on this case is contained in annex 27.

Recommendations

72. The Panel recommends that the Security Council, when drafting future sanctions measures, highlight the gravity of cyberattacks carried out by the Democratic People's Republic of Korea to circumvent the resolutions by illegally generating revenue for the country.

73. Member States should ensure that their regulation covers virtual currency and non-banking financial institutions and money services businesses, including cryptocurrency exchanges. Where appropriate, Member States should take regulatory action directed towards financial entities (inclusive of cryptocurrency services), with the aim of promoting better online security to reduce the risk of future potential cyberattacks by Democratic People's Republic of Korea actors.

74. Member States should ensure that their financial institutions, including banks and cryptocurrency exchanges, take independent steps to protect against malicious Democratic People's Republic of Korea cyberactivities. These steps include participating in information-sharing on threats with other financial institutions through organizations such as the Financial Services Information Sharing and Analysis Center, designing compartmentalized computer systems to isolate any attacks, maintaining regular backup copies of their data, undertaking awareness training on common social engineering tactics, implementing policies governing the sharing of information and access of systems, and developing response plans in the event of an attack.

75. Member States should ensure that cryptocurrency exchanges share the same obligations assigned to banks to prevent the laundering of funds, such as to monitor suspicious transactions, provide Governments with information on accounts after attacks, freeze assets of sanctioned entities under their control and block transactions believed to be emanating from accounts controlled by or associated with malicious actors.

76. Member States should enhance their ability to facilitate robust information exchange both at the national level (through successful interagency collaboration) and internationally (information-sharing initiatives and collaboration on financial sector threats) to detect and prevent attempts by the Democratic People's Republic of Korea to employ its cybercapabilities for sanctions evasion. Best practices should be shared among Governments and passed on to relevant private entities.

V. Recent activities related to the nuclear and ballistic missile programmes

Nuclear

77. The nuclear programme of the Democratic People's Republic of Korea continues to operate, notwithstanding the absence of nuclear testing and the closure of the test site at Punggye-ri. There have been no observed indications of operation of the 5 MW (e) reactor in Yongbyon during the reporting period. Multiple Member States reported to the Panel that they could not determine whether the fuel rods had been moved to the reprocessing facility. The construction of the light water reactor continues. Repeated dredging has been observed along the Kuryong River. Occasional activity was observed at the radiochemical laboratory, which one Member State indicated could be for maintenance. Another Member State assessed that the Yongbyon uranium enrichment facility continues to operate.

78. The first Member State reported that the uranium concentration complex and mining sites in Pyongsan remain operational. The Panel continues its monitoring of other nuclear-related facilities.

79. In addition, the Panel is further conducting its "choke point" items survey (S/2019/171, para. 66) (see annex 31).

Strengthening the capacity of the ballistic missile programme for autonomy, integration and deterrence

80. The new class of short-range ballistic⁴³ missile (S/2019/171, annex 84.4) launched on 4 and 9 May 2019 and two missiles referred to by the Korean Central News Agency as a "new-type tactical guided weapon",⁴⁴ launched on 24 July 2019, are evidence of the ability of the Democratic People's Republic of Korea to master key components of ballistic missile systems, including solid rocket fuel production, mobility through the use of different types of transporter erector launcher and the capacity to penetrate ballistic missile defence systems.⁴⁵ In June 2019, Member States provided assessments to the Panel regarding the comprehensive and autonomous nature of the integrated ballistic missile programme of the Democratic People's Republic of Korea in which advances in the short-range ballistic missile programme increase the effectiveness of the entire ballistic missile programme. Notwithstanding sanctions, the Democratic People's Republic of Korea has managed to indigenize the entire missile production chain (annex 32, para. 4, and S/2019/171, annex 84.5). Nevertheless, the Democratic People's Republic of Korea continues its activities abroad, including sales, procurement and technical cooperation to benefit its ballistic missile programmes and for financial gain (annex 32, para. 6).

81. The Democratic People's Republic of Korea is continuously improving the dispersed, concealed underground infrastructure of its ballistic missile programme, including the rail network on which it depends (annex 32, para. 5, and S/2019/171, annex 84.3).

⁴³ Some experts expressed an opinion that projectiles launched on 4 and 9 May 2019 were "tactical guided weapons" and not short-range ballistic missiles and were similar to the projectiles launched on 24 July 2019.

⁴⁴ Korean Central News Agency, 26 July 2019.

⁴⁵ Annex 32, paras. 1–3. The new submarine reported by the Korean Central News Agency on 22 July could be a possible platform for sea-launched ballistic missiles.

Figure XIV
Short-range ballistic missile launch on 4 May 2019 from Wonsan Hodo peninsula⁴⁶



Source: Korean Central News Agency (left); Planet Labs, Inc. (right).

VI. Unintended impact of sanctions

82. According to paragraph 25 of resolution [2397 \(2017\)](#), sanctions measures are not intended to have adverse humanitarian consequences for the civilian population of the Democratic People's Republic of Korea or negatively affect the work of international and non-governmental organizations carrying out assistance and relief activities in the country for the benefit of the civilian population there. In the 2019 needs and priorities report for the Democratic People's Republic of Korea, the resident coordinator stated "the situation for millions of people in the DPR Korea (DPRK) remains grim. The country's most vulnerable people struggle with food insecurity and undernutrition and lack of access to basic services. As a result, around 10.9 million people remain in need of humanitarian assistance to cover their food, nutrition, health and water, sanitation and hygiene needs".⁴⁷ The Panel is aware of ongoing reports that United Nations sanctions cause unintended negative humanitarian consequences (e.g., in health care, water and sanitation and nutrition for vulnerable groups).

83. In its previous final report, the Panel identified six main areas of concern communicated by United Nations agencies and humanitarian operations in which unintended consequences had adversely affected the operation of their humanitarian programmes in the Democratic People's Republic of Korea ([S/2019/171](#), para. 176). Two leading concerns were delays in receiving exemptions from the Committee and the collapse of the banking channel. On 6 August 2018, the Committee adopted "Implementation Assistance Notice No. 7: guidelines for obtaining exemptions to deliver humanitarian assistance to the Democratic People's Republic of Korea".⁴⁸ While the average time between the receipt and approval of exemption requests has been significantly reduced,⁴⁹ there has been no restoration of a banking channel. This, together with the practice by financial institutions of rejecting all transactions tied up to high-risk jurisdictions, has continued to hinder the programmes of United Nations

⁴⁶ Short-range ballistic missile launch site (39°24'32.25"N 127°31'53.63"E) on 04 May 2019 and smoke trace at 01:54:39 UTC.

⁴⁷ See *2019 DPR Korea Needs and Priorities*, a report from the resident coordinator for the Democratic People's Republic of Korea (March 2019).

⁴⁸ Available at www.un.org/securitycouncil/sites/www.un.org.securitycouncil/files/1718_implementation_assistance_notice_7.pdf.

⁴⁹ From February 2019 to the time of writing, the Committee granted 16 approvals. Information about the exemptions approved by the Committee are posted on the website. See www.un.org/sc/suborg/en/sanctions/1718/exemptions-measures/humanitarian-exemption-requests.

agencies and humanitarian organizations, with adverse consequences for the civilian population of the Democratic People's Republic of Korea.

Recommendation

84. **The Panel recommends that the Committee be briefed biannually by the relevant United Nations agencies on the unintended impact of sanctions on the civilian population and on their operations within the Democratic People's Republic of Korea.**

VII. Member State reporting

85. For statistics on recent Member State reporting on resolutions, see annex 33. The Panel notes that the quantity and quality of Member State reporting needs to improve across the board. The Panel also recalls the deadline for all Member States to submit midterm reports on the repatriation of Democratic People's Republic of Korea workers pursuant to paragraph 8 of resolution [2397 \(2017\)](#). Furthermore, considering the uneven quality of the only 37 midterm reports received, the Panel underlines the importance of Member States including all the relevant detailed information in their submissions.

VIII. Recommendations

1. **Member States should report any known transfers to the Committee, as required pursuant to the resolutions.**
2. **Member States should promote information-sharing by international commodity traders, tanker fleet owners and operators, and vessel insurers to verify the actual destination of tankers in order to prevent evasion through the manipulation of Automatic Identification System transmission.**
3. **The Panel recommends that the 1718 Committee designate the following vessels for illicit transfers of petroleum products in violation of paragraph 5 of resolution [2397 \(2017\)](#):**
 - (a) *Un Pha 2* (IMO No. 8966535), flag of the Democratic People's Republic of Korea, for conducting a ship-to-ship transfer with an unknown tanker on 27 March 2019;
 - (b) *Mu Bong 1* (IMO No. 8610461), flag of the Democratic People's Republic of Korea, for conducting a ship-to-ship transfer with an unknown tanker on 15 April 2019.
4. **Given that Democratic People's Republic of Korea vessels use lighters to avoid port calls, port authorities should engage in the heightened scrutiny of such vessels through the verification of documentation, including certificates of origin, manifests and bills of lading, and seize, inspect and impound any vessel suspected of transporting prohibited items.**
5. **The Panel recommends that the 1718 Committee designate the following Democratic People's Republic of Korea vessels in violation of paragraph 8 of resolution [2371 \(2017\)](#):**
 - (a) *Paek Yang San* (IMO No. 9020534), for conducting a ship-to-ship transfer on 5 September 2018;
 - (b) *Ka Rim Chon* (IMO No. 8314811), for conducting a ship-to-ship transfer on 21 September 2018;

(c) *Pho Phuong* (IMO No. 8417962), for conducting a ship-to-ship transfer on 24 October 2018;

(d) *Tae Yang* (IMO No. 8306929), for conducting a ship-to-ship transfer on 25 October 2018.

6. The Panel recommends that the Committee designate the *Wise Honest's* captain, Kim Chung Son, its owner, Korea Songi Shipping Company (IMO No. 5607043), and Korea Songi General Trading Corporation for their role in violating sanctions.

7. Member States should enhance the monitoring of re-entry into their territory by individuals who worked for designated entities, using past records and biometric data.

8. The Panel recommends that the Security Council, when drafting future sanctions measures, highlight the gravity of cyberattacks carried out by the Democratic People's Republic of Korea to circumvent the resolutions by illegally generating revenue for the country.

9. Member States should ensure that their regulation covers virtual currency and non-banking financial institutions and money services businesses, including cryptocurrency exchanges. Where appropriate, Member States should take regulatory action directed towards financial entities (inclusive of cryptocurrency services), with the aim of promoting better online security to reduce the risk of future potential cyberattacks by Democratic People's Republic of Korea actors.

10. Member States should ensure that their financial institutions, including banks and cryptocurrency exchanges, take independent steps to protect against malicious Democratic People's Republic of Korea cyberactivities. These steps include participating in information-sharing on threats with other financial institutions through organizations such as the Financial Services Information Sharing and Analysis Center, designing compartmentalized computer systems to isolate any attacks, maintaining regular backup copies of their data, undertaking awareness training on common social engineering tactics, implementing policies governing the sharing of information and access of systems, and developing response plans in the event of an attack.

11. Member States should ensure that cryptocurrency exchanges share the same obligations assigned to banks to prevent the laundering of funds such as to monitor suspicious transactions, provide Governments with information on accounts after attacks, freeze assets of sanctioned entities under their control and block transactions believed to be emanating from accounts controlled by or associated with malicious actors.

12. Member States should enhance their ability to facilitate robust information exchange both at the national level (through successful interagency collaboration) and internationally (information-sharing initiatives and collaboration on financial sector threats) to detect and prevent attempts by the Democratic People's Republic of Korea to employ its cybercapabilities for sanctions evasion. Best practices should be shared among Governments and passed on to relevant private entities.

13. The Panel recommends that the Committee be briefed biannually by the relevant United Nations agencies on the unintended impact of sanctions on the civilian population and on their operations within the Democratic People's Republic of Korea.

Annex 1: United States submission to the 1718 Committee of 11 June 2019

June 11, 2019

Dear Ambassador Christoph Heusgen,

On behalf of Australia, Austria, Belgium, Canada, the Czech Republic, Dominican Republic, France, Germany, Hungary, Italy, Japan, Latvia, Lithuania, Republic of Malta, Marshall Islands, Federated States of Micronesia, Kingdom of the Netherlands, New Zealand, Poland, Peru, Spain, Slovak Republic, Ukraine, and the United States, I have the honor to submit to the 1718 Committee a request for the Committee Secretary to take the actions described in paragraph 5 of UNSCR 2397 because the DPRK has breached the 2019 annual cap for refined petroleum products. Attached, please find a report detailing observations of illicit North Korean refined petroleum imports. When these observed illicit refined petroleum imports and the reported imports are combined, the aggregate amount of refined petroleum imported into the DPRK is in excess of the 500,000 refined petroleum cap set in UNSCR 2397. Specifically, we request the 1718 Committee Secretary take the following actions:

- We request the 1718 Committee Secretary issue a public note verbale to all UN Member States, and for the Chair to issue a Committee press release to inform the general public that the DPRK has breached the UNSCR 2397 OP5 refined petroleum product quota for 2019 and order an immediate halt to all transfers of refined petroleum products to the DPRK until the end of the year.
- We further request the 1718 Committee Secretary update the website to include the illicit refined petroleum imports and show that the 2019 quota has been breached.
- We further request the 1718 Committee to include in this note verbale and press release a call on all member states to immediately exercise enhanced vigilance against the DPRK attempting to procure additional refined petroleum products and to prevent illicit ship-to-ship transfers of refined petroleum products to vessels owned, controlled, or acting on behalf of or working in cooperation with the DPRK.

We request the Chair circulate our report to the 1718 Committee and our proposals for Committee action by today, June 11, 2018 under the regular 5-day NOP process. We thank you in advance for your assistance.

Sincerely,



David Yardley
Political Coordinator
Permanent Mission of Australia to the United Nations



Philipp Charwath
Minister Plenipotentiary
Deputy Permanent Representative
Permanent Mission of Austria to the United Nations



Mathias Bogaert
Political Coordinator
Permanent Mission of Belgium to the United Nations



Julianne Green
Political Coordinator
Permanent Mission of Canada to the United Nations



Hani Stolina
1st Committee Expert
Permanent Mission of the Czech Republic
to the United Nations




José Singer
Special Envoy of the Dominican Republic
to the Security Council
Permanent Mission of the Dominican Republic
to the United Nations



Antoine Michon
Minister Counsellor
Permanent Mission of France to the United Nations

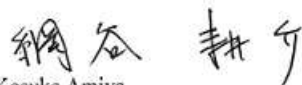
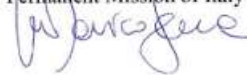


Christoph Heusgen
Permanent Representative
Permanent Mission of the Federal Republic
of Germany to the United Nations



Mr. Zoltan Varga
Minister Plenipotentiary
Deputy Permanent Representative
Permanent Mission of Hungary to the United Nations

Ludovico Serra
Political Coordinator
Permanent Mission of Italy to United Nations



Kosuke Amiya
Counsellor/ Alternate Political Coordinator
Permanent Mission of Japan to the United Nations



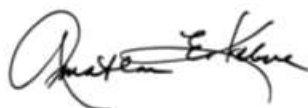
Agnese Vilde
Deputy Permanent Representative
Permanent Mission of the Republic of Latvia
to the United Nations



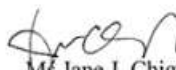
Ambassador Audra Plepytė
Permanent Representative
Permanent Mission of Lithuania to the United Nations



Giovanni Buttigieg
Charge d'Affaires a.i.
Deputy Permanent Representative
Permanent Mission of the Republic of Malta
to the United Nations New York



H.E. Ms. Amatlain E. Kabua
Ambassador & Permanent Representative of the
Republic of the Marshall Islands to the United Nations
Permanent Mission of the Republic of the Marshall Islands
to the United Nations



Ms. Jane J. Chigiyal
Permanent Representative
Permanent Mission of the Federated States
of Micronesia to the United Nations



Joost van Diëren
First Secretary
Permanent Mission of the Kingdom of the Netherlands



Renée Yap
Counsellor
Permanent Mission of New Zealand
to the United Nations



Kamil Mielus
Political Coordinator
Permanent Mission of Poland to the United Nations



Enri Prieto
Minister Counsellor
Permanent Mission of Peru to the United Nations



Maria Palacios
Minister Counsellor
Permanent Mission of Spain to the United Nations



Peter Pindjak
Political Coordinator
Permanent Mission of the Slovak Republic
to the United Nations



Olena Syrota
Counsellor
Permanent Mission of Ukraine
to the United Nations



David Lee
Deputy Political Counselor
United States Mission to the United Nations

His Excellency
Christoph Heusgen,
Chair of the Committee established pursuant to resolution 1718 (2006)
New York, NY.

REPORT TO THE UN 1718 COMMITTEE:**NORTH KOREA'S BREACH OF THE UNSCR 2397 REFINED PETROLEUM CAP**

(UNCLASSIFIED) The United States and its partners remain gravely concerned about the degree of UN Security Council resolution (UNSCR) violations that are occurring in relation to North Korea's (DPRK) import of refined petroleum products. UNSCR 2397 operative paragraph 5 restricts the DPRK to 500,000 barrels of refined petroleum imports per year subject to a mandatory reporting requirement. Any Member State supplying, selling, or transferring refined petroleum volumes to the DPRK is required to submit reports to the UNSC 1718 Committee informing it of these transfers within 30 days of the transfer in order to allow the Committee to maintain an accurate accounting of the DPRK's imports.

(UNCLASSIFIED) UNSCR 2375 operative paragraph 11 requires that UN Member States prohibit their nationals, entities and individuals subject to their jurisdiction, and their flag vessels from engaging in ship-to-ship (STS) transfers of goods or items being transferred to or from the DPRK with DPRK-flagged vessels. Nevertheless, the DPRK continues to conduct STS transfers as its primary means of importing refined petroleum. This report finds that the DPRK has exceeded the UNSCR 2397 500,000 barrel quota for 2019.

(UNCLASSIFIED) As STS transfers to DPRK-flagged vessels are explicitly prohibited by UNSCR 2375, the perpetrators involved in supplying refined petroleum products to DPRK-flagged tankers fail to report these volumes to the relevant UN Member State to avoid self-incrimination. Separately, there are observed deliveries occurring in select cases from non DPRK-flagged tankers. These deliveries are made by vessels likely under the control of the DPRK and whose associated volumes are not reported to the UN 1718 Committee by any Member State. These vessels include the NEW REGENT (IMO 8312497), the SEN LIN 01 (IMO 8910378), and the VIET TIN 01 (IMO 8508838) – see Table 1. The cumulative effect of these deliveries is that the UN 1718 Committee's official accounting of the DPRK's imports vastly underrepresents the volume of refined petroleum products that actually enter the DPRK via its fleet of oil tankers and other associated vessels. UNSCR 2397's provision limiting the DPRK's ability to import refined petroleum products is intended to tighten sanctions in response to the DPRK's development of nuclear weapons and ballistic missiles that threaten international peace and security and are prohibited by numerous UNSCRs. The restriction on the DPRK's refined petroleum imports is critical to maintaining pressure on the DPRK, including those parties responsible for its WMD program, to achieve the final, fully verified denuclearization of the DPRK. As long as the DPRK continues to import refined petroleum products with no accountability at the UN, UNSCR 2397 operative paragraph 5 does not have its intended effect.

(UNCLASSIFIED) In order to ensure the full and effective implementation of UNSCR 2397, there must be an established methodology to evaluate the volume of illicit refined petroleum products that enter the DPRK as a result of its UN-prohibited STS transfers with DPRK-flagged vessels or deliveries by non DPRK-flagged tankers that Member States fail to report to the UN

1718 Committee. As stated, the responsible Member States supplying this refined petroleum to DPRK-flagged tankers and vessels working on behalf of the DPRK via STS transfers are failing to report these volumes to the 1718 Committee, so an alternative methodology must be established. UN Member States now have one full calendar year of evidence that these volumes are not integrated into the 1718 Committee's official accounting of the DPRK's refined petroleum product import volumes.

(UNCLASSIFIED) This report seeks to once again establish the best possible methodology for an official accounting of the DPRK's refined product imports procured via illicit STS transfers with DPRK-flagged vessels and other delivery volumes that are not reported to the UN 1718 Committee. The DPRK imports refined petroleum products primarily via STS transfers. The DPRK operates a fleet of oil tankers capable of carrying and transiting petroleum and engaging in STS transfers. This tanker fleet is identified in a series of U.S. government maritime advisories released by the Departments of State and Treasury, and the U.S. Coast Guard. These tankers are constantly in transit seeking counterparties with which to conduct STS transfers in order to procure refined products to deliver to the DPRK. These tactics and patterns of behavior are well documented in the aforementioned U.S. government advisories.

(UNCLASSIFIED) Following the procurement of refined petroleum products via STS transfer, DPRK-flagged tankers and tankers working on behalf of the DPRK return to ports located in the DPRK that are equipped with oil unloading infrastructure in order to lift the refined petroleum products from the tankers so that they can enter circulation into the DPRK for consumption. The Nampo port in the Taedong River is the primary port used for tanker deliveries as it is outfitted with the necessary tanker unloading infrastructure, maintains substantial refined petroleum product storage facilities, and is serviced by rail lines that enable the transit of refined petroleum products to petroleum demand centers throughout the DPRK. It can be confidently assessed that this infrastructure, and the tankers utilizing it, carry only refined petroleum products given that any contamination of petroleum poses significant risk of damage to end use equipment of petroleum such as vehicles, electricity generators, and other machinery. As a result, this infrastructure is not utilized to transit other substances as it would pose a significant risk of contamination. The United States provided images of this infrastructure to the 1718 Committee and Panel of Experts on September 17, 2018 as part of a previous report on this matter. Those images are being resubmitted to accompany this report.

- The first image (Report Image 1) shows an overhead view of the Nampo port, the DPRK's largest marine import terminal, and the associated onshore refined petroleum product storage infrastructure. In the image, Nampo's offloading infrastructure can be seen clearly. On the right side of the image, a DPRK-flagged tanker can be seen anchored at Nampo's offloading buoy that connects to subsea pipelines to bring the refined petroleum products from tankers into Nampo's storage infrastructure prior to distribution. On the left side of the image, Nampo's piers can be seen where tankers also have the ability to unload directly into onshore pipelines feeding additional storage facilities for refined petroleum products.

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- The second image (Report Image 2) shows the DPRK-flagged M/T YU JONG 2 anchored at an offloading buoy at the Nampo petroleum products storage west port facility in the Taedong River on July 21, 2018 in the process of delivering refined petroleum products procured via illicit STS transfer.
- The third image (Report Image 3) shows the DPRK-flagged M/T AN SAN 1 anchored at an offloading buoy at the Nampo petroleum products storage west port facility in the Taedong River on August 17, 2018 in the process of delivering refined petroleum products procured via illicit STS transfer.
- As with all STS transfers, the YU JONG 2 and AN SAN 1 shipments were not reported to the 1718 Committee as UNSCR 2397 requires.

(UNCLASSIFIED) This report submits additional imagery and data that thoroughly document the activities of the DPRK-flagged tanker fleet and tankers working on behalf of the DPRK in their pattern of sailing from the DPRK's territorial sea to areas of commercial vessel traffic to conduct STS transfers, and subsequently delivering the illicitly procured refined petroleum products to DPRK ports to unload. These images and maps demonstrating DPRK-flagged tanker movements clearly establish that the DPRK is undertaking these activities on a vast basis.

(UNCLASSIFIED) The United States and Japan have documented at least eight instances of STS transfers this year in which DPRK-flagged tankers received refined petroleum products from feeder tankers that have not been reported to the 1718 Committee for its official accounting of the DPRK's imports. Each of these STS transfers is described below.

1. (UNCLASSIFIED) On 2 January 2019, the North Korean-flagged tanker JI SONG 6 (IMO: 8898740) was observed moored alongside Sierra Leone-flagged TIANYOU (IMO: 8817007) in the Korea Bay (38-27N 124-22E) to conduct an STS transfer (Report Images 4-5). Following the STS transfer, the JI SONG 6 returned to Nampo for delivery; its transit path is demonstrated on the map in Report Image 4. On 7 January 2019, JI SONG 6 returned to Nampo and unloaded its refined product cargo.
2. (UNCLASSIFIED) On 18 January 2019, the North Korean-flagged tanker AN SAN 1 (IMO: 7303803) was observed moored alongside an unidentified tanker of unknown nationality conducting an STS transfer of refined petroleum products (Report Images 6-7). On 11 February 2019, AN SAN 1 was observed at the Nampo offloading buoy discharging its refined product cargo into Nampo's storage facilities (Report Image 8).
3. (UNCLASSIFIED) On 24 January 2019, the North Korean-flagged tanker KUM JIN GANG 2 (IMO: 8708684) was observed moored alongside Cook Islands-flagged HONG MAN (IMO: 9170949) in the East China Sea conducting an STS transfer (Report Images 9-11). Following the STS transfer, the KUM JIN GANG 2 returned to for Nampo for delivery; its overall transit path is demonstrated on the map in Report Image 9. On 13

February 2019, KUM JIN GANG 2 was observed at the Nampo Buoy discharging refined petroleum (Report Image 12).

4. (UNCLASSIFIED) On 2 March 2019, the North Korean-flagged tanker SAEBYOL (IMO: 8916293) was observed moored alongside an unidentified tanker of unknown nationality conducting an STS transfer of refined petroleum products (Report Image 13). Following the STS transfer, the SAEBYOL returned to Nampo for delivery. On 8 March 2019, SAEBYOL was observed at the Nampo offloading buoy to lift its refined product cargo into Nampo's storage facilities (Report Image 14).
5. (UNCLASSIFIED) On 20 March 2019, the North Korean-flagged tanker YU SON (IMO: 8691702) was observed moored alongside an unidentified tanker of unknown nationality conducting an STS transfer of refined petroleum products (Report Images 15-17). Following the STS transfer, the YU SON returned to Nampo for delivery of its refined product cargo by 29 March (Report Image 18).
6. (UNCLASSIFIED) On 27 March 2019, North Korean-flagged UN PHA 2 (aka KUM GANG 3, IMO: 8660313) was observed moored alongside an unidentified tanker at coordinates 43-02N 131-54E conducting an STS transfer of refined petroleum products (Report Images 19-20). Following the STS transfer, the UN PHA 2 returned to Wonsan for delivery; its overall transit path is demonstrated on the map in Report Image 19. On 2 April 2019, KUM JIN GANG 2 was observed anchored at the Wonsan port to deliver its refined petroleum cargo (Report Image 21).
7. (UNCLASSIFIED) On 31 March 2019, North Korean-flagged CHON MA SAN (IMO: 8660313) was observed moored alongside Sierra Leone-flagged TIANYOU (IMO: 8817007) in the Korea Bay (38-28N 124-24E) conducting an STS transfer of refined petroleum products (Report Images 22-23). Following the STS transfer, the CHON MA SAN returned to Nampo for delivery; its transit path is demonstrated on the map in Report Image 22. On 3 April 2019, North Korean-flagged CHON MA SAN was observed at a pier in Nampo discharging its refined petroleum cargo (Report Image 24).
8. (UNCLASSIFIED) On 15 April 2019, North Korean-flagged MU BONG 1 (IMO: 8610461) was observed moored alongside an unidentified tanker in the Korea Bay (38-19N 124-19E) conducting an STS transfer of refined petroleum products (Report Images 25-26). Following the STS transfer, the MU BONG 1 returned to Nampo for delivery; its transit path is demonstrated on the map in Report Image 25. On 23 April 2019, North Korean-flagged MU BONG 1 was anchored in Nampo waiting to discharge its refined petroleum cargo (Report Image 27).
9. (UNCLASSIFIED) The DPRK also continues to evolve its tactics in order to maintain a consistent flow of illicit volumes of refined petroleum products into its ports. Report Image 28 depicts the formerly Panama-flagged and UN-sanctioned STS feeder vessel NEW REGENT (IMO 8312497; imagery of NEW REGENT – KUM UN SAN 3 STS transfer on June 7, 2018 previously shared with the Panel of Experts and 1718 Committee) docked in Nampo. As of April 23, the vessel delivered petroleum to Nampo on two occasions (March 28 and April 10) as listed in Table 1. The addition of the tanker

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NEW REGENT to the DPRK's fleet indicates its continued efforts to maintain a network of feeder vessels under its control and which it uses to interact with DPRK-flagged or controlled tankers until action is taken by the UN 1718 Committee. Its designation for a global port entry ban likely resulted in its conversion from a feeder vessel to a delivery tanker.

(UNCLASSIFIED) As each of these STS transfers and deliveries of refined petroleum products into DPRK ports make clear, the DPRK continues to utilize illicit methods to procure volumes as it did in 2017 and 2018. Given that these import volumes remain unreported, it is necessary to account for these volumes in order to ensure that UNSCR 2397's import quota is properly implemented.

(UNCLASSIFIED) This report cannot provide an exact figure for each delivery, as that information is not readily available to any UN Member State other than DPRK, but instead seeks to establish three scenarios that track the degree to which a given tanker unloading refined petroleum into the DPRK is laden – one third laden (33 percent full), half laden (50 percent full), or completely laden (90 percent full). Given the relative scarcity of refined products in the DPRK, it is highly unlikely that every tanker deployed in search of fuel via STS transfer would return to DPRK ports with less than one third of its cargo capacity filled. The expenditure of resources and fuel consumption by the tanker itself during these journeys would not be justified if the tanker in question failed to fill above one third of its cargo capacity. Therefore, a one third laden scenario is employed as the floor baseline for this report.

(UNCLASSIFIED) Each of the above listed cases of documented STS transfers and subsequent delivery are assigned three values based on the capacity of the tanker involved. In addition to these nine cases, the United States has information indicating that an additional 70 instances of DPRK-flagged and controlled tanker deliveries were detected between the January 1, 2019 and April 23, 2019 period. Similarly, each of these deliveries is assigned three values for each of the scenarios.

(UNCLASSIFIED) Table 1 below documents each of these 70 deliveries and provides an associated volume for each of the three scenarios.

Table 1: 2019 DPRK and Other Tanker Deliveries and Associated Volumes (in barrels)

Port	Ship Name	Arrival Date	Dead Weight Tonnage	Delivery Volume if 33% Laden	Delivery Volume if 50% Laden	Delivery Volume if 90% Laden
Nampo	Sen Lin 01	1-Jan-19	1,159.00	382.00	579.50	1,043.10
Nampo	Mu Bong 1 (Ryong Bong 1)	4-Jan-19	1,998.00	659.00	999.00	1,798.20
Nampo	Ji Song 6	7-Jan-19	1,250.00	413.00	625.00	1,125.00
Nampo	Chong Ryong San	8-Jan-19	1,665.00	549.00	832.50	1,498.50
Nampo	Yu Phyong 5	8-Jan-19	1,966.00	649.00	983.00	1,769.40
Nampo	Kum Jin Gang 2	11-Jan-19	2,100.00	693.00	1,050.00	1,890.00
Nampo	Ji Song 6	12-Jan-19	1,250.00	413.00	625.00	1,125.00
Nampo	Sen Lin 01	12-Jan-19	1,159.00	382.00	579.50	1,043.10
Nampo	Chong Ryong San	14-Jan-19	1,665.00	549.00	832.50	1,498.50
Nampo	Sam Jong 2	14-Jan-19	2,507.00	827.00	1,253.50	2,256.30
Najin	Song Won	16-Jan-19	2,101.00	693.00	1,050.50	1,890.90
Nampo	Nam San 8	17-Jan-19	3,150.00	1,040.00	1,575.00	2,835.00
Nampo	Sen Lin 01	18-Jan-19	1,159.00	382.00	579.50	1,043.10
Nampo	Rye Song Gang 1	19-Jan-19	3,003.00	991.00	1,501.50	2,702.70
Nampo	Kum Un San	19-Jan-19	2,070.00	683.00	1,035.00	1,863.00
Nampo	Pu Ryong (Kum Un San 3)	22-Jan-19	3,279.00	1,082.00	1,639.50	2,951.10
Nampo	Chon Ma San	23-Jan-19	3,565.00	1,176.00	1,782.50	3,208.50
Nampo	An San 1	23-Jan-19	3,003.00	991.00	1,501.50	2,702.70
Nampo	Mu Bong 1 (Ryong Bong 1)	23-Jan-19	1,998.00	659.00	999.00	1,798.20
Nampo	Myong Ryu 1	24-Jan-19	817.00	270.00	408.50	735.30
Nampo	Rye Song Gang 1	25-Jan-19	3,003.00	991.00	1,501.50	2,702.70
Songnim	Yu Phyong 5	26-Jan-19				

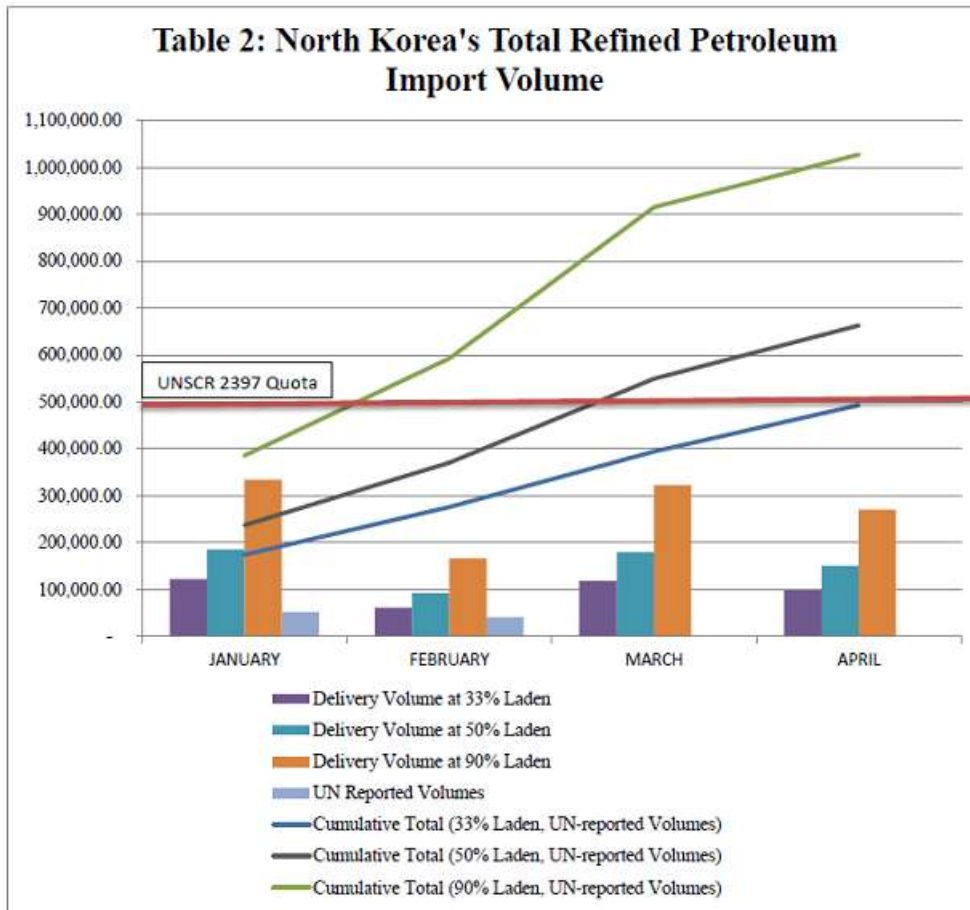
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			1,966.00	649.00	983.00	1,769.40
Nampo	Chong Ryong San	28-Jan-19	1,665.00	549.00	832.50	1,498.50
Songnim	Yu Phyong 5	30-Jan-19	1,966.00	649.00	983.00	1,769.40
Nampo	Yu Son	4-Feb-19	3,398.00	1,121.00	1,699.00	3,058.20
Nampo	Kum Jin Gang 2	4-Feb-19	2,100.00	693.00	1,050.00	1,890.00
Nampo	Pu Ryong (Kum Un San 3)	5-Feb-19	3,279.00	1,082.00	1,639.50	2,951.10
Najin	Song Won	5-Feb-19	2,101.00	693.00	1,050.50	1,890.90
Chongjin	Nam San 8	6-Feb-19	3,150.00	1,040.00	1,575.00	2,835.00
Najin	Kum Un San	7-Feb-19	2,070.00	683.00	1,035.00	1,863.00
Nampo	Saebvol	9-Feb-19	1,150.00	380.00	575.00	1,035.00
Nampo	Sen Lin 01	22-Feb-19	1,159.00	382.00	579.50	1,043.10
Nampo	Myong Ryu 1	25-Feb-19	817.00	270.00	408.50	735.30
Nampo	Viet Tin 01	25-Feb-19	5,453.00	1,799.49	2,726.50	4,907.70
Nampo	Yu Phyong 5	4-Mar-19	1,966.00	649.00	983.00	1,769.40
Nampo	Sen Lin 01	6-Mar-19	1,159.00	382.00	579.50	1,043.10
Nampo	Saebvol	8-Mar-19	1,150.00	380.00	575.00	1,035.00
Nampo	Kum Jin Gang 2	10-Mar-19	2,100.00	693.00	1,050.00	1,890.00
Nampo	Myong Ryu 1	11-Mar-19	817.00	270.00	408.50	735.30
Nampo	Sen Lin 01	11-Mar-19	1,159.00	382.00	579.50	1,043.10
Nampo	Yu Phyong 5	12-Mar-19	1,966.00	649.00	983.00	1,769.40
Nampo	Chon Ma San	16-Mar-19	3,565.00	1,176.00	1,782.50	3,208.50
Nampo	Mu Bong 1 (Ryong Bong 1)	19-Mar-19	1,998.00	659.00	999.00	1,798.20
Chongjin	An San 1	20-Mar-19	3,003.00	991.00	1,501.50	2,702.70
Nampo	Nam San 8	22-Mar-19	3,150.00	1,040.00	1,575.00	2,835.00
Nampo	Sam Jong 2	22-Mar-19	2,507.00	827.00	1,253.50	2,256.30
Nampo	Chong Ryong San	23-Mar-19				

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			1,665.00	549.00	832.50	1,498.50
Nampo	Sen Lin 01	23-Mar-19	1,159.00	382.00	579.50	1,043.10
Chongjin	Kum Jin Gang 3 (aka Wan Heng 11)	25-Mar-19	4,983.00	1,644.00	2,491.50	4,484.70
Chongjin	Kum Jin Gang 3 (aka Wan Heng 11)	27-Mar-19	4,983.00	1,644.00	2,491.50	4,484.70
Nampo	New Regent	28-Mar-19	4,999.00	1,649.67	2,499.50	4,499.10
Nampo	Yu Son	29-Mar-19	3,398.00	1,121.00	1,699.00	3,058.20
Nampo	Kum Jin Gang 2	29-Mar-19	2,100.00	693.00	1,050.00	1,890.00
Wonsan	Un Pha 2	2-Apr-19	1,205.00	398.00	602.50	1,084.50
Nampo	Myong Ryu 1	3-Apr-19	817.00	270.00	408.50	735.30
Nampo	Chon Ma San	3-Apr-19	3,565.00	1,176.00	1,782.50	3,208.50
Nampo	Kum Un San	3-Apr-19	2,070.00	683.00	1,035.00	1,863.00
Nampo	Sen Lin 01	6-Apr-19	1,159.00	382.00	579.50	1,043.10
Nampo	Saebvol	8-Apr-19	1,150.00	380.00	575.00	1,035.00
Nampo	Sam Jong 1	8-Apr-19	1,665.00	549.45	832.50	1,498.50
Nampo	Chon Ma San	8-Apr-19	3,565.00	1,176.00	1,782.50	3,208.50
Nampo	New Regent	10-Apr-19	4,999.00	1,649.67	2,499.50	4,499.10
Nampo	Pu Ryong (Kum Un San 3)	10-Apr-19	3,279.00	1,082.00	1,639.50	2,951.10
Chongjin	Sam Jong 2	11-Apr-19	2,507.00	827.00	1,253.50	2,256.30
Chongjin	Nam San 8	17-Apr-19	3,150.00	1,040.00	1,575.00	2,835.00
Nampo	Sen Lin 01	17-Apr-19	1,159.00	382.00	579.50	1,043.10
Nampo	Mu Bong 1 (Ryong Bong 1)	18-Apr-19	1,998.00	659.00	999.00	1,798.20
Nampo	Kum Jin Gang 3 (aka Wan Heng 11)	18-Apr-19	4,983.00	1,644.00	2,491.50	4,484.70
Nampo	Chong Ryong San	19-Apr-19	1,665.00	549.00	832.50	1,498.50
Nampo	Sen Lin 01	23-Apr-19	1,159.00	382.00	579.50	1,043.10
Total (Barrels)				401,057.10	607,736.25	1,093,925.25

(UNCLASSIFIED) In the scenario in which all of the 70 deliveries included fully laden tankers, the DPRK has more than doubled the UNSCR 2397 import quota as of April 23 with 1.093 million barrels of imports. If all the DPRK deliveries included only half-laden tankers – a rather unlikely scenario – the DPRK is still already in breach of the UNSCR 2397 import quota with illicit import volumes of more than 607,000 barrels. Finally, even in the highly unlikely scenario that every single tanker delivery that has taken place in 2019 only included a one-third laden vessel (a scenario in which DPRK imports constitute over 400,000 barrels), the DPRK would still be in breach of the UNSCR 2397 import quota when the year-to-date UN reported volumes are combined with the DPRK's illicit imports – see Table 2. As of submission of this report, China and Russia collectively have reported 92,229.66 barrels of refined petroleum product transfers to the UN 1718 Committee for the months of January and February, which would bring the DPRK's overall total of refined product imports in 2019 to over 493,000. When China and Russia report transfers for March and April, the one-third laden scenario would surpass the 500,000 barrel quota presuming these reports are within even a fraction of monthly averages from the prior 14 months or reporting.



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(UNCLASSIFIED) Given the evidence provided herein, and that all three scenarios of illicit import volumes demonstrate that the DPRK has breached the UNSCR 2397 import cap, we ask for the support of the Panel, the 1718 Committee, and Member States in seeking the 1718 Committee's immediate determination that the cap has been breached, and to subsequently notify UN Member States of the breach and confirm that all subsequent transfers of refined petroleum to the DPRK must immediately halt. Similarly, the Panel of Experts is requested to review this report's analysis and underlying evidence in order to include this assessment in the 2019 mid-term report on the volumes of imports to the DPRK and the associated implications for the implementation of UNSCR 2397's refined product import quota.

Source: Member State

Annex 2: Communication of the Russian Federation to the 1718 Committee of 18 June 2019

Dear Chair, colleagues,

On the issue of refined petroleum cap Russia would like to recall the provisions of UNSCR 2397, which stipulates that the Committee notifies all Member States when an aggregate amount of refined petroleum products sold, supplied, or transferred to the DPRK of 75, 90 and 95 per cent of the aggregate yearly amounts of 500 000 barrels have been reached, and only in the latter case (95 per cent), such notification is accompanied by an information about the requirement to immediately cease further deliveries of refined petroleum products to the DPRK for the remainder of the year.

In the absence of the aforementioned notification of the Committee, export of refined petroleum products to the DPRK is fully in line with the requirements of the 1718 sanctions regime.

We are still considering the information provided by the US regarding the cases of alleged ship-to-ship transfers of refined petroleum products to the DPRK, as well as the results of the computer modeling. We've also noticed that out of 79 cases of alleged STS transfers only 9 imagery sets were provided. We believe that at the current stage it is premature for the Committee to make a conclusive decision regarding the US proposal and to cease refined petroleum export to the DPRK.

It is with this understanding we suggest the US provide the 1718 Panel of Experts with appropriate information regarding reported cases of STS transfers and with the methodology of petroleum calculations to study it thoroughly and impartially.

Upon receiving the results of such a study we are ready to return to the consideration of this issue with a view to eventually making an objective decision.

In the meantime Russia would like to put the US proposal on hold.

Alexey

Source: Member State

Annex 3: Bareboat charter agreement of the *Viet Tin 01*

BAREBOAT CHARTER

Singapore, 04th January 2019

REGISTERED OWNERS : VIET TRUST SHIPPING CORPORATION
62C VO THI SAU ST.
TAN DINH WARD, DIST 1,
HOCHIMINH CITY, VIETNAM.,

BROKER : KLJ MARINE SERVICES PTE LTD
27 WEST COAST HIGHWAY,
#02-22 WESTWAY,
SINGAPORE 117867.

CHARTERERS : HAPPY SHIPPING CO., LTD
NO 16 EAST, XINHUA VILLAGE
LONG TIAN TOWN, FUJING CITY
FUJIAN PROVINCE
CHINA

VESSEL : M/T "VIET TIN 01" - AS PER ATTACHED 088

TENTATIVE ITINERARY : VESSEL CURRENTLY IN STRAITS

LAST 3 CARGOES : CPP/PPP/PPP

SPEED & CONSUMPTION : AS PER ATTACHED

THE SAME, ARE ABOUT, UPTO MAXIMUM BEAUFORT SCALE 4, NO ADVERSE CURRENTS OR HIGH SWELL, EXCLUDING PERIODS IN SHALLOW OR CONGESTED WATERS, EXCLUDING ALL CANAL TRANSITS, EXCLUDING ALL SHORT SEA VOYAGES OF LESS THAN 48 HOURS IN DURATION, PILOT STATION TO PILOT STATION, EXCLUDING ANY HEATING REQUIREMENT AND ANY TANK CLEANING REQUIREMENTS

DELIVERY : APCS SINGAPORE/FORT KLANG MALAYSIA/ BATAM INDONESIA

RE-DELIVERY : DLOSP SINGAPORE

LAYCAN : 18TH-20TH OF JANUARY 2019

HIRE : USD 4,600 PDPR

PERIOD : MINIMUM 6 MONTHS,
FOLLOWED BY AN ADDITIONAL 6 MORE MONTHS IN CHARTERERS' OPTION THEREAFTER DECLARABLE 30 DAYS PRIOR REDELIVERY, FOLLOWED BY AN ADDITIONAL 3 MORE MONTHS IN CHARTERERS' OPTION THEREAFTER DECLARABLE 30 DAYS PRIOR REDELIVERY, FOLLOWED BY AN ADDITIONAL 3 MORE MONTHS (+/- 15 DAYS) IN CHARTERERS' OPTION THEREAFTER DECLARABLE 30 DAYS PRIOR REDELIVERY

TRADING RANGE : SOUTH ASIA TO NORTH ASIA RANGE ONLY, HENCE INCLUDING INDONESIA, SINGAPORE, MALAYSIA, BRUNEI, TIMOR-LESTE, MYANMAR, THAILAND, CAMBODIA, VIETNAM, PHILIPPINES, CHINA

Page 1 of 5

TRADING EXCLUSION : EXCLUDING ANY UN OR US OR EU SANCTIONED OR EMBARGOED AREAS, VESSEL NOT TO TRADE IN ANY ICE OR ICE BOUND PORTS/BERTHS/PLACES, NOR VESSEL TO FORCE ICE OR FOLLOW ICE BREAKERS, AND NOT TO TRADE IN ANY WAR OR WAR-LIKE PLACES OR PORTS.

IN THE EVENT OF VESSEL BEING ARRESTED/DETAINED/BOYCOTTED/DESTROYED BY A THIRD PARTY DUE TO THE CHARTERERS' FAULTS TO SEND THE VESSEL TO THE SANCTIONED OR EMBARGOED AREA AND IN ANY WAR OR WAR-LIKE PLACES OR PORTS, THE CHARTERERS OBLIGED TO BUY THE VESSEL FROM THE OWNERS AT PRICE :USD 1,200,000 (ONE MILLION, TWO HUNDRED THOUSAND UNITED OF AMERICA DOLLARS)

CARGOES : ALL CLEAN PETROLEUM PRODUCTS PLUS ALL OTHER PRODUCTS AS PER VESSEL'S CERTIFICATE OF FITNESS (AS ATTACHED)

PRESENTATION : CARGO TANKS TO BE WATER WHITE STANDARD ON DELIVER CARGO TANKS TO BE WATER WHITE STANDARD UPON RE-DELIVERY

COMMISSION : NONE

CHARTER PARTY : SHELL TIME 4 ISSUED DECEMBER 1984

OTHERS

- ALL TRANSHIPMENT EQUIPMENTS INCLUDING FENDERS, HOSES, REDUCERS ARE TO BE ARRANGED AND PROVIDED BY CHARTERERS AT CHARTERERS' ACCOUNT. OWNERS WILL COOPERATE, BUT WITH NO GUARANTEE, IN SUPPLY OF ANY SHORTFALL OF EQUIPMENTS, PROVIDED THAT SUCH EQUIPMENTS ARE AVAILABLE ON OWNERS' VESSEL.

- IF REQUESTED BY CHARTERERS, CHARTERERS ARE ALLOWED TO LIAISE WITH/SEND WRITTEN OR VERBAL ORDERS TO THE MASTER/VESSEL/AGENTS DIRECTLY FOR ALL LOAD/DISCHARGE OPERATIONS, WITH NO OFFICIAL VOYAGE ORDERS/DOCUMENTS TO BE PROVIDED TO THE OWNERS FOR THE ENTIRE B.B CHARTER PERIOD. OWNERS SHALL NOT BE LIABLE FOR ANY DELAY/DIRECT COSTS/INDIRECT COSTS INCURRED FOR ALL MISCOMMUNICATIONS DONE IN THIS MANNER.

ALL OTHER TERMS AND CONDITIONS TO BE AS PER SHELLTIME 4 ISSUED DECEMBER 1984 WITH LOGICAL AMENDMENTS AS PER BELOW:

CL 1 (A) LINE 7 ADD AT THE END "VIETNAM REGISTER (VR)"
(B) LINE 8 DELETE "CRUDE PETROLEUM AND/OR ITS PRODUCTS" AND REPLACE AS PER MAIN TERMS

(E) LINE 14 INSERT IN BLANK SPACE "30"
(H) LINE 22 DELETE "FORM B" INSERT "VESSEL'S Q88"
LINE 23 DELETE "FORM B" INSERT "VESSEL'S Q88"

CL 3 (III) LINE 56 DELETE "30" INSERT "7"

CL 4 LINE 65 INSERT IN BLANK SPACE "MINIMUM 6 MONTHS, FOLLOWED BY AN ADDITIONAL 6 MORE MONTHS IN CHARTERERS' OPTION THEREAFTER DECLARABLE 30 DAYS PRIOR REDELIVERY, FOLLOWED BY AN ADDITIONAL 1 MORE YEAR (+/- 15 DAYS) IN CHARTERERS' OPTION THEREAFTER DECLARABLE 30 DAYS PRIOR REDELIVERY"

LINE 66 INSERT IN BLANK SPACE AS PER MAIN TERMS
 LINE 68-72 DELETE "IN ANY PART OF THE WORLD,.....AS A CONSEQUENCE OF SUCH ORDER."
 LINE 80-81 DELETE "THAT" INSERT "THE SAFETY OF THE VESSEL FOR"
 DELETE "SHALL CONFORM TO STANDARDS NOT LESS THAN THOSE SET OUT IN THE LATEST PUBLISHED EDITION OF THE ICS/CCIMF SHIP TO SHIP TRANSFER GUIDE"
 LINE 82 DELETE "A PORT IN" INSERT IN BLANK SPACE "ARRIVAL FIRST PILOT STATION SINGAPORE"
 LINE 83 DELETE "AT OWNERS' OPTION"
 DELETE "A PORT IN" AND INSERT IN BLANK SPACE "DROPPING LAST OUTWARDS SEA PILOT SINGAPORE"
 ADD AT THE END OF THE CLAUSE "OWNERS ARE TO GIVE CHARTERERS IMMEDIATE APPROXIMATE NOTICE OF DELIVERY UPON FIXING. FOLLOWING THIS OWNERS ARE TO GIVE CHARTERERS DEFINITE NOTICE OF DELIVERY INCLUDING DATE AND PLACE 10, 7, 5, 3, 2, 1 DAY PRIOR TO DELIVERY TO CHARTERERS. OWNERS ARE TO ADVISE CHARTERERS IMMEDIATELY IF THERE IS ANY CHANGE OF MORE THAN 12 HOURS TO THE ACTUAL NOTICES."
 CL 5 LINE 85-86 ADD IN BLANK SPACES AS PER MAIN TERMS
 CL 7 LINE 97 DELETE "(EXCEPT FUEL USED FOR DOMESTIC SERVICES)"
 CL 8 LINE 105 INSERT IN BLANK SPACE "USD 4,600"
 CL 9 LINE 107 INSERT IN BLANK SPACE "OWNERS' DESIGNATED BANK ACCOUNT"
 LINE 108 DELETE "ACCOUNT"
 INSERT IN BLANK SPACE "UNITED STATES DOLLARS"
 DELETE "PER CALENDAR MONTH IN ADVANCE" INSERT "HIRE TO BE PAID FROM TIME OF DELIVERY UNTIL THE LAST DAY OF THE MONTH, AFTERWHICH HIRE TO BE PAID ON MONTHLY BASIS ON 1ST DAY OF EVERY CALENDAR MONTH"
 CL 10 LINE 132 INSERT IN BLANK SPACE "85"
 CL 11 DELETE ALL
 DELIVERY AT THE LAST PURCHASED PRICES, TO BE SUPPORTED BY BUNKER SUPPLIER'S INVOICE(S). OWNERS TO PAY FOR BUNKERS FOB ON RE-DELIVERY AT LAST PURCHASED PRICES, TO BE SUPPORTED BY BUNKER SUPPLIER'S INVOICE(S)."
 CL 17 LINE 180 AFTER "UNDER THIS CHARTER" ADD "AT CHARTERERS' ACCOUNT"
 LINE 181-182 DELETE ", OWNERS FINDING PROVISIONS.....WHILE ON BOARD THE VESSEL"
 CL 22 LINE 258 INSERT IN BLANK SPACE "EVERY TWO (2) YEARS"
 LINE 259 INSERT IN BLANK SPACE " SIX (6) MONTHS"
 LINE 259 AFTER "CHARTERERS SHALL" INSERT "ON BEST ENDEAVOUR BASIS"
 LINE 261 AFTER "PRACTICABLE." INSERT "FOR CLARITY, THE VESSEL JUST FINISHED HER DRYDOCK THIS YEAR (2016), THE NEXT DRYDOCK SHOULD BE SOMETIME IN 2019."
 CL 24 LINE 303-320 DELETE "AVERAGE SPEED.....AS THE CASE MAY BE" AND REPLACE AS PER MAIN TERMS
 CL 29 LINE 391 INSERT IN BLANK SPACE "180"
 CL 33 DELETE ALL

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CL 41 LAW AND LITIGATION: DELETE ENGLAND AND INSERT SINGAPORE

CHARTERERS' ADDITIONAL CLAUSES (CL 43-51):

CL 43 PRIVATE AND CONFIDENTIAL CLAUSE

THIS TRANSACTION IS TO BE KEPT STRICTLY PRIVATE AND CONFIDENTIAL BY ALL PARTIES DIRECTLY OR INDIRECTLY INVOLVED AND NO DISCLOSURE OF THE SAME TO ANY THIRD PARTY SHALL BE PERMITTED.

CL 44 BILL OF LADING/INDEMNITY CLAUSE

DISCHARGING PORT(S) OR RANGE(S) AS SHOWN IN BILL(S) OF LADING NOT TO CONSTITUTE A DECLARATION OF DISCHARGING PORT(S) OR RANGE(S) OR LOCATION (S) AND CHARTERERS TO HAVE THE RIGHT TO ORDER THE VESSEL TO ANY PORT WITHIN THE TERMS OF THIS CHARTER.

CL 45 VESSEL'S TAXES CLAUSE

ALL TAXES AND DUES ON THE VESSEL, AND ANY ADDITIONAL TAXES AND CHARGES DUE TO VESSEL'S FLAG ARE TO BE FOR OWNERS' ACCOUNT.

CL 46 THIRD-PARTY ARREST CLAUSE

IN THE EVENT OF VESSEL BEING ARRESTED/DETAINED/BOYCOTTED BY A THIRD PARTY DUE TO OWNERS' FAULT, OWNERS AGREE TO ASSUME FULL RESPONSIBILITY FOR ALL PENALTIES AND THE VESSEL SHALL BE CONSIDERED OFF-HIRE DURING ANY DELAY OR DETENTION ARISING THEREFROM.

CL 47 EXCESS BERTH OCCUPANCY CLAUSE

IF AFTER DISCONNECTION OF HOSES VESSEL REMAINS ALONGSIDE BERTH EXCLUSIVELY FOR VESSEL'S PURPOSES, OWNERS SHALL BE RESPONSIBLE FOR ALL DIRECT AND/OR INDIRECT COSTS INCURRED.

CL 48 CREWS CLAUSE

CHARTERERS WILL APPOINT THEIR OWN CREWS TO SAIL WITH THE SHIP. THEREFORE WILL TAKE RESPONSIBILITY FOR THEIR SALARY AND COMPENSATION. CHARTERERS SHALL COMMIT THE OWNERS TO CONTROL THEIR CREWS FOR KEEP THE SHIP IN GOOD CONDITION, ELSE CHARTERERS WILL TAKE RESPONSIBILITY IF IN ANY LOSSES/DAMAGES OF THE SHIP CAUSING FROM THEIR CREWS.

CL 49 TANK CLEANING CLAUSE

OWNERS SHALL CLEAN TANKS, GAS FREE AND HAND OVER THE SHIP TO CHARTERERS OR THEIR REPRESENTATIVE TO INSPECT FOR THE PURPOSE OF DETERMINING THAT THEY ARE IN ACCEPTABLE CONDITIONS TO PERFORM THE CARRIAGE OF THE CARGO DURING THE ENTIRE TC PERIOD. IF ANY TANKS ARE, UPON INSPECTION, DEEMED UNSUITABLE BY CHARTERER AND/OR THEIR REPRESENTATIVES. ALL ADDITIONAL CLEANING REQUIRED SHALL BE CARRY OUT BY OWNERS AT THEIR EXPENSE AND TIME.

UPON COMPLETION OF TC PERIOD, CHARTERER SHALL CLEAN TANKS, GAS FREE AND HAND OVER THE SHIP TO OWNER OR THEIR REPRESENTATIVE TO INSPECT THE TANKS FOR THE PURPOSE OF DETERMINING THAT THEY ARE IN ACCEPTABLE CONDITIONS. IF ANY TANKS ARE, UPON INSPECTION, DEEMED UNSUITABLE BY OWNER AND/OR THEIR REPRESENTATIVES. ALL ADDITIONAL CLEANING REQUIRED SHALL BE CARRY OUT BY CHARTERER AT THEIR EXPENSE AND TIME.

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CL 50 INSOLVENCY CLAUSE
IN THE EVENT THAT OWNERS FILE FOR AND/OR SUFFER INSOLVENCY OR OTHER FURTHER PROTECTION, REHABILITATION, WINDING UP, BANKRUPTCY OR ANY OTHER SIMILAR OR EQUIVALENT PROTECTION, THE CHARTERERS HAVE THE OPTION OF CANCELLING THIS CHARTER PARTY WITH IMMEDIATE EFFECT.

THE CHARTERERS	THE OWNERS
<p>HAPPY SHIPPING CO., LTD. <i>[Signature]</i> Authorised signature</p>	<p><i>[Signature]</i> DIRECTOR NGUYEN THI MAI LAN</p> <p><i>[Circular Seal: CÔNG TY CỔ PHẦN VẬN TẢI VIỆT AN]</i></p>

[Red Seal: CÔNG TY TNHH VẬN TẢI VIỆT AN]

Page 5 of 5

Source: The Panel

Annex 4: Manifest of cargo loaded onto the *Viet Tin 01*

11, Selegie Avenue
Singapore 328931

Telephone: +65 68872288
Fax No: +65 65122543
Website: www.vopak.com

Order Number: 202880

MWSS: VIET TIN 01
FROM: SINGAPORE
TO: ULSAN, SOUTH KOREA


CONSIGNEE: TO THE ORDER OF TO THE ORDER OF "T ENERGY INTERNATIONAL CO., LTD."

Product

	KL @ 085	KL @ 150	Metric Ton	Barrels@60°	Long Ton
UNLEADED GASOLINE 90R	820.270	811.530	595.574	5,108	586.170
Total:	820.270	811.530	595.574	5,108	586.170

Remarks: CLEAN ON BOARD

Document Number: MPT-507710-00612a



MANIFEST

Date: 01/02/2019

Scanned by CamScanner

Vessel:	VIET TIN 01
Port of Registry:	Sai Gon
Official No:	VW50-1880-TD
Call Sign:	3WDC
GRT:	3998
Master/Agent:	1559
M.E.P:	2100kw

02241901022019

Source: Member State

Annex 5: Vessels documented through imagery conducting ship-to-ship transfers of coal off the Gulf of Tonkin and offloaded at Qisha

#	STS Transfer Date	Vessel	Offload Date
1	5 September 2018	<i>Paek Yang San</i> IMO: 9020534 DPRK-flagged	By 23 December 2018
2	21 September 2018	<i>Ka Rim Chon</i> IMO: 8314811 DPRK-flagged	
3	23 September 2018	<i>Pho Phyang</i> IMO: 8417962 DPRK-flagged	
4	24 October 2018	<i>Pho Phyang</i> IMO: 8417962 DPRK-flagged	By 27 December 2018
5	25 October 2018	<i>Tae Yang</i> IMO: 8306929 DPRK-flagged	
6	15 February 2019	<i>Asia Honor</i> IMO: 8405220 Unknown-flagged (formerly Comoros-flagged)	By 7 March 2019

Source: Member State

Annex 6.1: Response from the People's Republic of China to the queries from the Panel

1. S/AC.49/2019/PE/OC. 26

China attaches great importance to the ship-to-ship transfers and smuggling issue. The competent Chinese authorities including the Coastal Guard has taken a series of measures to strength the patrolling and monitoring in relevant sea areas and fully implement the Security Council resolutions. The information provided by the Panel lacks timeliness and cannot lead to on-site investigation. The information of relevant vessels is ambiguous and lacks accuracy, which does not constitute a full evidence chain or basis for further investigation.

Based on China's investigation, all of the coal vessels berthed at Qisha port have legal importing documents, and the origin of the coal is not the DPRK. In fact, most of the bulk cargo ships are very similar in shape, and it is imprudent to make association between the vessels involved in the ship-to-ship transfers with the ones berthed at Qisha port merely based on the satellite images.

Source: Member State

Annex 6.2: Response from the People's Republic of China to the queries from the Panel**2. S/AC.49/2019/PE/OC. 49**

China has seriously implemented relevant provision of the Security Council resolutions that prohibits procuring fishing rights from the DPRK. The competent Chinese authorities have prohibited ocean fishing operations in the DPRK sea areas, strengthened control and law-enforcement on illegal fishing activities in the sea areas between China and the DPRK, and urged fishing companies to conduct fishing operations in accordance with relevant laws and regulations. According to our investigation, “琼东渔 12122” is not a fishing vessel legally registered in China. The flag state and vessel identification could not be verified simply based on the painted ship name. We hope the Panel does not include such fragmented information in the report.

Source: Member State

Annex 7: Document showing Qingdao Global Shipping Co Ltd as *Dong Thanh*'s vessel operator

TO: THE CAPTAIN OF MV DONG THANH

FM: METRO OCEAN LIMITED

MV. CAPTAIN GEORGE K – VOYAGE INSTRUCTION DD 3RD APRIL 2019

DEAR CAPTAIN:

WE ARE QINGDAO GLOBAL SHIPPING CO., LIMITED AS THE APPOINTED/AUTHORISED OPERATOR FOR AND ON BEHALF OF THE CHTRS/METRO OCEAN LIMITED AND WELCOME YOU AND YOUR CREW TO THIS FIXTURE.

PLS NOTE THAT YR GOOD VSL WL BE DELIVERED TO CHTRS/ METRO OCEAN LIMITED ON DLOSP DAVAO PORT WITHIN LAYCAN 0001LT 3RD ~ 2359LT 4TH APRIL 2019.

PLS INFORM THE BUNKER ROB ON DELIVERY.

CHTRS:

METRO OCEAN LIMITED

ADD: FLAT/RM A20/F KIU FU COMMERCIAL BLDG 300 LOCKHART ROAD, WAN CHAI, HONG KONG.

CHTRS VSL OPERATOR:

QINGDAO GLOBAL SHIPPING CO., LIMITED

ATTENTION: MR. LIMAO ZHANG MBL: +86-18866421365 E-MAIL: op@globalqd.com

VOYAGE INSTRUCTIONS:

AA: TCT MAIN TERMS:

01. DELY: DLOSP DAVAO PORT ATDNHINC

02. LAYCAN: 0001LT 3RD ~ 2359LT 4TH APRIL. 2019.

03. 1 TCT VIA SP(S), SB(S), SA(S), AAAA,AWIWL WITH HARMLESS, LAWFUL CARGO ALWAYS W/I INL (INTERNATIONAL NAVIGATIONAL LIMITS). TRADING FIRM INTENTION: VIA INDONESIA WITH LAWFUL & HARMLESS COAL TO MALAYSIA.

DURATION ABT 17 DAYS WOG.

04. REDEL: DLOSP 1SP MALAYSIA, INT. KUANTAN PORT.

05. BUNKER CL:

B.O.D.: IFO/380CST AND MGO, **PLS ADVISE:**

Note: Metro Ocean is the sub-charterer of the *Dong Thanh*, and is located in the same building as Qingdao Global Shipping Group Ltd (former Qingdao Global Shipping Co, Ltd).

Source: The Panel

Annex 8: Eko Setyamoko and Pt. Bara Makmur Sadayana company

[Official Translation]

[logo]

PT. BARA MAKMUR SADAYANA
COAL & MINERALS TRADING COMPANY

Number : 268/BMS-MBSS/IV/2019

Enclosure : -

Re : Request for the Replacement of the Coal Carrier
for Ship-to-Ship Transshipment

Head, the Office of Customs and Excise Supervision and Service,
Customs-B Mid-level Type (KPPBC TMP B), Balikpapan
in Balikpapan

In reference to the letter from the Head of KPPBC TMP B Balikpapan under number: S-624/WBC.16/KPP.MP.01/2019 dated 02 April 2019 re: Approval of the Supervision of the Ship-to-Ship Transshipment, we would like to convey that the motor vessel MV. First Bridge has cancelled its departure for Indonesia because of cancellation by the ship owner. Accordingly, we would like to notify you of the replacement of the motor vessel that will be conducting the Ship-to-Ship Transshipment with the following data:

No.	Data	Previously	Replaced with
1.	CARRIER		
	a. Name	MV. WISE HONEST	MV. WISE HONEST

- 1 -

SWORN & AUTHORIZED
TRANSLATOR

Scanned by CamScanner

	b. Ship-to-ship Unloading	MV. FIRST BRIDGE	MV. DONG THANH
2.	ESTIMATED DATE OF SHIP-TO-SHIP UNLOADING	02 April 2019	06 April 2019

This request has, therefore, been submitted truthfully.

We declare our willingness to comply with prevailing laws and regulations.

Jakarta, 02 April 2019

PT. BARA MAKMUR SADAYANA

[signed]

Eko Setyamoko

[redacted] a sworn and authorized translator, by virtue of Jakarta Capital Territory Governor's Decree No. 2228/2001, practicing in Jakarta, do solemnly and sincerely declare that the foregoing document is a true and faithful translation from Indonesian into English of the original version.

- 2 -

Jakarta [redacted]



[redacted]
SWORN & AUTHORIZED
TRANSLATOR

Scanned by CamScanner

Source: The Panel

Annex 9: Certificates of origin containing false information

Certificate of origin for coal on board the *Wise Honest*

1. Exporter (name, address, country) OPT-I GOL RUSSIA, KEMEROVO OBLAST, KEMEROVO KOMMERCHESKAYA STREET BLDG 22 OFFICE 1		ORIGINAL No 7001014541	
2. Consignee (name, address, country) PT BARA MAKMUR SABAYANA, GEDUNG WISMA MONTEN 9TH FLOOR, ASIA AFRICA ROAD, NO 133-137, JAKARTA, INDONESIA.		CERTIFICATE OF ORIGIN Issued in the Russian Federation	
3. Means of transport and route Transport: WISE HONEST Route: Loaded Nakhodka Russia Discharged Samarinda Port in Indonesia		4. For official use	
5. Country of origin Russian Federation		6. Supplementary details Bill of lading No 20180316 d/ 16.03.2018	
7. Item number	8. Description of goods ANTHRACITE COAL	9. Number and kind of packages IN BULK	10. Gross weight or other quantity 26 500 MT
11. Certification It is hereby certified that the declaration by the exporter is correct.  Place, date, signature, name and stamp of certifying authority		12. Declaration by the exporter The undersigned hereby declares that the above details and statements are correct, that the goods are of origin of the country shown in box No 5, that the goods are exported to  Place, date, signature, name and stamp of certifying authority	

Source: The Panel

Reply from the Russian Federation on the Certificate of origin for coal on board the *Wise Honest*

Постоянное представительство
Российской Федерации
при Организации
Объединенных Наций

Phone: (212) 861 4900
Fax: (212) 628 0252



Permanent Mission
of the Russian Federation
to the United Nations

136 East 67th Street
New York, NY 10065

No. 2928 /n

The Permanent Mission of the Russian Federation to the United Nations presents its compliments to the Panel of Experts established pursuant to Security Council resolution 1874 (2009) and referring to the inquiry by the Panel dated 24 June 2019 (S/AC.49/2019/PE/OC.45) has the honour to transmit the following.

The Chamber of Commerce and Industry of the city of Nakhodka has never issued the Certificate of Origin # 7001014541, mentioned in your inquiry. Moreover, the copy of the document attached to your letter contains definitive signs of forgery and lacks a form number for the Certificate.

The Russian Federation has no information on the submission of applications by "OPT-I GOL" to Federal agencies for the issuance of any Certificates of Origin, as well as of the participation of this company in the transportation (export) of coal from the territory of the Russian Federation onboard of the "Wise Honest". Russian competent authorities also do not have any information on the issuance of any Certificates of Origin with the mentioning of this ship in line 3 ("Means of transport and route").

Panel of Experts established pursuant
to Security Council resolution 1874 (2009)
United Nations
New York

Source: Member State

Given the above the Russian Federation has no information on the contact details of the individuals in "OPT-I GOL" or any other company that have requested a Certificate for the purposes of transporting coal onboard of the "Wise Honest". The ship itself from 1 January 2018 until June this year has not entered the region of activity of the Nakhodka customs authorities or of the Far East Customs Directorate.

The Permanent Mission of the Russian Federation takes this opportunity to convey to the Panel of Experts established pursuant to Security Council resolution 1874 (2009) the renewed assurances of its highest consideration.

New York, "29" July 2019



Certificate of origin carried for coal transshipped from the *Wise Honest* on board the *Dong Thanh*

建龍(香港)國際貿易有限公司

JIANLONG (HONGKONG) INTERNATIONAL TRADE CO., LIMITED

ADD.: ROOM 1201, 12/F., SHANGHAI INDUSTRIAL INVESTMENT BUILDING,
48 - 62 HENNESSY ROAD, WANCHAI, HONG KONG

CERTIFICATE OF ORIGIN

TO WHOM MAY CONCERNS

DESCRIPTION OF GOODS: **INDONESIAN COAL**
LOADING PORT: TELUK BALIKPAPAN, INDONESIA
DISCHARGING PORT: KEMAMAN PORT, MALAYSIA
VESSEL NAME: MV.DONG THANH VOY.03-19
BILL OF LADING DATE: 12 APRIL, 2019
BILL OF LADING WEIGHT: 26,400 MTS

WE HEREBY CERTIFY THAT ON BOARD THE **MV.DONG THANH VOY.03-19**
WHICH SALED FROM **TELUK BALIKPAPAN, INDONESIA** ON **12 APRIL,**
2019 THERE WERE SHIPPED **26,400 MTS** OF **INDONESIAN COAL** WHOLLY
ORIGINATED FROM **TELUK BALIKPAPAN, INDONESIA.**

For and on behalf of:

JIANLONG (HONG KONG) INTERNATIONAL TRADE CO., LIMITED

For and on behalf of
JIANLONG (HONGKONG) INTERNATIONAL TRADE CO., LIMITED
建龍(香港)國際貿易有限公司

.....
Authorized Signature(s)

Source: The Panel

Explanation from Jianlong (Hong Kong) International on the certificate of origin issued for the coal on board the *Dong Thanh*. The company had issued its certificate of origin based on and in addition to a certificate of origin issued by Eko Setyamoko's company Pt Bara Makmur Sadayana for the coal on board the *Dong Thanh*.

JIANLONG (HONG KONG) INTERNATIONAL TRADE CO., LIMITED
ROOM 1201, 12/F., SHANGHAI INDUSTRIAL INVESTMENT BUILDING, 48-62 HENNESSY ROAD, WANCHAI, HONG KONG

The Panel of Experts established
Pursuant to Security Council Resolution 1874

12 July 2019

Dear Sirs,

Enquiry Regarding Coal On-board M/V DONG THANH (the "Vessel")

We refer to your letter dated 21 June 2019 in relation to this matter and write in order to reply and address the issues raised therein.

Jianlong (Hong Kong) International Trade Co., Limited is a trading company which trades commodities (mainly iron ore, coke, coal and steel) on an international basis.

In this instance, we were in the middle of a series of sale contracts. The coal which was ultimately carried on-board the Vessel was sold to us by a company called Well Fortune (HK) Industrial Ltd ("Sellers"). We, in turn, had a contract to sell the cargo on to Eastern Steel Sdn. Bhd ("Buyers"). We are a procurement arm of the Buyers. The full contact details of those parties as gleaned from our correspondence and contracts with them, are as follows:

Sellers

Company name:	Well Fortune (HK) Industrial Ltd (裕昌(香港)实业有限公司)
Address:	Room 5008, Sports Science and Technology Center, Nanjing Olympics Sports Centre, Nanjing, China
Telephone:	(86) 02587781285
Contact persons:	Mr. Shen Gaoman - Managing Director & CEO (Mobile: (86) 13913823488, Email: shengm@wfortune-nj.com) Ms. Li Bo, Helen - Business Manager (Mobile: (86) 15051630742, Email: lb@wfortune-nj.com) Ms. Wang Mengting, Olivia - Business Assistant (Mobile: (86) 18602576797, Email: wangmt@wfortune-nj.com)

For and on behalf of
JIANLONG (HONGKONG) INTERN
建龍(香港)國際
.....
Auth

Buyers

Company name:	Eastern Steel Sdn. Bhd (东钢集团有限公司)
Address:	Lot 6293 & 6294, Kawasan Perindustrian Teluk Kalong, Mukim Teluk Kalong, 24000 Kemaman, Terengganu Darul Iman, Malaysia
Telephone:	(609) 8604000
Fax:	(609) 8604065
Contact persons:	Mr. Yang Matao - Procurement Executive, Iron Ore Division (Email: yangmatao@cjianlong.com)

JIANLONG (HONG KONG) INTERNATIONAL TRADE CO., LIMITED

ROOM 1201, 12/F., SHANGHAI INDUSTRIAL INVESTMENT BUILDING, 48-62 HENNESSY ROAD, WANCHAI, HONG KONG

Our understanding at the time we entered into the contracts referred to above was that the cargo was of Indonesian origin. That remained our understanding until 22 April 2019, as further detailed below. That understanding was based on several documents provided to us by the Sellers, notably the following:

- The Sellers' initial Offer;
- The sale contract we concluded with the Sellers;
- The Bills of Lading;
- The Certificate of Origin provided by the Sellers; and
- The Certificate of Sampling & Analysis at the Load Port provided by the Sellers.

Copies of all of those documents are enclosed for your reference.

It was on the basis of those documents and that understanding that our company issued the Certificate of Origin and related documents referred to in your letter.

We trust you can see that our understanding of the position was a genuine one, based on a number of documents provided to us by our counterparty. It was only on 22 April 2019 that we became aware of any suggestion that the cargo was not of Indonesian origin. We immediately investigated the position and subsequently cancelled our contract with the Sellers in view of this development.

We hope it is clear from the above / enclosed that our company never had any intention of becoming involved in any activity which might expose our company to the risk of being in breach of the sanctions imposed on the DPRK. Rather, our company was, in this instance, misled by our counterparty and took immediate steps to reverse the situation once that came to light.

We trust this is helpful. If there is anything further we can do to assist, please do not hesitate to contact us and we should be glad to oblige.

Yours faithfully,

JIANLONG (HONG KONG) INTERNATIONAL TRADE CO., LIMITED
貿易有限公司

Jianlong (Hong Kong) International Trade Co., Limited

Authorized Signature(s)

For and on behalf of
JIANLONG (HONGKONG) INTERNATIONAL TRADE CO., LIMITED
長龍(香港)國際貿易有限公司



Authorized Signature(s)



Well Fortune(HK) Industrial Limited.
 裕昌(香港)实业有限公司

报盘

1、**COMMODITY:** Indonesian Coal origin

货物名称: 印尼煤

2、**QUANTITY:** 11,000MT, more or less 10%

数量: 11000 吨+/-10%

3、**SPECIFICATION:** NET CALORIFIC VALUE 6000 KCAL / KG

指标: 低位发热量 6000 千卡/千克

PARTICULARS 规格	TYPICAL 参考标准	REJECTION 拒收标准
Total Moisture (ARB) 全水分 (收到基)	10%	≥ 14%
Ash Content (ADB) 灰份 (空干基)	≤ 9%	
Volatile Matter (ADB) 挥发份 (空干基)	≤ 9%	
Total Sulphur (ADB) 总硫 (空干基)	<0.5%	≥ 0.8%
Net Calorific Value (ARB) 低位发热量 (收到基)	≥ 6000 kcal/kg	≥ 5600 kcal/kg
Size of Coal (0-50 mm) 粒度 (0-50 毫米)	>90%	
Hard Grove Index (points)	45	

4、**DISCHARGE PORT:** KUANTAN port, MALAYSIA

卸货港: 马来西亚关丹港

5、**PRICE:** The unit price for the Indonesian Coal purchased hereunder is USD 118.00 /MT (SAY ONE HUNDRED AND EIGHTEEN DOLLARS ONLY) CFR KUANTAN port, MALAYSIA, basis Net Calorific Value 6000 Kcal/kg (ARB), Total Moisture (ARB) 10%.

价格: 本合同约定的印尼煤价格单价为基于下述条件: 在买方指定的港口交货, 收到基低位发热量 6000 千卡/千克, 收到基全水分 10%为基准, 货到马来西亚关丹码头 CFR 118 美元每吨。

6、**QUANTITY and QUALITY ADJUSTMENT:** 数量、质量调整

A. Total Moisture (as received).

If the Total Moisture on an as received basis of a shipment of Coal belows or exceeds 10%, then the price for invoicing shall be adjusted as follows:

1 / 2



Well Fortune(HK) Industrial Limited.
裕昌(香港)实业有限公司

Weight shown on Invoice = BL Weight × [(100% - Actual TM (ARB))] / (100% - 10%)

A. 全水分 (收到基)

如果该批煤炭的收到基全水分, 低于或超过 10%, 则发票的重量应作如下调整:

发票重量 = 提单重量 × (100% - 实际水份) / (100% - 10%)

B. Net Calorific Value (as received)

The Price shall be USD 118/ MT DIVIDED BY 5000kcal/kg AND MULTIPLYING THE ACTUAL net Calorific Value(ARB) RESULTS AS STATED ON THE RELATIVE CERTIFICATE OF QUALITY.

B. 低位发热量 (收到基)

价格按照 118 美元/吨除以 5000 大卡乘以相关品质检验报告的实际发热量计算。

7. **PAYMENT:** 100% irrevocable, documentary LC at sight

Within 3 days after contract signed Buyer issue an operative irrevocable at sight documentary Letter of Credit in favor of Seller covering 100% of the shipment value by Swift to the Seller.

90% shipment value should be paid by LC against receiving the full set of B/L documents.

Balance payment based on CCIC at discharging port

付款方式: 100% 不可撤销、即期信用证

合同签订后 3 日内买方开出不可撤销、100% 船载货值、以卖方为受益人的即期信用证。

收到全套提单单据信用证议付 90% 货款。

卸货满 CCIC 结果结算尾款。

This offer is valid before the cargo is sold, subject to the final confirmation of the seller.

此报盘货物未出售前有效, 以卖方最终确认为准。

WELL FORTUNE (HK) INDUSTRIAL LIMITED
2019.3.19

CODE NAME : "CONGENBILL", EDITION 1994

BILL OF LADING
TO BE USED WITH CHARTER PARTIES
Reference No.

Shipper
PT. BARA MAKMUR SADAYANA

Consignee
TO ORDER OF WELL FORTUNE (HK) INDUSTRIAL LIMITED

Notify address
EASTERN STEEL SDN. BHD. LOT 6293 AND 6294,
KAWASAN PERINDUSTRIAN TELUK KALONG,
MUKIM TELUK KALONG,
24000 KEMAMAN TERENGGANU DARUL IMAN,, MALAYSIA

NON NEGOTIABLE COPY

Vessel
MV. DONG THANH VOY.03-19

Port of loading
TELUK BALIKPAPAN, INDONESIA




Port of discharge
KEMAMAN PORT, MALAYSIA

Shipper's description of goods

Gross Weight
SAID TO WEIGHT
26,400 MTS

INDONESIAN COAL
CLEAN ON BOARD
FREIGHT PAYABLE AS PER CHARTER PARTY

of which on deck at Shipper's risk; the Carrier not being responsible for loss or damage howsoever arising

Freight payable as per CHARTER-PARTY dated FREIGHT ADVANCE Received on account of freight: Time used for loading Days Hours	<p style="text-align: center;">S H I P P E D</p> at the Port of Loading in apparent good order and condition on board the Vessel for carriage to the Port of Discharge or to such other place as the goods may safely be carried to as specified above. Weight, measure, quality, quantity, condition, contents and value unknown. IN WITNESS whereof the Master or Agent of the said Vessel has signed the number of Bills of Lading indicated below all of this tenor and date, any one of which being accomplished the others shall be void. FOR CONDITIONS OF CARRIAGE SEE OVERLEAF				
Printed and sent by Fr. G. Knudsen, Bogtvejken A/S, 11 Toldbodgade, DK-1253 Copenhagen K. Telefax + 453.931114 by authority of the Baltic and International Maritime Council (BIMCO), Copenhagen.	<table border="1"> <tr> <td data-bbox="695 1346 857 1423"> Freight payable at: AS PER CHARTER PARTY </td> <td data-bbox="857 1346 1317 1423"> Place and date of issue: TELUK BALIKPAPAN, INDONESIA 12 APRIL 2019 </td> </tr> <tr> <td data-bbox="695 1423 857 1627"> Number of original B/L: 3/3 </td> <td data-bbox="857 1423 1317 1627"> Signature:  </td> </tr> </table>	Freight payable at: AS PER CHARTER PARTY	Place and date of issue: TELUK BALIKPAPAN, INDONESIA 12 APRIL 2019	Number of original B/L: 3/3	Signature: 
Freight payable at: AS PER CHARTER PARTY	Place and date of issue: TELUK BALIKPAPAN, INDONESIA 12 APRIL 2019				
Number of original B/L: 3/3	Signature: 				



Original

1. Goods Consigned from (exporter's business name, address, country) PT. BAKA MAKMUR SADAYANA			Reference No: D001965/SMD/2019 ASEAN TRADE IN GOODS AGREEMENT ASEAN INDUSTRIAL COOPERATION SCHEME CERTIFICATE OF ORIGIN (Combined Declaration and Certificate) FORM D Issued in INDONESIA (Country) See Overleaf Notes		
2. Goods Consigned to (Consignee name, address, country) TO ORDER			4. For Official use <input type="checkbox"/> Preferential Treatment Given Under ASEAN-CHINA Free Trade Area Preferential Tariff <input type="checkbox"/> Preferential Treatment Not Given (Please state reason/s)		
3. Means of transport and route (as far as known) Departure date: APRIL 12th, 2019 Vessels name/Aircraft etc: MV. DONG THANH VOY.03-19 Port of Discharge: KENAMAN PORT, MALAYSIA			Signature of Authorities, Signatory of the Importing Country		
5. Item number	6. Marks and numbers on packages	7. Number and type of packages description of goods (if including quantity where appropriate and HS number of importing country)	8. Origin criterion (see notes overleaf)	9. Gross weight or other quantity and value (FOB)	10. Number and date of invoice
1	NO MARK IN BULK	INDONESIAN COAL	WO	26,400 TNE US\$ 2,772,000	JLHK-ES-190302 IC APRIL 12th, 2019
11. Declaration by the exporter The undersigned hereby declares that the above details and statements are correct that all the products were produced in INDONESIA (Country) and that they comply with the origin requirements specified for these products in the Rules of Origin for the ACFTA for the products exported to MALAYSIA (Importing Country) SAMARINDA, APRIL 16, 2019 Place and date, signature of authorized signatory			12. Certification It is hereby certified, on the basis of control carried out, that the declaration by the exporter is correct. ISSUING OFFICE IN PROVINSI KEMANTAN TIMUR Al Wardana SAMARINDA, APRIL 16, 2019 Place and date, signature and stamp of certifying authority		
13. <input type="checkbox"/> Issued Retrospectively <input type="checkbox"/> Exhibition <input type="checkbox"/> Movement Certificate <input type="checkbox"/> Third Party Invoicing					

Form D Serial : D - GBD - 3691


CARSURIN Laboratory

Coal, Mineral, Petrochemical

 TANAH MEDAN : LP-125-02N
 E : cm-tanahmedan@carsurin.com
 F : [+62 21 2967 5818](tel:+622129675818)
 E : cm-tanahmedan@carsurin.com

 SAMARINDA : LP-352-02N
 E : cm-samarinda@carsurin.com
 F : [+62 21 2967 5818](tel:+622129675818)
 E : cm-samarinda@carsurin.com

 BANGKALANG : LP-353-02N
 E : cm-bangkalan@carsurin.com
 F : [+62 21 2967 5818](tel:+622129675818)
 E : cm-bangkalan@carsurin.com

 CUKURANG : LP-415-02N
 E : cm-cukurang@carsurin.com
 F : [+62 21 2967 5818](tel:+622129675818)
 E : cm-cukurang@carsurin.com

 BONTANG : LP-494-02N
 E : cm-bontang@carsurin.com
 F : [+62 21 2967 5818](tel:+622129675818)
 E : cm-bontang@carsurin.com

190922.0382

CERTIFICATE OF SAMPLING AND ANALYSIS

Description of Goods : 26,400 MT INDONESIAN COAL
 Quantity : 26,400 MT
 Vessel : **MV. DONG THANH VOY.03-19**
 Shipper : **PT. BARA MAKMUR SADAYANA**
 Port of Loading : TELUK BALIKPAPAN, INDONESIA
 Port of Discharge : KEMAMAN PORT, MALAYSIA
 Consignee : **TO ORDER**
 Notify Address : **EASTERN STEEL SDN.BHD.LOT 6293 AND 6294**
 KAWASAN PERINDUSTRIAN TELUK KALONG,
 MUKIM TELUK KALONG,
 24000 KEMAMAN TERENGGANU DARUL IMAN, MALAYSIA
 Date of Attendance : APRIL 07 UP TO 12, 2019

THIS IS TO CERTIFY that we have performed the inspection, sampling and analysis of the coal consignment nominated above. Samples were taken in accordance with ASTM D 6803-17 and analyzed as per ASTM standard methods.

The following results were obtained

Parameter	Designation	Basis	Results	
Total Moisture	ASTM D 3302M-2017	(As Received Basis)	8.27	PCT
Inherent Moisture	ASTM D 3173M-17a	(Air Dried Basis)	2.21	PCT
Ash Content	ASTM D 3174-12	(Air Dried Basis)	11.18	PCT
Volatile Matter	ASTM D 3175-17	(Air Dried Basis)	6.43	PCT
Fixed Carbon	ASTM D 3172-13	(Air Dried Basis)	80.15	PCT
Total Sulfur	ASTM D 4239-17	(Air Dried Basis)	0.33	PCT
Gross Calorific Value	ASTM D 5865-13	(Air Dried Basis)	6,355	Kcal/Kg
Gross Calorific Value	ASTM D 5865-13	(As Received Basis)	5,972	Kcal/Kg
Net Calorific Value	ASTM D 5865-13	(As Received Basis)	5,810	Kcal/Kg
HGI	ASTM D 409 / D40M-16		58	
Size (0-50 MM)	ASTM D 4749-87		95.76	PCT
AIT (IDT)	ASTM D 1857 / D1857M 17		1,270	°C
Na ₂ O in Ash	ASTM D 3582-13	(Dry Basis)	0.97	PCT
K ₂ O in Ash	ASTM D 3582-13	(Dry Basis)	1.50	PCT

SAMARINDA, APRIL 16, 2019

 Signed on behalf of
PT. CARSURIN

JAJAT SUDRAJAT
 Laboratory Manager

For verification of authenticity of certificate or reports, please contact us at coal.sales@carsurin.com.

| Wisma 77 - Tower 2, 19th Floor, Jl. Letjen S. Parman Kav.77 - Slipi, Jakarta 11410, INDONESIA |
 | P : +62.21.2967 5868 | F : +62.21.2967 5818 / 28 | E : coal@carsurin.com ; headoffice@carsurin.com | www.carsurin.com |

19077651

This report is made and issued by the Company upon the Principal/Client's request and the analysis contained therein reflects the Company's findings on the analysis particle submitted by Principal/Client and/or sample drawn by the Company at the time and place of performing the inspection/testing only. Furthermore, the Company shall not be responsible to any parties on any business and/or any legal consequences for any transaction by using this report/analysis.

Annex 10: Cargo documents prepared for *Ken Orchid* for the original transshipment of coal onboard the *Wise Honest* in April 2018

REQ Vessel for 26,500 MT Coal ex. Indonesia to Korea

发件人: WAHYU KUSDIANTORO
收件人: JOE YU
抄送: chartering: wahyu.kusdiantoro
时间: 2018-04-07 11:34

To : Global Qingdao Shipping Co Ltd
Fm : Wahyu Kusdiantoro/PT Karana Line
Subj: REQ Vessel for 26,500 MT Coal ex. Indonesia to Korea
Dd : 07/04/2018

Dear Mr Joe Yu and team,

Can you assist in providing vsl for following firm?

Shipper: PT Bara Makmur Sadayana
Charterer: To be nominated
Commodity: Steamed coal in bulk
Quantity: 26,500 MT
Loading port: 1SA Teluk Balikpapan Kalimantan Indonesia
Discharging port: 1SA 1SB Pohang Korea
Loading/discharging rate: 8000/10000MT Perday
Laycan: Prompt
Freight: USD14.50/MT FIOST Bss 1/1
Grabber vsls is preferable
Other as per gencon cp
Subj to further details
Substem to be lifted 24 hrs working day
END

Kind regards,
Wahyu Kusdiantoro
Marketing Staff PT Karana Line
Mob: +62812-132-8025 E: wahyu.kusdiantoro@karana.co.id Web: www.karana.co.id
Sent from my mobile

IKAROS SHIPPING & BROKERAGE LTD

LETTER-01

NOTICE OF READINESS

M/V	" KEN ORCHID "	Port :	BALIKPAPAN
To:	PT.WIRATRANS SAMUDERA	Date:	22 April 2018
To:	Whom it may concern		

This is to advise you that MV "KEN ORCHID" under my command arrived Port of BALIKPAPAN
 On 22 April 2018 at 15:42 hours local time / 07:42 hours UTC
 and she is ready in all respects to load her cargo in accordance with all terms conditions,
 provisions and exemptions of the governing Charter Party.

Please consider this as a Notice of Readiness and notify all parties concerned accordingly.

Master of the m/v " KEN ORCHID"
 Cpt.Oleksandr Tereschenko



Tendered on: Date: 22 April 2018 Time: 15:42Hrs LT/ 07:42 hours UTC

Nor Accepted by (For and behalf of the Charterers)

.....

On Date..... Time Hrs (LT)

Source: The Panel

Annex 11: Iran's reply to the Panel**Permanent Mission of the Islamic Republic of Iran to the United Nations**

622 Third Ave New York, NY 10017 www.Iran-UN.org Tel:+1(212)687-2020 Fax:+1(212)687-7088 E-mail: Iran@un.int

In the name of God, the most Compassionate, the most Merciful

No. 110731

30 July 2019

Dear Sir,

I am writing in response to your letter dated 1 July 2019 (S/AC.49/2019/PE/OC.50) with regard to the implementation of the measures imposed by Security Council resolutions 1718 (2006), 1874 (2009), 2087 (2013), 2094 (2013), 2270 (2016), 2321 (2016) and 2356 (2017), 2371 (2017), 2375 (2017) and 2397 (2017) for the situation in the Democratic People's Republic of Korea (DPRK).

Having carefully reviewed your letter, Iranian authorities affirmed once again that the Islamic Republic of Iran has no military-related cooperation with the DPRK.

In our letter dated 19 December 2018 (No.106192), it was stated that "no entity or individual, designated pursuant to the relevant resolutions of the Security Council on the DPRK, is present or active in the Islamic Republic of Iran". The latest available data confirms the very same fact for the period of the past seven months.

Consistently, the Korea Mining Development Technology Corporation and Saeng Pi'l (aka Green Pine Associated Corporation) do not maintain offices in Iran and have no activity therein.

Moreover, no "representatives of the Korea Mining Development Technology Corporation" were in Iran "under cover of diplomatic assignments" in the past seven months, contrary to a claim by "a Member State".

The diplomatic activities of the DPRK in the Islamic Republic of Iran have so far been in line with the relevant conventions or resolutions, and the Iranian authorities have not observed any illicit activities. Additionally, the activities of the DPRK diplomats accredited to the Islamic Republic of Iran have been in conformity with the relevant applicable rules and international obligations.

It shall be further reiterated that there are no DPRK nationals registered to be residing in the Islamic Republic of Iran other than its diplomats.

The Islamic Republic of Iran is committed to constructive engagement and full cooperation with the Panel and Experts established pursuant to Security Council Resolution 1874 (2009) and would review any viable evidence and credible information with regard to alleged actions in violation of the relevant Security Council sanctions.



Permanent Mission of the Islamic Republic of Iran to the United Nations

622 Third Ave New York, NY 10017 www.Iran-UN.org Tel:+1(212)867-2020 Fax:+1(212)867-7086 E-mail: Iran@un.int

The United Nations mechanisms, especially those related to Security Council sanctions, shall not allow any misuse for provocative political aims, but rather need to act in an objective, impartial and professional manner. Hence, the Panel is advised to avoid inclusion in its reports of such claims that are evidently transmitted based on political motivations.

Please accept the assurances of my highest consideration.

Majid Takht Ravanchi
Ambassador
Permanent Representative

Alastair Morgan
Coordinator of the Panel of Experts established
pursuant to Security Council Resolution 1874 (2009)

Source: Member State

Annex 12: Passport information and recent entry/exit record of Kim Tong Chol to Namibia

Date	Entry/exit to/from Namibia	Passport number	Passport type
23/09/2017	Exit	927234267	Ordinary
24/08/2018	Entry	108120258	Service
30/04/2019	Exit	108120258	Service
07/05/2019	Entry	108120258	Service
17/05/2019	Exit	108120258	Service

Source: The Panel, Member State

Annex 13: List of DPRK Trading Corporations subordinate to the Munitions Industry Department (KPe.028) reported by a Member State

Kuryonggang Trading Corporation (구룡강무역회사)
Ryungseng Trading Corporation (룡성무역회사)
Tangun Trading Corporation (단군무역회사)
Hangryon Trading Corporation (항련무역회사)
Ryonbong General Corporation (련봉총회사)
5 Trading Corporation (5 무역회사)
Pugang Trading Corporation (부강무역회사)
Mirae Trading Corporation (미래무역회사)
Ryonhap Trading Corporation (연합무역회사)
Advanced Technology Trading Corporation (첨단기술무역회사)
Jinhung Joint Production Corporation (진흥합작회사)
Sobaeksu United Corporation (소백수연합회사)
Pihosan Trading Corporation (비호산무역회사)
Sinhung IT Trading Corporation (신흥정보기술무역회사)
Chonryong Trading General Corporation (천룡무역총회사)
Taesong Trading Corporation (조선태성무역회사)
Peace Motors Corporation (평화자동차회사)
Taeryonggang Trading Corporation (대령강무역회사)

Source: Member State

Annex 14: Vodka seizures

1. A Member State informed the Panel that it seized two shipments of vodka, which it classified as luxury goods, on the grounds of being destined for the DPRK.

2. The first seizure on 20 November 2018 was of 15,600 bottles of Belarusian vodka acquired for USD 14,160. The producer was the same as in a previous vodka seizure investigated by the Panel in 2018.⁵⁰ Documents accompanying the shipment identified the consignee as Hongkong Jieming Industrial Co. Limited⁵¹. An addendum dated 28 September 2018 to the contract signed six months earlier on 28 March added a Singaporean company, Aspen Resources Pte Ltd⁵², a human resource agency, as a payer. The owner of the company, Sai Keong Cheang, a.k.a. Jordan Cheang⁵³, replied to the Panel that the USD 14,160 payment had been made at the request of an acquaintance, known to him only as “Ms. Li”, for the purchase of red wine. However, the amount of payment and payment reference number listed on the payment confirmation is the same as for the vodka shipment contract. Furthermore, an e-mail address on this payment confirmation indicated that one of his other companies, Mekong International Pte Ltd,⁵⁴ had been used to make this payment on behalf of Cheang (Figure). The Panel has yet to receive a reply from Hongkong Jieming Industrial Co. Limited.

⁵⁰ S/2019/171 paras 105 and 106.

⁵¹ 香港杰明實業有限公司. Address listed on Hong Kong Companies Registry acquired in May 2019: Room 1506, 15/F, Loon Kee Building, No. 267-275, Des Voeux Road Central, Hongkong, China. This company has frequently changed its registered address and management.

⁵² Address: 190 Macpherson Road, #07-01, Singapore 348548

⁵³ Singaporean citizen, born in 1972.

⁵⁴ This company shares an address with Aspen Resources and his seven other companies; Aspen Corporation Pte Ltd, Aspen Incorporation Pte Ltd, Baron & Baron Pte Ltd, Galaxy Energy Service Pte Ltd., Le Tong Resources Pte Ltd, Xtrada Pacific Pte Ltd. Autech Pte Ltd.

Figure: Payment confirmation

Outgoing Payment Confirmation

Confirmation Number: **SOTR3639262**

Account Number: [REDACTED]

Order Commit Date & Time: **01-10-2018 14:59:56**

ASPEN RESOURCES PTE LTD
Miss [REDACTED]
190 MACPHERSON ROAD UNIT 07-01 WISMA GULAB
SINGAPORE, 348548
Singapore

Order Instructions:
EMAIL CLIENT
[REDACTED]@mekongintl.com

Email address of "Mekong International Pte Ltd"

Transaction Details

Item Number	Description	Amount	Exchange Rate	You Sold	Fee
SOTR3639262-1	Electronic Funds Transfer	USD 14,160.00	1.0000	USD 14,160.00	23.08

Beneficiary: *CJSC *MINSK GRAPE WINES FACTORY*

Account Number: XXXXXXXXXXXX [REDACTED]

Beneficiary Bank: [REDACTED]

Beneficiary Bank Address: [REDACTED]

SWIFT Code: [REDACTED]

Value Date: 01 Oct 2018

Release Date: 01 Oct 2018

Payment Reference: Contract #29/03/18 (Ob Jordan)

*Standard Beneficiary

Items: 1
Total of Items: 14,160.00

Source: The Panel

3. In a second case, a shipment of 90,000 bottles of Russian vodka for a total of USD 27,125 was seized on 21 February 2019. The consignee was a company in Inner Mongolia, Manzhouli Kesheng Trade Co., Ltd.⁵⁵, which promotes itself as a Russian food importer. To the Panel's inquiry on the shipping company of this vodka, China replied that "Based on the information obtained by the Chinese side, DPRK-related factors are not found in this case. China proposes that the Panel request relevant Member State to provide solid evidence to show that the DPRK is the final destination of the goods. Besides, vodka is not clearly specified as prohibited item by the Security Council, and the Panel's investigation on this case lacks sufficient legal basis." The Panel has yet to receive replies to its inquiries from the consignee⁵⁶. Investigation continues.

⁵⁵ 满洲里科圣贸易有限责任公司, Room 170, No. 17 Building, The North Port, Gemini West Tower, Manzhouli City, China.

⁵⁶ On 29 July 2019, the Russian Federation replied to the Panel's inquiry to an entity which is the producer and sender of the vodka.

Annex 15: DPRK bank representatives subject to expulsion under paragraph 33 of resolution 2321 (2016)

Names	Title and activities	Location	DOB / Passport number / expiry UN Security Council designations where applicable
Jang Bom Su (aka Jang Pom Su, Jang Hyon U) 장범수	Tanchon Commercial Bank (hereafter TCB) Representative. Also operates in and travels to Lebanon under various aliases	Syria	22 Feb 1958; Dip PP no. 836110034, exp 1 Jan 2020 UN res 2270 (2016) designated him as “Tanchon Commercial Bank Representative in Syria” on 2 March 2016 (amended 5 Aug. 2017) KPi.016
Jon Myung Guk (a.k.a. Cho’n Myo’ng-kuk, Jon Yong Sang) 전명국 (전영상)	Tanchon Commercial Bank (hereafter TCB) Representative in Syria. Also travels to and operates in Lebanon under various aliases.	Syria	25 Aug. 1976 with dip PP number 836110035, expires 1 January 2020
Ryom Huibong (aka Ryo’M Hu’I-Pong) 럼희봉	Representative of Korea Kumgang Group Bank (aka KKG bank, 금강은행 Kumgang Export and Import Bank, 金刚银行)	Dubai, UAE	18 September 1961 PP No.: 745120026 (expires 20 January 2020)
Ri Sun Chol (Aka Ri Song Chol) 리선철 (리성철)	Representative of Korea Kumgang Group Bank Transported money of DPRK laborers in the Middle East to the DPRK	Dubai, UAE	28 March 1964 PP No.:836132137
Kwak Chongchol (Aka Kwak Jong-Chol) 곽정철	Deputy Representative of Korea Kumgang Group Bank	Dubai, UAE	1 January 1975 PP No.: 563220533
Ro Il Gwang 로일광	Korea Kumgang Group Bank	UAE	26 May 1983 PP No.: 836434467
Kim Kyong Il (Aka Kim Kyo'ng-il) 김경일	Foreign Trade Bank Representative. The office opened at least 5 accounts at Banque Internationale Arabe Tunisie (BIAT) in Tunisia. Two of them are in the name of a front company, Kartos. Kim Kyong Il has also been involved in transactions undertaken by Daedong Credit Bank in China.	Libya	1 August 1979; PP No. 836210029 Res 2397 (2017) designated him as “FTB deputy chief representative in Libya” on 22 December (KPi.067)

Choe, Un Hyok 최은혁	Unification Development Bank (or Korea Unification Development Bank, UDB or KUDB) representative. Replaced Ri Un'So'ng. Choe Un Hyok's KUDB business card with his title of "Representative of KUDB, Moscow Russia" with the same address as the Embassy in Moscow is available in the Panel's 2017 Final Report, S/2017/150 p. 251. <i>Russia replied in a letter of 25 January 2018, "We will inform you accordingly in case we receive additional information on the whereabouts of Choe Un Hyok." The Panel has not received any additional information in reply to its two follow-up letters.</i>	Moscow, Russia	19 October 1985 PP No.: 83612287 (expires March 2021)
Chu Hyo'k (Aka Ju Hyok) 주혁	Foreign Trade Bank Representative <i>Russia replied Chu Hyo 'k is not currently residing in Russia. (see below)</i>		23 Nov. 1986; PP No. 836420186, issued 28 Oct. 2016 (expires 28 Oct 2021) Res 2397 (2017) designated him as an "overseas FTB Representative" on 22 December (KPi.065)
Ri U'n-so'ng (aka Ri Eun Song; Ri Un Song) 리은성	Korea Unification Development Bank representative <i>Russia replied that Ri U'n-so'ng is not currently residing in Russia.</i>		23 July 1969 Res 2397 (2017) designated him as "overseas Korean Unification Development Bank representative" on 22 December (KPi.078)
Han Jang Su (aka Chang-Su Han) 한장수	Chief Representative of the Foreign Trade Bank The Russian Federation replied, <i>Mr. Han Jang Su is the Third Secretary of the Commercial Counsellor's Section of the Embassy of the Democratic People's Republic of Korea to the Russian Federation and has been officially accredited by the Russian Ministry of Foreign Affairs. He entered the Russian Federation on 23 June 2017 and is staying in the country legally. No information is available concerning activities that are inconsistent with his official status.</i>	Russian Federation	8 Nov. 1969; PP No.: 745420176 (expires 19 Oct 2020) Designated by Resolution 2371 (2017) as "Chief Representative of the Foreign Trade Bank"
Ku Ja Hyong (aka Ku Cha-hyo'ng) 구자형	Foreign Trade Bank Representative	Libya (also travelled to Tunisia, UAE, and Saudi Arabia 2015-2017)	8 September 1957; PP No.: 563220533; Another PP No.: 654210218 (expires 27 June 2019 - used in July 2016) Res 2397 (2017) designated him as "FTB chief representative in Libya" on 22 December 2017 (Kpi.070)

Ch'oe So'k-min 최석민	Foreign Trade Bank Representative. In 2016, Ch'oe So'k-min was the deputy representative at the FTB branch office in Shenyang. He has been associated with cash transfers from that FTB office to banks affiliated with DPRK special organizations and RGB located overseas. <i>China stated, "China has closed all the representative offices of the DPRK financial institutions in China, and all the relevant representatives in China have left China."</i>	Shenyang China	25 July 1978 Res 2397(2017) designated him as "overseas FTB Representative" on 22 December (KPi.064)
Kim Tong Chol (aka: Kim Tong-ch'o'l) 김동철	Foreign Trade Bank Representative <i>China stated, "China has closed all the representative offices of the DPRK financial institutions in China, and all the relevant representatives in China have left China."</i>	Shenyang, China	28 Jan 1966; PP No.: 381337404 (expires 26 Sept 2016) Res 2397 (2017) designated him as "overseas FTB representative" on 22 December (KPi.068)
Ko Chol Man (aka Ko Ch'o'l-man) 고철만	Foreign Trade Bank Representative <i>China stated, "China has closed all the representative offices of the DPRK financial institutions in China, and all the relevant representatives in China have left China."</i>	Shenyang, China	30 September 1967; PP No. 472420180 Res 2397 (2017) designated him as "overseas FTB representative" on 22 December (KPi.069)
Mun Kyong Hwan (aka Mun Kyo'ng-hwan) 문경환	Bank of East Land Representative <i>China stated, "China has closed all the representative offices of the DPRK financial institutions in China, and all the relevant representatives in China have left China."</i>	Dandong, China	22 August 1967; PP No. 381120660 exp. 25 March 2016 Res 2397 (2017) designated him as "overseas Bank of East Land representative" on 22 December (KPi.071)
Pae Won Uk (aka Pae Wo'n-uk) 배원욱	Korea Daesong Bank Representative <i>China stated, "China has closed all the representative offices of the DPRK financial institutions in China, and all the relevant representatives in China have left China."</i>	Beijing, China	22 August 1969; PP No.: 472120208 exp 22 Feb 2017 Res 2397 (2017) designated him as "overseas Daesong Bank representative" on 22 December (KPi.072)
Pak Bong Nam (aka Lui Wai Ming; Pak Pong Nam; Pak Pong-nam) 박봉남	Ilsim International Bank representative <i>China stated, "China has closed all the representative offices of the DPRK financial institutions in China, and all the relevant representatives in China have left China."</i>	Shenyang, China	06 May 1969 Res 2397 (2017) designated him as "overseas Ilsim International Bank representative" on 22 December 2017 (KPi.073)
Pak Mun Il 박문일	Korea Daesong Bank Representative	Yanji, China	1 January 1965; PP No.: 563335509 (expires 27/8/2018)

	<i>China stated, "China has closed all the representative offices of the DPRK financial institutions in China, and all the relevant representatives in China have left China."</i>		Res 2397 (2017) designated him as "overseas official of Korea Daesong Bank" on 22 December 2017 (KPi.079)
Ri Chun Hwan (Aka Ri Ch'un-hwan) 리춘환	Foreign Trade Bank Representative <i>China stated, "China has closed all the representative offices of the DPRK financial institutions in China, and all the relevant representatives in China have left China."</i>	Zhuhai, China	21 August 1957' PP No: 563233049 (expires 9 May 2018); PP No.: 563233049 (expires 9 May 2018) Res 2397 (2017) designated him as "overseas FTB representative" on 22 December (KPi.074)
Ri Chun Song (Aka Ri Ch'un-so'ng) 리춘성	Foreign Trade Bank Representative. Opened a Euro account at International Arab Bank of Tunisia (BAIT) on 18 July 2012 in the name of "Secretary's Delegate of the DPRK's Mission to Tripoli" (closed on 22 August 2013). <i>China stated, "China has closed all the representative offices of the DPRK financial institutions in China, and all the relevant representatives in China have left China."</i>	Beijing, China	30 October 1965; PP No. 654133553 (expires 11 March 2019) Res 2397 (2017) designated him as "overseas FTB representative" on 22 December (KPi.075)
Ri Song-hyok (Aka Li Cheng He) 리성혁	Representative for Koryo Bank and Koryo Credit Development Bank. Reportedly established front companies to procure items and conduct financial transactions on behalf of DPRK <i>China stated, "China has closed all the representative offices of the DPRK financial institutions in China, and all the relevant representatives in China have left China."</i>	Beijing, China	19 March 1965 PP No. 654234735 (expires 19 May 2019) Res 2397 (2017) designated him as "overseas representative for Koryo Bank and Koryo Credit Development Bank" on 22 December (KPi.077)
Pang Su Nam (Aka Pang So-Nam, Pang Sunam) 방수남	Ilsim (ILSIM) International Bank Representative <i>China replied, "The other DPRK individuals mentioned in the Panel's report are neither included in the sanction list of the Security Council resolutions nor registered in China as the representatives of the DPRK financial institutions. China cannot verify and confirm whether they have relationship with the DPRK financial institutions."</i>	Zhuhai, China	1 October 1964; PP No.: 472110138
Cha Sung Jun (Aka Ch'a Su'ng-chun) 차승준	Korea Kumgang Group Bank Representative. Has held several accounts in his name at Chinese banks and is suspected of operating a cover company. <i>China replied, "The other DPRK individuals mentioned in the Panel's report are neither included in the sanction list of the Security Council resolutions nor registered in China as the representatives of the DPRK financial institutions. China cannot verify and confirm whether they have relationship with the DPRK financial institutions."</i>	Beijing, China	4 June 1966; PP No.: 472434355

Kim Kyong Hyok (Aka Kim Kyo'ng-hyo'k) 김경혁	Representative, Cheil Credit Bank / First Credit Bank <i>China replied, "The other DPRK individuals mentioned in the Panel's report are neither included in the sanction list of the Security Council resolutions nor registered in China as the representatives of the DPRK financial institutions. China cannot verify and confirm whether they have relationship with the DPRK financial institutions."</i>	Shanghai, China	5 November 1985; PP No.: 381335989 (expires 14 September 2016)
Pak Ch'o'l-Nam 박철남	Representative, Cheil Credit Bank / First Credit Ban. Opened 6 bank accounts in the name "Great Prince Limited (崇王有限公司)" in banks in Hong Kong and Shenzhen, China" <i>China replied, "The other DPRK individuals mentioned in the Panel's report are neither included in the sanction list of the Security Council resolutions nor registered in China as the representatives of the DPRK financial institutions. China cannot verify and confirm whether they have relationship with the DPRK financial institutions."</i>	Beijing, China	16 June 1971 PP No.: 745420413 (expires 19 November 2020)
Jo Chol Song (Aka Cho Ch'o'l-So'ng) 조철성	Deputy Representative for the Korea Kwangson Banking Corporation (KKBC) Uses false entity names for the KKBC, such as "Good Field Trading Limited (城豐貿易有限公司)" and "Golden Tiger Investment Group (金虎(香港)國際投資集團有限公司)", both registered in Hong Kong. <i>China stated, "China has closed all the representative offices of the DPRK financial institutions in China, and all the relevant representatives in China have left China."</i>	Dandong, China	25 September 1984 PP: 654320502 (expires 16 September 2019) Res 2371(2017) designated him as "Representative for Korea United Development Bank" on 5 Aug (KPi.058)
Ho Young Il (Aka Ho' Yo'ng-il) 허영일	Hana Bank Representative In 2016, Ho Young Il was associated with a high volume of USD transactions for the FTB. <i>China replied, "The other DPRK individuals mentioned in the Panel's report are neither included in the sanction list of the Security Council resolutions nor registered in China as the representatives of the DPRK financial institutions. China cannot verify and confirm whether they have relationship with the DPRK financial institutions."</i>	Dandong China	DOB: 9 September 1968
Kim Mun Chol (Aka Kim Mun-ch'o'l) 김문철	Representative for Korea United Development Bank. Uses false entity names including "Chongryu Technical Company" or "Kyong Un Trading Company" China replied "that as a designated individual he has been blocked from entry and Chinese banks requested the freeze of his assets."	Dandong, China	DOB 25 March 1957 Res 2371(2017) designated him as "Representative for Korea United Development Bank" on 5 Aug (KPi.060)

Choe Chun Yong (Aka Ch'oe Ch'un- yo'ng) 최천영	Ilsim International Bank Representative		PP no: 654410078 Res 2371(2017) designated him as "Representative for Ilsim International Bank" on 5 Aug (KPi.054)
Ko Tae Hun (Aka Kim Myong Gi) 고태훈 (or 고대훈) (aka 김명기)	Tanchon Commercial Bank Representative	Transited China, Ethiopia, UAE, visited Sudan ⁵⁷	25 May 1972; PP 563120630 (expires 20 March 2018) UN Res 2270 (2016) designated him as "Tanchon Commercial Bank (TCB) official" on 2 March (KPi.025)
Kang Min 강민	Daesong Bank representative who, in late 2016, held Chinese bank accounts. <i>China replied, "The other DPRK individuals mentioned in the Panel's report are neither included in the sanction list of the Security Council resolutions nor registered in China as the representatives of the DPRK financial institutions. China cannot verify and confirm whether they have relationship with the DPRK financial institutions."</i>	Beijing, China	07 May 1980; PP 563132918 (expires 04 February 2018)
Kim Sang Ho 김상호	Representative, Korea Daesong Bank As of 2015, Kim Sangho was an Office 39 official posted as a Korea Daesong Trading Company representative in Yanji, China. <i>China replied, "The other DPRK individuals mentioned in the Panel's report are neither included in the sanction list of the Security Council resolutions nor registered in China as the representatives of the DPRK financial institutions. China cannot verify and confirm whether they have relationship with the DPRK financial institutions."</i>	Yanji, China	16 May 1957 PP No.: 563337601 (expires: 26 September 2018)
Kim Jong Man (Aka Kim Cho'ng Man) 김정만	Representative, Korea Unification Development Bank. In 2015, he was an Office 39 official posted to Hong Kong. <i>China replied, "The other DPRK individuals mentioned in the Panel's report are neither included in the sanction list of the Security Council resolutions nor registered in China as the representatives of the DPRK financial institutions. China cannot verify and confirm whether they have relationship with the DPRK financial institutions."</i>	Zhuhai, China	16 July 1956; PP No.: 918320780

Kim Hyok Chol (Aka Kim Hyo'k- Cho'l, Hyok Chol Kim 김혁철	Deputy Representative, Korea Unification Development Bank <i>China replied, "The other DPRK individuals mentioned in the Panel's report are neither included in the sanction list of the Security Council resolutions nor registered in China as the representatives of the DPRK financial institutions. China cannot verify and confirm whether they have relationship with the DPRK financial institutions."</i>	Zhuhai, China	9 July 1978; PP No.: 472235761 (expires 6 June 2017)
Ri Ho Nam (aka Ri Ho-nam) 리호남	Ryugyong Commercial Bank branch representative (2014 to present) <i>China replied, "The other DPRK individuals mentioned in the Panel's report are neither included in the sanction list of the Security Council resolutions nor registered in China as the representatives of the DPRK financial institutions. China cannot verify and confirm whether they have relationship with the DPRK financial institutions."</i>	Beijing, China	DOB: 3 January 1967; PP No.: 654120210 (expires 21 February 2019)
Ms. Kim Su Gyong 김수경	Korea United Development Bank (KUDB) Representative. Since 2011 made multiple trips around Europe, especially in France and Italy, with the assistance of her father, Kim Yong Nam, and brother, Kim Su-Gwang, RGB agents who used their status as staff members of international organizations to help her obtain visas. Kim Su-Gwang (Kim Sou Kwang) recently departed Belarus. See: S/2017/742 para 50 and S/2016/15, para 187.	Europe, also transited UAE and the Russian Federation ⁵⁸	DOB: 16 Jan 1973; PP 745120374
Mun Cho'ng-Ch'o'l 문정철	Tanchon Commercial Bank Representative. Has facilitated transactions for TCB.		Res 2094 (2013) designated him as "Tanchon Commercial Bank (TCB) official" on 7 March (KPi.012)
Jong Song Ho	President of the Jinmyong Joint Venture Bank/Jinmyong Joint Bank – 진명합영은행. Jong Song Ho helped arranged the sale of a shipment of DPRK coal aboard the <i>Wise Honest</i> through an Indonesian broker with the final listed recipient being the ROK company, Enermax. See S/2019/171, para 36 (business card at Annex 19).	Indonesia	

⁵⁸ The Russian Federation informed the Panel that unilateral sanctions were "not an argument for suspicion of unlawful activities on Russian territory".

RI, Jong Won (a.k.a. RI, Cho'ng-Wo'n; a.k.a. RI, Jung Won) 리 정 원	Foreign Trade Bank Representative. Russia replied to the Panel, "Mr. Ri Jong Won arrived in Russia on 5 February 2018 as an officially accredited member of the Embassy of the Democratic People's Republic of Korea to the Russian Federation. It is not known what information was used to determine that he is the Moscow-based deputy representative of the Foreign Trade Bank. Moreover, according to the available information, he returned to the Democratic People's Republic of Korea on 8 October 2018."		DOB 22 Apr 1971; PP PS654320421 (exp 11 Mar 2019)
Choe Song Nam CHOE, Song Nam (aka CH'OE, So'ng-nam) 최성남	Representative of Daesong Bank		DOB: 07 Jan 1979; Passport 563320192 expires 09 Aug 2018
Kim Chol KIM, Chol (a.k.a. KIM, Ch'o'l) 김철	Representative of Korea United Development Bank		DOB 27 Sep 1964
Paek Jong Sam PAEK, Jong Sam (a.k.a. PAEK, Chong-sam) 백종삼	Representative of Kumgang Bank		DOB 17 Jan 1964
Ko Il Hwan KO, Il Hwan (a.k.a. KO, Il-hwan) 고일환	Representative of Korea Daesong Bank. According to a Member State, he engaged in transactions for ship-to-ship transfers in 2018 while acting as representative of Daesong Bank in Shenyang.		DOB 28 August 1967 Passport 927220424 expires 12 Jun 2022
Ri Myong Hun RI, Myong Hun (a.k.a. RI, Myo'ng-hun) 리명훈	Representative of Foreign Trade Bank		DOB 14 Mar 1969; Gender Male; Passport 381420089 expires 11 Oct 2016
Kim Nam Ung 김남웅	Representative for Ilsim International Bank, which is affiliated with the DPRK military and has a close relationship with the Korea		Passport no.: 654110043

	Kwangson Banking Corporation. Ilsim International Bank has attempted to evade United Nations sanctions.		Res 2371(2017) designated him as Representative for Ilsim International Bank
RI, Jong Won (a.k.a. RI, Cho'ng-Wo'n; a.k.a. RI, Jung Won)	<i>The Russian Federation replied, Mr. Ri Jong Won arrived in Russia on 5 February 2018 as an officially accredited member of the Embassy of the Democratic People's Republic of Korea to the Russian Federation. It is not known what information was used to determine that he is the Moscow-based deputy representative of the Foreign Trade Bank. Moreover, according to the available information, he returned to the DPRK on 8 October 2018.</i>		DOB: 22 Apr 1971; Passport no 654320421 expires 11 Mar 2019

Source: The Panel, Member States and UN documents

Annex 16: DPRK financial institutions with overseas representatives

Names, alias, Korean and Chinese spelling	HQ address / phone / fax / SWIFT	Security Council designations and information provided to Panel by Member States and United Nations resolutions
Bank of East Land 동방은행 aka: Haedong Bank (해동은행), Dongbang Bank, Tongbang U’Nhaeng, Tongbang Bank, (朝鮮) 东方银行	BEL Building, Jonsung-Dong, Pyongyang Tel: +850 2 18111 Fax: +850 2 3814410	Res 2087 (2013) on 22 January 2013 (KPe.013) Info in UN Panel reports: S/2017/150; pp 76-77 and S/2017/742, para 61. Facilitates weapons-related transactions for, and other support to, arms manufacturer and exporter Green Pine Associated Corporation. Has actively worked with Green Pine to transfer funds in a manner that circumvents sanctions.
Credit Bank of Korea 조선신용은행 aka Korea Credit Bank, International Credit Bank, 朝鮮信用銀行	Munsu Street, Central District, Pyongyang +850 2 3818285 +850 2 3817806	
Daedong Credit Bank [JV] 대동신용은행 大同信用銀行 Aka Taedong Credit Bank, Dae-Dong Credit Bank, DCB Finance Ltd, Perigrine-Daesong Development Bank	Suite 401, Potonggang Hotel, Ansan-Dong, Pyongchon District, Pyongyang, (b) Ansan-dong, Botonggang Hotel, Pongchon, Pyongyang, +850 2 3814866 SWIFT: DCBK KPPY	Res 2270 (2016) on 2 March 2016 (KPe.023) Representative offices and front companies in China according to Panel: S/2017/150, paras 225-230 and S/2017/742, paras 51-56. Clients include: T Specialist International (Singapore) Ltd, OCN (Singapore) International Distribution Ptd Ltd; Pan Systems; Dalian Daxin Electron Co Ltd, Hongdae International, Yueda International Trading Co, Hing Heng, Korea Sinheung Trading Co, Hana Electronics. Joint venture with Korea Daesong Bank; majority stake acquired by a Chinese company. See current report, paragraphs XX.
Daesong Credit Development Bank [JV] 대성신용개발은행 Koryo Credit Development Bank (고려글로벌신용은행), Koryo Global Trust Bank, Koryo-Global Credit Bank, Korea Credit Investment Company (조선신용투자회사)	Daesong Credit Development Bank [Joint Venture] +850 2 381 4100 +850 2 341 4013	
First Eastern Bank	Rason, DPRK	Affiliated with Central Bank and Unaforte (Italy and Hong Kong, China). See Panel report S/2017/150 para 221.

Foreign Trade Bank (FTB) 조선무역은행 朝鮮貿易銀行 aka: Mooyokbank, Korea Trade Bank, Mooyokbank	FTB Building, Jungsong dong, Central District, Pyongyang Tel: +850 2 18111 Fax: +850 2 3814467 SWIFT/BIC FTBD KP PY	Res 2371 (2017) on 5 Aug 2017 (KPe.047) State-owned bank which acts as the DPRK's primary foreign exchange bank and has provided key financial support to the Korea Kwangson Banking Corporation. See para X on registered office abroad.
International Consortium Bank (ICB) 국제합영은행 Hi-Fund Bank International Consortium Bank (ICB), Sungri Hi-Fund International Bank, Sungri Economic Group	Sungri Exhibition Hall, Pyongyang	
Jinmyong Joint Venture Bank/Jinmyong Joint Bank 진명합영은행	Pyongyang Tel: +85-02-18111-381-8161 Fax: +85-02-381-4410 Associated Factory: Address: Room No. 2204, 3211 Pyongyang Information Center, Kyonghung-dong, Pothonggang District, Pyongyang	Appears to be owned by the Jinmyong Trading Group. Advertisement presented at 19th Pyongyang Spring International Trade Fair (2016). Designated by OFAC in September 2017 pursuant to E.O. 13810, which targets, in part, persons determined to be operating in the financial services industry in the DPRK. The President, Jong Song Ho arranged the sale of a shipment of DPRK coal aboard the <i>Wise Honest</i> through an Indonesian broker with the final listed recipient being the ROK company, Enermax. See S/2019/171, para 36 (business card at Annex 19).
Koryo Bank 고려은행 高麗銀行	Koryo Bank Building, Pyongyang, Democratic People's Republic of Korea	Res 2356 (2017) on 2 June 2017 (KPe.045) Associated with Office 38 and Office 39 of the KWP. Operated by Korea Myohyang Economic Group; joint venture partner in Koryo-Global Bank.
Koryo Credit Development Bank / Daesong Credit Development Bank [JV] (Aka. Koryo-Global Credit Bank, Koryo Global Trust Bank) 고려신용개발은행 대성신용개발은행 (aka 고려글로벌신용은행)	Yanggakdo International Hotel, Pyongyang Tel: +850 2 381 4100 Fax: +850 2 341 4013	Res 2371 (2017) on 5 August 2017 (KPe.049) Joint venture with Koryo Bank
Korea Daesong Bank 대성은행 / 조선 대성은행 大成銀行 aka: Choson Taesong Unhaeng, Daesong Bank, Taesong Bank According to a Member State, in 2018 the bank has used the following false names when processing transactions for ship-to-ship transfers:	Segori-dong, Gyongheung Street, Pyongyang Tel +850 2 818221 Fax +850 2 814576 SWIFT/BIC: KDBKKPPY	Res 2321 (2016) on 30 November 2016 (KPe.035) Owned and controlled by Office 39 of the Korea Workers' Party According to a Member State, Ko Il Hwan engaged in transactions on behalf of Korea Daesong Bank from Shenyang for ship-to-ship transfers in 2018.

조선녹색산업무역 (<i>Chosun Noksaek Sanop Muyok</i> , Korea Green Industry Trading Company/Corporation 朝鲜绿色产业贸易) and 조선신용투자회사(<i>Chosun Sinyong Tuja Hoesa</i> , Korea Credit Investment Company/Corporation 朝鲜信用投资公司 or 朝鲜信用投资会社).		
Korea Kwangson Banking Corporation 조선광선은행 朝鲜光鲜银行, Korea Kwangson Finance Company, 朝鲜 蔡鲜金金朝朝, Korea Kwangson Finance Company	Jungsong-dong, Sungri Street, Central District, Pyongyang	Res 2370 (2016) on 2 March 2016 Provides financial services in support to Tanchon Commercial Bank and Korea Hyoksin Trading Corporation, a subordinate of the Korea Ryonbong General Corporation. Tanchon has used KKBC to facilitate funds transfers likely amounting to millions of dollars, including transfers involving KOMID-related funds. For more info see PoE report S/2017/150, p. 63.
Korea National Insurance Corporation 조선민족보험총회사 Korea Foreign Insurance Company, 朝鲜民族保险总会社	KNIC Building, Central District Pyongyang +850 2 18111/222 Ext:3418024 +850 2 3814410	
Korea Joint Venture Bank 조선합영은행 Korea Joint Bank, Korea Joint Operation Bank, Chosun Joint Operation Bank, Habyong Bank, 朝鲜合营银行	KJB Building, Ryugyong 1 dong, Pothonggang District, Pyongyang +850 2 381-8151, 850-2-18111-381-8151 +850 2 381-4410	
Ryugyong Commerical Bank (RCB) 류경상업은행/류상은행 Ryusang Bank, 柳京商业银行, 柳商银行	Changgwang Hotel, 5th Floor, Pyongyang Beijing, China Dandong, China	Two ATMs at Pyongyang Airport and one in the lobby of Changgwang Inn. <i>Ryugyong Commercial Bank ATM lists an address in the Changgwang Foreign House, Suite #05-24</i> Joint Venture with OCN Pyongyang Office and Koryo Commercial Bank
Korea Unification (United) Development Bank (조선) 통일발전은행 (朝鲜)统一发展银行	KUDB Building, Pyongyang SWIFT/BIC: KUDBKPPY	Res 2321 (2016) on 30 November 2016 (KPe.033) USA on 16 March 2016 See Panel of Experts report (S/2017/150, p 62)

aka: Myohyangsan Bank, Unification Development Bank, T'ongil Palchon Bank, Korea Tongil Paljon Bank, Korea Reunification Development Bank		
Hana Banking Corporation 하나은행 aka Korea Kumsong Bank, Kumsong Bank, Single-Minded International Bank,	ISB Building, Pyongyang; Haebangsan Hotel, Jungsong-Dong, Sungri Street, Central District, Pyongyang, Dandong, China SWIFT/BIC BRBKKPPIXXX	Partial Ownership by Central Bank. Overseas several Bank Card product lines for domestic use
Ilsim International Bank 일심국제은행 日心国际银行 aka. Korea Kumsong Bank, Kumsong Bank, Single-Minded International Bank, 日心国际银行	ISB Building, Pyongyang Pyongyang, Democratic People's Republic of Korea SWIFT: ILSIKPPY	Res 2321 (2016) on 30 November (KPe.034) Affiliated with the DPRK military and has close relationship with Korea Kwangson Banking Corporation (KKBC) and has attempted to evade United Nations sanctions.
First Credit Bank. (JV) or Cheil Credit Bank 제일신용은행 第一信用银行 aka: First Trust Bank Corporation, Jeil Credit Bank, Kyongyong Credit Bank	a) 3-18 Pyongyang Information Center, Potonggang District (as of 2016). b) i Rakrang District, Jongbaek 1-dong Tel: +850 2 433-1575 (02-433-1575) SWIFT: KYCBKPPYXXX Rakrang Tel: 961-3331, 961-0003	Belongs to Workers Party of Korea. It was established in 2008 as JV venture with Singapore's Miracle Commerce Pte. Ltd., and its CEO William Toh (aka Toh Hwee Howe) who has been involved in trade with the DPRK using his other two companies, I-Tech Intelligence Resources and Sinsar Trading Ltd.
Koryo Commercial Bank 고려상업은행 高丽商业银行 aka Korea Commercial Bank	KCB Building, Taedonggang District, Pyongyang; ; Beijing, China; Shenyang, China; SWIFT/BIC KCBKKPP1	Joint Venture with OCN and Ryugyong Commerical Bank
Tanchon Commercial Bank 단천상업은행 端川商业银行 AKA: Changgwang Credit Bank, (창광신용은행) Korea Changgwang Credit Bank (조선창광신용은행); Yongaksan Bank (용악산은행), Lyongaksan Bank (룡악산은행)	Saemul 1-Dong Pyongchon District, Pyongyang	Designated by UN on 24 Apr. 2009 (KPe.003) Main DPRK financial entity for sales of conventional arms, ballistic missiles, and goods related to the assembly and manufacture of such weapons. Under Second Economic Committee; financial arm of KOMID.
Korea United Development Bank (KUDB) 조선통일발전은행 (朝鮮) 统一发展银行	KUDB Building, Pyongyang SWIFT/BIC: KUDBKPPY	Res 2321 (2016) on 30 November (KPe.033) Information in UN POE report: S/2017/742, p. 22

aka: Myohyangsan Bank, Unification Development Bank, T'ongil Palchon Bank, Korea Tongil Paljon Bank, Korea Reunification Development Bank		
Kumgang Group Bank / Kumgang Bank (KKG) Korea Kumgang Bank (조선) 금강은행 金剛銀行 aka: Kumgang Export and Import Bank	Kumgang Bank Building, Central District, Pyongyang (The North East Asia Bank building in Pyongyang became the KKG Bank building)	Associated with Korea Ponghwa General Corporation (under External Economic Committee of the Cabinet) and Korea Pyongyang Trading Company
Kumgyo International Commercial Bank 금교국제상업은행		Affiliated with Korean Chongsong Mining Company and Changgwang Shop. See Panel report S/2017/150 para 220.
Tanchon Commercial Bank 단천상업은행 端川商業銀行 AKA: Changgwang Credit Bank, (창광신용은행) Korea Changgwang Credit Bank (조선창광신용은행); Yongaksan Bank (용악산은행), Lyongaksan Bank (룡악산은행)	Saemul 1-Dong Pyongchon District, Pyongyang	Designated by UN on 24 Apr. 2009 (KPe.003) Main DPRK financial entity for sales of conventional arms, ballistic missiles, and goods related to the assembly and manufacture of such weapons. Under Second Economic Committee; financial arm of KOMID.

Source: The Panel, Member States and UN documents

Annex 17: Payment for Wise Honest transshipment costs arranged by DPRK bank representative

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**Rekening Koran
(Account Statement)**

Periode : From 01 March 2018
 To 31 March 2018
 Account No : 1260007369969 - ARBAA ENERGY RESOURC
 Currency : USD
 Branch : KCP Jkt Permata
 Opening Balance : 972.79

Date & Time	Value Date	Description	Reference No.	Debit	Credit	Balance
				0.00	149,958.00	130,930.79
27/03/2018 14:44:29	27/03/2018	SWIFT CODE. BMRIDJAXXX Debit InTTSusp HUITONG MINERALS CO LTDJP MORGAN CHASE BANK, NEW YORK, USA		0.00	159,958.00	310,888.79
28/03/2018 15:58:28	28/03/2018	SWIFT CODE BMRIDJAXXX Debit InTTSusp HUITONG MINERALS CO LTDJP MORGAN CHASE BANK, NEW YORK, USA		5.00	0.00	310,883.79
31/03/2018 23:59:00	31/03/2018	Biaya Adm		0.00	3.82	310,887.61
31/03/2018 23:59:00	31/03/2018	Bunga		0.76	0.00	310,886.85
31/03/2018 23:59:00	31/03/2018	Pajak		0.44	0.00	310,886.41
31/03/2018 23:59:00	31/03/2018	Biaya Meterai				
No of Credit			3			
Total Amount Credited			309,919.82			
No of Debit			3			
Total Amount Debited			6.20			
Closing Balance			310,886.41			



**Rekening Koran
(Account Statement)**

Periode: From 01 April 2018 To 30 April 2018
 Account No: 1260007369969 - ARBAA ENERGY RESOURC
 Currency: USD
 Branch: KCP Jkt Permatas
 Opening Balance: 310,885.41

Date & Time	Value Date	Description	Reference No	Debit	Credit	Balance
				60,000.00	0.00	260,885.41
02/04/2018 10:30:18	02/04/2018	BG 383751- Transfer 20383751		0.00	219,885.00	480,844.41
03/04/2018 08:26:34	03/04/2018	SWIFT CODE BMRIDJAXXX Debit InTTSusp HUITONG MINERALS CO LTD,P MORGAN CHASE BANK, NEW YORK, USA		10,000.00	0.00	470,844.41
08/04/2018 11:12:55	08/04/2018	BG 383752- Transfer 20383752		30,000.00	0.00	440,844.41
10/04/2018 12:11:52	10/04/2018	BG 383754- Transfer 20383754		20,000.00	0.00	420,844.41
10/04/2018 12:13:30	10/04/2018	BG 383753- Transfer 20383753		90,000.00	0.00	330,844.41
12/04/2018 12:19:54	12/04/2018	BG 383756- Transfer 20383756		30,000.00	0.00	300,844.41
12/04/2018 12:22:59	12/04/2018	BG 383755- Transfer 20383755 KE ERY-THURSINA		0.00	110,409.36	420,253.77
12/04/2018 19:58:23	12/04/2018	JRFBST13011804180222 Debit InTTSusp HUANG HE MINERALS (HONG KONG) CO STANDARD CHARTERED BANK		0.00	74,585.00	494,838.77
13/04/2018 10:32:31	13/04/2018	PAYMENTS FOR GOODS Debit Nostro TRADE PIONEER LIMITEDFIRST COMMERCIAL BANK		100,000.00	0.00	394,838.77
13/04/2018 11:19:42	13/04/2018	BG 383758- Transfer 20383758		0.00	35,991.63	434,230.60
13/04/2018 16:14:28	13/04/2018	JRFBST13011804180288 Debit InTTSusp HUANG HE MINERALS CO., LIMITEDSTANDARD CHARTERED BANK		150,000.00	0.00	284,230.60
16/04/2018 10:15:21	16/04/2018	BG 383757- Transfer 20383757		60,000.00	0.00	224,230.60
17/04/2018 11:18:15	17/04/2018	BG 383759- Transfer 20383759		0.00	4,814.00	229,044.60
18/04/2018 11:10:48	18/04/2018	SWIFT CODE BMRIDJAXXX Debit InTTSusp HUITONG MINERALS CO LTD,P MORGAN CHASE BANK, NEW YORK, USA		20,054.00	0.00	208,990.60
27/04/2018 10:08:47	27/04/2018	BG 383760-PAYMENT INV NO QSS- 180424-I Transfer TT 20383760 QINGDAO GLOBAL SHIPPING CO., LIMITED		40,000.00	0.00	168,990.60
27/04/2018 11:00:32	27/04/2018	BG 383761- Transfer 20383761		5.00	0.00	168,985.60
30/04/2018 23:59:00	30/04/2018	Biaya Adm		0.00	26.60	169,012.20
30/04/2018 23:59:00	30/04/2018	Bunga		5.32	0.00	169,006.88
30/04/2018 23:59:00	30/04/2018	Pajak				

Source: Annex 19 of Panel's report S/2019/171 of 5 March 2019.

b. Supplementary information on payment for Wise Honest from US Court documents

Excerpts from Case 1:19-cv-04210 filed on 9 May 2019, United States District Court, Southern District of New York

43. In connection with the March 2018 shipment of coal on board M/V Wise Honest from North Korea, see supra 11 28- 30, payments totaling more than \$750,000 were transmitted through the correspondent accounts of another U.S. financial institution ("Bank-2"), which was specifically listed as being located in "New York, USA."

Source: Case 1:19-cv-04210 filed on 9 May 2019, United States District Court, Southern District of New York

Annex 18: Screenshot of media coverage of a Republic of Korea Parliamentary Committee Press Conference on Detention of DN5505 for importing DPRK-origin coal

○ 출항정지(억류) 및 출항보류 선박 현황(수정 19.4.17)

선박명	현황	사유	일자
DN5505	출항 보류	북한산 석탄 반입	19.2월 조치
카트린	출항 보류	정제유 불법환적	19.2월 조치
피 파이오니어	출항 정지	정제유 불법환적	18.10월 조치
라이트하우스 윈모어	출항 정지	정제유 불법환적	17.11월 조치
코티	출항 정지	정제유 불법환적	17.12월 조치
탤런트 에이스	출항 정지	북한산 석탄 운반	18.1월 조치
루니스	출항보류 해제	정제유 불법환적	18.9월 출항보류 조치 18.10월 해제

English Translation:

Current Status of Vessel Suspension of Departure (or Detention) (Edited 2019.04.17)			
Ship Name	Current Status	Reason	Date
DN5505	Departure Delayed/Pending	Importing North Korean coal	Action Taken 2019. Feb.
KATRIN	Departure Delayed/Pending	Illegal Transshipment of Refined Oil	Action Taken 2019. Feb.
P PIONEER	Departure Suspended	Illegal Transshipment of Refined Oil	Action Taken 2018. Oct.
LIGHTHOUSE WINMORE	Departure Suspended	Illegal Transshipment of Refined Oil	Action Taken 2017. Nov.
KOTI	Departure Suspended	Illegal Transshipment of Refined Oil	Action Taken 2017. Dec.
TALENT ACE	Departure Suspended	Carrying North Korean coal	Action Taken 2018. Jan.
LUNIS	Departure Delay Revoked	Illegal Transshipment of Refined Oil	Departure Delayed/Pending Action Taken 2018. Sep. Revoked 2018. Oct.

Source: Meeting of the special committee on the investigation of sanctions against North Korea, YouTube, 18 April 2019.
<https://www.youtube.com/watch?v=e7ldPPMeIN4>

Annex 19: International Shipping News, “Ship Suspected of Carrying N.K. Coal Is Under Probe: lawmaker”, 19 April 2019

A Togo-flagged ship has been under probe in South Korea on suspicion of carrying North Korean coal in a potential violation of U.N. Security Council sanctions, an opposition lawmaker said Thursday.

The vessel, believed to have come from Russia’s Nakhodka, entered the South Korean southeastern port of Pohang in February to unload 3,217 tons of North Korean coal and its departure was suspended, according to Rep. Yoo Ki-june of the main opposition Liberty Korea Party (LKP).

The DN5505 vessel also unloaded 2,588 tons of coal in South Korea in November, he said.

“The government grudgingly recognized that the vessel was shipping North Korean coal and kicked off the investigation,” Yoo claimed.

North Korea is banned from exporting coal, iron ore and other mineral resources under Resolution 2371, passed in August, 2017. U.N. sanctions call for a country to capture and look into a vessel suspected of engaging in prohibited activities with North Korea.

The DN5505 has become the sixth ship whose departure from a South Korean port was suspended or denied due to suspected shipments of North Korean coal or ship-to-ship oil transfer in international waters.

Yoo said the name of the ship was changed in January 2018 and its original name is Xiang Jin.

Source: “Ship suspected of carrying N.K. coal is under probe: lawmaker” in International Shipping News, 19 April 2019.

Annex 20: Austria's reply to the Panel



New-York-ÖV/RECHT/0140/2019

The Permanent Mission of Austria to the United Nations presents its compliments to the Panel of Experts established pursuant to United Nations Security Council resolution 1874 (2009) and has the honour to transmit the following:

With reference to the Panel's letter dated 28 June 2019 (S/AC.49/2019/PE/OC.75) Austria would like to provide the following information in addition to the letters dated 23 March 2017 as well as 26 October 2017:

A. Korea Ungum Corporation

As the Panel of Experts is aware, the Austrian Authorities have been dealing with the Korea Ungum Corporation since 2012 and seeking cooperation with the panel concerning this matter on several occasions. Based on the investigations of the Austrian Authorities, the facts may be summarized as follows:

1. Korea Ungum Corporation held the following bank accounts with Meir Bank AG:

- **No. 100493444**: balance USD 768,168.24
- **No. 100493445**: balance EUR 1,127,465.35

2. The following persons were registered as authorised signatories of the bank accounts:

- **Mr. HYON Yong Il**, DOB March 1964 (no known permanent residence in Austria)
- **Mr. KIM Yu Jin**, DOB 23 September 1963 (member of the administrative and technical staff at the DPRK Embassy in Vienna, registered from 10 May 2007 until 11 February 2010)
- **Mr. RI Yong Su**, DOB 10 June 1959 (member of the administrative and technical staff at the DPRK Embassy in Vienna, registered from 6 October 2004 until 2 May 2007)

3. In July 2012, Mr. HYON Yong Il intended to close the accounts of Korea Ungum Corporation with MeInl Bank AG and transfer the balance via West Landesbank in Germany to an account of the Foreign Trade Bank of the DPRK (FTB).
4. On 26 July 2012, MeInl Bank AG submitted a suspicious transaction report to the Criminal Intelligence Service of Austria, because the Bank had suspected Korea Ungum of money laundering. The report was forwarded to the Vienna Public Prosecutor's Office, which on the same day ordered the freezing of the accounts due to suspected money laundering activity.
5. On 17 July 2015 the Vienna Public Prosecutor's Office closed the money laundering proceedings due to lack of evidence and lifted the freezing order.
6. However, no moneys were released, since the Austrian National Bank, as the competent Austrian authority to monitor the implementation of financial sanctions, confirmed to MeInl Bank that the bank accounts remained frozen pursuant Council Regulation (EC) No. 329/2007 concerning restrictive measures against the Democratic People's Republic of Korea.
7. In February 2016, the Korea Ungum Corporation, requested a cash withdrawal from the bank accounts which supposedly should have been made available to a member of the DPRK Embassy in Vienna. However, this request was refused.
8. In October 2016, in order to achieve legal certainty for freezing the accounts in the view of potential lawsuits, Austria proposed the listing of Korea Ungum Corporation under EU sanctions legislation, after it had asked the Panel of Experts for additional information. However, no consensus among EU member states could be reached on the listing proposal.
9. On 9 January 2017, the DPRK Embassy requested the release of funds from the above-mentioned bank account No. 100493444, allegedly in order to pay an outstanding salary to Mr. JO Kwang Chol based on a fabricated labour contract with Korea Ungum Corporation (for further details see Part B below). Again, the request was refused.
10. In February 2017, in order to solve the matter in conformity with the sanctions measures against the DPRK, MeInl Bank AG bought DPRK promissory notes to the value

of the balance in the above-mentioned accounts from Winter Bank, another Austrian private bank, which held DPRK promissory notes of several million Euros. The accounts were set off against the promissory notes, thereby avoiding that any funds were made available to FTB or any other entity of the Government of the DPRK.

11. On 28 February 2017, both bank accounts of Korea Ungum Corporation with Meindl Bank AG were closed, well before the listing of FTB by the Security Council on 5 August 2017.

B. JO Kwang Chol

1. Mr. JO Kwang Chol (DOB 5 August 1975, Passport No 745420418, see attachments 1 and 2) has been accredited since 2 February 2016 as a member of the administrative and technical staff of the DPRK Embassy in Vienna. His current accreditation card is valid until 3 November 2020. Mr. JO's private address is not known to the Austrian authorities. There is no legal obligation for accredited members of Embassies in Austria to register their private addresses.

2. In December 2016, the DPRK Embassy request the release of funds in the amount of EUR 33,600.00 from the bank account No. 100493444 with Meindl Bank AG, allegedly in order to pay an outstanding salary to Mr. JO for his work as an agent of Korea Ungum Corporation in Vienna from February to September 2016. However, the Austrian authorities came to the conclusion that this request was an imposture, based on a fabricated labour contract. When the DPRK Embassy was confronted with the suspicion that the contract and supposed work of Mr. JO potentially violated Article 42 of the Vienna Convention on Diplomatic Relations, OP 33 of Security Council Resolution 2321 (2016) as well as Austrian tax and labour laws, it withdrew its request and no funds were released.

3. After careful analysis of all available facts, the Austrian authorities determined – in line with the discretion afforded to Member States in OP 33 of Security Council Resolution 2321 (2016) – that there was no sufficient and reliable evidence to conclude that Mr. JO was actually working on behalf of or acting at the direction of the FTB during his posting

in Vienna. The alleged labour contract was poorly fabricated and there was no evidence of any activities of Mr. JO as supposed agent of Korea Ungum Corporation and/or FTB before or particularly after the adoption of Security Council Resolution 2321 (2016) on 30 November 2016. This conclusion was corroborated by the fact that, unlike previous staff at the DPRK Embassy, Mr. JO was never registered as an authorised signatory of the above-mentioned bank accounts of Korea Ungum Corporation. Mr. JO is also not registered in the Austrian business register, nor in the Austrian company register or in the Austrian land register.

C. Implementing measures

1. Council Regulation (EC) No. 329/2007 which was later replaced by Council Regulation (EU) No. 2017/1509 of 30 August 2017 transposed the obligation to freeze assets of individuals or entities under paragraph 8 (d) of Security Council Resolution 1718 (2006) and subsequent relevant Security Council Resolutions.

2. According to the Austrian National Bank, as the competent national authority, action taken pursuant to Art. 28 and 29 of Regulation (EU) 2017/1509 of 30 August 2017 implementing UNSC-Resolution 2321 (2016) has led to the closure of 12 bank accounts held by persons affiliated with the DPRK Embassy in Austria. According to available information, the DPRK Embassy no longer holds any bank account in Austria at all, as local banks refuse to do business with the Embassy. Due to very strict national banking secrecy legislation, more detailed information could only be acquired by a court order.

3. In this context it is noted that the personal scope of Art. 28 of said EU Regulation goes beyond the scope of OP 16 of Security Council Resolution 2321 (2016), which only refers to diplomats and consular officers, whereas Art. 28 of the EU Regulation includes all members of DPRK diplomatic missions. According to the well-established definitions in the Vienna Convention on Diplomatic Relations (VCDR) and the Vienna Convention on Consular Relations (VCCR), which both reflect customary international law, the terms "diplomatic agent" (cf. Art. 1 (e) VCDR) and "consular officer" (cf. Art. 1 (d) VCCR) do not encompass "members of the administrative and technical staff" nor the family members

of such diplomat agents and consular officers, who are therefore outside the scope of OP 16 of Security Council Resolution 2321 (2016).

4. In accordance with Art. 28 and 29 of Council Regulation (EU) 2017/1509 the obligation to close the accounts of DPRK diplomats departing/having departed their posting is with the credit and financial institutions.

The Permanent Mission of Austria to the United Nations avails itself of this opportunity to renew to the Panel of Experts the assurances of its highest consideration.

New York, 31 July 2019



To the
Panel of Experts
established pursuant to UN Security Council resolution 1874 (2009)
United Nations
New York

DPRK service passport held by Jo Kwang Chol 조광철



Letter from the DPRK Embassy in Beijing requesting visa for Jo Kwang Chol and his family



Source: Member State

Annex 21: Suspected DPRK cyber-attacks on financial institutions (including banks and cryptocurrency exchanges) investigated by the Panel

A. Banks

Date	Location	Details
Dec 2015	Guatemala	Reported loss of 16 million USD.
Dec 2015	Vietnam	Attempted theft of more than 1 million Euro (\$1.1 millions) of funds through fraudulent SWIFT messages according to statement Tien Phong Bank later issued. ⁵⁹
Feb 2016	Bangladesh	Attempted theft of \$951M
May 2016	South Africa / Japan	Reported theft of \$18M from Standard Bank that caused a malfunction of the system shortly before the cash was withdrawn from ATM machines at convenience stores in Tokyo and 16 prefectures across Japan with forged cards made with data stolen from credit cards issued by the bank. A reply from the Government of Japan to the Panel dated 25 July 2019 stated, “As of 9 July 2019, approximately 260 suspects, including organized crime group members, have been arrested, and the total amount of the cash illegally withdrawn from the ATMs across Japan was approximately 1.86 billion yen. The suspects used forged cards with data of roughly 3,000 pieces of customer information stolen from the Standard Bank in the Republic of South Africa, in order to withdraw cash from approximately 1,700 ATMs located in Tokyo and 16 prefectures across Japan. The case is still under investigation.”
July 2016	India	Attempted theft of \$166M using tactics and techniques similar to February 2016 attack on Bangladesh Bank. Funds were transferred to the Canadia Bank Plc and RHB IndoChina Bank Ltd in Cambodia, the Siam Commercial Bank in Thailand, Bank Sinopac in Taiwan Province of China, and a bank in Australia (routed by Citibank New York and JP Morgan Chase New York).
July 2016	Nigeria	Attempted theft of \$100M ⁶⁰
Oct 2017	Tunisia	Attempted theft of \$60M
Oct 2017	Taiwan Province of China	Attempted theft of \$60M from Far Eastern International Bank; all but \$500,000 recovered by the bank ⁶¹
Jan 2018	Mexico	Attempted theft of 110M USD from Bancomext ⁶²

⁵⁹ <https://www.nytimes.com/2016/05/27/business/dealbook/north-korea-linked-to-digital-thefts-from-global-banks.html>

⁶⁰ APT38: *Un-usual Suspects*, October 2018, p.7, mentions ‘an African bank that appears to have been targeted in early 2016 [...] and involved an attempted theft of approximately \$100 million’. <https://content.fireeye.com/apt/rpt-apt38>

⁶¹ Article by *Reuters* dated 16 October 2016 on the DPRK likely behind SWIFT cyber-attack on Taiwan Province of China. <https://reut.rs/2kVSmKO>.

⁶² FireEye APT38 report

Jan 2018	Costa Rica	Attempted theft of 19M USD ⁶³
Feb 2018	India	Attempted theft of 16.8 USD from City Union Bank using techniques similar to February 2016 attack on Bangladesh Bank.
March 2018	Malaysia	Attempted theft of 390M USD 29 March 2018 cybersecurity incident involving attempted unauthorized fund transfers using falsified SWIFT messages
May 2018	Chile	Theft of approximately 10 million USD from Banco de Chile through unauthorized transactions using SWIFT, mainly to Hong Kong. The hackers distracted bank employs from the theft by using malware to render 9000 bank owned computers inoperable. ⁶⁴
June 2018	Liberia	Attempted theft of 32M USD
Aug 2018	India	Reported theft of 13M USD through attack on Cosmos Bank through simultaneous ATM withdrawals across 23 countries in five hours as well as the transfer of 139 million Rupees to a Hong Kong-based company's account in three unauthorized SWIFT transactions. On 8 October 2018 the United States included this and other similar DPRK attacks in its alert regarding the "FASTCash Campaign" ⁶⁵
Oct 2018	Chile	Attack on Redbanc using malware called POWERRATANKBA. Sophisticated social engineering via LinkedIn, Skype.
Feb 2019	Malta	Attempted theft of 14.5M USD from the Bank of Valletta (BOV) on 13 February. Before being reversed, transfers were made to banks located in the UK, the US, Czech Republic, and Hong Kong, China. "phishing" activity using the same digital fingerprint had been detected since October 2018.
Feb 2019	Spain	Attempted theft of 10.8M USD ⁶⁶
March 2019	Gambia	Attempted theft of 12.2M USD
March 2019	Nigeria	Attempted theft of 9.3M USD
March 2019	Kuwait	Reported theft of 49M USD

Source: Information from Member States, Statements by Government agencies, corporate statements, reports by cyber security firms and media articles

⁶³ In a reply to the Panel dated 24 July 2019, the Mission of Costa Rica stated, "The Mission can confirm that a private financial institution experienced an alleged cyberattack in Costa Rica in January 2018. An investigation has been launched by the Office of the Public Prosecutor's Division on Fraud. On July 17, 2019, the Division delegated the investigation to the Ministry of Science, Technology and Telecommunication. Because the investigation is still ongoing, it is not possible for the Mission to provide the Panel with any result."

⁶⁴ FireEye APT38 report

⁶⁵ Alert (TA 18-275A) "Hidden Cobra – FASTCash Campaign", US-CERT (United States Computer Emergency Readiness Team), 8 October 2018. The general pattern of such attacks targeting financial institutions has been well documented in a criminal complaint issued by the U.S. Government. Criminal Complaint filed to the U.S. District Court for the Central District of California against Park Jin Hyok <https://www.justice.gov/opa/press-release/file/1092091/download>

⁶⁶ Spain's National Cryptologic Centre (CCN), under the National Intelligence Centre stated in its 2019 Cyberthreats and Trends report that hackers associated with the DPRK government conducted the largest number of reported cyberattacks against Spain in 2018.

B. Cryptocurrency

Date	Location	Details
Feb 2017	ROK	Theft of 7M USD in first attack on Bithumb
22 April 2017	ROK	Theft of 4.8M USD in first attack on Youbit (3618 Bitcoin)
12 May 2017		Global WannaCry attack resulted in Bitcoin laundered through Monero 144,000 USD (52 Bitcoin) ⁶⁷
July 2017	ROK	Reported theft of more than 7 million USD in second attack on Bithumb including: 870,000 USD in Bitcoin and 7 million USD in Bitcoin and Ethereum. ⁶⁸ National Intelligence Services attributed to the DPRK.
Summer 2017	ROK	25,000 USD (70 Monero) ⁶⁹ through Monero cryptojacking / mining through illegal seizure of a Republic of Korea company server
23 Sept 2017	ROK	Theft of undisclosed amount of Bitcoin (possibly 2.19 million USD) in attack on Coinis. Total of 6.99M USD reported in losses from this and the April 2017 Youbit attack combined
May-Sept 2017	ROK	ROK Police reported attacks on three cryptocurrency exchanges by DPRK actors and detailed that 25 employees at four different exchanges were targeted in 10 separate “spear phishing” attempts since July 2017 ⁷⁰
23 September 2017		Coinis attack – undisclosed amount of Bitcoin, possibly 2.19 million USD ⁷¹
19 Dec 2017	ROK	Theft of 17 percent of Youbit assets in second attack on Youbit. Youbit later declared bankruptcy as a result of hack. ⁷²
Dec 2017	Slovenia	Reported theft of 70+M USD from the bitcoin mining company, NiceHash, which reported “a highly professional attack with

⁶⁷ United States District Court, Central District of California, *United States of America v. PARK JIN HYOK*, Case No. MJ18-1479, Criminal Complaint, 8 June 2018, para. 6. Available at www.justice.gov/opa/press-release/file/1092091/download.

⁶⁸ Nikhilesh De, “Police Confirm North Korean Connection in Bitcoin Exchange Phishing, Coindesk, 2 October 2017 <https://www.coindesk.com/police-confirm-north-korean-connection-bitcoin-exchange-phishing>; and Stan Higgins, North Korea Is Targeting South Korea’s Bitcoin Exchanges, Report Claims, 12 September 2017, <https://www.coindesk.com/report-north-korea-targets-south-koreas-bitcoin-exchanges-cyber-attacks>. The Korean Internet Security Agency reportedly thwarted an attempted hack on 10 Korean exchanges back in October.

⁶⁹ According to a news article, an assessment by Kwak Kyoung-ju at the Republic of Korea Financial Security Institute attributed the seizure of a server at an ROK to a hacking unit called “Andariel”. Sam Kim, “North Korean Hackers Hijack Computers to Mine Cryptocurrencies” Bloomberg, 31 December 2017.

⁷⁰ Republic of Korea Police <https://www.coindesk.com/police-confirm-north-korean-connection-bitcoin-exchange-phishing>; <https://www.coindesk.com/report-north-korea-targets-south-koreas-bitcoin-exchanges-cyber-attacks>. Korean Internet Security Agency reportedly thwarted an attempted hack on 10 Korean exchanges back in October.

⁷¹ Republic of Korea Intelligence Service as reported by Yonhap News, 16 December 2017. “Spy agency suspects N. Korean involvement in recent hacking into cryptocurrency exchange”, <https://www.yna.co.kr/view/AKR20171216027100014>.

⁷² “Youbit statement announcing closure following hack” (Korean). 19 December 2017.

		sophisticated social engineering” that resulted in approximately 63.92M USD of Bitcoin being stolen.
June 2018	ROK	Third attack on Bithumb. Bithumb announced in a since deleted tweet that hackers stole approximately \$31 million. Proceeds were laundered through a separate crypto-currency exchange called YoBit.
Aug 2018	India	Reported theft of 13M USD
Oct 2018	Bangladesh	Attempted theft of 2.6M USD
March 2019	Thailand/Singapore/Hong Kong, China ⁷³	Reported theft of 9M USD from DragonEx
March 2019	ROK	Reported theft of 20M USD in fourth attack on Bithumb (3M EOS and 20 million Ripple coins stolen worth \$13.4M USD and 6M USD, respectively)
28 May 2019	ROK	UpBit attacked. No losses reported.

Source: Information from Member States, Statements by Government agencies, corporate statements, reports by cyber security firms and media articles

⁷³ According to the company’s Twitter and LinkedIn accounts, it is based in Singapore. The LinkedIn page states, “Registered in Singapore, Operation Department headquartered in Bangkok.” However, Singapore indicated to the Panel that it does not currently have any registration information for a company under the name of DragonEx. Singapore further stated, “We note that DragonEx’s announcement of 27 March 2019 on its Telegram channel states that the Hong Kong Cyber Security and Technology Crime Investigation Bureau is investigating the incident.” DragonEx stated in its announcement of the cyberattack that it informed the judicial administrations of Estonia, Thailand, Singapore and Hong Kong. For more information on the attack, see <http://www.coinwire.com/360-security-warns-about-lazarus-hacker-group> and <https://www.secrss.com/articles/9511>

Annex 22: Information on patterns and methods of DPRK cyber attacks

1. After selecting a target, malicious DPRK cyber actors research employees and organizations looking for vectors of attack. Attacks frequently involve one or more of the following tactics employed against a single target: engaging in spear phishing attacks; engaging in Watering Hole attacks whereby hackers compromise sites likely to be visited by a particular target group; and exploiting existing, well known software vulnerabilities which the target is believed to have left unpatched. After establishing an initial foothold, DPRK hackers then work to move laterally and elevate their privileges within a system; establishing as much control as possible before attempting to execute a cyber-theft. These patterns of attack are not unique to DPRK hackers, what distinguishes them are the targets they select (such as financial institutions) and that following completion of their goals (or upon discovery) DPRK hackers are often willing to destroy large amounts of data to cover their tracks or distract targets while the theft is in process.⁷⁴
2. Examples of these tactics include spear phishing attacks in the form of job applications which were sent to employees of the Bangladesh Bank in the February 2016 attack and used to compromise computers controlled by the bank.⁷⁵ In 2017, DPRK cyber actors infected the website of the Polish Financial Supervision Authority with malware programed to only download onto computers which visited the site if they were from 104 pre-selected financial institutions and telecom companies.⁷⁶ In March 2017 the security vulnerability known as CVE-2017-0144 which affected computers running some versions of the Windows operating system became known. Patches were not initially available for Windows XP though and in May 2017 DPRK hackers deployed the WannaCry ransomware worm targeting older computers running Windows XP which had not patched the vulnerability.⁷⁷ Finally, in 2018, as part of a cyber-heist targeting a Chilean bank, DPRK hackers destroyed data on approximately 9,000 bank-owned computers in order to distract bank employees from the theft of \$10 million.⁷⁸

⁷⁴ Nalani Fraser, Jacqueline O’Leary, Vincent Cannon, Fred Plan “APT38: Details on New North Korean Regime-Backed Threat Group”, 3 October 2018. Accessed at <https://www.fireeye.com/blog/threat-research/2018/10/apt38-details-on-new-north-korean-regime-backed-threat-group.html> on 11 July 2019.

⁷⁵ United States District Court, Central District of California, *United States of America v. PARK JIN HYOK*, Case No. MJ18-1479, Criminal Complaint, 8 June 2018.

⁷⁶ Symantec Security Response, “Attackers target dozens of global banks with new malware”, Symantec. 12 February 2017.

⁷⁷ Criminal Complaint filed to the U.S. District Court for the Central District of California against Park Jin Hyok.

⁷⁸ Dave Sherwood and Felipe Iturrieta, “Bank of Chile trading down after hackers rob millions in cyberattack”. *Reuters*. 11 June 2018.

Annex 23: Actions taken by Member States to counter losses due to attacks by DPRK cyber actors

Costa Rica

In its reply to the Panel of 24 July 2019, Costa Rica stated the following:

In terms of our country's cybersecurity strategy, we have strengthened the capabilities of the Response Center for Information and Technology Incidents of the Ministry of Science, Technology, and Telecommunications. The Center's main purpose is to provide quick IT response services to the public sector. Although the Center does not handle prosecutions, the government has implemented response and coordination protocols between the Center and other state agencies. Furthermore, the Government has created a National Strategy for Cybersecurity; it has improved the monitoring capabilities of public websites by the Response Center; and it has provided training in technical and logistical cybersecurity to government officials. Lastly, the government has increased international cooperation in terms of cybersecurity with governments and international organizations such as the Government of South Korea and the Organization of American States, among others.

India

In its reply to the Panel of 7 June 2019, India stated the following:

In the light of SWIFT related incidents and frauds like the cyberattacks in August 2018 on Cosmos Bank based in Pune, the banking regulator of India has undertaken various preventive measures which include:

- (a) Issuing circulars on cyber security controls and on the controls that are required to be put in place for trade finance transactions to avoid misuse of the SWIFT ecosystem, advising the banks to implement controls for strengthening the security environment of the SWIFT infrastructure and to take steps to manage the operational risk surrounding the usage of the SWIFT system, in a time bound manner.
- (b) Conducting special scrutiny of select banks to assess their operational control framework to safeguard against the risk of misuse of the SWIFT ecosystem.
- (c) Issuing a circular to banks advising them to undertake a comprehensive audit of their SWIFT system covering the controls prescribed by the banking regulator.
- (d) Sharing of market intelligence on the SWIFT ecosystem gathered from various sources with banks through the issuance of Advisories, which include information on indicators of compromise affecting the SWIFT payment ecosystem and measures prescribed to check for compromise and plug these immediately.

Japan

In its reply to the Panel dated 25 July 2019, Japan stated the following:

Preventing and addressing cyberattacks is a common challenge for the international community in terms of national security and crisis management. The GoJ will continue to take necessary actions while collaborating with other countries. Regarding the Panel's inquiry of 8. in its letter, the specific measures already taken by the relevant Ministries and Agencies to prevent and address the similar kinds of attacks in general are exemplified as follows:

- The Police of Japan and the relevant authorities have been making their utmost efforts to strengthen the cooperation with foreign security authorities and relevant organizations as

well as the public-private partnership, while enhancing the collection and analysis of cyber-threat information.

- The Financial Services Agency (FSA) has urged financial institutions that have ATMs accepting the cards issued overseas to take preventive measures such as developing and introducing a system to detect unusual dealing patterns and abnormal transactions, and the FSA has been following up by conducting annual research to the financial institutions concerned, for instance.
- The FSA has also been strictly carrying out on-site and off-site inspections/monitoring of crypto-assets exchange service providers, and when the FSA identified issues/problems, it took appropriate measures including administrative dispositions. Moreover, the relevant acts have been updated and will come into force by June 2020 at the latest, in order to strengthen regulations on crypto-assets exchange service providers, for example, by imposing on the providers new obligation to store the customers' crypto-assets in much more secure manners such as Cold Wallets, except the minimum amount needed for the smooth execution of their businesses.

Republic of Korea

In its reply to the Panel of 28 July 2019, the ROK stated the following:

In order to effectively address and deter cyberattacks on cryptocurrency exchanges, the ROK government has been taking active measures. Most importantly, an inter-agency coordination mechanism is in operation for the sharing of information and countering cyber threats. Also, security checks on cryptocurrency exchanges, the Information Security Management System (ISMS) Certification, capacity-building of the private sector serve as key tools for enhancing cyber security and preventing future attacks.

European Union

On 17 May 2019, the Council of the EU established a framework which allows the EU to impose targeted restrictive measures, such as asset freezes or travel bans, in order to deter and respond to cyber-attacks.⁷⁹ The EU also published and has begun implementing the Fifth Anti-Money Laundering Directive (AMDL5) which extends the scope of anti-money laundering rules to include cryptocurrencies.⁸⁰

FATF

The Financial Action Task Force (FATF) proposed strict new guidelines with respect to cryptocurrencies and member states are expected to begin implementing these rules in June 2019.⁸¹

⁷⁹ European Council Council of the European Union. "Cyber-attacks: Council is now able to impose sanctions". EU. 17 May 2019.

⁸⁰ European Union. "Directive (EU) 2018/843 of the European Parliament and of the Council of 30 May 2018 amending Directive (EU) 2015/849 on the prevention of the use of the financial system for the purposes of money laundering or terrorist financing, and amending Directives 2009/138/EC and 2013/36/EU". EU. 19 June 2018.

⁸¹ FATF. "Outcomes FATF Plenary, 17-19 October 2018". FATF. 19 October 2018.

Annex 24: Marine Chain description according to company documents

Excerpts from Marine Chain Investor Deck:

Challenge:

Ship ownership, management and industry specific problems

- The shipping industry is specialized and parochial.
- It is risky with high capital barriers to entry.
- It is sensitive to the influence of macroeconomic and geopolitical developments, the unpredictability of the forces of nature and ever-changing human appetites and behavior
- There is a tight knit community of dedicated owners and service providers who have developed a highly specialized understanding of the dynamics of the industry and its inherent financial risks.
- Major growth in demand for modernization of vessels to meet evolving standards of environmental sustainability.
- Mounting pressure on vessel owners to invest hard capital into vessels to meet fast approaching deadlines for sustainability enhancements.
- Shipowners have access to a limited segment of the financial community to meet the high industry capital demands

The Shipping Industry is Facing Headwinds

Solution

Marine Chain Business model overview

- The Marine Chain business model is based on the key principles of Efficiency, Transparency & Sustainability (ET&S),
- Marine Chain platform will offer next generation tokenization technology to monetize portions of the vessel by conversion into digital units (tokens)
- Digital tokens, supported on the Blockchain, represent fractional ownership of individual vessels permitting investment from the full spectrum of the investment community.
- Marine Chain will be introducing asset backed security tokens enjoying proprietary ownership of the underlying vessel.
- Investors, as token holders will gain exposure to the economics of the vessel ownership, i.e. income generation and capital appreciation from the underlying vessel.
- These crypto assets will follow the ERC20 Token Standard and will be available for integration with other services on the Ethereum blockchain.

Opportunity

- Marine Chain has identified the unique and timely use of blockchain technology and asset tokenization as a significant business opportunity for vessel owners giving access to the blockchain technology platform and tokenization of Marine Chain qualified vessels.
- The vessel owner can use the proceeds of the tokenization to retire debt and boost operating margins.
- The impact of the successful tokenization of a portion of a specific vessel will be to:
- Boost operating margins
- Enable essential investment in the vessel to meet sustainability requirements
- Potentially boost the value of the vessel

-
- Enable any third party as a token holder to take fractional ownership of a vessel and participate in the potential financial benefits of ownership
 - Enable token holders to trade the fractional ownership of the vessels on a secure trading platform
 - Enable token holders to liquidate for other crypto or fiat currencies.
 - Marine Chain believes that the Marine Chain blockchain tokenization model for the global maritime industry will have wide application into global industry and commerce
-

Utility vs Security Tokens

Regulators around the financial services industry globally are increasingly defining crypto currencies into two distinct categories; utility token and security token.

Utility token: a currency style token issued and used to facilitate a currency type function (such as Bitcoin).

Marine Chain Tokens (MCT) are utility tokens.

Security token: issued in exchange for the ownership of tangible assets with certain financial rights pertaining to those assets attached to the token.

Marine Chain Vessel Tokens are security tokens.

Utility token coin offerings seem likely to remain unregulated but the issue of security token and the action of trading them will likely be considered a regulated activity under the various financial regulatory bodies governing global financial markets.

Capital Requirements

Stage I financing:

- Initial Coin Offering of Marine Chain Tokens (MCT).
- May-July 2018
- Soft Cap US\$20m

Utility token tradable on recognised exchanges

Use of proceeds:

- Development of MCP trading platform and operating systems
 - Establishment of the operating team and related expenses Liquidity buffer
-

I. Marine Chain Platform

- **MCP Key Process:** MCP is designed to enable the tokenization of vessels. It is built on the Ethereum blockchain enables fractional ownership of vessels. Token holders will be able to participate in the financial benefits of vessel ownership.
- **MCP Token Introduction:** MCP will create Marine Chain Token (MCT) - an ERC20 compliant, MCP specific currency - as a proof of contribution to the platform that is transferable. Once token sale starts any Ethereum (ETH), Bitcoin (BTC), or Litecoin (LTC) wallet can purchase Marine-Chain Tokens. Fiat currencies will also be accepted.
- **Marine-Chain Token Usability and Transferability:** The MCT Token Sale has the purpose to raise funds for the platform development. MCT holders can later purchase Vessel Tokens with their MCT when the platform has been built and is in operation. MCT holders can use their MCTs to pay any fees (Vessel listing fee, trading fee, transfer fee etc.) or since MCT is an ERC20 token, they can freely transfer their MCTs and trade it anywhere on the Ethereum eco-system.
- **Tokenization of Vessels:** Marine-Chain allows vessel builders, owners, or sellers to sell their vessels on the platform digitally. Marine-Chain will work with partnered maritime organizations to identify the potential vessels to be digitized on the platform. There will be strong due diligence before confirming the listing on the platform of any vessel.
- **Vessel Token Lifecycle Events:** Upon successful creation of the vessel digital assets, all the token holders are rightful owners of the vessel and will be entitled to a profit generated by the vessel. Marine-Chain also aims to create value for the token holders by allowing secondary transactions to occur where the vessel token ownership can be transferred to another person.

Blockchain for the Marine Industry

- **Blockchain History:** Blockchain is a compound word, literally meaning putting blocks in chains. Each block contains unique information about a transaction, i.e. who it's from, how much it's for or where it's going. The genius of blockchain is the solving of what has been referred to in the industry as the double spend problem. Effectively being able to spend the same money twice. This problem was formerly solved by putting a trusted 3rd party in the middle of the transactions to prevent this from happening. Cryptographers sought to solve this problem without the need for third party intervention.
- **Blockchain Technology:** The blockchain which is the technology at the heart of Bitcoin creates blocks and inserts each block into an immutable chain. Meaning a chain of blocks or records that can never be changed. Each block has a timestamp and the data from the transaction. The chain is built on a peer to peer distributed system that allows each node or person the full access to every transaction that has even been recorded on the chain. This process is done through what is called mining. Once this process is complete that newly form block can never be removed or altered.
- **New applications of blockchain:** Blockchain can be used for many more application other than currencies. Record keeping on the blockchain allows for an immutable record trail that is in the hands of many people all with the same information. The advancement and rapid adoption of blockchain technology has enabled a fundamental change in paradigm for many industries where democratization and subdivision of ownership were previously impractical and inefficient. Marine-Chain aims to fulfill a growing market need by utilizing the blockchain.

- Applying blockchain to the marine Industry: Although the marine vessel market has plenty of opportunities for making significant gains, buying and owning a vessel is out of reach for most. When joint ownership exists, it is usually with just a few select individuals under written agreements which are slow and cumbersome to execute. Marine-Chain is applying blockchain technology for the "tokenization" of vessel 19 ownership. In a simple, fast, efficient and transparent process, these tokens can then be

Revenue Model:

Marine Chain Platform

Revenue occurs when a vessel is tokenized, and any amount of those tokens are sold.

Marine Chain collects <1% of value traded on our platform on every transaction. This can occur many times

over for each vessel because tokens can be exchanged easily. Additionally, each time a vessel is listed/delisted on the Marine Chain Platform, there is a small fee collected. All transactions are paid for by Marine Chain Tokens. Increasing the number vessels on our platform and sales

will increase revenue; our partnerships are important for this reason. Note that many vessels are worth many millions of dollars.

By comparison, the Marine Chain Platform will attract sellers because we offer a reduction in the traditional broker fee of 1%, thus resulting in money saved for the seller.

Marine Chain Exchange

Revenue is derived from a small fee on each and every transaction that occurs on the platform. Increased trading volume and users bases drive this number up. Additionally, Marine Chain Exchange may charge a considerable fee for alt coins/tokens that want to be listed on tradable on the exchange. Furthermore, a licensed exchange will allow us to list other Initial Coin Offerings (ICOs) for a hefty fee, likely to be charged as a percentage of the amount of capital raised.

ICO Brokerage

Revenue from ICO. Brokerage are excluded at this stage.

Marine Chain: SWOT analysis

Strengths

Core team with massive amount of expertise and experience

Very strong advisors and partners

High-level design and architecture have been laid out

White paper and business plan

350-page report by SCMO on maritime industry leading to target segments

Top lawyers as advisors

In terms of execution, there is significant experience in the ICO space, so very high confidence to be able to deliver the platform and exchange within the specified timeframe

Opportunities

Shipowners are desperate for cash

Perfect timing on the sustainability theme

Access to huge asset class to a new investors

Expansion to other hard asset sectors

Once the exchange is up, we can expand in various areas creating futures, indices or others

On sustainability, we can potentially do scoring, measure the impact and can change the industry for the better

In the shipping industry:

- Tonnage is cheap now and expect to gain in the next 5 years; Reversing the depreciation factor of the vessel
- Projecting that ships' tonnage will be increasing gradually down the road

Annex 25: Excerpt from « Marine Chain Team members » document

MARINE CHAIN TEAM MEMEBRS :

Brain Child and Main Investor:

Julien Kim aka Tony Walker : +12068665574

Tony Walker tonywalker@marine-chain.io

Tony Walker tnywalker3@gmail.com

Source: The Panel

Annex 26: Information on Consultancy contract signed between Julien Kim and Captain Foong dated 18 January 2018

A. Contract details

The contract stipulated the following responsibilities: “Party B, under the consultant with Party A and under his consent shall register the company with name Marine-Chain Foundation to the country where it is helpful for company’s development”; “shall open corporate bank account(s) in the bank where it is helpful for company’s development”; “shall attend the Company’s business-related event”: and “shall sign on the company’s business-related document i.e. agreement, contract, payment proposal and etc” Foong could propose “ideas and plans for company’s development” for Kim’s consideration, but was given no specific responsibilities typical of a CEO.

B. Julien Kim’s signature on last page of contract:

Signature:

I, Julien Kim, hereby accepts and agrees on the agreement:

Name: Julien Kim

Signature: 

Date: 18th January 2018

I, Captain Jonathan Foong, hereby accepts and agrees on the agreement:

Name: Jonathan Foong

Signature: 

Date: 18th January 2018

Julien Kim's signature on other pages of contract:

Julien Kim
18.01.2018

Julien Kim
18.01.2018

Julien Kim
18.01.2018

Source: The Panel

Annex 27: Additional findings in Marine Chain case investigation

1. After signing the consultancy contract on 18 January 2018, Kim indicated to Foong in a text message that he was to hold 100% of the company's shares. Foong objected to this on the grounds that it was "too much responsibility" for him and "not much time to look after the operation aspect". Kim replied that he should not worry about the company's operations, stating, "you can simply write me authorization letter to handle operation." (See next Annex)
2. Despite Kim's role in directing company operations, Foong was unable to answer basic questions about or provide basic information, contacts or biodata for him. When pressed, Foong produced some email and text correspondences with "Tony Walker" as well as his alleged address in the US (which misspelled the city "Denver"). Another of the consultants hired by Marine Chain as "Chief Strategist and Development Officer" also complained about the orders emanating from "Tony Walker" who was supposed to be just advising Foong and who was never seen in person. Kim issued directions over email and text and joined meetings via Skype or chat, claiming to be in various countries where he was meeting "potential investors", including in Italy, China and the US.
3. Despite the opacity around his identity, Kim appears to have been unimpeded in his ability to conduct business globally, hiring more than a dozen well-reputed consultants and law firms across Europe, the US, and Asia with decades of international business experience (See Annex entitled, "Consultants and Law Firms retained by Marine Chain"). Kim dealt directly with most of the consultants and law firms he hired, presenting Foong with bills to pay for services and phone calls for services the substance of which Foong was not aware.
4. After ceasing to make payments into Foong's Singapore account, Kim disappeared completely in July, leaving Foong to deal with all of the fall-out including unpaid invoices, unpaid consultants etc. Foong tried multiple times to get in touch with Kim, as did other team members. The company was closed in September 2018.

Source: The Panel


Annex 28: Text communications between Julien Kim (« Tony Walker ») and Captain Foong on Marine Chain operations

A. Registration of Hong Kong company and allocation of shares



B. Financial instructions from Kim (“Tony Walker”) to Foong



< Chats Tony Walker 

let me check with sender's side.

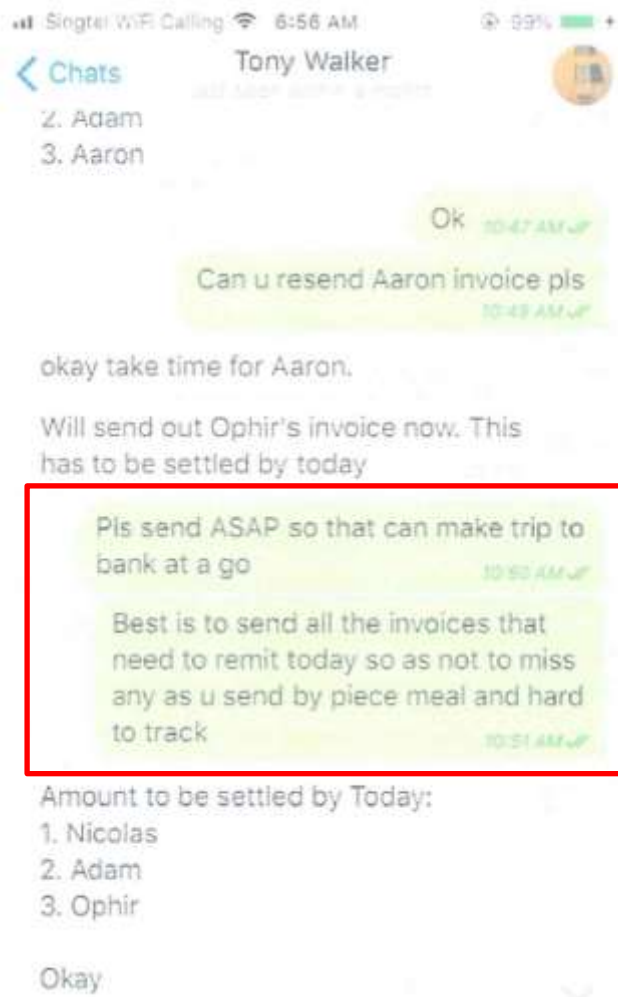
Pls resolve. Onboard plane now no more correspondence for the time being

11:55 AM JF

Dear Capt, Would you please make a payment to Floyd first or assure Floyd about the payment? There must be a mistake from sender's side however, I have to wait to contact due to different timezone.

It is extremely important payment that determines the future of the project. I will settle with the sender soonest.

At least I would like you to assure Floyd for the payment. I made a promise with Floyd that the payment will be made by today however, due to the issues we are facing now, it seems impossible at this moment. Would you please at least call him to give him assurance?



Singtel WiFi Calling 6:56 AM 99%

< Chats Tony Walker
last seen within a month

To get Clarkson agreed, we need to finalised our procedures n then proposed to Martin n convince him that this is the new way of SNP in the Broadchain methodology. He also needs to convince his HQ for acceptance. They are earning far less n doing more work here. They hv to find the buyers that can accept our procedure n is not easy.

4:41 PM ✓✓

Capt Jonathan, would you please send me the accounting file for MC? I would like to know how much balance i have at this moment of time

Ok - will revert the summary fyr.

6:54 AM ✓✓

Capt Jonathan. Good morning. Would you be able to join our call for business



Source: The Panel

Annex 29: Selected transfers to and from Singclass bank account

A. Transfers by Julien Kim to Captain Foong's corporate account in Singapore

Company	Date	Amount transferred (in USD)	Payment details / notes
HONGKONG JOOLEE GROUP CO., LIMITED	26 February 2018	59,940.63	None listed
SOUTHING TRADING CO., LIMITED	7 March 2018	55,731.64	None listed
BLUE VEENUS LIMITED	27 March 2018	33,493.30	None listed
TOTAL GOLD LIMITED	10 April 2018	149,973.18	Payment details: "payment for goods"

B. Selected recipients of transactions undertaken by Captain Foong

Foong processed many payments on behalf of Julien Kim through Singclass International Pte Ltd but some of the accounts with possible links to the DPRK include:

1. “郑成守” (resembles a DPRK name) at an account at the [REDACTED]

2. LIN YUN JING (a possible DPRK name)

Bank Name: [REDACTED]

Branch Name: [REDACTED]

Branch Address: [REDACTED]

Swift Code: [REDACTED]

Account No: [REDACTED]

Note: To record financial transactions undertaken on behalf of Kim, Foong used an Excel document as a ledger which he shared with Kim (who referred to it as an "accounting file") See previous Annex.

Source: The Panel

Annex 30: Consultants and Law Firms retained by Marine Chain

- An advisory firm headed by a French national specialized in logistics, transportation, and supply chain management, with specific experience in blockchain was hired to lay the groundwork and assist with hiring the rest of the team of consultants.
- A Chief Financial Officer of French nationality residing in Hong Kong, with 18+ years of building, leading and advising some of World's leading corporations & Fortune 500 companies across multiple industry and geographical settings of the Asia-Pacific & Europe.
- A Chief Technology and Security Officer based in the US with a wide scope of experience in building enterprise software and products for Fortune 500 companies. This person established the website domain, www.marine-chain.io in March 2018.
- An Operations & Sustainability Officer of Finnish nationality residing in Finland with a doctorate in science in construction project management.
- A Chief Blockchain Architect of Singaporean nationality but residing in Hong Kong, with years of international blockchain expertise and specialties in Fintech, product portfolio management, cloud, blockchain and program management.
- A consultant of German nationality living in Hong Kong with 17+ years experience in Banking, Finance Trading through work in London, New York, Tokyo and Hong Kong. This consultant developed a business plan and investor deck.
- One of the largest global integrated shipping services companies was hired to attract clients for Marine Chain and undertake shipbroking and shipping research.
- A high-level industry expert company providing advisory in logistics, transportation and supply chain management was hired to produce a 350-page extensive feasibility study for Marine Chain and ongoing industry advice and expertise.
- Four legal teams in different firms in Hong Kong were retained to provide legal advice in various fields. One provided advice on the structure and proposals for Marine Chain; another provided advice on blockchain technology and cryptocurrency; another was retained to provide advice on the structure and planning of the project and to apply for the SFC license. A further team undertook preliminary analysis of possible Marine Chain token models from a regulatory standpoint.

Annex 31: “Choke-point” items survey

Stemming from its ongoing investigation on the procurement of pressure transducers by two DPRK agents, the Panel is conducting a survey of the world’s manufacturers of “choke-point” items: items whose procurement remains critical or important for the DPRK’s illicit programmes.⁸² Based on its analysis of past investigations and information from Member States, the Panel notes that the DPRK’s procurement routes are not only directly from producers but also through retailers, second-hand markets, “business to business” websites, and even through the industrial scrap market⁸³. Although producers’ control over and oversight of the aftermarket is limited, they still face reputational risk from subsequent diversion and there are precautionary measures they can apply. Some producers are new entrant manufacturers of advanced-specification items looking to establish internal screening systems, while others are looking to enhance their existing systems. Therefore, as part of its “choke point” items survey, as well as identifying critical items and the risk of diversion to the DPRK, the Panel is requesting information on the internal screening processes of producers, with a view to promulgating “best practices”. The Panel additionally continues to analyse new patterns and trends in DPRK illicit procurement.

⁸² S/2019/171, paragraph 66.

⁸³ Also see section 6, Annex 30.

Annex 32: Strengthening the ballistic programme's capacity

1. According to one Member State the DPRK is actively engaged in indigenous R&D and the production of missiles with solid propellant, *inter alia* at the industrial complex of Hamhung. According to another Member State, there is a clear development progression from propellant for artillery rockets/SRBMs to solid propellant for ICBMs (see section 4 of this annex).

Figure I shows two similar distinctive white containers (11m x 2.40m) moving in two different areas of the Hamhung-Hungnam industrial complex. The first container moved from the location 39°49'11.81"N 127°35'17.93"E, 400m from the solid fuel propellant production facility of the Hungnam 17 Factory (39°49'27.00"N 127°35'13.55"E), as observed during the following dates in 2019: 20 February, 25 February, 1 March, 4 March, 25 March, 26 March and 3 April.

The second white container moved from location 39° 57' 27" N 127° 33' 37" E, at the new production area of the Chemical Material Institute CMI (production of missile casing), as observed during the following dates in 2018: 29 July, 18 August (1h56; 4h50) and 15 September. This type of white containers (11m x 2.40m) could transport rocket motor casings (wound from composite fibers).

Figure I: Similar white containers moving at the solid fuel facility (first seven pictures) and the rocket casing production facility (last four pictures)



Source: Images courtesy of Planet Labs, Inc, and image@2019DigitalGlobe Google Earth (5th picture from the left)

2. Mobility and versatility through the use of different types of Transporter Erector Launcher (TEL) was demonstrated in the SRBM launch tests on the 4 May with a wheeled TEL and 9 May with a caterpillar TEL (see section 3 of this annex). Moreover, the caterpillar TEL (9 May) used the same cabin as was seen during a test of the Pukkuksong-2 (KN-15) MRBM on a wheeled TEL.

Figure II: Wheeled TEL on 4 May (left), caterpillar TEL on 9 May 2019 (right)



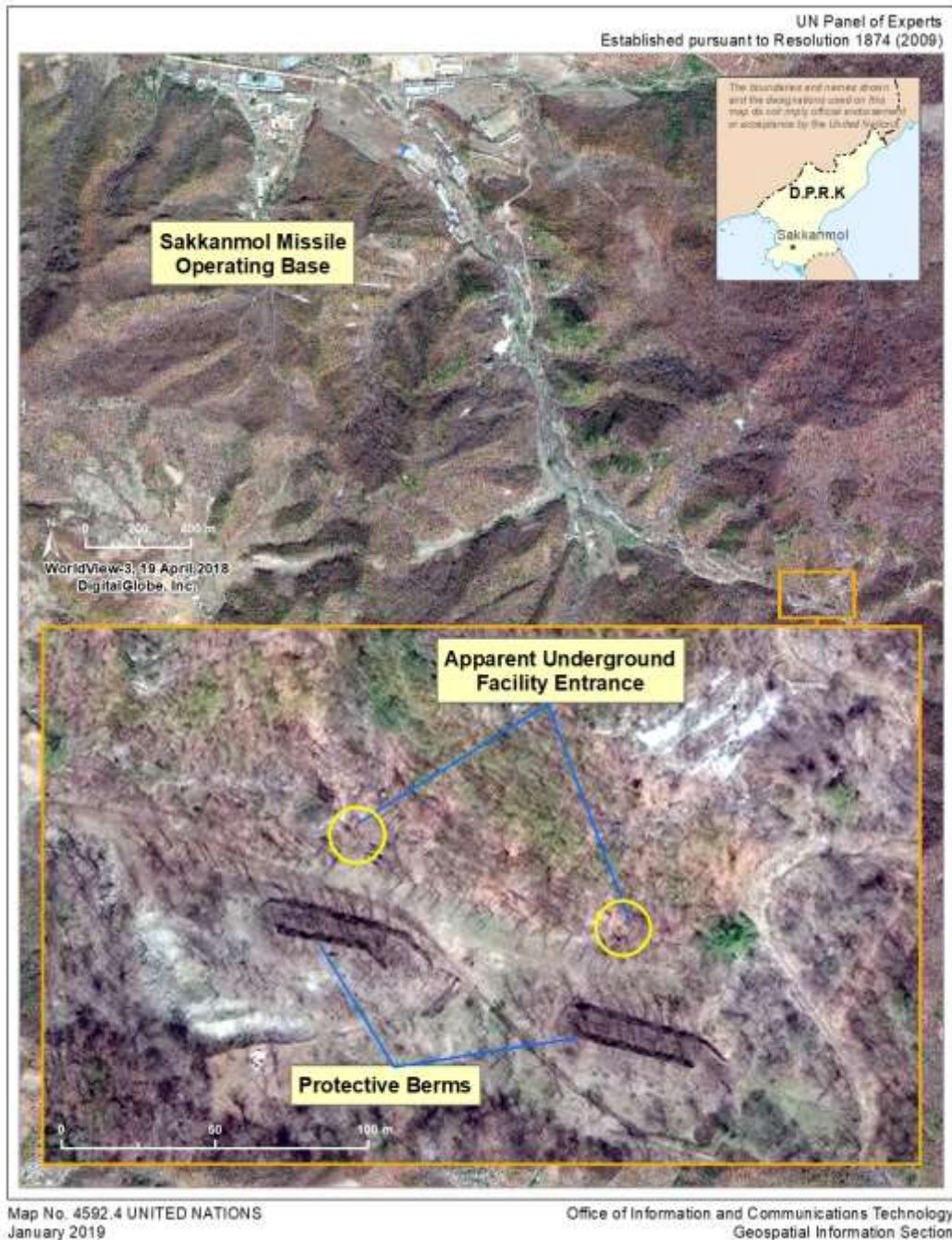
Source: KCNA (left), Rodong Sinmun (right)

3. According to one Member State, the DPRK's capacity to penetrate ballistic missile defense systems has increased with the new SRBM tested on 4 and 9 May 2019 (see Figure II above) because its trajectory is flatter than that of a traditional SCUD missile. According to another Member State, the DPRK has achieved indigeneous capabilities in the production of guidance systems. For the 4 May SRBM test launch the estimated range was 230-240 km and for the 9 May test 270-420 km. The 9 May test took place from the launch site near the area of Kilchukun (40°57'23.81"N 129°19'4.83"E). According to this Member State, the missile system tested on 4 May and 9 May was the same and the launches were supervised by the DPRK's conventional command. According to the first Member State, the DPRK has upgraded its SCUD-D missile systems with better guidance and electronics. The DPRK has exported the SCUD-D to Syria which has been its long-term customer and partner. Despite its active attempts, it is increasingly difficult for the DPRK to secure new customers.
4. The DPRK's BM programme is comprehensive and autonomous. Systems integration and internal synergies ensure that developments on the SRBM programme benefit MRBM/IRBM and ICBM programmes. With regard to missile engine development⁸⁴, according to one Member State, the DPRK's current goal appears to be to develop a solid-fueled first stage for its ICBM. Another Member State observed the deployment of solid fueled missiles Pukkuksong-2 (KN-15) MRBM in the missile bases close to the northern border where the liquid fueled missile Nodong also remained deployed.
5. The dispersed, concealed and underground infrastructure of the BM programme has been continuously improved (see Figure III: Sakkanmol missile operating base). There has been continuous construction of storage galleries (see Figures III and IV) and support structures accompanied by increasing natural concealment of facilities by vegetation. Regular activity has been observed at the ICBM bases located in areas close to the northern border. Site and infrastructure work is in progress. According to a Member State, the DPRK's priority is to secure the railway network dedicated to support its ICBM brigades which is essential for the ICBM bases network. There are stations within 5 km of each missile brigade and storage site. Development was observed at the Hojung-ri ICBM site, 25 km from the northern border

⁸⁴ See reference to propellant in paragraph 1

(see S/2019/171, Annex 84-3). The DPRK has a total of 5200 km of partially electrified rail track, much in a poor state.

Figure III: Concealment, protection and underground gallery entrance of two galleries in the area of Sakkanmol missile operating base, located at 38°34'15.23"N 126° 7'18.12"E and 38°34'14.31"N 126° 7'21.64"E, respectively.



Source: The Panel.

Figure IV: underground facility development in progress on 9 November 2017, 2 November 2018, 9 March 2019 and 23 June 2019 in Hojung-ri ICBM Base, located 41°21'56.17"N 126°55'42.32"E



Source: Images courtesy of Planet Labs, Inc and image@2019DigitalGlobe Google Earth (bottom left corner)

6. The DPRK's development of the BM programme benefitted from active cooperation with third countries, including in sales and procurements in the missile field. One Member State reported to the Panel on such activity particularly during 2018. According to a second Member State, the Second Academy of Natural Sciences (subordinate to the 2nd Economic Committee) changed its names to 'Academy of National Defense Science' (ANDS). Both names are listed: respectively as KPe.018 and KPe.021. ANDS controls a network of overseas front companies tasked with collecting scientific information. Moreover, ANDS plays a key role in the DPRK's R&D efforts related to chemical and biological weapons.

According to the first Member State, ANDS (see Figure V) manages most missile-related procurement and export activities through overseas agents and front companies. These include the Pusong Trading Corporation and the Korea Habjjangang Trading Company which have been involved in procurement of chemical process equipment related to missile technology from East Asia (Figure VI).

A procurement agent in Europe working with Pusong Trading Corporation sought to acquire used mixing machinery that could be deployed in the BM programme (see Figure VII). Such used machinery has no warranty and is subject to less stringent export controls than new equipment. The market for used equipment (and related scrap) is less visible. This procurement attempt by the DPRK agent was unsuccessful, but the Panel was told that the agent has diplomatic status and is still in Europe.

In Syria, DPRK technicians still appear to be present and in contact with Pyongyang, according to the first Member State. DPRK representatives in Syria are also in contact with procurement agents in a third country who can acquire specialized technological equipment. Such exports are arranged by DPRK agents right from the market to the customer in a manner that is difficult to track.

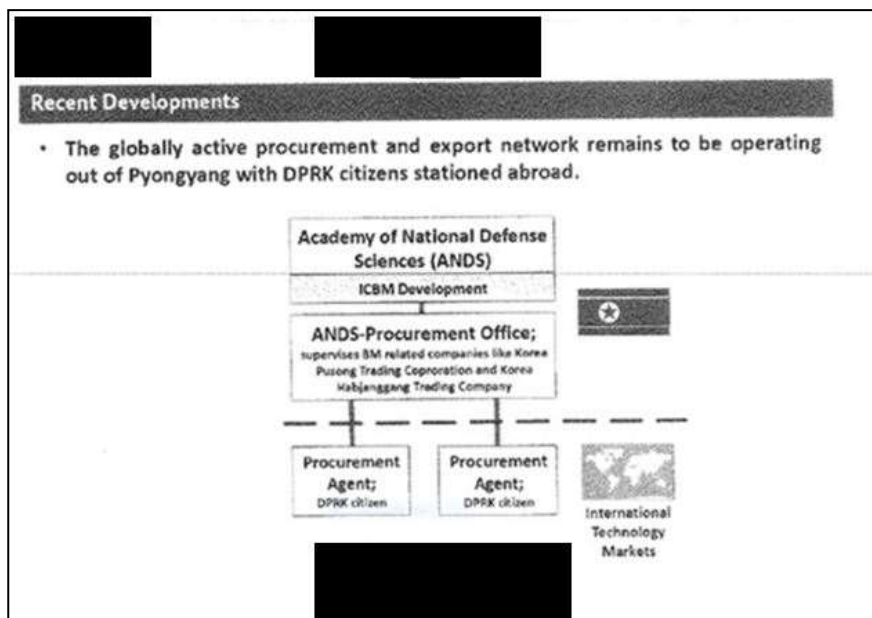
Further, according to the first Member State, in February 2019 in East Asia, DPRK procurement agents procured high-tech communication equipment for missile-to-ground communication that can operate at very high altitudes. The DPRK regularly procures Glonass/GPS sensors at intervals of around two months.

The 221 General Bureau of the designated Reconnaissance General Bureau (RGB) (KPe.031) is charged with generating hard currency through exports of prohibited goods (see Figure VIII) in order to support the listed entity KOMID (KPe.001) (see Figure VIII), aka External Economic General Bureau. The funds generated by these weapon sales remain outside the DPRK where they are transferred from trade agents to procurement agents for the acquisition of sought-after commodities. These commodities are then transferred and sold in another country to generate hard currency, allowing the DPRK to launder and conceal revenues from arms sales without using the international banking system.

Instead of exporting full missile systems, the DPRK is sending technicians to a buyer country and establishing a complete supply chain. Such activities are ongoing in Iran, Syria and Egypt according to the first Member State. The Panel was told that the 221 GB is represented at the DPRK Embassy in Teheran with by least three individuals. The number of DPRK procurement agents overseas is decreasing and those remaining are focusing on the procurement of critical missile related components as well as dual-use and below-threshold items. In order to circumvent sanctions, the DPRK changes its import/export-related organization structures every eight months.

According to the first Member State, there are DPRK students involved in international scientific collaboration in East Asia who have studied issues including advanced composites in special environments and space material behavior and evaluation. Intangible transfers of technology are key to the DPRK's move towards self-reliance.

Figure V: Academy of National Defense Science (ANDS)



Source: Member State

Figure VI: Korea Habjanggung Trading Company

Recent Developments

- representatives of North Korea's Korea Habjanggung Trading Company have been involved in procurements of chemical process equipment

Exporter: [Redacted]
NK Consignee: Korea Habjanggung Trading Company (조선합성광물무역회사)

Quantity	Equipment	Specification	CoC
10units	Digital Indicating Controllers	UT35A	[Redacted]
200kgs	Lithium Carbonate	CAS 554-13-2	[Redacted]
100bags	Sodium Fluoride	CAS 7681-49-4	[Redacted]
100bags	Epichlorohydrin	CAS 106-89-8	[Redacted]
1mt	Activated Charcoal	CAS 7440-44-0	[Redacted]


Source: Member State

Figure VII: Mixing machine

Recent Developments

NK Cover Company: Hong Kong Express Ltd. -company dissolved since 2012-
NK Procurement Agent: NK Individual based in Europe for Korea Posing Trading Corporation

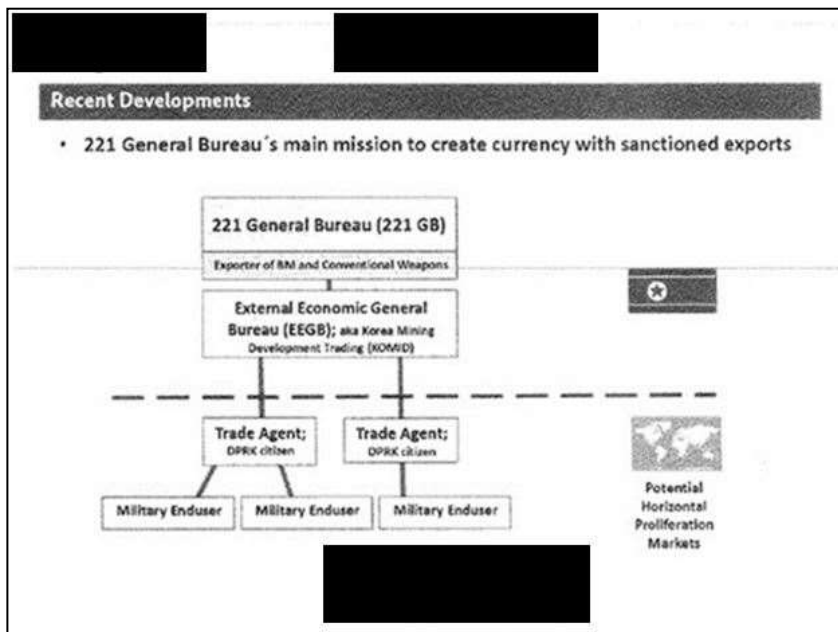
Quantity	Equipment	Specification
Ui	Mixing Machine for HE	Used
Ui	Mixing Machine for Propellants	Used



- NK Individual is interested in BM related mixing technology.
Background: Procurement order by ANDS-Procurement Office.
- Procurement effort not successful.

Source: Member State

Figure VIII: 221 General Bureau of RGB



Source: Member State

7. Dismantlement of the Sohae (Tongchang-ri) satellite rocket launch site was interrupted. The vertical missile-engine test stand is now renovated and possibly operational.

Figure IX: Sohae vertical test site on the 28 December 2018, with the roof of the structure partially dismantled (left). The roof of the structure was rebuilt by March 2019, and only limited changes had been made since then, as observed on 2 May 2019 (right).



Source: Images courtesy of Planet Labs, Inc.

Figure X: Sohae satellite launch site on 28 December 2019, with the rail mounted structure dismantled (left); it was rebuilt as observed on 8 March 2019 (right).



Source: Images courtesy of Planet Labs, Inc.

Annex 33: Status of Member States reporting on implementation of relevant resolutions

As of 31 July 2019, 37 Member States have submitted reports on the implementation of paragraph 8 of resolution 2397 (2017), 75 Member States have submitted reports on the implementation of paragraph 17 of resolution 2397 (2017), 90 Member States have submitted reports on the implementation of resolution 2375 (2017), 87 Member States have submitted reports on the implementation of resolution 2371 (2017), 104 Member States have submitted reports on the implementation of resolution 2321 (2016) and 113 Member States on the implementation of resolution 2270 (2016).

Source: The Panel
