Note by the President of the Security Council

In paragraph 2 of resolution 2276 (2016), the Security Council requested the Panel of Experts established pursuant to resolution 1874 (2009) to provide a final report to the Council with its findings and recommendations.

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

Letter dated 17 February 2017 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 resolution 1874 (2009) has the honour to transmit herewith, in accordance with paragraph 2 of resolution 2276 (2016), the final report on its work.

The attached report was provided to the Security Council Committee established pursuant to resolution 1718 (2006) on 30 January 2017 and was considered by the Committee on 16 February 2017.

The Panel would appreciate 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.

(Signed) Hugh Griffiths
Coordinator
Panel of Experts established pursuant to Security Council Resolution 1874 (2009)

(Signed) Benoit Camguilhem
Expert

(Signed) Dmitry Kiku
Expert

(Signed) Youngwan Kim
Expert

(Signed) Stephanie Kleine-Ahlbrandt
Expert

(Signed) Maiko Takeuchi
Expert

(Signed) Neil Watts
Expert

(Signed) Jiahu Zong
Expert
Enclosure

Letter dated 30 January 2017 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 2276 (2016), the final report on its work.

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

(Signed) Hugh Griffiths
Coordinator
Panel of Experts established pursuant to Security Council Resolution 1874 (2009)

(Signed) Benoit Camguilhem
Expert

(Signed) Dmitry Kiku
Expert

(Signed) Youngwan Kim
Expert

(Signed) Stephanie Kleine-Ahlbrandt
Expert

(Signed) Maiko Takeuchi
Expert

(Signed) Neil Watts
Expert

(Signed) Jiahu Zong
Expert
Summary

During the period under review, the Democratic People’s Republic of Korea has intensified its prohibited activity by engaging in an unprecedented number of nuclear and ballistic missile-related tests. In response, the Security Council adopted resolutions 2270 (2016) and 2321 (2016), in which it significantly strengthened the sanctions regime against the Democratic People’s Republic of Korea. While these measures impose new obligations on Member States, the Panel’s investigations show that implementation remains insufficient and highly inconsistent. All Member States should reaffirm their commitment to rigorous enforcement of United Nations sanctions.

The Democratic People’s Republic of Korea is flouting sanctions through trade in prohibited goods, with evasion techniques that are increasing in scale, scope and sophistication. The Panel investigated new interdictions, one of which highlighted the country’s ability to manufacture and trade in sophisticated and lucrative military technologies using overseas networks. Another interdiction, of the vessel Jie Shun, was the largest seizure of ammunition in the history of sanctions against the Democratic People’s Republic of Korea, and showed the country’s use of concealment techniques, as well as an emerging nexus between entities trading in arms and minerals. The Panel’s investigations further revealed previous arms trading by the Democratic People’s Republic of Korea and cooperation in Africa, including hitherto unreported types of cooperation on a large scale.

Designated entities and banks have continued to operate in the sanctioned environment by using agents who are highly experienced and well trained in moving money, people and goods, including arms and related materiel, across borders. These agents use non-nationals of the Democratic People’s Republic of Korea as facilitators, and rely on numerous front companies. Diplomats, missions and trade representatives of the Democratic Peoples’ Republic of Korea systematically play key roles in prohibited sales, procurement, finance and logistics. In particular, designated entities are trading in banned minerals, showing the interconnection between trade of different types of prohibited materials.

Behind these illicit activities is the continued access of the Democratic People’s Republic of Korea to the international banking system. Despite strengthened financial sanctions in 2016, the country’s networks are adapting by using greater ingenuity in accessing formal banking channels, as well as bulk cash and gold transfers. Banks of the Democratic People’s Republic of Korea maintain correspondent bank accounts and representative offices abroad and partner with foreign companies in joint ventures. Banks and designated entities of the Democratic People’s Republic of Korea make use of broad interwoven networks to undertake procurement and banking activity. Their ability to conceal financial activity by using foreign nationals and entities allows them to continue to transact through top global financial centres.

Despite the new sectoral bans adopted for the first time in 2016, the Democratic People’s Republic of Korea continues to export banned minerals to generate revenue. This is complicated by the fact that Member States have different interpretations of the minerals listed in the 2016 resolutions and construe their exemption clauses differently in practice.
By blocking the vessels listed in resolution 2270 (2016) as assets of Ocean Maritime Management, Member States successfully prevented their access to foreign ports. However, the Democratic People’s Republic of Korea has since adapted to these measures through various tactics, including identity fraud.

The Panel’s report shows that, despite the support of Member States for strengthened sanctions by the Security Council through two new resolutions adopted in 2016, this effort has not yet been matched by the requisite political will, prioritization and resource allocation to ensure effective implementation. The Panel recommends a series of designations and practical measures in order to offer the Security Council, the Committee and Member States additional tools by which to address current challenges and shortcomings.
Contents

Glossary ........................................................................................................ 8

I. Introduction .................................................................................................. 9

II. Background and political context ................................................................. 9

III. Reports by Member States .......................................................................... 10

   National implementation reports ................................................................. 10

IV. Continuing violations by the Democratic People’s Republic of Korea of its obligation to abandon nuclear and other weapons of mass destruction and ballistic missile programmes . . . . 11

   A. Recent nuclear-related activities .............................................................. 11
   B. Recent activities related to the ballistic missile programme .................. 16

V. Embargoes ................................................................................................... 26

   A. Implementation of the embargo on nuclear weapons, other weapons of mass destruction and ballistic missile-related items ........................................ 27
   B. Implementation of the arms embargo ....................................................... 28
   C. Technical training, advice, services or assistance ................................. 43
   D. Implementation of the luxury goods ban .............................................. 46
   E. Implementation of other embargoes ....................................................... 49

VI. Transportation ........................................................................................... 50

   A. Maritime .................................................................................................. 50
   B. Air ........................................................................................................... 53

VII. Activities of designated entities and individuals ........................................ 55

   A. Activities of designated entities .............................................................. 55
   B. Participation of designated entities in the Pyongyang International Trade Fair .... 65
   C. Travel of individuals reportedly linked to designated entities .................. 68

VIII. Finance .................................................................................................... 71

   A. Banks of the Democratic People’s Republic of Korea holding correspondent or payable-through accounts with foreign banks ................................. 72
   B. Foreign companies or joint ventures establish banks in the Democratic People’s Republic of Korea or provide financial services to that country .................. 73
   C. Designated banks maintain representative offices and agents abroad ........ 75
   D. Financial operations of Glocom/Pan Systems Pyongyang ........................ 77
   E. Bulk cash and gold ................................................................................ 79
   F. Payments by designated banks for financial messaging services .............. 80

IX. Sectoral sanctions ....................................................................................... 82
X. Recommendations

A. Recommendations of the Panel to the Committee

B. Recommendations of the Panel to Member States

Annexes*

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

The following words and phrases are used in this report with the following specific meanings:

“The country” The Democratic People’s Republic of Korea

“The Committee” The Security Council Committee established pursuant to resolution 1718 (2006)


“The Panel” The Panel of Experts established pursuant to resolution 1874 (2009)

“The sanctions” The measures set out in the resolutions

“Interdiction” The inspection, seizure and disposal of cargo as defined by paragraphs 11 to 14 of resolution 1874 (2009), paragraph 8 of resolution 2087 (2013) and paragraph 16 of resolution 2094 (2013)

“Designate/Designation” Action taken by the Security Council or the Committee under paragraphs 8 (d) and (e) of resolution 1718 (2006) (as amended by subsequent resolutions, including paragraph 27 of resolution 2094 (2013)) against individuals or entities (asset freeze and/or travel ban)
I. Introduction

1. By its resolution 2276 (2016), the Security Council extended the Panel’s mandate until 24 April 2017. The present report covers the period from 6 February 2016 to 1 February 2017. (For the Panel’s methodology, see annex 1 -1.)

II. Background and political context

2. During the reporting period, the Democratic People’s Republic of Korea undertook two nuclear tests and a series of ballistic missile tests, showing the country’s ongoing resolve to develop prohibited programmes in defiance of United Nations resolutions. Kim Jong Un continued to emphasize his policy of simultaneous development of nuclear capability and the economy, including during his address to the Seventh Congress of the Workers Party.1

3. Domestically, Kim Jong Un focused on reinforcing his power base in the party, the military and society through enhanced military supervision and internal control over society. He revised the constitution at the Thirteenth Supreme People’s Assembly in June 2016 to cement his position as the Chairman of “the State Affairs Commission”, the supreme leader of the country.2 The country continues to upgrade its national defence industry with a renewed emphasis on the science and technology sector, including by developing weapons systems and building weapons of mass destruction capabilities.3

4. The regime’s ongoing violations of United Nations resolutions continued to deepen its international isolation, with the exception of several traditional relationships with countries in Asia and Africa. In international forums, including the seventeenth Summit of the Non-Aligned Movement and high-level United Nations meetings, the Democratic People’s Republic of Korea rejected resolution 2270 (2016) in an attempt to legitimize its nuclear and ballistic missile tests as part of a broader strategy of gaining acceptance as a nuclear State.4 The country also continued to condemn actions by the United Nations on its human rights situation, including General Assembly resolution 71/202 of 19 December 2016,5 in which the Assembly welcomed the decision by the Security Council to include the situation in the list of issues. The inter-Korean relationship deteriorated further following the January 2016 nuclear test and subsequent ballistic missile launches.

5. The unprecedented frequency and intensity of the nuclear and ballistic missile tests conducted during the reporting period helped the country to achieve technological milestones in weapons of mass destruction capability, and all indications are that this pace will continue. The country has indicated its intention to complete its nuclear capability by claiming that it has “developed [an] H-bomb and had access to [a] standardized nuclear warhead”6 and “entered the final stage of preparation for the test launch of [an] intercontinental ballistic missile”.7 The stated

---

1 “Work report at 7th WPK Congress”, Rodong Sinmun, 8 May 2016.
2 “Fourth session of 13th SPA held in DPRK in presence of Kim Jong Un, Rodong Sinmun, 30 June 2016.
3 “Work report at 7th WPK Congress”, and “Kim Jong Un’s new year address”, Rodong Sinmun, 2 January 2017.
4 “Kim Yong Nam refers to stand of DPRK Government on NAM position and role” 20 September 2016 and “DPRK FM speaks at general debate of 71st UN General Assembly”, Rodong Sinmun, 26 September 2016.
5 General Assembly resolution 71/202.
6 “DPRK’s ICBM development is to cope with US Nuclear War Threat: FM spokesman”, Korean Central News Agency, 8 January 2017.
7 “Kim Jong Un’s new year address”, Rodong Sinmun, 2 January 2017.
goals of the resolutions of achieving denuclearization and a peaceful solution to the situation seem increasingly remote.

### III. Reports by Member States

#### National implementation reports

6. Following the adoption of resolution 2270 (2016), the Panel noted a significant increase in the number of national implementation reports by Member States compared with much lower reporting levels under resolution 2094 (2013). Since the adoption of resolution 2270 (2016), 76 Member States have submitted reports (see figure 1) compared with 31 Member States for the 11-month period following the adoption of resolution 2094 (2013). Of the reporting States, 10 submitted their first reports since the introduction of sanctions in 2006.

7. The Panel’s contribution to this improvement was through significant outreach to Member States. Following the adoption of resolution 2270 (2016), the Panel sent reminders to 90 Member States that had never submitted national implementation reports. Six months later, reminders were sent to 134 non-reporting Member States under resolution 2270 (2016). Particular attention was paid to Security Council members and co-sponsors of the resolution to invite them to lead by example. The Panel encouraged non-reporting Member States to use the updated guidelines on the preparation and submission of national implementation reports. In contrast to the previous period, all Security Council Members submitted their national implementation reports in 2016. Despite increased reporting for resolution 2270 (2016) as compared with previous resolutions, the Panel notes that the number of non-reporting States (116) remains significant (see annex 2-1).

8. The Panel notes an improvement in the quality of some of the reports submitted, for example by providing information on delisted vessels, expelled individuals working for designated entities and non-renewal of contracts violating the resolutions. The Panel encourages Member States to enhance the level of detailed information in their reports, showing the extent to which their domestic legislation and practices address the measures contained in resolutions 2270 (2016) and 2321 (2016).

9. **The Panel recalls that Member States are to submit their reports in a timely manner as per paragraph 36 of resolution 2321 (2016).**

---

9 See S/2016/157, para. 11.
10 Ibid.
IV. Continuing violations by the Democratic People’s Republic of Korea of its obligation to abandon nuclear and other weapons of mass destruction and ballistic missile programmes

A. Recent nuclear-related activities

1. Nuclear test of 9 September 2016

10. On 9 September 2016, the Nuclear Weapons Institute of the Democratic People’s Republic of Korea announced that the country had conducted a “nuclear explosion test for the judgment of the power of a nuclear warhead newly studied and manufactured”. The Preparatory Commission for the Comprehensive Nuclear-Test-Ban Treaty Organization (CTBTO) detected “an unusual seismic event” near the location of the previous test. The magnitude of 5.1 is the largest among the tests conducted by the country (see figure 2). The waveform characteristics were similar to those from the 6 January 2016 test. The type of device used has yet to be confirmed.

12 “CTBTO Executive Secretary Lassina Zerbo on the unusual seismic event detected in the Democratic People’s Republic of Korea”, CTBTO, 9 September 2016.
14 Technical findings of CTBTO (9 September 2016).
2. Continuing activities and expansion of infrastructure

11. On 9 March 2016, state media announced that Kim Jong Un had inspected a spherically shaped object and been briefed on “specifications and the mechanism of the miniaturized powerful nuclear warheads with a Korean-style structure of mixed charge” (see figure 3). The report claimed that “the nuclear warheads [have] been standardized to be fit for ballistic rockets”.15 According to a Member State, the device lacks the physical characteristics typically associated with a thermonuclear device,16 and its plates, which can be seen on the surface, do not hide explosive lenses.17

---

16 A standard thermonuclear device features two stages, not featured in the Democratic People’s Republic of Korea device.
17 Distributing explosive lenses on the surface at regular intervals may achieve a higher degree of implosion symmetry and, hence, higher yield.
12. On 17 August 2016, the Atomic Energy Institute of the Democratic People’s Republic of Korea stated that the nuclear fuel rod fabrication plant, the 5 MW(e) reactor and the radiochemical laboratory were in normal operation, and plutonium production had been resumed by reprocessing spent nuclear fuel from the 5 MW(e) reactor. Further, the uranium enrichment facility was operating at normal production capacity.\(^{18}\) Information obtained and satellite imagery analysis by the Panel appears to be consistent with some of the reported activities.

13. The August 2016 report by the Director-General of the International Atomic Energy Agency (IAEA) on the application of safeguards in the Democratic People’s Republic of Korea attested to indications consistent with the operation of the 5 MW(e) reactor for the entire reporting period, except for between mid-October and early December 2015. IAEA also noted that this inactive period would be sufficient for the reactor to have been defuelled and refuelled.\(^{19}\)

14. Construction was completed on what appears to be an electrical switchyard adjacent to the light water reactor with ongoing construction on a nearby sandbar (see annex 3-1 and 3-2).\(^{20}\) The radiochemical laboratory and associated steam plant appear to have operated from early 2016 to early July given the plumes of smoke and fluctuating amounts of coal observed at the steam plant stockpiles (see annex 3-3). Construction work continues at the fuel rod fabrication plant area, including the new building on the east side.\(^{21}\) Academic analysis postulates that the new building is for an isotope separation plant for thermonuclear and/or boosted fission weapons development.\(^{22}\)

15. The satellite images of the Punggye-ri nuclear test site also show construction work and other activities, in particular at the “North Portal” and “West Portal” (see annex 3-4 and 3-5).

---


\(^{19}\) IAEA, GOV/2016/45-GC(60)/16.


\(^{21}\) Ibid., para. 21 and annex 5.

16. IAEA also observed mining and milling-related activities at the Pyongsan uranium mine and concentration plant.\(^{23}\)

3. **Nuclear programme-related entities and individuals**

*Nuclear Weapons Institute*

17. The Panel notes the emergence of the Nuclear Weapons Institute, which was reportedly a key actor in the September 2016 nuclear test. Kim Jong Un also met with members of the Institute and with Hong Sung Mu\(^{24}\) during the “object’s” inspection.\(^{25}\) This provides evidence of Mr. Hong’s key role in the country’s nuclear programme.

*Korea Kumsan Trading Corporation*

18. The Panel’s investigation reveals that Korea Kumsan Trading Corporation (Kumsan) shares a phone and fax number and an e-mail address with the designated General Bureau of Atomic Energy and the Ministry of Atomic Energy Industry. The Panel previously determined that the Ministry and the Bureau are the same entity.\(^{26}\) The Panel further notes that Kumsan’s address is identical to that of the sanctioned entities (see figure 4 or annex 4-1).

The Panel found that the president of Kumsan is Mr. Kim Chol Nam, which was corroborated by several Member States.

---

\(^{23}\) IAEA document GOV/2016/45-GC (60)/16.

\(^{24}\) Vice-director of the Munitions Industry Department (see para. 52 below). He attended the 9 September nuclear test celebration.


\(^{27}\) United States Department of the Treasury, “Treasury sanctions individuals and entities supporting the North Korean Government and its nuclear and weapons proliferation efforts” (2 December 2016); and Republic of Korea Ministry of Strategy and Finance, “Public announcement 2016-4” (8 March 2016).
20. Multiple online commercial sources advertise Kumsan’s business activities in Moscow and Dandong, highlighting dealings in “metal minerals and mineral ore, including vanadium ore”, which is prohibited by the resolutions (see annex 4-2). Kumsan’s sales address is the Embassy of the Democratic People’s Republic of Korea in Moscow (see annex 4-3). According to an official website, Kumsan controls mines and chemical factories that extract and refine prohibited minerals, including vanadium, gold, zinc, copper and iron, with its main export being vanadium pentoxide.

21. Russia informed the Panel that Kumsan was not officially registered and that no vanadium trade had occurred since March 2016. The Panel considers the embassy of the Democratic People’s Republic of Korea to be abusing its diplomatic status by operating as a front for its clandestine vanadium sale operations without providing official notification to the Russian Federation.

22. **The Panel recommends that the Committee designate Kumsan for attempted sale of prohibited minerals and use of the embassy of the Democratic People’s Republic of Korea in Moscow for commercial activities. Alternatively, the Committee could update the Committee’s sanctions list by adding Kumsan as an alias of the Ministry of Atomic Energy Industry/General Bureau of Atomic Energy.**

23. **The Panel recommends that Member States exercise heightened vigilance over diplomatic agents of the Democratic People’s Republic of Korea who are engaging in professional or commercial activities, particularly in prohibited items.**

*General Precious Metal*

24. The Panel investigated the 2016 attempted online sale of lithium metal by the Democratic People’s Republic of Korea. The enriched lithium-6 isotope, and products or devices containing it, are on the list of prohibited nuclear-related items adopted by the Security Council (see annex 4-4). According to IAEA, lithium-6 is used to produce tritium, an isotope found in boosted nuclear devices. This sales attempt suggests that the Democratic People’s Republic of Korea has access to remaining quantities of the material.

25. Li-6 is advertised for sale by a company of the Democratic People’s Republic of Korea, General Precious Metal, which the European Union has identified as an alias of Green Pine Associated Corporation (Green Pine). Mr. Chol Yun was listed as the contact person of General Precious Metal for sale of the mineral and has an address and phone numbers in Beijing (see annex 4-5). The same name appeared as third secretary of the embassy of the Democratic People’s Republic of Korea in Beijing on an official diplomatic list dated 24 September 2012 (see annex 4-6). The Panel notes a pattern whereby the Democratic People’s Republic of Korea has accredited Green Pine overseas representatives as diplomats. The Panel continues to investigate this diplomat’s involvement in prohibited activities and his possible connection with another prohibited activity (see para. 91).

---

29 “North Korea’s proliferation and illicit procurement apparatus”, Project Alpha, Centre for Science and Security Studies, King’s College London.
B. Recent activities related to the ballistic missile programme

1. Ballistic missile launches

26. In 2016, the Democratic People’s Republic of Korea continued to defy the resolutions by launching a record 26 ballistic missiles or other systems using ballistic missile technology (see table 1). The Panel has identified two significant trends in the country’s ballistic missile programme which demonstrate major technological progress within a short period of time: significantly increased range through the introduction of intermediate-range ballistic missiles and a shift to solid-fuel technology in its submarine-launched ballistic missiles.

Table 1
2016 ballistic missile launches

<table>
<thead>
<tr>
<th>Date</th>
<th>Type</th>
<th>Number</th>
<th>Reported launch area</th>
<th>Reported range (km)</th>
<th>Remark</th>
</tr>
</thead>
<tbody>
<tr>
<td>7 February</td>
<td>Kwangmyongsong</td>
<td>1</td>
<td>Sohae</td>
<td></td>
<td></td>
</tr>
<tr>
<td>10 March</td>
<td>Scud</td>
<td>2</td>
<td>Nampo</td>
<td>500</td>
<td></td>
</tr>
<tr>
<td>16 March</td>
<td>KN-11</td>
<td>1</td>
<td>Sinpo</td>
<td></td>
<td>Ejection test</td>
</tr>
<tr>
<td>18 March</td>
<td>Nodong</td>
<td>2</td>
<td>Sukchon</td>
<td>800</td>
<td>One failure</td>
</tr>
<tr>
<td>15 April</td>
<td>Musudan</td>
<td>1</td>
<td>Wonsan</td>
<td>Failure</td>
<td></td>
</tr>
<tr>
<td>23 April</td>
<td>KN-11</td>
<td>1</td>
<td>Sinpo</td>
<td>Failure after 30 km</td>
<td></td>
</tr>
<tr>
<td>28 April</td>
<td>Musudan</td>
<td>2</td>
<td>Wonsan</td>
<td>Failure</td>
<td></td>
</tr>
<tr>
<td>31 May</td>
<td>Musudan</td>
<td>1</td>
<td>Wonsan</td>
<td>Failure</td>
<td></td>
</tr>
<tr>
<td>22 June</td>
<td>Musudan</td>
<td>2</td>
<td>Wonsan</td>
<td>400</td>
<td>One failure</td>
</tr>
<tr>
<td>9 July</td>
<td>KN-11</td>
<td>1</td>
<td>Sinpo</td>
<td>Failure</td>
<td></td>
</tr>
<tr>
<td>19 July</td>
<td>Scud</td>
<td>1</td>
<td>Hwangju</td>
<td>500</td>
<td></td>
</tr>
<tr>
<td>19 July</td>
<td>Nodong</td>
<td>2</td>
<td>Hwangju</td>
<td>600</td>
<td>One failure</td>
</tr>
<tr>
<td>3 August</td>
<td>Nodong</td>
<td>2</td>
<td>Hwangju</td>
<td>1 000</td>
<td>One failure</td>
</tr>
<tr>
<td>24 August</td>
<td>KN-11</td>
<td>1</td>
<td>Sinpo</td>
<td>500</td>
<td></td>
</tr>
<tr>
<td>5 September</td>
<td>Scud</td>
<td>3</td>
<td>Hwangju</td>
<td>1 000</td>
<td></td>
</tr>
<tr>
<td>15 October</td>
<td>Musudan</td>
<td>1</td>
<td>Kusong</td>
<td>Failure</td>
<td></td>
</tr>
<tr>
<td>20 October</td>
<td>Musudan</td>
<td>1</td>
<td>Kusong</td>
<td>Failure</td>
<td></td>
</tr>
<tr>
<td>December</td>
<td>KN-11</td>
<td>1</td>
<td>Sinpo</td>
<td>Ejection test</td>
<td></td>
</tr>
</tbody>
</table>

Space launches using ballistic missile technology

27. Having alerted international organizations\(^{31}\) of an impending satellite launch (see annex 5-1), the Democratic People’s Republic of Korea launched a three-stage rocket from the Sohae satellite launching station on 7 February 2016. The stages and fairing fell in previously announced locations (see annex 5-2) and, according to the Office for Outer Space Affairs, the rocket successfully placed a satellite into orbit.\(^{32}\) The Democratic People’s Republic of Korea subsequently registered it as an earth observation satellite, named “Kwangmyongsong 4” (see annex 5-3). A designated entity (see para. 48) supervised the launch, which was condemned by the

\(^{31}\) International Civil Aviation Organization, International Maritime Organization and International Telecommunication Union.

\(^{32}\) The satellite was assigned Committee on Space Research designator 2016-009A. A Member State informed the Panel that the satellite emitted a signal only during the first few days, indicating that the satellite launch was a cover for a ballistic missile test.
Security Council. According to a Member State, this launch is part of an effort to develop a missile with a theoretical maximum range of 12,000 km.

28. Similarly to the 12 December 2012 launch, debris was retrieved. This included parts of the first stage and the fairing (see annex 5-4). According to a Member State, it indicates that the rocket was identical to the December 2012 Unha-3 rocket (see figure 5), as shown by the painted blue number “3” of Unha-3 underneath the overpaint (see annex 5-4). Analysis of the fuel tank indicates that, unlike in the 2012 launch, hydrogen fluoride was added to prevent corrosion. Furthermore, an explosion occurred following first-stage separation that was intended to destroy and scatter debris in order to prevent collection and analysis.  

Figure 5  
**Rockets launched on 12 December 2012 (left) and 7 February 2016 (right)**

29. Although the fairing contained some insulation materials (see annex 5-5), according to a Member State, it showed traces of explosives inconsistent with peaceful space launch applications.

*Intermediate-range ballistic missiles*

30. The Musudan was flight-tested eight times in 2016; one launch was apparently successful, among repeated failures. These failures highlight engine malfunctions and call into question the operational status of the missile. The rapid pace of missile testing indicates the importance that the Democratic People’s Republic of Korea attaches to attaining greater ranges.

31. On 22 June, the Democratic People’s Republic of Korea flight tested the “Hwasong-10” (Musudan), which was also condemned by the Security Council. Member States reported it to the Committee as part of a salvo of two mobile intermediate-range ballistic missiles.

---

33 See S/2013/337, paras. 30-33.
34 The first stage disintegrated into more than 270 fragments.
32. The missile was launched on a lofted trajectory and “targeted waters 400 km away after flying to the maximum altitude of 1413.6 km”. This trajectory, confirmed by a Member State, allowed testing without overflying another Member State (see annex 5-6). The missiles were launched from an area near Wonsan, where reportedly a launch pad was recently constructed (see annex 5-7).

33. Images of the 22 June 2016 launch confirm that it was the same road-mobile ballistic missile displayed for the first time at the 10 October 2010 parade (see figure 6). According to a Member State, it is based on the former Union of Soviet Socialist Republics R27 and has a range of 3,500 km with a payload of 650 kg. It uses liquid fuel and has a detachable warhead.

Figure 6
Musudan ballistic missiles at 15 April 2012 parade (left) and 22 June 2016 launch (right)

Source: KCNA.

Short- and medium-range ballistic missiles

34. Kim Jong Un oversaw the 10 March launches, which state media described as designed to “simulate the conditions of exploding a nuclear device from [a] pre-set altitude”. The launches occurred one day after the exhibition of the purported “miniaturized nuclear device” (see para. 11). On 5 September, three Scud-class short-range ballistic missiles were launched, and reportedly flew approximately 1,000 km. Kim Jong Un again witnessed the drill, the aim of which was to examine the “guided accuracy of the improved ballistic rockets”. They appear to be a new type of Scud-class ballistic missile with an extended range near that of medium-range ballistic missiles.

35. The 19 July launches, again overseen by Kim Jong Un, were publicized as having been made “under the simulated conditions of making pre-emptive strikes at ports and airfields in the operational theatre in South Korea”. On 3 August, one of the missiles reportedly flew 1,000 km (almost its maximum range of 1,300 km) before falling in the exclusive economic zone of Japan.

---

36 Ibid.
37 “Geolocating the June 22 Hwasong-10 test: the Kalma firing position”, 38 North (5 August 2016).
38 KCNA Musudan images indicate a diameter of around 1.5 m and a length of around 12 m.
39 It uses a combination of nitrogen tetroxide and unsymmetrical dimethyl hydrazine.
41 “Kim Jong Un guides fire drill of ballistic rockets”, Rodong Sinmun, 6 September 2016.
42 KCNA images suggest a diameter of 1 m and length of 12.5 m for this new missile.
43 “Kim Jong Un guides drill for ballistic rocket fire”, Rodong Sinmun, 20 July 2016.
Submarine-launched ballistic missiles

36. The Democratic People’s Republic of Korea has continued its development of the Pukgeukseong-1 (in Korean 북극성-1) submarine-launched ballistic missile, also known as the KN-11. Four KN-11 tests occurred within five months from the Sinpo area, showing rapid development. A land-based ejection test on 16 March was shortly followed by a sea-based test on 23 April 2016. Images from the latter demonstrate a successful cold-launch of the KN-11 emerging from the water, igniting just above the sea surface and entering the boost phase, flying for 30 km. While externally resembling the 8 May 2015 missile, it used solid instead of liquid propellant, evidenced by differences in the exhaust plume and smoke (see figures 7 and 8).

Figure 7
Exhaust plumes of 8 May 2015 test (top) and 23 April 2016 test (bottom), showing transition from liquid- to solid-fuel engines

![Exhaust plumes of 8 May 2015 test (top) and 23 April 2016 test (bottom), showing transition from liquid- to solid-fuel engines](image)

Source: Rodong Sinmun, 9 May 2015 (top) and 25 April 2016 (bottom).

37. Rapid technological developments have taken place over a short period, resulting in significant progress towards an operational submarine-launched ballistic missile system. The shift from liquid- to a solid-fuel engine for the KN-11 is a major technological development, affording greater stability, quicker preparation and longer fuel storage. The country has also developed a gas generator attached to the missile to eject it from its tube (see figures 8 and 9). Imagery from the 24 August test revealed that the KN-11 is a two stage rocket (see annex 5-8).

---

44 The solid propellant nature of the missile is indicated by the bright and white plume instead of the orange and yellow colour associated with liquid fuel propellants.
Figure 8
Exhaust control vanes for 24 March ground test (left) and 23 April launch test (right)

Source: Rodong Sinmun, 24 March (left); and Rodong Sinmun, 25 April 2016 (right).

Figure 9
Gas generator for 24 March test (left) shown fitted to base of submarine-launched ballistic missile (right)

Source: KCNA.

38. The development of the KN-11 continued with a sea-based test on 9 July, in which the submarine-launched ballistic missile successfully ejected underwater and flew a short distance before exploding at an altitude of approximately 10 km.

39. The test of 24 August, by successfully going through ejection, boost and flight phases, was unprecedented in demonstrating the country’s capabilities with regard to submarine-launched ballistic missiles. The lofted trajectory of the missile attained a reported range of 500 km (see figure 10).
Launch platform

40. The Gorae-class submarine launch platform has been modified to solve ejection and stability problems. To this end, vents were added on either side of the launch tube (see figure 11). These improvements are notable given that this vessel will likely serve as the basis for future submarine-launched ballistic missile submarines with multiple tubes.45

41. Member States should be vigilant regarding the export of dual-use commercial items that could contribute to the submarine programme, in particular for launch-capable submarines, in accordance with paragraph 22 of resolution 2094 (2013) and paragraph 8 of resolution 2270 (2016).46 The Committee also introduced a list of dual-use items with conventional arms applications which contained naval-related items.

45 The presence of the vents and the hatch confirm that there is only a single launch tube in the submarine, confirming that this is a still a prototype.
46 See S/2016/157, recommendation 10 (c). For a watch list of 60 such items, see Republic of Korea, “Tailored watch list for submarine parts”, press release of 8 December 2016.
Facilities for ballistic missile-related activities

42. Two new sites have been used for ballistic missile activity, Chamjin (southwest of Pyongyang) and Hamhung (on the east coast). The Sohae and Chamjin test sites have been used for tests related to intercontinental ballistic missiles while the Hamhung and Sinpo facilities have been used for activities relating to submarine-launched ballistic missiles.

Sohae and Chamjin

43. The Panel previously noted that the upgrade of the engine test pad at Sohae was an indication that the site could be used to test larger engines. On 20 September 2016, state media reported the test of a “new-type high-power engine of carrier rocket for geostationary satellite” at the Sohae engine test pad, with a thrust of 80 tons. Engine images (see figure 12) are consistent with this statement and indicate the use of liquid propellants. One Member State has designated two individuals for cooperating with the Democratic People’s Republic of Korea and the development of an “80-ton rocket booster”. The test also shows the ongoing development of a space launch vehicle that is larger than the Unha-3.

Figure 12
The “80 tons” engine test

44. On 9 April 2016, the Democratic People’s Republic of Korea announced the Sohae test of “a new type high-power engine of inter-continental ballistic rocket” (see figure 13). According to a Member State, the engine was a cluster of two Hwasong-10 (a.k.a Musudan) engines and is for the Hwasong-13 intercontinental ballistic missile (a.k.a KN-08).

Notes:
50 The Panel previously linked the launch pad gantry tower upgrade to the development of a larger rocket (see S/2015/131, para. 43).
51 “Kim Jong Un guides ground jet test of new-type high-power engine of intercontinental ballistic rocket”, Rodong Sinmun, 9 April 2016.
52 Consistent with test images showing a rocket plume appearing to originate from two main nozzles. Images of the Hwasong-13 also indicate that the missile is powered by a two-engine cluster (see annex 5-9).
45. On 15 March 2016, state media reported on an experiment involving a ballistic missile re-entry vehicle nose cone placed within the plume of a Nodong engine (see figure 14), which was designed to verify “heat-resisting materials” and guarantee “the reliability of the intercontinental ballistic rocket warhead re-entry”. According to a Member State, the experiment was performed at the Chamjin test site (see annex 5-10). The nose cone is similar to that of the Hwasong-13 intercontinental ballistic missile blunt warhead paraded on 10 October 2015 (see annex 5-9).


54 The test site is part of the Chamjin complex, where Scud, Nodong and Musudan ballistic missiles are manufactured. Aliases of the Chamjin missile factory are “Thaesong Machine Plant” and “Thaesong Machine Factory”.

55 Despite claims of “heat-flow five times stronger than the condition caused at the time of ballistic rocket re-entry”, the temperature within the Nodong plume is much lower than those experienced by intercontinental ballistic missile warheads during re-entry, underlining the limits of “re-entry vehicle testing”. Proving the reliability of an intercontinental ballistic missile re-entry vehicle would ultimately require several flight tests.
Hamhung and Sinpo complex

46. The Democratic People’s Republic of Korea reported the 24 March test of a “high-power solid-fuel rocket engine” (see figures 8 and 15). Image analysis indicates that the plume colour is consistent with solid propellants and that the engine diameter is similar to the KN-11 submarine-launched ballistic missile. A gas generator attached at the engine-base suggests possible use by the Gorae class submarine to eject the submarine-launched ballistic missile from its launch tube (see para. 37). According to a Member State, the test was conducted in a facility near Hamhung (see annex 5-11).

Figure 15

Solid fuel engine test with gas generator

Source: KCNA.

47. Infrastructure improvement at Sinpo shipyard includes a nearly complete main (fabrication) hall, in addition to the construction of a second hall nearby (see annex 5-12). The main hall may be used to construct additional, larger submarines that are capable of carrying more than one submarine-launched ballistic missile. The second hall, which has since been partially covered (hardened) and potentially could be fully covered, may serve as a future loading and unloading facility for submarine-launched ballistic missiles (see annex 5-13).56

2. Ballistic missile programme-related entities and individuals

National Aerospace Development Administration

48. According to an 8 February report by the National Aerospace Development Administration (NADA), “Scientists and technicians of the NADA succeeded in putting the newly developed earth observation satellite Kwangmyongsong-4 into its orbit” using a “carrier rocket Kwangmyongsong” launched from Sohae.57 The Administration also stated that it would “in the future, too, launch more satellites”. Kim Jong Un’s 6 February launch order underlines the key role played by NADA in the launch. Additionally, NADA was responsible for an engine test of an engine for a larger rocket than the Unha-3 (see para. 43 and annex 6-1).

49. In its national implementation report on resolution 2270 (2016), Malaysia stated it “had declined the offer made by the Democratic People’s Republic of Korea in 2013 to transfer its satellite-launching technology”. The Panel is investigating whether this offer implicated NADA, given its responsibility for all space-related activities.

56 Analysis of the notches for the new halls’ dock indicates that a larger submersible dry dock than the existing one will be necessary to launch larger submarine-launched ballistic missile submarines (annex 5-13).

57 “DPRK NADA releases report on satellite launch”, Rodong Sinmun, 8 February 2016.
Munitions Industry Department

50. Resolution 2270 (2016) designated the Munitions Industry Department and its director Mr. Ri Man Gon, for overseeing weapons production and research and development programmes, including ballistic missile programmes. Throughout 2016, the Department continued to play a pivotal role in developing these programmes. Key Department officials have monitored and controlled key nuclear and ballistic missile test activities and provided briefings directly to Kim Jong Un.

51. The Panel previously reported on the key role of the first vice-director of the Department, Ri Pyong Chol, in the nuclear programme and recommended his designation. This year, in addition to his continued nuclear role, he occupies the pivotal position within the ballistic missile programme. Confirmed by information from Member States and state media, Mr. Ri has also provided briefings to Kim Jong Un at almost every test site and launch (see table 2 and annex 6-2).

52. Other key Department officials, including Mr. Hong Sung Mu, Mr. Hong Yong Chil and Mr. Kim Jong Sik, were also seen standing next to Kim Jong Un and providing him briefings throughout 2016 (see table 2 and annex 6-3). Mr. Hong Sung Mu, a key nuclear weapon expert, has consistently participated in nuclear warhead simulation tests. Both Mr. Hong Sung Mu and Mr. Hong Yong Chil were designated by multiple Member States and the European Union, having been identified as vice-directors of the Munitions Industry Department.

Strategic Force Command

53. The corresponding military entity responsible for ballistic missiles is the Strategic Force Command. State media have stated that the Command was responsible for the launches of short- and medium-range ballistic missiles throughout 2016. These roles were also reconfirmed by a map studied by Kim Jong Un bearing the Command’s name (see annex 6-4). The Command has been designated by multiple Member States.

54. The commander of the Strategic Force Command, Mr. Kim Rak Gyom, controlled and commanded ballistic missile tests and provided Kim Jong Un with briefings (see table 2). The Panel previously recommended him for designation to the Committee. He was also designated by multiple Member States.

55. The Panel recalls its previous recommendation to designate the following entity and individuals for their role in and support for the country’s prohibited programme:

- Strategic Force Command
- Ri Pyong Chol, First Vice-Director of the Munitions Industry Department
- Hong Sung Mu, Vice-Director of the Munitions Industry Department
- Hong Yong Chil, Vice-Director of the Munitions Industry Department

---

58 A.k.a. Ri Pyong Chol (리병철).
61 The United States on 8 December 2015 and the Republic of Korea on 8 March 2016, as well as the European Union on 19 May 2016.
62 A.k.a. Kim Rak Kyom (김락겸).
63 A.k.a. Strategic Forces, Strategic Rocket Force, Strategic Rocket Force of the Korean People’s Army and the Strategic Rocket Force Command of the Korean People’s Army and Strategic Force.
• Kim Jong Sik, Vice-Director of the Munitions Industry Department
• Kim Rak Gyom, Commander of the Strategic Force Command.

Table 2
Munitions Industry Department and Strategic Force Command officials present at nuclear and ballistic missile-related events in 2016

<table>
<thead>
<tr>
<th>Events (based on Rodong Sinmun reports)</th>
<th>Munitions Industry Department</th>
<th>Strategic Force Command</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Ri Pyong Chol</td>
<td>Hong Yong Chil</td>
</tr>
<tr>
<td>Nuclear test and ceremony (6-7 Jan.)</td>
<td>●</td>
<td>●</td>
</tr>
<tr>
<td>Long-range rocket launch (7 Feb.)</td>
<td>●</td>
<td>●</td>
</tr>
<tr>
<td>“Miniaturized nuclear device” (9 Mar.)</td>
<td>●</td>
<td>●</td>
</tr>
<tr>
<td>Scud launches with nuclear warhead simulation (10-11 Mar.)</td>
<td>●</td>
<td>●</td>
</tr>
<tr>
<td>Re-entry vehicle simulation (15 Mar.)</td>
<td>●</td>
<td>●</td>
</tr>
<tr>
<td>Solid-fuel engine test (24 Mar.)</td>
<td>●</td>
<td>●</td>
</tr>
<tr>
<td>Long-range rocket engine ground test (9 Apr.)</td>
<td>●</td>
<td>●</td>
</tr>
<tr>
<td>Submarine-launched ballistic missile test (23 Apr.)</td>
<td>●</td>
<td>●</td>
</tr>
<tr>
<td>Two mobile Musudan missile tests (23 June)</td>
<td>●</td>
<td>●</td>
</tr>
<tr>
<td>Nodong-class medium-range ballistic missile test with nuclear warhead simulation (20 July)</td>
<td>●</td>
<td>●</td>
</tr>
<tr>
<td>Scud-class short-range ballistic missile test (6 Sept.)</td>
<td>●</td>
<td>●</td>
</tr>
<tr>
<td>Long-range rocket engine ground test (20 Sept.)</td>
<td>●</td>
<td>●</td>
</tr>
<tr>
<td>Photo after nuclear test (22 Sept.)</td>
<td>●</td>
<td>●</td>
</tr>
</tbody>
</table>

V. Embargoes

56. The Democratic People’s Republic of Korea continues to trade in arms and related materiel, exploiting markets and procurement services in Asia, Africa and the Middle East. Panel investigations in 2016 highlighted the country’s trade in hitherto unreported items such as encrypted military communications, man-portable air defence systems, air defence systems and satellite-guided missiles that may
involve large teams of the country’s technicians deployed to assemble or service the banned items. The country also uses its construction companies that are active in Africa to build arms-related, military and security facilities.

A. Implementation of the embargo on nuclear weapons, other weapons of mass destruction and ballistic missile-related items

Kwangmyongsong foreign sourced items

57. Debris from the 7 February 2016 rocket contained several foreign-sourced commercial items, including components similar to those from the 2012 Unha-3 rocket debris. These include a camera electromagnetic interference (EMI) filter, ball bearings and pressure transmitters.

58. The ball bearings and engraved Cyrillic characters were identical to those from the 2012 Unha-3. Based upon the serial number and manufacturer of the camera EMI filter, the Panel contacted the Chinese manufacturer, Beijing East Exhibition High-Tech Technology Co. Ltd., for the procurement route. The Panel has not received a reply.

59. The pressure transmitters that were manufactured in the United Kingdom of Great Britain and Northern Ireland were the same model as those retrieved from the 2012 Unha-3 (see figure 16), but this time had gone through other intermediaries than the company based in Taiwan Province of China as reported on by the Panel in the 2006 and 2010 acquisition. In that case, they were sold by the manufacturer’s distributor in China to a Beijing-based company, which sold them on to Beijing Xinjianteng Century Technical Technology. This company was unable to provide the identity of the purchaser and indicated that the pressure transmitters had been sold in an electronics market.

Figure 16
100 bar pressure transmitter in 2012 rocket (left) and 2016 rocket (right)

Source: The Panel.

64 See S/2013/337, para. 33; and S/2014/147, paras. 55-59.
60. That case demonstrates the continuing critical importance of high-end, foreign-sourced components in manufacturing the Unha-3, and the ability of the Democratic People’s Republic of Korea to diversify its procurement channels, even for the same components. **Member States should rigorously implement the now legally binding “catch-all” provision for items which could contribute to the country’s nuclear or ballistic missile programmes (paragraph 27 of resolution 2270 (2016)).**

B. **Implementation of the arms embargo**

1. **Interdiction of ammunition aboard the vessel Jie Shun by Egypt**

61. On 11 August 2016, Egypt intercepted the *Jie Shun* (International Maritime Organization (IMO) No. 8518780), a vessel commanded by a Democratic People’s Republic of Korea captain that was en route from the Democratic People’s Republic of Korea towards the Suez Canal. A search revealed a cargo containing 30,000 PG-7 rocket propelled grenades and related subcomponents in wooden crates concealed under about 2,300 tonnes of limonite (iron ore),\(^{66}\) the largest interdicted ammunition consignment in the history of sanctions against the Democratic People’s Republic of Korea (see figures 17 and 18). The transfer of iron ore is prohibited unless exempted under paragraph 29 of resolution 2270 (2016). This shipment of arms and iron ore highlights the nexus in trade by the Democratic People’s Republic of Korea in a variety of illicit goods, from small arms and light weapons ammunition (banned in 2009) to the trade in minerals banned under resolution 2270 (2016).

---

\(^{66}\) The ammunition placed under limonite was a concealment technique deterring cursory inspection at sea or in port, similar to the *Chong Chon Gang* case in 2013 (see S/2014/147).
Voyage

62. Departing Haeju port on 23 July 2016, the vessel passed through the Straits of Malacca and was interdicted in Egyptian territorial waters south of the Suez Canal (see figure 19). The vessel’s automatic identification system was off for the majority of the voyage except in busy sea lanes, where such behaviour could be noticed and assessed as a safety threat.

Figure 19

**Jie Shun voyage**

Cargo

63. The 132-ton arms cargo consisted of 79 crates containing 24,384 disassembled PG-7 rocket-propelled grenades and materials for an additional 4,616 rocket-propelled grenades, all manufactured in the Democratic People’s Republic of Korea, according to Egypt. The markings indicated that they were manufactured in February 2016, but the Panel’s on-site analysis revealed that they were not of recent production but rather had been stockpiled for some time. The bill of lading contained a false description of items as “assembly parts of the underwater pump”, loaded in Nanjing, China, on 31 March 2016 (see figure 20). On the bill of lading, the address of the shipper, “Dalian Haoda Petroleum Chemical Co. Ltd”, is that of a hotel in Dalian. Large nailed canvas patches concealed the destination and consignee stencilled on the crates. The destination and end user of the equipment was investigated by the Egyptian general prosecutor. 67

Figure 20

**False description as “assembly parts for underwater pump”**

64. Unlike previous arms interdiction cases, the components’ plastic tubes bore no markings from the Democratic People’s Republic of Korea, indicating an additional layer of obfuscation (see figures 21 and 22). The Panel witnessed the destruction of part of the ammunition by the Egyptian Army on 7 and 8 November 2016 through controlled explosions, in compliance with the resolutions.

67 National authorities closed the private company and revoked its licence.
Figure 21
Assembled PG-7 from shipment

Source: Egypt.

Figure 22
PG-7 components before destruction

Source: Egypt.

65. For the limonite, there were two different bills of lading, one listing 1,998 tons from a consignor in the Democratic People’s Republic of Korea to a Dandong company,⁶⁸ to be discharged in a “China port” and the other for 2,300 tons from a different consignor in the Democratic People’s Republic of Korea to Egypt (see annex 7-1).⁶⁹ Both share the same reference number HJ-1, were dated 22 June 2016 and had certificates of origin from Haeju. The Egyptian authorities did not exempt the cargo under paragraph 29 (b) of resolution 2270 (2016) and stated they were investigating the consignee.

Jie Shun: crew, management and vessel operation

66. The Jie Shun sailed under a Cambodian flag of convenience with a captain from the Democratic People’s Republic of Korea and 22 crew that had been certified by the Maritime Administration of that country. The Panel had previously reported on three individuals and their companies which subsequently reappeared as playing a key role in this vessel’s operation. The first was the holder of the vessel’s document of compliance, Mr. Fan Mintian (范民田), who used the e-mail address of Dalian Sea Glory, which was linked to the Light, a vessel suspected of carrying

⁶⁸ Korea Solbongsan Trading Company to Dandong Jinchang Industrials Trade Co. Ltd.
⁶⁹ Korea Suyangsan Trading Corporation.
prohibited arms. While Mr. Fan claimed that he was only a “consultant” for the Jie Shun, he confirmed K-Brothers Marine Ltd. as the vessel’s operator (see annex 7-2).

67. The second individual, Mr. Zhang Qiao (张桥), a.k.a Jack, served at least three functions for the Jie Shun: he was its emergency contact (see annex 7-3); he arranged the protection and indemnity insurance (see annex 7-4); and, through his company, Bene Star Shipping Ltd., he registered the vessel’s operator, K-Brothers, in the Marshall Islands. K-Brothers and Bene Star share a fax number. Bene Star is a key node connecting multiple companies linked to the Democratic People’s Republic of Korea and vessels associated with the Ocean Maritime Management Company, Limited (OMM) (see annex 7-5). Mr. Zhang also claimed to be a “consultant” instead of the vessel’s operator and stated that K-Brothers was “separate from myself”. The Panel notes that individuals listed as K-Brothers emergency contacts have been involved with OMM-associated vessels.

68. With regard to the limonite used to hide the arms shipment, the Panel notes that, in addition to the Jie Shun, Mr. Zhang’s companies managed, operated or owned other vessels and companies that had been involved in the export of coal and iron ore from the Democratic People’s Republic of Korea (see annex 7-7). Another vessel associated with Mr. Zhang reportedly transported coal in 2016 for a company affiliated to the military of that country. Mr. Zhang provided bills of lading to refute the Member State’s report to the Panel; these documents bear the letterhead of the owner of the Light, Ever Ocean Shipping Agency Co. Ltd., which was dissolved from the Hong Kong, China, registry on 2 March 2012 (see annex 7-7).

69. The third individual, Mr. Li Anshan (李安山), was named in previous Panel reports, together with his companies, for his association with OMM. When Mr. Li first registered the Jie Shun in 2012 under the Cambodian flag, officers and crew from the Democratic People’s Republic of Korea took over the vessel. In the IMO company registration process, after first registering the vessel under his company, Mr. Li transferred it two months later to another of his companies, Hua Heng Shipping Ltd., which Egyptian authorities stated is the de facto owner of the Jie Shun. This company also served as manager/international safety management

70 sea_glory@163.com. Dalian Sea Glory was international safety management manager of the Light, commanded by a Democratic People’s Republic of Korea captain and crew (see S/2014/147, paras. 135-136).

71 K-Brothers engaged in business dealings with Mr. Hiroshi Kasatsugu, an individual known for acting on behalf of the designated company Ocean Maritime Management Company, Limited (OMM), in the acquisition of two OMM vessels: the Ocean Galaxy and Ocean Dawning (see S/2016/157, table 7).

72 He used benestar@byocean.com, ops@byocean.com, tech@byocean.com and jack@byocean.com.

73 Bene Star was transliterated into Jixing Ship Trading Co. Ltd. (operating in Taiwan Province of China). In addition, Mr. Zhang runs several other businesses which have been investigated by the Panel, including Baili Shipping and Trading Ltd, and which had business dealings involving OMM-associated vessels (see annexes 7-5 and 7-6).

74 Ms. Gu Min, Director of Bene Star; Mr. Pan Wei Chao, Director of Pantech Shipping Ltd.; and Mr. Li Qi, vice-president of Dalian Shenghao International Trade Ltd., registered by the maritime administration of the Democratic People’s Republic of Korea and also involved in the country’s imports of coal and iron ore (see annex 7-7).

75 The bills of lading inspected by the Panel on-board confirm that these were the main types of cargo.

76 According to a Member State, the Bright Star made at least three voyages shipping coal from the Democratic People’s Republic of Korea on behalf of Korea Kangbong Trading Corp., which is affiliated to the country’s Ministry of the People’s Armed Forces.

77 The vessel was delisted by Cambodia on 28 August 2016.

78 Liaoning International Trade Foodstuffs Shipping Company.
manager for two vessels designated as OMM assets. The Panel has not received replies from Mr. Li, *Jie Shun* owner Vast Win Trading Ltd., Cambodia or the Marshall Islands.

70. This case demonstrates not only how the Democratic People’s Republic of Korea abuses flag of convenience cover, but also how it uses vessels managed by third-country nationals to transfer different types of prohibited goods.

71. **The Panel recalls paragraph 23 of resolution 2321 (2016), by which the Security Council decided to prohibit the procurement of crewing services from the Democratic People’s Republic of Korea, and recommends that the Council prohibit all flag registries from registering vessels commanded by officers from the Democratic People’s Republic of Korea or operated by crews from that country.**

2. **Shipment of military communications materiel to Eritrea**

72. The Panel investigated the July 2016 interdiction reported by a Member State of an air shipment suspected to be in violation of the resolutions. The shipment originated in China and was destined for a company in Eritrea, Eritech Computer Assembly & Communications Technology PLC (see annex 8-1), according to airway bills. Given the involvement of the Democratic People’s Republic of Korea in the cargo’s manufacture and logistics, the Panel concluded that it had violated the arms embargo (paragraph 9 of resolution 1874 (2009)).

*Inspection*

73. The Panel inspected the consignment of 45 boxes and determined that the contents were military radio communications products and related accessories, including high-frequency software-defined radios, crypto-speaker microphones, GPS antennas, high-frequency whip antennas, clone cables, camouflaged rucksacks and carry-pouch (see figure 23 and annex 8-2). Certain boxes and articles were labelled “Glocom”, and almost all of the items had been advertised by the company Global Communications Co (Glocom) on its website (see annex 8-2).

---

79 Mr. Li is the sole director and shareholder of Petrel Shipping, a British Virgin Islands company also associated with OMM.

80 Based on information from the Panel, Chinese authorities thoroughly searched cargo manifest, air transport and customs clearance data for June and July 2016 and could not find any corresponding cargo from the Chinese mainland. The consignee is yet to reply to the Panel.

81 The Glocom website was shut down shortly after the Panel sent letters to Glocom front companies in Malaysia.
74. Inside the rucksacks, the Panel discovered reinforcement material consisting of cigarette packaging with Korean script and “made in DPR Korea” labels (see figure 24).

**Figure 24**
**Markings inside the rucksacks**

**Source:** The Panel.

75. The air waybills listed the shipper as Beijing Chengxing Trading Co. Ltd.\(^82\)

According to the Chinese business registry, the company is still active, mainly

---

\(^82\) In Chinese: 北京成兴贸易有限公司.
trading in electronics, mining equipment and machinery (see annex 8-3). Mr. Pei Minhao (裴民浩) was listed as a legal representative until 26 February 2016 and still owns most shares in the company (see para. 164).

76. The same individual has been listed in several online commercial databases as director of at least two other Beijing-based entities, including Guanqaiweixing Trading Co., Ltd. In Chinese: 光彩伟兴贸易（北京）有限公司. Guanqaiweixing was listed as the shipper of a suspect shipment interdicted en route to Eritrea aboard the Kota Karim and reported to the Committee in August 2012. The container cargo manifest listed mostly dual-use items (see annex 8-4), including “numerical control” machine tools and related equipment, which had been inspected and detained by a Member State. The 2016 interdiction is the second documented interception of military-related items exported from the Democratic People’s Republic of Korea to Eritrea and confirms ongoing arms-related cooperation between the two countries.

Manufacturer

77. Glocom is a Malaysia-based company which advertises radio communications equipment for military and paramilitary organizations. Glocom claims a presence in more than 10 countries and a prominent international reputation gained through participating, according to its website, in three biennial “Defense Service Asia” arms exhibitions since 2006.

78. While Glocom is not officially registered and has no presence at its listed physical address, two other Malaysia-based companies acted on its behalf: International Golden Services Sdn Bhd and International Global Systems Sdn Bhd. International Golden Services was listed as the contact point for Glocom on the latter’s website, while International Global Systems is the entity that registered Glocom’s website (see annex 8-5).

79. Information obtained by the Panel demonstrates that Glocom is a front company of the Democratic People’s Republic of Korea company Pan Systems Pyongyang Branch (Pan Systems Pyongyng), which is linked to a Singaporean company named Pan Systems (S) Pte Ltd (Pan Systems Singapore). The address on an invoice to a Glocom supplier is that of Pan Systems Pyongyang (see annex 8-6). Other facts confirm Glocom’s link with the Democratic People’s Republic of Korea: its stamp features the acronym “NKPY-PAN” and its catalogue features Korean characters that have been deliberately blurred or blackened (see annex 8-7). Its director is a national of the Democratic People’s Republic of Korea, Mr. Pyon Won Gun.

80. Pan Systems Pyongyang is operated by the following nationals of the Democratic People’s Republic of Korea: Ms. Ryang Su Nyo (director), Mr. Pyon Won Gun, Mr. Pae Won Chol, Mr. Ri Sin Song, Mr. Kim Pyong Chol, Mr. Kim Sung Su (representative in China) and Mr. Kim Chang Hyok (representative in Malaysia) (see annex 8-8).

Modus operandi

81. Financial aspects of the operations of Pan Systems Pyongyang showed that the network utilized bank accounts, front companies and agents, mostly located in China and Malaysia, to procure components and sell completed systems (see

---

In Chinese: 光彩伟兴贸易（北京）有限公司.

See S/2016/157, paras. 94-95.

The Pyongyang branch of Pan Systems Pte Ltd. was unilaterally designated by a Member State on 8 March 2016.

NKPY-PAN is likely an acronym for North Korea Pyongyang-Pan Systems.
paras. 232-241). Suppliers were mostly located in China (in particular in Hong Kong, China), and many of them were selling widely available electronic products. Components were sent to Beijing or Dandong, with Mr. Pyon apparently directly responsible for all acquisition matters. The Democratic People’s Republic of Korea procured relatively inexpensive components for the purpose of assembling and selling very expensive tactical military radio communications materiel (see annex 8-9).

82. Regarding its relationship with its office in Pyongyang, the director of Pan Systems Singapore informed the Panel that it had started doing business in 1996 and “after doing business for almost two years, [Ryang Su Nyo] suggested setting up a Pan Systems ‘representative office’ (unofficial) to help her in sales and logistics. At that time I think it was a good idea and agreed”. Over the next 10 years, the two offices engaged in joint projects to procure information technology items for shipment to the Democratic People’s Republic of Korea, and the Pan Systems Singapore director visited Pyongyang several times. The Pan Systems Singapore director also claims that, for the past 10 years, he had no knowledge of the activities undertaken by Ms. Ryang.

83. However, the Panel’s investigation has shown that in recent years Ms. Ryang regularly travelled to Singapore, where she met with the director of Pan Systems Singapore. During her travels to Singapore, Ms. Ryang was accompanied by her staff, including Mr. Pyon Won Gun, Mr. Pae Won Chol and Mr. Kim Pyong Chol, and also met with its representative in Malaysia, Mr. Kim Chang Hyok. Information indicates that the director of Pan Systems Singapore kept in regular contact with Mr. Kim Chang Hyok. The Panel notes that Singapore informed the Committee, in its national report on the implementation of resolution 2270 (2016), of its decision to cancel the visa waiver for nationals of the Democratic People’s Republic of Korea, which should assist in limiting the capacity of such networks to engage in and coordinate illicit activities abroad.

84. Pan Systems Pyongyang used Malaysia as a base for its key representative abroad and for the companies that have acted on its behalf (see paras. 77-78). The Panel sent a request for information to Malaysia asking whether it intended to expel Kim Chang Hyok from its territory for the purpose of repatriation to the Democratic People’s Republic of Korea pursuant to paragraph 10 of resolution 2094 (2013), and to freeze the assets or resources of International Golden Services and International Global Systems on its territory or that were subject to its jurisdiction pursuant paragraph 11 of resolution 2094 (2013). The Panel has yet to receive an answer.

87 An address used in Beijing was “Mr. Jin, Room 1203, Shuimutiangcheng 2nd building, Qinghe, Haidian district”.
88 A software-defined radio model GR-150 was sold by Glocom for around $8,000 (with accessories), containing five electronic cards together valued at around $15.
89 According to the director of Pan Systems Singapore, “Pan Systems Pyongyang is not a branch of Pan Systems (S) Ltd”.
90 Ms. Ryang undertook one trip in 2016, three in 2015, three in 2014 and one in 2010. The director of Pan Systems Singapore stated that her trips to Singapore were related to medical issues.
91 The Panel notes that Mr. Kim Chang Hyok has undertaken 58 trips to Singapore since 2012 (mostly overland) and is investigating the purpose of the travels.
92 The director of Pan Systems Singapore stated “I hardly see or meet him, let alone have [a] meeting with him. I may [have] seen or met him on one or two occasions”. However, the Panel has information that the director of Pan Systems Singapore made sure that Mr. Kim would participate in an annual Pan Systems staff dinner.
93 This measure took effect on 1 October 2016.
Links with designated entities

85. According to information obtained by the Panel, Pan Systems Pyongyang is operated by the Reconnaissance General Bureau, the country’s premier intelligence agency, designated under resolution 2270 (2016). This shows how the Bureau enables its key agents to generate revenues for its operations through such networks. Additionally, the Panel determined that “Wonbang Trading Co.” is an alias of Pan Systems Pyongyang. The Panel is investigating whether this company is actually Wonbong Trading Co., which, according to two Member States, is controlled by the Bureau and is a lead exporter of coal from the Democratic People’s Republic of Korea. Information shows that Pan Systems Pyongyang also regularly received funds from the Korea Mining Development Trading Corporation (KOMID) (see figure 25 and para. 237 below).

Figure 25
Pan Systems Pyongyang network

86. In the light of the above, the Panel recommends that the Committee designate Pan Systems Pyongyang for its involvement in the sales of arms and related materiel.

Name: Pan Systems Pte. Ltd. (Pyongyang branch)
A.k.a: Wonbang Trading Co.
Address: Room 818, Pothonggang Hotel, Ansan-Dong, Pyongchon district, Pyongyang, Democratic People’s Republic of Korea
Director: Ryang Su Nyo;
Employees: Pyon Won Gun, Pae Won Chol, Ri Sin Song, Kim Sung Su, Kim Chang Hyok and Kim Pyong Chol;
Telephone: +850-218-111 (ext. 8636).
This case demonstrates the increasingly sophisticated nature of evasion of sanctions by the Democratic People’s Republic of Korea and illustrates important and previously unknown trends. The Democratic People’s Republic of Korea was able to establish a company in a third country, building up significant international recognition, including through participation in prominent regional arms fairs and by selling high-end arms and related materiel in multiple countries. It shows how the Democratic People’s Republic of Korea has accessed a very lucrative niche market, representing a significant shift from the former focus on refurbishment of Soviet-era arms. In addition, this revenue-generating activity was coordinated by a network affiliated with the Reconnaissance General Bureau that utilizes different countries in the region for the purpose of purchasing components, locating its front companies and managing its illicit activities. Finally, the route followed by the interdicted cargo indicates that multiple regional or global freight forwarders and transportation modes were utilized to obfuscate the origin of the goods.

3. **Shipment of Scud spare parts to Egypt**

The Panel continued its investigation into the shipment of Scud spare parts to Egypt by focusing on the shipper, Ryongsong Trading Co. Ltd (Ryongsong); the seller, Rungrado General Trading Corporation (Rungrado); and the consignee, MODA Authority International Optron.\(^94\)

The Panel identified the intermediary companies and individuals involved in the shipment and determined that the Democratic People’s Republic of Korea was operating out of its Beijing embassy, using cash to remit payment for shipping. The seller is a major company in the Democratic People’s Republic of Korea that is under the control of the Workers’ Party of Korea which, among other activities, earns money by dispatching migrant workers overseas.

**Shipper**

The carrier’s agent as listed on the airway bill (see annex 9-1), New Times International Transport Service Co. Ltd. (NTS), indicated it had had no direct contact with Ryongsong and that the freight forwarder, a Beijing-based company, BLH Global Cargo Co. Ltd., had acted on behalf of the shipper. BLH informed the Panel that it had indeed reserved aircraft space for the shipment, according to an agreement with NTS, but had acted on behalf of Mr. Liu Zhen Ren (刘振仁), who personally requested, in a telephone call a few days prior to the shipment, assistance in handling a consignment.

Mr. Liu informed the Panel that he had handled the transaction in Beijing near the embassy of the Democratic People’s Republic of Korea with an individual called Mr. “Yin” (尹), whom he believes is a national of the Democratic People’s Republic of Korea.\(^95\) There was no documentation for this transaction, as Mr. “Yin” paid 7,500 renminbi in cash for the shipment. The Panel is investigating whether Mr. “Yin” was from the embassy of the Democratic People’s Republic of Korea.\(^96\)

**Seller**

Rungrado is operated by the Workers’ Party of Korea and has over 10,000 employees (see annex 9-2). It has branches abroad, as well as partners in 40 countries and regions. It describes itself as dealing in “various kinds of heavy

\(^{94}\) See S/2016/157, paras. 71-77.
\(^{95}\) Ryongsong listed the address of the embassy of the Democratic People’s Republic of Korea in Beijing as its address on the airway bill.
\(^{96}\) The corresponding name in Korean for Mr. Yin would be Mr. Yun.
machines, vehicle, light industry and electronic goods and seafood, as well as trade
cargo service, passenger and freight transport” (see annex 9-3).

The Panel determined that Rungrado’s activities included dispatch of workers abroad,
including in Poland under an agreement with a Polish company, covering work on
construction sites and at naval yards (see annex 9-4). In paragraph 34 of resolution
2321 (2016), the Security Council expressed “concern that Democratic People’s
Republic of Korea nationals are sent to work in other States for the purpose of
earning hard currency that the Democratic People’s Republic of Korea uses for its
nuclear and ballistic missile programmes, and calls upon States to exercise vigilance
over this practice”.

93. **In light of its involvement in the sale of arms and related materiel, the Panel recommends that the Committee designate Rungrado Trading Co.**

Name: Korea Rungrado General Trading Corporation
A.k.a.: Rungrado Trading Corporation
Address: Segori-dong, Pothonggang District, Pyongyang, Democratic
People’s Republic of Korea
Director: Pak Kyu Hong (a.k.a. Pak Gyu Hong);
Telephone: +850-2-18111-3818022, Fax: +850-2-3814507;
E-mail address: rrd@co.chesin.com

**Consignee**

94. The contract associated with Scud spare parts mentioned an entity based in
Egypt, “MODA Authority International Optronic”, also listed as consignee in the
airway bill (see annex 9-1). Although no company under that exact name exists in
the Egyptian registry, the Panel determined that the address and fax numbers of
that entity were the same as those of another Egyptian company, “Arab International
Optronics” (see annex 9-5). The majority shareholder is the National Service
Organization under the Ministry of Defence and Military Production of Egypt. Its
activities include general contracting to satisfy the needs of the armed forces as first
priority. Arab International Optronics also regularly used the name “MODA
Authority — Arab International Optronics” when purchasing military equipment,
which bears obvious similarities to “MODA Authority International Optronic” (see
annex 9-6).

95. The Panel subsequently enquired with Egypt as to any involvement by Arab
International Optronics in the acquisition of the Scud spare parts. Egypt replied that
“The company Arab International Optronics has no connection with that transaction
and has no connection with the North Korean companies mentioned in the
memorandum from the Panel of Experts. The fact that the names of the companies
mentioned in the memorandum from the Panel of Experts are similar does not mean
that they are identical” (see annex 9-7).

---

97 In an Italian economic forum in March 2007, Rungrado was presented as specializing in
“overseas construction”.

98 In 2012, Rungrado sent at least 29 workers to Poland. Rungrado’s workers in Poland have
reportedly been involved in forced labour.

99 On 8 March, the Republic of Korea designated Rungrado Trading Corp as an alias of Ryongsong
Trading Co. Ltd.

100 Fax of 15 February 2016 from Egypt to the Panel.

101 Egypt informed the Panel that it had undertaken several measures to guarantee the full
implementation of the relevant Security Council resolutions, including the establishment of a
national committee to oversee the implementation (inter-agency mechanism), and revision and
streamlining any commercial or investment transactions with the Democratic People’s Republic
of Korea.
4. Military vehicles observed at parade and missile launch

96. The Panel investigated a three-axle military vehicle transporting an anti-air guided missile system which was tested during a military drill, and reported by state media on 2 April 2016. The guided missile system is identical to a strategic surface-to-air missile system (KN-06) displayed during the October 2015 military parade (see figure 26).

97. The surface-to-air missile system and radar transporter vehicles at the parade were labelled “Taebaeksan-96” in Korean script and strongly resemble a series of Russian-manufactured trucks (see annex 10-1). The Panel confirmed that a Russian Federation truck company had been operating an assembly line in the Democratic People’s Republic of Korea since 2007 and that medium-sized trucks with the name “Taebaeksan-96” had been produced and licensed by that company at the Pyongsong Auto assembly plant. The Panel concludes that these “Taebaeksan-96” trucks were produced at the plant and were copies of the company’s specific truck model.

Figure 26

Source: Rodong Sinmun, anonymous and KCTV.

98. In its reply, the Russian Federation stated that the truck company had established a joint venture with Korea “Pusen” corporation involving an assembly plant for manufacturing trucks in the Democratic People’s Republic of Korea from November 2006 to December 2010, during which time 156 truck kits were delivered to the country. The joint agreement consisted of two components: a licensing agreement, including technical specifications for assembly and production; and a commercial contract on truck kit deliveries. The Russian Federation clarified that, under the contract and end user certificate, “Pusen” corporation was not authorized to utilize the model for military purposes, and resolutions 1718 (2006) and 1874 (2009) did not prohibit shipments of trucks to the Democratic People’s Republic of Korea during the period when the joint venture contract was in force.

99. The Panel notes that no company named “Pusen” exists in the Democratic People’s Republic of Korea, but that a similarly named “Korea Pusong Corporation” manufactures vehicle-related machinery parts like grinders and bearings, and considers “Pusen” to be a derivative pronunciation of “Pusong”. Korea Pusong was designated by a Member State in March 2016 for its role in military logistics and the procurement of weapons of mass destruction. Another Member State

103 8 March 2016, Republic of Korea designation.
stated that Pusong’s alias, “Elite Surveying Instruments”, had been involved in illicit shipments of dual-use items to an entity in the Syrian Arab Republic, “Mecatrade”, a front company of the Syrian Scientific Studies and Research Centre, that had previously been involved in prohibited activities. According to the truck’s brochure, Korea Ryongwang Trading Corporation markets this truck and provides repair and technical services (see annex 10-2). The Panel identified Ryongwang as an alias of a designated entity, Korea Ryonbong General Corporation.

100. Spare parts almost certainly would have had to have been imported for vehicles such as “Taebaeksan-96”. Given that resolution 2270 (2016) extends the arms embargo to any item that could directly contribute to the development of the country’s operational capabilities of its armed forces, the Panel reiterates that Member States should prevent the export to the country of any commercial vehicles or spare parts thereof that could be used for military purposes. Furthermore, paragraphs 8 (a), (b) and (c) of resolution 1718 (2006) apply to the transfer of “truck chassis with 6 or more axles”, listed in annex III of resolution 2321 (2016).

5. Reported supply of man-portable air defence systems, surface-to-air missiles and radar to Mozambique

101. According to a Member State, the Democratic People’s Republic of Korea supplied arms and arms-related materiel to a company controlled by the Government of Mozambique, “Monte Binga”. In a contract dated 28 November 2013, the Democratic People’s Republic of Korea agreed to supply man-portable air defence system components and training equipment and P-18 early warning radar components, and to refurbish T-55 tanks and modernize the surface-to-air Pechora missile system of Mozambique (see annex 11-1).

102. The $6 million contract was signed by Mr. Choe Kwang Su, the representative of Haegeumgang Trading Corporation in Mozambique. Mr. Choe is also third secretary at the embassy of the Democratic People’s Republic of Korea in Pretoria. In addition to the contract itself, a Member State showed the Panel photographs of the activities, including technicians of the Korean People’s Army standing in front of refurbished tanks. Mozambique has yet to respond to the Panel’s enquiries.

6. Patrol boat refurbishment in Angola and ship-building plans for Sri Lanka

103. The Panel continued its investigation into the refurbishment by the Democratic People’s Republic of Korea of Angolan naval patrol boats through Green Pine. The Panel requested information from Angola and China about shipment of conventional arms dual-use exports to Angola by a front company linked to Green Pine (see para. 175). The Panel established that the representative of Green Pine in Angola, a diplomat of the Democratic People’s Republic of Korea named Mr. Kim Hyok Chan, and another Angola-based diplomat named as a Green Pine representative, Mr. Jon Chol Young, travelled together to Sri Lanka three times (between 2014 and 2016) to discuss shipbuilding projects. Described as boat-building experts, they reportedly met with the State Minister of Defence of Sri Lanka on 5 November 2015 to discuss building naval patrol vessels at a Sri Lankan shipyard prior to sale to its navy. The Panel has yet to receive a reply from Sri Lanka.

---

104 See S/2014/147, paras. 51-54.
7. **Provision by the Democratic People’s Republic of Korea of small arms and training of the Presidential Guard to the Democratic Republic of Congo**

104. According to information from the Group of Experts on the Democratic Republic of the Congo established pursuant to resolution 1533 (2004), the Democratic Republic of the Congo received automatic pistols and other small arms shipped from the Democratic People’s Republic of Korea bearing characteristics similar to those manufactured there.\(^\text{106}\) The pistols were issued to the Presidential Guard of the Democratic Republic of the Congo, as well as to special units of the Congolese national police, some of whom were deployed in the United Nations Multidimensional Integrated Stabilization Mission in the Central African Republic (MINUSCA). The Group of Experts reported that the pistols were part of a larger series of transfers of arms and related materiel in 2014 and 2015, including assault rifles, and anti-tank and anti-personnel mines.

105. The Group stated that the pistols and other arms were used in training by instructors from the Democratic People’s Republic of Korea at the Kibomango military base outside Kinshasa, access to which is controlled by the Presidential Guard. The Group stated that training recipients included the Presidential Guard and special police. The instructors were housed at the former Gulf Oil Company premises in the Binza district of Kinshasa. The Democratic Republic of the Congo has yet to respond to the Panel’s enquiries.

8. **Reported supply of 122-mm guided rockets and aerial missiles to the Sudan**

106. According to a Member State, the Democratic People’s Republic of Korea supplied 100 122-mm precision guided rocket control sections and 80 air attack satellite guided missiles (AGP-250, for ground attack) to Sudan Master Technology Engineering Company in two contracts of 29 August 2013, worth €5,144,075 and signed by reported KOMID president Mr. Kang Myong Chol (alias Pak Han Se), using a reported KOMID front company, Chosun Keuncheon Technology Trade Company.\(^\text{107}\) The Member State provided travel information on KOMID officials responsible for the contracts (see table 3). The Sudan has not responded to the Panel’s enquiries.

| Table 3 |
| Travel of representatives of the Korea Mining Development Trading Corporation to the Sudan |

<table>
<thead>
<tr>
<th>Name</th>
<th>Arrival</th>
<th>Number of accompanying KOMID staff</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mr. Kang Myong Chol (aka Pak Han Se)</td>
<td>28 August 2013 and 15 December 2013</td>
<td>2 and 5, respectively</td>
</tr>
<tr>
<td>Mr. Kim Song Chol</td>
<td>29 August 2013, 22 March 2014 and 4 December 2014</td>
<td>9, 11 and 4, respectively</td>
</tr>
<tr>
<td>Mr. Jang Song Chol</td>
<td>10 June 2014</td>
<td>13</td>
</tr>
<tr>
<td>Mr. Ryu Mong Chol</td>
<td>4 April 2014</td>
<td></td>
</tr>
</tbody>
</table>

\(^{106}\) See S/2016/466, paras. 221 and 230-231.

\(^{107}\) Contract numbers KS-EW-8100 and KS-EW-8002. Contact details for Sudan Master Technology Engineering Company were listed as Khartoum North, Kafori Area, PO Box 13189 Khartoum, Sudan, fax +249 185 336631, mobile +249 123007824.
9. **Unmanned aerial vehicle wreckage retrieved from the Republic of Korea**

107. In its continued investigation\(^{108}\) of wreckage of unmanned aerial vehicles from the Democratic People’s Republic of Korea that were recovered in 2014, the Panel confirmed that at least one of the vehicles was manufactured abroad and identified some of the intermediaries involved in the procurement. The Baengnyeong-do Island vehicle was part of a set of seven UV10 unmanned aerial vehicles manufactured by the Beijing-based company Microfly Engineering & Technology and acquired by another Beijing-based company RedChina Geosystem Co Ltd. According to the latter company, Mr. Zhao De Wen (赵德文) acquired the vehicles to sell them to Mr. Zhu Zhong Xian (朱忠贤). Mr. Zhao’s account of the transaction contradicts the company’s version of events. Mr. Zhao stated that Mr. Zhu purchased the seven UV10 vehicles directly from the company and denied any involvement in the transaction. The Panel inquired with China as to how the vehicle was transferred to the Democratic People’s Republic of Korea and has yet to receive a reply.

108. This case illustrates the continued reliance on Chinese middlemen and cash transactions to procure commercial items for military purposes. **Member States should rigorously implement the now legally binding “catch-all” provision on arms and related materiel in resolution 2270 (2016).**

10. **Interdiction of arms-related materiel by the Russian Federation**

109. The Panel investigated a reported seizure on 7 December 2016 by Russian Federation customs officers of an eight-coil, 40 kg shipment of Aramid fibre (used for bullet-proof vests) at Vladivostok International Airport, organized by nationals of the Democratic People’s Republic of Korea for shipment to that country (see figure 27).\(^{109}\) According to the customs service of the Russian Federation, criminal proceedings are under way for this illicit transport of dual-use goods. The Panel has written to the Russian Federation to determine whether this material falls under the Committee’s prohibited goods criteria.\(^{110}\)

![Figure 27](http://dvtu.customs.ru)

**Seized Aramid fibre coil**

Source: http://dvtu.customs.ru.

---

\(^{108}\) See S/2016/157, paras. 78-86; and S/2015/131, paras. 61-68.

\(^{109}\) The seized materiel was non-oriented fibre comprising 10 strands without torsion, made from aromatic polyamides (Aramid or Kevlar) with a specific tensile strength of 31.9 × 10^4 m.

\(^{110}\) The Panel is yet to determine whether this material falls under the Committee’s determination according to S/2009/364, section B.2, and S/2016/308, annex, para. 6 (a).
C. Technical training, advice, services or assistance

1. Mansudae Overseas Projects in Africa

   Construction of a munitions factory in Namibia

110. In its continued investigation of the involvement of KOMID in Mansudae’s construction of a munitions factory in Namibia, the Panel confirmed that KOMID had provided key components to the Oamites munitions factory and that Mansudae had used labourers from the Democratic People’s Republic of Korea. Satellite imagery also shows that construction at the military base at Oamites continued until at least 2014 (see annex 12-1). Namibia admitted that KOMID and Mansudae were involved in the project, and that it had been started by Mansudae in 2010 with labour from the Democratic People’s Republic of Korea, until it was discontinued in April 2015.

111. According to a document issued by KOMID in Namibia, a shipment under contract number “STNK-010305” was destined for the Namibian Defence Force and arrived in Walvis Bay, Namibia (see figure 28 and annex 12-2). Boxes with the stencilled KOMID contract number, together with multiple pressure tanks, were seen at Walvis Bay in October 2012, before reportedly being trucked to Oamites military base. The packing list included various types of pressure tanks and machinery that could be used for military explosives and production of propellants (see annex 12-3).

112. Namibia announced in June 2016 that, further to resolution 2270 (2016), it had decided to terminate the services of KOMID and Mansudae, including the involvement of nationals of the Democratic People’s Republic of Korea in current or future projects. The Panel requested confirmation of this termination and information on any repatriation of labourers from the Democratic People’s Republic of Korea, but has yet to receive a reply.

Figure 28

Shipment from the Korea Mining Development Trading Corporation at Walvis Bay

Source: John Grobler.

Other military construction in Namibia and transfer of related profits

113. Namibia informed the Panel in July 2015 of the involvement of Mansudae in the construction of monuments and government buildings. Additionally, insurance

---

111 It includes but is not limited to ethyl acetate storage/pressure tanks, granulators, mixing tanks, ball powder feeding tanks, control agent heating/pressure boxes and tanks, concentration tanks, absorption machines and mixed-acid pressure tanks.
documents show the company’s involvement in construction at military bases under Ministry of Defence contracts. The construction included the “UBM” centre at Leopard Valley military base, a new central office at the Tsembe base, the Lafrenze building and the renovation of a guest house (see annex 12-4). The guest house contract stipulates that work will continue until February 2017.

114. Namibia informed the Panel that Mansudae had withdrawn United States dollars in cash from its account at a local Namibian bank for labourers to transport on their return to the Democratic People’s Republic of Korea. In January 2015, Mansudae requested the bank to pay $280,000 to its 14 employees for “travel expenses”, which was divided into $20,000 increments for each individual to carry (see annex 12-5).

Exports by Mansudae of statues to Africa

115. Mansudae exported statues and other monuments to at least 15 African Member States, including liberation memorials, independence statues and statues of leaders (see table 4). Namibia and Angola both confirmed that Mansudae had constructed statues and monuments for them and continued to do business there. Additionally, Angola confirmed that Mansudae had undertaken more than 56 construction projects until February 2015 (see annex 12-6). The Angola business registry shows that Mansudae-Angola is affiliated with Mansudae-Namibia, with 90 per cent of its shares owned by Mansudae-Namibia (see annex 12-7). Other African States have not yet replied to the Panel’s enquiries regarding Mansudae and its construction activities.

Table 4
Selected statues, monuments and other buildings by Mansudae

<table>
<thead>
<tr>
<th>Member State</th>
<th>Statues/monuments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Angola</td>
<td>Memorial Tower, Peace Park and Praia Park statues</td>
</tr>
<tr>
<td>Benin</td>
<td>Statue of Behanzin</td>
</tr>
<tr>
<td>Botswana</td>
<td>Three Dikgosi monument</td>
</tr>
<tr>
<td>Congo</td>
<td>Monument of Independence, Statue of the President</td>
</tr>
<tr>
<td>Democratic Republic of the Congo</td>
<td>Statue of Patrice Lumumba, monument to Laurent Kabila</td>
</tr>
<tr>
<td>Equatorial Guinea</td>
<td>Stadium, Conference Hall</td>
</tr>
<tr>
<td>Ethiopia</td>
<td>Tiglachin monument</td>
</tr>
<tr>
<td>Mali</td>
<td>Bronze of General Abdoulaye Soumaré</td>
</tr>
<tr>
<td>Mozambique</td>
<td>Samora Machel statue</td>
</tr>
<tr>
<td>Madagascar</td>
<td>Government buildings</td>
</tr>
<tr>
<td>Namibia</td>
<td>Hero’s Acre, Independence Hall, statue of Sam Nujoma, State House</td>
</tr>
<tr>
<td>Senegal</td>
<td>African Renaissance Monument</td>
</tr>
<tr>
<td>Zimbabwe</td>
<td>Hero’s Acre, statue of Joshua Nkomo</td>
</tr>
</tbody>
</table>

Source: The Panel, Mansudae and media reports.
116. The Panel’s mission to Angola in September 2016 confirmed that Mansudae continued to provide management and repair services at the mausoleum complex it had constructed. At the site, the Panel observed Mansudae personnel from the Democratic People’s Republic of Korea operating heavy equipment for site renovation and maintenance (see figure 29).

Figure 29
Mansudae personnel at mausoleum complex

117. In paragraph 29 of resolution 2321 (2016), the Security Council prohibited States from procuring statues from the Democratic People’s Republic of Korea, directly or indirectly provided by the country or its nationals, whether or not the items originated in the territory of the Democratic People’s Republic of Korea (unless there had been prior approval by the Committee). Furthermore, the Panel considers the maintenance by the Democratic People’s Republic of Korea of prohibited items to also be prohibited. Therefore, any services or assistance relating to the manufacture and maintenance of statues are also prohibited.

118. The Panel recommends that the Committee designate Mansudae Overseas Project Group of Companies for having violated the resolutions, assisting in the evasion of sanctions by providing services and assistance related to the manufacture and maintenance of arms and related materiel, working on behalf of KOMID through construction of a munitions factory, and the transfer of bulk cash via its workers.

119. The Panel recommends that Member States annul any contracts with the Democratic People’s Republic of Korea or its nationals concerning the direct or indirect supply or transfer of statues, or services related to the maintenance of statues.

2. Training of the Presidential Guard of Angola

120. The Panel travelled to Angola in September 2016 to continue its investigation into the training by the Democratic People’s Republic of Korea of the Presidential Guard. Angola informed the Panel that the training had been initiated around 1990 and that, at the time of the Panel’s visit, 12 nationals of the Democratic People’s Republic of Korea were providing martial arts and parade ground training. The Panel informed Angolan agencies that continuation of the training would constitute a violation of paragraph 9 of resolution 2270 (2016), which clarified the prohibition on the hosting of personnel from the Democratic People’s Republic of Korea for security force training, established under resolution 1874 (2009). On 24 October
2016, the Panel enquired with the Government of Angola as to whether they had departed the country. The Panel has yet to receive a reply.

3. **Military and police cooperation with Uganda**

121. The Panel continued its investigation into the training by the Democratic People’s Republic of Korea of Ugandan military and police forces. In its national implementation report, Uganda confirmed that the Democratic People’s Republic of Korea was training its air force pilots and technicians as part of a contract which would expire in March 2018. Uganda also reported that two police training contracts involving 45 personnel from the Democratic People’s Republic of Korea would expire in June 2016 and that, in the light of resolution 2270 (2016), it would not be renewed.\footnote{Letter dated 3 June 2016 from the Permanent Mission of Uganda to the United Nations to the Panel of Experts.} The Panel has advised Uganda that the ongoing air force training constitutes a violation of paragraph 9 of resolution 2270 (2016).

122. The Panel is continuing its investigations into the activities of KOMID officials travelling to Uganda and is awaiting a response from the authorities of that country. The Panel remains concerned over the activities of the military attaché office at the embassy of the Democratic People’s Republic of Korea in Kampala and their attempts to generate military cooperation projects in third countries, such as South Sudan, which would violate the provisions of resolution 2270 (2016) (see annex 12-8).

4. **International military technical forum in the Russian Federation**

123. According to a September 2016 social media post by the embassy of the Russian Federation in the Democratic People’s Republic of Korea, a military delegation led by Colonel-General Yun Tong Hyon, Vice Minister of the People’s Armed Forces, was invited by the Ministry of Defence of the Russian Federation to “participate in the activities of the International Military Technical Forum ‘Army 2016’”.\footnote{Facebook page of the embassy of the Russian Federation in Pyongyang.} The Panel wrote to the Russian Federation to express concern over the possibility that the military delegation of the Democratic People’s Republic of Korea might exploit the event to contact foreign entities or countries for military-related cooperation or to obtain technical information (such as catalogues and datasheets for the purpose of reverse engineering, which are prohibited under paragraphs 8\footnote{Exemptions in paragraph 8 include food and medicine.} and 9 of resolution 2270 (2016), and requested additional information. The Russian Federation replied that the participation of representatives of the Democratic People’s Republic of Korea in the forum did not fall under the current sanctions regime (see annex 12-9).

D. **Implementation of the luxury goods ban**

1. **Masikryong ski resort**\footnote{See S/2015/131, paras. 99-101; and S/2014/147, paras. 118-119.}

124. The Panel continued to investigate the supply of ski equipment used at Masikryong ski resort. In January 2016, media reports showed photographs of a cable-car system produced by an Austrian company, Doppelmayr Seilbahnen GmbH (see figure 30), which has yet to reply to inquiries from the Panel. Austria informed the Panel it did not consider ski lifts to be covered by Council Regulation (EC) No. 329/2007 of 27 March 2007, implementing legislation for Security Council resolution 1718 (2006). In order to close the gap, Austria stated that “ski-gondolas...
will be added explicitly to the European Union’s North Korea list of luxury goods”. On 29 April 2016, the Council regulation was updated to include “teleferics, chairlifts, ski-draglines, traction mechanisms for funiculars” and their parts and accessories.\footnote{117}

Figure 30
Masikryong ski resort cable car system

\textit{Source: NK News.}

2. Limousine seized by Bangladesh

125. On 8 January 2017, Bangladesh Customs Intelligence seized a falsely declared luxury vehicle (see figure 31) brought into the country for resale by a diplomat from the Democratic People’s Republic of Korea who had been expelled from Bangladesh five months earlier for involvement in another smuggling case. Such transfer by a diplomat could contravene paragraph 17 of resolution 2321 (2016). The Panel continues its investigation.

Figure 31
Vehicle seized by Bangladesh

\textit{Source: Bangladesh Customs Intelligence.}

\footnote{116} Reply of Austria to the Panel, 31 March 2016.
\footnote{117} Council Regulation (European Union) No. 2016/682 of 29 April 2016 amending Regulation (EC) No. 329/2007. European Union combined nomenclature codes now provide simplified means for exporters to check whether the export of these products and others to the Democratic People’s Republic of Korea would violate the ban on luxury goods.
3. **Wonsan air show aircraft**

126. The Panel investigated the operation of a P-750 XSTOL aircraft manufactured by Pacific Aerospace Ltd. (New Zealand) and an aircraft manufactured by an Italian company at the “Wonsan Air Festival” (see figure 32), held in September 2016 as violations of paragraph 8 (a) (iii) of resolution 1718 (2006), as implemented by New Zealand and the European Union.

Figure 32

**Aircraft at the Wonsan air show**

![Image of aircraft](image.png)

*Source: NK News (left) and Aleksandr Pak (right).*

127. The Panel determined that both aircraft had been indirectly brought to the Democratic People’s Republic of Korea. The P-750 XSTOL aircraft had been sold to a Chinese company\(^{118}\) and delivered to China in September 2015. Ownership had then been transferred in October 2015 to a company describing itself as “Beijing Freesky Aviation Co., Ltd”\(^{119}\). The aircraft had been brought to the Democratic People’s Republic of Korea by December 2015 (see annex 12-10). Both New Zealand and Italy confirmed that aircraft fell into their luxury goods category. China stated that “Member States have [a] different definition [of] luxury goods”, emphasizing that aircraft are not included in the prohibited luxury goods list in the resolutions.

128. This case highlights a trend whereby luxury items in manufacturers’ countries are transferred to third countries with different criteria for luxury goods prior to their end use in the Democratic People’s Republic of Korea.

4. **Sportswear produced in the Democratic People’s Republic of Korea**

129. The Panel investigated reported manufacture of an Australian brand of ski clothing at Taedonggang Clothing Factory in Pyongsong, Democratic People’s Republic of Korea. The company publicly stated it was aware of the issue, which related to its winter 2015 mountain-wear line, but had become aware of it only after the production had been completed and been shipped to retail customers. The company also stated that two styles, totalling 4,000 units of ski wear, did slip through and had been shipped to customers.

130. The ski wear has been produced in the Democratic People’s Republic of Korea since at least 2014. Despite a 2014 web blog that included ski wear production images, the company did not sever its production line for two years. The Panel is investigating the factory in the Democratic People’s Republic of Korea for the reported production of military uniforms for export. The investigation highlights joint ventures by foreign companies that utilize cheap labour to produce luxury sportswear in the Democratic People’s Republic of Korea, thereby generating foreign currency for that country.

---

\(^{118}\) The New Zealand and Chinese companies established a joint-venture factory in 2016.

\(^{119}\) According to the manufacturer.
E. Implementation of other embargoes

1. Specialized teaching and training

131. Paragraph 17 of resolution 2270 (2016), complemented by paragraph 10 of resolution 2321 (2016), introduced a ban on “specialized teaching or training” of disciplines that could contribute to prohibited programmes of the Democratic People’s Republic of Korea.

132. Regarding the participation of nationals of the Democratic People’s Republic of Korea in courses at the Centre for Space Science and Technology Education in Asia and the Pacific, host country India informed the Panel that it had “taken measures to prevent any future [participation by the Democratic People’s Republic of Korea] in courses offered by [the Centre] which could be used by” programmes of the Democratic People’s Republic of Korea.  

133. The Panel also investigated two Italian institutions, the International Centre for Theoretical Physics and the International School for Advanced Studies, with students from the department of physics of Kim Il Sung University. The International Centre in particular has enjoyed the support and partnership of IAEA since the 1960s and the Institute frequently organizes joint IAEA nuclear-related workshops. Students from the Democratic People’s Republic of Korea were enrolled in PhD courses or postgraduate diploma programmes, including on high energy physics, which could fall into the category of disciplines banned by resolution 2270 (2016). Upon the Panel’s recommendation, both institutions redirected current and future students from the Democratic People’s Republic of Korea to mathematics.

134. The Panel investigated four students from the Democratic People’s Republic of Korea at the faculties of material science and engineering, and electronic telecommunications technology at the Politehnica University of Bucharest in Romania. Romania indicated that, following the adoption of resolution 2270 (2016), all four students had transferred to the faculty of biotechnical systems engineering in the field of specialized machinery for agriculture and food. The Panel is also investigating two students from the Democratic People’s Republic of Korea at Uppsala University in Sweden reportedly studying biology at the PhD level.

135. According to a Member State, Kim Il Sung University, the Kim Chaek University of Technology, the Pyongsong College of Science and the National Defense University are the main institutions feeding the nuclear or ballistic missile programmes of the country. The Panel determined that some of those institutions had bilateral agreements with at least four universities in China and two in the Russian Federation (Far Eastern Federal University and Pacific National University). The Panel enquired as to how paragraph 17 of resolution 2270 (2016) had been implemented in practice. Far Eastern Federal University stated that all students from the Democratic People’s Republic of Korea were attending training in humanitarian disciplines.  

Pacific National University stated that it was acting “according to the resolutions” and there “there are no courses and researches which have become prohibited to the [nationals of DPRK] following the implementation of resolution 2270”. The Panel has yet to receive information from the universities in China. The Panel is investigating whether there are agreements with universities in other countries, including in North America, the Middle East and Europe.

---

120 See S/2016/157, paras. 46-51.
121 Primarily Russian language and literature.
2. Aviation fuel

136. Paragraph 31 of resolution 2270 (2016) prohibits the sale or supply of certain aviation-related fuels to the Democratic People’s Republic of Korea with specific exceptions. The Panel sent baseline surveys on the aviation fuel procurement methods of the Democratic People’s Republic of Korea, as well as quantities and agents, to 12 Member States, 8 of which responded. The Russian Federation stated that the types of fuel designated by the Security Council in resolution 2270 (2016) had not been supplied to the Democratic People’s Republic of Korea since March 2016. Chinese customs data obtained from a subscription database showed exports of fuel to the Democratic People’s Republic of Korea labelled as “air transport” valued at only $90,211 for the period 1 July-2 October 2016.122 Other Member States that had previously sold aviation fuel to the Democratic People’s Republic of Korea indicated they had temporarily suspended the technical landings of Air Koryo flights.

137. The Panel notes that, despite the measures introduced in resolution 2270 (2016), the activities of the air force of the Democratic People’s Republic of Korea continued with no reduction in air sorties. In addition, the Democratic People’s Republic of Korea held its first-ever air show at Wonsan on 24 and 25 September 2016 featuring military and Air Koryo aircraft. These investigations continue.

VI. Transportation

A. Maritime

1. OMM vessels

138. Following resolution 2270 (2016), Member States prohibited OMM vessels from entering their ports, which led to OMM vessels limiting their voyages to between ports in the Democratic People’s Republic of Korea. While some vessels became inactive, others continued sailing, including the Ji Hye San, Kang Gye, Song Jin and Thae Phyong San. Notably, 8 of the 31 vessels designated in annex III to resolution 2270 (2016) were involved in identity deception (annex 13-1).

139. Since July 2016, this deception has involved renaming and allocating new Maritime Mobile Service identity numbers and call signs (see table 5).

Table 5
Vessel identity changes

<table>
<thead>
<tr>
<th>Original name</th>
<th>IMO No.</th>
<th>Name</th>
<th>MMSI</th>
<th>Call-sign</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chol Ryong</td>
<td>8606173</td>
<td>Pukchong 33</td>
<td>445548000</td>
<td>HMZA5</td>
</tr>
<tr>
<td>Hui Chon</td>
<td>8405270</td>
<td>Song Phyong7</td>
<td>445554000</td>
<td>HMZB7</td>
</tr>
<tr>
<td>Ji Hye San</td>
<td>8018900</td>
<td>Ri Won 105</td>
<td>445549000</td>
<td>HMZA8</td>
</tr>
<tr>
<td>O Rang</td>
<td>8829555</td>
<td>Song Phyong1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ryong Rim</td>
<td>8018912</td>
<td>Sin Pho 99</td>
<td>445546000</td>
<td>HMZB2</td>
</tr>
<tr>
<td>Se Pho</td>
<td>8819017</td>
<td>Buryong3</td>
<td></td>
<td>HMEG</td>
</tr>
</tbody>
</table>

122 This was not a violation of paragraph 31 of resolution 2270 (2016).
Deception

<table>
<thead>
<tr>
<th>Original name*</th>
<th>IMO No.</th>
<th>Name</th>
<th>MMSI</th>
<th>Call-sign</th>
</tr>
</thead>
<tbody>
<tr>
<td>Song Jin</td>
<td>8133530</td>
<td>Hongwon88</td>
<td>445366000</td>
<td>HMZE</td>
</tr>
<tr>
<td>Chong Rim 2</td>
<td>8916293</td>
<td>Saebol</td>
<td>445143000</td>
<td>HMAA</td>
</tr>
</tbody>
</table>

* As listed in resolution 2270 (2016), annex III.

140. One of the above cases involved the Song Phyong 7, which omitted its obligatory IMO number when transmitting its Automatic Identification System data from 13 November 2016, violating shipping regulations (see figure 33).\(^{123}\) This vessel is listed in the database of the Maritime Administration of the Democratic People’s Republic of Korea with the exact characteristics of the designated OMM vessel Hui Chon (IMO 8405270) (see annex 13-2). The Panel further confirmed that it is the only vessel of those dimensions built at that shipyard in 1984, that it is the only existing ship of its class and that there is no pending IMO number request. The vessel was detained following a Port State Control inspection between 18 and 23 November 2016 owing to a lack of documentation (see annex 13-3). There was no mandatory Continuous Synopsis Record describing the vessel’s history, nor were there any IMO numbers on the vessel’s certificates or in a visible place on the ship’s hull, superstructure or the interior, as required by the IMO.\(^{124}\) The Panel concludes that the maritime administration of the Democratic People’s Republic of Korea falsified the identity of the Hui Chon by providing fake certificates and allocating a new Maritime Mobile Service identity number, in evasion of paragraphs 12, 22 and 23 of resolution 2270 (2016), which would have required a Member State to seize the vessel or deny it entry into port.

Figure 33

*Song Phyong 7 Automatic Identification System transmission*

Source: Marinetraffic.com.

---

\(^{123}\) These regulations include International Convention for the Safety of Life at Sea regulation XI/3, which came into force on 1 January 1996, according to which the IMO number must remain unchanged upon flag transfer and be included in a ship’s certificates.

\(^{124}\) Safety of Life at Sea Convention, regulations XI/3 and XI-1/3.
141. The Panel monitored the 31 vessels listed in annex III of resolution 2270 (2016), 9 of which were subsequently delisted.\textsuperscript{125} All were foreign-flagged except for the \textit{South Hill 5}, which was reregistered under the flag of the Democratic People’s Republic of Korea and renamed the \textit{Nam Dae Chon}.\textsuperscript{126} The \textit{South Hill 2} and \textit{Hu Chang} were reported scrapped as of March 2016. The Democratic People’s Republic of Korea-flagged \textit{Mu Du Bong} was seized in 2015 as an asset of OMM by Mexico and scrapped in July 2016.

\textbf{Reflagging}

142. Following resolution 2270 (2016), flag States deregistered a number of vessels that were linked to the Democratic People’s Republic of Korea. These included 15 vessels deregistered by Mongolia. Six of those vessels moved to the United Republic of Tanzania (Zanzibar) flag registry, only to be delisted on 29 June by that country, along with five other vessels. Three of the fifteen (\textit{E.Morning}, \textit{Jinming 1} and \textit{Northern Luck}) were then reregistered under the flag of the Democratic People’s Republic of Korea, three under Fiji and three under the Republic of Moldova. Panama deregistered five vessels; one moved to the registry of the Democratic People’s Republic of Korea and, of the two that moved to the United Republic of Tanzania, one later moved to Fiji. Despite official deregistration, many of the vessels continue to sail under the flag of the United Republic of Tanzania. Overall, there is a trend towards vessels associated with the Democratic People’s Republic of Korea being reflagged with the United Republic of Tanzania, and of holding companies that are associated with the Democratic People’s Republic of Korea registering in the Marshall Islands. The Panel has yet to receive responses from the United Republic of Tanzania and the Marshall Islands. Paragraph 24 of resolution 2321 (2016) strengthened paragraph 19 of resolution 2270 (2016) by requiring Member States to deregister any vessel that is owned, controlled or operated by the Democratic People’s Republic of Korea, and prohibiting reregistration of any vessel that had been deregistered pursuant to that paragraph.

\textbf{Democratic People’s Republic of Korea-flagged vessels}

143. The Panel found that 30 Democratic People’s Republic of Korea-flagged vessels were owned or operated by 37 foreign companies (in seven countries), in violation of paragraph 20 of resolution 2270 (2016). Nine of these vessels have changed their flag and six have been sold. The remaining vessels and companies are listed in annex 13-4. These vessels are also now in violation of paragraph 9 of resolution 2321 (2016).

\textbf{2. Maritime insurance: DGS Marine}

144. The Panel obtained evidence that two Democratic People’s Republic of Korea-flagged vessels, the \textit{Min Hae} (IMO 8672897) and the \textit{Dong Nam 1} (IMO 8503735), were insured by what became a defunct and unlicensed offshore entity, DGS Marine (a.k.a British European and Overseas P&I), controlled by a national of the United Kingdom, David Skinner. In addition to the possible violation of paragraph 19 of resolution 2270 (2016), reports have suggested that DGS Marine previously insured vessels subject to the European Union sanctions regime against the Syrian Arab Republic (see annex 13-5).

\begin{footnotesize}
\begin{itemize}
\item \textsuperscript{125} \textit{Ever Bright 88}, \textit{Firstgleam} (former Dawnlight), \textit{Gold Star 3}, \textit{Grand Karo}, \textit{JH 86}, \textit{Jin Tai}, \textit{Jin Teng}, \textit{Orion Star}, and \textit{South Hill 5}.
\item \textsuperscript{126} Reregistered by the Maritime Administration of the Democratic People’s Republic of Korea in July 2016. Susam Shipping Co. is the owner/operator.
\end{itemize}
\end{footnotesize}
145. The Panel notes previous widespread use by Democratic People’s Republic of Korea-flagged vessels of other foreign insurance entities subsequently liquidated by court order for being unable to perform their obligations to the insured, including the South of England Protection and Indemnity Association. This is enabled by some flag and port States not verifying the insurance credentials of vessels. The Panel recommends that flag and port States verify the origin and legal validity of insurance of Democratic People’s Republic of Korea-flagged vessels or vessels suspected of being crewed by the Democratic People’s Republic of Korea.

146. The Panel recommends that the Committee establish a list of designated vessels (subject to seizure as economic resources pursuant to paragraphs 12 and 23 of resolution 2270 (2016)), which includes vessel-identifying characteristics, and maintain the list as for designated individuals. In addition, the aliases of OMM vessels contained in table 5 should be added to the list.

147. The Panel recommends to the Security Council that “chartering” should be added to paragraph 9 of resolution 2321 (2016).

B. Air

Air Koryo

148. The Panel has continued to collect information on the Democratic People’s Republic of Korea military command of Air Koryo and the airline’s military nature; the absence of boundaries between Air Koryo and the Korean People’s Army Air Force and the role of Air Koryo in incidents of non-compliance. Military command over Air Koryo was further demonstrated in 2016 when KCNA released images of Mr. Kang Ki Sop, the Chief of the Civil Aviation Bureau, which controls Air Koryo, wearing a military uniform and visiting Korean People’s Army Air Force bases together with Kim Jong Un. Mr. Kang Ki Sop was also filmed in civilian clothing with Kim Jong Un during visits to the new terminal at Pyongyang Sunan International Airport (see figure 34).
Figure 34
Civil Aviation Bureau Chief Kang Ki Sop 128

Source: KCNA and the Panel.

149. The Panel previously indicated that Air Koryo and all airports and airfields in the Democratic People’s Republic of Korea are controlled by the Korean People’s Army Air Force. 129 The Panel documented the use of these aircraft for transporting Korean People’s Army paratroopers during military exercises 130 and at military parades, one of which featured three aircraft painted in camouflage. 131 The above information confirms that Air Koryo is integrated into the military of the Democratic People’s Republic of Korea and that the airline’s assets are actively utilized for military purposes.

150. Air Koryo has also been involved in two shipments of prohibited goods that were interdicted by Member States. In 2013, it transported a cargo of Scud missile spare parts from Pyongyang. 132 In 2009, an Air Koryo airway bill was used as the official transportation document to falsely label as “mechanical parts” 35 tons of conventional arms and munitions, including 240-mm rockets, rocket-propelled grenades and man-portable air defence systems valued at over $16 million. 133

151. Given the preponderance of evidence showing the absence of boundaries between the Korean People’s Army Air Force and Air Koryo, the Panel considers that the “catch-all” provision of paragraph 8 of resolution 2270 (2016) should apply to items 134 destined for Air Koryo aircraft.

128 According to state media, Mr. Kang has passed away.
129 See S/2014/147, para. 141.
130 See S/2015/131, para. 118.
131 See S/2014/147, para. 141.
132 See S/2016/157, paras. 71-76.
133 See S/2013/337, annex XIII, sect. L.
134 Including aviation-related technology, software, and test, inspection and production equipment listed in S/2016/1069.
VII. Activities of designated entities and individuals

152. The Panel investigated the activities of key designated entities and individuals, with a focus on those which had recently been added. The Panel’s findings are that designated entities have intensified their business dealings via commercial online sources through complex networks of front companies, gradually disappearing in public business registries, which shows their adaptability and survivability in the sanctioned environment. Key trusted individuals continue to operate multiple companies at different addresses, allocating each company to trade in a specific type of business.

153. The Panel’s investigations have found widespread evidence that designated entities and/or entities involved in prohibited activities have also traded in minerals listed in the resolutions, a lucrative business which also draws in more clients to facilitate their business dealings. Despite their affiliation with different state organizations, the procurement networks of certain designated entities are interconnected, with the most appropriate networks chosen for specific business dealings. Foreign embassies and trade offices are frequently exploited for their activities, and diplomatic status and embassy compounds utilized for the sale of prohibited items. The networks still boil down to a limited number of individuals and intermediaries; and those at an embassy or at trading companies are likely to be appointed as representatives of the designated entities.

154. Designated entities continue to exploit time lags between Security Council designations and Member State implementation by changing names, directors and addresses, and compartmentalizing their businesses to minimize the impact of sanctions. The Panel considers it essential that Member States monitor key individuals in designated entities, including directors, keeping records of their business activities and strengthening international cooperation to that end. The Panel also recommends that Member States communicate to the Committee available information on designated entities or entities owned or controlled by individuals acting on behalf of or at the direction of designated entities or individuals, or those which have assisted in the evasion of sanctions or violation of the resolutions.

A. Activities of designated entities

1. Namchongang Trading Corporation

155. Resolution 2270 (2016) designated Namhung Trading Corporation as an alias of Namchongang Trading Corporation and Mr. Kang Mun Kil (a.k.a. Jiang Wen-ji) for his nuclear procurement activities as a representative of Namchongang and/or Namhung.

156. According to the Chinese business registry, an entity named “Beijing Representative Office of Korea Namhung Trading Corporation (朝鮮南兴贸易会社北京代表处)” was established in October 2005 (see annex 14-1). Although its business license was revoked on 12 October 2012, some Chinese commercial websites still show branches of this company as active in Beijing and Dandong with Mr. Kang Mun Kil as its representative. Another company director is Mr. Hyon

---

135 Namchongang was designated on 16 July 2009 for its role and involvement in the procurement of nuclear-related items from the late 1990s.
137 Its official name is the national enterprise credit information publicity system.
Byong Chol.\textsuperscript{138} China stated that the Dandong representative office licence was revoked on 10 April 2015.

\textit{Taeryonggang Trading Corporation}

157. Mr. Kang Mun Kil has also been registered as a legal representative of a Dalian-based entity named “Taeryonggang Trading Corporation” (朝鮮大玲江贸易会社),\textsuperscript{139} a fact that was published in Chinese newspapers in August 2013 (see annex 14-2). A Member State identified Taeryonggang as an alias of Namchongang and designated it on 2 December 2016.\textsuperscript{140} The Panel confirmed through a comparison of both letterheads that Taeryonggang shares telephone and fax numbers with Namchongang (see annex 14-3).\textsuperscript{141}

\textit{Namchongang’s connection with other entities}

158. Namhung’s address on several commercial websites is identical to that of Korea Sobaeksu United Corporation (朝鮮小白水联合会社) in the Chinese business registry. Both companies’ registrations were revoked on 12 October 2012 but Namhung appears to have taken over Sobaeksu’s office and business network and is using Sobaeksu’s address to promote its business activities (see annex 14-4). Sobaeksu was designated by the European Union for its involvement in the research and acquisition of sensitive products and equipment in December 2010.\textsuperscript{142} Branch offices of this company are listed in several commercial online sources as still active in Beijing, Yingkou and Dandong (see annex 14-5).

159. The Panel’s investigation revealed possible links between the networks of Sobaeksu, Namchongang and KOMID. Sobaeksu’s director before its licence was revoked, Mr. Yun Ho-Jin\textsuperscript{143} (see figure 35 and annex 14-6), has the same name as the individual designated by the Committee in July 2009 as director of Namchongang. An individual named Mr. Kim Chol Nam\textsuperscript{144} who, according to a commercial business registry, is director of Sobaeksu’s Dandong branch (see annex 14-7), had been listed in the official business registry as a representative of the Beijing branch of “Korea Changgwang Trading Corporation (朝鮮昌光贸易总会社)”, which the Panel previously identified as an alias of KOMID.\textsuperscript{145}

\textsuperscript{138} In Korean: 현병철, in Chinese: 玄炳哲.
\textsuperscript{139} A.k.a Daeryonggang Trading Corporation.
\textsuperscript{140} Republic of Korea designations of 2 December 2016.
\textsuperscript{141} According to the bank’s ledger, funds were transferred to Tanchon Commercial Bank for the account of Taeryonggang for the purchase of control pads.
\textsuperscript{142} The Republic of Korea has designated Sobaeksu.
\textsuperscript{143} In Korean: 윤호진, in Chinese: 尹浩真.
\textsuperscript{144} In Korean: 김철남, in Chinese: 金哲南.
\textsuperscript{145} See S/2010/571, para. 56.
The Panel recommends that the Committee update its sanctions list by adding the following information on Namchongang Trading Corporation as an a.k.a. to KPe.004:

A.k.a: Korea Tearyonggang/or Daeryonggang Trading Corporation
(조선대령강무역회사, 朝鮮大玲江貿易會社)
Address: Sengujadong 11-2/(or Kwangbok-dong), Mangyongdae District, Pyongyang, Democratic People’s Republic of Korea
Telephone number: +850-2-18111, 18222 (ext. 8573)
Facsimile number: +850-2-381-4687.

2. Tanchon Commercial Bank

Tanchon Commercial Bank was designated on 24 April 2009, and two of its representatives in Viet Nam, Mr. Choe Song Il and Mr. Kim Jung Jong were designated on 2 March 2016.

In its national implementation report under resolution 2270 (2016), Viet Nam stated that those individuals were the third secretary and staff member of the embassy of the Democratic People’s Republic of Korea in Hanoi, but that they and their families had departed Viet Nam: in one instance before, and in one instance after the adoption of resolution 2270 (2016). Viet Nam stated it had never authorized Tanchon Commercial Bank to open a branch or subsidiary and that it had found no information on that entity. The Panel has previously noted the practice of the Democratic People's Republic of Korea of assigning diplomats to serve as representatives of designated entities without notifying the State in which they are accredited.

3. Korea Mining Development Trading Corporation

Beijing New Technology Trading Company

KOMID has reportedly utilized an entity named Beijing New Technology Trading Company as a key vehicle for circumventing sanctions measures. Information provided by a Member State confirms that Beijing New Technology is a front company of KOMID.
164. The Hong Kong, China, company registry shows that the director of Beijing New Technology, Mr. Pei Minhao, is also the owner of Beijing Chengxing (see figure 36 and annex 14-8), which was involved in a prohibited arms-related transfer to Eritrea in 2016 (see para. 75-76). Another director of Beijing New Technology, Mr. Park Young Han, also serves as legal representative of the company Guangcaiweixing, which was involved in another intercepted shipment to Eritrea reported to the Committee in 2012 (see annex 14-9).

165. According to several sources in the Chinese commercial coal and iron market, Beijing Chengxing has been listed as a supplier of Democratic People’s Republic of Korea anthracite, iron ore and other minerals, and Guangcaiweixing is also listed as a supplier of Democratic People’s Republic of Korea anthracite and minerals after the adoption of resolution 2270 (2016) (annex 14-10).

Figure 36
Entities and individuals related to Beijing New Technology

4. Green Pine Associated Corporation

Natural Resources Development and Investment Corporation

166. The Committee designated Green Pine Associated Corporation in May 2012 and listed its aliases as “Natural Resources Development and Investment Corporation” (NDIC) and “Chosun Chawo’n Kaebal Tuja Hoesa”.

167. The Chinese official business registry has listed a Beijing-based entity with the name “Beijing Representative Office of Korea NDIC” (朝鲜资源开发投资会社北京代表处). The Chinese script 朝鲜资源开发投资会社 phonetically translates into Korean as “Chosun Chawo’n Kaebal Tuja Hoesa”.148

168. According to the business registry, this alias of Green Pine is still active (with its licence expiring in May 2031). “Korea NDIC” also has a branch office in

---

147 The name of the company as it appears in the official Chinese business registry.
148 In Korean: 조선자원개발투자회사.
Shenyang and its registration was renewed in June 2014, according to several commercial online sources (see annex 14-11).  

**NDIC joint ventures with foreign companies**

169. The Panel investigated an attempt by NDIC to use a joint venture to obtain offshore investment for mining in the Democratic People’s Republic of Korea.  

On 8 August 2012, NDIC established a joint venture with an entity registered in the British Virgin Islands, TTS Resources Limited. An Australian company announced on the Australian Securities Exchange its intention to acquire a joint venture sublicense in March 2013 for the Kumwha Deposit, but actions taken by the Exchange led to it being annulled by the company in September 2014 without any mining having taken place.  

170. A separate, similarly named Democratic People’s Republic of Korea entity, National Resources Development and Investment Corporation (NRDIC, as opposed to NDIC) also attempted to establish a similar type of joint venture for the same purpose, using companies based in the same countries and territories. Furthermore a Member State confirmed to the Panel that NRDIC is an alias for Green Pine.  

171. The Panel also found NDIC letterhead from 2010 that shows a different address from that of Green Pine contained in the Committee’s sanctions list and previously mentioned in the 2016 final report (see annex 14-12). The Panel therefore recommends that the Committee update its sanctions list on Green Pine as follows:

Add the alias of “National Resources Development and Investment Corporation” (NRDIC) as an a.k.a. to KPe.010;  

Add addresses to KPe.010:  
Rakrang No. 1 Rakrang District, Pyongyang, Democratic People’s Republic of Korea  
Chilgol-1 dong, Mangyongdae District, Pyongyang, Democratic People’s Republic of Korea;  
Telephone number: +850-2-18111 (ext. 8327)  
Facsimile number: +850-2-3814685 and +850-2-3813372  
E-mail: pac@silibank.com and kndic@co.chesin.com  

**Greenpine International Corporation Ltd.**

172. Greenpine International Corporation Ltd. (“Greenpine International”) is listed in the Hong Kong, China, company registry as active, with Mr. Kim Song Il as director. He is also registered in China as director of two other Beijing-based trading companies (see annex 14-13). According to the Chinese business registry, Greenpine International is a major shareholder of the two trading companies. The reply of China to the Panel stated the companies “have moved away from their registry address”. Mr. Kim Song Il’s residential address in the Hong Kong, China, was unknown.  

---

149 China investigated and stated that the relationship between this entity and Green Pine was unknown.  
150 The joint venture was for the mining and sale of minerals from the Kumwha Mine, North Hwanghae province of the Democratic People’s Republic of Korea.  
151 EHG Corporation Limited, “EHG Corporation to acquire mineral licences”, 8 March 2013; and “Cancellation of Kumwha deposit transaction”, 19 September 2014.  
153 Beijing Dingyuan Dasong Trading Co., Ltd. (北京鼎元大松贸易有限公司) and Dingyuan Zhencheng (Beijing) Trading Co., Ltd. (鼎元贞誠（北京）贸易有限公司).  
154 China also stated that “Mr. Kim is not a shareholder of any other enterprise and does not hold a position in any representative agency or office in China mainland”.  

---
registry is the same as the registered address of these two Chinese companies (see annex 14-14).

173. These two Beijing-registered companies and the Beijing branch office of Greenpine International have taken over the former addresses of entities of the Democratic People’s Republic of Korea that had their licenses revoked. 155 Several employees and representatives of these companies overlap and are connected through various roles in each company (see figure 37). These links with Democratic People’s Republic of Korea-associated entities and co-located office space clearly demonstrate a relationship with the Democratic People’s Republic of Korea (see annex 14-15). The Panel has obtained information underlining its connection with Korea Kwangson Banking Corporation and its procurement role for the country (see para. 237).

Figure 37
Entities and individuals related to Kim Song Il and Greenpine

174. Mr. Kim Song Il was arrested and indicted in a United States court for attempting to purchase United States-manufactured and controlled military goods, including night-vision goggles, and illicitly transfer them to his residential address in China, followed by possible transfer to the Democratic People’s Republic of Korea. His signature in the plea bargain is identical to those in his Hong Kong, China, company registration documents (see annex 14-16).

175. In 2015, Angola reported to the Committee that Green Pine had delivered military patrol boats to the country until 2012. 156 Chinese customs records from a subscription database 157 show that one of Kim Song Il’s Beijing-based companies exported maritime-related dual-use products to Angola, including boat engines and motors, and radar systems (see annex 14-17). The Panel is of the view that Mr. Kim Song Il has worked at the direction of Green Pine and that his companies, including Greenpine International, are front companies of Green Pine.

155 “Beijing representative office of DPRK Folk Art United Corporation” (Drive 民艺联合商社北京代 表处) and “Korea Folk Art (Beijing) Food Service Co., Ltd.” (高丽民艺(北京)餐饮有限公司) (annex 14-15).
157 Panjiva is a commercial, subscription-based database providing authoritative customs data for a limited number of countries.
King Helong Company Limited

176. The Panel continued its investigation of two individuals registered as former legal representatives of Green Pine: Mr. Choe Kwang Hyok and Mr. Pak Won Il. Mr. Choe is listed as chief executive of Beijing King Helong International Trading Ltd. (“Beijing King Helong”) in the Chinese business registry, and also registered as a director of Hong Kong King Helong Int’l Trading Ltd. in the Hong Kong, China, company registry (see figure 38 and annex 14-18). The Chinese characters of King Helong “金海龙” phonetically translate into “Ku’mhaeryong” in Korean, and Ku’mhaeryong Company Ltd. is listed as an alias of Green Pine in the Committee’s sanctions list.

177. Several Chinese commercial online sources advertise Hong Kong King Helong and Dandong King Helong International Trading Co., Ltd as subsidiaries of Beijing King Helong (see annex 14-19). Beijing King Helong has at least three front companies based in Hong Kong, China, and shareholders of Beijing King Helong, Yang Jianmin (杨坚民) and Yang Ning (杨宁), are registered as directors of the companies (see annex 14-20).

178. According to the Chinese business registry, Mr. Choe has operated another entity of the Democratic People’s Republic of Korea named “Beijing representative office of Korea Unhasu Trading Company”. The Panel noted that the offices of King Helong, Korea Unhasu and Green Pine in Beijing were all located in the same building and, in the case of the latter two, on the same floor before Green Pine was dissolved (see fig. 38) (see annex 14-21).

Figure 38
Entities and individuals related to Mr. Choe and King Helong

---

160 In Chinese: 北京金海龙国际贸易有限公司.
161 In Chinese: 香港金海龙国际贸易有限公司.
162 Mr. Choe was previously listed as a director of a revoked entity named the Beijing branch of Hong Kong King Helong Int’l Trading Limited (“香港金海龙国际贸易有限公司北京代表处”).
163 In Korean: 금해룡 and 금해룡회사.
165 In Chinese: 朝鮮银河水贸易会社北京代表处.
166 China investigated and stated that the relationship between these entities and Green Pine was unknown.
**Korea Unsong Trading Corporation**

179. Another former legal representative of Green Pine, Mr. Pak Won Il, \(^{167}\) is listed as chief representative of the “Beijing Branch of Korea Unsong Trading Corporation Limited” \(^{168}\) (see annex 14-22). The Chinese business registry shows that Korea Unsong, established on 10 January 2014, is still active, with an address next to the embassy of the Democratic People’s Republic of Korea in Beijing. \(^{169}\)

180. Korea Unsong established an office in Shenyang on 19 October 2016. Mr. Lim Young Hwan \(^{170}\) and Mr. Kim Young Hwan \(^{171}\) are directors of the Beijing and Shenyang offices (see annex 14-23). According to commercial online sources, Korea Unsong exports prohibited minerals, including ferrous and non-ferrous metals.

**Saeng Pil Trading Corporation**

181. Saeingpi’l company was identified as an alias of Green Pine by the Committee in May 2012. The Panel confirms that Saeng Pil Trading Corporation is also an alias of Saeingpi’l company and Green Pine. A Saeng Pil Trading Corporation brochure lists the same address, telephone and fax number as those given in a letter issued by the President of Green Pine (see annex 14-24). The company specializes in the construction of naval vessels and the design, fabrication and installation of electronic communication and marine navigation equipment, which is consistent with the description of Green Pine in the Committee’s sanctions list.

182. A diplomatic note indicates that Saeng Pil Trading Corporation has been active in Cairo (see annex 14-25). Mr. An Jong Hyuk (Hyok) was authorized on 18 December 2013 to conduct all types of business on behalf of the Corporation. His activities include signing and implementing contracts and banking business. When he was appointed as the representative of the Corporation, Mr. An was serving as a diplomat of the Democratic People’s Republic of Korea in Egypt.

183. The Panel recommends the Committee update its sanctions list by adding the following information as an a.k.a. to KPe.010 (Green Pine):

A.k.a.: Saeng Pil Trading Corporation

**5. Korea Daesong General Trading Corporation**

184. The Security Council designated Korea Daesong General Trading Corporation on 30 November 2016 for its affiliation with Office 39. While the Qingdao branch of the Corporation remains active as a registered company, with Mr. Kim Yong Sok as a representative, the Panel notes that the designation was only two months prior to the time of writing. \(^{172}\) The Corporation also has branches in Shenyang, Yanji and Dandong, according to several commercial online sources (see annex 14-26). The Committee’s sanctions list indicates that the Corporation exports minerals and metals, including gold.

**6. Korea United Development Bank**

185. The Security Council designated Korea United Development Bank on 30 November 2016. Information shows that Mr. Choe Un Hyuk, as a representative,
appears to operate the Bank in Moscow through the embassy of the Democratic People’s Republic of Korea (see annex 14-27). The Panel continues to investigate Mr. Choe’s status and his relationship with the Bank.

7. Korea Heungjin Trading Company

186. On 2 May 2012, the Committee designated Korea Heungjin Trading Company.\(^{172}\) The sanctions list noted that the Company had been associated with KOMID\(^{174}\) and, specifically, the procurement office of KOMID.

187. The Panel has noted that an office of Korea Heungjin\(^{175}\) was registered in Dandong,\(^{176}\) according to commercial online sources, with its director listed as Mr. Choe Chan Il\(^{177}\) (see annex 14-28).

188. Commercial websites show that an individual with the same name was listed as a director of “Dalian Office of Korea Mining Development General Corporation” (朝鮮矿业开发总公司大连代表处), which a Chinese local newspaper publicly announced in June 2005 (see annex 14-29). The Panel has noted that this name is very similar to that of KOMID (朝鮮矿业开发贸易公司), with a slight difference through the inclusion of “trading (贸易)”. The Panel previously reported that designated entities exploited alternative ways to transliterate Korean names.\(^{178}\) The connection of the Korea Heungjin Trading Company with KOMID through its director, Mr. Choe, is also consistent with the description on the Korea Heungjin Trading Company and KOMID in the Committee’s sanctions list.

189. The Panel also noted that the same name, Mr. Choe Chan Il (崔灿日), was listed as a first secretary of the embassy of the Democratic People’s Republic of Korea in Beijing on 25 September 2012 (see annex 14-30), and further noted the country’s widespread exploitation of diplomatic status as a cover for designated entity representatives. The uncommon name and exact match of Chinese characters show that the directors of both entities and a listed diplomat could be the same person. The Panel continues to investigate the diplomat’s involvement in prohibited activities.

8. Korea Kwangson Banking Corporation

Dandong Hongxiang Industrial Development Co. Ltd.

190. On 2 March 2016, the Security Council designated an entity named Korea Kwangson Banking Corporation for providing financial services in support of other designated entities.

191. The Korea Kwangson Banking Corporation has been listed as one of two major shareholders of a Chinese company named Dandong Hongxiang Industrial Logistics Co., Ltd.,\(^{179}\) the registration of which was recently revoked (see annex 14-31). Its affiliated company, Dandong Hongxiang Industrial Development Co. Ltd. (Dandong Hongxiang) was designated by multiple Member States for acting for or on behalf of the Korea Kwangson Banking Corporation (KKBC).\(^{180}\) According to the Department of the Treasury of the United States, “Dandong Hongxiang used an

\(^{172}\) In Chinese: 朝鲜兴进贸易公司/会社.

\(^{174}\) In Chinese: 朝鲜矿业发展贸易公司 or 朝鲜矿业开发贸易公司.

\(^{175}\) In Chinese: 朝鲜兴进贸易会社丹东代表处.

\(^{176}\) China investigated and stated that the Korea Heungjin licence was revoked in 2006, and the Dandong licence revoked on 10 April 2015.

\(^{177}\) In Korean: 최찬일, in Chinese: 崔灿日.

\(^{178}\) See S/2016/157, para. 181.

\(^{179}\) In Chinese: 丹东鸿祥实业物流有限公司.

\(^{180}\) The United States of America, Japan and the Republic of Korea.
illicit network of front companies, financial facilitators, and trade representatives to facilitate transactions on behalf of KKBC”. The United States District Court for the District of New Jersey document also shows that the Corporation guaranteed or financed Dandong Hongxiang sales transactions through its ledger arrangement from December 2009 until at least September 2015 (see annex 14-32).

192. According to commercial online sources, the Korea Kwangson Banking Corporation had a branch office in Dandong, with Lee Gwangju as a representative, and remained active until July 2016 (see annex 14-33). Address listings for the Corporation in Dandong on commercial websites are consistent with the address of the Corporation provided in the United States court document.

Joint Venture with Dandong Hongxiang

193. The Chinese business registry shows that several entities of the Democratic People’s Republic of Korea established joint venture companies with Dandong Hongxiang. These include Korea Kwangson Banking Corporation and Korea National Insurance Corporation, which have been designated by multiple Member States. Korea Taeyang (or Daeyang) Corporation had also been listed as a partner of Dandong Hongxiang for several joint ventures until it was replaced in 2015 by Korea Pyongyang Economic Exchange Company. The document shows that Korea Taeyang is controlled by the “Directors Committee” of the Korea Worker’s Party. According to its official website, it owns several mines and conducts joint ventures to extract minerals, including molybdenum. It exports metallic and non-metallic minerals through its subsidiary, Korea Taeyang Trading Company.

9. Korea Ryonha Machinery Joint Venture Corporation

194. On 10 August 2016, State media reported Kim Jong Un’s field guidance at the January 18 General Machinery Factory, where many computer numerically controlled (CNC) machines of Ryonha Machinery have been displayed. This was his second visit to the factory following the 2013 visit when he ordered the remodel and upgrade of the factory with computer numerically controlled machine tools and robots. The factory is known for manufacture of military products, including missiles, and images show the production of engines with a computer numerically controlled machine (see figure 39).

__________________

183 In Korean: 조선대양회사.
185 See S/2016/157, para. 165.
Figure 39
Engine production with a computer numerically controlled machine at the January 18 General Machinery Factory

Source: KCNA.

195. Certain computer numerically controlled technology or machine tools are included in the nuclear and ballistic-missile prohibited items list.\(^{186}\) Other computer numerically controlled machines and technology for the production of conventional arms dual-use items are also on the list of prohibited items under resolution 2321 (2016).

196. The Panel noted that a Chinese company\(^{187}\) had exported several computer numerically controlled machine tools to the country, and investigated the possible involvement of Ryonha Machinery Corporation. According to the company’s website, a Democratic People’s Republic of Korea company ordered computer numerically controlled machines and visited its workshop to inspect computer numerically controlled machine tools before purchasing them (see annex 14-34). The Panel also noted that company’s computer numerically controlled machine tools for sale bore similarities to those of Ryonha Machinery in design (see annex 14-35). The Panel has not received a reply from the company.

B. Participation of designated entities in the Pyongyang International Trade Fair

197. The Korea International Exhibition Corporation has facilitated trade and marketing for designated entities, through its hosting of the Pyongyang International Trade Fair since 2000.\(^{188}\) The main purpose of the Corporation is to facilitate business opportunities for participants through networking and the exchange of participants’ contact profiles and products for future projects of the Democratic People’s Republic of Korea (see annex 14-36).

198. Designated entities have repeatedly participated in the trade fair, both before and after designation (see table 6 and annex 14-37). In addition, companies identified as aliases of designated entities, as well as entities unilaterally designated by Member States, have also participated (see annex 14-38).

---

187 In Chinese: 滕州市科永达数控机床有限公司.
188 Held biannually since at least 2012.
Table 6
Participation of designated entities

<table>
<thead>
<tr>
<th>Designated entities</th>
<th>Designation date</th>
<th>Pyongyang International Trade Fair date&lt;sup&gt;a&lt;/sup&gt;</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ryonha (Ryonhwa) Machinery Corp.</td>
<td>22 Jan. 2013</td>
<td>15th, 16th, 17th Spring, and 8th, 9th Autumn</td>
</tr>
<tr>
<td>Hyoksin Trading Corp.</td>
<td>16 Jul. 2009</td>
<td>15th Spring and 9th Autumn</td>
</tr>
<tr>
<td>Natural Resources Development &amp; Investment Co.</td>
<td>2 May 2012</td>
<td>18th Spring and 11th Autumn</td>
</tr>
<tr>
<td>Pugang Trading Corp.</td>
<td>30 Nov. 2016</td>
<td>15th Spring and 9th Autumn</td>
</tr>
</tbody>
</table>

<sup>a</sup> The 15th, 16th, 17th, 18th Spring Fairs were held in 2012, 2013, 2014 and 2015, respectively, and the 8th, 9th, and 11th Autumn Fairs in 2012, 2013 and 2015.

1. Foreign recruitment and display of dual-use and prohibited items at the Pyongyang International Trade Fair

199. Foreign participants were previously recruited through embassy trade representatives, but since at least 2014 this role has been played by regional foreign partners. These partners are responsible for identifying, inviting and organizing the participation of foreign companies (see annex 14-39). The Panel notes that the foreign partner of the Korea International Exhibition Corporation in Taiwan Province of China, Royal Team Corporation, was previously investigated by the Panel.<sup>189</sup>

200. The brochure and images from the Pyongyang International Trade Fair show that both products and various types of technology have been exhibited, along with images of proliferation-sensitive technologies. During the 2013 spring fair, Ryonha Machinery Corporation displayed computer numerically controlled machinery at centrally located booths (see figure 40). Booth posters at the 2016 spring fair also featured such machines. According to state media and other open sources, there was high foreign customer demand for computer numerically controlled machine and related technologies (see annex 14-40).

Figure 40
Computer numerically controlled machinery at the 2013 spring Pyongyang International Trade Fair

Source: KCTV and KCNA.

201. At the 2016 spring trade fair, a Romanian company displayed and demonstrated “high vacuum furnaces” and an “electron beam welding system”. According to the company’s website, these high-end technologies, combined with other exhibited equipment, possess nuclear engineering and air and space

<sup>189</sup> See S/2016/157, paras. 182-186.
technology applications (see annex 14-41). The Panel notes that more sophisticated vacuum furnaces and power welding equipment are on the list of prohibited nuclear-related items (see annex 14-42).

202. A former trade fair participant informed the Panel that entities of the Democratic People’s Republic of Korea had approached its display booth, offering a joint venture, including in jewellery processing and an alluvial gold project, requesting the supply of gemstones for processing (see annex 14-43). Under resolution 2094 (2013), jewellery is a luxury good. This case shows that the trade fair is a platform for marketing and acquisition of prohibited items and technologies to both designated entities and participating foreign trading companies.

2. Participation of local trading companies handling prohibited minerals

203. Trade fair brochures have also shown local trading companies that export prohibited minerals, including gold, silver, vanadium, titanium, zinc, anthracite and iron ore (see table 7). The brochure indicates that these minerals are marketed and traded at the fair, demonstrating that the fair has also been used as a venue for trade in minerals listed in the resolutions (annex 14-44).

<table>
<thead>
<tr>
<th>Trading companies</th>
<th>Minerals</th>
<th>Fair date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kwangmyong Joint Venture Co.</td>
<td>Non-metallic minerals</td>
<td>16th and 17th spring fairs, and 9th and 11th autumn fairs</td>
</tr>
<tr>
<td>Suhaeng J.V. Co.</td>
<td>Gold, molybdenum and anthracite</td>
<td>16th spring fair</td>
</tr>
<tr>
<td>Yonghung Trading Co.</td>
<td>Gold concentrate</td>
<td>15th, 16th and 18th spring fairs, and 8th and 11th autumn fairs</td>
</tr>
<tr>
<td>Kumsan Trading Co.</td>
<td>Vanadium and molybdenum ore</td>
<td>16th spring fair</td>
</tr>
<tr>
<td>Korea Ferrous Metals Export &amp; Import Co.</td>
<td>Iron ore and steel</td>
<td>16th spring fair, and 8th and 9th autumn fairs</td>
</tr>
</tbody>
</table>

Source: Korea International Exhibition Corporation brochure and Naenara.

a Manufacturer of nuclear-related items. See S/2016/157, para. 60.

204. The Panel recommends that the Committee designate Korea International Exhibition Corporation for having assisted designated entities in the evasion of sanctions through the Pyongyang International Trade Fair and providing a platform to transfer, sell or supply prohibited items to or from the country.

205. The Panel recommends that Member States exercise enhanced vigilance over their companies participating in the Pyongyang International Trade Fair and alert them that any form of engagement with designated entities or those undertaking prohibited activities is a violation of the resolutions.
C. Travel of individuals reportedly linked to designated entities

206. The Panel continues to investigate the travel activities of designated individuals and individuals designated by Member States, as depicted in table 8 for 2012-2016. The Panel notes that certain individuals are required to be expelled under paragraphs 14 and 15 of resolution 2270 (2016) and paragraph 33 of resolution 2321 (2016).190

Table 8
Travel of reported KOMID officials

<table>
<thead>
<tr>
<th>Name</th>
<th>Date of birth</th>
<th>Passport number</th>
<th>Country of residence/title</th>
<th>Countries visited</th>
<th>Countries transited</th>
<th>Countries where tickets purchased</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mr. Jo Yong Chol</td>
<td>30 Sept. 1973</td>
<td>745110086</td>
<td>Syrian Arab Republic</td>
<td>China, Lebanon, Singapore and United Arab Emirates</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mr. Kang Ryong</td>
<td>21 Aug. 1968</td>
<td>472410192</td>
<td>Syrian Arab Republic</td>
<td>Egypt, Namibia and Uganda</td>
<td>China, Lebanon, Singapore and United Arab Emirates</td>
<td></td>
</tr>
<tr>
<td>Mr. Kim Song Chol</td>
<td>26 Mar. 1968</td>
<td>381420565</td>
<td>Egypt b</td>
<td>Syrian Arab Republic</td>
<td>China and United Arab Emirates</td>
<td>Syrian Arab Republic</td>
</tr>
<tr>
<td>Mr. Ri Jong Chol</td>
<td>12 Apr. 1970</td>
<td>654220197</td>
<td>Democratic People’s Republic of Korea/Chief of KOMID 1st office c</td>
<td>Islamic Republic of Iran, Namibia and Uganda</td>
<td>China, Malaysia and United Arab Emirates</td>
<td>China and Namibia</td>
</tr>
<tr>
<td>Mr. Ri Won Ho</td>
<td>17 Jul. 1964</td>
<td>381310014</td>
<td>Syrian Arab Republic</td>
<td>Egypt and Oman</td>
<td>Lebanon</td>
<td>Egypt</td>
</tr>
<tr>
<td>Mr. Ryu Jin</td>
<td>7 Aug. 1965</td>
<td>563410081</td>
<td>Syrian Arab Republic</td>
<td>Uganda</td>
<td>China, Lebanon and United Arab Emirates</td>
<td>China and United Arab Emirates</td>
</tr>
<tr>
<td>Mr. Kang Myong Chol</td>
<td>18 Nov. 1954</td>
<td>563210074</td>
<td>Democratic People’s Republic of Korea, Chairman of KOMID d</td>
<td>Islamic Republic of Iran, Uganda and Vietnam</td>
<td>China, Malaysia and United Arab Emirates</td>
<td>China and Malaysia</td>
</tr>
</tbody>
</table>

190 The Panel investigated the travel of these individuals for the period 2012-2016. A number of these individuals were subsequently designated under resolutions 2270 (2016) and 2321 (2016).
Egypt informed the Panel that it had undertaken several measures, including accurately monitoring all activities by citizens of the Democratic People’s Republic in Egypt (visitors and residents), which recently had led to the departure of many citizens of the Democratic People’s Republic of Korea.

The United States stated that Mr. Kim Song Chol was a KOMID official “located in Egypt” who has “conducted business in Sudan on behalf of KOMID’s interests” (Department of the Treasury, 3 March 2016). Resolution 2321 (2016) designating Mr. Kim Song Chol does not name Egypt, stating that “Mr. Kim Song Chol is a KOMID official that has conducted business in Sudan on behalf of KOMID’s interests”.

According to United States designation.

According to Republic of Korea designation.

Following the adoption of resolution 2270 (2016), the Panel was informed that Mr. Jang had departed the Islamic Republic of Iran.

Following the adoption of resolution 2270 (2016), the Panel was informed Mr. Kim had departed the Islamic Republic of Iran.

Table 9
Travel of reported Green Pine Associated Corporation representatives

<table>
<thead>
<tr>
<th>Name</th>
<th>Date of birth</th>
<th>Passport number</th>
<th>Country of residence/title</th>
<th>Countries visited</th>
<th>Countries transited</th>
<th>Countries where tickets purchased</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mr. Jon Chol Yong</td>
<td>30 Apr. 1975</td>
<td>563410192</td>
<td>Angola</td>
<td>United Arab Emirates</td>
<td>Angola and Sri Lanka</td>
<td></td>
</tr>
<tr>
<td>Mr. Ri Hak Chol</td>
<td>19 Jan. 1963</td>
<td>563410163</td>
<td>Democratic People’s Republic of Korea/President of Green Pine Associated Corporation&lt;sup&gt;a&lt;/sup&gt;</td>
<td>Angola, Egypt and Islamic Republic of Iran</td>
<td>China, Singapore and United Arab Emirates</td>
<td>Angola, China and Egypt</td>
</tr>
</tbody>
</table>

<sup>a</sup> According to the Republic of Korea designation.
Table 10
Travel of reported Tanchon Commercial Bank representatives

<table>
<thead>
<tr>
<th>Name</th>
<th>Date of birth</th>
<th>Passport number</th>
<th>Country of residence/title</th>
<th>Countries visited</th>
<th>Countries transited</th>
<th>Countries where tickets purchased</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mr. Kim Jung Jong</td>
<td>7 Nov. 1966</td>
<td>563210184</td>
<td>Viet Nam&lt;sup&gt;a&lt;/sup&gt;</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mr. Ko Tae Hun&lt;sup&gt;b&lt;/sup&gt;</td>
<td>25 May 1972</td>
<td>563120360</td>
<td>Sudan</td>
<td>China, Ethiopia and United Arab Emirates</td>
<td>Sudan</td>
<td></td>
</tr>
</tbody>
</table>

<sup>a</sup> National implementation report of Viet Nam.
<sup>b</sup> Kim Myong Gi is an alias for Mr. Ko Tae Hun.

Table 11
Travel of individuals reported as working in support of the Reconnaissance General Bureau

<table>
<thead>
<tr>
<th>Name</th>
<th>Date of birth</th>
<th>Passport number</th>
<th>Country of residence/title</th>
<th>Countries visited</th>
<th>Countries transited</th>
<th>Countries where tickets purchased</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ms. Kim Su Gyong&lt;sup&gt;a&lt;/sup&gt;</td>
<td>16 Jan. 1973</td>
<td>745120374</td>
<td>Russian Federation&lt;sup&gt;b&lt;/sup&gt; and United Arab Emirates</td>
<td></td>
<td></td>
<td>United Arab Emirates</td>
</tr>
</tbody>
</table>

<sup>a</sup> Ms. Kim was identified by a Member State as working for the RGB.
<sup>b</sup> The Russian Federation informed the Panel that unilateral sanctions were “not an argument for suspicion of unlawful activities on Russian territory”.

Representatives of Green Pine Associated Corporation in Angola

207. The Panel travelled to Angola in September 2016 to investigate diplomats of the Democratic People's Republic of Korea working as representatives of Green Pine. Angola had previously provided evidence that Mr. Kim Hyok Chan, a diplomat and representative of Green Pine (see figure 41), had negotiated contracts, sourced spare parts and overseen the refurbishment of Angolan navy patrol boats.

208. The Panel discussed with the Angolan authorities Mr. Kim’s travel to third countries for prohibited activities, further recommending in writing that he be expelled pursuant to paragraph 13 of resolution 2270 (2016). The Panel raised with Angola the case of a second diplomat, Mr. Jon Chol Young (passport number 563410192), another Green Pine representative who had travelled abroad with Mr. Kim for related business (see para. 103). The President of Green Pine, Mr. Ri Hak Chol, also travelled to Angola between 22 and 27 January 2014. The Panel has yet to receive replies to its enquiries regarding these individuals.
209. The Panel recommends that the Committee designate Mr. Kim Hyok Chan as a Green Pine representative.

Name: Mr. Kim Hyok Chan
Title: Secretary, Democratic People’s Republic of Korea embassy, Luanda
Nationality: Democratic People’s Republic of Korea
Passport No.: 563410191
Date of birth: 9 June 1970

VIII. Finance

210. Despite expanded financial sanctions adopted by the Security Council in resolutions 2270 (2016) and 2321 (2016), the Democratic People’s Republic of Korea has continued to access the international financial system to support its activities. Financial networks of the Democratic People’s Republic of Korea have adapted to these sanctions, using evasive methods to maintain access to formal banking channels and bulk cash transfers to facilitate prohibited activities. At the time of writing, Democratic People’s Republic of Korea circumvention techniques and inadequate compliance by Member States are combining to significantly negate the impact of the resolutions.

211. The Panel has identified multiple ways in which the financial institutions and networks of the Democratic People’s Republic of Korea access the international banking system to engage in activities in violation and/or evasion of the provisions of the resolutions:

• Banks of the Democratic People’s Republic of Korea, including designated banks, hold correspondent or payable-through accounts with foreign banks
• Banks of the Democratic People’s Republic of Korea form joint ventures with foreign companies
• Foreign companies establish banks inside the Democratic People’s Republic of Korea
• Banks of the Democratic People’s Republic of Korea, including designated banks, maintain representative offices abroad

191 During the period under review, no Member State(s) reported to the Committee actions taken in accordance with the asset freeze. Belarus reported on a bank that “had a client whose accounts fell under the scope of the resolution”. While it stated that, pursuant to paragraph 32 of resolution 2270 (2016), “this bank has prohibited outgoing transactions”, it did not report on compliance with paragraph 8 (d) of resolution 1718 (2006), requiring it to freeze assets that could be used for prohibited activities.
• Trading companies linked to the Democratic People’s Republic of Korea, including designated entities, open bank accounts that perform the same financial services as banks (including by using banks where the companies maintain funds on deposit, to provide indirect correspondent bank account services)

• Diplomatic missions of the Democratic People’s Republic of Korea provide financial support to that country’s networks.192

212. In addition, the Democratic People’s Republic of Korea also uses bulk cash and gold to entirely circumvent the formal financial sector.

213. The networks behind this activity consist of a core of agents who are highly experienced and well trained in mobilizing money, people and goods, including arms and related materiel, across borders. These agents use non-nationals of the Democratic People’s Republic of Korea as facilitators with varying degrees of complicity, and rely on numerous front companies bearing no paper trail that leads to the Democratic People’s Republic of Korea. The business conducted by some of these networks generates significant revenue for the Democratic People’s Republic of Korea. Most of the financial activity investigated by the Panel was denominated in United States dollars, euros and renminbi.

214. Owing to the transnational nature of financial transactions, a single transaction may impose obligations on multiple Member States. Thus, one State may have to enforce the resolutions with respect to the activities of its nationals operating abroad, a second State may be obligated to enforce sanctions measures with regard to banks domiciled or operating within its jurisdiction and a third State may be obligated to enforce the expulsion or exclusion of agents of financial institutions of the Democratic People’s Republic of Korea from its territory. Another State, such as the issuer of a convertible currency, may be required to use its regulatory jurisdiction to designate persons, or to block or prohibit financial transactions that are cleared by correspondent banks within its jurisdiction. Another State may be obligated to prohibit other financial services that facilitate transactions by designated persons. A key challenge to these obligations is that Member States need to have mechanisms for effective information exchange and coordination with strategic trade and export control, law enforcement and intelligence agencies. Although financial institutions can detect illicit financial flows through due diligence and investigations, intelligence shared by Governments remains a critical enabler of compliance with financial sector sanctions.

A. Banks of the Democratic People’s Republic of Korea holding correspondent or payable-through accounts with foreign banks

215. The Panel found evidence that financial institutions in several Member States continue to provide both direct and indirect correspondent banking services to banks of the Democratic People’s Republic of Korea, in violation of paragraph 33 of resolution 2270 (2016) and paragraph 31 of resolution 2321 (2016). The Panel notes that the Committee has received only two exemption requests pursuant to these provisions, from the Russian Federation. One request was for its account at the Foreign Trade Bank of the Democratic People’s Republic of Korea for its

192 The Panel views such arrangements as an evasion of the ban on correspondent accounts contained in paragraph 32 of resolution 2270 (2016). To the extent that designated persons, or persons associated with activities contrary to the resolutions, have an interest in these accounts, ownership or controlling interests in the persons or entities holding those accounts on deposit, the Panel also views them as evasion of resolution 1718 (2006), paragraph 8 (d); resolution 2094 (2013), paragraph 11; and resolution 2270 (2016), paragraph 32.
Pyongyang embassy and Chongjin consulate general, while the other was for an account for arrears on loans from the former Union of Soviet Socialist Republics. Since 26 other countries also maintain diplomatic missions or offices in the Democratic People’s Republic of Korea, those which still have bank accounts in the country are encouraged to request an exemption from the Committee.

216. The Panel obtained information showing that the International Bank of Martial Arts in Pyongyang (국제무도은행, see annex 15-1) has served foreign clients with renminbi savings, loan, and transfer services; has undertaken transactions in China; and has issued guidelines in Chinese and English to foreign clients on how to transfer renminbi from China (see annex 15-2). Pursuant to resolution 2270 (2016), Member States were to have closed existing representative offices, subsidiaries or banking accounts in the Democratic People’s Republic of Korea by 2 June 2016, and to report such actions in their national implementation reports.

B. Foreign companies or joint ventures establish banks in the Democratic People’s Republic of Korea or provide financial services to that country

217. The Panel investigated banks in the Democratic People’s Republic of Korea established as subsidiaries or joint ventures of foreign companies to support bilateral trade and investment as possible violations of paragraph 13 of resolution 2094 (2013), paragraph 33 of resolution 2270 (2016) and paragraph 31 of resolution 2321 (2016).

218. The International Consortium Bank in Pyongyang is a subsidiary of a Malaysia-Democratic People’s Republic of Korea joint venture, the Malaysia-Korea Partners Group of Companies. This Bank is situated within the Group’s “Service Division”. Licensed by the Central Bank of the Democratic People’s Republic of Korea and registered with the Pyongyang Municipal People’s Committee, the bank provides financial services, including deposit, loan, trade finance, contracting, remittances and financing of small and medium enterprises, for which it states: “Preference will be given to existing bank’s customers who have been awarded contracts by government bodies” (see annex 15-3). The bank claims to “help(s) over 52 million people worldwide”. The Panel has inquired with Malaysia and the Malaysia-Korea Partners Group of Companies and has yet to receive a reply.

193 In May 2016, the central bank of the Russian Federation issued guidance on obtaining approval from the Committee regarding paragraphs 33 and 35 of resolution 2270 (2016) and, in December 2016, regarding paragraph 31 of resolution 2321 (2016).
194 Financial institutions in the Democratic People’s Republic of Korea with foreign partners benefit from correspondent banking relationships with financial institutions in the country of their joint-venture partner. Past cases have shown that foreign companies are used by networks and banks in the Democratic People’s Republic of Korea to collect fees, hold money, strip information and forge documents. They also facilitate evasion through the layering and co-mingling funds involved in prohibited conduct with funds derived from licit activities.
195 Established in 1964, Malaysia-Korea Partners Group of Companies lists as one of its main activities overseas construction, including of statues, in Africa. The company’s promotional video states that its “formula for success is a powerful mix of Malaysian products and Korean labour and technology”. One of the company’s construction projects is the renovation of the embassy of the Democratic People’s Republic of Korea in Nigeria. The company’s Service Division includes a financial leasing company based in Zambia, Commercial Capital Corporation Ltd., which provides lease finance and manages a remittance business, which the Panel is investigating for possible connections with the Democratic People’s Republic of Korea.
219. A bank of the Democratic People’s Republic of Korea named Chinese Commercial Bank (中华商业银行) in Rason was established on 18 January 2013 by China Gold Trade Exchange (Dalian) Co., Ltd. (金贸易货交易（大连）有限公司, annex 15-4). A Chinese official gave a speech at the ribbon-cutting ceremony, in which he emphasized the financial support to trade with the Democratic People’s Republic of Korea to be provided by the bank (annex 15-5). If ongoing, such support would violate paragraph 36 of resolution 2270 (2016) and paragraph 32 of resolution 2321 (2016). The Director of China Gold Trade Exchange (also director of its Dandong branch) simultaneously served as Chair of the bank’s board, demonstrating joint management by the bank in the Democratic People’s Republic of Korea and a foreign company. On 23 August 2013, when Junling Holdings (君领控股) acquired a 60 per cent stake in Chinese Commercial Bank, the company praised the agreement as a milestone for Chinese private capital entering the overseas financial industry which would play an active role in promoting bilateral economic and trade cooperation (see annex 15-6).

220. Kumgyo International Commercial Bank is a bank in the Democratic People’s Republic of Korea run jointly with the China Inner Mongolia Horizon (Hong Yuan) International Trade Corporation, Ltd. (中国内蒙古泓元国际贸易有限责任公司) and affiliated with Korea Chongsong Mining Company (see annex 15-7). Kumgyo Bank states that it “conducts brisk business transactions with foreign investors and companies”, including “counterparts at home as well as in the Russian Federation, China and other countries”. The China Inner Mongolia Horizon International Trade Corporation is registered with the Ministry of Commerce of China as a joint venture which is 49 per cent owned by a company of the Russian Federation, 俄罗斯联邦图瓦共和国《蒙戈列克》有限责任公司 (phonetic translation: “Menggelyk” LLC, Tuva Republic, Russian Federation, see annex 15-8). The venture engages in the import of various items from the Democratic People’s Republic of Korea, including pearls and magnesium, showing possible links between trade and finance as addressed by paragraph 32 of resolution 2321 (2016) (see annex 15-9). It recently participated in a 2016 e-banking conference in Hohhot (see annex 15-10). The Panel sent letters to China and the Russian Federation, the latter when it could not locate the registration of the company in the Russian Federation. The Russian Federation replied that: “The letter fails to mention a single designated entity. Consequently, we do not see grounds to carry out investigation on the matter.” The Panel’s investigation continues.

221. A Hong Kong, China, company, Unaforte (香港旺福特有限公司), with a Yanbian branch (延边旺福特) established the First Eastern Bank (东大银行) in Rason in 2014 as a subordinate enterprise to provide financial support and loans to Chinese investors in mining and real estate projects in Rason (see annex 15-11). The bank is licensed by the Central Bank of the Democratic People’s Republic of Korea (see annex 15-12) and provides loans to Chinese individuals and companies in the Rason area. In its promotional materials, Unaforte claims: “The [First Eastern] Bank is fully independent and does not require proof of identity. It is not subject to the jurisdiction of China or [the] Democratic People’s Republic of Korea and is not required to report to the Chinese government or the Democratic People’s Republic

---

196 These provisions require Member States to prohibit public and private financial support from within their territories or by persons or entities subject to their jurisdiction for trade with the Democratic People’s Republic of Korea, except as approved in advance by the Committee.

197 The company’s Hunchun branch is registered with the Yanbian Trade and Industry Bureau.

198 The Panel has obtained the name of the Russian Federation company only in Chinese because it was registered in the Chinese business registry and the Russian Federation declined to investigate the company for the reason stated above.

199 Unified State Register of Legal Entities of the Russian Federation.
of Korea government!” (see annex 15-13). The Panel notes that foreign nationals holding accounts in banks of the Democratic People’s Republic of Korea would be a violation under resolution 2321 (2016).

222. The Panel wrote to China on all the above cases and continues its investigation.

C. Designated banks maintain representative offices and agents abroad

223. Several banks of the Democratic People’s Republic of Korea continued to operate abroad subsequent to designation by setting up representative offices as corporate entities rather than as financial institutions. The Panel emphasizes that the expulsion and asset-freeze provisions of the resolutions also apply to persons and entities acting “on behalf of or at the direction of” designated entities. The Panel further notes that, under paragraph 33 of resolution 2321 (2016), Member States are required to expel any individual determined to be working on behalf of or at the direction of a bank of the Democratic People’s Republic of Korea.

224. Korea Kwangson Banking Corporation (KKBC) has operated a branch from Dandong and used the company Dandong Hongxiang to undertake financial transactions in United States dollars on its behalf through multiple front companies established in the British Virgin Islands, Seychelles and Hong Kong, China (see para. 191). This case, along with Chinpo Shipping Singapore and others below, illustrates the pattern of entities of the Democratic People’s Republic of Korea using foreign companies to undertake financial services while evading regulations governing financial institutions. The Panel believes that companies that perform financial services commensurate with those provided by banks should be considered to be financial institutions for the purposes of the resolutions.

225. The Panel has obtained information showing that two designated banks, Daedong Credit Bank (DCB) and Korea Daesong Bank (KDB), are both operating on Chinese territory, through representative offices in Dalian, Dandong and Shenyang. The Dalian-based representative since 2006 has been Mr. Kim Chol-sam, designated in resolution 2321 (2016). To secure a work permit and residence status, he established a company, Dalian Daxin Electronics (大连大信 电子有限公司), as a “foreign natural person” on 8 August 2006, using a Chinese name, 金铁三 (see annex 15-14).

226. Mr. Kim also served as a director of a designated company, DCB Finance Ltd., registered in the British Virgin Islands on 27 June 2006 (see annex 15-15). DCB Finance shared several officers with DCB and the same address as four of the front companies used by Dandong Hongxiang to process transactions on behalf of KKBC. When the DCB correspondent accounts were closed in 2005, DCB

200 See resolution 2321 (2016), para. 33.
201 Unless the presence of the individual is required for the fulfilment of a judicial process or exclusively for medical, safety or other humanitarian purposes, or the Committee has determined otherwise.
202 Case number 16-mj-06602, District of New Jersey, filed 3 August 2016.
204 Before moving to China, Mr. Kim had worked as Treasurer of DCB, assigned by KDB, which is the DCB joint venture partner and 30 per cent owner. A Member State confirmed that Mr. Kim had served as Treasurer.
205 Success Target Group, Ltd., Best Famous Ltd., Fully Max Trading Ltd. and Sheen Fair Trading Ltd. See paragraphs 13 to 18 of the verified complaint for forfeiture in rem, United States of America v. All Funds in the Accounts of Blue Sea Business Co., Ltd., et al., 16-vo-1954 (District of New Jersey, filed 26 September 2016).
Finance was set up to undertake wire transfers and business transactions on its behalf.\textsuperscript{206}

227. As the representative in Dalian of DCB and DCB Finance, Mr. Kim undertook transactions worth millions of United States dollars, including several of $1 million or more. He also facilitated payments and loans between companies linked to DCB and exchanged large quantities of bulk cash transferred to China from the Democratic People’s Republic of Korea into newer and larger denomination United States dollar notes.\textsuperscript{207} He also regularly undertook foreign exchange between United States dollars and euros and transferred balances between DCB and its shareholder, Korea Daesong Bank. When DCB established representative offices in Shenyang in late 2012, and Dandong in 2014, the three offices cooperated in managing the activities of foreign exchange, transfer, bulk cash exchange and loans. The Panel also obtained information indicating that Ryugyong Commercial Bank (柳商銀行, 柳京商業銀行) has been operating as another representative of DCB from Beijing.\textsuperscript{208} DCB has processed transactions for designated entities and for a company of the Democratic People’s Republic of Korea selling arms and related materials (see paras. 232-241).

228. Mr. Kim established other companies, including Hongdae International Ltd. (see annex 15-16), a company that he registered in Hong Kong, China, using fraudulent personal information to pose as a citizen of the Republic of Korea.\textsuperscript{209} He also paid the Beijing office of a company from Hong Kong, China, to help to set up several other companies in Hong Kong, China, including Pan Ocean Investments Ltd. and Win Talent International Ltd. Lastly, the last-known sale of the 60 per cent foreign share of DCB was to a Chinese company on 14 July 2011, meaning that it is possible that a designated bank of the Democratic People’s Republic of Korea remains majority Chinese-owned.

229. DCB thus effectively accesses the international financial system through a network of offshore accounts and representative offices in China. This case shows how representatives of banks of the Democratic People’s Republic of Korea manage to operate abroad through the establishment of front companies that are not registered as financial institutions but function as such.

230. In compliance with the financial provisions of the resolutions, Member States are obligated to expel Mr. Kim Chol-sam, and to freeze all property, assets and other economic resources owned or controlled by him, DCB, DCB Finance, Korea Daesong Bank, Hongdae International Ltd., and any other of his companies in its territory acting on their behalf or at their direction.

\textit{Alias of designated bank}

231. Acting under paragraph 18 of resolution 2270 (2016), a Member State inspected a misrouted package in transit from the designated Bank of East Land in Pyongyang destined for a company in a third country. Along with a holiday gift traditionally sent by banks to business partners, the package contained a greeting

\textsuperscript{206} Mr. Kim has held at least eight accounts in Chinese banks in United States dollars, euros, yen and Hong Kong dollars in his name and the name of front companies.
\textsuperscript{207} The Democratic People’s Republic of Korea has an abundance of low denomination and highly worn or damaged United States dollar notes.
\textsuperscript{208} Ryugyong Commercial Bank maintained several accounts in Chinese banks and undertook numerous cash transfers to accounts in China controlled by DCB representative offices.
\textsuperscript{209} Mr. Kim listed a false residential address in Seoul, recording his country of residence as “Korea”, which he re-entered next to his Democratic People’s Republic of Korea passport number.
card from the President of “Haedong Bank”, Mr. Pak Yong Hwa (see figure 42). The Panel is investigating whether Haedong Bank is an alias for the Bank of East Land.

Figure 42
Bank of East Land airway bill (left) and Haedong Bank card (right)

Source: Member State.

D. Financial operations of Glocom/Pan Systems Pyongyang

232. Following an interdiction of arms and related materiel pertaining to the Democratic People’s Republic of Korea (see paras. 72-87), the Panel investigated the network’s financial operations.

233. In its banking operations, Pan Systems Pyongyang and its front companies used an extensive network of individuals, companies and offshore bank accounts to procure and market arms and related materiel. The global network consisted of individuals, companies and bank accounts in China, Indonesia, Malaysia, Singapore and the Middle East.210 Pan Systems Pyongyang used the name of its foreign investment partner (Pan Systems Singapore) not only to obscure its activities, but also to gain access to foreign currency accounts in the Democratic People’s Republic of Korea, which otherwise would not be available to local companies under domestic banking rules. Specifically, the director of Pan Systems Pyongyang, Ms. Ryang Su Nyo, established accounts at DCB in the names of both Pan Systems and its front company, International Global Systems, both of which she used to move money in and out of the country.

234. Since 1998, Pan Systems Pyongyang and International Global Systems have used accounts in United States dollars and euros at DCB to gain access to the international financial system, including through bank accounts in China, as described above. These accounts were used to transfer funds to a supply chain of more than 20 companies located primarily on the Chinese mainland; in Hong Kong, China; and in Singapore. In recent years, procurement shifted almost entirely to companies in China and Hong Kong, China.211 Most of these companies supplied electronic products, radio components and casings consistent with Glocom’s advertised military communications equipment, while others were transport companies. The network also made regular transfers to various facilitators with Chinese, Korean, foreign and code names working in China, Indonesia, Malaysia and the Middle East.

210 In particular, €36,939 was transferred to International Global Systems in 2008 from an account at the Damascus branch of a Middle Eastern bank.

211 According to information obtained by the Panel, procurement shifted to companies on the Chinese mainland and in Hong Kong, China, owing to lower prices, stringent Singaporean regulations and more direct logistics.
235. Bank records show that payments to suppliers were made by International Golden Services and multiple other front companies to accounts at banks in Singapore, on the Chinese mainland and in Hong Kong, China. The Panel obtained evidence of a series of transactions by Glocom initiated by companies registered in Hong Kong, China, and cleared through several United States correspondent banks in New York.

236. In terms of incoming transfers, Pan Systems Pyongyang received large remittances from an account at a major bank in Malaysia, as well as from numerous companies of the Democratic People’s Republic of Korea, including Hungbal Trading Co., Kumbong Trading Co. and Mubong Trading Co., the activities of which are being investigated by the Panel. Transfers were also made from the Shenyang consulate of the Democratic People’s Republic of Korea, which the Panel continues to investigate. Pan Systems Pyongyang also regularly used bulk cash transfers.

237. In addition, Pan Systems Pyongyang received funds from two designated entities, KOMID and Hyoksin Trading Corporation. Between 2011 and 2013, Hyoksin made multiple euro-denominated transfers to Pan Systems Pyongyang, as did KOMID between 2011 and 2015. Given the links of Pan Systems Pyongyang to RGB, this further demonstrates how designated entities’ networks are interconnected.\(^\text{212}\)

238. Ms. Ryang Su Nyo made frequent cash deposits into the accounts of both Pan Systems Pyongyang and International Global Systems in both United States dollars and euros.\(^\text{213}\) Pan Systems Pyongyang also used Malaysia as a platform for the purpose of repatriating cash. The Panel previously reported on the arrest, on 17 February 2014, of three nationals of the Democratic People’s Republic of Korea by the Malaysian police on suspicion of attempting to smuggle $450,000 in cash out of Malaysia. The three nationals identified themselves as representatives of Pan Systems Pyongyang, including Ms. Ryang, who claimed that the funds belonged to the embassy of the Democratic People’s Republic of Korea in Kuala Lumpur.\(^\text{214}\)

239. Stronger sanctions have led networks of the Democratic People’s Republic of Korea to employ greater ingenuity in using formal banking channels and bulk cash transfers to facilitate their illicit endeavours. At the same time, Member States that host nationals of the Democratic People’s Republic of Korea, that control the movement of persons across their borders, that regulate banks and that regulate correspondent banks have not made a commensurate investment in their own capacity to enforce the strengthened sanctions. Consequently, agents of the Democratic People’s Republic of Korea have been able to mask both their illicit activities and their links to the country.

240. There is a trend towards the use of agents who are not from the Democratic People’s Republic of Korea and companies registered by facilitators, again not from the Democratic People’s Republic of Korea, in various countries. The Panel’s financial investigations have shown that, while this occurs in many parts of Asia, there is a trend towards greater use of front companies in Hong Kong, China, and other cities on the Chinese mainland that show no trace of the Democratic People’s Republic of Korea in registration documents.

\(^\text{212}\) In 2010 and 2013, Pan Systems Pyongyang made transfers in Hong Kong, China, to Greenpine International, a front company of Green Pine (see paras. 172–175).
\(^\text{213}\) In 2015, the International Global Systems account was changed to International Golden Services.
\(^\text{214}\) The Panel obtained information showing that, two days earlier, the three individuals had entered Singapore through Malaysia by car, implying that the cash may have been collected in Singapore.
241. This case also shows that companies and diplomatic missions of the Democratic People’s Republic of Korea open accounts that, in effect, perform the services that a financial institution would. The Shenyang consulate was providing a supporting financial role, contrary to the prohibition in the Vienna Convention on Diplomatic Relations against commercial activities by consular facilities (see para. 17 of resolution 2321 (2016)).

E. Bulk cash and gold

242. Bulk cash and gold are used by the Democratic People’s Republic of Korea to transfer value by circumventing the formal financial sector entirely. The Panel investigated such smuggling in the evasion of sanctions, as proscribed in paragraph 11 of resolution 2094 (2013), paragraph 37 of resolution 2270 (2016) and paragraph 35 of resolution 2321 (2016). In addition to the transit of bulk cash through DCB for processing and the use of bulk cash by Pan Systems Pyongyang, the Panel investigated three other cases.

243. On 6 March 2015, Bangladesh seized 26.7 kg of gold bars and jewellery (worth $1.4 million) from the hand luggage of the First Secretary of the embassy of the Democratic People’s Republic of Korea in Dhaka, Mr. Son Young-nam. The invoice had been issued by AMM Middle East General Trading in Dubai, United Arab Emirates, and the goods collected from Singapore. Mr. Son had flown into and out of Singapore from Dhaka on the same day, leaving the airport for three hours. He had undertaken on average one such trip a month to Singapore over the previous 15 months from both Dhaka and Beijing (ranging from a few hours to two days on the ground), suggesting that he was serving as a regular diplomatic courier smuggling gold and other items in evasion of sanctions. He was accompanied by other diplomats of the Democratic People’s Republic of Korea on some of the trips. This was the only case investigated by the Panel involving the smuggling of bulk cash or gold in which the Member State seized the contraband, as required under the resolutions.

244. On 17 March 2016 in Sri Lanka, an overseas worker of the Democratic People’s Republic of Korea, Mr. Kim Song Chol, was arrested at the airport in Colombo carrying $167,000 in cash, gold jewellery and watches. He was en route from Oman to Beijing and made no customs declaration. He was accompanied by five other individuals from the Democratic People’s Republic of Korea who were working in Oman for a construction company of the Democratic People’s Republic of Korea based in Dubai with a post office box address. He produced a list with 311 names of workers of the Democratic People’s Republic of Korea whose families in Pyongyang he was to pay (with amounts varying from $200 to $1,500, with an average of around $300 per family). In addition to reiterating its concern that bulk cash could be used to evade sanctions, in paragraph 34 of resolution 2321 (2016) the Security Council expressed concern about the proceeds of overseas labour of the Democratic People’s Republic of Korea being used in prohibited programmes.

245. The Panel investigated another case of bulk cash transported by workers of the Democratic People’s Republic of Korea returning from Namibia after working there for Mansudae, which the Panel has recommended for designation (see para. 114).

215 The Panel found evidence that agents of the Democratic People’s Republic of Korea have engaged in multiple deceptive financial practices, including creating accounts under family members’ names, creating multiple accounts to compartmentalize transactions and frustrate the tracing of business activities and opening accounts in various countries to exploit international gaps in transaction reporting requirements.

F. Payments by designated banks for financial messaging services

246. The Panel investigated the provision of financial messaging services to designated banks of the Democratic People’s Republic of Korea. The Society for Worldwide Interbank Financial Telecommunication (SWIFT) provides financial messaging services to seven such banks, three of which are designated: Bank of East Land, KKBC and Korea Daesong Bank. SWIFT stopped providing services to four designated banks when those banks themselves requested SWIFT to do so: Amroggang Development Banking Corporation, DCB, Tanchon Commercial Bank and Korea United Development Bank.

247. To become a SWIFT user, a bank must sign an “undertaking” outlining the terms and conditions governing the provision of financial messaging services. Several banks of the Democratic People’s Republic of Korea have signed such agreements (see table 12).

Table 12
Designated banks and SWIFT undertakings

<table>
<thead>
<tr>
<th>Designated bank</th>
<th>SWIFT code</th>
<th>Date of signature of “undertaking”</th>
<th>Date SWIFT access granted</th>
<th>Date of designation</th>
<th>Date of termination (resignation)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Korea Daesong Bank</td>
<td>KDBKKPPY</td>
<td>9 April 2001</td>
<td>1 September 2001</td>
<td>30 November 2016</td>
<td>–</td>
</tr>
<tr>
<td>Korea Kwangson Banking Corp.*</td>
<td>KKBCKPPY</td>
<td>18 October 2001</td>
<td>2 March 2002</td>
<td>2 March 2016</td>
<td>–</td>
</tr>
</tbody>
</table>

* Bank still in the SWIFT network.

248. In response to inquiries by the Panel, SWIFT confirmed to the Belgian authorities that it provided financial messaging services to designated banks of the Democratic People’s Republic of Korea. As part of its procedure for doing so, SWIFT requests authorization from the Government to receive the moneys owed for the services. Upon receipt of such authorization, SWIFT receives payment for its services from the designated banks.\(^{217}\) The payments are then entered in its books and recorded as revenue. The Belgian authorities have authorized SWIFT to receive the amounts set out in tables 13 and 14 from designated banks in exchange for the provision of financial messaging services, the provision of the SWIFT handbook, training in the use of the SWIFT network and maintenance costs.

\(^{217}\) The payments are made into the SWIFT accounts in Belgium.
Table 13  
**Fees from designated banks invoiced and received by SWIFT since 22 January 2013**

<table>
<thead>
<tr>
<th>Designated bank</th>
<th>Year</th>
<th>Fees invoiced and received (euros)</th>
<th>Estimated amounts to be invoiced (euros)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bank of East Land (designated on 22 January 2013)</td>
<td>2013</td>
<td>6 456.68</td>
<td>5 685.94</td>
</tr>
<tr>
<td></td>
<td>2014</td>
<td>5 517.18</td>
<td>5 587.96</td>
</tr>
<tr>
<td></td>
<td>2015</td>
<td>5 603.76</td>
<td>6 497.08</td>
</tr>
<tr>
<td></td>
<td>2016</td>
<td>5 447.88</td>
<td>–</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>To be invoiced until December 2016: 8,616 (not yet approved)</td>
</tr>
<tr>
<td>Korea Kwangson Banking Corp. (designated on 2 March 2016)</td>
<td>2016</td>
<td>1 954.00</td>
<td>–</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>To be invoiced until December 2016: 7,212 (not yet approved)</td>
</tr>
</tbody>
</table>

Table 14  
**Fees invoiced for SWIFT services for banks designated under resolution 2321 (2016)**

<table>
<thead>
<tr>
<th>Designated bank</th>
<th>Dates of service</th>
<th>Fees invoiced (euros)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Korea Daesong Bank</td>
<td>30 November-31 December 2016</td>
<td>432.00</td>
</tr>
<tr>
<td>Korea United Development Bank</td>
<td>30 November-3 December 2016</td>
<td>219.30</td>
</tr>
</tbody>
</table>

*Source*: Belgium.

“Korea United Development Bank resigned from SWIFT on 3 December 2016.

249. Belgium informed the Panel that, “under national and European law, the receipt of fees from a designated bank can be authorized provided the provisions of Council Regulation (EC) 329/2007 are complied with” and that the authorizations related to amounts of less than €15,000. The Panel notes that, in the absence of a determination by the Committee that these payments fall under the exemptions in paragraphs 9 (a) and/or (b) of resolution 1718 (2006), the receipt of funds from a designated entity is a violation of the asset freeze pursuant to paragraph 8 (d) of resolution 1718 (2006) and paragraphs 8 and 11 of resolution 2094 (2013). The Panel also notes that, in addition to SWIFT fees, banks of the Democratic People’s Republic of Korea pay separate fees to a third-party “service bureau” located outside of European Union jurisdiction in order to connect to the SWIFT network, which would also be a violation of the asset freeze.218

Financial Action Task Force

250. The Panel continued to work closely with the Financial Action Task Force and engage in outreach with the corresponding regional bodies to promote and support the implementation of targeted financial sanctions. Mutual evaluations to date show many countries failing to implement the targeted financial sanctions on the Democratic People’s Republic of Korea. The Panel attended sessions discussing and adopting mutual evaluations on proliferation financing issues and reviewed draft legislation on proliferation finance for conformity with the resolutions.

251. **Given the continuing activities by designated banks and their representatives, the Panel recalls Member States’ obligation to freeze all assets controlled by them and those acting on their behalf, and to report such actions to the Committee and to share relevant information with the Panel.**

---

218 Belgium further informed the Panel that, after the Service Bureau, the related messages were then routed either to a European Union or United States operation centre, depending on the zone to which the other sender or receiver was connected.
252. In the light of the use by the Democratic People’s Republic of Korea of foreign companies to perform financial services, the Panel recommends that the Committee clarify that companies performing financial services commensurate with those provided by banks are considered to be financial institutions for the purposes of the resolutions.

253. The Panel recommends that, when Member States freeze bulk cash or gold smuggled by nationals of the Democratic People’s Republic of Korea, they immediately inform the Committee and ensure that they cannot be used for prohibited activities or evasion of sanctions before releasing them.

254. The Panel recommends that the Security Council extend the prohibition on establishing joint ventures with banks of the Democratic People’s Republic of Korea to include companies as well as financial institutions.

255. The Panel recommends that Member States strengthen information-sharing on transnational network evasion cases and typologies to assist banks and financial institutions in determining whether certain transactions involve activities prohibited under the resolutions.

IX. Sectoral sanctions

256. To monitor exports by the Democratic People’s Republic of Korea of minerals falling under paragraph 29 of resolution 2270 (2016) and paragraphs 26 and 28 of resolution 2321 (2016), the Panel utilized Member State customs data as reported to the United Nations (United Nations Commodity Trade Statistics Database/International Trade Centre (ITC)) or obtained from a subscription database. The Panel had to rely entirely on statistics from importing States (mirror statistics) because the Democratic People’s Republic of Korea does not provide export or customs data.

257. In its resolutions, the Security Council did not specify the categories and subcategories corresponding to the listed minerals, meaning that they are left to the interpretation of each Member State. To develop a global frame of reference to monitor the relevant listed mineral imports from the Democratic People’s Republic of Korea, the Panel decided to utilize the classifications in the Harmonized Commodity Description and Coding System elaborated by the World Customs Organization (WCO)219 (see annex 16-1).

258. Some countries issued their own harmonized code lists for the prohibited minerals for the purpose of the implementation of resolution 2270 (2016). These countries include the Russian Federation,220 the States members of the European Union and China.221 The Panel compared these codes with the WCO recommendations and noticed discrepancies (see table 15).

---

219 WCO is an intergovernmental institution representing 180 customs administrations responsible for processing 98 per cent of all international trade.

220 Classification of goods according to the foreign economic activity commodity nomenclature of the Eurasian Economic Union. The Union is an economic union of Armenia, Belarus, Kazakhstan, Kyrgyzstan and the Russian Federation.

<table>
<thead>
<tr>
<th>Mineral</th>
<th>WCO</th>
<th>Member State and regional organization interpretations</th>
</tr>
</thead>
</table>
| Coal        | Coal; briquettes, ovoids and similar solid fuels manufactured from coal (2701) | **European Union**: Coal; briquettes, ovoids and similar solid fuels manufactured from coal (2701), lignite (2702), peat (2703), coke and semi-coke of coal, lignite or peat (2704)  
**China**: For resolution 2270 (2016); anthracite coal (2701100010, 2701100090, 2701121000, 2701129000, 2701190000); for resolution 2321 (2016); coal; briquettes, ovoids and similar solid fuels (2701) and lignite (2702)  
**Russian Federation**: Coal; briquettes, ovoids and similar solid fuels manufactured from coal (2701); lignite, or brown coal, whether or not agglomerated, except jet coal (2702) |
| Iron        | Iron and steel (codes of chapter 72 (7201-7229)) | **European Union**: Iron in the following forms: pig iron, ferro-alloys, ferrous products, granules, powders, ingots, waste and scrap of cast iron, tinned iron or steel, other waste and scrap, semi-finished and flat-rolled products of iron and non-alloy steel, other bars and rods of iron and non-alloy steel, angles shapes and sections of iron or non-alloy steel, wire of iron or non-alloy steel (7201-7212, 7214-7217)  
**China**: Pig iron (7201100010, 7201100090, 7201200000, 7201500010, 7201500090)  
**Russian Federation**: Iron and steel (72); articles of iron or steel (73) |
| Iron ore    | Iron ores and concentrates, including roasted iron pyrites (2601) | **European Union**: Iron ores and concentrates, including roasted iron pyrites (2601)  
**China**: Iron ores and concentrates, including roasted iron pyrites (2601111000, 2601112000, 2601119000, 2601120000, 2601200000)  
**Russian Federation**: Iron ores and concentrates, including roasted iron pyrites (2601) |
| Gold        | Gold ores and concentrates (2616.90)     | **European Union**: Gold (26169000)  
**China**: Gold ores and concentrates (2616900009; 261690001)  
**Russian Federation**: Gold (including gold plated with platinum) unwrought or in semi-manufactured forms, or in powder form (7108); waste and scrap of gold, including metal clad with gold but excluding sweepings containing other precious metals (7112910000) |
<table>
<thead>
<tr>
<th>Mineral</th>
<th>WCO</th>
<th>Member State and regional organization interpretations</th>
</tr>
</thead>
</table>
| Titanium         | Titanium ores and concentrates (2614) | **European Union**: Titanium ores (26140000)  
|                  |                              | **China**: Titanium ores and concentrates (2614000000)  
|                  |                              | **Russian Federation**: Titanium ores and concentrates (2614000000)  |
| Vanadium         | Vanadium ores and concentrates (2615) | **European Union**: Vanadium ores (2615900000)  
|                  |                              | **China**: Vanadium ores and concentrates (2615909090)  
|                  |                              | **Russian Federation**: Vanadium ores and concentrates (2615900009)  |
| Rare earth       | Rare earth minerals covered by codes 2617 (ores and concentrates not elsewhere specified or indicated), 2805 (alkali metals etc., rare-earth metals, etc., mercury) and 2844 (radioactive chemical elements and radioactive isotopes and their compounds, etc.) | **European Union**: Ores of the rare earth metals (25309000), monazites and other ores used solely or principally for the extraction of uranium or thorium (2612)  
|                  |                              | **China**: Other rare earth metal (2530902000)  
|                  |                              | **Russian Federation**: Mixtures or alloys (2805301000); radioactive chemical elements and radioactive isotopes and their compounds etc. (2844); compounds, inorganic or organic, of rare-earth metals; of yttrium or of scandium or of mixtures of these metals (2846); ferro-cerium and other pyrophoric alloys in all forms; articles of combustible materials (3606)  |
| Copper           | Harmonized codes of chapter 74 (7401-7419) | **China**: Harmonized codes of chapter 74  
|                  | Copper ores and concentrates (2603) | Copper ores and concentrates (26030000)  |
| Zinc             | Harmonized codes of chapter 79 (7901-7907) | **China**: Harmonized codes of chapter 79  
|                  | Zinc ores and concentrates (2608) | Zinc ores and concentrates (26080000)  |
| Nickel           | Harmonized codes of chapter 75 (7501-7508) | **China**: Harmonized codes of chapter 75  
<p>|                  | Zinc ores and concentrates (2604) | Zinc ores and concentrates (2604)  |</p>
<table>
<thead>
<tr>
<th>Mineral</th>
<th>WCO</th>
<th>Member State and regional organization interpretations</th>
</tr>
</thead>
<tbody>
<tr>
<td>Silver</td>
<td>Silver ores and concentrates (7106)</td>
<td>China: Silver ores and concentrates (7106)</td>
</tr>
<tr>
<td></td>
<td>Base metals clad with silver, not further worked than semi-manufactured (7107); articles of goldsmiths’ or silversmiths’ wares or parts thereof, of silver, whether plated or clad with other precious metal (7114)</td>
<td>Base metals clad with silver; not further worked than semi-manufactured (71070000) 26161000 (precious metal ores and concentrates)</td>
</tr>
</tbody>
</table>

259. An analysis of the above codes shows variances, some of which were due to a narrower interpretation of the resolutions with regard to the form of the mineral and identification of the minerals, some of which were broader than the WCO recommendations. For example, China and the Russian Federation included lignite as part of the coal ban. In other cases, Member States considered the relevant minerals only in the form of bars or concentrated form and not in other forms such as powdered or unwrought. 222 There were also differing views with regard to which metals and minerals fell into the category of rare earth minerals.

260. The above inconsistencies with regard to the codes assigned to the minerals in the resolutions allow the Democratic People’s Republic of Korea to exploit this in its exports. In this regard, the Panel notes that a study by a university in the country recommended that, to evade the mineral bans, the country should focus its efforts on decreasing exports of raw materials and increasing exports of processed products. The Panel considers that items made from the listed minerals, as well as listed minerals in non-concentrated forms (including semi-manufactured, alloys, unwrought, powdered and pulverized), should be considered prohibited. 223

261. To ensure consistency as to which actual items are considered prohibited, the Panel recommends that the Committee issue an implementation assistance notice containing the Harmonized System codes that correspond to the minerals listed in resolutions 2270 (2016) and 2321 (2016).

Exports of resources with exemptions (coal, iron and iron ore)

262. During the reporting period, the Democratic People’s Republic of Korea continued to export coal, iron and iron ore to generate substantial revenue.

Iron

263. Table 16 shows the countries that imported iron and steel products from the Democratic People’s Republic of Korea in 2016.

---

222 The Chinese code classification for gold includes only ores and concentrated form, excluding certain types that the Democratic People’s Republic of Korea exports.

223 For example, the Russian Federation considers that the ban on iron and steel also includes articles of iron or steel (code 73).
Table 16
Importing countries for product 72 (iron and steel) from the Democratic People’s Republic of Korea, April-September 2016
(Thousands of United States dollars)

<table>
<thead>
<tr>
<th></th>
<th>April</th>
<th>May</th>
<th>June</th>
<th>July</th>
<th>August</th>
<th>September</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Barbados</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>China</td>
<td>3 683</td>
<td>3 713</td>
<td>4 497</td>
<td>4 636</td>
<td>3 536</td>
<td>2 084</td>
<td>22 149</td>
</tr>
<tr>
<td>El Salvador</td>
<td>125</td>
<td>94</td>
<td>72</td>
<td>138</td>
<td>688</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Germany*</td>
<td>139</td>
<td>138</td>
<td>273</td>
<td>138</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>India</td>
<td>186</td>
<td>26</td>
<td>38</td>
<td>21</td>
<td>271</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Indonesia</td>
<td>15</td>
<td>65</td>
<td>38</td>
<td>118</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pakistan</td>
<td>19</td>
<td>87</td>
<td>155</td>
<td>261</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Philippines</td>
<td>1 098</td>
<td>763</td>
<td>617</td>
<td>1 102</td>
<td>57</td>
<td>711</td>
<td>4 348</td>
</tr>
<tr>
<td>Slovakia</td>
<td>77</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Others*</td>
<td>43</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td><strong>28 350</strong></td>
</tr>
</tbody>
</table>

Source: ITC Trade Map, United Nations Commodity Trade Statistics Database.
* Germany indicated to the Panel that the ferro-silicon (Harmonized System code 720221) had originated in the Democratic People’s Republic of Korea, but had been imported to Germany from China. The Panel notes that, in paragraph 29 of resolution 2270 (2016), the Security Council decided that the Democratic People's Republic of Korea was not to supply, sell or transfer iron, directly or indirectly, from its territory.
* Member States reporting relatively insignificant amounts of iron and steel imports have been aggregated.

264. The Panel sent inquiries to the above-mentioned countries requesting information on the number of shipments containing iron inspected under paragraph 18 of resolution 2270 (2016) and whether the shipments were considered under the “livelihood” exemption in paragraph 29 (b) of resolution 2270 (2016), and, if they were, what procedures were required by the companies to import the items and which verification measures were employed by the authorities in order to confirm that the revenue generated was exclusively for livelihood purposes and unrelated to the prohibited programmes or other activities of the Democratic People’s Republic of Korea prohibited under the resolutions.

Coal and iron ore

265. Data obtained from ITC show that the Democratic People’s Republic of Korea exported all recorded coal and iron ore only to Chinese companies in 2016. With regard to iron ore, the data show that the country exported $60,124,401 from April to November.

266. With regard to coal, the data show that the country exported $761,079,233 of coal from April to November 2016. Most of the entities that imported it are based in the north-east region (Jilin, Liaoning and Shandong).

267. Given that exports of minerals by the Democratic People’s Republic of Korea had been going on for years when resolution 2270 (2016) was adopted, an impartial method to measure the implementation of the mineral bans is to use data from the same period in 2015 as a baseline against which statistics for 2016 can be compared.
Tables 17 and 18 compare exports of coal and iron ore from the Democratic People’s Republic of Korea to China from April to November 2015 and 2016, respectively, and were devised using data obtained from subscription databases.

Table 17
Coal exports (Harmonized System code 2701) to China in 2015 and 2016
(United States dollars)

<table>
<thead>
<tr>
<th>Year</th>
<th>April</th>
<th>May</th>
<th>June</th>
<th>July</th>
<th>August</th>
<th>September</th>
<th>October</th>
<th>November</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>117 202 530</td>
<td>104 336 183</td>
<td>107 114 890</td>
<td>101 040 810</td>
<td>88 193 311</td>
<td>82 288 972</td>
<td>59 783 135</td>
<td>66 001 609</td>
<td>725 961 440</td>
</tr>
<tr>
<td>2016</td>
<td>72 271 400</td>
<td>74 749 688</td>
<td>88 181 071</td>
<td>89 467 790</td>
<td>112 458 258</td>
<td>83 107 015</td>
<td>101 467 754</td>
<td>139 376 257</td>
<td>761 079 233</td>
</tr>
</tbody>
</table>

Source: Panjiva.

Table 18
Iron ore exports (Harmonized System code 2601) to China in 2015 and 2016
(United States dollars)

<table>
<thead>
<tr>
<th>Year</th>
<th>April</th>
<th>May</th>
<th>June</th>
<th>July</th>
<th>August</th>
<th>September</th>
<th>October</th>
<th>November</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>3 814 787</td>
<td>6 888 618</td>
<td>4 335 533</td>
<td>6 204 680</td>
<td>6 813 684</td>
<td>8 213 835</td>
<td>7 120 048</td>
<td>4 266 165</td>
<td>47 657 350</td>
</tr>
<tr>
<td>2016</td>
<td>4 554 115</td>
<td>10 076 723</td>
<td>11 758 651</td>
<td>10 389 470</td>
<td>8 546 083</td>
<td>6 668 698</td>
<td>2 249 885</td>
<td>5 880 776</td>
<td>60 124 401</td>
</tr>
</tbody>
</table>

Source: Panjiva.

As shown, the total value of the export of coal and iron and iron ore for April to November 2016, after the adoption of the resolution, was higher than for the same period in 2015, before the adoption of the resolution. It is therefore clear that the resolution had no impact on the revenue acquired from coal and iron ore exports since 2015.

Exports of resources without exemptions: gold

Member States’ implementation of the exemption clauses
271. The Panel monitored Member States’ implementation of the exemptions to the ban on coal, provided for in paragraphs 29 (a) and 29 (b) of resolution 2270 (2016) and paragraphs 26 (a) and (b) of resolution 2321 (2016).

Trans-shipment exemption
272. The Russian Federation made 11 notifications to the Committee, China 25 and Switzerland 1 under paragraph 29 (a) of resolution 2270 (2016). The Panel notes that, in resolution 2321 (2016), the identical paragraph 26 (a) replaces paragraph 29 (a) of resolution 2270 (2016) and offers in annex V a standard form for notification of import of coal.

Livelihood exemption
273. While the implementation of the trans-shipment exemption in resolution 2270 (2016) was relatively straightforward, Member States had differing views on the interpretation of the livelihood exemption in paragraph 29 (b) of the resolution,
which the Panel considers to be the reason for the inconsistent implementation evidenced in the data above. The Panel noted that only one Member State had issued instructions to its companies on how to implement paragraph 29 (b). China issued announcement No. 11 of 5 April 2016, which stated that imports of coal, iron and iron ores from the Democratic People’s Republic of Korea were forbidden, with two exceptions. With regard to the exception in paragraph 29 (b), it clarified that importers who wished to use the exemption were required to submit a letter of commitment (see annex 16-3), “if it is confirmed by solid information that the imports are not for the people’s livelihood, or are related to the nuclear program or the ballistic missile program of the DPRK the customs authority will not clear such imports”. The Panel requested information, including the number of applications for exemption and whether due diligence was required. In its reply to the Panel, China reconfirmed the foregoing.

274. The Panel investigated the activities of entities of the Democratic People’s Republic of Korea in violation of paragraph 29 (b) of resolution 2270 (2016), superseded by paragraph 26 (b) of resolution 2321 (2016). The Panel found widespread evidence that designated entities and/or entities involved in prohibited activities had also traded in minerals listed in resolutions (see paras. 20-21, 153, 165, 180, 184 and 193). The Panel also received information from Member States on shipments of coal from companies of the Democratic People’s Republic of Korea linked to a designated entity or the military, including Wonbong Trading Corporation (affiliated with a designated entity, the Reconnaissance General Bureau, according to that Member State) and Korea Kangbong Trading Corporation (affiliated with the Ministry of the People’s Armed Forces). China replied to the Panel that those two companies were “not in the list of designated DPRK entities”. Another key case of illegal export by the Democratic People’s Republic of Korea of banned minerals included the shipment of limonite aboard the Jie Shun (discussed in paras. 61-65). The Panel continues its investigations.

275. Paragraph 26 of resolution 2321 (2016) replaced paragraph 29 of resolution 2270 (2016), with the Security Council applying a more deliberate and rigorous approach. In addition to a new cap on coal exports of $53,495,894 or 1,000,866 tons, the Council provided additional criteria for the livelihood exemption, requiring that all procurements under the cap:

(a) Do not involve individuals or entities associated with the country’s prohibited programmes or other activities prohibited under the resolutions, including designated individuals or entities, or individuals or entities acting on their behalf or at their direction, or entities owned or controlled by them, directly or indirectly, or individuals or entities assisting in the evasion of sanctions;

(b) Are exclusively for the livelihood purposes of nationals of the Democratic People’s Republic of Korea and are unrelated to generating revenue for the prohibited programmes or other activities of the Democratic People’s Republic of Korea prohibited under the resolutions.  

276. In its implementation of resolution 2321 (2016), China announced, on 10 December 2016, a suspension of coal imports from the Democratic People’s Republic of Korea for that month. On 23 December, it issued announcement No. 81, by which it took into account the above additional criteria, with the system requiring companies to submit letters of commitment as in announcement No. 11 (see annex 16-3).

224 The livelihood exemption with regard to iron and iron ore remains and is contained in paragraph 26 (c).
The Panel draws attention to the continued export by the Democratic People’s Republic of Korea of prohibited minerals and calls upon Member States to effectively implement paragraphs 26 and 28 of resolution 2321 (2016) and paragraph 30 of resolution 2270 (2016) by ceasing the import of all banned minerals, adhering to the caps established for coal and ensuring that all the listed conditions are met for coal shipments falling under the cap.

Unintended impact of the sanctions

278. United Nations agencies operating in the country report that the population continues to suffer from food insecurity and limited access to sanitation and hygiene, resulting in chronic malnutrition and poor health. An estimated 18 million people are in need of some form of assistance. Malnutrition is particularly affecting women and children under 5 years of age and is a major cause of maternal and child mortality and morbidity. Extreme flooding in the north in August and September 2016 has further exacerbated vulnerabilities, in particular in North Hamgyong Province.

279. This humanitarian situation is largely the result of priority being accorded to the military and defence industry, which has significantly distorted economic resource allocation. Member States’ strengthening of unilateral and United Nations sanctions following the nuclear tests may also have had an unintended impact on the country’s trade and distribution system. Nevertheless, the Panel has been unable to obtain evidence of a direct link between the humanitarian situation in the country and United Nations resolutions. Member States’ and private sector measures have also been reported as seriously affecting the ability of humanitarian agencies to procure some goods for their operations.

280. Strengthened financial sanctions in 2016 also challenged the ability of United Nations agencies to transfer funds into the country for their activities. Most agencies use the Foreign Trade Bank of the Democratic People’s Republic of Korea for this purpose, but corresponding banking relationships became prohibited under paragraph 33 of resolution 2270 (2016). The Committee’s approval is now necessary to maintain corresponding banking relationships with banks of the Democratic People’s Republic of Korea. In August 2016, the Committee approved a Russian banking channel, allowing United Nations agencies to resume the transfer of funds for their work in the country.

X. Recommendations

281. The Panel reiterates that the recommendations made in its previous reports remain valid and should be reconsidered in the light of the additional information that it has gathered.

A. Recommendations of the Panel to the Committee

Recommendation 1

In accordance with paragraph 27 of resolution 2094 (2013) and paragraph 43 of resolution 2270 (2016), the Panel recommends that the Committee designate the entities and individuals listed in annex 17 to the present report.
Recommendation 2

The Panel recommends that the Committee update the existing list of designated individuals and entities as follows:

(a) Namchongang Trading Corporation as an a.k.a. to KPe.004:

A.k.a.: Korea Tearyonggang/or Daeryonggang Trading Corporation
(조선대령강무역회사, 朝鮮大玲江貿易會社)
Address: Sengujadong 11-2/(or Kwangbok-dong), Mangyongdae District, Pyongyang, Democratic People’s Republic of Korea
Other information:
Tel.: +850-2-181111, 18222 (ext. 8573); fax: +850-2-381-4687

(b) Green Pine Associated Corporation as an a.k.a. to KPe.010:

A.k.a. “National Resources Development and Investment Corporation”
and “Saeng Pil Trading Corporation”
Address: Rakrang No. 1 Rakrang District Pyongyang Korea, Chilgol-1-dong, Mangyongdae District, Pyongyang, Democratic People’s Republic of Korea;
Other information:
Tel.: +850-2-181111 (ext. 8327); fax: +850-2-3814685; +850-2-3813372;
e-mail: pac@silibank.com; kndic@co.chesin.com.

Recommendation 3

The Panel recommends that the Committee establish a list of designated vessels (subject to seizure as economic resources pursuant to paragraphs 12 and 23 of resolution 2270 (2016)), which includes vessel-identifying characteristics, and maintain the list as for designated individuals. In addition, the aliases of OMM vessels contained in table 5 should be added to the list.

Recommendation 4

The Panel recalls paragraph 23 of resolution 2321 (2016), by which the Security Council decided to prohibit the procurement of crewing services from the Democratic People’s Republic of Korea, and recommends that the Council prohibit all flag registries from registering vessels commanded by officers from the Democratic People’s Republic of Korea or operated by crews from that country.

Recommendation 5

The Panel recommends that the Committee propose to the Security Council that “chartering” be added to paragraph 9 of resolution 2321 (2016).

Recommendation 6

In the light of the use by the Democratic People’s Republic of Korea of foreign companies to perform financial services, the Panel recommends that the Committee clarify that companies performing financial services commensurate with those provided by banks are considered to be financial institutions for the purposes of the resolutions.

Recommendation 7

The Panel recommends that the Committee propose that the Security Council extend the prohibition on establishing joint ventures with banks of the Democratic People’s Republic of Korea to include companies as well as financial institutions.
**Recommendation 8**

To ensure consistency as to which actual items are considered prohibited, the Panel recommends that the Committee issue an implementation assistance notice containing the Harmonized System codes that correspond to the minerals listed in resolutions 2270 (2016) and 2321 (2016).

**B. Recommendations of the Panel to Member States**

**Recommendation 1**

Member States should exercise heightened vigilance over diplomatic agents of the Democratic People’s Republic of Korea who are engaging in professional or commercial activities, particularly in prohibited items.

**Recommendation 2**

Member States should annul any contracts with the Democratic People’s Republic of Korea or its nationals concerning the direct or indirect supply or transfer of statues, or services related to the maintenance of statues.

**Recommendation 3**

Flag and port States should verify the origin and legal validity of insurance of Democratic People’s Republic of Korea-flagged vessels or vessels suspected of being crewed by the Democratic People’s Republic of Korea.

**Recommendation 4**

Member States should communicate to the Committee available information on designated entities or entities owned or controlled by individuals acting on behalf of or at the direction of designated entities or individuals, or those which have assisted in the evasion of sanctions or violation of the resolutions.

**Recommendation 5**

Member States should exercise enhanced vigilance over their companies participating in the Pyongyang International Trade Fair and alert them that any form of engagement with designated entities or those undertaking prohibited activities is a violation of the resolutions.

**Recommendation 6**

Given the continuing activities by designated banks and their representatives, the Panel recalls Member States’ obligation to freeze all assets controlled by them and those acting on their behalf, and to report such actions to the Committee and to share relevant information with the Panel.

**Recommendation 7**

When Member States freeze bulk cash or gold smuggled by nationals of the Democratic People’s Republic of Korea, they should immediately inform the Committee and ensure that they cannot be used for prohibited activities or evasion of sanctions before releasing them.
**Recommendation 8**

Member States should strengthen information-sharing on transnational network evasion cases and typologies to assist banks and financial institutions in determining whether certain transactions involve activities prohibited under the resolutions.

**Recommendation 9**

The Panel draws attention to the continued export by the Democratic People’s Republic of Korea of prohibited minerals and calls upon Member States to effectively implement paragraphs 26 and 28 of resolution 2321 (2016) and paragraph 30 of resolution 2270 (2016) by ceasing the import of all banned minerals, adhering to the caps established for coal and ensuring that all the listed conditions are met for coal shipments falling under the cap.
Annexes

1-1: The Panel of Experts and its methodology

2-1: Member States yet to submit NIR under resolution 2270 (2016)

3-1: Yongbyon Nuclear Complex Overview

3-2: Yongbyon Light Water Reactor

3-3: Yongbyon Steam Plant

3-4: Punggye-ri Nuclear Test Site Overview

3-5: Punggye-ri North and West Portal Area

4-1: Comparison of identifier information between Kumsan and GBAE/MAEI

4-2: Commercial advertisement of Korea Kumsan Trading Co. in Moscow

4-3: Kumsan’s address connected to the DPRK Embassy in Moscow

4-4: Lithium-6 in prohibited nuclear-related items list in resolutions (INFCIRC/254/Rev.9/Part2)

4-5: GPM advertisement showing sales relationship with Dandong and Beijing

4-6: DPRK Diplomatic List registered in China’s Foreign Ministry showing Chol Yun registered as Third Secretary in the DPRK’s Embassy in China

5-1: Extract of DPRK notifications to international organizations

5-2: Kwangmyongsong flight path

5-3: Extract of DPRK note verbale to UNOOSA registering the satellite

5-4: 2016 Kwangmyongsong rocket debris photographs

5-5: 2016 Kwangmyongsong fairing

5-6: 22 June 2016 Musudan Trajectory

5-7: Wonsan firing position

5-8: Image of the KN-11 being loaded into its launch tube showing the stages

5-9: Hwasong-13 engine and re-entry vehicle

5-10: Chamjin complex and ballistic missile test site

5-11: Hamhung ballistic missile engine test site

5-12: Sinpo shipyard overview

5-13: Sinpo submarine fabrication halls
6-1: DPRK state media article showing NADA’s key role in the launch

6-2: Photos showing Ri Pyong Chol’s role in the DPRK’s nuclear and ballistic missile programs

6-3: Images showing MID key officials’ role in the DPRK’s nuclear and ballistic missile programs including Hong Sung Mu and Hong Yong Chil

6-4: Pictures showing SFC’s role in ballistic-missile launches with nuclear warhead simulation

7-1: Certificate of origin and bills of lading of 22 June 2016 for the limonite cargo onboard the *Jie Shun* used to conceal the arms shipment

7-2: Document issued by the Cambodia Flag Register of 23 March 2016 showing K Brothers Marine Co. Ltd as the operator of the *Jie Shun*

7-3: Emergency contact persons of the *Jie Shun*’s operator K Brothers Marine Co. Ltd.

7-4: Emails showing Mr. Zhang Qiao (Jack) arranging insurance for the *Jie Shun*

7-5: Individuals and companies associated with K-Brothers Marine and Bene Star Shipping

7-6: Records from specialized maritime databases showing the shared contact information for K Brothers Marine Co. Ltd, T Sisters Co Ltd and Sinotug Shipping Ltd.

7-7: Open-source extracts showing Mr. Zhang Qiao’s coal and iron ore export activities and links to the DPRK

7-8: Bills of lading for the vessel Bright Star under the letterhead of Ever Ocean Shipping Agency Co. Ltd., owner of the MV Light

8-1: Airway bills associated with the shipment

8-2: Items in the shipment compared to products advertised by Glocom

8-3: Beijing Chengxing Trading Co. Ltd. in Chinese business registry

8-4: *Kota Karim*’s ‘cargo manifesto’ showing Guangcaiweixing Trading listed as shipper

8-5: Documents showing International Golden Services and International Global Systems acted on behalf of Glocom

8-6: Invoice showing Glocom’s address in Pyongyang

8-7: Stamp of Glocom and extract of its catalogue

8-8: Personal information of Pan Systems Pyongyang staff

8-9: Photograph of an electronic card of Glocom’s radio and associated price

9-1: Airway bill associated with the shipment interdicted by a Member State
9-2: Rungrado’s affiliation to the Korean Worker’s Party
9-3: Rungrado activities
9-4: Rungrado dispatch of workers to Poland and agreement with a local company
9-5: Fax number and address of Arab International Optronic
9-6: AIO use of the name “MODA Authority Arab International Optronics” on a shipping document
9-7: Egypt letter to the Panel of 2 September 2016
10-1: KN-06 transporter with their own commercial markings of “Taebaeksan 96”
10-2: Taebaeksan 96’s commercial catalogue mentioning Korea Ryongwang Trading Corporation
11-1: DPRK – Mozambique military cooperation contract
12-1: Satellite Imagery of Oamites military base
12-2: Communication document of KOMID in Namibia relating the shipment with the contract number “STNK-010305”
12-3: The part of Packing Lists of the shipment at Walvis Bay in October 2012
12-4: Other military-related construction by Mansudae
12-5: Mansudae’s cash withdraw request for bulk cash courier to the DPRK
12-6: Mansudae’s construction works in Angola till February 2015
12-7: Mansudae-Angola in Angola business registry
12-8: Uganda DPRK embassy offering South Sudan military cooperation
12-9: International Military Technical Forum in Russia- Russia’s Correspondence to the Panel of 21 December 2016
12-10: Wonsan air show aircraft – chain of three emails
13-1: Extracts of maritime databases showing identity deception
13-2: Extracts from the DPRK Maritime Administration database showing the same characteristics as the *Hui Chon*
13-3: Extracts from the IMO database for the port state control inspection of the *Song Phyong 7*
13-4: DPRK-flagged vessels owned, operated or certified by foreign companies
13-5: DGS Marine/British European & Overseas Protection and Indemnity insurance (P&I)
14-1: Namhung Trading Corporation registered in Chinese business registry

14-2: Korea Taeryonggang (or Tae Ryong Gang) Trading Corporation (朝鮮大玲江貿易會社) in local Chinese newspaper and commercial websites with a designated individual as representative

14-3: Official letterhead of Taeryonggang (or Tae Ryong Gang) and Namchongang

14-4: The same address used by Namhung and Sobaeksu

14-5: Sobaeksu’s branches in Beijing, Yingkou and Dandong

14-6: Yun Ho-jin as Beijing Sobaeksu’s director and Namchongang’s director

14-7: Kim Chol Nam as Beijing Korea Changgwang’s director and Dandong Sobaeku’s director

14-8: Beijing New Technology in Hong Kong Company registry

14-9: Mr. Park Young Han and his relationship with Beijing New Technology Company

14-10: Beijing Chengxing and Guangcaiweixing’s mineral trade with the DPRK

14-11: NDIC in Chinese business registry

14-12: Letters of NDIC and Green Pine showing identifiers

14-13: Mr. Kim Song Il’s Beijing-registered trading companies and Greenpine International

14-14: The same address used by Mr. Kin Song Il’s Beijing and Hong Kong-based company

14-15: Mr. Kim’s Beijing-registered trading companies links to the former addresses of DPRK entities

14-16: US court indictment document on KIM Song IL and comparison of Mr. Kim’s signatures

14-17: Examples of Chinese customs records of Greenpine International’s export to Angola

14-18: Mr. Choe Kwang Hyok’s Companies in Chinese business registry and Hong Kong company registry.

14-19: Beijing King Helong’s relationship with Hong Kong King Helong and Dandong King Helong International Trading Co., Ltd.

14-20: Hong Kong front companies of Beijing King Helong’s directors

14-21: Mr. Choe’s companies links with Green Pine in address

14-22: Korea Unsong Trading Corporation in Chinese Business registry

14-23: Official business registry information on Shenyang Branch of Korea Unsong
14-24: Saeng Pil Trading Corporation’s brochure
14-25: DPRK’s Diplomatic note of appointing Saeng Pil representative in Cairo
14-26: Korea Daesong General Trading Corporation in Chinese Company registry and a business card of its representative
14-27: Korea United Development Bank with Mr. Choe Un Hyuk as its representative
14-28: Korea Heungjin Trading Company in commercial company registry
14-29: “Dalian Office of Korea Mining Development General Company” in Chinese local newspaper and commercial websites
14-30: Diplomatic List registered in Chinese Foreign Ministry showing Mr. Choe Chan Il (崔灿日) as a First Secretary in DPRK Embassy in China
14-31: Dandong Hongxiang’s relationship with KKBC in Chinese business registry
14-32: Excerpt of US court document showing KKBC’s business relationship with Dandong Hongxiang
14-33: Dandong branch of KKBC in commercial company database
14-34: 滕州市科永达数控机床有限公司’s website advertising its sales of CNC machine to the DPRK
14-35: Comparison of CNC machines between Ryonha Machinery and the Chinese Company
14-36: KIEC brochure with PITF’s purposes and its role in the Fair
14-37: Selected parts of Official PITF brochure showing the participation of designated entities
14-38: List of entities as aliases of designated entities and unilaterally designated by Member States
14-39: Foreign Partners of KIEC in official brochure of PITF
14-40: State media and academic articles with the highlighting the high demand for CNC machinery at the Fair
14-41: Romanian company’s homepage with its “High Vacuum Furnaces”, “Electron Beam Welding System” showing its application for nuclear engineering and air/space technology
14-42: The Nuclear Suppliers Group (NSG)’s control list of vacuum furnaces and related equipment
14-43: Excerpts of business proposal on prohibited goods by a DPRK trading company
14-44: Examples of PITF brochure advertising prohibited minerals sales by the DPRK companies.

15-1: Door plaque of International Bank of Martial Arts in Pyongyang

15-2: Instructions issued by International Bank of Martial Arts to clients on how to transfer RMB to DPRK through Chinese bank

15-3: Documents on International Consortium Bank (ICB) and MKP Group of Companies

15-4: Photographs of Chinese Commercial Bank (中华商业银行)

15-5: Information on Chinese Commercial Bank (中华商业银行)

15-6: Junling Holdings (君领控股) acquires Chinese Commercial Bank (中华商业银行) to enter overseas banking

15-7: Information on Kumgyo International Commercial Bank from DPRK Foreign Languages Publishing House

15-8: Registration of Inner Mongolia Horizon International Trade Co. Ltd (内蒙古泓元国际贸易有限责任公司)

15-9: Information on Inner Mongolia Horizon International Trade Co. Ltd showing DPRK imports and exports

15-10: Article in Chinese Ministry of Commerce e-newsletter showing participation of Inner Mongolia Horizon International Trade Co. Ltd in e-business conference on 21 June 2016 in Huhhot

15-11: Information on UNAFORTE Hong Kong and Mainland branches

15-12: First Eastern Bank registration documents from DPRK authorities including DPRK Central Bank

15-13: UNFORTE Information on First Eastern Bank (东大银) in Rason

15-14: Passport of Kim Chol Sam

15-15: BVI Registration information for DCB Finance

15-16: Hongdae International Limited Registration

16-1 - HS Codes recommended by World Customs Organization for resolutions 2270 (2016) and 2321(2016)

16-2: HS Codes issued by Member States

16-3: Chinese Ministry of Commerce Templates of Corporate Commitment from Announcements No.11 and 81

17-1: Entities and individuals recommended for designation
Annex 1-1: The Panel of Experts and its methodology

The Panel adheres to its mandate to gather, examine and analyze information from States, relevant United Nations bodies and other interested parties regarding the implementation of the measures imposed in the resolutions, in particular incidents of non-compliance, and to make recommendations on actions that the Security Council, the 1718 Committee or Member States may consider to improve the implementation of the measures imposed by the resolutions.

The Panel conducts its work in line with the methodological standards of the Informal Working Group of the Security Council on General Issues of Sanctions (S/2006/997). It maintains high evidentiary standards by consistently seeking corroboration and keeping in mind the identity and role of sources. It relies on verified documentation, correspondence and photographic evidence wherever possible and ensures that information provided on a confidential or restricted basis is handled consistently with the responsibilities of the Panel.

During the reporting period from 6 February 2016 to 5 February 2017, the Panel submitted two incident reports to the Committee. The Panel held consultations with six Member States, one United Nations bodies and three other interested parties. It has also continued to cooperate with other United Nations Sanctions Panels of Experts and Groups. The Panel sent a total of 1,070 letters, including 732 requests for information relating to investigations.
Annex 2-1: Member States yet to submit NIR under resolution 2270 (2016)

<table>
<thead>
<tr>
<th>Africa</th>
<th>Americas</th>
<th>Europe</th>
<th>Oceania</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Algeria</td>
<td>44. Antigua and Barbuda</td>
<td>85. Syria</td>
<td>105. Fiji</td>
</tr>
<tr>
<td>7. Chad</td>
<td>50. Dominica</td>
<td>91. Yemen</td>
<td>111. Papua New Guinea</td>
</tr>
<tr>
<td>11. Equatorial Guinea</td>
<td>54. Grenada</td>
<td>95. Croatia (Co-Sponsor)</td>
<td>115. Tuvalu</td>
</tr>
<tr>
<td>14. Gabon</td>
<td>57. Haiti</td>
<td>98. Iceland (Co-Sponsor)</td>
<td></td>
</tr>
<tr>
<td>16. Ghana (Co-Sponsor)</td>
<td>59. Jamaica</td>
<td>100. Portugal (Co-Sponsor)</td>
<td></td>
</tr>
<tr>
<td>17. Guinea</td>
<td>60. Nicaragua</td>
<td>101. Republic of Moldova</td>
<td></td>
</tr>
<tr>
<td>18. Guinea Bissau</td>
<td>61. Paraguay</td>
<td>102. Slovakia (Co-Sponsor)</td>
<td></td>
</tr>
<tr>
<td>20. Lesotho</td>
<td>63. Saint Kitts and Nevis</td>
<td>104. The former Yugoslav Republic of Macedonia</td>
<td></td>
</tr>
<tr>
<td>21. Liberia (Co-Sponsor)</td>
<td>64. Saint Lucia</td>
<td></td>
<td></td>
</tr>
<tr>
<td>22. Libya</td>
<td>65. Saint Vincent and the Grenadines</td>
<td></td>
<td></td>
</tr>
<tr>
<td>23. Madagascar</td>
<td>66. Suriname</td>
<td></td>
<td></td>
</tr>
<tr>
<td>24. Malawi</td>
<td>67. Trinidad and Tobago</td>
<td></td>
<td></td>
</tr>
<tr>
<td>25. Mali</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>26. Mauritania</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>27. Morocco</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>28. Mozambique</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>29. Niger</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>30. Nigeria</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>31. Rwanda</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>32. Sao Tome and Principe</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>33. Seychelles</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>34. Sierra Leone</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>35. Somalia</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>36. South Sudan</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>37. Sudan</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>38. Swaziland</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>39. Tanzania</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>40. Togo</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>41. Tunisia</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>42. Zambia</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>43. Zimbabwe</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Annex 3-1: Yongbyon Nuclear Complex Overview
Annex 3-2: Yongbyon Light Water Reactor
Annex 3-3: Yongbyon Steam Plant
Annex 3-4: Punggye-ri Nuclear Test Site Overview
Annex 3-5: Punggye-ri North and West Portal Area
Annex 4-1: Comparison of identifier information between Kumsan and GBAE/MAEI

Source: The Panel
Annex 4-2: Commercial advertisement of Korea Kumsan Trading Co. in Moscow

Source: https://www.gmdu.net/corp-367519.html
Company Name: Kumsan Trading Co.
About Us: Kumsan Trading Co. manufacturing and selling Pentoxide Vanadium to the other countries. Main products are pentoxide vanadium, catalyst, Mo V concentrate Metal mineral ore. Please contact to us if you are interested in our products.
Product/Service: Pentoxide Vanadium, V Mo Ore And Concentrate Metal And Chemical Products
Country/Region: North Korea
Category: Minerals & Metallurgy
Contact Person: Mr. Kim Song II Director/CEO/General Manager
Link: North Korea Minerals & Metallurgy, North Korea Alloy
Telephone: 850-495-1476603
Fax: 850-495-1476603
Address: Mosfilmovskaya
Website:
Business Type: Trading Company

Source: http://www.supplierss.com/kumsan_trading_co_e1350673.html
(Commercial advertisement of Korea Kumsan Trading Co. in Dandong)

Source: http://compnay.gongchang.com/info/60276564_aedaa/

Source: http://20826804.11315.com
Annex 4-3: Kumsan’s address connected to the DPRK Embassy in Moscow

Source: http://www.metalbulletin.ru/companies/31073

Same Address: 72 Mosfilmovskaya street, Moscow 119590 (119590 Москва, ул. Мосфильмовская, 72)

Same telephone number (495-1476603) and contact information (kim sg) with Annex 4-2 commercial

Source: https://embassy-finder.com/north-korea_in_moscow_russia
Annex 4-4: Lithium-6 in prohibited nuclear-related items list in resolutions (INFCIRC/254/Rev.9/Part2)

2.C.8. Hafnium metal, alloys containing more than 60% hafnium by weight, hafnium compounds containing more than 60% hafnium by weight, manufactures thereof, and waste or scrap of any of the foregoing.

2.C.9. Lithium enriched in the lithium-6 (^{6}Li) isotope to greater than its natural isotopic abundance and products or devices containing enriched lithium, as follows: elemental lithium, alloys, compounds, mixtures containing lithium, manufactures thereof, waste or scrap of any of the foregoing.

Note: Item 2.C.9. does not control thermoluminescent dosimeters.

Technical Note: The natural isotopic abundance of lithium-6 is approximately 6.5 weight percent (7.5 atom percent).

2.C.10. Magnesium having both of the following characteristics:

a. Containing less than 200 parts per million by weight of metallic impurities other than calcium; and

b. Containing less than 10 parts per million by weight of boron.


(The Nuclear Suppliers Group (NSG)’s control list showing lithium-6 in UK FCO website)

Nuclear Suppliers Group

The NSG was established in 1975 when the international community became concerned that conditions of nuclear supply needed strengthening to better meet nuclear non-proliferation objectives.

To see the countries that are currently signed up to the NSG you can download list of non-proliferation regime members (https://www.gov.uk/government/publications/list-of-international-non-proliferation-regime-members).

The NSG agreed a set of guidelines, published in 1978, for handling nuclear exports to reduce the possibility that such transfers could be diverted to nuclear explosive or un safeguarded nuclear fuel cycle activities. The guidelines have been updated at intervals to include goods especially designed or prepared for nuclear purposes (similar to those items listed by the Zangger Committee). These high-risk goods are referred to as ‘trigger list’ items. The NSG has also produced separate guidelines to cover nuclear-related dual-use goods.

The NSG Control List encompass a wider array of nuclear dual-use equipment, materials and technology. Find out more about the export of nuclear equipment, material and technology: ‘Trigger List’ requirements (https://www.gov.uk/guidance/export-of-nuclear-equipment-material-and-technology-trigger-list-requirements).

The following list indicates the kinds of dual-use items controlled by NSG:

- capacitors (high energy)
- machine tools
- cold cathodes, triggered spark gaps and similar devices
- isostatic presses
- lithium enriched in the lithium-6 isotope

Annex 4-5: GPM advertisement showing sales relationship with Dandong and Beijing

Source: www.companiess.com/general_precious_metal_complex_gpm_info1283565.html
Company Information

Company: General Precious Metal Complex (GPM)
Address: Tongji Street, Beijing, Beijing, China
Country: China
Services: Metal Lithium
Directories: Transportation L, Buses L, Bus

Source: http://tradehelps.com/Phone-Lookup/86-13911594809
Annex 4-6: DPRK Diplomatic List registered in China’s Foreign Ministry showing Chol Yun registered as Third Secretary in the DPRK’s Embassy in China

<table>
<thead>
<tr>
<th>Name</th>
<th>Position</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mr. Yun Chol</td>
<td>Third Secretary</td>
</tr>
<tr>
<td>Mrs. Kim Hye Ok</td>
<td></td>
</tr>
</tbody>
</table>

### Information on the launch of earth observation satellite “Kwangmyongsong”

1. **Satellite launch state**
   Democratic People’s Republic of Korea

2. **Launch schedule**
   Reserved date: 8 ~ 25 February 2016
   Time: 07:00 ~ 12:00 (Pyongyang Time) daily

3. **Falling area coordinates**
   - **First stage**
     - 36° 04’ N  
     - 36° 04’ N  
     - 35° 19’ N  
     - 35° 19’ N  
     - 124° 30’ E  
     - 124° 54’ E  
     - 124° 30’ E  
     - 124° 54’ E
   - **Fairing**
     - 33° 16’ N  
     - 33° 16’ N  
     - 32° 22’ N  
     - 32° 21’ N  
     - 124° 11’ E  
     - 125° 09’ E  
     - 124° 11’ E  
     - 125° 08’ E
   - **Second stage**
     - 19° 44’ N  
     - 19° 43’ N  
     - 17° 01’ N  
     - 17° 00’ N  
     - 123° 53’ E  
     - 124° 51’ E  
     - 123° 52’ E  
     - 124° 48’ E

*Source: The Panel*
Extract of the DPRK notification to the International Telecommunications Union (ITU):

Annex

Data for the space object to be launched
by the Democratic People’s Republic of Korea

1. Name of satellite: “Kwangmyongsong”
2. Launch State: Democratic People’s Republic of Korea
3. General function of satellite: Earth observation
4. Duration of function: 4 years
5. Remote data transmission band: UHF(1), (2), S
   Video transmission band: X
6. Service country: Democratic People’s Republic of Korea

Source: The Panel
Annex 5-2: Kwangmyongsong flight path

Source: The Panel
Annex 5-3: Extract of DPRK note verbale to UNOOSA registering the satellite

**Annex**

**Registration data on space object launched by**
the Democratic People’s Republic of Korea

<table>
<thead>
<tr>
<th>Name of launching State:</th>
<th>Democratic People’s Republic of Korea</th>
</tr>
</thead>
<tbody>
<tr>
<td>National designator:</td>
<td>“KWANGMYONGSONG – 4”</td>
</tr>
<tr>
<td>Date and territory or location of launch</td>
<td></td>
</tr>
<tr>
<td>Launch date:</td>
<td>7 February 2016</td>
</tr>
<tr>
<td>Launch site:</td>
<td>Sohae satellite launch site of the Democratic People’s Republic of Korea</td>
</tr>
<tr>
<td>Launch vehicle:</td>
<td>“KWANGMYONGSONG”</td>
</tr>
<tr>
<td>Basic orbital parameters</td>
<td></td>
</tr>
<tr>
<td>Nodal period:</td>
<td>94 minutes 24 seconds</td>
</tr>
<tr>
<td>Inclination:</td>
<td>97.4 degrees</td>
</tr>
<tr>
<td>Apogee:</td>
<td>500 kilometres</td>
</tr>
<tr>
<td>Perigee:</td>
<td>494.6 kilometres</td>
</tr>
<tr>
<td>General function of the space object:</td>
<td>Earth observation</td>
</tr>
</tbody>
</table>

*Source: The Panel*
Annex 5-4: 2016 Kwangmyongsong rocket debris photographs

Bottom of the fuel tank

Engine and nozzle
1-2 interstage

Airframe with the blue number 3

Source: The Panel
Annex 5-5: 2016 Kwangmyongsong fairing

Half of the fairing was retrieved by the ROK navy while the second half of which was retrieved from Japan’s coast in June 2016 (figure 1). The fairing was found to have a length of 1.95m, a diameter of 1.25m and a weight of 149kg. It was composed of an aluminium exterior with a foam core that utilized insulation materials made of micro scale hollow glass spheres.

Figure 1: Part of the fairing retrieved by the ROK Navy (left) and part of the fairing recovered in Japan (right)

Source: The Panel
Annex 5-6: 22 June 2016 Musudan Trajectory

Source: KCNA

**Green values (likely expected values):**
- 20:15 (likely total flight time in min and second)
- 4212.5 (likely maximum speed in m/s)
- 400 (likely maximum distance in km)
- 1400 (likely maximum altitude in km)

**Red values (likely current values):**
- 12:3? (likely current flight time in min and second)
- 272.? (likely current speed in m/s)
- 203.? (likely current distance in km)
- 1413.? (likely current altitude in km)
Annex 5-7: Wonsan firing position

Source: The Panel
Annex 5-8: Image of the KN-11 being loaded into its launch tube showing the stages

Source: KCNA
Annex 5-9: Hwasong-13 engine and re-entry vehicle

Location of the nozzle indicates that there is a cluster of two engines.

Nose cone bearing similarities with the re-entry vehicle tested on 15 March 2016.

Source: KCTV
Annex 5-10: Chamjin complex and ballistic missile test site
Annex 5-11: Hamhung ballistic missile engine test site

Facility reportedly used for the solid-fuel engine test of 24 March 2016
Annex 5-12: Sinpo shipyard overview
Annex 5-13: Sinpo submarine fabrication halls

Submarines constructed or maintained in the Sinpo fabrication halls are launched by moving the submarines on cradles from the halls onto a submersible drydock. To align the drydock with the cradle rails, there are notches cut into the side of the dock walls. Satellite imagery shows that the alignment notches used prior to the upgrading (2013) were narrower than the notches in the docks constructed for the upgraded and new halls. Since the docks for new halls have been built for a wider, larger dock, and not the current submersible drydock, it suggests that newly constructed submarines will be larger. The appearance of a larger floating dock at Sinpo will thus likely indicate the impending launch of a new, larger SLBM submarine.
Annex 6-1: DPRK state media article showing NADA’s key role in the launch

*KJU’s handwriting reads: “Central committee of the Party approves a satellite launch. It launches at 9 am on the 7th of February, 2016.”; and “Kim Jong Un /sgd/ February 6, 2016”.
Annex 6-2: Photos showing Ri Pyong Chol’s role in the DPRK’s nuclear and ballistic missile programs

Ri Pyong Chol, First vice Director of the MID, provided briefing to KJU (15 March 2016)

Ri Pyong Chol provided explanation at the Solid-fuel engine test (24 March 2016)

Source: Rodong Sinmun
Annex 6-3: Images showing MID key officials’ role in the DPRK’s nuclear and ballistic missile programs including Hong Sung Mu and Hong Yong Chil

“miniaturized nuclear device” exhibition (9 March 2016) (left) and Scud launch with nuclear warhead simulation (10-11 March 2016) (right)

Ballistic missile re-entry vehicle test (15 March 2016) (left) and Solid fuel engine test (24 March 2016) (right)

ICBM engine ground test (9 April 2016) (left) and SLBM test of 23 April 2016 (right)

Source: KCNA
Two mobile Musudan Test (23 June, 2016) (left) and MRBM Test with nuclear simulation (20 July 2016) (right)

Source: KCNA
Annex 6-4: Pictures showing SFC’s role in ballistic-missile launches with nuclear warhead simulation

Source: KCNA
Annex 7-1: Certificate of origin and bills of lading of 22 June 2016 for the limonite cargo onboard the *Jie Shun* used to conceal the arms shipment

Korea Suyangsan Trading Corporation

<table>
<thead>
<tr>
<th>Description</th>
<th>Quantity</th>
<th>N.W.</th>
<th>G.W.</th>
<th>Packing &amp; Marking</th>
</tr>
</thead>
<tbody>
<tr>
<td>LIMONITE</td>
<td>2300 M/T</td>
<td></td>
<td></td>
<td>IN BULK</td>
</tr>
</tbody>
</table>

This is to certify that the above mentioned commodities were produced and/or manufactured in Democratic People's Republic of Korea.
Korea Solbongsan Trading Company
Korea Suyangsan Trading Corporation

Source: Egypt
Annex 7-2: Document issued by the Cambodia Flag Register of 23 March 2016 showing K Brothers Marine Co. Ltd as the operator of the *Jie Shun*

<table>
<thead>
<tr>
<th>Call Sign</th>
<th>BM No.</th>
<th>Official No.</th>
</tr>
</thead>
<tbody>
<tr>
<td>XUTS3</td>
<td>8518780</td>
<td>0386009</td>
</tr>
</tbody>
</table>

**General Description of Owner**

- **VAST WIN TRADING LIMITED**
- **RM A 20/F KIU FU COMMERCIAL BUILDING**
- **300-306 LOCKHART ROAD WAN CHAI HK**
- **ISROC (DR NO. 03)**

**K BROTHERS MARINE CO., LTD**

**General Description of Vessel**

- **Type of Vessel:** DRY CARGO
  - **Gross Tonnage:** 2825
  - **Net Tonnage:** 1554
- **STEEL**
  - **Material of Hull:** PANAMA
  - **Breadth:** 18.50 M
  - **Length:** 6.15 M
  - **Depth:** 89.98 M

**Engine**

- **Model:** KURUSHIMA DOCKYARD CO., LTD, MATSUYAMA JAPAN/1986
- **Name of Engine Maker:** GMDSS A1+A2+A3
- **Speed (knots):** 12.0
- **Horsepower:** 2,058 KW

**Declaration**

- **Port of Registry:** KAOSIUNG, TAIWAN / MARCH 23, 2016
- **Port of Registry:** AUGUST 28, 2016

**Certification**

- **Control No. PR - E 004265**

**Source:** Document of compliance (DOC) holder
Annex 7-3: Emergency contact persons of the *Jie Shun’s* operator K Brothers Marine Co. Ltd.

**K BROTHERS MARINE CO., LIMITED**

**THE FOLLOWING PIC TO BE CONTACTED IF ANY EMERGENCY:**

DPA: MR. PAN WEI CHAO  
TEL: 86-411-82630116  
FAX: 86-411-82709996  
MP: 86-18641128423

THCH. MANAGER: MR. LI QJ  
TEL: 86-411-82630116  
FAX: 86-411-82709996  
MP: 86-18640882277

MARINE MANAGER: ZHANGQIAO  
TEL: 86-411-62901973  
FAX: 86-411-82709996  
MP: 86-13942643727

MARINE MANAGER: MISS GU MIN  
TEL: 86-411-82630116  
FAX: 86-411-82709996  
MP: 86-13504092493

*Source:* Document of compliance holder for the *Jie Shun*

**Ship Manager:** The company designated by the ship owner or charterer to be responsible for the day to day commercial running of the ship and the best contact for the ship regarding commercial matters. Including post fixture responsibilities, such as laytime, demurrage, insurance and charter clauses. This company may be an owner related company, or a third-party manager, whose purpose is primarily the management of ships for their ship-owning clients.
**Technical Manager:** The company designated by the ship owner or operator or ship manager to be specifically responsible for the technical operation and technical superintendancy of a ship. This company may also be responsible for purchases regarding the fleet, such as repairs, spares, re-engining, surveys, dry-docking, etc.

*Source:* IHS Fairplay
Annex 7-4: Emails showing Mr. Zhang Qiao (Jack) arranging insurance for the *Jie Shun*

Source: The Panel
Annex 7-5: Individuals and companies associated with K-Brothers Marine and Bene Star Shipping

Bene Star also registered the Bright Star (formerly DPRK-flagged Kwang Song and Kun Ja Ri) and its owner/operator T-Sisters Co. Ltd., using the same email address on 8 December 2015. T-Sisters is the operator of the Galaxy 1 and “care of” address for Sinotug Shipping Ltd., Sinotug Shipping is the registered owner of the Firstgleam which was de-listed by Mongolia (26 August 2015) and Tanzania (29 June 2016) respectively, and was purchased from OMM associated Senat Shipping by Bene Star. Sinotug shares a fax number with both K-Brothers and T-Sisters, and is also registered in the Marshall Islands (Annex 7-5).

Documents of K-Brothers Marine Ltd. confirm the same fax number as Bene Star. Mr. Zhang, the director and sole shareholder of Bene Star, is also the director of Haofeng Shipping & Trading Ltd., which sold the DPRK-flagged Chong Bong (listed on Annex III of resolution 2270 (2016)) to Mr. Li Anshan’s Petrel Shipping Ltd. K-Brothers also engaged in business dealings with Mr. Hiroshi Kasatsugu, an individual known for acting on behalf of the designated company OMM, in the acquisition of two OMM vessels: the Ocean Galaxy and Ocean Dawning (see S/2016/157).
Annex 7-6: Records from specialized maritime databases showing the shared contact information for K Brothers Marine Co. Ltd., T Sisters Co Ltd and Sinotug Shipping Ltd.

Sources: IHS Maritime and Tokyo MOU
Annex 7-7: Open-source extracts showing Mr. Zhang Qiao’s coal and iron ore export activities and links to the DPRK

Dalian Sheng Hao International Trade Co., Ltd. is located in Dalian City, Liaoning Province in the mountains, the main limonite ship agent. Companies adhering to the "customer first, forge ahead" business philosophy, adhere to the "customer first" principle for our customers to provide quality services. Welcome patronage!

Same as Shenghao Marine (Hong Kong) Ltd

Source: https://www.1688.com/company/detail/contact/dlshenghao.html accessed 17 November 2016

San-ho ship Business Limited

We have three tons of bulk cargo load 4000-9000 year of operation in the Far East captain, especially in northern China and North Korea has a clear advantage on the route, because in North Korea we have intimate partners. In a crisis together to create life. Careful cost management so that we can use a very favorable price for our partners leave more profits, honesty is always our primary principle, thoughtful details make detailed arrangements for the operation of our partners in handy. I hope to work with you hand in hand. In the fierce market to provide you with reliable service.

Source: jack0307583x.member.shippingchina.com/companyintro/index.html
Industry profile

Dalian Sheng Hao International Trade Co., Ltd. was established in 2008 with a registered capital of 10 million yuan. Mainly engaged in the import of bulk cargo such as coal wholesale business. Since the company

There are bulk carriers engaged in the transport of coal business, the formation of a trade, transport integrated industrial chain, welcomed the overwhelming majority of customers negotiations.

Annex 7-8: Bills of lading for the vessel Bright Star under the letterhead of Ever Ocean Shipping Agency Co. Ltd., owner of the MV Light

Source: Mr. Zhang Qiao
Annex 8-1: Airway bills associated with the shipment

<table>
<thead>
<tr>
<th>Shipment's Name and Address</th>
<th>Consignee's Name and Address</th>
</tr>
</thead>
<tbody>
<tr>
<td>BEIJING CHENGXING TRADING CO LTD</td>
<td>ERTITECH COMPUTER ASSEMBLY &amp; COMMUNICATION TECHNOLOGY PLC</td>
</tr>
<tr>
<td></td>
<td>DE.getEnd(1565)</td>
</tr>
<tr>
<td></td>
<td>ERTITECH COMPUTER ASSEMBLY &amp; COMMUNICATION TECHNOLOGY PLC</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Air Waybill</th>
</tr>
</thead>
<tbody>
<tr>
<td>Issued by</td>
</tr>
<tr>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Terms and Conditions</th>
</tr>
</thead>
<tbody>
<tr>
<td>All goods must be carried on the specified route and the carrier is not responsible for any damages or loss resulting from delays or errors in transportation.</td>
</tr>
<tr>
<td>The carrier reserves the right to make changes to the route or time of delivery at any time and without notice.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Country of Origin</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Description</th>
<th>Quantity</th>
</tr>
</thead>
<tbody>
<tr>
<td>CRYPTO-MICROPHONE</td>
<td>46 x 87 x 10</td>
</tr>
<tr>
<td>CABLE</td>
<td>46 x 87 x 7</td>
</tr>
<tr>
<td>ANTENNA</td>
<td>46 x 87 x 7</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Total Weight</th>
</tr>
</thead>
<tbody>
<tr>
<td>45 x 87.00</td>
</tr>
<tr>
<td>45 x 87.00</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Total Charge</th>
</tr>
</thead>
<tbody>
<tr>
<td>45 x 87.00</td>
</tr>
<tr>
<td>45 x 87.00</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Payment Details</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Signature</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Declaration</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Declaration Details</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Invoice Number</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Invoice Details</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Other Details</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Supplementary Information</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Additional Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Additional Notes Details</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Final Details</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Final Details Details</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Final Details Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Final Details Notes Details</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Final Details Notes Details Details</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
</tr>
</tbody>
</table>

**Source:** The Panel

---

**Total:** FORTY-FIVE(45) PACKAGE(S) ONLY

<table>
<thead>
<tr>
<th>No. of Processes</th>
<th>Gross Weight</th>
<th>Customary Weight</th>
<th>Chargable Weight</th>
<th>Name</th>
<th>Change</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>15</td>
<td>0871.00 KG</td>
<td>0871.00 KG</td>
<td>0871.00 KG</td>
<td>CRYPTO-SPEAKER MICROPHONE</td>
<td>HS 8518100000</td>
<td>360,810.00</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>XUCSACK HS 4302119090</td>
<td></td>
<td>34093.51</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>HF EMF SOFTWARE DEFINED</td>
<td>RADIO HS 8517829900</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>ANTENNA HS 8539120000</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>CLOVE CABLE HS 8546601300</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Loading Information:**

45 PKGS LOAD ON P2C59860SK / A2 / 0671.00KG

**Shipment:**

T/S CARGO FROM CHINA TO DWC VIA Hkg BY TRUCK
Annex 8-2: Items in the shipment compared to products advertised by Glocom

Item found in the shipment:

HF software defined radio model GR-150 advertised by Glocom:
Item found in the shipment:

Crypto speaker microphone model GR-621 advertised by Glocom
Other items found in the shipment (left) and items advertised by Glocom (right)

HF whip antenna

HF 2.4m Whip Antenna: GA-111A
This antenna is vertically polarized omnidirectional antenna. The antenna is composed of three parts as plug, direction changing parts, and antenna sections. The antenna sections are made of high elasticity alloy steel pipe, and are connected to each other by high strength elastic rope. The soft direction changing device can realize 0°-90° arbitrarily direction change. The antenna is foldable and easy for operation and carrying.

Rucksack

Rucksack: GA-122A
This is a rucksack for GR series manpack radio system. It is very compatible for soldier to carry radio with all accessories. It can keep antenna, batteries, handset, headset etc... It is designed to support the use during on movement, so very comfortable in battlefield environment.

GPS antenna

GPS Antenna: GA-50A
This is high gain, low loss, active, extra low current consumption, small size GPS antenna. It supports SMA plug and magnetic mounting or screw mounting. It's useful for mobile application with GR series radios.

Source: The Panel and glocom.com.my
Annex 8-3: Beijing Chengxing Trading Co. Ltd. in Chinese business registry

Beijing Chengxing Trading Co. Ltd.
Unified Credit number: 911101050964435429

Individual shareholder: Pei Minhao

Legal representative: Pei Minhao → Zhang Zhiyuan (Feb. 26, 2016)

Source: http://qyxy.baic.gov.cn/beijing
### 光彩伟兴贸易11月20日（低价）钼铌矿报价

#### 发布日期：2014年11月20日  来源：www.cnfeol.com

<table>
<thead>
<tr>
<th>产品</th>
<th>规格</th>
<th>价格</th>
<th>备注</th>
</tr>
</thead>
<tbody>
<tr>
<td>钼铌矿 (国产)</td>
<td>氧化铌含量25%，氧化钛含量50%</td>
<td>电弧低价</td>
<td>仅供参考</td>
</tr>
</tbody>
</table>

#### 光彩伟兴贸易(北京)有限公司

- 电话：00 010 04757950
- 传真：
- 地址：
- 网站：

*Source: http://www.cnfeol.com/price/quote_20141120105400879324.aspx*
Annex 8-4: Kota Karim’s ‘cargo manifesto’ showing Guangcaiweixing Trading listed as shipper and “numerically controlled” steel plate shear from the cargo

Source: The Panel
Annex 8-5: Documents showing International Golden Services and International Global Systems acted on behalf of Glocom

Extract of Glocom website listing International Golden Services as its contact

Document showing International Global System registered Glocom website

*Source: glocom.com.my and glocom.com.my.ipaddress.com*
Annex 8-6: Invoice showing Glocom’s address in Pyongyang

Invoice of a Glocom’s supplier

Global Communications Co Ltd
Botonggang Hotel Room No. 818, Ansan-Dong, Pyongchon Dist.,
Pyongyang, North Korea
Local Tel: 02-439-4363
Attn: Dr. W.G. Pyon

Source: The Panel and list of entities unilaterally designated by the ROK on 8 March 2016
Annex 8-7: Stamp of Glocom and extract of its catalogue

Stamp of Glocom

Extract of a Glocom product catalogue featuring deliberately blurred Korean characters and a portion of the demilitarized zone between the ROK and the DPRK.

*Source*: The Panel and glocom.com.my
Annex 8-8: Personal information of Pan Systems Pyongyang staff

Ryang Su Nyo

Email address: iris.lhr2015@yandex.com

Passport information:
Pyon Won Gun

Email address: wg.pyon@glocom.com.my

Passport information:
Pae Won Chol

Passport information:
Kim Chang Hyok

Aliases: “James Jin” and “James Kim”

Tel: +6 0126519266

Source: The Panel
Annex 8-9: Photograph of an electronic card of Glocom’s radio and associated price

The HF software defined radios were made of a case and five electronic cards such as the one in figure 1.

Figure 1: Electronic card named 150ATU30 from the radio manufactured by Glocom

The Panel has identified Glocom’s supplier of the electronic cards and was able to obtain the price of the cards contained in the radio (see figure 2)

<table>
<thead>
<tr>
<th>No.</th>
<th>model</th>
<th>pin</th>
<th>specification (mm)</th>
<th>quantity (PCS)</th>
<th>unit price/pcs (USD)</th>
<th>Engineering cost (USD)</th>
<th>Deep cut (USD)</th>
<th>Test fixture (USD)</th>
<th>silver cost (USD)</th>
<th>Estimated weight(KG)</th>
<th>Shipping cost to Beijing in 3 days (USD)</th>
<th>total price for 1950pcs (USD)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>150DSP30</td>
<td>T-2C471A0</td>
<td>199.3*93.8 mm</td>
<td>1,950</td>
<td>$4.18</td>
<td>$250.00</td>
<td>$400.00</td>
<td></td>
<td></td>
<td>145.2 kg</td>
<td>$96.80</td>
<td>$58,897.86</td>
</tr>
<tr>
<td>2</td>
<td>150FCU40</td>
<td>T-4C471A0</td>
<td>199*92.9 mm</td>
<td>1,950</td>
<td>$2.92</td>
<td>$200.00</td>
<td>$300.00</td>
<td></td>
<td></td>
<td>144.9 kg</td>
<td>$96.00</td>
<td>$6,290.00</td>
</tr>
<tr>
<td>3</td>
<td>150FRONT30</td>
<td>T-4C471A0</td>
<td>189.5*76.1 mm</td>
<td>1,950</td>
<td>$3.27</td>
<td>$200.00</td>
<td>$300.00</td>
<td></td>
<td></td>
<td>128.4 kg</td>
<td>$85.60</td>
<td>$5,612.10</td>
</tr>
<tr>
<td>4</td>
<td>150ATU30</td>
<td>T-4C471A0</td>
<td>215*76.2 mm</td>
<td>1,950</td>
<td>$2.60</td>
<td>$200.00</td>
<td>$300.00</td>
<td></td>
<td></td>
<td>112.5 kg</td>
<td>$75.00</td>
<td>$5,645.00</td>
</tr>
<tr>
<td>5</td>
<td>150ATU30</td>
<td>T-2C471A0</td>
<td>208.3*103 mm</td>
<td>1,950</td>
<td>$1.85</td>
<td>$10.00</td>
<td>$230.00</td>
<td></td>
<td></td>
<td>167.2 kg</td>
<td>$111.47</td>
<td>$4,018.97</td>
</tr>
<tr>
<td>6</td>
<td>150KEY10</td>
<td>T-2C471A0</td>
<td>96mm*77mm</td>
<td>1,950</td>
<td>$0.68</td>
<td>$70.00</td>
<td>$200.00</td>
<td></td>
<td></td>
<td>57.4 kg</td>
<td>$57.00</td>
<td>$1,603.06</td>
</tr>
<tr>
<td>7</td>
<td>GA-32A60</td>
<td>T-2C471A0</td>
<td>60.8mm*70.5mm</td>
<td>1,950</td>
<td>$0.39</td>
<td>$70.00</td>
<td>$200.00</td>
<td></td>
<td></td>
<td>34 kg</td>
<td>$45.00</td>
<td>$1,075.50</td>
</tr>
<tr>
<td></td>
<td>contract Total amount (USD)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: The Panel
Annex 9-1: Airway bill associated with the shipment interdicted by a Member State

Source: The Panel
Annex 9-2: Rungrado’s affiliation to the Korean Worker’s Party

Source: “Route to the Democratic People’s Republic of Korea for European Companies: a guidebook for European Investors in DPRK”, Asia-Invest Europe Aid Cooperation Office (a European initiative).
Annex 9-3: Rungrado activities

Korea Rungrado General Trading Corporation

This corporation inaugurated in Juche 62 (1973) deals with production of various kinds of heavy machines, vehicles, light industry and electronic goods and seafood, as well as trade cargo service, passenger and freight transport and other transactions and conducts economic and technical cooperation with foreign partners.

It has under its control dozens of companies such as Ryongak Trading Company, Hwanggumbol Trading Company, Sosan JV Company and Rungrado IT Company.

Other affiliates are Choe Jong Rak Aeguk Clothes Factory, Onchon Rungrado Sindok Mineral Water Factory, Rangngang Rungrado Filling Station, external technical personnel and service workers training institutes, etc.

The Ryongak Trading Company engages mainly in production and marketing of vehicles including bikes and trimotorcycles and electronic goods and foodstuffs, commercial service and repair of vehicles.

The Rungrado IT Company staffed with able program developers has several branches at home and abroad, all of which specialize in the development and marketing of programs as well as service related to computer and its accessories and consultation for technological exchange and investment.

The Sindok-brand mineral water from the Onchon Rungrado Sindok Mineral Water Factory has been registered as a natural living monument as it is rich in various kinds of minerals and nutritive oil necessary for the growth of children. It is highly efficacious for the treatment of hypertension, cerebral hemorrhage and apoplexy, colitis and other diseases.

The corporation sets it as its management strategy to intensify technical force, introduce cutting-edge scientific and technological achievements, improve the quality of products and develop new products.

It also has branches, economic and technical cooperation agencies and missions in several countries around the world to promote contact and exchanges with its counterparts.

Source: www.naenara.com.kp
Annex 9-4: Rungrado dispatch of workers to Poland and agreement with a local company

KOREA RUNGRADO GENERAL TRADING CORP.
ADD: Segori Dong, Dist. Poyangang
Pyongyang, DPR Korea
Tel: 650-2-18-111 Fax: 810-650-238-14507

ODDELEGOWANIE

Korea Rungrado General Trading Corporation z siedzibą Segori-dong
Dist. Poyangang, Pyongyang, DPR Korea oddelegowuje nw. pracowników
naszej firmy do realizacji usługi eksportowej w Rzeczpospolitej Polskiej
w ramach zawartej umowy z firmą Armex Sp. z o. o. z siedzibą przy
ul. Marynarki Polskiej 96 w Gdańsku:

<table>
<thead>
<tr>
<th>NAZ. I IMIĘ</th>
<th>nr PASZPORTU</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Miesięczne wynagrodzenie wyżej wymienionych pracowników będzie
wynosiło XXXX zł (XXX.XX) pln.
Korea Rungrado General Trading Corporation

1 August 2012

**Secondment**

Korea Rungrado General Trading Corporation, with headquarters in Segori-dong, Potonggang District, Pyongyang, Democratic People’s Republic of Korea, shall assign the workers of our company listed below to the performance of export services in the Republic of Poland, under the terms of the contract concluded with [redacted] which has its headquarters at [redacted], Gdańsk:

<table>
<thead>
<tr>
<th>FIRST NAME AND SURNAME</th>
<th>PASSPORT No.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nos 1-29 [redacted]</td>
<td></td>
</tr>
</tbody>
</table>

The monthly remuneration of the aforementioned workers shall be [redacted] Polish zloty.

(Signed) [redacted]
UMOWA

Na usługi kooperacyjne w zakresie demontażu, montażu i spawania konstrukcji stalowych z dnia 2012-07-01 zawarta pomiędzy:

Armex Sp. z o. o.
z siedzibą: 80-955 Gdańsk, ul. Marynarki Polskiej 96
NIP: 584-025-17-29
reprezentowanym przez:
  1. 
  2. 
Zwanym dalej Zamawiającym

a

KOREA RUNGRADO GENERAL TRADING CORPORATION

reprezentowanym przez:

Zwanym dalej WYKONAWCA

§ 1 Definicje

O ile w dalszej części Umowy będzie występować określenie ZLECAJĄCY należy przez to rozumieć firmę kontraktującą sekcje/bloki statków.

§ 2 Przedmiot Umowy

1. Zamawiający zleca, a Wykonawca przyjmuje do wykonania spawanie prefabrykowanych i montowanych sekcji oraz bloków statków na jedn. NB142/2, B68/1-4, NB38/1-2 wg załączonego harmonogramu.
2. Wykonawcze prac będzie odbywało się na jednostkach w oparciu o dostarczoną dokumentację i zgodnie ze standardami i normami obowiązującymi.
3. Nadzór nad wykonywanymi pracami będą pełnić przedstawiciele Zamawiającego, lub wyznaczeni przez niego ludzie, wspólnie z przedstawicielem Wykonawcy.
4. Wykonawca zobowiązuje się do wykonania zleconej pracy zgodnie z obowiązującą technologią, zgodnie z wymogami i przepisami BHP oraz ppoż.
§ 3 Cena umowna

1. Za wykonane prace Zamawiający zapłaci Wykonawcy jedynie kwotę wynikającą ze stawki umownej, pod warunkiem, iż Zamawiający i Zlecający przyjmą bez zastrzeżeń wykonany przez Wykonawcę zakres prac, a powyższe znajdzie potwierdzenie w protokole zdawczom-odbiorczym podpisany pomiędzy Wykonawcą i Zamawiającym, na warunkach określonych poniżej.

2. W przypadku prac w systemie godzinowym stawka będzie wynosić [50] PLN (dwadzieścia 00/100) za roboczą godzinę.

§ 4 Nadzór i Koordynacja prac

1. Prace należy wykonywać w oparciu o dostarczone przez Zamawiającego:
   a. dokumentację techniczną i technologiczną
   b. ramowy wykaz odbiorów kadłuba
   c. ramową technologię remontu i budowy kadłuba poszczególnych jednostek
   d. plan kontroli spoin
   e. plan prób szczelności
   f. książkę odbiorów prac
   g. polecenie nadzoru Zamawiającego

§ 5 Obowiązki Wykonawcy

1. W celu realizacji Umowy Wykonawca zgodnie z procedurą prawną obowiązującą przy zatrudnianiu obcokrajowców, oddeleguje do siedziby Zamawiającego wykwalifikowanych pracowników w zawodzie spawaczy, posiadających:
   a. stosowne kwalifikacje i uprawnienia
   b. praktykę stożkową
   c. dodatkowo Wykonawca oddeleguje minimum 1 pracownika do nadzoru nad pracami prowadzonymi przez Wykonawcę na terenie Zamawiającego

2. Wykonawca gwarantuje:
   a. dobrą jakość prac wykonywanych przez swoich pracowników
   b. odpowiednią wydajność pracy
   c. podporządkowanie się pracowników Wykonawcy wszelkim przepisom, normom i zasadom obowiązującym na terytorium Rzeczypospolitej Polskiej
W przypadku niespełnienia któregokolwiek z ww. punktów przez pracowników Wykonawcy Zamawiający ma prawo do:

a. żądania zadośćuczynienia

b. żądania przysłania innego pracownika na koszt Wykonawcy

c. odstąpienia od Umowy, bez zachowania okresu wypowiedzenia.

3. Nieuzasadnione przekroczenia zużycia ilościowego i asortymentowego materiałów obciąza finansowo Wykonawcę.


5. W przypadku niespełnienia wymogów jakościowych i terminowych przez pracowników Wykonawcy, wynikłych z winy Wykonawcy, Zamawiający zastrzega sobie prawo do odstąpienia od Umowy bez zachowania okresu wypowiedzenia.

6. Kierownicy remontu, kierownicy wydziałów, mistrzowie, inspektory Bhp i ppoż. i inni uprawnieni przez Zamawiającego lub Zlecającego mają prawo do kontroli pracowników Wykonawcy pod względem przestrzegania przepisów, norm i zasad:

a. prawnych obowiązujących w Polsce

b. przepisów Bhp i ppoż.

c. współżycia społecznego

Przedstawiciele wyznaczeni do ww kontroli są uprawnieni do wydawania wskazówek dotyczących respektowania ww. przepisów. W przypadku nie podporządkowania się pracowników Wykonawcy ww. założeniem Zamawiający ma prawo do odesłania pracownika lądującego przepisy do Wykonawcy a nawet ma prawo do odstąpienia od niniejszej Umowy bez zachowania okresu wypowiedzenia. Prawo do odesłania pracownika do Wykonawcy przysługuje również w przypadku niespełnienia przez Wykonawcę gwarancji omówionych w punkcie 2 niniejszego paragrafu.

7. Zamawiający nie ponosi winy za zdarzenia (w tym wypadki) zaistniałe przy pracy pracowników Wykonawcy, wynikłe z niezestrzegania stosownych przepisów.

8. Wykonawca pokryje wszelkie szkody osobowe i majątkowe spowodowane przez swoich pracowników osobom trzecim i Zamawiającemu.
§ 6 Czas trwania Umowy

1. Umowa zostaje zawarta na czas określony od [nieczcionne].
2. Zamawiającemu przysługuje prawo do wcześniejszego rozwiązania niniejszej Umowy z 3-
   miesięcznym okresem wypowiedzenia.
3. W przypadku naruszenia postanowień Umowy Zamawiającym, tak jak i Wykonawcy
   przysługuje prawo do odstąpienia od Umowy ze skutkiem natychmiastowym.
4. Przy rozwiązaniu Umowy wymaga się pisemnego powiadomienia drugiej strony z
   miesięcznym wyprzedzeniem.

§ 7 Warunki płatności

1. Wykonanie prac zapisuje się w protokołe prac wykonywanych, co miesiąc zgodnie z
   postępem wykonywanych prac. Obliczenia wykonuje się co miesiąc.
2. Wartość prac ujętych w kontrakcie uwzględnia wynagrodzenie Wykonawcy i wszystkie
   jego koszty związane z wykonaniem tej Umowy: utrzymanie pracowników, koszt prac
   itd., jak również wszystkie podatki i opłaty obowiązkowe do zapłacenia przez Wykonawcę.

§ 8 Postanowienia końcowe

1. Do wykonania Umowy i rozstrzygania sporów z nią związanych oraz w sprawach
   nieuregulowanych niniejszą Umową mają zastosowanie przepisy prawa polskiego.
2. Wszelkie spory wynikłe w trakcie realizacji Umowy rozstrzygać będzie Sąd Powszechny w
   Gdańsku.
3. Wszelkie zmiany do niniejszej Umowy mogą być wprowadzone w formie aneksu pod
   rygorem nieważności.
4. Strony nie ponoszą odpowiedzialności za częściowe lub całkowite niewykonanie
   zobowiązania Umowy, jeżeli to niewykonanie nastąpiło na skutek okoliczności siły wyższej.

Za okoliczności siły wyższej poczytuje się okoliczności, które powstały po zawarciu
Umowy, na skutek nieprzewidzianych przez Stronę zdarzeń o charakterze nadzwyczajnym,
jak: wojnę, klęski żywiołowe, strajki oraz działania rządowe i administracyjne
uniemożliwiające wykonanie zobowiązań Umowy.
Strona dotknęła siłą wyższą niezwłocznie powiadomi na piśmie drugą Stronę o zaistniałym przypadku siły wyższej. Świadectwem wystąpienia okoliczności siły wyższej i okresu jej trwania będzie dokument Izby Handlowej Kraju Strony powołującej się na te okoliczności.

Jeżeli na skutek wystąpienia siły wyższej lub innej nieprzewidzianej przez strony sytuacji wykonanie Umowy byłoby prawnie lub faktycznie niemożliwe, to każda ze Stron będzie uprawniała do zawieszenia wykonania niniejszej Umowy.

W takim wypadku Strony w terminie dwóch tygodni podeją decyzję co do dalszego obowiązywania Umowy lub odstąpienia od Umowy.

W przypadku gdyby okoliczność siły wyższej trwała dłużej niż 30 dni, każda ze Stron będzie miała prawo do rozwiązania niniejszej Umowy z 2-tygodniowym wyprzedzeniem.

ZAMAWIAJĄCY:
Armex sp. z o.o.
ul. Marynarki Polskiej 96
80-955 Gdańsk

WYKONAWCA:
Korea Rungado General Trading Corp.
ADD: Segori Dong, Dist. Potonggang
Pyongyang, DPR Korea

ARMEX Spółka z o.o.
80-955 Gdańsk, ul. Marynarki Polskiej 96
NIP 844205-27-25 REGON 000087377
tel. kom. 058 020 447; 058 919 300

KOREA RUNGRADO GENERAL TRADING CORP.
ADD: Segori Dong, Dist. Potonggang
Pyongyang, DPR Korea
Tel: 850-218-111 Fax: 810-850-218-14507
Agreement

on cooperation with regard to the dismantling, assembly and welding of steel structures,

starting 1 January 2012, concluded between:

Headquarters:

NIP [tax identity number]:

Represented by:

1. [redacted]
2. [redacted]

Hereinafter referred to as “the Employer”

and

Korea Rungrado General Trading Corporation

Represented by: [redacted]

Hereinafter referred to as “the Contractor”

Article 1 Definitions

Wherever the term “the Employer” appears below, it shall mean the company contracting sections/blocks of ships.

Article 2 Objects of the Agreement

1. The Employer shall order and the Contractor shall agree to carry out the welding of prefabricated and assembled sections and blocks of ships at units NB142/2, B68/1-4, NB38/1-2, in accordance with the attached schedule.
2. The work shall be carried out at the units on the basis of the documentation submitted and in accordance with mandatory standards and regulations.

3. The work shall be supervised by representatives of the Employer or by persons appointed by the Employer, together with a representative of the Contractor.

4. The Contractor undertakes to carry out the work commissioned in accordance with the necessary technology and in compliance with the health and safety and fire safety requirements and regulations.

Article 3 Agreed price

1. The Employer shall pay the Contractor for the work carried out solely in accordance with an agreed rate, provided that the Employer and the Commissioning Party accept the scope of the work carried out by the Contractor without restrictions, and that this is also confirmed in the acceptance report signed by the Contractor and the Employer, according to the conditions described below.

2. In the case of work to be paid by the hour, the rate shall be [redacted] Polish zloty per working hour.

Article 4 Supervision and coordination of work

1. The work shall be carried out on the basis of provision by the Employer of:

   (a) Technical and technological documentation;

   (b) An indicative list of hulls received;

   (c) An indicative list of technology for the repair and construction of the hulls of specific units;

   (d) A welding inspection schedule;

   (e) A tightness test schedule;

   (f) A work acceptance log;

   (g) Instructions for the supervision of the Employer.

5. Article 5 Obligations of the Contractor

1. To comply with the Agreement in accordance with the mandatory legal procedure for the employment of foreign nationals, the Contractor shall send to the Employer’s headquarters qualified welding workers who have:

   (a) Relevant qualifications and skills;
(b) Shipbuilding experience;

(c) In addition, the Contractor shall assign at least one worker to supervise the work carried out by the Contractor at the site of the Employer.

2. The Contractor shall guarantee:

(a) The good quality of the work carried out by its workers;

(b) Reasonable labour productivity;

(c) The compliance of the Contractor’s workers with all rules, regulations, and standards mandatory in Poland.

Should any of the above-mentioned points not be observed by the Contractor’s workers, the Employer shall have the right to:

(a) Demand compensation;

(b) Demand that another worker be assigned, at the Contractor’s own expense;

(c) Withdraw from the Agreement without prior notice.

3. The Contractor shall be financially liable for unjustifiable excesses in the variety and quantity of materials used.

4. From the moment that materials are delivered and the property of the Employer, the Commissioning Party or any third parties is made available, until the moment when the work is accepted or the property is returned, the Contractor shall bear full material liability for any damage, loss or destruction arising solely from a fault of the Contractor.

5. If the quality and deadline requirements are not met by the Contractor’s workers, and the Contractor is at fault, the Employer reserves the right to withdraw from the Agreement without prior notice.

6. Repair foremen, heads of departments, experts, as well as health and safety and fire safety inspectors and other persons authorized by the Employer or the Commissioning Party shall have the right to monitor compliance by the Contractor’s workers with the following rules, regulations and standards:

(a) Legal obligations in Poland;

(b) Health and safety and fire regulations;
Harmonious relations between workers.

6. Persons designated to conduct the inspections mentioned above are authorized to issue advice regarding compliance with the above-mentioned regulations. If the Contractor’s workers fail to comply with this guidance, the Employer shall have the right to send any worker who violates the regulations back to the Contractor and even to withdraw from the present Agreement without prior notice. The right to send the worker back to the Contractor shall also apply if the guarantees set out in paragraph 2 of this article are not honoured.

7. The Employer shall not be liable for events (including accidents) which occur as a result of a failure to observe the relevant regulations while the Contractor’s workers are working.

8. The Contractor shall cover the cost to third parties or to the Employer for all damage to persons and property caused by the Contractor’s workers.

7. Article 6 Duration of the Agreement

1. The Agreement has been concluded for a fixed period from [redacted].

2. The Employer has the right to terminate the present Agreement subject to three months’ notice.

3. If the provisions of the Agreement are violated, both the Employer and the Contractor shall have the right to withdraw from the Agreement with immediate effect.

4. Termination of the Agreement shall require one month’s written notice to be served on the other Party.

8. Article 7 Terms of payment

1. The execution of works shall be noted in the work log every month as the work progresses. The calculations shall be made every month.

2. The value of the work included in the contract shall take into account the remuneration of the Contractor and all of the Contractor’s costs relating to the execution of this Agreement: the maintenance of the workers, the cost of the work, etc. and also all mandatory taxes and charges to be paid by the Contractor.

9. Article 8 Final provisions

1. For the execution of this Agreement and the settlement of disputes relating thereto and of any matters not regulated by the present Agreement, the provisions of Polish law shall apply.

2. All disputes arising during the execution of this Agreement shall be settled by the Court of General Jurisdiction in Gdańsk.
3. Any amendments to the present Agreement must be made in the form of an annex in order to be deemed valid.

4. The Parties shall bear no responsibility for a partial or total failure to execute the obligations of the Agreement if such non-execution is attributable to force majeure events.

Force majeure events are deemed to be those arising after the conclusion of the Agreement as a result of events of an extraordinary nature which are unforeseeable for either Party, such as: war, natural disasters, strikes or governmental or administrative actions which make it impossible to perform the obligations of the Agreement.

A Party affected by force majeure events shall immediately inform the other Party in writing of the occurrence of the force majeure event. A document from the Chamber of Commerce of the country of the Party invoking force majeure circumstances shall attest to the occurrence of the force majeure incident and its duration.

If, as a result of the occurrence of force majeure events or some other situation which is not foreseen by the Parties, the execution of the Agreement should prove legally or effectively impossible, both Parties shall be entitled to suspend the execution of the present Agreement.

In such case, the Parties shall take a decision within two weeks as to whether they shall continue to be bound by the Agreement or to withdraw from it.

Should the situation of force majeure last for more than 30 days, both Parties shall have the right to terminate the present Agreement with two weeks’ notice.

THE EMPLOYER:

[signatures redacted]

THE CONTRACTOR:

Korea Rungrado General Trading Corporation [signature redacted]

Segori dong, Potonggang district

Pyongyang, Democratic People’s Republic of Korea

Source: The Panel
Annex 9-5: Fax number and address of Arab International Optronic

Fax: (202) 22806077

Source:
http://aioegy.com accessed on 17 February 2016
<table>
<thead>
<tr>
<th>ADDRESS</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Street</td>
<td>El Salam Road (infront of Ring Road)</td>
</tr>
<tr>
<td>Area</td>
<td>11371 El Salam City</td>
</tr>
<tr>
<td>P.O. Box</td>
<td>8182</td>
</tr>
<tr>
<td>Town</td>
<td>Cairo 11491</td>
</tr>
<tr>
<td>Country</td>
<td>Egypt</td>
</tr>
<tr>
<td>Telephone</td>
<td>(20 2) 2280 6075</td>
</tr>
<tr>
<td>Fax</td>
<td>(20 2) 2280 6077</td>
</tr>
</tbody>
</table>

Source: www.icpcredit.com
Annex 9-6: AIO use of the name “MODA Authority Arab International Optronics” on a shipping document

Source: The Panel
Annex 9-7: Egypt letter to the Panel of 2 September 2016

Translated from Arabic

Reply

1. The company Arab International Optronics has no connection with that transaction, and has no connection with the two North Korean companies mentioned in the memorandum from the Panel of Experts.

2. The fact that the names of the companies mentioned in the memorandum from the Panel of Experts are similar does not mean that they are identical. Moreover, the information regarding the company Arab International Optronics (address, telephone number and fax number) can be found on the Internet, and is therefore available to anyone.

Source: Egypt
Annex 10-1: KN-06 transporter with their own commercial markings of “Taebaeksan 96”

Source: DPRK Foreign Trade and the Panel
### Annex 10-2: Taebaeksan 96’s commercial catalogue mentioning Korea Ryongwang Trading Corporation

**Specifications:**

- **Model:** "Laboratory 96" (55111) (6x4)
- **Curb weight:** 9,050 kg
- **Payload:** 13,000 kg
- **Maximum payload:** 15,000 kg
- **Gross vehicle weight:** 22,200 kg
- **Permissible gross trailer weight:** 12,800 kg
- **Engine model:** 40.11-240
- **Engine type:** VB
- **Rated output:** 176 (240) kw (Hp)
- **Gradeability:** 25%
- **Fuel consumption:** 26.5 lit./100km at 60km/h
- **Tire size:** 10.00R20 or 11.00R20
- **Warranty:** 12 months (Running distance: 25,000 km)

**Source:** The Panel

**Korea Ryongwang/Ryengwang Trading Corporation**

**Address:** Red Street 2 dong, Pothonggang District, Pyongyang, DPRK

**Tel:** 425-7678, 425-7643, 425-7583
Annex 11-1: DPRK – Mozambique military cooperation contract

Ref. No. KMN-056
2013.11.28 Maputo

[Names of DPRK people]
윤동현(Yun Dong Hyun) 위원장 국방위원회 (National Defence Commission) 인민무력부 (KPA) 부부장
성학철 (Sung Hak Cheol) 서기장 국방위원회 (NDC) 인민무력부 (KPA) 군사 현조총국 총국장 대리
박경호 (Park Kyung Ho) 국방위원회 (NDC) 인민무력부 (KPA) 군사 현조총국 부총국장
장광철 (Jang Kwang Cheol) 위수총참모보 (KPA General Staff) 망크국 총장 (Tank Division)
안영일 (Ahn Young Il) 위수국방위원회 (NDC) 인민무력부 (KPA) 군사 협조 총국 총장 (Military Cooperation General Bureau)
문학면 (Mun Hak Myun) (Air and Anti Air Command Force Rocket Research Maj. General/Director)
김석룡 (Kim Seok Ryong) (KPA General Staff Electronic Warfare Detection Laboratory/ Assist. Director)

공군밀반항공부문 [Air Force & Anti-Air Defense Areas]
1. 반항공고사로켓 종합체 <빼초라> 현대화
   Anti Air Test Rocket Total Body/System “Pecchora” Modernization
2. 현대화된 고사로켓 <빼초라>검열차 및 훈련기재
   Modernized Test Rocket “Pechhora” Screening Car & Training Base
3. 이전 쓰레산 IT 계렬 탐지기 개조 현대화 (11,12,14,15,18,19,35)
   Old Soviet-Produce IT type Detector – Remodeling & Modernization (11, 12, 14, 15, 18, 19, 35)
4. 반항공고사로켓 <이글라> 사격 훈련 기재
   Anti Air Test Rocket “Igla” /“Eagle LA” Fire Training Materials/Base
5. 반항공고사로켓 <이글라> 자동사격지휘 조총체계
   Anti Air Test Rocket “Igla”/Eagle LA” Automatic Shoot & Command Volley System
6. 250kg 항공폭탄을 활공유로 폭탄으로 개조
   250 kg Aviation Bomb/Aerial Bomb - converted into glide-induced bomb
7. GPS/GLONASS에 의한 비행사항법체계
   GPS/GLONASS used for Flight Details Method/System

---

1 Unofficial translation of contract that the Panel viewed during a mission to a Member State capital
8. (Tank) 이전 소련산 Tank T-54 (T-54), T-55 (T-55), 수리 및 현대화
   Old Soviet-Produced Tank T-54, T-55 – repair and modernization of...
9. 땅크 종합 훈련 기재 <TSC-1>
   Tank (complete) Training Support Center

포병부문 (Artillery Areas)
10. 각종 포무기 수리 (Various artillery weapons – Repair)
11. 방망크로켓 <AT-3> (말류뜨까) 조종부 개조현대화
   (Anti-Tank Rocket “AT-3” (ATGM) “Malyutka” – remodelling & modernization of its operations/control)
12. 포위지발견 탐지기
   (Artillery-position Detector/Radar)

COMMS (Communication(s) Areas)
13. 수자식 단파, 초단파, 극초단파 무선기
   (Vertical Short Wave, High Frequency, Ultrahigh Frequency Radio Receiver)
14. DS-SS 통신기술을 리용한 무선수자물자 전송체계 <MDS-U3>
   Modular Dissemination System using DS-SS telecomm technology
15. 자료/음성 맡고모델 <RI-5000>
   Routing Indicator “RI-5000”
16. 쌍안격식레이저 통신기
   Binocular-style Laser communicator

탐지 전자전 부문 (Electronic Detection Areas)
17. 전략적 단파 통신장비체계 (오성산-1)
   Strategic Short Wave Telecommunications Equipment System (Ohsungsan-1)
18. 전술적 광대역 통신장비체계 (오성산-2)
   Tactical Broadband Telecommunications Equipment System (Ohsungsan-2)
19. X-대역 비행기 탐지기장애체계 (구름)
   X-Broadband Radar Obstacle Detection Plane (Kooreum = Cloud)
19. I-18 GHz 3차원 탐지기 장착체계 (방패)
   Three Dimensional I-18 GHz Radar Reconnaissance System (Bangpae = Shield)
20. L- 대역 위성통상장애체계
   L Broadband Satellite Communication Obstacle Detection System
21. GPS/GLONASS/GALILEO 통합장애체계
   GPS/GLONASS/GALILEO Global Navigation Satellite System
22. SAR 3차원 감시 및 장애종합체계
   SAR 3-Dimensional Surveillance and Obstacle Detection System

정보전 부문 (Information Area)
23. 정보전 기술일군 양성 및 각종 맡 및 정보보안체계 납입
   Information Technology (Staff) Training and Acquiring various safety nets and information safety systems

병기부문 (Weapons Area)
24. 폐화약재생공장
   Rehabilitation of Gunpowder Processing Factory

화학부문 (Chemical Area)
25. 화학경보지휘차
   Chemical Warfare Monitoring Command Car
26. 방사정찰기재 (PRA-907)
   Permanent Restriction Area (PRA-907) Station
27. 방독면, 방독복 납입
   Anti-Gas Mask, Anti-Gas Clothes

기타부문 (Other)
28. 소부대 지휘관용 군용 컴퓨터
   Computer for military command
29. 소부대용 조종 낙하산
   Parachute w/ controls for military use
Annex 12-1: Satellite Imagery of Oamites military base

(Satellite imagery of October 2011)

(Satellite imagery of March 2013)

(Satellite imagery of May 2014)

Source: Google Earth
Annex 12-2: Communication document of KOMID in Namibia relating the shipment with the contract number “STNK-010305”

Source: The Panel
(Comparison of marking between boxes and the document)
Annex 12-3: The part of Packing Lists of the shipment at Walvis Bay in October 2012

<table>
<thead>
<tr>
<th>No.</th>
<th>Description</th>
<th>Unit</th>
<th>Qty</th>
<th>Gross weight (kg)</th>
<th>Net weight (kg)</th>
<th>Box No.</th>
<th>Packing size</th>
<th>Volume (m³)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Ethyl acetate storage tank</td>
<td>pc</td>
<td>1</td>
<td>1565</td>
<td>619</td>
<td>E-A-1444</td>
<td>2700 x 2260 x 2245</td>
<td>13.34</td>
</tr>
<tr>
<td>2</td>
<td>Recovered acetate storage tank</td>
<td>pc</td>
<td>1</td>
<td>682</td>
<td>572</td>
<td>E-A-2444</td>
<td>2700 x 2200 x 2360</td>
<td>14.02</td>
</tr>
<tr>
<td>3</td>
<td>Recovered acetate storage tank</td>
<td>pc</td>
<td>1</td>
<td>682</td>
<td>572</td>
<td>E-A-3444</td>
<td>2700 x 2200 x 2360</td>
<td>14.02</td>
</tr>
<tr>
<td>4</td>
<td>Ethyl acetate pressure tank</td>
<td>pc</td>
<td>1</td>
<td>1485</td>
<td>920</td>
<td>E-A-4444</td>
<td>4600 x 1400 x 2145</td>
<td>12</td>
</tr>
<tr>
<td>5</td>
<td>Ethyl acetate condenser</td>
<td>pc</td>
<td>2</td>
<td>3540</td>
<td>2920</td>
<td>E-A-5444</td>
<td>2015 x 2200 x 1345</td>
<td>8.73</td>
</tr>
<tr>
<td>6</td>
<td>Granulator</td>
<td>pc</td>
<td>1</td>
<td>4308</td>
<td>4390</td>
<td>E-A-6444</td>
<td>2420 x 3000 x 3650</td>
<td>22.14</td>
</tr>
<tr>
<td>7</td>
<td>Granulator</td>
<td>pc</td>
<td>1</td>
<td>4308</td>
<td>4390</td>
<td>E-A-7444</td>
<td>2420 x 3000 x 3650</td>
<td>22.14</td>
</tr>
<tr>
<td>8</td>
<td>Salt melting tank</td>
<td>pc</td>
<td>1</td>
<td>1535</td>
<td>720</td>
<td>E-A-8444</td>
<td>3500 x 2330 x 1945</td>
<td>15.86</td>
</tr>
<tr>
<td>9</td>
<td>Wee-screen</td>
<td>pc</td>
<td>1</td>
<td>1827</td>
<td>1107</td>
<td>E-A-9444</td>
<td>3400 x 1600 x 2345</td>
<td>12.76</td>
</tr>
<tr>
<td>10</td>
<td>Mixing tank</td>
<td>pc</td>
<td>1</td>
<td>3365</td>
<td>1705</td>
<td>E-A-1044</td>
<td>5550 x 2650 x 2845</td>
<td>41.84</td>
</tr>
<tr>
<td>11</td>
<td>Mixing tank</td>
<td>pc</td>
<td>1</td>
<td>3365</td>
<td>1705</td>
<td>E-A-1144</td>
<td>5550 x 2650 x 2845</td>
<td>41.84</td>
</tr>
<tr>
<td>12</td>
<td>Ball powder feeding tank-2</td>
<td>pc</td>
<td>1</td>
<td>1655</td>
<td>1483</td>
<td>E-A-1244</td>
<td>3600 x 1209 x 1245</td>
<td>5.38</td>
</tr>
<tr>
<td>13</td>
<td>Control agent heating box</td>
<td>pc</td>
<td>1</td>
<td>2026</td>
<td>1480</td>
<td>E-A-1344</td>
<td>3100 x 1070 x 1720</td>
<td>8.9</td>
</tr>
<tr>
<td>14</td>
<td>Control agent pressure tank</td>
<td>pc</td>
<td>1</td>
<td>1411</td>
<td>758</td>
<td>E-A-1444</td>
<td>3000 x 2300 x 1560</td>
<td>18.35</td>
</tr>
<tr>
<td>15</td>
<td>Vaseline pressure tank</td>
<td>pc</td>
<td>1</td>
<td>266</td>
<td>139</td>
<td>E-A-1544</td>
<td>1250 x 700 x 1145</td>
<td>1.08</td>
</tr>
<tr>
<td>16</td>
<td>Hot water pressure tank</td>
<td>pc</td>
<td>1</td>
<td>590</td>
<td>260</td>
<td>E-A-1644</td>
<td>2600 x 1359 x 1345</td>
<td>3.50</td>
</tr>
<tr>
<td>17</td>
<td>Concentration tank</td>
<td>pc</td>
<td>1</td>
<td>3600</td>
<td>2800</td>
<td>E-A-1744</td>
<td>4600 x 2800 x 2955</td>
<td>39.72</td>
</tr>
<tr>
<td>18</td>
<td>Concentration tank</td>
<td>pc</td>
<td>1</td>
<td>3600</td>
<td>2800</td>
<td>E-A-1844</td>
<td>4600 x 2800 x 2955</td>
<td>39.72</td>
</tr>
<tr>
<td>19</td>
<td>Absorption machine</td>
<td>pc</td>
<td>1</td>
<td>1025</td>
<td>1160</td>
<td>E-A-1944</td>
<td>3400 x 2100 x 2145</td>
<td>15.32</td>
</tr>
<tr>
<td>20</td>
<td>Mixed acid pressure tank</td>
<td>pc</td>
<td>1</td>
<td>649</td>
<td>300</td>
<td>E-A-2044</td>
<td>2810 x 1236 x 1278</td>
<td>4.45</td>
</tr>
</tbody>
</table>

Source: John Grobler
(Military Explosives and Propellants Production process)

Annex 12-4: Other military-related construction by Mansudae

Client Details

Principal
Name of Main Contractor: MDP Arch & Technical Services
Name of Principal/Employer: Ministry of Defence.
Name of Sub Contractors: Box 81329, Olympia
Postal address:
Contact Person: Mr. T-C Kim
Company Registration No:
VAT No:

3. FULL DESCRIPTION OF CONTRACT:
(i.e. Single Double  
/Story, private  
Dwelling, Standard  
Construction Brick  
Under tile, thatch  
Risk, Erf/Stand No  
Etc.)

SITE LOCATION:
Leopards Valley Military Base.

Client Details

Principal
Name of Main Contractor: MANSUDE OVERSEAS PROJECT Architecture  
And Tech Services
Name of Principal/Employer: Box 81329
Name of Sub Contractors:
Postal address:
Contact Person: PAK 08162749
Company Registration No: VAT No:

3. FULL DESCRIPTION OF CONTRACT:
(i.e. Single Double  
/Story, private  
Dwelling, Standard  
Construction Brick  
Under tile, thatch  
Risk, Erf/Stand No  
Etc.)

SITE LOCATION:
Tsumeb, Donkey Valley.
Clients Name: MOP Group of Companies  
Broker: Seblon Amupolo  
Quote Number: 628524440  
Date: 05/07/2016

**Short Period Construction Risks & Public Liability Quote**

**Conditions of Quotation:**
- All monetary amounts are VAT inclusive.
- All premiums quoted are based on sums insured provided by yourselves and may change should sums insured change.
- The terms of this quotation is based on the Underwriting information provided. Should there be any deviation in such information at the time of attachment of risk, OMSIC reserves the right to modify the terms as appropriate to the change in risk.
- OMSIC reserves the right to undertake technical and/or commercial surveys of the risk.
- The terms quoted hold good for a period of 30 (thirty) days unless the insurer confirms in writing an extension of this period.
- On acceptance of this quotation, kindly complete the last page and return to OMSIC.
- The premium is based on a deposit and is subject to declaration adjustment as per the policy wording. We will require the actual construction value within 30 days of completion.

**Territorial Limits:**  
The Republic of South Africa and to the extent permitted by the applicable insurance act the territories of Botswana Lesotho Namibia and Swaziland

<table>
<thead>
<tr>
<th>Principal</th>
<th>Ministry of Defence</th>
</tr>
</thead>
<tbody>
<tr>
<td>Description of Construction Project</td>
<td>Alteration and Additions to Existing Guest House</td>
</tr>
<tr>
<td>Construction Site</td>
<td>Erf 414, Jasper Street, Academia</td>
</tr>
<tr>
<td>Period of Construction</td>
<td>22/06/2016 – 22/02/2017</td>
</tr>
<tr>
<td>Defects Liability Period</td>
<td>per conditions of contract but not exceeding 03 months</td>
</tr>
<tr>
<td>Testing &amp; Commissioning Period</td>
<td>30 days (new equipment only)</td>
</tr>
<tr>
<td>Estimated Construction Value</td>
<td>N$12,627 259.60 (includes free issue materials &amp; labour)</td>
</tr>
<tr>
<td>Removal of Debris</td>
<td></td>
</tr>
<tr>
<td>Professional Fees</td>
<td>N$50 000</td>
</tr>
</tbody>
</table>

*Source: The Panel*
Annex 12-5: Mansudae’s cash withdraw request for bulk cash courier to the DPRK

M.O.P
Architectural & Technical Services (NAMIBIA)

FNB NAMIBIA
209 INDEPENDENCE AVENUE
CBD

RE: TRAVELING ALLOWANCE EXCHANGE

Dear Sir/Madam,

We, Mansudae Overseas Project Group of Companies registered and trading as M.O.P Arch & Tech Services Ltd in the Law of the Republic of Namibia, are undertaking the construction of New Ministry of Defence Headquarter in Windhoek according to the agreement between August 26 Holding Company [pty] Ltd on behalf of Ministry of Defence and our company on December 14, 2011. The said construction shall be completed by December 14, 2013. Some members of our company shall leave on Jan 26th, 2015 due to the expiry of their work. Hereby, I kindly request you to facilitate us to exchange 20,000.00 US$ per person for their traveling allowance. The copies of the passports of the 14 passengers shall be attached herewith for your reference.

Your kind support & cooperation shall be highly appreciated.

Sincerely,

[Signature]

Mr. Kim Tong Chol
Managing Director
M.O.P Arch & Tech Services Ltd
APPLICATION

Branch: Commercial / 281972

Reference: T.N.A

The Manager, Exchange Control Division
Bank of Namibia, Windhoek

Applicant and domicile: M.O.P Architectural & Technical Services Pty Ltd
(Reg. No 2001/044) - Namibia

Amount: Foreign/Namibia: USD 280,000.00 (Approx. NAD 3,305,792.00)

Beneficiary and domicile: Applicant

Purpose: Permission to avail of omnibus facilities.

Previous correspondence: 230/2012 & 59/2013 - Related

Reference is made to the above captioned ECA's and the Control’s reply thereto.

The applicant approached our branch seeking the Control’s urgent approval to avail of omnibus travel facilities amounting to USD 280,000.00 to their foreign expatriates returning home to the Democratic People’s Republic of Korea.

The applicant advised they require USD 20,000.00 cash notes to be paid to each of the fourteen travelling expatriates.

We await the Control’s favourable reply.

ANASTASIA BLACK
EXCHANGE CONTROL CONSULTANT
INTERNATIONAL BUSINESS CENTRE

Source: Namibia
Annex 12-6: Mansudae’s construction works in Angola till February 2015

Source: Angola
Annex 12-7: Mansudae-Angola in Angola business registry

Republic of Angola
Ministry of Justice
Commercial Registry Office of Luanda

Certificate

I, Andrade Manuel Neto, graduate in Law and Registrar of the Commercial Registry Office of Luanda,
Acting pursuant to a request submitted under number one hundred and one in the Daily Journal dated the twenty-fourth day of February two thousand and six, which is kept at this Registry Office,
Hereby certify that the limited liability company named Mansudae Group — Civil Construction and Public Works Limited, which is headquartered in Luanda, at number eighteen/twenty, Francisco Sottomayor Street, Bairro Azul, is registered under number one hundred and sixty five dash zero six.

I further certify that the company in question has a shareholder capital of KZ. 4,450,000.00 (four million, four hundred and fifty thousand kwanzas). Its shareholders are as follows: Mansudae Overseas Project Architectural and Technical Services (Proprietary), Limited, headquartered in Windhoek, Namibia, with a share with the nominal value of KZ. 4,404,500.00 (four million, four hundred and four thousand, five hundred kwanzas), and Kim Kwang Hyok, with another share with the nominal value of KZ. 4,450,000.00 (fourty-four thousand five hundred kwanzas). The manager, who is not a shareholder, is Ri Won Chol.

In witness whereof, I have reviewed, corrected and signed the present certificate.

Done at the Commercial Registry Office of Luanda, in Luanda, this fifteenth day of March, two thousand and six.

(Seal) (Signed) The Registrar

Source: Angola
Annex 12-8: Uganda DPRK embassy offering South Sudan military cooperation

Source: The Panel
Annex 12-9: International Military Technical Forum in Russia- Russia’s Correspondence to the Panel of 21 December 2016

New York, 21 December 2016

Dear Mr. Griffiths,

With reference to your letter S/AC.49/2016/PE/OC.949 dated 11 November 2016 the Russian Mission to the UN reiterates its previously expressed position that the participation of North Korean representatives in the «Army-2016» Forum did not fall under current sanctions regime against the Democratic People’s Republic of Korea.

Yours,

Alexander Volgarev
Senior Counsellor
Political Coordinator

Mr. Hugh Griffiths
Coordinator
Panel of Experts established pursuant to Security Council resolution 1874 (2009)
United Nations
New York

Source: Russian Federation
Annex 12-10: Wonsan air show aircraft – chain of three emails
(1) Chinese counterpart request to PAL (top), and (2) PAL’s technical advice on aircraft in DPRK (lower)
(3) Reply from PAL to Chinese counterpart

PAL – Pacific Aerospace Ltd.

Source: The Panel
Annex 13-1: Extracts of maritime databases showing identity deception

*Ri Won 105 (Ji Hye San)*

*Chong Jin 14 (Gold Star 3*)

*Source: www.vesselfinder.com*
Annex 13-2: Extracts from the DPRK Maritime Administration database showing the same characteristics as the *Hui Chon*

<table>
<thead>
<tr>
<th>Name of Ship</th>
<th>Hui Chon</th>
<th>Sono Phyong 1</th>
</tr>
</thead>
<tbody>
<tr>
<td>Port of Registry</td>
<td>Nampo</td>
<td>Nampo</td>
</tr>
<tr>
<td>Reg No</td>
<td>5409580</td>
<td>8406577</td>
</tr>
<tr>
<td>Call Sign</td>
<td>HUI2</td>
<td>HUI2</td>
</tr>
<tr>
<td>IMO No</td>
<td>8409570</td>
<td>8406570</td>
</tr>
<tr>
<td>GT</td>
<td>1465</td>
<td>1465</td>
</tr>
<tr>
<td>NT</td>
<td>2085</td>
<td>2081</td>
</tr>
<tr>
<td>Length</td>
<td>104</td>
<td>104</td>
</tr>
<tr>
<td>Breadth</td>
<td>13</td>
<td>13</td>
</tr>
<tr>
<td>Depth</td>
<td>8.55</td>
<td>8.55</td>
</tr>
<tr>
<td>Type of Ship</td>
<td>General Cargo Ship</td>
<td>General Cargo Ship</td>
</tr>
<tr>
<td>Engine Power</td>
<td>2191</td>
<td>2191</td>
</tr>
<tr>
<td>Built</td>
<td>1984</td>
<td>1984</td>
</tr>
<tr>
<td>Shipbuilder</td>
<td>Daebashi Shipyard</td>
<td>Daebashi Shipyard</td>
</tr>
<tr>
<td>Ship Owner</td>
<td>Hunchon Shipping Co., Ltd.</td>
<td>Sonophyong Forwarding Co., Ltd.</td>
</tr>
</tbody>
</table>

Annex 13-3: Extracts from the IMO database for the port state control inspection of the *Song Phyong 7*

<table>
<thead>
<tr>
<th>Source: IMO available at <a href="https://gisis.imo.org/Members/PSC/Search.aspx">https://gisis.imo.org/Members/PSC/Search.aspx</a></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>GISIS: Port State Control</strong></td>
<td></td>
</tr>
<tr>
<td><strong>PSC Report / Russian Federation</strong></td>
<td></td>
</tr>
<tr>
<td><strong>IMO Number:</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Type of ship:</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Gross tonnage:</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Year of build:</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Place of inspections:</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Classification society:</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Particulars of company:</strong></td>
<td></td>
</tr>
<tr>
<td><strong>15. Relevant certificate(s):</strong></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Deficiencies:</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Code</strong></td>
<td><strong>Nature of deficiency</strong></td>
</tr>
<tr>
<td>G0123</td>
<td>Continuous synopsis record</td>
</tr>
</tbody>
</table>

---
Annex 13-4: DPRK-flagged vessels owned, operated or certified by foreign companies

<table>
<thead>
<tr>
<th>Vessel name</th>
<th>IMO No</th>
<th>Operator</th>
<th>Country</th>
<th>Owner</th>
<th>Country</th>
<th>Technical Manager</th>
<th>Country</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dong Nam No. 1</td>
<td>8503735</td>
<td>Dongnam Transport JV Co</td>
<td>DPRK</td>
<td>Korpen Shipping Co Ltd</td>
<td>Hong Kong</td>
<td>Hong Kong</td>
<td>DPRK</td>
</tr>
<tr>
<td>E. Morning</td>
<td>8717910</td>
<td>Ryusong Shipping Co Ltd</td>
<td>DPRK</td>
<td>Seastar Hong Kong Shipping</td>
<td>Hong Kong</td>
<td>Hong Kong</td>
<td>DPRK</td>
</tr>
<tr>
<td>Fatima 1</td>
<td>7303279</td>
<td>Barakat Al-Ashoor Marine Serv</td>
<td>Iraq</td>
<td>Barakat Al-Ashoor Marine Serv</td>
<td>Iraq</td>
<td>Barakat Al-Ashoor Marine Services</td>
<td>Iraq</td>
</tr>
<tr>
<td>Hae Bang San</td>
<td>8518962</td>
<td>Korea Haegumgang Shipping Co</td>
<td>DPRK</td>
<td>Hong Kong Complant Int Trans</td>
<td>Hong Kong</td>
<td>Korea Haegumgang Shipping Co</td>
<td>DPRK</td>
</tr>
<tr>
<td>Hung Tae 1</td>
<td>8604541</td>
<td>Xingtai International Trading</td>
<td>Hong Kong</td>
<td>Flourish Maritime Ltd</td>
<td>Hong Kong</td>
<td>Xingtai International Trading</td>
<td>Hong Kong</td>
</tr>
<tr>
<td>Jin Ming 1</td>
<td>8303290</td>
<td>Chonghiae Shipping Co</td>
<td>DPRK</td>
<td>Hong Kong Jinming Co Ltd</td>
<td>Hong Kong</td>
<td>Chonghiae Shipping Co</td>
<td>DPRK</td>
</tr>
<tr>
<td>Jung Gang 5</td>
<td>8925012</td>
<td>Korea Namsan Shpg Corp</td>
<td>DPRK</td>
<td>China Daandong Liaodong</td>
<td>China</td>
<td>Aprokgang Shipping &amp; Trading</td>
<td>DPRK</td>
</tr>
<tr>
<td>K. Morning</td>
<td>9021576</td>
<td>Ryusong Shipping Co Ltd</td>
<td>DPRK</td>
<td>Seastar Hong Kong Shipping</td>
<td>Hong Kong</td>
<td>Ryusong Shipping Co Ltd</td>
<td>DPRK</td>
</tr>
<tr>
<td>Kang An 1</td>
<td>8032683</td>
<td>Korea Kangan Shipping Co Ltd</td>
<td>DPRK</td>
<td>Universal Imp &amp; Exp Trading Co</td>
<td>Hong Kong</td>
<td>Korea Kangan Shipping Co Ltd</td>
<td>DPRK</td>
</tr>
<tr>
<td>Kum Hae</td>
<td>8904824</td>
<td>Korea Yanggakdo Shipping Co</td>
<td>DPRK</td>
<td>Hong Kong Cheong Song Shipping</td>
<td>Hong Kong</td>
<td>Korea Yanggakdo Shipping Co</td>
<td>DPRK</td>
</tr>
<tr>
<td>Kum San Bong</td>
<td>8810384</td>
<td>Korea Namsan Shpg Corp</td>
<td>DPRK</td>
<td>Xin Sea Shipping Co Ltd</td>
<td>Hong Kong</td>
<td>Korea Tanphung Trading Co</td>
<td>DPRK</td>
</tr>
<tr>
<td>Man Chung 1</td>
<td>8406858</td>
<td>Manchung Shipping Co</td>
<td>DPRK</td>
<td>Jiajia Holdings Ltd</td>
<td>Hong Kong</td>
<td>Manchung Shipping Co</td>
<td>DPRK</td>
</tr>
<tr>
<td>Mi Yang 7</td>
<td>8303214</td>
<td>Korea Miyang Shipping Co</td>
<td>DPRK</td>
<td>Dongcheng HK Shipping Ltd</td>
<td>Hong Kong</td>
<td>Korea Miyang Shipping Co</td>
<td>DPRK</td>
</tr>
<tr>
<td>O Ka San</td>
<td>8735924</td>
<td>Korea Ryonghung Shipping Co</td>
<td>DPRK</td>
<td>Chinko Shipping Trading Co Ltd</td>
<td>Hong Kong</td>
<td>Korea Sonbong General Trading</td>
<td>DPRK</td>
</tr>
<tr>
<td>Ryu Gyong</td>
<td>9036533</td>
<td>Chonnyon Shipping Co Ltd</td>
<td>DPRK</td>
<td>Hong Kong Song U Trading Group</td>
<td>Hong Kong</td>
<td>Chonnyon Shipping Co Ltd</td>
<td>DPRK</td>
</tr>
<tr>
<td>Shaima</td>
<td>8922709</td>
<td>Mohammad Katani Zadeh</td>
<td>UAE</td>
<td>Mohammad Katani Zadeh</td>
<td>UAE</td>
<td>Mohammad Katani Zadeh</td>
<td>UAE</td>
</tr>
<tr>
<td>Yekta</td>
<td>9103635</td>
<td>Mehdi Shanbadi Nia</td>
<td>UAE</td>
<td>Mehdi Shanbadi Nia</td>
<td>UAE</td>
<td>Mehdi Shanbadi Nia</td>
<td>UAE</td>
</tr>
</tbody>
</table>

* In their reply to the Panel, China stated that its authorities investigated the companies in Hong Kong and found that their premises were unoccupied or occupied by other businesses. Further, that no records could be found of any substantial business being carried out by the companies in Hong Kong, China.

Source: IHS Maritime
Annex 13-5: DGS Marine/British European & Overseas Protection and Indemnity insurance (P&I)

Until July 2012 DGS Marine was a Liechtenstein-registered offshore business company located at a fiduciary’s office in Vaduz. Following June 2012 media reports that DGS’s director, David Skinner had issued insurance certificates for Iranian-owned oil tankers transporting oil from Syria allegedly in contravention of European Union sanctions, the Liechtenstein Financial Authority issued a July 2012 warning notice stating that DGS Marine was not licensed to issue insurance in Liechtenstein. Following the Liechtenstein warning notice, Mr. Skinner registered DGS Marine as a BVI business company in August 2012. The Panel was able to confirm that DGS Marine was not licensed or authorized to issue insurance in the BVI either.

In addition, the 2009 DGS Marine annual report contained false information regarding the identity of an individual described as DGS Marine’s “independent auditor” calling into question the certification of DGS Marine’s annual financial statements. DGS Marine did not respond to the Panel’s enquiries and during the course of the Panel’s investigation the death of Mr. Skinner was announced and shortly afterwards the DGS website was shut down. Media reporting subsequently indicated that DGS Marine was an elaborate insurance scam that while maintaining offices in the United Kingdom, Cyprus, Denmark, Vietnam, India, China and the United Arab Emirates did not possess the millions of pounds in securities alleged in its annual reports.

---

2 “British businessman accused of insuring oil tankers “undermining the sanctions against Syria”, Sunday Telegraph, 22 June 2012.


4 British Virgin Islands Financial Services email to the Panel, 9 September 2016

5 “British European & Overseas Insurance Scheme sinks without trace”, Tradewinds, 10 November 2016
Annex 14-I: Namhung Trading Corporation registered in Chinese business registry

a. Official Business registry

(Official Translation)
Korea Namhang Trading Corporation,
Beijing Representative Office - revoked
Registration number: 110000400148787
Representative: Hyon, Byong Chol
Establishment date: October 9, 2005

Registration Status: revoked and not registered.
Revoked date: October 12, 2012
Address: 北京市朝阳区朝阳路十里堡甲3号B座21室
Business range: Machinery equipment, Steel, Five metals such as gold, silver, copper

Source: Chinese national enterprise credit information publicity system at http://bj.gsxt.gov.cn/sydq/loginSydqAction!sydq.dhtml
b. Examples of Commercial Business registry

Source: http://www.71p.net/c2365538.html

Source: http://127697/czvv/com
c. Dandong Branch

![Source: http://www.zhiqiye.com/company](http://www.zhiqiye.com/company)
Annex 14-2: Korea Taeryonggang (or Tae Ryong Gang) Trading Corporation (朝鮮大玲江贸易会社) in local Chinese newspaper and commercial websites with a designated individual as representative

a. Chinese local newspaper


Korea Taeryonggang Trading Corporation
Head representative: Kang Mun Kil
Registration number: 210200500025533
Address: 125 Minzheng Street, 2 Danyuan 3rd floor #1, Shahe District, Dalian City
Type: Permanent trade representative

b. Commercial website

Source: gongshang.mingluji.com/Liaoning/node/179688

Annex 14-3: Official letterhead of Taeryonggang (or Tae Ryong Gang) and Namchongang

Source: The Panel
Annex 14-4: The same address used by Namhung and Sobaeksu

Source: Chinese business registry at http://bj.gsxt.gov.cn/ and commercial online sources at http://1593171.71ab.com/contact.asp
Annex 14-5: Sobaeksu’s branches in Beijing, Yingkou and Dandong

A. Dandong Branch

Dandong Office of Korea Sobaeksu United Corporation
Renewed date: November 24, 2014

Status: In operation
B. Lingkou Branch

Yingkou Representative office of Korea Sobaeksu United Corporation
Renewed Date: December 3, 2014
Status: In operation

Source: http://www.zhiqiye.com/company
Annex 14-6: Yun Ho-jin as Beijing Sobaeksu’s director and Namchongang’s director

Source: Chinese official business registry at http://qyxy.baic.gov.cn/

Annex 14-7: Kim Chol Nam as Beijing Korea Changgwang’s director and Dandong Sobaeku’s director

Source: Chinese official business registry at http://qyxy.baic.gov.cn

Source: http://www.zhiqiye.com/company
### Annex 14-8: Beijing New Technology in Hong Kong Company registry

#### Annual Return

**Company Name:** BEIJING NEW TECHNOLOGY TRADING CO., LIMITED

**Company Number:** 2033292

**Date to which this Return is Made Up:** 30 1 2015

#### Director (Natural Person)

<table>
<thead>
<tr>
<th>Name in Chinese</th>
<th>Name in English</th>
</tr>
</thead>
<tbody>
<tr>
<td>(無)</td>
<td>(無)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Name in Chinese</th>
<th>Name in English</th>
</tr>
</thead>
<tbody>
<tr>
<td>PEI</td>
<td>Minhee</td>
</tr>
</tbody>
</table>

**Residential Address:**

- **Country/Region:** 香港
- **Postal Code:** (N/A)
- **Address:** (無)

**Source:** The Hong Kong company registration records
Annex 14-9: Mr. Park Young Han and his relationship with Beijing New Technology Company

(Guangcaiweixing Trading Company showing Park Young Han (Chinese: 朴永汉) as representative)

Source: http://qyxy.baic.gov.cn/beijing
(Park Young Han’s business cared showing his relationship with Beijing New Technology)

Source: The Panel
Annex 14-10: Beijing Chengxing and Guangcaiweixing’s mineral trade with the DPRK

(Beijing Chengxing)


(Guangcaiweixing Trading)

Source: http://www.cnfeol.com/series/0100020000000000.aspx

Source: http://www.10s1.com/html/201407/175463.html
Annex 14-11: NDIC in Chinese business registry

Source: Chinese Official Company Registry at http://qyxy.baic.gov.cn
(Shenyang Branch office on a commercial online source)

Source: http://www.zhiqiye.com/company/
Annex 14-12: Letters of NDIC and Green Pine showing identifiers

(NDIC’s termination notice letter)

Source: The Panel
(Green Pine invitation letter)

Source: The Panel
Annex 14-13: Mr. Kim Song Il’s Beijing-registered trading companies and Greenpine International
(北京鼎元大松贸易有限公司)
(Dingyuan Zhencheng (Beijing) Trading Co., Ltd. - 鼎元贞盛（北京）贸易有限公司)


Excerpts of Hong Kong Company registry information on Greenpine International Co., Limited
### 12董事 Directors

**A. 董事 (自然人) Director (Natural Person)**

(If more than one director, use Continuation Sheet B if more than 1 director is a natural person)

<table>
<thead>
<tr>
<th>身份</th>
<th>Director</th>
<th>Alternate Director</th>
</tr>
</thead>
<tbody>
<tr>
<td>身份</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>中文姓名</th>
<th>韩国姓名</th>
<th>英文姓氏</th>
</tr>
</thead>
<tbody>
<tr>
<td>韩国姓名</td>
<td>韩国姓名</td>
<td>韩国姓名</td>
</tr>
<tr>
<td>英文姓名</td>
<td>英文姓名</td>
<td>英文姓名</td>
</tr>
<tr>
<td>其他姓名</td>
<td>其他姓名</td>
<td>其他姓名</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>别名 Name</th>
<th>别名 Name</th>
<th>别名 Name</th>
</tr>
</thead>
<tbody>
<tr>
<td>别名 Name</td>
<td>别名 Name</td>
<td>别名 Name</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>住址 Residential</th>
<th>住址 Residential</th>
</tr>
</thead>
<tbody>
<tr>
<td>5003B-5006 World Trade Center Of Dalian,</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>身份证明 Identification</th>
<th>身份证明 Identification</th>
</tr>
</thead>
<tbody>
<tr>
<td>香港身份证身份证</td>
<td>N/A</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>护照 Passport</th>
<th>护照 Passport</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kingdom Of Cambodia</td>
<td>N0830354</td>
</tr>
</tbody>
</table>

### Advisory Note

所有公司董事均应阅读公司注册处编写的「有关董事责任的非法定指引」的最新版本，并熟悉该指引所概述的董事一般责任。

All directors of the company are advised to read the latest version of the ‘Non-Statutory Guidelines on Directors’ Duties’ published by the Companies Registry and acquaint themselves with the general duties of directors outlined in the Guidelines.

### 同意出任董事同意书 Consent to Act as Director

本人同意在公司成立及出任其董事，並確認本人已年滿 18 歲。

I consent to act as a director of the company on its incorporation and confirm that I have attained the age of 18 years.

签名 Signed: [Signature]

Source: Hong Kong Company registry at https://www.icris.cr.gov.hk/csci/
Annex 14-14: The same address used by Mr. Kin Song Il's Beijing and Hong Kong-based company

Annex 14-15: Mr. Kim’s Beijing-registered trading companies links to the former addresses of DPRK entities

Address: 210-1 Yun Tong Hua Yuan, Tong Zhou, Beijing City

Date of revoke: December 17, 2013

(Address and personnel matches between Greenpine International Beijing Branch and former DPRK entities)

Annex 14-16: US court indictment document on KIM Song IL and comparison of Mr. Kim’s signatures

IN THE UNITED STATES DISTRICT COURT
DISTRICT OF UTAH, CENTRAL DIVISION

UNITED STATES OF AMERICA,
Plaintiff,

vs.

KIM SONG IL,
Defendant.

Case No. 2:15 CR 417 DB
STATEMENT BY DEFENDANT IN
ADVANCE OF PLEA OF GUILTY
AND PLEA AGREEMENT PURSUANT
TO FED. R. CRIM. P. 11(c)(1)(C)

Judge Dee Benson

I hereby acknowledge and certify that I have been advised of and that I understand the following facts and rights, and that I have had the assistance of counsel in reviewing, explaining, and entering into this agreement:

1. As part of this agreement with the United States, I intend to plead guilty to Count 1 of the Indictment. My attorney has explained the nature of the charge against me, and I have had an opportunity to discuss the nature of the charge with my attorney. I understand the charge and what the government is required to prove in order to convict me. The elements of Count 1, a violation of the Arms Export Control Act at 22 U.S.C. 2778(c) are:

   1) That the defendant did willfully attempt to export from the United States;
   2) Defense articles listed on the United States Munitions list;
   3) Without having first obtained a license or written consent from the Department.

7. My decision to enter this plea was made after full and careful thought; with the advice of counsel; and with a full understanding of my rights, the facts and circumstances of the case and the consequences of the plea. I was not under the influence of any drugs, medication, or intoxicants when I made the decision to enter the plea, and I am not now under the influence of any drugs, medication, or intoxicants.

8. I have no mental reservations concerning the plea.

9. I understand and agree to all of the above. I know that I am free to change or delete anything contained in this statement. I do not wish to make changes to this agreement because I agree with the terms and all of the statements are correct.

DATED this __th day of December, 2015.

KIM SONG IL
Defendant

Source: US Utah District Court and HK Company registry document
Annex 14-17: Examples of Chinese customs records of Greenpine International’s export to Angola

<table>
<thead>
<tr>
<th>Record</th>
<th>Company</th>
<th>Product</th>
<th>VSIC</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Anhui Heji International Co., Ltd.</td>
<td>H01D 21/30</td>
<td>880.00</td>
</tr>
<tr>
<td></td>
<td></td>
<td>H01D 21/30</td>
<td>880.00</td>
</tr>
<tr>
<td></td>
<td></td>
<td>H01D 21/30</td>
<td>880.00</td>
</tr>
<tr>
<td></td>
<td></td>
<td>H01D 21/30</td>
<td>880.00</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Record</th>
<th>Company</th>
<th>Product</th>
<th>VSIC</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Anhui Heji International Co., Ltd.</td>
<td>H01D 21/30</td>
<td>880.00</td>
</tr>
<tr>
<td></td>
<td></td>
<td>H01D 21/30</td>
<td>880.00</td>
</tr>
<tr>
<td></td>
<td></td>
<td>H01D 21/30</td>
<td>880.00</td>
</tr>
<tr>
<td></td>
<td></td>
<td>H01D 21/30</td>
<td>880.00</td>
</tr>
<tr>
<td>Record</td>
<td>Goods Creation Expert</td>
<td>Shipment Month</td>
<td>2013-06-30</td>
</tr>
<tr>
<td>--------</td>
<td>------------------------</td>
<td>---------------</td>
<td>-------------</td>
</tr>
<tr>
<td>Company</td>
<td>Akari Bonsta, Temasdu Company Limited</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Category</td>
<td>Goods Creation</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Location Country</td>
<td>Angola</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transport Mode</td>
<td>Ordinary Transport</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Product</td>
<td>Linear acting (hydraulic) hydraulic power engines &amp; motors</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Source:** Chinese Customs record through Panjiva at http://www.panjiva.com
Annex 14-18: Mr. Choe Kwang Hyok’s Companies in Chinese business registry and Hong Kong company registry.

a. “北京金光海龙国际贸易有限公司” (Beijing King Helong International Trading Limited)

- Address has been changed from “北京市朝阳区朝阳北路99号楼13层2单元1603” to “北京市朝阳区朝阳北路99号楼9层2单元1004” on 25 February 2016.
(Commercial advertisement with its English name)


b. “香港金海龙国际贸易有限公司北京代表处” (Beijing branch of Hong Kong King Helong Int‘l Trading Limited)

c. Hong Kong company registry information on Choe’s King Helong

Source: Hong Kong Company registry at www.icris.cr.gov.hk/esci
Annex 14-19: Beijing King Helong’s relationship with Hong Kong King Helong and Dandong King Helong International Trading Co., Ltd.

(Commercial websites information on relationship between Hong Kong King Helong and Beijing King Helong)

Source: http://www.pe168.com/qiye/info/593466.html
公司介绍

北京金龙国际贸易有限公司坐落在繁华的大都市北京市朝阳区十里堡甲3号都市国际大厦25N，是经北京市外经贸委批准，享有进出口经营权的有限责任公司。旗下的北京金龙国际贸易有限公司、月丰金龙国际贸易有限公司等子公司。

公司经营范围广泛，有代理进出口，对销，转口等经营方式等，经营商品广泛，包括五金化工，工艺产品，土畜产品，电子产品，机械产品，电子配件，机电产品，家用电器，安全防护产品，贸易产品等。各类产品出口五十多个国家和地区。其中主要为：美国，韩国，香港等国家。

公司秉承“以质量为本，以服务取胜”的经营宗旨，积极开拓中国市场领域，公司以质量高，货期准，价格合现在国内外客户中广泛赢得好评。

世界经济的发展已经到来。面对新的机遇和挑战。北京金龙将永远保持在人员，设施，资金方便的活力，在稳定现有国内外客户的同时，继续扩大世界各地的市场。

公司始终本着“团结进取，严谨高效”的企业精神，贯彻“以人为本”的原则，在富有活力的员工队伍中，提出思考，鼓励参与，充分发挥每一个员工的主动性和创造性，使北京金龙在日益激烈的市场竞争中不断发展壮大。

最后感谢我们的客户不断的支持和努力，让我们一起创造新的价值。

基本资料

1. 公司名称：北京金龙国际贸易有限公司
2. 注册地址：北京市朝阳区十里堡甲3号都市国际大厦25N
3. 法人代表：王延华
4. 联系电话：010-65553829

Source: http://www.11467.com/beijing/co/98806.htm
Annex 14-20: Hong Kong front companies of Beijing King Helong’s directors

A. King Helong Group (Hong Kong) International Trading Co., Ltd.

<table>
<thead>
<tr>
<th>Intended Company Name</th>
<th>Intended Chinese Company Name</th>
</tr>
</thead>
<tbody>
<tr>
<td>King Helong Group (Hong Kong) International Trading Co., Limited</td>
<td>金光海龍（香港）國際貿易有限公司</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Name in Chinese</th>
<th>English Name (Surname, Given Name, Other Names)</th>
</tr>
</thead>
<tbody>
<tr>
<td>楊堅民</td>
<td>YANG Jianmin</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Previous Names</th>
<th>Alias</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Residential Address</th>
<th>Country</th>
</tr>
</thead>
<tbody>
<tr>
<td>北京市朝陽區十里堡甲3號都市國際大廈25N</td>
<td>中國</td>
</tr>
</tbody>
</table>
B. H&Y Global Industry Limited

[Company Incorporation Form]

**Intended Company Name**

**H&Y GLOBAL INDUSTRY LIMITED**

**Intended Chinese Company Name**

鉅裕環球貿易有限公司

Signature: Yang Ning

Date: 14/05/2010

C. Austen International Trading Co., Limited

[Company Incorporation Form]

**Intended Company Name**

**AUSTEN INTERNATIONAL TRADING CO., LIMITED**

**Intended Chinese Company Name**

歐斯頓國際貿易有限公司
<table>
<thead>
<tr>
<th>Name</th>
<th>Yang Ning</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date</td>
<td>10/11/2010</td>
</tr>
</tbody>
</table>

Source: Hong Kong Company registry at www.icris.cr.gov.hk/csci
Annex 14-21: Mr. Choe’s companies links with Green Pine in address


Business Address: 北京市朝阳区日坛北路17号院2号楼-01层(-1)097-17

Source: Chinese Business registry and the Panel
Annex 14-23: Official business registry information on Shenyang Branch of Korea Unsong

Source: Chinese Business registry at http://gsxt.lngs.gov.cn/saicpub/
**Source:** Official Chinese Company registry at http://qyxy.baic.gov.cn/beijing
Annex 14-24: Saeng Pil Trading Corporation’s brochure

Source: The Panel
Annex 14-25: DPRK’s Diplomatic note of appointing Saeng Pil representative in Cairo

Source: The Panel
Annex 14-26: Korea Daesong General Trading Corporation in Chinese Company registry and a business card of its representative

Source: Chinese Business registry

(business card of Korea Daesong’s representative)

Source: The Panel
(Other branch offices of Korea Daesong)

Yanji-based branch

Shenyang-based branch

Source: http://www.zhiqiye.com
Annex 14-27: Korea United Development Bank with Mr. Choe Un Hyuk as its representative

Source: https://www.embassypages.com/missions/embassy23153/ and the Panel
Annex 14-28: Korea Heungjin Trading Company in commercial company registry

Source: Commercial Chinese Company registry at http://www.zhiqiye.com/company/6F5C2618C1CC4CD68FCDDE060E0B1FCB/index.html
Annex 14-29: “Dalian Office of Korea Mining Development General Company” in Chinese local newspaper and commercial websites
(Excerpts of Chinese local Newspaper)

<table>
<thead>
<tr>
<th>Source: Dalian Daily at <a href="http://www.dlxww.com/gb/daliandaily/2005-06/19/content_797876.htm">http://www.dlxww.com/gb/daliandaily/2005-06/19/content_797876.htm</a></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>大连新闻网</strong></td>
<td><strong>信息发布会</strong></td>
</tr>
<tr>
<td>首页</td>
<td>通知</td>
</tr>
<tr>
<td>新闻中心</td>
<td>声明</td>
</tr>
<tr>
<td>服务资讯</td>
<td>产权</td>
</tr>
<tr>
<td>房产</td>
<td>国土</td>
</tr>
<tr>
<td>职场</td>
<td>拍卖</td>
</tr>
<tr>
<td>周末</td>
<td>招标</td>
</tr>
<tr>
<td>文化</td>
<td>采购</td>
</tr>
<tr>
<td>城市</td>
<td>其他</td>
</tr>
</tbody>
</table>

大连喜明服装有限公司登记公告
2005-06-19
大连日报

<table>
<thead>
<tr>
<th>经济性质：台、港、澳投资企业分支机构</th>
</tr>
</thead>
<tbody>
<tr>
<td>经营范围：销售金属公司经营的产品（涉及行或许可的，凭许可证经营）</td>
</tr>
</tbody>
</table>

朝鲜矿业开发总社社长大连代表处
首席代表：崔灿日
注册号：辽公外登字第012632号
住所：大连市中山区滨海路5-11号1单元301室
经济性质：外国（地区）企业常驻代表机构
经营范围：为隶属于公司贸易业务提供联络和咨询

大连喜明服装股份有限公司
法定代表人：王学胜
注册号：合市工商总字011539号

Source: Dalian Daily at [http://www.dlxww.com/gb/daliandaily/2005-06/19/content_797876.htm](http://www.dlxww.com/gb/daliandaily/2005-06/19/content_797876.htm)
(Unofficial Translation)
Dalian representative office of Korea Mining Development General Corporation
Approving Organization: Dalian Industry and Commercial Administration
Renewed Date: June 1, 2014

(Unofficial translation)
Organization number: 773*****33
Registration number: 全外辽*****12632
Date of establishment: April 6, 2005
Capital as registered: 00
Company Status: no normal situation
Company Type: Corporation
Representative: 崔灿日
Period of operation: 13/04/2005-no
posting

Source: http://www.zhiqiye.com/company/
Annex 14-30: Diplomatic List registered in Chinese Foreign Ministry showing Mr. Choe Chan Il (崔灿日) as a First Secretary in DPRK Embassy in China

Annex 14-31: Dandong Hongxiang’s relationship with KKBC in Chinese business registry

Source: Chinese official Company registry at http://qyxy.baic.gov.cn/gjjbj/
Annex 14-32: Excerpt of US court document showing KKBC’s business relationship with Dandong Hongxiang

---

**United States District Court**
District of New Jersey

UNITED STATES OF AMERICA

v.

DANDONG HONGXIANG
INDUSTRIAL DEVELOPMENT CO. LTD.,
MA XIAOHONG,
ZHOU JIANSHU,
LUO CHUANXU, and
HONG JINHUA,

I, Bryan R. Greene, being duly sworn, state the following is true and correct to the best of my knowledge and belief:

SEE ATTACHMENT A

I further state that I am a Special Agent with the Federal Bureau of Investigation, and that this complaint is based on the following facts:

SEE ATTACHMENT B

continued on the attached pages and made a part hereof.

Bryan R. Greene, Special Agent
Federal Bureau of Investigation

---

DANDONG HONGXIANG INDUSTRIAL DEVELOPMENT CO. LTD.,
MA XIAOHONG,
ZHOU JIANSHU,
LUO CHUANXU, and
HONG JINHUA,

and others did knowingly and intentionally conspire and agree: (a) to violate, Regulations, Section 544.101, et seq., by providing services on behalf of and for the benefit of a Specially Designated National, to wit, Korea Kwangson Banking Corp. ("KKBC"), without first having obtained a license from the Office of Foreign Assets Control, and (b) to defraud the United States government by

---

**Guarantee of Payment**

To: Dandong Hongxiang Industrial Development Co., Ltd
ADD: 11F, No. A 1st Square No. 66 Beiqiang MTD Road Dandong City Liaoning Pro., China
TEL: 0086-0415-3459781 FAX: 0086-0415-3459783

Regarding the contract (Contract No: SPA NO. NCA-18112009-222, Price: 548,000 USD/MT) between [Company name] and [Company name], signed on November 18, 2009 for 15,500MT of refined sugar, the Dandong Representative Office of Korea Kwangson Banking Corporation guarantees that it will pay 6,850,000.00 USD to Dandong Hongxiang Industrial Development Co., Ltd., the agent of the North Korean party, Dandong Hongxiang Industrial Development Co., Ltd. will pay the above mentioned bank within 120 days after establishing the irrevocable immediate payment letter of credit and within 90 days after the issuance of the B/L as indicated in the contract.

Dandong Representative Office of Korea Kwangson Banking Corporation

12/DD/2009

---

ADD: DEVELOPMENT ZONE HUYOU BUILDING 1603, DANDONG, CHINA
MAIL: KBCDBANK@163.COM TEL: 0086-0415-3127495 FAX: 0086-0415-3125363

---

Source: The Panel
Annex 14-33: Dandong branch of KKBC in commercial company database

Source: http://www.zhiqiye.com/company/
Same address appeared in the US Court document
Annex 14-34: 滕州市科永达数控机床有限公司’s website advertising its sales of CNC machine to the DPRK

Annex 14-35: Comparison of CNC machines between Ryonha Machinery and the Chinese Company

Annex 14-36: KIEC brochure with PITF's purposes and its role in the Fair

KIEC has been registered as an official member of Bureau des International Expositions (BIE) on Nov 19, 2007.

Today PITF is ensuring the wide-ranging and many-sided commodity & technical exchanges, marketing and investment attraction through the advertisement of companies & commodities, trading consultations, symposium on the investment and joint venture policy of DPRK and tours etc.

Especially, before and after the fair, KIEC publishes exhibitors’ profile, contact details, and items of interest in local network so as to promote continuous business between enterprises.

PITF holding amid worldwide concern will be further expanded and developed into an assemblage of international trade to strengthen friendship, cooperation and unity between countries and develop economic relations between them, and will creditably perform its mission as a centre of contributing to the development of science & technology and foreign trade of the country.

Source: 2016 Spring PITF official brochure
Annex 14-37: Selected parts of Official PITF brochure showing the participation of designated entities

A. Excerpts of 15th Spring PITF (2012) participant list

B. Excerpts of the 16th Spring PITF (2013) participant list

C. Excerpts of the 17th Spring PITF (2014) participant list

D. Excerpts of the 18th Spring PITF (2015) participant list
### E. Excerpts of the 8th Autumn PITF (2012) participant list

<table>
<thead>
<tr>
<th>Booth N0.</th>
<th>Name of Exhibitors</th>
</tr>
</thead>
<tbody>
<tr>
<td>K1-K3</td>
<td>Ryonha Machinery</td>
</tr>
<tr>
<td>K5</td>
<td>Ryonha Machinery</td>
</tr>
<tr>
<td>K8</td>
<td>POMHYANGGI J. V. CO.</td>
</tr>
<tr>
<td>K10</td>
<td>KANGBONG TRADING CO.</td>
</tr>
<tr>
<td>K11</td>
<td>PYONGYANG TRADING CORP.</td>
</tr>
</tbody>
</table>

Special Display area: Ryonha Machinery

### F. Excerpts of the 9th Autumn PITF (2013) participation list

<table>
<thead>
<tr>
<th>Booth N0.</th>
<th>Name of Exhibitors</th>
</tr>
</thead>
<tbody>
<tr>
<td>K22</td>
<td>SANG WON TRADING CORP.</td>
</tr>
<tr>
<td>K23</td>
<td>HUNGSUNG TRADING CO.</td>
</tr>
<tr>
<td>K24-K26</td>
<td>Ryonha Machinery</td>
</tr>
</tbody>
</table>

Ryonha Machinery Corporation

Source: Official brochure of the PITF (The Panel)
Annex 14-38: List of entities as aliases of designated entities and unilaterally designated by Member States

A. List of entities identified by the Panel as aliases of designated entities

<table>
<thead>
<tr>
<th>Alias of designated Entities</th>
<th>Identification and Date of Designation</th>
<th>PITF Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equipment &amp; Plant Corp.</td>
<td>Alias of Korea Complex Equipment Import Corporation designated in March 2013</td>
<td>15th, 16th Spring PITF</td>
</tr>
<tr>
<td>Ryengwang (Ryongwang) Trading Corp.</td>
<td>A subsidiary of Korea Ryonbong General Corporation designated in April 2009</td>
<td>15th, 16th, 18th Spring PITF</td>
</tr>
<tr>
<td>Ferrous Metals Export and Import Corp.</td>
<td>Manufacturer of aluminum alloy rods seized by Japan as nuclear-related items</td>
<td>16th Spring, 8th, 9th Autumn PITF</td>
</tr>
</tbody>
</table>

Source: The Panel

B. List of entities unilaterally designated by Member States

<table>
<thead>
<tr>
<th>Unilaterally designated Entities</th>
<th>Date of Unilateral Designation</th>
<th>PITF Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kumsan Trading Corporation</td>
<td>XX December 2016 (US)</td>
<td>16th Spring PITF</td>
</tr>
<tr>
<td></td>
<td>8 March 2016 (ROK)</td>
<td></td>
</tr>
<tr>
<td>Sobaeksu United Corporation</td>
<td>22 December 2010 (EU)</td>
<td>15th, 16th, 17th, 18th Spring PITF, and 9th, 11th Autumn PITF</td>
</tr>
<tr>
<td>Kangbong Trading Corp.</td>
<td>XX December (US)</td>
<td>16th, 17th, 18th Spring, 8th, 9th, 11th Autumn PITF</td>
</tr>
<tr>
<td>Kuryonggang Trading Co.</td>
<td>8 March 2016 (ROK)</td>
<td>18th Spring, and 11th Autumn PITF</td>
</tr>
<tr>
<td>Rungrado Trading Corp.</td>
<td>XX December (US)</td>
<td>18th Spring and 11th Autumn PITF</td>
</tr>
</tbody>
</table>

Source: The Panel
Annex 14-39: Foreign Partners of KIEC in official brochure of PITF

Source: 2016 Spring PITF official brochure
Annex 14-40: State media and academic articles with the highlighting the high demand for CNC machinery at the Fair

(Articles of Kim Il Sung University posted on June 2011)

Source: Kim Il Sung University Library at http://www.ournation-school.com/
Annex 14-41: Romanian company’s homepage with its “High Vacuum Furnaces”, “Electron Beam Welding System” showing its application for nuclear engineering and air/space technology

Source: http://www.advtech.ro/
Annex 14-42: The Nuclear Suppliers Group (NSG)’s control list of vacuum furnaces and related equipment

1.B.7. Vacuum or other controlled atmosphere metallurgical melting and casting furnaces and related equipment, as follows:

a. Arc remelt and casting furnaces having both of the following characteristics:
   1-8

---

Source: IAEA Control List
Annex 14-43: Excerpts of business proposal on prohibited goods by a DPRK trading company

KOREA POCHON TRADING COMPANY  
Pothonggang District, Pyongyang, D.P.R. of Korea

Tel: 8502-381-18111(18222) Ex - 8177 E-mail: bem14@star-co.net.kp

- Jewellery project
  - Our company is now seeking an opportunity to co-operate with certain business entities that are willing to take processed jewellery like diamond, including but not limited to, in DPRK.
  
  - The abovementioned business entity will supply rough stones of gem to our affiliated processing factories together with providing us with designs of finished gem products and technicians specializing in gem processing.
    
    For your reference, one of our factory can process 1 500ct of diamond and 20 000ct of divine per a month respectively.
    
    In case of introduce of some facilities and equipments, this would double our production capacity, and then we can even produce brand-new jewelries.
  
  - Our company is also capable of processing handiworks made of gold.

- With the help of rough stones of divine and Iceland spa of superior quality that are now being extracted from several mines of our company, we guarantee the gem processing of various sizes in

- Alluvial gold project (for the production of gold handicrafts)
  
  Our company has already secured tracts of development zone that has favorable mining conditions, and is now seeking investors (investment by extracting facilities) to introduce the investment into this area.
  
  It is desirable for us to introduce a digging vessel that weighs around 100 tons(depth of water ranges from 13m to 17m) and extracting facilities as an initial investment.
  
  The alluvial gold mining project can be proceeded by contractual joint venture.

Source: A participant company in 2016 Spring PITF
Annex 14-44: Examples of PITF brochure advertising prohibited minerals sales by the DPRK companies.

(Korea Ferrous Metals Export & Import Corporation)

(Yonghung Trading Corporation)

(Suhaeng J.V. Co.)

Source: The Panel
Annex 15-1: Door plaque of International Bank of Martial Arts in Pyongyang

Name: International Bank of Martial Arts / Bank of International Martial Art
Korean: 국제무도은행
Chinese: 国际武道银行
Address: RM. NO 312, F/3, Potonggong Hotel
PYONGCHON DIST, PYONGYANG, DPRK OF KOREA
TEL: 00850 2 18888 EXT 8358
Email: Intermab@star-co.net.kp

Source: The Panel
Annex 15-2: Instructions issued by International Bank of Martial Arts to clients on how to transfer RMB to DPRK through Chinese bank

INTERNATIONAL BANK OF MARTIAL ARTS

RM. NO 312, F/3, POTONGGONG HOTEL, TEL: 00850 2 18888 EXT 8358
PYONGCHON DIST, PYONGYANG, DPRK OF KOREA
Email: intermab@star-co.net.kp

[IN THE BODY OF THE LETTER]

Please request the remitter to instruct the remitting bank to route the payment as follows:

Intermediary bank 56A: ...
Account with institution 57A: ...
BANK NAME AND ADDRESS: ...

Beneficiary customer: [REDACTED] (Account number)
Name Great Star International LTD (Name)
Dandong city Liaoning Pro. China
AM 9:00 to 11:30 - PM 1-4:30

BEFORE TRANSFERRING MONEY THIS PHONE NO HAS TO BE CALLED:
13050387713 Jong Yong Su
Annex 15-3: Documents on International Consortium Bank (ICB) and MKP Group of Companies

**Contact information**

<table>
<thead>
<tr>
<th>Name</th>
<th>International Consortium Bank (ICB)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Korean</td>
<td>하이펀드국제은행련합</td>
</tr>
<tr>
<td>AKA/FKA</td>
<td>Sungri Hi-Fund International Bank, Sungri Economic Group</td>
</tr>
<tr>
<td></td>
<td>Hi-Fund International Consortium Bank (ICB)</td>
</tr>
<tr>
<td>SWIFT Code</td>
<td>FHIBKPPY</td>
</tr>
<tr>
<td>Address</td>
<td>Sungri Exhibition Hall</td>
</tr>
<tr>
<td></td>
<td>Sohong-Dong</td>
</tr>
<tr>
<td></td>
<td>Morabong District</td>
</tr>
<tr>
<td></td>
<td>Pyongyang</td>
</tr>
<tr>
<td></td>
<td>DPRK</td>
</tr>
<tr>
<td>Website</td>
<td><a href="http://www.mkpholdings.com.my/services.php">http://www.mkpholdings.com.my/services.php</a></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Name:</th>
<th><strong>MKP Group of Companies</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Address</td>
<td>Lot 5 Jalan Satu</td>
</tr>
<tr>
<td></td>
<td>Kawasan Perusahaan Cheras Jaya</td>
</tr>
<tr>
<td></td>
<td>43200 Balakong</td>
</tr>
<tr>
<td></td>
<td>Selangor Darul Ehsan</td>
</tr>
<tr>
<td></td>
<td>Malaysia</td>
</tr>
<tr>
<td>Tel:</td>
<td>603-9076-9678</td>
</tr>
<tr>
<td>Fax:</td>
<td>603-9075-9678</td>
</tr>
<tr>
<td>Email:</td>
<td><a href="mailto:enquiries@mkpholdings.com.my">enquiries@mkpholdings.com.my</a></td>
</tr>
<tr>
<td>Website:</td>
<td><a href="http://www.mkpholdings.com.my/index.php">http://www.mkpholdings.com.my/index.php</a></td>
</tr>
</tbody>
</table>
Map of International Consortium Bank (ICB) Headquarters in Pyongyang

MKP website description of International Consortium Bank

ICB claims to help over 5.2 million people worldwide

International Consortium Bank financing services for Small and Medium Enterprises

See section 11 below:
“Preference will be given to existing bank’s customers who have been awarded contracts by government bodies”

Annex 15-4: Photographs of Chinese Commercial Bank (中华商业银行)

Source: http://blog.sina.com.cn/s/blog_6b5aa2dd0102wyrn.h
Information on Chinese Commercial Bank (中华商业银行) from DPRK Foreign Languages Publishing House

Source: www.naenara.com.kp
Registration of China Gold Trade Exchange (Dalian) Co., Ltd. (金贸易货交易 (大连) 有限公司)

Source: Chinese regional business registry (Liaoning)

(Shows shareholder and director Cao Zhu Li (曹祝利) passed directorship to Wang Yu (王羽) on 14 Feb 2016 but remains shareholder)
Information on Hunchun branch of China Gold Trade Exchange (Dalian) Co., Ltd. (金贸易货交易所(大连)有限公司珲春分公司)

Source: http://m.71p.net/c5844420.htm
Annex 15-5: Information on Chinese Commercial Bank (中华商业银行)


朝鲜首家独资银行中华商业银行成立


[导读]朝鲜中央政府批准成立的第一家独资银行——中华商业银行正式建立，作为中朝合作前沿的罗先经济特区也正准备迎接新一轮的腾飞。中华商业银行剪彩仪式在朝鲜罗先经济特区举行，珲春副市长任璞玉出席剪彩仪式并讲话。

罗先经济特区以图们江（豆满江）为界与中国、俄罗斯为邻，并靠着朝鲜东部海域，地理位置优越。地缘相近、人缘相亲、文化相通，友好交往的历史源远流长。随着朝鲜重视经济建设以及中朝经济合作的进一步深入推进，1月18日，作为朝鲜中央政府批准成立的第一家独资银行——中华商业银行正式建立，标志着中朝合作前沿的罗先经济特区也正准备迎接新一轮的腾飞。

珲春副市长任璞玉出席剪彩仪式并讲话。任璞玉指出，中华商业银行的建立，是落实中朝两国政府《关于共同开发、共同管理罗先经济互贸区协议》的重要举措，是服务中、朝两国金融合作，贸易往来的桥梁和纽带，为今后更好的促进中朝、两国的经贸往来和经济繁荣，必将发挥积极作用。

据了解，中华商业银行由中国金贸易货交易所（大连）有限公司筹备建立。银行主营人民币结算业务，为人民币跨境业务办理信用证、汇票、保函和担保，办理存款贷款、金融理财等业务。中华商业银行建立的宗旨是为了适应当前中、朝经济贸易大发展的需求和中朝两国签订的《关于共同开发并管理罗先经济贸易地带和黄金坪经济地带的总体计划纲要》的需求，为中、朝两国的经济贸易发展起到桥梁和纽带的作用，服务于中、朝两国的经济贸易，并为之保驾护航。

您觉得这篇文章：不错0 一般0

Source: http://news.365jilin.com/xinwen/20130121/481323.ht
Annex 15-6: Junling Holdings (君领控股) acquires Chinese Commercial Bank (中华商业银行) to enter overseas banking

中国民企斥资上亿美金收购海外银行

君领控股收购朝鲜中华商业银行拉开了中国民营资本进军海外大序幕

2013年8月23日，君领控股收购朝鲜中华商业银行60%的股权，成为第一家控股海外银行的中国民营企业。

中华商业银行是朝鲜首家中资独资银行，是服务中朝两国金融合作，贸易往来的桥梁和纽带，为今后更好地促进中朝两国经贸往来和经济繁荣，必将发挥积极作用。此次君领控股与中华商业银行合作，更是中国民营资本进军海外市场的里程碑事件，同时也是君领控股做“新金融服务专家”的跨国理念体现。
中华商业银行董事长曹祝利先生、董事王建禄先生出席会议

君领控股董事长与中华商业银行高层

收购朝鲜中华商业银行，君领控股投入近一亿美元。股权转让完成后，原中华商业银行将更换法人代表和董事长。除在中朝罗先开发区开展业务外，还将在朝鲜首都平壤设立分支机构。

Source s:  http://money.hexun.com/2013-08-23/157381824.html  
http://msn.wenzhuan.me/889992.html
Junning Holdings (君领控股) acquires Chinese Commercial Bank (中华商业银行)

Annex 15-7: Information on Kumgyo International Commercial Bank from DPRK Foreign Languages Publishing House

Korea Chongsong Mining Company

Established in January Juche 104 (2015), this company gives priority to the credit-first principle. It invests in high-grade coal production and the modernization of fish farming and mushroom cultivation.

It satisfies the needs of customers as it keeps the principle of correctness, promptness and convenience.

It is affiliated by the Kumgyo International Commercial Bank and Chonggwang Shop.

As a bank run jointly by China Inner Mongolia Hongyuan International Trade Corporation, Ltd, it has its counterparts at home as well as in Russia, China and other countries.

The Chonggwang Shop, located in Mirae Scientists Street, Pyongyang, deals in various kinds of garments, household electronic appliances, sports and physical exercise facilities and groceries.

It conducts brisk business transactions with foreign investors and companies.

Source: www.naenara.com.kp
Annex 15-8: Registration of Inner Mongolia Horizon International Trade Co. Ltd (内蒙古泓元国际贸易有限责任公司)

Source: Chinese regional business registry (Inner Mongolia)
Annex 15-9: Information on Inner Mongolia Horizon International Trade Co. Ltd showing DPRK imports and exports

Source: http://nmghyjmyyx.cn.biz72.com

Source: www.comnews.cn
Annex 15-11: Information on UNAFORTE Hong Kong and Mainland branches

1. **UNAFORTE Hong Kong**

   Chinese name: 香港旺福特公司  
   Registered Hong Kong address:  
   Unit 04, 7/F Bright Way tower No. 33  
   Mong Kok Rd Kln  
   Hong Kong  
   Date of incorporation: 18 October 2012  
   Director: Zhao Chunhui, 招春晖 (in English, “William Zhao”), holds Dominican passport.

2. **UNAFORTE’s branch in Yanbian, China (延边旺福特)**

   Name: 延边旺福特进出口贸易有限公司  
   Same Director: Zhao Chunhui, 招春晖  
   Address: 吉林省延吉市河南街站前路13号北侧  
   吉林省延边朝鲜族自治州珲春市矿泉胡同93号  
   Tel: 18613028800  
   Date of incorporation: 10 January 2014

**Information from Registry in Rason, DPRK (see Annex 13)**

   Name of Company: Rason Una Forte Limited Co  
   Chinese name: 罗先旺福特贸易有限公司  
   Location: Rason City, An Hwa Dong  
   Legal Representative: Cho Soo Choon Hee  
   Nationality: Dominica (Dominican Republic)  
   Capital: 4, 500,000 euros  
   Type of Company: Foreign Company  
   Parties: DPRK Side: Blank; Other Side: Italy Unaforte Limited Co  
   Operation time period: 50 years  
   Dated: Juche 1011 2012 November
**UNAFORTE Hong Kong registration documents**

Welcome! System Clock: 06 SEP 2016 13:54:30 GMT +0000

Company Particulars Search

<table>
<thead>
<tr>
<th>CR No.:</th>
<th>1813809</th>
</tr>
</thead>
<tbody>
<tr>
<td>Company Name:</td>
<td>UNAFORTE LIMITED 香港旺福特有限公司</td>
</tr>
<tr>
<td>Company Type:</td>
<td>Private company limited by shares</td>
</tr>
<tr>
<td>Date of Incorporation:</td>
<td>18-OCT-2012</td>
</tr>
<tr>
<td>Active Status:</td>
<td>Live</td>
</tr>
<tr>
<td>Remarks:</td>
<td>-</td>
</tr>
<tr>
<td>Winding Up Mode:</td>
<td>-</td>
</tr>
<tr>
<td>Date of Dissolution:</td>
<td>-</td>
</tr>
<tr>
<td>Register of Charges:</td>
<td>Unavailable</td>
</tr>
<tr>
<td>Important Note:</td>
<td>-</td>
</tr>
</tbody>
</table>

**Name History**

<table>
<thead>
<tr>
<th>Effective Date</th>
<th>Name Used</th>
</tr>
</thead>
<tbody>
<tr>
<td>18-OCT-2012</td>
<td>UNAFORTE LIMITED 香港旺福特有限公司</td>
</tr>
</tbody>
</table>

**Registered Office**

| Registered Office: | UNIT 04, 7/F BRIGHT TOWER NO. 33 MONG KOK RD KLN, HONG KONG |

**Share Capital**

<table>
<thead>
<tr>
<th>Issued:</th>
<th>HKD 10,150,000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Paid-Up:</td>
<td>HKD 10,150,000</td>
</tr>
</tbody>
</table>

**List of Directors**

<table>
<thead>
<tr>
<th>No.</th>
<th>Name in English</th>
<th>Name in Chinese</th>
<th>HKID No. / CR No.</th>
<th>Overseas Passport No.</th>
<th>Passport Issuing Country</th>
<th>Director Type</th>
<th>Director Particulars</th>
<th>All Directorships</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>ZHAO SU CHUNHUI</td>
<td>-</td>
<td>-</td>
<td>SC7176074</td>
<td>DOMINICA</td>
<td>Person</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

**Particulars of Company Secretary**

**Particulars of Company Secretary (Body Corporate) #1**

| Name in English: | LIANBANG INTL BUSINESS (HK) LIMITED |
| Name in Chinese: | 联邦国际商业(香港)有限公司 |
| CR No.: | 1247280 |
| Registered / Principal Office: | UNIT 04, 7/F BRIGHT TOWER NO. 33 MONG KOK RD KLN, HONG KONG |
| Date of Appointment: | 18-OCT-2012 |
| Important Note: | - |

**Particulars of Receiver and Manager**

- ...

**Particulars of Liquidator**

- ...

Please select the Order Types:
CR's annotation: This is the amended Form SC1 for the incorrect one filed on 23/04/2014.

Return of Allotments

1. Company Name

UNAFORTE LIMITED

2. Date or Period during which Shares were Allotted

From: 02/03/2014

3. Totals of this Allotment

<table>
<thead>
<tr>
<th>Currency</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>HK$</td>
<td>5,000,000.00</td>
</tr>
<tr>
<td>HK$</td>
<td>N/A</td>
</tr>
</tbody>
</table>

4. Cumulative Total of Paid-up Share Capital of the Company since Incorporation (Including this Allotment but Excluding Premium)

<table>
<thead>
<tr>
<th>Currency</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>HK$</td>
<td>10,000,000.00</td>
</tr>
<tr>
<td>HK$</td>
<td>N/A</td>
</tr>
<tr>
<td>HK$</td>
<td>N/A</td>
</tr>
</tbody>
</table>

5. Presenter's Reference

Name: PROLIVE CONSULTANTS LIMITED

Address: Room 1406, 14/F., Wing Tuck Commercial Centre, 177-183 Wing Lok Street, Shueng Wan, Hong Kong.

Tel: 34805220
Fax: 26100214

24 OCT 2014

293/326
## 股份配發申報書

**Return of Allotment**

**表格 NSC1**

### 公司名稱
**Company Name**

UNAFORTE LIMITED
香港旺福德有限公司

### 配發股份的日期
**Date of Allotment**

<table>
<thead>
<tr>
<th>From</th>
<th>To</th>
</tr>
</thead>
<tbody>
<tr>
<td>11 02 2016</td>
<td>01 01 2016</td>
</tr>
</tbody>
</table>

### 是次股份配發的總數額
**Totals of this Allotment**

As a result of this allotment, the company's issued share capital is increased by the following amount:

<table>
<thead>
<tr>
<th>貨幣單位</th>
<th>Currency</th>
<th>數額</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>HKD</td>
<td>150,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>---</td>
<td>---</td>
<td>---</td>
<td></td>
</tr>
</tbody>
</table>

### 配發股份的詳情
**Details of Shares Allotted**

**A. 以現金代替配發的股份**

<table>
<thead>
<tr>
<th>股份的類別 (如普通股／優先股等)</th>
<th>Class of Shares (e.g. Ordinary/Preference etc.)</th>
<th>貨幣單位</th>
<th>Currency</th>
<th>所配發的股份數目</th>
<th>Number of Shares Allotted</th>
<th>已經或將會已經為每一份股份派付的款額</th>
<th>Amount Paid or Regarded as Paid on Each Share</th>
<th>尚未為或將會尚未為每一份股份派付的款額</th>
<th>Amount Unpaid or Regarded as Unpaid on Each Share</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ordinary</td>
<td>HKD</td>
<td>150,000</td>
<td>1</td>
<td>0</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>---</td>
<td>---</td>
<td>---</td>
<td>---</td>
<td>---</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### 提交人資料
**Presenter’s Reference**

姓氏 Name: Prolive Consultants Limited
地址 Address: Room 2103B, 21/F., Fasey Commercial Building, 153-261 Hennessy Road, Wan Chai, Hong Kong
電話 Tel: 852-3480 5220
電郵 Email: <prolive@consultants.com>
UNAFORTE LIMITED

Company Name

Date to which this Return is Made Up

UNIT 04, 7/F, BRIGHT WAY TOWER, NO. 33 MONG KOK ROAD, KOWLOON, HK.
Photographs of First Eastern bank (东大银; F Bank)

Source: http://blog.sina.cn/dpool/blog/s/blog_71335df10102v8r8.html?type=-1
Chinese government authorization documents for UNAFORTE’s Yanbian branch, 延边旺福特进出口贸易有限公司

(Document No. 4 shows company registered address).
1. Certificate for a Chinese company to invest outside the mainland
2. License for business entity
3. Customs registration
4. Certificate of organization code issued by General Administration of Quality Supervision, Inspection and Quarantine (shows full address)

Source: www.unaforte.net
Certificate of Company Registry (Rason City)

Unofficial translation

Name of Company: Rason Una Forte Limited Co
Location: Rason City, An Hwa Dong
Legal Representative: Cho Soo Choon Hee
Nationality: Dominica (Dominican Republic)
Capital: 4,500,000 euros
Type of Company: Foreign Company
Parties: DPRK Side: Blank; Other Side: Italy Unaforte Limited Co
Type of Industry: hard to read (unclear).
Operation time period: 50 years
Dated: Juche 1011 2012 November

Source: www.unaforte.net
Authorization to use land in Rason City, An Hwa Dong

Source: www.unaforte.net
Annex 15-12: First Eastern Bank registration documents from DPRK authorities including DPRK Central Bank

Source: www.unaforte.net
Article announcing First Eastern Bank (东大银行) Rason Branch approval by DPRK Central Bank

(Unofficial translation)
First Eastern Bank, a subsidiary of Hong Kong’s UNAFORTE company, was given approval by the DPRK Central Bank.

Source: http://blog.sina.cn/dpool/blog/s/blog_71335df10102v8r8.html?type=-1
3. Strengths of First Eastern Bank (FBank)

The first branch of FBank was opened a year ago. Its deposit and lending business has been in good shape.

- Local businesses may need funds, and FBank can provide loans to local investors.
- These Loans have an annual interest rate of 25% - 30%!
- FBank is fully independent and doesn’t require proof of identity. It is not subject to the jurisdiction of China or DPRK and is not required to report to the Chinese government or the DPRK government!

Source: http://mds.worldcfc.cn/index.php?c=Game&a=detail&id=1707

Full Translation:

3. Strengths of First Eastern Bank (FBank)

The first branch of FBank was opened a year ago. Its deposit and lending business has been in good shape.

- Local businesses may need funds, and FBank can provide loans to local investors.
- These Loans have an annual interest rate of 25% - 30%!
- FBank is fully independent and doesn’t require proof of identity. It is not subject to the jurisdiction of China or DPRK and is not required to report to the Chinese government or the DPRK government!

UNAFORTE
UNFORTE Company Introduction of First Eastern Bank in Rason

Source: http://mds.worldcfc.cn/index.php?c=Game&a=detail&id=1707

Translation:
UNAFORTE – First Eastern Bank
Rason, DPRK
In recent years, the Workers’ Party of Korea and the Korean people, under the leadership of Kim Jong-un, have made significant strides in developing the economy and improving people's livelihood.
In particular, profound changes have taken place in the special economic zone, Rason!
[Words in the photo]
Terminal 1 and 2 are on a 50-year lease with China.
Terminal 3 is on a 50-year lease with Russia.
UNAFORTE
5. Managerial strengths:
We established our presence in Rason long ago. One of our shareholders has been doing business there for 3 years and knows Rason well. We therefore have profound knowledge of local policies, including those relating to import & export and employment. We are able to obtain hard-to-get operating licenses in a short timeframe! We combine networks of South and North China, as well as expertise of China and the West!

- One of our subsidiaries runs a jewellery factory in Rason. We fully understand local trading rules and policies, including those covering import and export, employment and licenses.

- We have established a very robust relationship with the local government. For example, it normally takes 10 million RMB to get a casino operating license, but we are able to get it for only 1.6 million RMB.

- In order to grow our business, we also have at our disposal a mix of techniques and technologies from North and South China, Italy and the United States. UNAFORTE
Description of First Eastern Bank in UNAFORTE Rason

Vacancy announcement for assistant to Chairman of the Board in Rason

UNAFORTE has invested in three projects in the DPRK, including First Eastern Bank, Industrial Park and Gold Mining and First Eastern Bank. The company invested in and set up the First Eastern Bank in Rason, which was exceptionally authorized by the DPRK Central Bank. Extensive banking experiences and professional training of employees provide great prospects for the bank. The bank is advantageously located in the downtown area.

Requirements for the Job:
We are looking for candidates to fill one vacancy of Assistant to Chairman of the Board, in light of the needs of these projects. Candidates should speak Korean and are responsible, able to travel, proficient in computer and diligent at work. The salary will be RMB 4,000 during probationary period and over RMB 5,000 upon becoming a full employee. Applicants shall send resumes by 11 Apr to: jiuyezhongxin@ybu.edu.cn.

Source: http://www.yingjiesheng.com/job-001-779-123.html
Investment proposal by UNAForte Yanbian (旺福特-东大银行) for Chinese investors in DPRK real estate

Source: http://mds.worldcfc.cn/index.php?c=game&a=show&id=1707
Annex 15-14: Passport of Kim Chol Sam

Source: The Panel
Chinese business registration of Dalian Daxin (大连大信 电子有限公司) showing Kim Chol Sam as sole shareholder

金铁三 (Kim Chol Sam’s Chinese name)

辽宁省大连市中山区港湾街20B1106号
1106, 20B Gangwan street, Zhongshan district, Dalian, Liaoning province

Registered capital: 20,000 USD
Establishment date: 8 August 2006
One shareholder: Kim Chol Sam
Type of shareholder: foreign natural person
Type of ID: foreign passport
Address from 8 August 2006 to 25 September 2007:
大连市中山区海景园6号2-5-4

Change in registered capital to 184,000

Source: Chinese regional business registry (Liaoning)
Chinese official business registry of Dalian Daxin (大连大信电子有限公司) showing Kim Chol Sam as sole managing president

Title: Managing President /Chairman
Name: Kim Chol Sam 金铁三

Source: Chinese regional business registry (Liaoning)
Annual Report for Dalian Daxin in 2015 showing two employees

Source: Chinese regional business registry (Liaoning)
Annual reports for Dalian Daxin in 2013 and 2014 showing company declined to reveal number of employees

2013

Source: Chinese regional business registry (Liaoning)
Annex 15-15: BVI Registration information for DCB Finance

Source: The Panel
Register of directors: DCB Finance

Mr. Kim Chol Sam  
6-4 Sochang-Dong  
23 Ban  
Central District, Pyongyang City  
DPR of Korea

Mr. [Redacted]  
No. 902 International House of Culture  
Central District, Pyongyang City  
DPR of Korea

### REGISTER OF DIRECTORS

<table>
<thead>
<tr>
<th>FULL NAME</th>
<th>ADDRESS</th>
</tr>
</thead>
<tbody>
<tr>
<td>KIM CHOL SAM</td>
<td>NO. 902, INTERNATIONAL HOUSE OF CULTURE, CENTRAL DISTRICT, PYTHONGYANG CITY, D.P.R. OF KOREA</td>
</tr>
<tr>
<td></td>
<td>6-4, SOCHANG-DONG, 23 BAN, CENTRAL DISTRICT, PYTHONGYANG CITY, D.P.R. OF KOREA</td>
</tr>
</tbody>
</table>

Source: The Panel
Kim Chol Sam Consent to Act as Director of DCB Finance

Source: The Panel

Date 27 June 2006

To: DCB Finance Limited
Akara Building
24 de Castro Street
Wickhams Cay I
Road Town,
Tortola,
British Virgin Islands

Dear Sir,

I, Kim Chol Sam, hereby give my consent to act as Director of your company with immediate effect.

Yours faithfully,

[Signature]
Kim Chol Sam
[Korean passport no.: 6451203782]
## Incorporation Form

### Important Notes
- Please read the accompanying notes before completing this form.
- Please print in black ink.

### 1. Intended Company Name

**HONGDAE INTERNATIONAL LIMITED**

### 2. Type of Company

<table>
<thead>
<tr>
<th>Private</th>
<th>Non-private</th>
</tr>
</thead>
<tbody>
<tr>
<td>✔️</td>
<td></td>
</tr>
</tbody>
</table>

### 3. The Intended Address of the Company’s Registered Office in Hong Kong

**UNIT 802, 8/F, 99 HENNESSY ROAD, WANCHAI, HONGKONG**

### 4. E-mail Address


---

**Presentation’s Reference**

**Name:**

**ATA CORPORATE FORMATION & MANAGEMENT LIMITED**

**Address:**

**UNIT 1001, FOURSEAS BUILDING, 208-212 NATHAN ROAD, KOWLOON, HONG KONG.**

**Telephone:** 2783 7818

**Fax:** 2783 7918

**E-mail Address:**

---

**For Official Use**

**22800312870**

**NC1**

**28/10/2008**
### Details of Member(s) of a Company Having a Share Capital

**表格 Form AR1**

**10 有股本公司的成员详情 Details of Member(s) of a Company Having a Share Capital**

<table>
<thead>
<tr>
<th>姓名/名称 Name</th>
<th>地址 Address</th>
<th>股份 Shares</th>
<th>转让 Transferred</th>
<th>备注 Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td>COWIE NIGEL RICHARD JAMES</td>
<td>2/F PYONGCHANG-DONG 492-32, JONGRO-GU, SEOUL, KOREA</td>
<td>-55-</td>
<td>-15- 12TH JUNE 2009</td>
<td>TRANSFERRED FROM JO KUN CHAN</td>
</tr>
<tr>
<td>KIM CHOL SAM</td>
<td>2/F PYONGCHANG-DONG 492-32, JONGRO-GU, SEOUL, KOREA</td>
<td>-45-</td>
<td>-15- 12TH JUNE 2009</td>
<td>TRANSFERRED FROM JO KUN CHAN</td>
</tr>
</tbody>
</table>

**Source:** The Hong Kong companies registry
Annex 16-1 - HS Codes recommended by World Customs Organization for resolutions 2270 (2016) and 2321(2016)

<table>
<thead>
<tr>
<th>HS Codes</th>
<th>Description</th>
<th>Resolutions 2270 and 2321</th>
</tr>
</thead>
<tbody>
<tr>
<td>Coal</td>
<td>2701 Coal; briquettes, ovoids and similar solid fuels manufactured from coal</td>
<td>Para 26 of Res. 2321 applies cap on exports and conditions for procurements under the cap. Livelihood exemption remains for Iron and Iron ore</td>
</tr>
<tr>
<td>Iron Ore</td>
<td>2601 Iron ores and concentrates, including roasted iron pyrites</td>
<td></td>
</tr>
<tr>
<td>Iron</td>
<td>Chapter 72 Iron and steel products</td>
<td></td>
</tr>
<tr>
<td>Iron and Steel products</td>
<td>7301-7326 Iron and steel products</td>
<td></td>
</tr>
<tr>
<td>Gold</td>
<td>261690 Gold ores and concentrates</td>
<td>All exports from DPRK prohibited</td>
</tr>
<tr>
<td></td>
<td>7108 Gold (incl put plated), unwr, semimfr or powder</td>
<td></td>
</tr>
<tr>
<td></td>
<td>710811 Gold Powder, Unwrought</td>
<td></td>
</tr>
<tr>
<td></td>
<td>710812 Gold in Other Unwrought Forms</td>
<td></td>
</tr>
<tr>
<td></td>
<td>710813 Gold in Other Semi-manufactured Forms</td>
<td></td>
</tr>
<tr>
<td></td>
<td>710820 Monetary Gold</td>
<td></td>
</tr>
<tr>
<td>Titanium</td>
<td>2614 Titanium ores and concentrates</td>
<td></td>
</tr>
<tr>
<td>Vanadium</td>
<td>2615 Vanadium ores and concentrates</td>
<td></td>
</tr>
<tr>
<td>Rare Earth Minerals</td>
<td>2612 Uranium or thorium ores and concentrates [261210 and 261220]</td>
<td></td>
</tr>
<tr>
<td></td>
<td>2617 ores and concentrates nesoi [261790 - Other Ores and Concentrates]</td>
<td></td>
</tr>
<tr>
<td></td>
<td>2805 alkali metals etc, rare-earth metals etc, mercury</td>
<td></td>
</tr>
<tr>
<td></td>
<td>2844 radioactive chemical elements &amp; isotopes etc</td>
<td></td>
</tr>
<tr>
<td>Metal</td>
<td>7-Digit Code</td>
<td>4-Digit Code</td>
</tr>
<tr>
<td>------------</td>
<td>--------------</td>
<td>--------------</td>
</tr>
<tr>
<td>Copper</td>
<td>7401-7419</td>
<td>7401-7419</td>
</tr>
<tr>
<td>Zinc</td>
<td>7901-7907</td>
<td>7901-7907</td>
</tr>
<tr>
<td>Nickel</td>
<td>7501-7508</td>
<td>7501-7508</td>
</tr>
<tr>
<td>Silver</td>
<td>7106, 7107</td>
<td>7106, 7107</td>
</tr>
<tr>
<td></td>
<td>7114</td>
<td>7114</td>
</tr>
</tbody>
</table>

New minerals added in para 28 of resolution 2321 (2016)
Annex 16-2: HS Codes issued by Member States

1) China Ministry of Commerce List of mineral products embargoed for the DPRK issued with *Announcement No. 11* regarding Resolution 2270 (English translation)

<table>
<thead>
<tr>
<th>No.</th>
<th>Embargoed product name</th>
<th>Customs commodity code for embargoed product</th>
<th>Customs code product description</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Coal</td>
<td>2701110010 Anthracite coal</td>
<td>Powdered or non-powdered, but non-moulded</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>2701110090 Anthracite filtration media</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>2701121000 Non-moulded coking coal</td>
<td>Powdered or non-powdered</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>2701129000 Other bituminous coal</td>
<td>Powdered or non-powdered, but non-moulded</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>2701190000 Other coal</td>
<td>Powdered or non-powdered, but non-moulded</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Iron ore</td>
<td>2601111000 Non-sintered iron ores and concentrates</td>
<td>Average grain size less than 0.8mm, calcined pyrites [fly ash] excepted</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>2601112000 Non-sintered iron ores and concentrates</td>
<td>Average grain size not less than 0.8mm, but not greater than 6.3mm; calcined pyrites [fly ash] excepted</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>2601119000 Non-sintered iron ores and concentrates with average grain size greater than 6.3mm</td>
<td>Calcined pyrites [fly ash] excepted</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>2601120000 Sintered iron ores and concentrates</td>
<td>Calcined pyrites [fly ash] excepted</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>2601200000 Calcined pyrites (fly ash)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>Pig iron</td>
<td>7201100010 High purity pig iron (&lt;0.08% manganese, &lt;0.03% phosphorus, &lt;0.02% sulphur, &lt;0.03% titanium content)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
|  |  | Non-alloy pig iron, phosphorus ≤0.5% (<0.08% manganese, <0.03% phosphorus, <0.02% sulphur, <0.03%  
titanium content high-purity pig iron excepted) |
|---|---|---|
|  | 7201100090 | Non-alloy pig iron, by weight– >0.5%  
phosphorus content |
|  | 7201200000 | Non-alloy pig iron |
|  | 7201500010 | Spiegeleisen [specular pig iron] |
| 4 | Gold | Gold ore conforming to Ministry of Industry and Information Technology  
YS/T3004-2011 gold concentrate standard |
|  | 2616900001 | Gold ore |
|  | 2616900009 | Other precious-metal ores and concentrates |
|  | 2616900009 | Only gold ore and concentrate not conforming to Ministry of Industry and Information Technology  
YS/T3004-2011 gold concentrate standard |
| 5 | Titanium | Titanium ore and concentrate |
| 6 | Vanadium | Vanadium ore and concentrate |
| 7 | Rare earths | Other rare-earth metal ores |
| 8 | Aviation gasoline [avgas] | Motor gasoline and aviation gasoline; does not include biodiesel  
Only aviation gasoline; does not include motor gasoline |
|  | 2710121000 | Motor gasoline and aviation gasoline; does not include biodiesel  
Only aviation gasoline; does not include motor gasoline |
<p>|  | 2710122000 | Naphtha, not including biodiesel |
|  | 2710191100 | Aviation kerosene, not including biodiesel |</p>
<table>
<thead>
<tr>
<th>Kerosene-type rocket fuels</th>
<th>2710191910</th>
<th>Normal paraffin (C9-C13), not including biodiesel</th>
<th>Only kerosene-type rocket fuels</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2710191990</td>
<td>Other kerosene distillates and products, not including biodiesel</td>
<td></td>
</tr>
</tbody>
</table>

2) China Ministry of Commerce List of mineral products embargoed for the DPRK issued with Announcement No. 81 regarding Resolution 2321

Partial list of goods embargoed for the Democratic People’s Republic of Korea

<table>
<thead>
<tr>
<th>Embargoed goods item name</th>
<th>Tax reference no.</th>
<th>Product reference</th>
</tr>
</thead>
<tbody>
<tr>
<td>Coal</td>
<td>2701</td>
<td>Coal; coal briquettes, charcoal briquettes and similar solid fuels made from coal</td>
</tr>
<tr>
<td></td>
<td>2702</td>
<td>Lignite, whether shaped or not, but not including jet lignite</td>
</tr>
<tr>
<td>Copper</td>
<td>26030000</td>
<td>Copper ore and its refined forms</td>
</tr>
<tr>
<td></td>
<td>Chapter 74</td>
<td>Copper and copper products</td>
</tr>
<tr>
<td>Nickel</td>
<td>26040000</td>
<td>Nickel ore and its refined forms</td>
</tr>
<tr>
<td></td>
<td>Chapter 75</td>
<td>Nickel and nickel products</td>
</tr>
<tr>
<td>Zinc</td>
<td>26080000</td>
<td>Zinc ore and its refined forms</td>
</tr>
<tr>
<td></td>
<td>Chapter 76</td>
<td>Zinc and zinc products</td>
</tr>
<tr>
<td>Silver</td>
<td>26161000</td>
<td>Silver ore and its refined forms</td>
</tr>
<tr>
<td></td>
<td>7106</td>
<td>Silver (including gold- and platinum-plated silver); unforged, semi-finished and powdered forms</td>
</tr>
<tr>
<td></td>
<td>71070000</td>
<td>Silver materials plated on non-precious-metal bases</td>
</tr>
<tr>
<td>Helicopters</td>
<td>88021100</td>
<td>Helicopters weighing 2 tons or less unloaded</td>
</tr>
<tr>
<td></td>
<td>88021210</td>
<td>Helicopters weighing between 2 and 7 tons unloaded</td>
</tr>
<tr>
<td></td>
<td>88021220</td>
<td>Helicopters weighing more than 7 tons unloaded</td>
</tr>
<tr>
<td>Marine vessels</td>
<td>Chapter 89</td>
<td>Ships and floating structures</td>
</tr>
<tr>
<td>Statuary</td>
<td>9703</td>
<td>Original sculptures in all materials</td>
</tr>
</tbody>
</table>
European Union HS Codes from Council Regulation (EU) 2016/682 of 29 April 2016 concerning restrictive measures against the DPRK

<table>
<thead>
<tr>
<th>Code</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>ex 2530 90 00</td>
<td>Ores of the rare earth metals</td>
</tr>
<tr>
<td>ex 2612</td>
<td>Monazites and other ores used solely or principally for the extraction of uranium or thorium</td>
</tr>
<tr>
<td>ex 2614 00 00</td>
<td>Titanium ore</td>
</tr>
<tr>
<td>ex 2615 90 00</td>
<td>Vanadium ore</td>
</tr>
<tr>
<td>ex 2616 90 00</td>
<td>Gold</td>
</tr>
<tr>
<td>ex 2601</td>
<td>Iron ore</td>
</tr>
<tr>
<td>2701</td>
<td>Coal, briquettes, ovoids and similar solid fuels manufactured from coal</td>
</tr>
<tr>
<td>2702</td>
<td>Lignite, whether or not agglomerated, excluding jet coal</td>
</tr>
<tr>
<td>2703</td>
<td>Peat (including peat litter), whether or not agglomerated</td>
</tr>
<tr>
<td>2704</td>
<td>Coke and semi-coke of coal, of lignite or of peat, whether or not agglomerated; retort carbon</td>
</tr>
<tr>
<td>7201</td>
<td>Pig iron and spiegeleisen in pigs, blocks or other primary forms</td>
</tr>
<tr>
<td>7202</td>
<td>Ferro-alloy</td>
</tr>
<tr>
<td>7203</td>
<td>Ferrous products obtained by direct reduction of iron ore and other spongy ferrous products, in lumps, pellets or similar forms; iron having a minimum purity by weight of 99.94 %, in lumps, pellets or similar forms</td>
</tr>
<tr>
<td>7204 10 00</td>
<td>Waste and scrap of cast iron</td>
</tr>
<tr>
<td>ex 7204 30 00</td>
<td>Waste and scrap of tinned iron or steel</td>
</tr>
<tr>
<td>ex 7204 41</td>
<td>Other waste and scrap: Turnings, shavings, chips, milling waste, sawdust, filings, trimmings and stampings, whether or not in bundles</td>
</tr>
<tr>
<td>ex 7204 49</td>
<td>Other waste and scrap: Other</td>
</tr>
<tr>
<td>ex 7204 50 00</td>
<td>Other waste and scrap: Remelting scrap ingot</td>
</tr>
<tr>
<td>ex 7205 10 00</td>
<td>Granules</td>
</tr>
<tr>
<td>ex 7205 29 00</td>
<td>Powders, other than of alloy steel</td>
</tr>
<tr>
<td>ex 7206 10 00</td>
<td>Ingots</td>
</tr>
<tr>
<td>ex 7207</td>
<td>Semi-finished products of iron or non-alloy steel</td>
</tr>
<tr>
<td>ex 7208</td>
<td>Flat-rolled products of iron or non-alloy steel, of a width of 600 mm or more, hot-rolled, not clad, plated or coated</td>
</tr>
<tr>
<td>ex 7209</td>
<td>Flat-rolled products of iron or non-alloy steel, of a width of 600 mm or more, cold-rolled (cold-reduced), not clad, plated or coated</td>
</tr>
<tr>
<td>ex 7210</td>
<td>Flat-rolled products of iron or non-alloy steel, of a width of 600 mm or more, clad, plated or coated</td>
</tr>
<tr>
<td>ex 7211</td>
<td>Flat-rolled products of iron or non-alloy steel, of a width of less than 600 mm, not clad, plated or coated</td>
</tr>
<tr>
<td>ex 7212</td>
<td>Flat-rolled products of iron or non-alloy steel, of a width of less than 600 mm, clad, plated or coated</td>
</tr>
<tr>
<td>ex 7214</td>
<td>Other bars and rods of iron or non-alloy steel, not further worked than forged, hot-rolled, hot-drawn or hot-extruded, but including those twisted after rolling</td>
</tr>
<tr>
<td>ex 7215</td>
<td>Other bars and rods of iron or non-alloy steel</td>
</tr>
<tr>
<td>ex 7216</td>
<td>Angles, shapes and sections of iron or non-alloy steel</td>
</tr>
<tr>
<td>ex 7217</td>
<td>Wire of iron or non-alloy steel</td>
</tr>
<tr>
<td>From 2710 12 31 till 2710 12 59</td>
<td>Gasoline</td>
</tr>
<tr>
<td>2710 12 70</td>
<td>Naphtha-type jet fuel</td>
</tr>
<tr>
<td>2710 19 21 00</td>
<td>Kerosene-type jet fuel</td>
</tr>
<tr>
<td>2710 19 25 00</td>
<td>Kerosene-type rocket fuel</td>
</tr>
</tbody>
</table>
Annex 16-3: Chinese Ministry of Commerce Templates of Corporate Commitment from Announcements No.11 and 81:

Template from Announcement number 11

My company is importing ____ product from the DPRK. I hereby solemnly commit that this transaction is: Solely for the purpose of people’s livelihood and does not involve the nuclear program or ballistic missile program of the DPRK or any other profit-generating activities prohibited in Resolutions No. 1718 1718 (2006), 1874 (2009), 2087 (2013), 2094 (2013) or no. 2270 (2016) of the UN Security Council.

Signature of the Company’s Legal Representative or Responsible Person:

(Official Seal of the Company)

___ Year ____ Month ___ Day


Template from Announcement No. 81

The company importing coal produced by the Democratic People’s Republic of Korea hereby solemnly promises that this transaction:

1) Is entirely for the purpose of ensuring the livelihood of the citizens of the Democratic People’s Republic of Korea. It is not connected to the nuclear programme or the ballistic missile programme of the Democratic People’s Republic of Korea nor does it provide income for any other activity prohibited pursuant to Security Council resolutions 1718 (2006), 1874 (2009), 2087 (2013), 2094 (2013), 2270 (2016) and 2321 (2016).

2) Is not connected to any individual or entity, including designated individuals or entities, individuals or entities taking action on their behalf, entities either directly or indirectly owned or controlled by them, or individuals or entities assisting in the circumvention of sanctions, involved in the nuclear programme or the ballistic missile programme of the Democratic People’s Republic of Korea or any other activity prohibited pursuant to Security Council resolutions 1718 (2006), 1874 (2009), 2087 (2013), 2094 (2013), 2270 (2016) and 2321 (2016).

Signature of company legal representative or person in charge

(Company Seal)

___ Year ____ Month ___ Day

Source: MOFCOM and GACC No. 81 Announcement of 2016, 26 December 2016.
Annex 17-1: Entities and individuals recommended for designation

In accordance with paragraphs 27 of resolution 2094 (2013) and 43 of resolution 2270 (2016), the Panel recommends the Committee designate the following entities and individuals:

Entities

a) Korea Kumsan Trading Corporation for attempted sale of prohibited minerals and use of the DPRK Embassy for commercial activities. Alternatively, the Committee could update the sanctions list by adding Korea Kumsan as an alias of MAEI/GBAE.
Address: Haeun 2-dong, Pyongchon District, Pyongyang City/Mangyongdae District, Pyongyang, DPRK
Other Information:
- Tel: 850-2-18111-8550,
- Fax: 850-2-381-4410/4416
- Email: mhs-ip@star-co.net.kp

b) Pan Systems Pte. Ltd. (Pyongyang branch) for its involvement in the sales of arms and related materiel.
A.k.a: Wonbang Trading Co.
Address: Room 818, Pothonggang hotel, Ansan-Dong, Pyongchon district, Pyongyang, DPR Korea
Other information:
- Director: Ryang Su Nyo
- Employees: Pyon Won Gun, Pae Won Chol, Ri Sin Song, Kim Sung Su, Kim Chang Hyok, Kim Pyong Chol
- Telephone: +850-218-111 (Ext. 8636)

c) Korea Rungrado General Trading Corporation for the sale of arms and related materiel.
A.k.a: Rungrado Trading Corporation
Address: Segori-dong, Pothonggang District, Pyongyang, DPRK
Other Information:
- Director: Pak Kyu Hong (a.k.a. Pak Gyu Hong)
- Telephone: 850-2-18111-3818022
- Fax: 850-2-3814507
- Email address: rrd@co.chesin.com

d) Mansudae Overseas Project Group of Companies for having violated the resolutions, assisting in the evasion of sanctions by providing services and assistance related to the manufacture and maintenance of arms and related materiel, working on behalf of KOMID through munition factory construction, and the transfer of bulk cash via its workers. This includes all Mansudae operations and subsidiary branches world-wide as well as the following entities:

Mansudae in Namibia
A.k.a. MOP Architectural & Technical Services (Pty.) Ltd. (Namibia)
Address: 34 Herbst street, Ludwigsdorf, Windhoek, Namibia
Other Information:
- Managing Director: Kim Tong-Chol
- Tel: 061-271932
- Fax: 061-271873
- Email: nmop@iway.na
- P.O.B.:81229 Olympia, Windhoek, Namibia
Mansudae in Angola

A.k.a. Mansudae Group Construção Civil Publicas Ltd.
Address: Luanda, Angola

Other Information:
- Shareholder: Kim Kwang Hyok
- Manager: Ri Won Chol
- Tel: 222-359-611,
- Fax: 222-359-611
- Email: mop.ang@nexus.ao

e) Korea International Exhibition Corporation for having assisted designated entities in the evasion of sanctions through Pyongyang International Trade Fair and providing a platform to transfer, sell or supply prohibited items to or from the country.
A.k.a. KIEC; In Korean, 조선국제전람사; In Chinese, 朝鮮国际展览社
Address: Jungsong-dong, Central District, Sungri Street, Pyongyang, DPRK
Other Information:
- Tel: +850-2-381-5926
- Fax: +850-2-381-5827; +850-2-381-4654
- Email: kiec@silibank.net.kp; kiec@silibank.com; kiec_jonlam@126.com

f) Strategic Force Command for its role in and support for the country’s prohibited programme.
A.k.a. Strategic Forces, Strategic Rocket Force, Strategic Rocket Force of the Korean People’s army, and the Strategic Rocket Force Command of KPA and Strategic Force

Individuals

g) The following individuals for their role in and support for the country’s prohibited programme:

i. Ri Pyong Chol, First Vice Director of MID
ii. Hong Sung Mu, Vice Director of MID
iii. Hong Yong Chil, Vice Director of MID
iv. Kim Jong Sik, Vice Director of MID
v. Kim Rak Gyom, Commander of SFC

h) Mr. Kim Hyok Chan as a Green Pine representative.
   - Title: Secretary DPRK Embassy, Luanda, Angola
   - Passport number: 563410191
   - Date of birth: 9 June 1970