



ISSUE BRIEFING

EXECUTIVE ORDER EXPANDS SANCTIONS ON NORTH KOREA

President Trump issued Executive Order 13810 on Sept 20 authorizing broad sanctions targeting North Korea in an effort to use economic pressure to address the country's recent increased weapons programs. The sanctions specifically target individuals and entities engaging in significant trade with North Korea and financial institutions that facilitate trade or other significant transactions with the regime.

The economic pressure is not only coming from the US; earlier in September, the United Nations Security Council approved a round of sanctions that sought to cut North Korea's imports of refined petroleum, ban textile exports and strengthen inspections of ships. China, who accounts for approximately 90% of North Korea's trade, has had its central bank order all financial institutions to immediately cease doing business with North Korea in an effort to implement these UN sanctions. The EU also announced sanctions, including a ban on investment in North Korea and on EU exports of oil.

The EO authorizes the Secretary of Treasury to impose sanctions on persons that have engaged in at least one significant importation from or exportation to North Korea of any goods, services or technolo-

gy; any persons involved in various industries in North Korea (textiles, fishing, IT and manufacturing) or who own, operate or control a port there.

Vessels and aircraft that have visited NK will be banned from visiting the US for 180 days, and vessels that have engaged in ship-to-ship transfer with such a vessel will also be banned for 180 days.

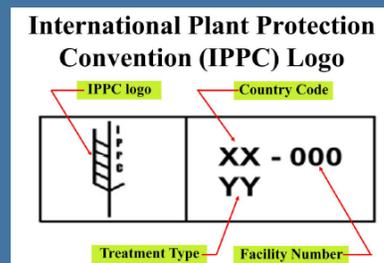
Historically, North Korea has found ways to get around these sanctions: North Korean ships leaving other countries, usually Russia, with a cargo of fuel head back to North Korea, despite initially declaring other destinations. North Korean ships routinely turn off their transponders, making them temporarily untraceable. "US officials say that changing destination mid-voyage is a hallmark of North Korea state tactics to circumvent the international trade sanctions imposed over Pyongyang's nuclear weapons program."

For Further Information: The US Dept. of Treasury provides access to all executive orders, statutes, rules and regulations pertaining to North Korea at the following website: <https://www.treasury.gov/resource-center/sanctions/Programs/pages/nkorea.aspx>



ISPM 15 PENALTY ENFORCEMENT BY CBP

US Customs has issued a statement that will go into effect on Nov 1, 2017 regarding wood packaging material (WPM). Customs and Border Protection (CBP) will begin penalizing all imports arriving into the United States that do not comply with International Standards of Phytosanitary Measures (ISPM 15) requirements to prevent the introduction of exotic timber pests. The WPM "must display a visible, legible, and permanent mark certifying treatment" that must be approved under the International Plant Protection Convention (IPPC).



"Any foreign WPM lacking the IPPC-compliant markings or found to be infested with a timber pest will be found in violation of the regulation and penalized. US CBP will be enforcing compliance at ports of entry, and those found in violation will be required to export the WPM and may also face liquidated damages and penalties under Title 19 United States Code § 1595a(b) or under 19 USC § 1592," states Alison Peters, VP of Import Trade Compliance. Further materials on WPM are available from US Customs and Border Protection or at the following link: <https://www.aphis.usda.gov/aphis/ourfocus/planthealth/import-information/wood-packaging-material>