

Latest U.S. Sanctions Developments Show Focus on Mainland China and Hong Kong

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The U.S. government is sending a series of signals that it intends to focus on Chinese banks and corporate entities as potential points of additional pressure on North Korea. Close U.S. scrutiny could lead to enforcement actions by U.S. authorities. As Sigal Mandelker, Under Secretary for Terrorism and Financial Intelligence of the U.S. Department of the Treasury, recently stated, the U.S. government is “resolved to use our economic authorities to take action against foreign banks that disregard anti-money laundering safeguards and become conduits for widespread illicit activity, including activity linked to North Korea’s weapons program.” Over the last year, the Office of Foreign Assets Control of the U.S. Department of the Treasury (“OFAC”) has designated more than 100 individuals and entities related to North Korea. This memo analyzes U.S. sanctions against North Korea and the heightened focus on financial institutions and corporates in China and Hong Kong.

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