

ALERT

President Obama Authorizes Sanctions Against North Korea

January 6, 2015

On January 2, 2015, President Obama signed an Executive Order authorizing sanctions against the government of North Korea and the Worker's Party of Korea, the country's ruling political party. The Executive Order, which the President issued in response to the North Korean government's recent cyber-attack targeting Sony Pictures Entertainment, authorizes the U.S. Department of the Treasury's Office of Foreign Assets Control (OFAC) to block the property and interests in property of the government of North Korea and the Worker's Party of Korea, and all agencies and instrumentalities thereof; all officials of the North Korean government and the Workers' Party of Korea; and any entities found to be materially supporting or providing goods and services to support the North Korean government.

Pursuant to the Executive Order, OFAC has added a number of persons and entities to the Specially Designated Nationals and Blocked Persons List (SDN List). The SDN List now includes 10 North Korean government officials and three entities in the North Korean defense sector:

- The Reconnaissance General Bureau, North Korea's primary intelligence organization;
- Korea Mining Development Trading Corporation (KOMID), North Korea's primary arms dealer and exporter; and
- Korea Tangun Trading Corporation, which is primarily responsible for procuring goods and technologies to support North Korea's defense research and development programs.

Practice Areas

International Trade

U.S. persons, including U.S. citizens and U.S. companies, are prohibited from doing business with these designated entities, and must freeze any assets belonging to these SDNs over which they have control. Importantly, several of the designated entities and individuals operate outside of North Korea, including in China, Russia, Namibia, Syria, and Iran. Thus, while U.S. business with North Korea is limited, U.S. companies should be aware of the potential impact that these designations could have on their own business interests and operations.