

OFAC Makes Technical Changes to North Korea Sanctions and Civil Monetary Penalty Regulations

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If you have any questions regarding the matters covered in this publication, please reach out to any of the lawyers listed below or your usual Davis Polk contact.

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- o incorporate the blocking and correspondent or payable-through account sanctions pursuant to the NKSPEA, as amended, including expanding sanctions to apply to certain foreign financial institutions and entities owned or controlled by U.S. financial institutions that are established or maintained outside of the United States;
 - o add new statutory exemptions pursuant to the NKSPEA, as amended;
 - o create additional regulatory exceptions to the definition of luxury goods as approved by applicable United Nations Security Council resolutions;
 - o apply the factors that are currently used to interpret the meaning of "[significant transaction\(s\)](#)"² to also apply to the meaning of "significant activity or activities," and "significant financial service(s)" as those terms are used in new provisions of the NKSPEA; and
 - o make several technical and conforming edits.

Statute	Previous Maximum CMP	Adjusted Maximum CMP
The Trading With the Enemy Act (TWEA)	\$89,170	\$90,743
The International Emergency Economics Powers Act (IEEPA) ⁴	\$302,584	\$307,922
The Antiterrorism and Effective Death Penalty Act of 1996 (AEDPA)	\$79,874	\$81,283
The Foreign Narcotics Kingpin Designation Act (FNKDA)	\$1,503,470	\$1,529,991
The Clean Diamond Trade Act (CDTA)	\$13,669	\$13,910

- ² 31 CFR § 510.413.

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- ³ 28 U.S.C. § 2461 note.

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⁴ OFAC also updated two references to penalties of one-half of the IEEPA maximum CMP to \$153,961.

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