

# MFSA

## MALTA FINANCIAL SERVICES AUTHORITY

### Notice to Financial Services Licence Holders

### Democratic People's Republic of Korea (DPRK) Sanctions

### Duty to Freeze Assets and Report

The MFSA would like to bring to the attention of all licence holders recent designations by the UN Security Council Committee established pursuant to the UN Security Council Resolution 1718 (2006) regarding the DPRK. On 2 May 2012, the Committee added a further three organisations to the list of sanctioned individuals and entities as follows:

#### **1. AMROGGANG DEVELOPMENT BANKING CORPORATION**

- Description: Amroggang, which was established in 2006, is a Tanchon Commercial Bank-related company managed by Tanchon officials. Tanchon plays a role in financing KOMID's sales of ballistic missiles and has also been involved in ballistic missile transactions from KOMID to Iran's Shahid Hemmat Industrial Group (SHIG). Tanchon Commercial Bank was designated by the Committee in April 2009 and is the main DPRK financial entity for sales of conventional arms, ballistic missiles and goods related to the assembly and manufacture of such weapons. KOMID was designated by the Committee in April 2009 and is the DPRK's primary arms dealer and main exporter of goods and equipment related to ballistic missiles and conventional weapons. The Security Council designated SHIG in resolution 1737 (2006) as an entity involved in Iran's ballistic missile programme.
- Location: Tongan-dong, Pyongyang, DPRK
- A.K.A.: AMROGGANGDEVELOPMENT BANK; AMNOKKANG DEVELOPMENT BANK

#### **2. GREEN PINE ASSOCIATED CORPORATION**

- Description: Green Pine Associated Corporation ("Green Pine") has taken over many of the activities of the Korea Mining Development Trading Corporation (KOMID). KOMID was designated by the Committee in April 2009 and is the DPRK's primary arms dealer and main exporter of goods and equipment related to ballistic missiles and conventional weapons. Green Pine is also responsible for approximately half of the arms and related materiel exported by the DPRK.

Green Pine has been identified for sanctions for exporting arms or related material from North Korea. Green Pine specializes in the production of maritime military craft and armaments, such as submarines, military boats and missile systems, and has exported torpedoes and technical assistance to Iranian defence-related firms.

- Location: c/o Reconnaissance General Bureau Headquarters, Hyongjesan-Guyok, Pyongyang, North Korea; Nungrado, Pyongyang, DPRK
- A.K.A.: CHO'NGSONG UNITED TRADING COMPANY; CHONGSONG YONHAP; CH'O'NGSONG YONHAP; CHOSUN CHAWON KAEBAL TUJA HOESA; JINDALLAE; KUMHAERYONG COMPANY LTD; NATURAL RESOURCES DEVELOPMENT AND INVESTMENT CORPORATION; SAEINGPIL COMPANY

#### **3. KOREA HEUNGJIN TRADING COMPANY**

- Description: The Korea Heungjin Trading Company is used by KOMID for trading purposes. We suspect it has been involved in supplying missile-related goods to Iran's Shahid Hemmat Industrial Group (SHIG). Heungjin has been associated with KOMID, and, more specifically, KOMID's procurement office. Heungjin has been used to procure an advanced digital controller with applications in missile design. KOMID was designated by the Committee in April 2009 and is the DPRK's primary arms dealer and main exporter of goods and equipment related to ballistic missiles and conventional weapons. The Security

Council designated SHIG in resolution 1737 (2006) as an entity involved in Iran's ballistic missile programme.

- **Location:** Pyongyang, DPRK
- **A.K.A.:** HUNJIN TRADING CO., KOREA HENJIN TRADING CO., KOREA HENGJIN TRADING COMPANY

The above entities are subject to restrictive measures as imposed by UNSCR 1718 (2006) which has implement in Malta through **L.N. 275 of 2006 NATIONAL INTEREST (ENABLING POWERS) ACT (CAP. 365) United Nations Sanctions (Democratic People's Republic of Korea) Regulations, 2006**. A complete list of entities, goods and individuals subject to restrictive measures can be accessed at <http://www.un.org/sc/committees/1718/index.shtml>. Related Regulations can be viewed on the MFSA website at [International sanctions](#).

The asset freeze imposed by the sanctions requires that any funds, financial assets and economic resources owned or controlled, directly or indirectly by the designated individuals and entities shall be subject to freezing with immediate effect and no such funds, financial assets and economic resources shall be made available to or for the benefit of the designated individuals and entities.

**Licence holders are required to report any freezing action in terms of these regulations to the MFSA by mail to Director, Enforcement Unit, or at the email address: [sanctions@mfsa.com.mt](mailto:sanctions@mfsa.com.mt) within 10 days from the date of this communication.**

**Any person, who identifies, holds and freezes any such funds, financial assets or economic resources, is required to notify in writing, the Sanctions Monitoring Board at the Ministry of Foreign Affairs.**

The attention of licence holders is also drawn to the FATF Public Statement of 16 February 2012 which highlighted "DPRK's failure to address the significant deficiencies in its anti-money laundering and combating the financing of terrorism (AML/CFT) regime and the serious threat this poses to the integrity of the international financial system". In this respect financial institutions are advised to give special attention to transactions involving the DPRK in view of the money laundering and financing of terrorism risks associated with this jurisdiction and to apply effective countermeasures to protect the financial sector from money laundering and terrorist financing risks.

**Licence holders are required to take all necessary measures to comply with these requirements and take note of any additional or new sanctions that may come into force (including new designations of individuals and entities), to exercise caution and vigilance and to seek professional advice as may be necessary to ensure that the activities of individuals or entities which are subject to sanctions or other restrictive measures are not supported in any way.**

**Communications Unit  
Malta Financial Services Authority  
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