



REPUBLIC OF CYPRUS  
MINISTRY OF TRANSPORT,  
COMMUNICATIONS AND WORKS



DEPARTMENT  
OF MERCHANT SHIPPING  
LEMESOS

SIN. No. 13/2017

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### SANCTIONS INFORMATION NOTICE

To all Registered owners, Registered bareboat charterers  
Managers and Representatives of ships flying the Cyprus Flag

To all Owners, Managers, Representatives and Agents in Cyprus of Ships, irrespective of flag they  
are flying, calling at Cyprus ports

*c/o Cyprus Shipping Chamber*

*c/o Cyprus Union of Shipowners*

*c/o Cyprus Shipping Association*

**Subject: New UN and EU restrictive measures against the Democratic People's Republic of Korea (DPRK)**

1. I refer to the above subject and further to DMS Circulars No.6/2010, No. 18/2011, No. 13/2013, No. 18/2013, No. 44/2014, No.11/2016, No.21/2016 and to Sanctions Information Notices SIN No. 1/2017, No. 4/2017 and No. 8/2017, I wish to inform you of the recent adoption of the following new UN and EU restrictive measures against the Democratic People's Republic of Korea (DPRK)-

- **United Nations Security Council Resolution ("UNSCR") 2371 (2017)** of 5 August 2017;
- **Council Decision (CFSP) 2017/1512** of 30 August 2017 amending Decision (CFSP) 2016/849 concerning restrictive measures against the Democratic People's Republic of Korea;
- **Council Regulation (EU) 2017/1509** of 30 August 2017 concerning restrictive measures against the Democratic People's Republic of Korea and **repealing Regulation (EC) No. 329/2007**.

2. The text of the United Nations Security Resolutions may be found on <http://www.un.org/Docs/sc/> whereas a regularly updated list of all the European Union restrictive measures may be found on the European Commission's website [http://eeas.europa.eu/archives/docs/cfsp/sanctions/docs/measures\\_en.pdf](http://eeas.europa.eu/archives/docs/cfsp/sanctions/docs/measures_en.pdf).



**3. UNSCR 2371 (2017)** further strengthens the restrictive measures against the DPRK and it reaffirms previous UNSCRs including UNSCR 1718 (2006), 1874 (2009), 2087 (2013), 2094 (2013), 2270 (2016), 2321 (2016) and 2356 (2017). **Council Decision (CFSP) 2017/1512** introduces a few amendments to **Decision (CFSP) 2016/849** in order to implement certain measures deemed necessary as a result of the UNSCRs and in particular of UNSCR 2270 (2016).

**4. Council Regulation (EU) 2017/1509** introduces new restrictive measures against the DPRK and it consolidates all restrictive measures into a new Regulation which repeals and **replaces** Regulation (EC) No 329/2007 due to the fact that the latter Regulation had been amended several times. **Council Regulation (EU) 2017/1509** (“the Regulation”) takes into account **Decision (CFSP) 2016/849** as amended, **UNSCR 2371 (2017)** as well as all previous relevant UNSCRs.

### ***“Export and import restrictions”- Chapter II of the Regulation***

**5.** The consolidated text of new **Council Regulation (EU) 2017/1509** provides that it shall be prohibited to-

- (i) sell, supply, transfer or export, directly or indirectly, the **goods and technology, including software**, listed in **Annex II**<sup>1</sup>, whether or not originating in the EU, to any natural or legal person, entity or body in, or for use in the DPRK (see Article 3(1)(a));
- (ii) to sell, supply, transfer or export **aviation fuel**, directly or indirectly, as listed in **Annex III** to the DPRK or transport to DPRK aviation fuel **on board the flag vessels** of Member States, whether or not originating in the territories of Member States (see Article 3(1)(b)). By way of derogation from this prohibition, the competent authorities of the Member States may authorise the sale, supply or transfer of aviation fuel, provided that the Member State has obtained the advance approval of the Sanctions Committee on an exceptional case-by-case basis for the transfer to the DPRK of such products for **verified essential humanitarian needs** and subject to specified arrangements for effective monitoring of delivery and use (see Article 4(1)).
- (iii) to import, purchase or transfer, directly or indirectly, **the goods and technology** listed in **Annex II** from the DPRK, whether or not originating in the DPRK (see Article 3(1)(c));
- (iv) to import, purchase or transfer, directly or indirectly, **gold, titanium ore, vanadium ore and rare-earth minerals**, as listed in **Annex IV**, from the DPRK, whether or not originating in the DPRK (see Article 3(1)(d));
- (v) to import, purchase or transfer, directly or indirectly, **coal, iron and iron ore**, as listed in **Annex V**, from the DPRK, whether or not originating in the DPRK (see Article 3(1)(e)). By way of derogation, the competent authorities of the Member States may authorise:
  - (a) the import, purchase or transfer of coal provided that the competent authorities of the Member States have determined on the basis of credible information that

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<sup>1</sup> ANNEX II of Council Regulation (EU) 2017/1509 is titled “Goods and technology referred to in point (a) of Article 3(1) and in Article 7” and it contains all goods and technology:

- listed in Annex I to **Regulation (EC) No 428/2009** of 5 May 2009 setting up a Community regime for the control of exports, transfer, brokering and transit of **dual-use items**, as well as,
- other items, materials, equipment, goods and technology which could **contribute to DPRK's nuclear-related, ballistic missile-related or other weapons of mass destruction-related programmes**.

the shipment originated outside the DPRK and was transported through the DPRK solely for export from the Port of Rajin (Rason), that the relevant Member State has notified the Sanctions Committee in advance of such transactions, and that the transactions are unrelated to generating revenue for the DPRK's nuclear-related, ballistic-missile-related or other weapons of mass destruction-related programmes and other activities prohibited by the relevant UNSCRs or by **Council Regulation (EU) 2017/1509**;

- (b) transactions in iron and iron ore that are determined to be exclusively for livelihood purposes<sup>2</sup> and unrelated to generating revenue for the DPRK's nuclear-related, ballistic-missile-related or other weapons of mass destruction related programmes or other activities prohibited by the relevant UNSCRs or by **Council Regulation (EU) 2017/1509** (see Article 4(2));
- (vi) to import, purchase or transfer, directly or indirectly, from DPRK **petroleum products**, as listed in **Annex VI**, whether or not originating in the DPRK (see Article 3(1)(f));
- (vii) to import, purchase or transfer, directly or indirectly, **copper, nickel, silver and zinc**, as listed in **Annex VII**, from the DPRK, whether or not originating in the DPRK (see Article 3(1)(g));
- (viii) to sell, supply, transfer or export, directly or indirectly, **to the DPRK any item, except food or medicine**, if the **exporter** knows or has reasonable grounds to believe that-
  - (a) the item is destined directly or indirectly for the DPRK's armed forces; or
  - (b) the export of the item could support or enhance the operational capabilities of the armed forces of a State other than the DPRK.

It shall be prohibited to import, purchase or transport **from DPRK** such items if the **importer or transporter** knows or has reasonable grounds to believe that one of the grounds in point (a) or (b) is met (see Article 5).

By way of derogation from the aforementioned prohibition, the competent authorities of the Member States may authorise the sale, supply, transfer or export of an item to the DPRK, or the import, purchase or transport of an item from the DPRK, where:

- (a) the item does not relate to the production, development, maintenance or use of military goods, or development or the maintenance of military personnel, and the competent authority has determined that the item would not directly contribute to the development of the operational capabilities of the DPRK's armed forces or to exports that support or enhance the operational capabilities of armed forces of a third country other than the DPRK; or
- (b) the Sanctions Committee has determined that a particular supply, sale or transfer would not be contrary to the objectives of the relevant UNSCRs; or
- (c) the competent authority of the Member State is satisfied that the activity is exclusively for either humanitarian or livelihood purposes which will not be used by DPRK persons, entities or bodies to generate revenue, and is not related to any activity prohibited by the relevant UNSCRs, provided that the Member State notifies the Sanctions Committee in advance of such a determination and informs the Sanctions Committee of measures taken to prevent the diversion of the item for any prohibited purpose (see Article 6).

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<sup>2</sup> **Transactions in coal** are determined to be **exclusively for livelihood purposes** provided that all of the **conditions** laid down in Article 4(2)(c) of **Council Regulation (EU) 2017/1509** are met.

- (ix) to sell, supply, transfer or export, directly or indirectly, **luxury goods** as listed in **Annex VIII**, to the DPRK and to import, purchase or transfer such luxury goods from the DPRK, directly or indirectly, whether or not originating in the DPRK (see Article 10). This prohibition shall not apply to-
  - (a) travellers' personal effects or to goods of a non-commercial nature for travellers' personal use contained in their luggage.
  - (b) to goods which are necessary for the official purposes of diplomatic or consular missions of Member States in the DPRK or of international organisations enjoying immunities in accordance with international law, or to the personal effects of their staff;
- (x) to sell, supply, transfer or export, directly or indirectly to or for the Government of the DPRK, or to import, purchase or transport from the Government of the DPRK **gold, precious metals and diamonds** as listed in **Annex IX**, whether or not originating in the Union. This prohibition applies to DPRK's public bodies, corporations and agencies, the Central Bank of the DPRK and any person, entity or body acting on their behalf or at their direction, or any entity or body owned or controlled by them (see Article 11);
- (xi) to sell, supply, transfer or export, directly or indirectly, **newly printed or unissued DPRK denominated banknotes and minted coinage**, to or for the benefit of the Central Bank of DPRK (see Article 12);
- (xii) to import, purchase or transfer, directly or indirectly, **statues** as listed in **Annex X**, from DPRK whether or not originating in the DPRK. By way of derogation from this prohibition, the competent authorities of the Member States may authorise the import, purchase or transfer, provided that the Member State concerned has obtained the advance approval of the Sanctions Committee on a case-by-case basis (see Articles 13 and 14);
- (xiii) to sell, supply, transfer or export, directly or indirectly, helicopters and **vessels**, as listed in **Annex XI**, to the DPRK. By way of derogation from this prohibition, the competent authorities of the Member States may authorise such a sale, supply, transfer or export, provided that the Member State has obtained the advance approval of the Sanctions Committee on a case-by-case basis (see Articles 15 and 16).

**6.** The provision of **insurance and reinsurance**, for any sale, supply, transfer or export of goods and technology listed in the EU Common List of Military Equipment or in Annex II of **Council Regulation (EU) 2017/1509** is **prohibited** (see Article 7(1)(b)). The prohibition shall not apply to non-combat vehicles which have been manufactured or fitted with materials to provide ballistic protection, **intended solely for protective use** of personnel of the EU and its Member States in the DPRK (see Article 7(2)).

## ***“Freezing of Funds and Economic Resources”- Chapter V of the Regulation***

7. Under Chapter V of **Council Regulation (EU) 2017/1509** imposing restrictive measures on the **freezing of funds and economic resources**<sup>3</sup> it is provided that **all vessels** listed in **Annex XIV** of the Regulation shall be **seized**. **Annex XIV** shall include the vessels that have been designated by the Sanctions Committee pursuant to paragraph 12 of **UNSCR 2321 (2016)**. Persons, entities and bodies that are subject to the asset freeze are listed in **Annexes XIII, XV, XVI and XVII** of **Council Regulation (EU) 2017/1509** (see Article 34). Exceptions to the asset freezing prohibitions are provided in Articles 35, 36 and 37 of the Regulation.

## ***“Restrictions on Transport” ”- Chapter VI of the Regulation***

8. Chapter VI of the Regulation lays down the following **restrictive measures on transport-**

- (i) **Cargo**, including personal luggage and checked baggage, within or transiting through the EU, including seaports, shall be liable for **inspection** for the purposes of ensuring that it does not contain items prohibited by the relevant UNSCRs or by Regulation **(EU) 2017/1509** where:
  - (a) the cargo originates from the DPRK;
  - (b) the cargo is destined for the DPRK;
  - (c) the cargo has been brokered or facilitated by the DPRK or its nationals or its individuals or entities acting on their behalf or at their direction, or entities owned or controlled by them;
  - (d) the cargo has been brokered or facilitated by persons, entities or bodies listed in Annex XIII;
  - (e) the cargo is being transported on a DPRK flagged vessel or aircraft registered to the DPRK, or on a stateless vessel or aircraft.
- (ii) Where the cargo within or transiting through the Union, including seaports, falls outside of the scope of the aforementioned paragraph, it shall be liable for inspection where there are **reasonable grounds** to believe that it may contain items the sale, supply, transfer or export of which is prohibited by the Regulation in the following circumstances:
  - (a) the cargo originates in the DPRK;
  - (b) the cargo is destined for the DPRK; or
  - (c) the cargo has been brokered or facilitated by the DPRK or its nationals or individuals or entities acting on their behalf (see Article 38, paragraphs 1. and 2.).
- (iii) The **provision of bunkering or ship-supply services, or any other servicing of vessels, to DPRK vessels is prohibited** where the providers of the service have information, including from the competent customs authorities on the basis of the **pre-arrival and pre-departure** information that provides reasonable grounds to believe that the vessels carry items whose supply, sale, transfer or export is prohibited by the Regulation, **unless** the provision of such services is necessary for **humanitarian purposes** (see Article 38(4)).

9. Furthermore, **Regulation (EU) 2017/1509** provides that it shall be **prohibited** to provide **access to ports** in the territory of the EU **to any vessel** (see Article 39):

- (a) that is **owned, operated or crewed** by the DPRK;
- (b) that is **flagged to the DPRK**;

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<sup>3</sup> Article 2 of the Regulation provides that “economic resources” means assets of every kind, whether tangible or intangible, movable or immovable, actual or potential, which are not funds but can be used to obtain funds, goods or services, **including vessels**, such as **maritime vessels**.

- (c) where there are reasonable grounds to believe that it is **owned** or **controlled**, directly or indirectly, by a **person** or **entity** listed in **Annex XIII, XV, XVI or XVII** of the Regulation;
- (d) where there are reasonable grounds to believe that it **contains items** the supply, sale, transfer or export of which is **prohibited** by the Regulation;
- (e) which has **refused to be inspected** after such an inspection has been authorised by the vessel's flag State or State of registration;
- (f) which is **without nationality** and has **refused to be inspected**; or
- (g) that is **listed** under **Annex XIV** of the Regulation.

The above prohibition **shall not apply** (see Article 39(2) and Article 40)-

- in the case of an emergency;
- where the vessel is returning to its port of origin;
- in the case of a vessel coming into port for inspection where that concerns a vessel within the scope of points (a) to (e) above;
- in the case that the Sanctions Committee has determined in advance that this is required for humanitarian purposes or any other purpose consistent with the objectives of UNSCR 2270 (2016) where that concerns a vessel within the scope of points (a) to (e) above;
- where a Member State has determined in advance that this is required for humanitarian purposes or any other purpose consistent with the objectives of the Regulation (where that concerns a vessel within the scope of points (a) to (e) above);
- in the case that the Sanctions Committee has so directed where that concerns a vessel within the scope of point (f) above.

**10. Regulation (EU) 2017/1509** further provides that it shall be prohibited (see Article 43):

- (a) to **lease** or **charter vessels** or **provide crew services** to the DPRK, persons or entities listed in Annex XIII, XV, XVI or XVII, any other DPRK entities, any other persons or entities which have assisted in violating the provisions of the relevant UNSCRs or any person or entity acting on behalf of, or at the direction of, any such person or entity, and entities owned or controlled by them (see exception provided in Article 44(1));
- (b) to **procure vessel crew services** from the DPRK (see exception provided in Article 44(2));
- (c) to **own, lease, operate, insure or provide vessel classification services** or associated services, **to any vessel flagged to the DPRK** (see exception provided in Article 44(2));
- (d) to **register or maintain on the register, any vessel** that is owned, controlled or operated by the DPRK or DPRK nationals, or has been de-registered by another State pursuant to paragraph 24 of UNSCR 2321 (2016); or
- (e) to **provide insurance or reinsurance services** to vessels owned, controlled or operated by the DPRK (see exception provided in Article 44(3)).

**11.** It is recalled that the House of Representatives of the Republic of Cyprus, has enacted in April 2016 the *Implementation of the Provisions of the United Nations Security Council Resolutions or Decisions (Sanctions) and the European Union Council Decisions and Regulations (Restrictive Measures) Law of 2016 (Law 58(I)/2016)*.<sup>4</sup> The purpose of Law 58(I)/2016 is to set out the obligations of any person or entity in the Republic of Cyprus to abide and comply with all the provisions of the UNSCRs and /or the relevant EU Decisions and Regulations. Under this Law all UN and EU instruments are incorporated and adopted into the national legal order without the need of enacting Prohibition Orders (as was the practice in the past years), and are thus automatically applicable and binding.

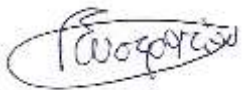
<sup>4</sup> Published in the Official Gazette of the Republic of Cyprus No. 4564, Supplement I (I) dated 25/4/2016.

For further information on this Law, as well as information on the relevant penalties please refer to our DMS Circular No. 16/2016.

**12.** This Sanctions Information Notice **repeals DMS Circulars No. 18/2011 and No. 44/2014** as they are obsolete.

**13.** All recipients of the present Sanctions Information Notice are invited to take note of its content and should strictly abide by the provisions of the relevant UN Instruments and EU Instruments as well as the national Prohibition Order P.I. 228/2016 and the DMS Circulars and Sanctions Information Notices.

**This Sanctions Information Notice must be placed on board vessels flying the Cyprus flag.**



Ioannis Efstratiou  
Acting Director  
Department of Merchant Shipping

**Cc: - Permanent Secretary, Ministry of Transport, Communications and Works**

- Attorney General of the Republic
- Permanent Secretary, Ministry of Foreign Affairs
- Permanent Secretary, Ministry of Defence
- Permanent Secretary, Ministry of Justice and Public Order
- Diplomatic Missions and Honorary Consular Officers of the Republic
- Maritime Offices of the Department of Merchant Shipping abroad
- General Manager, Cyprus Ports Authority
- Director, Department of Customs and Excise
- Registrar of Companies
- Commander, Cyprus Marine Police
- Cyprus Shipping Chamber
- Cyprus Union of Shipowners
- Cyprus Shipping Association
- Cyprus Bar Association

LMK