



REPUBLIC OF CYPRUS
MINISTRY OF TRANSPORT,
COMMUNICATIONS AND WORKS



DEPARTMENT
OF MERCHANT SHIPPING
LEMESOS

SIN. No. 1/2017

24 February 2017

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TEN 4.2.12.3.06

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 instruments concerning restrictive measures against the
Democratic People's Republic of Korea**

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 and No. 21/2016 I wish to inform you of the adoption by the United Nations and the European Union of the following instruments concerning restrictive measures against the Democratic People's Republic of Korea (DPRK):

- ***UN Security Council Resolution 2321(2016)(dated 30th November 2016);***
- ***EU Council Decision (CFSP) 2016/849 as amended lastly by Council Decision (CFSP) 2017/82 , (dated 27th May 2016 and 16th January 2017) repealing EU Council Decision 2013/183/CFSP;***
- ***Council Regulation (EU) No. 2016/841 (dated 27th May 2016) amending Council Regulation (EC) No. 329/2007.***

2. As a result the current sanctions regime against the DPRK is now governed by **UNCSRs 1718 (2006), 1874 (2009), 2087 (2013), 2094 (2013), UNSCR 2270 (2016) and 2321 (2016)** as well as **EU Council Decision (CFSP) 2016/849 as amended and Council Regulation (EC) No. 329/2007 as amended.**

In a nutshell the current sanctions regime against the DPRK, in the field of merchant shipping, consists of the following:

(A) Arms and related materiel

The transportation by ships flying the Cyprus flag of the following arms and related materiel, from and to the DPRK, irrespective of origin, is prohibited:



(a) arms and related materiel of all types, including weapons and ammunition, military vehicles and equipment, paramilitary equipment and spare parts for the aforementioned, including arms and related materiel as described in paragraphs 8 (a) and (b) of UNSCR 1718 (2006) Annex III of UNSCR 2094 (2013), as well as Annex I of **Council Regulation (EC) No. 329/2007 as amended**, with the exception of non-combat vehicles which have been manufactured or fitted with materials to provide ballistic protection, intended solely for protective use of personnel of the Union and its Member States in the DPRK;

(b) all items, materials, equipment, goods and technology as determined by the Security Council or the Committee established pursuant to paragraph 12 of UNSCR 1718 (2006) (the 'Sanctions Committee') in accordance with paragraph 8(a)(ii) of UNSCR 1718 (2006), paragraph 5(b) of UNSCR 2087 (2013), paragraph 20 of UNSCR 2094 (2013), paragraph 25 of UNSCR 2270 (2016) and Annex III of UNSCR 2321 (2016) which could contribute to the DPRK's nuclear-related, ballistic missile-related or other weapons of mass destruction-related programmes;

(c) certain other items, materials, equipment, goods and technology which could contribute to the DPRK's nuclear-related, ballistic missile-related or other weapons of mass destruction-related programmes or which could contribute to its military activities, which shall include all dual-use goods and technology listed in Annex I to Council 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 those listed in Annex Ia of **Council Regulation (EC) No. 329/2007 as amended**;

(d) any further items, materials and equipment relating to dual-use goods and technology, as may be set out in a conventional arms dual-use list adopted by the Sanctions Committee from time to time;

(e) certain key components for the ballistic-missile sector, such as certain types of aluminium used in ballistic-missile related systems, including those listed in Annex Ib of **Council Regulation (EC) No. 329/2007 as amended**;

(f) any other item that could contribute to the DPRK's nuclear-related, ballistic-missile-related or other weapons of mass destruction programmes, activities prohibited by UNSCR 1718 (2006), 1874 (2009), 2087 (2013), 2094 (2013) or 2270 (2016) or by **EU Council Decision (CFSP) 2016/849 as amended**, or to the evasion of measures imposed by these UNSCRs or by **EU Council Decision (CFSP) 2016/849 as amended**, including those listed in Annex Ig of **Council Regulation (EC) No. 329/2007 as amended**;

(g) any other item, except food or medicine, if it is determined that it could directly contribute to the development of DPRK's operational capabilities of its armed forces, or to exports that support or enhance the operational capabilities of armed forces of another state outside the DPRK.

The prohibition of paragraph 2 (A) (g) above shall not apply if (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 North Korea's armed forces or to exports that support or enhance the operational capabilities of armed forces of a State other than North Korea; (b) such activity is determined to be exclusively for humanitarian purposes

or exclusively for livelihood purposes which will not be used by DPRK persons or entities to generate revenue, and also not related to any activity prohibited by UNSCR 1718 (2006), 1874 (2009), 2087 (2013), 2094 (2013), 2270 (2016) or **EU Council Decision (CFSP) 2016/849 as amended**, provided that the Sanctions Committee is notified in advance of such determination and is informed of measures taken to prevent the diversion of the item for such other purposes; or (c) the Sanctions Committee has determined on a case-by-case basis that a particular supply, sale or transfer would not be contrary to the objectives of UNSCR 1718 (2006), 1874 (2009), 2087 (2013), 2094 (2013) or 2270 (2016).

(B) Luxury Goods

(a) The transportation by ships flying the Cyprus flag to the DPRK, of luxury goods, irrespective of origin, including those set out in Annex III of **Council Regulation (EC) No. 329/2007 as amended**, as well as in Annex IV of UNSCR 2094 (2013) and Annex IV of UNSCR 2321 (2016) is prohibited.

(b) The transportation by ships flying the Cyprus flag from the DPRK, of luxury goods, is prohibited, including those set out in Annex III of **Council Regulation (EC) No. 329/2007 as amended**,

(c) The prohibition of paragraph (b) above shall not apply to travellers' personal effects or to goods of a non-commercial nature for travellers' personal use contained in their luggage.

(d) The prohibitions referred to in paragraphs (a) and (b) above shall not apply to goods which are necessary for the official purposes of diplomatic or consular missions of Member States in North Korea or of international organisations enjoying immunities in accordance with international law, or to the personal effects of their staff.

(e) The relevant competent authority of a Member State may authorise, under such conditions as it deems appropriate, a transaction with regard to goods referred to in point 17 of Annex III of **Council Regulation (EC) No. 329/2007 as amended**, **provided that the goods are for humanitarian purposes.**

(C) Gold, precious metals and diamonds

The transportation by ships flying the Cyprus flag of gold and precious metals, as well as of diamonds, including those set out in Annex VII of **Council Regulation (EC) No. 329/2007 as amended**, to, from or for the Government of the DPRK, its public bodies, corporations and agencies, the Central Bank of the DPRK, as well as to, from or for persons and entities acting on their behalf or at their direction, or entities owned or controlled by them is prohibited.

(D) North Korean denominated banknotes and coinage

The transportation by ships flying the Cyprus flag of newly printed or minted or unissued DPRK denominated banknotes and coinage to or for the benefit of the Central Bank of the DPRK is prohibited.

(E) Gold, titanium ore, vanadium ore and rare minerals

The procurement from the DPRK by ships flying the Cyprus flag of gold, titanium ore, vanadium ore, and rare earth minerals, shall be prohibited, whether or not originating in the territory of the DPRK, including those listed in Annex Ic of **Council Regulation (EC) No. 329/2007 as amended**

(F) Coal, iron and iron ore

The procurement from the DPRK by ships flying the Cyprus flag of coal, iron and iron ore, including those listed in Annex Id of **Council Regulation (EC) No. 329/2007 as amended** shall be prohibited, whether or not originating in the territory of the DPRK. However this prohibition shall not apply:

(i) with respect to coal that the procuring Member State confirms on the basis of credible information has originated outside the DPRK and was transported through the DPRK solely for export from the Port of Rajin (Rason), provided that the Member State notifies the Sanctions Committee in advance and such transactions are unrelated to generating revenue for the DPRK's nuclear or ballistic missile programmes or other activities prohibited by UNSCR 1718 (2006), 1874 (2009), 2087 (2013), 2094 (2013), 2270 (2016) or 2321 (2016) or **EU Council Decision (CFSP) 2016/849 as amended**;

(ii) with respect to transactions that are determined to be exclusively for livelihood purposes and unrelated to generating revenue for the DPRK's nuclear or ballistic missile programmes or other activities prohibited by UNSCR 1718 (2006), 1874 (2009), 2087 (2013), 2094 (2013), 2270 (2016) or 2321 (2016) or **EU Council Decision (CFSP) 2016/849 as amended**.

(G) Aviation fuel

The transportation by ships flying the Cyprus flag of aviation fuel, including aviation gasoline, naphtha-type jet fuel, kerosene-type jet fuel, and kerosene-type rocket fuel, including fuel listed in Annex Ie of **Council Regulation (EC) No. 329/2007 as amended**, is prohibited irrespective of origin, to the DPRK shall be prohibited, unless:

(i) the Sanctions Committee has approved in advance on an exceptional case-by-case basis 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.

(ii) with respect to aviation fuel to civilian passenger aircraft outside the DPRK such fuel is exclusively for consumption during its flight to the DPRK and its return flight.

(H) Petroleum Products

The transportation by ships flying the Cyprus flag from the DPRK of petroleum products not covered by UNSCR 2270 (2016), including those listed in Annex If of **Council Regulation (EC) No. 329/2007 as amended**, is prohibited.

(I) Copper, nickel, silver and zinc

The transportation by ships flying the Cyprus flag to and from the DPRK of copper, nickel, silver and zinc, irrespective of origin, is prohibited.

(J) Statues

The transportation by ships flying the Cyprus flag to and from the DPRK of statues, irrespective of origin, is prohibited, unless the Sanctions Committee approves on a case-by-case basis in advance.

(K) Helicopters and vessels

The transportation by ships flying the Cyprus flag to the DPRK of new helicopters and vessels is prohibited, unless approved in advance by the Sanctions Committee on a case-by-case basis.

3. The aforementioned instruments also set out further obligations related to cargo information and inspection as well as further prohibitions relating to insurance and reinsurance and to bunkering and other services. In particular:

(a) With respect to cargo information:

Vessels sailing to and from DPRK shall be required to submit **pre-arrival or pre-departure information**, for all goods brought into or out of the Union, to the competent authorities of the EU Member State concerned.

Moreover the person who provides the information shall declare whether the goods are covered by the EU Common List of Military Equipment or by **Council Regulation (EC) No. 329/2007 as amended** and, where their export is subject to authorisation, specify the goods and technology covered by the export licence granted, by virtue of a customs declaration, or in the absence of such declaration, in any other written form, as appropriate.

(b) With respect to cargo inspection:

(i) the competent authorities of the EU Member States shall inspect, in accordance with their national authorities and legislation and consistent with international law, including the Vienna Conventions on Diplomatic and Consular Relations, all cargo to and from the DPRK in their **territory, or transiting through their territory, including their ports and free trade zones**, or cargo brokered or facilitated by the DPRK or DPRK nationals, or persons or entities acting on their behalf or at their direction, or entities owned or controlled by them, or by persons or entities listed in Annex I of **EU Council Decision (CFSP) 2016/849 as amended**, or cargo that is being transported on DPRK-flagged aircraft or maritime vessels, for the purposes of ensuring that no items are transferred in violation of UNSCR 1718 (2006), 1874 (2009), 2087 (2013), 2094 (2013) 2270 (2016) and 2321 (2016);

(ii) the competent authorities of the EU Member States shall inspect, in accordance with their national authorities and legislation and consistent with international law, including the Vienna Conventions on Diplomatic and Consular Relations, all cargo to and from the DPRK in **their territory, or transiting through their territory**, or cargo brokered or facilitated by the DPRK or DPRK nationals, or persons or entities acting on their behalf, including their **seaports**, if they have information that

provides reasonable grounds to believe that the cargo contains items whose supply, sale, transfer or export is prohibited under ***EU Council Decision (CFSP) 2016/849 as amended***;

(iii) the competent authorities of the EU Member States shall inspect vessels, with the consent of the flag State, on the **high seas**, if they have information that provides reasonable grounds to believe that the cargo of such vessels contains items whose supply, sale, transfer or export is prohibited under these instruments;

(iv) In cases where inspection referred to in paragraphs (b) (i) and (ii) is undertaken, the competent authorities of the EU Member States shall **seize and dispose** of items whose supply, sale, transfer or export is prohibited under these Instruments in accordance with paragraph 14 of UNSCR 1874 (2009) and paragraph 8 of UNSCR 2087 (2013).

(v) Article 5 of ***Council Regulation (EC) No. 329/2007 as amended*** is of relevance.

(c) Denial/Prohibition of entry into ports:

(i) Member States shall **deny entry** into their ports of any vessel that has refused to allow an inspection after such an inspection has been authorized by the vessel's flag State, or if any DPRK-flagged vessel has refused to be inspected pursuant to paragraph 12 of UNSCR 1874 (2009).

The above paragraph shall not apply where entry is required for the purpose of an inspection, or in the case of an emergency or in the case of return to its port of origin.

(ii) Member States shall **prohibit the entry** into their ports of any vessel that is owned, operated, crewed or flagged by the DPRK.

Paragraph (ii) above shall not apply in the case of emergency or in the case of return to its port of origination, where entry is required for the purpose of inspection or if the relevant Member State determines in advance that such entry is required for humanitarian purposes or any other purposes consistent with the objectives of ***EU Council Decision (CFSP) 2016/849 as amended***.

(iii) Member States shall **prohibit the entry** into their ports of any vessel, if they have information that provides reasonable grounds to believe that the vessel is owned or controlled, directly or indirectly, by a person or entity listed in Annex I, II or III of ***EU Council Decision (CFSP) 2016/849 as amended***, Annex IV of ***Council Regulation (EC) No. 329/2007 as amended*** or contains cargo whose supply, sale, transfer or export is prohibited under UNSCR 1718 (2006), 1874 (2009), 2087 (2013), 2094 (2013), 2270 (2016) or 2321 (2016) or by ***EU Council Decision (CFSP) 2016/849 as amended*** or by ***Council Regulation (EC) No. 329/2007 as amended***, or which has refused to be inspected after such an inspection has been authorised by the vessel's flag state, or is without nationality and has refused to be inspected.

Paragraph (iii) above shall not apply in the case of emergency or in the case of return to its port of origination, where entry is required for the purpose of inspection or if the Sanctions Committee determines in advance that such entry is required for

humanitarian purposes or any other purposes consistent with the objectives of UNSCR 2270 (2016), or if the relevant Member State determines in advance that such entry is required for humanitarian purposes or any other purposes consistent with the objectives of ***EU Council Decision (CFSP) 2016/849 as amended***

(d) With respect to bunkering and other services:

The provision by nationals of the Republic of Cyprus or from the territory of the Republic of Cyprus of bunkering or ship supply services, or other servicing of vessels, to DPRK vessels shall be prohibited if they have information that provides reasonable grounds to believe that the vessels carry items whose supply, sale, transfer or export is prohibited under these instruments unless provision of such services is necessary for humanitarian purposes or until the cargo has been inspected, and seized and disposed of if necessary, in accordance with Articles 16 (1), (2), (3) and (6) of ***EU Council Decision (CFSP) 2016/849 as amended***.

(e) With respect to leasing or chartering vessels:

It shall be prohibited to lease or charter flagged vessels or provide crew services to the DPRK, any persons or entities listed in Annex I, II, III of ***EU Council Decision (CFSP) 2016/849 as amended***, or in Annex IV of ***Council Regulation (EC) No. 329/2007 as amended*** any other DPRK entities, any other persons or entities whom the Member State determines to have assisted in the evasion of sanctions or in violating the provisions of UNSCR 1718 (2006), 1874 (2009), 2087 (2013), 2094 (2013), 2270 (2016) or 2321 (2016), and of ***EU Council Decision (CFSP) 2016/849 as amended*** any persons or entities acting on behalf or at the direction of any of the aforementioned, and any entities owned or controlled by any of the aforementioned.

The above prohibition shall not apply to the leasing, chartering or provision of crew services provided that the relevant Member State has notified the Sanctions Committee in advance on a case-by-case basis and has provided the Sanctions Committee with the information demonstrating that such activities are exclusively for livelihood purposes which will not be used by DPRK persons or entities to generate revenue, and information on measures taken to prevent such activities from contributing to violations of the provisions of UNSCR 1718 (2006), 1874 (2009), 2087 (2013), 2094 (2013) or 2270 (2016).

A Member State may grant an exemption if it determines on a case-by-case basis that such activities are exclusively for livelihood purposes which will not be used by DPRK persons or entities to generate revenue, and provided that it has information on measures taken to prevent such activities from contributing to violations of the provisions of ***EU Council Decision (CFSP) 2016/849 as amended***. The Member State concerned shall inform the other Member States in advance of its intention to grant the exemption.

(f) With respect to registration/deletion of vessels:

(i) Member States shall de-register any vessel that is owned, operated or crewed by the DPRK and shall not register any such vessel that is de-registered by another State pursuant to paragraph 19 of UNSCR 2270 (2016).

(ii) It shall be prohibited to register vessels in the DPRK, obtain authorisation for a vessel to use the DPRK flag, or to own, lease, operate, or provide any vessel classification, certification or associated service, or insure any vessel flagged by the DPRK.

(iii) The prohibition of subparagraph (ii) above shall not apply to activities notified in advance to the Sanctions Committee on a case-by-case basis, provided that the relevant Member State has provided the Sanctions Committee with detailed information on the activities, including the names of persons and entities involved in them, information demonstrating that such activities are exclusively for livelihood purposes which will not be used by DPRK persons or entities to generate revenue and information on measures taken to prevent such activities from contributing to violations of UNSCR 1718 (2006), 1874 (2009), 2087 (2013), 2094 (2013) 2270 (2016), or 2321 (2016).

(g) Crewing services from the DPRK

It shall be prohibited to procure vessel crewing services from the DPRK.

(h) With respect to Insurance and Reinsurance:

It is prohibited to provide insurance and reinsurance, for any sale, supply, transfer or export of items and technology, the sale, supply, transfer or export is prohibited by the aforesaid instruments, directly or indirectly to any person, entity or body in, or for use in, the DPRK.

4. Your attention is also drawn to the listing of Chongchongang Shipping Company, as well as of a number of vessels of Ocean Maritime Management Company, Limited, set out in Annex I of **EU Council Decision (CFSP) 2016/849 as amended**, which are subject to the asset freeze provisions. In this respect it is imperative that such sanctions lists must be studied thoroughly prior to entering into any agreement/transaction. DMS Circular No. 44/2014 is of relevance.
5. The text of the aforementioned European Union instruments may be found on <http://eur-lex.europa.eu> whereas the text of United Nations Security Resolutions may be found on <http://www.un.org/Docs/sc/>.

A regularly updated list of all the European Union restrictive measures in force can be found at http://eeas.europa.eu/cfsp/sanctions/docs/measures_en.pdf

6. 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)*.¹

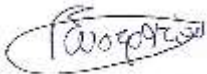
The purpose of Law 58(I)/2016 is to set out the obligations of any person or entity in the Republic of Cyprus to abide and comply with all the provisions of the UNSCRs. and /or the relevant EU Decisions and Regulations. Under this Law all UN and EU instruments are incorporated and adopted into the national legal order without the need of enacting Prohibition Orders (as was the practice in the past years), and are thus automatically applicable and binding.

¹ 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.

7. 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 aforementioned UN & EU Instruments as well as of relevant Prohibition Order P.I. 228/2016.

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

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