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## Removing Sanctions on North Korea: Challenges and Potential Pathways

By Troy Stangarone



Factory workers operate sewing machines at a shoe factory in Wonsan, North Korea, on June 22, 2016. (Photo by Wong Maye-E/AP)

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## Summary

- As North Korea's nuclear weapons and ballistic missile programs have advanced, the international community has increasingly used both multilateral UN sanctions and unilateral sanctions by individual countries to exact a cost and compel Pyongyang to reach a negotiated solution.
- Although sanctions appear to be effective in curtailing Pyongyang's licit income generation, other metrics suggest they are not as effective in changing its behavior.
- Developing a process for sanctions relief and removal will be one of the most complex issues in negotiating the dismantlement of North Korea's nuclear weapons programs. Without a credible and acceptable pathway for effective sanctions relief, North Korea will have minimal incentive.
- At the same time, the international community must maintain sufficient economic leverage through sanctions to ensure that Pyongyang fulfills its dismantlement commitment.
- Negotiators should consider starting with limited interim agreements. If those initial agreements are successful, the parties should pursue more comprehensive negotiations.
- A viable long-term agreement will also require support from Congress. The administration should work closely with Congress throughout the negotiation process and submit legislation to codify any new agreement and remove any US sanctions that conflict with it.



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## ABOUT THE REPORT

This report examines various pathways and challenges related to providing multilateral sanctions relief to North Korea as part of an agreement to dismantle its weapons of mass destruction programs, and the requirements for suspending and removing US unilateral sanctions. The report was commissioned by the North Korea program at the United States Institute of Peace.

## ABOUT THE AUTHOR

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A man watches South Korean President Moon Jae-in's January 14, 2020 press conference at a store in Seoul. Moon said he could push for exemptions of UN sanctions on North Korea as a way to promote an expansion of inter-Korean ties. (Photo by Ahn Young-joon/AP)

## Introduction

Sanctions have been a key part of US and international policy toward North Korea since the Korean War. Shortly after the North Korean invasion of South Korea on June 25, 1950, the United States implemented a total embargo on exports to North Korea under the Export Control Act of 1949.<sup>1</sup> In more recent decades, as North Korea pursued nuclear weapons and ballistic missile programs while engaging in terrorism, cybercrimes, and other illicit activities, the UN Security Council expanded sanctions at the international level, and individual nations did so unilaterally at the national level.

The UN Security Council initially required UN member states to impose sanctions against North Korea after Pyongyang conducted its first nuclear test in October 2006. The UN sanctions regime has subsequently grown in step with additional North Korean nuclear tests and has expanded to address North Korea's development of ballistic missiles and chemical and biological weapons. Sanctions imposed unilaterally by the United States, South Korea, Japan, the EU, and other countries have also accompanied UN multilateral sanctions.

Developing a process for sanctions relief and removal will be one of the most complex aspects of negotiating the dismantlement of North Korea's nuclear weapons and ballistic missile programs. Without a pathway for receiving effective sanctions relief, North Korea will have minimal incentive to give up its nuclear weapons. As part of that process, negotiators will need to disentangle the sanctions targeting North Korea's weapons programs from those that

address North Korea's human rights violations and various illicit economic activities. At the same time, sufficient economic leverage through sanctions needs to be maintained to ensure that Pyongyang fulfills any dismantlement commitment it makes.

Sanctions relief alone, however, is unlikely to ensure a lasting agreement. Any agreement will need to include additional confidence-building elements, such as security assurances. It will also need to address the future status of relations between the parties to the Korean War and facilitate inter-Korean cooperation and reconciliation aimed at long-term peace and stability on the Korean Peninsula.

This report describes the international sanctions regime against North Korea, including both multilateral UN sanctions and unilateral US sanctions, their impact on North Korea's income generation and nuclear weapons programs, and potential pathways and challenges related to sanctions relief and removal. It concludes with a discussion of several principles for guiding the sanctions removal process that advance US goals and increase the likelihood of a successful and sustainable agreement.

## The International Sanctions Regime against North Korea

The United States and the United Nations have increasingly used sanctions as tools of law enforcement and statecraft in recent decades. During the Cold War, the UN Security Council established only four sanctions regimes.<sup>2</sup> Since the end of the Cold War, however, twenty-six additional regimes have been created, including the UN sanctions regime against North Korea. In addition, the United States has increasingly invoked unilateral sanctions in its efforts to exact a cost for North Korea's nuclear weapons and ballistic missile development and to compel Pyongyang to reach a negotiated solution.

The international community and individual states have turned to sanctions for several reasons. Sanctions can provide a proportional response to international concerns about illicit behavior, especially when the use of military force is either undesirable or disproportional. They can reinforce existing international norms that are being violated, coerce or cajole states back into compliance, and deter other states from supporting illicit behavior or engaging in similar illicit activities. Sanctions also signal resolve to states considering bad behavior, the larger international community, and important domestic constituencies.<sup>3</sup> Additionally, they can be applied surgically to deny states violating international norms access to key inputs and technologies.

As the pace of North Korea's nuclear weapon and missile testing accelerated under Kim Jong Un, the frequency and intensity of multilateral and unilateral sanctions against it have grown as well. Despite reservations by China, Russia, and other countries, sanctions in general have become the coercive tool of choice in addressing North Korea's nuclear ambitions because of the risks and political obstacles related to the use of force. The most significant set of sanctions against North Korea is the international sanctions adopted by the UN Security Council, which all UN member states are obliged to enforce. The international community has utilized sanctions as



Workers load boxes onto a Chinese transport truck at a seafood factory in Rajin, North Korea, inside the Rason Special Economic Zone, on November 8, 2013. (Photo by David Guttenfelder/AP)

part of a broader effort to deter Pyongyang's weapons development, block access to cash and critical technologies necessary for its weapons programs, curtail other prohibited activities, provide negotiating leverage, and coerce North Korea into fulfilling its international obligations.

## UN SANCTIONS

In response to Pyongyang's first nuclear test, in October 2006, the UN Security Council adopted Security Council Resolution (UNSCR) 1718, which set the foundation for future North Korea-related resolutions. It condemned North Korea's nuclear and ballistic missile tests, demanded North Korea's return to the Nuclear Non-Proliferation Treaty, and established the 1718 Security Council Sanctions Committee. The resolution also set the standard for Pyongyang's abandonment of nuclear weapons as "complete, verifiable and irreversible." Importantly, UNSCR 1718 required UN member states to cease exporting to North Korea heavy arms or items that could help in the development of Pyongyang's weapons programs.

While North Korea's nuclear tests have been the focus of successive Security Council resolutions (e.g., UNSCRs 1874, 2094, 2270, 2321, and 2375), the UN has targeted other major aspects of North Korea's weapons of mass destruction (WMD) program. The Security Council, under UNSCR 1695, banned UN member states from transferring missiles and missile-related material to and from North Korea. The council addressed this issue again in UNSCRs 2087, 2371, and 2397 in response to additional North Korean ballistic missile tests. In 2016, UNSCR 2270 called on North Korea to fulfill its obligations under the Biological Weapons Convention, join the Chemical Weapons Convention, and comply with the provisions of both.

The increasing intensity of North Korea's weapons testing since 2013 has led to a robust set of UN sanctions. Financial sanctions require the closure of North Korean correspondent accounts in international banks, prohibit financial services and bulk cash transfers, and require halting investments and joint ventures. A broad set of sectoral sanctions bans more than 90 percent of North Korea's licit exports, which the regime has used to earn hard currency, including exports of coal, iron, iron ore, gold, textiles, seafood, wood, statuary, and labor.<sup>4</sup> All North Korean overseas laborers were required to return to North Korea by the end of 2019. Also, North Korean imports of refined and crude petroleum products, other than for humanitarian purposes or basic livelihood, were capped.



# Key provisions in major UN Security Council resolutions

**UNSCR 1718 (2006).** Imposed an embargo on certain conventional arms; prohibited the sale of certain equipment and technology that could support North Korea's nuclear weapons and ballistic missile programs; imposed a travel ban and asset freeze on individuals involved in North Korea's nuclear program; established a sanctions committee ("the 1718 Committee").

**UNSCR 1874 (2009).** Expanded the arms embargo; prohibited states from providing financial or other services that could support North Korea's weapons programs; established the Panel of Experts.

**UNSCR 2087 (2013).** Expanded the rights of UN member states to seize and destroy material suspected to be related to North Korea's weapons programs; designated additional individuals and entities related to sanctions evasion.

**UNSCR 2094 (2013).** Obligated UN member states to prevent the provision of financial services that could support North Korea's nuclear weapons and ballistic missile programs; prohibited public financial support for trade with North Korea; expanded the list of prohibited luxury goods.

**UNSCR 2270 (2016).** Extended the arms export ban to include all arms and related materials, including those for maintenance and training; decided that North Korean diplomats or nationals could be expelled for supporting sanctioned entities or individuals; called on UN member states to inspect cargo transiting to or from North Korea; called on North Korea to abandon its chemical and biological weapons; required states to close North Korean bank branches in their territory; prohibited North Korean exports of coal, iron, and iron ore.

**UNSCR 2321 (2016).** Adjusted the ban on North Korean exports of coal to cap coal exports at not more than 7.5 million metric tons or not to exceed \$400,870,018, whichever is lower; added copper, nickel, zinc, silver, and statuary to the list of North Korea's prohibited exports; prohibited the insuring or reinsuring of North Korean vessels; required states to prohibit providing aviation fuel beyond what is needed to return to North Korea; required the suspension of scientific and technical cooperation with North Korea; strengthened financial sanctions.

**UNSCR 2371 (2017).** Introduced a full ban on North Korean exports of coal, iron, and iron ore, while adding seafood to the list of prohibited exports; prohibited new joint ventures with North Korean individuals or entities; called on UN member states not to provide additional work authorizations for North Korean laborers beyond what each jurisdiction allowed.

**UNSCR 2375 (2017).** Banned the export of North Korean textiles; prohibited the export of condensates and liquid natural gases to North Korea; placed an initial cap on exports of refined and crude petroleum to North Korea; banned work authorizations for North Koreans who did not already have work contracts.

**UNSCR 2397 (2017).** Lowered the caps on exports of refined and crude petroleum products to North Korea; expanded the ban on North Korean exports to include machinery, electrical equipment, food and agricultural products, wood, earth and stone, and vessels; prohibited the export of transportation vehicles, steel, and metals, with an exception for spare parts for civilian aircraft, and industrial machinery; required all overseas North Korean laborers to return home by December 2019; required UN member states to seize, inspect, and freeze any ships in their ports or territorial waters suspected of engaging in illicit exports of petroleum or coal by North Korea.

To facilitate these sanctions, the UN has established a series of transportation and shipping restrictions. These include requirements for states to inspect and impound vessels in port and authorization to inspect and impound those vessels in their territorial waters that are believed to be in violation of UN sanctions. In addition, UN member states are prohibited from registering or providing crews to North Korean–flagged vessels suspected of sanctions evasion and from providing landing rights or overflight rights to North Korean aircraft. Ship-to-ship transfers are also banned.

## US UNILATERAL SANCTIONS

Another component of the global sanctions regime against North Korea is the series of unilateral sanctions adopted by individual countries and supranational organizations such as the United States, South Korea, Japan, the UK, Canada, Australia, and the EU. These sanctions are primarily related to North Korea’s WMD programs, though some relate to issues beyond weapons development.<sup>5</sup> US sanctions are highlighted owing to their extensive nature and the importance of the US dollar and the US financial system to the international economic system.

US sanctions against North Korea date back to the Korean War, when President Harry Truman declared a national emergency related to North Korea under the Trading with the Enemy Act. This declaration, along with other actions, have largely limited trade with North Korea to food, medicine, and other humanitarian relief goods. In 1951, for example, the Trade Agreement Extension Act suspended the Normal Trade Relations designation (previously known as Most Favored Nation trade status) with North Korea because of its Communist government. Under the Trade Act of 1974, North Korea’s status as a nonmarket economy and its failure to allow emigration also made it ineligible for preferential trade treatment and US government credit or investment guarantees. As a result, even if other sanctions on trade were lifted, North Korea would still face the highest level of US tariffs unless it undertook significant economic and political reforms.

North Korea later encountered additional US sanctions as a result of its sponsorship of terrorism, weapons proliferation, the use of chemical or biological weapons, human rights violations, counterfeiting, money laundering, cyberattacks, and other illicit activities. In response to North Korea’s increased pace of weapons testing and the detention of US citizens, Congress in recent years strengthened sanctions through the Iran, North Korea, and Syria Nonproliferation Act, the North Korea Sanctions and Policy Enforcement Act of 2016 (NKSPEA), the Korean Interdiction and Modernization of Sanctions Act (KIMS) (included as title III of the Countering America’s Adversaries Through Sanctions Act of 2017 [CAATSA]), and the Otto Warmbier North Korea Nuclear Sanctions and Enforcement Act of 2019 (included in the National Defense Authorization Act for the fiscal year 2020).<sup>6</sup> The US Treasury Department also designated North Korea a primary money laundering concern under section 311 of the USA PATRIOT Act, effectively cutting North Korea off from the US banking system.<sup>7</sup> Together, these sanctions and designations prohibited persons and entities under US jurisdiction from engaging in most financial transactions, including investment, with North Korea and took steps to address Pyongyang’s other illicit activities.

US sanctions restrict economic activity with North Korea even further. The NKSPEA prohibits the importation of goods made with North Korean prison labor, as does section 307 of the

# Key provisions in recent US sanctions legislation

## **North Korea Sanctions and Policy Enhancement Act of 2016 (NKSPEA)**

Requires the president to designate, for the purpose of applying sanctions, individuals or entities that knowingly engage in trade of goods, services, or technology related to North Korea's weapons of mass destruction programs, engage in trade in luxury goods, engage in North Korea's mineral trade, engage in money laundering and other financial crimes that support North Korea, engage in activities that undermine cybersecurity, or engage in activities that enable North Korean human rights abuses; provides the president with discretion to designate individuals or entities that engage in activities that support individuals or entities designated by the UN Security Council resolutions; requires the president to withhold funds from governments that provide lethal military equipment to North Korea; outlines steps for suspending or removing certain sanctions.

## **Korean Interdiction and Modernization of Sanctions Act (2017)**

Amends the NKSPEA to require the president to designate, for the purpose of applying sanctions, additional individuals and entities for engaging in trade in a wider range of North Korean minerals, supplying fuel or other materials that aid UN-sanctioned vessels or aircraft, insuring or registering a North Korean government-controlled vessel not approved by the UN, or maintaining a correspondent account with a North Korean financial institution not approved by the UN; provides additional discretionary authority to sanction individuals or entities related to a wide range of economic activities; strengthens financial sanctions, sanctions on North Korean shipping, and sanctions against North Korea's use of forced labor.

## **Otto Warmbier North Korea Nuclear Sanctions and Enforcement Act of 2019**

Strengthens financial sanctions against North Korea; requires sanctions on banks that facilitate trade sanctioned by the UN or the United States; amends the Bretton Woods Agreement Act to prohibit support for financial aid to North Korea in international financial institutions.

Tariff Act of 1930, and authorizes assets to be blocked and certain transactions to be prohibited for human rights violations. The NKSPEA and presidential Executive Order 13757 of December 2016 also authorize the blocking of assets and prohibit certain transactions for cybercrimes. In combination with the Otto Warmbier Act, the NKSPEA significantly expands the ability of the United States to impose secondary financial sanctions on entities engaged in transactions with designated individuals or entities. Furthermore, the United States is obligated to vote against loans for North Korea in international financial institutions and prohibited from providing aid to North Korea beyond humanitarian assistance.<sup>8</sup>

While the public focus is often on how to unravel UN multilateral sanctions against North Korea, the reach and complexity of US unilateral sanctions suggest that negotiators and policymakers also need to consider the role of unilateral sanctions in a sanctions relief package.



# The Impact of Sectoral Sanctions on North Korea

UN sanctions on most of North Korea's exports appear to be curtailing Pyongyang's licit income generation.<sup>9</sup> The Bank of Korea estimates that after UN sanctions targeting North Korea's most significant commercial exports went into effect, starting with UNSCR 2270 in March 2016, the North Korean economy declined by 3.5 percent in 2017 and 4.1 percent in 2018. The decline in North Korea's GDP was attributed to a steep reduction in North Korea's trade.<sup>10</sup> In 2018, overall North Korean exports, primarily to the country's most significant trading partner, China, declined 90 percent.<sup>11</sup> According to Chinese trade data, North Korean exports to China fell from \$1.7 billion in 2017 to only \$215 million in 2019. The decline in imports from China, however, was less severe, falling from \$3.3 billion in 2017 to \$2.8 billion in 2019.<sup>12</sup>

More informal metrics also suggest that sanctions are having an impact on North Korea's economy and that the regime has an interest in seeing sanctions removed. The February 2019 US–North Korea summit in Hanoi failed to reach an agreement, in part because of Kim Jong Un's insistence that the major economic sanctions imposed since 2016 be removed in return for the dismantlement of the Yongbyon nuclear facility.<sup>13</sup> More recently, Kim convened a rare Workers' Party congress in January 2021 to address economic failings that the Central Committee of the Workers' Party said stemmed from "severe internal and external situations and unexpected manifold challenges."<sup>14</sup>

Other indicators, however, suggest that the economic effect of sanctions may not be as robust as expected. For example, domestic prices for commodities such as rice, corn, and petroleum have been relatively stable since the imposition of major sanctions.<sup>15</sup> The reported market exchange rate between the US dollar and the North Korean won has also been relatively stable.<sup>16</sup>

The effects of COVID-19 on North Korea's economy raise additional questions about the impact of sanctions. While the imposition of sanctions did not result in an increase in commodity prices, Pyongyang's decision in January 2020 to largely shut its borders to limit the spread of the virus resulted in initial price increases for rice and other commodities, suggesting that traders were more concerned about losing access to goods as a result of virus containment efforts than they were about sanctions-related loss of access.<sup>17</sup> The impact on trade from the border closure was significant. According to data from China's General Administration of Customs, North Korean exports to China declined to \$48 million in 2020 from \$215.2 million in 2019. Similarly, North Korea's imports from China declined to \$491 million in 2020 from \$2.6 billion in 2019.

# North Korean Sanctions Evasion and Adaptation

The impact of sanctions on North Korea's legal economic activities has been offset by Pyongyang's ability to engage in illicit activities that generate revenue but are harder to curtail. Traditionally, states facing sanctions cope by engaging in trade with countries willing to violate them (through smuggling, ship-to-ship transfers, and so on), paying a sanctions premium for engaging in risky trade, and shifting the pain to the domestic population while firms and individuals move transactions into the shadow economy to avoid sanctions impinging on their economic activities.<sup>18</sup> Sanctions also draw new participants into the informal economy who are more capable of engaging in illicit activities and therefore benefit from the restrictions sanctions put in place.<sup>19</sup> North Korea's illicit coping tactics, in combination with legal means such as shifting its export mix to non-sanctioned items, exhausting North Korea's hard currency reserves, and receiving international aid from countries such as China, have allowed Pyongyang to minimize the impact of sanctions.<sup>20</sup>

Smuggling plays a large role in allowing North Korea to access the goods it needs. North Korea's use of criminal smuggling grew significantly after the withdrawal of Soviet and Chinese aid and the onset of famine in the 1990s.<sup>21</sup> By the late 2000s, North Korea's coping mechanisms may have evolved to the extent that the ability of state trading companies to procure parts for the regime's WMD programs through illicit channels surpassed what it would have been in the absence of sanctions.<sup>22</sup> While Pyongyang has developed networks to procure parts for its WMD programs, it has also developed channels to move products to earn hard currency. The Washington, DC-based think tank C4ADS, along with its partners, has identified how North Korea uses third-party facilitators to conduct business and gain access to a cyber infrastructure outside North Korea and to use shell and front companies to run financial networks.<sup>23</sup>

In addition, Pyongyang receives help from UN member states that are unwilling or unable to enforce sanctions. Recent UN Panel of Experts reports indicate that sixty-two countries were involved in 250 sanctions violations related to North Korea during a year covering parts of 2019 and 2020.<sup>24</sup> While there have been some successful interdictions of shipments of prohibited components for North Korea's weapons programs, the lack of political will in some countries and the lack of an adequate enforcement infrastructure in others have meant that North Korea has been able to maintain some access to items necessary for its nuclear weapons and missile delivery programs.<sup>25</sup>

China in particular, as North Korea's largest trading partner, holds an important responsibility for enforcing sanctions. In 2017 and 2018, Chinese enforcement improved as new UN sanctions went into effect and the United States increased military pressure on Pyongyang.<sup>26</sup> However, once negotiations between the United States and North Korea began, China reportedly began easing sanctions enforcement.<sup>27</sup> China has also sought legally permissible means within existing UN sanctions to support North Korea, including by providing increased humanitarian aid and boosting tourism to help the regime earn hard currency.<sup>28</sup>

North Korea has also supplemented its reserves of hard currency through cybercrimes. The 1718 Committee estimates that North Korea has stolen up to \$2 billion from banks and cryptocurrency exchanges, while the blockchain analytics company Chainalysis estimates that Pyongyang has

A customer pays for a purchase at a supermarket in Pyongyang on September 12, 2018. (Photo by Kin Cheung/AP)



stolen \$1.5 billion in cryptocurrency alone.<sup>29</sup> While cryptocurrency exchanges are increasingly adopting anti-money laundering and “know your customer” rules, North Korea is able to evade these provisions by passing cryptocurrency through peel chains, or a chain of cyber wallets, to disperse the funds and hide their source, and then using rogue brokers who appear legitimate to convert the cryptocurrency into hard currency.<sup>30</sup>

In addition, North Korea may be using cryptocurrency to purchase sanctioned goods. As a medium of exchange, cryptocurrency suffers from significant fluctuations in value and slow transaction times.<sup>31</sup> Despite these drawbacks, it may allow North Korea to purchase the sanctioned industrial items it needs to maintain its domestic economy. As a result, the United States considers North Korea a “significant threat to the integrity and stability of the international financial system.”<sup>32</sup> If North Korean cybertheft and coal smuggling are what the UN estimates them to be, these activities alone generated revenue that would have offset more than half of North Korea’s trade deficit in the two years prior to the pandemic.<sup>33</sup>

Until recently, overseas North Korean labor was another source of revenue the regime could tap to cover part of its trade deficit. The US government has estimated revenue from overseas laborers to be around \$500 million a year.<sup>34</sup> German economist Ruediger Frank reached a similar conclusion and noted that before the economic sanctions beginning in 2016, the revenue from overseas laborers would have covered roughly two-thirds of North Korea’s trade deficit.<sup>35</sup> Those workers, however, were required to return to North Korea by the end of 2019 under UNSCR 2379. While there have been indications that some laborers remain in countries such as Russia and China, after 2018 this was likely a diminished source of revenue as countries began sending North Korean workers home.<sup>36</sup>

Ultimately, the evidence suggests that, despite the robust sanctions that have crippled most of North Korea’s previous licit trade, Pyongyang’s behavior toward nuclear dismantlement has not changed because of the country’s various coping mechanisms and weak sanctions enforcement. In fact, during the period of increasing sanctions and military pressure in 2016–17, North Korea accelerated its weapons tests and announced it had completed its nuclear program.<sup>37</sup> This defiance of economic and military pressure suggests that as long as North Korea manages to finance its trade through alternative means, whether through smuggling, cybertheft, or Chinese aid, the impact of sanctions will be minimized and the utility of sanctions relief will be diminished as a negotiation tool and will need to be supplemented with other confidence-building measures.

# Options for handling financial transactions and revenue

Sanctions relief on trade should be coupled with relief from financial sanctions to facilitate transactions that would benefit North Korea. Currently, significant economic transactions are inhibited by prohibitions on North Korean correspondent accounts and the transfer of bulk cash. To overcome these obstacles, especially early during the process, negotiators could look to some traditional or indirect methods for facilitating transactions where trust is low, as well as new technology-based solutions.

The most direct solution would be to allow North Korea to reopen one or a limited number of correspondent bank accounts. The 1718 Committee has made limited exemptions for correspondent accounts established by foreign government or UN entities with the Foreign Trade Bank of the Democratic Republic of Korea.<sup>a</sup> An exemption for a limited number of North Korean correspondent accounts at reputable banks would allow commercial transactions to take place.

Another option is the establishment of an escrow account.<sup>b</sup> An escrow account would authorize an independent third party to collect and disburse funds on behalf of two parties under a contractual agreement. The version considered by the Trump administration would have deposited confiscated international funds for North Korea's development and infrastructure to incentivize Kim Jong Un to negotiate, but such an account could also be used to hold new funds North Korea earned as specific sanctions were relieved and earmarked for specific purposes.

An alternative to cash or wire transfers would be to establish a special purpose vehicle to conduct transactions. The transactions could be conducted in vouchers that had value only within the exchange. This could also be an alternative means to facilitate South Korea's proposed barter trade with North Korea.

New technologies could facilitate financial transactions, but also have downsides. Allowing transactions at an exchange that handles stablecoins (cryptocurrencies that are pegged to a more stable asset) would allow North Korea's financial transactions to be tracked because of the underlying blockchain's public nature. There would, however, need to be a clear understanding that the use of splitters or tumblers to funnel cryptocurrency to nontraceable accounts would result in the reimposition of sanctions.<sup>c</sup>

Blockchain could also be used without cryptocurrency. Blockchain's advantage over traditional finance and supply chain methods is the inclusion of all the details in one searchable electronic database. In traditional supply chain systems, these records are spread across multiple actors. If successfully adapted to record North Korea's transactions, it might provide a means to track them until sanctions are fully removed.

## Notes

- a. The 1718 Committee permitted the establishment of correspondent accounts for the Russian embassy in Pyongyang, the Russian consulate general in Chongjin, and the Bank for Development and Foreign Economic Transactions to allow North Korea to repay debts to Russia from the Soviet period and the United Nations Development Program to facilitate financial transactions for UN agencies and the Bulgarian embassy in Pyongyang.
- b. See Kim Jung-won, "An Escrow Account for the North," *JoongAng Ilbo*, October 20, 2003; and Guy Taylor, "Stephen Biegun Preps North Korea Economic Package to reward Kim Jong-un Denuclearization," *Washington Times*, January 28, 2019.
- c. Osato Avan-Nomayo, "Cryptocurrency Mixers and Why Governments May Want to Shut Them Down," *Cointelegraph*, May 28, 2019.

# Removing UN Sanctions

There are at least five potential pathways for lifting the UN sanctions: (1) provide significant multilateral sanctions relief as an inducement for limited North Korea dismantlement steps; (2) maintain or increase sanctions until North Korea completely or significantly dismantles its weapons programs; (3) negotiate a reciprocal, phased process of denuclearization and sanctions relief within a comprehensive roadmap; (4) negotiate a reciprocal, phased process of denuclearization and sanctions relief without a roadmap; or (5) adopt a hybrid process that introduces a comprehensive roadmap only after the successful achievement of some limited dismantlement on the part of North Korea and corresponding sanctions relief measures.

China and Russia proposed the first pathway in a UN Security Council resolution in December 2019. This option would have lifted sanctions on North Korea's ability to export textiles, seafood, overseas labor, and statues while also providing exemptions for the export of certain industrial goods to North Korea and loosening of restrictions on inter-Korean infrastructure projects in North Korea, in hopes of inducing Pyongyang to return to the negotiating table. Had the resolution passed, it would have eased sanctions on goods accounting for nearly 50 percent of North Korea's export earnings before the imposition of a series of UN sectoral sanctions in 2016.<sup>38</sup> This approach, like the North Korean proposal in Hanoi, was a nonstarter for the United States as it would have significantly eased the sanctions on North Korea without the requirement for proportional progress in nuclear dismantlement.<sup>39</sup>

The second pathway would maintain sanctions until North Korea completely or significantly dismantled its weapons programs. However, North Korea has consistently rejected giving up its nuclear program without receiving reciprocal benefits simultaneously.

The third pathway would consist of an incremental exchange of sanctions relief and denuclearization measures as part of a comprehensive roadmap. Under this approach, the negotiators would develop a detailed plan that specified which parts of North Korea's nuclear and missile programs would be dismantled, the timelines for dismantlement, and what UN sanctions relief or additional economic incentives North Korea would receive in return. The main advantage of a roadmap is that both sides would agree from the outset on the ultimate destination of the process, what the various dismantlement steps and sanctions relief measures would be, when they would take place, and what sort of remedial measures would be adopted if either side did not live up to its obligations. The downside of this approach, however, is that North Korea has generally rejected the idea of developing a comprehensive, detailed roadmap, and an all-or-nothing approach can foreclose the potential for limited but tangible progress.

The fourth pathway would entail negotiating sanctions relief and denuclearization measures in discrete parts without a comprehensive roadmap while still maintaining the long-term goal of complete denuclearization. The Agreed Framework, Six Party Talks, and Leap Day Deal all used this piecemeal approach to achieve incremental nuclear dismantlement steps in return for limited economic concessions. With this process, a specific sanction could be either relieved or removed at the end of a discrete dismantlement phase or merely suspended indefinitely, contingent on the full dismantlement of North Korea's nuclear weapons and ballistic missile





People at the Seoul Railway Station in South Korea watch a news broadcast showing footage of a North Korean military parade on May 4, 2019. (Photo by Ahn Young-joon/AP)

programs at a later date. If North Korea failed to fulfill its dismantlement commitments, sanctions could be reimposed. Embarking on a process in stages without a comprehensive roadmap, however, could invite criticism that the United States was accepting North Korea as a nuclear weapon country, so ensuring Pyongyang's commitment to denuclearization at the beginning of the process might be necessary to help deflect this concern.

Finally, negotiators could choose a hybrid version of the last two paths. In this scenario, the two sides could start with one or a few small agreements to achieve limited dismantlement and corresponding sanctions relief steps. Then, after the successful completion of those steps, the two sides could pursue more comprehensive negotiations to agree on a roadmap for the dismantlement of the rest of North Korea's nuclear weapons and ballistic missile programs and the provision of complete sanctions relief and other confidence-building measures.

With elements of both the United States' and North Korea's negotiating preferences, the hybrid approach could serve as a potential compromise. North Korea would not need to declare the entirety of its WMD program or establish a timeline for its dismantlement at the beginning of the process, but it would need to take initial dismantlement steps to gain limited economic and security benefits. To obtain substantial sanctions relief and eventual removal, Pyongyang

would eventually need to negotiate a detailed roadmap with a clear end state for its programs. This approach would allow both sides to realize tangible benefits early on, while also providing time to build confidence, trust, and momentum that could aid the broader dismantlement and peacebuilding process.

**Risks.** Any phased negotiation process with North Korea raises at least two risks. First, the process might stall at some point prior to complete nuclear dismantlement but with Pyongyang having received substantial sanctions relief. The North Korean regime could potentially maintain some capability to threaten the United States and its allies while using the sanctions relief to reconstitute its weapons program and strengthen its domestic authority. Determining an appropriate and proportional exchange of sanctions relief and denuclearization measures could help mitigate this risk. For example, initial dismantlement steps could focus on facilities that could be easily rebuilt or steps that are easily reversible rather than on material degradation of North Korea's programs. Similarly, initial sanctions relief could be modest in scope, and sanctions could be reimposed if negotiations stalled or if North Korea did not meet its dismantlement requirements. The second risk is that if the process was not contingent on a freeze on North Korea's programs in the early stages, Pyongyang would be able to continue stockpiling fissile material for new weapons throughout the negotiations.

**Relief Process.** An initial agreement prior to the development of a roadmap could center on the 1718 Committee process that was established to handle UN sanctions on North Korea. This committee has the authority to provide exemptions to certain UN sanctions and has used it to grant relief for financial transactions, economic projects, humanitarian assistance, and international gatherings that advance negotiations with Pyongyang or aid the North Korean populace. Prior 1718 Committee exemptions included permitting North Korea's delegation to attend the PyeongChang Olympics, loosening restrictions on equipment needed to facilitate video family reunions, and allowing survey work related to the inter-Korean railroad.<sup>40</sup> With the exception of the correspondent account exemptions, prior 1718 Committee exemptions have been temporary.

In addition, the UN Security Council could provide greater relief by modifying or suspending certain sanctions in future resolutions. Once a roadmap was developed, the Security Council could modify sanctions by removing prohibitions on the export of certain items and replacing them with caps, which would allow North Korea to begin exporting the items with restrictions. The caps could be based on either the volume exported or the value of the exports and could be time limited.<sup>41</sup> Using renewable caps on exports would provide a means to maintain incentives for North Korea to continue the dismantlement process while gradually expanding economic benefits. Sanctions would need to be reimposed if North Korea continued smuggling to expand trade beyond the caps. These caps could also be expanded as dismantlement progressed. Another option would be to suspend sanctions on North Korea's exports in a specific sector or for a specific product for a specified period of time rather than use renewable caps. In either case, the UN Security Council could outline specific steps for how a modification or suspension of sanctions could be renewed or expanded.

An alternative to providing Pyongyang with sanctions relief on exports would be to provide relief on sanctioned imports. While many of these products include dual-use items that would help North Korea advance its nuclear and missile programs, there may be opportunities to

provide early relief in certain import categories, such as solar panels, that are not dual use and whose acquisition would help provide necessary inputs for the domestic economy. Another option would be to maintain sanctions on imports such as refined petroleum but increase the caps. Exemptions on imports could help facilitate the development of renewable energy in North Korea, something that would help limit its vulnerability to energy sanctions.<sup>42</sup>

Sanctions relief is necessary but likely not sufficient to achieve comprehensive diplomatic progress. Once the negotiations process has begun, a sustained diplomatic commitment by the United States and other parties to address other issues of concern, including security guarantees, diplomatic normalization, and human rights, will be necessary.

## Removing US Unilateral Sanctions

Removing the vast web of US unilateral sanctions on North Korea requires substantial progress on a wide range of issues.<sup>43</sup> Should an agreement with North Korea be reached, there are limits on the US sanctions that the president could remove unilaterally. While the president can overturn executive orders and has the authority, with designated cabinet officials, to waive certain sanctions, statutorily required sanctions cannot be permanently removed without Congress repealing them or North Korea meeting certain requirements. For example, the president could waive prohibitions on providing North Korea with a Normal Trade Relations designation under the Trade Act of 1974, which would prevent North Korean exports to the United States from facing the highest level of tariffs. However, the president cannot permanently remove those restrictions. For North Korea to be granted the Permanent Normal Trade Relations (PNTR) designation, Pyongyang would need to take steps to allow emigration, transition to a market-based economy, and reform its political system, or Congress would need to pass legislation allowing the establishment of the PNTR designation.

Section 401 of the NKSPEA provides a lengthy list of requirements for the temporary one-year suspension of US sanctions outlined in the law related to human rights abuses, weapons proliferation, and illicit activities. These requirements include North Korea making progress in ceasing counterfeiting, improving financial transparency, complying with UN Security Council resolutions, accounting for abducted citizens from other countries, abiding by international standards for humanitarian aid, and improving living conditions in political prison camps. Under section 402, the complete termination of sanctions requires not only the satisfaction of the requirements in section 401 but also significant North Korean progress toward achieving the complete, verifiable, and irreversible dismantlement of its WMD program, releasing all political prisoners, ceasing censorship of peaceful political activity, establishing an open, transparent, and representative society, and fully accounting for abducted foreign citizens and prisoners of war and those missing in action from the Korean War. The inclusive framing of the requirements under sections 401 and 402 suggests that an inability to satisfy just one of the section 401 requirements would prevent temporary relief or complete termination of any unilateral sanction under the NKSPEA. This all-or-nothing standard creates an onerous bar for North Korea to surmount to achieve relief from US unilateral sanctions.





An employee of the Kyonghung Foodstuff General Store disinfects the countertop in the showroom in Pyongyang on November 10, 2021.  
(Photo by Jon Chol Jin/AP)

A temporary 180-day suspension of the sanctions prescribed by the Otto Warmbier Act requires the US president to certify that North Korea has committed to verifiably suspending its WMD and ballistic missile programs and has entered into talks with the United States for their dismantlement or that the suspension of sanctions is vital to US national security interests. For the sanctions to be terminated, the president must certify that section 402 of the NKSPEA has been satisfied.

The United States would also be unable to provide nonhumanitarian aid to North Korea as part of any nuclear agreement because the executive branch is statutorily prohibited from providing aid to North Korea without congressional approval.<sup>44</sup> The secretary of the treasury can waive but not permanently remove prohibitions on the United States supporting North Korean requests for assistance from international financial institutions.

Sanctions related to the Treasury Department's designation of North Korea as a primary money laundering concern will likely be among the most difficult to remove as Pyongyang would need to meet technical rather than political requirements. While the NKSPEA does permit a one-year suspension of the provisions of section 311 of the Patriot Act, financial institutions would likely seek to avoid transactions related to North Korea until restrictions are permanently lifted.

This pattern emerged with Iran and the Joint Comprehensive Plan of Action (JCPOA) despite an official section 311 designation not being made until during the Trump administration.<sup>45</sup> In the absence of North Korea implementing new financial controls to prevent money laundering and terrorist financing and adjusting its own efforts to conduct illicit transactions through the US dollar financial system, this designation would remain in place.

While some of the aforementioned laws provide the authority to waive or suspend certain unilateral sanctions on North Korea, sanctions related to North Korea's regime type, human rights, cyber activities, and money laundering will likely remain in place or merely be suspended until North Korea has taken steps to address the concerns behind those sanctions.

## **POLITICAL RISKS TO US SANCTIONS RELIEF**

It is politically easier to adopt sanctions than to remove them. The effective implementation of any deal would require not just agreement between the government of North Korea and the US executive branch but also the political support of the US Congress. Support or concern for single issues, such as human rights or other activities of the sanctioned regime that are not addressed by an agreement, can lead a member of Congress to vote against the full agreement even if it is more broadly in the United States' interest. In the case of North Korea, sanctions in one form or another cover issues such as North Korea's nuclear weapons and ballistic missile programs, human rights violations, cybercrimes, and acts of terrorism; and varying levels of members' concerns on these issues could influence their support for an agreement with North Korea to dismantle its nuclear weapons and ballistic missile programs.

If the executive branch does not secure sufficient congressional support for an agreement, whether by consulting with Congress prior to reaching a nonbinding executive agreement or through formal Senate approval of a binding treaty, the legislative branch may insert itself into the process. For example, to ensure that it had a say on any final Obama administration agreement with Iran, Congress passed the Iran Nuclear Agreement Review Act of 2015, which restricted the president's ability to provide relief of US sanctions to Iran if Congress passed a joint resolution of disapproval.<sup>46</sup> The Senate was ultimately unable to pass a resolution of disapproval, allowing the JCPOA to go forward.<sup>47</sup>

Similarly, the Clinton administration adopted the 1994 US-DPRK Agreed Framework under an executive agreement to obviate Senate approval. Although the agreement did not involve sanctions relief, it did obligate the United States to supply heavy fuel oil to North Korea, which required Congress to appropriate funds for the project. Congressional Republicans appropriated the funds, despite their skepticism, but refused to provide additional funding when those funds proved insufficient to meet the US obligations.<sup>48</sup> Republicans were willing to meet the letter of an agreement they did not support but would go no further, ultimately hampering the full implementation of the Agreed Framework.

Sanctions relief is also vulnerable to changes in administrations. For example, the Obama administration lifted certain sanctions against Iran and Cuba as part of broader engagement initiatives. However, the Trump administration withdrew from the JCPOA, restored sanctions against Iran, added new sanctions on Supreme Leader Ayatollah Ali Khamenei, and designated the Iran's Islamic Revolutionary Guard Corps as a foreign terrorist organization.<sup>49</sup> In the case of



# Sanctions not related to North Korea's weapons programs

Not all North Korea sanctions and restrictions relate to the regime's nuclear weapons and missile programs. UNSCRs 2094, 2321, 2356, and 2371 include asset bans on individuals and companies related to North Korea's chemical and biological weapons programs and bans on items that would support North Korea's chemical or biological weapons programs. Also, many unilateral US sanctions and policies target other North Korean activities, such as cybercrimes, human rights violations, terrorism, weapons proliferation, and other illicit behavior, and its status as a nonmarket economy. Proscribing threats against other states, such as terrorism and WMD proliferation, may be easier to negotiate than proscribing those activities that the regime may perceive as necessary for its survival, such as human rights abuses, cybercrimes, or a nonmarket economic system. Negotiators will need to determine whether to address these issues in conjunction with UN sanctions related to North Korea's nuclear program or leave them for future talks. Nevertheless, while many of these issues may not be resolvable during an initial set of negotiations, the talks should be designed to inform North Korea of the reforms that would be necessary for these sanctions to be lifted.

Cuba, the Trump administration restored most sanctions that were lifted during the Obama administration and added new sanctions, including on Cuba's state-run oil firm for its transactions with Venezuela.<sup>50</sup>

The events surrounding the Agreed Framework, the JCPOA, and the Obama administration's engagement with Cuba suggest that any agreement on sanctions relief for North Korea that is not constructed in close consultation with Congress and with bipartisan support may be vulnerable to adverse actions by Congress or future administrations.

Some of these tensions in US sanctions could be resolved by enacting new legislation. Sanctions removal legislation would provide two benefits to the process. First, passage of new legislation to remove sanctions would bring Congress into the process and provide a degree of political support that was lacking in the case of the Iran nuclear deal. Creating new legislation would also help to build support for any future appropriations needed for an agreement with North Korea. Achieving that support, however, would require the US administration to work closely with Congress during the negotiations to ensure that its concerns were addressed to the extent possible in any new agreement with North Korea. Incorporating congressional input, however, entails the risk of increasing the demands on and reducing the benefits for North Korea to the point that it loses interest in an agreement.

Beyond building political support for an agreement, sanctions removal legislation could potentially allow the untangling of overlapping US sanctions. While legislation such as the NKSPEA provides guidelines for the removal of its unilateral sanctions, new legislation could allow Congress to match the removal of US sanctions to the details of any dismantlement program. Also, new legislation could outline how sanctions related to human rights could be separated and maintained while other sanctions related to North Korea's nuclear and ballistic missile programs are removed.

# Conclusion and Recommendations

The process of relieving and removing UN sanctions should be based on principles that advance US goals but also increase the likelihood of a successful and sustainable agreement. Flexibility and creativity are necessary to balance dismantling North Korea's nuclear weapons and ballistic missile programs and inducing Pyongyang to agree to a negotiated solution.

**Relief should prioritize aiding the North Korean population.** UN Security Council resolutions have condemned North Korea for overlooking the welfare of its people and called on Pyongyang to address these concerns.<sup>51</sup> Sanctions relief could be designed to improve the lives of North Korean citizens directly by suspending, or creating exemptions for, sanctions on industries such as textiles that are more labor-intensive, which would encourage domestic employment. North Korea should also be encouraged to begin accepting basic international labor and investment standards. For example, during the operation of the Kaesong Industrial Complex, South Korean companies paid wages directly to the state rather than to the North Korean workers. Paying workers directly can help spread the benefits to the wider population.

**The type and scope of sanctions relief should correspond to the value of the denuclearization measure.** A suspension or exemption of UN sanctions on high-revenue exports such as coal would be worth significantly more to North Korea than relief from sanctions on lower-value exports such as wood or copper. While negotiators should be flexible with sanctions that are on the table for early relief or removal, sanctions relief should proceed from a simple set of low-value export items to higher-value export items as North Korea undertakes dismantlement measures of increasingly higher value.

**Sanctions relief should have benchmarks and be dependent on North Korean compliance with denuclearization steps.** The dismantlement process and accompanying sanctions relief need to be specific and include benchmarks to ensure that each side understands and meets its obligations. Sanctions relief should also be temporary to incentivize Pyongyang's continued compliance with the agreement. This process could be managed by reimposing sanctions if certain benchmarks were not met or by requiring the UN Security Council to actively renew the suspension of sanctions over set periods of time.

**The design of sanctions relief should be as simple as possible early in the process.** The more complex the nature of an economic activity, the more likely it is to create additional loopholes in the early stages of dismantlement. For example, fully reopening the Kaesong Industrial Complex would be significantly more complex than reopening Mount Kumgang for tourism. Reopening Kaesong would potentially touch on multiple sanctioned items, as well as issues related to prohibitions on political risk insurance and payment methods. On the other hand, tourism itself isn't sanctioned, so the relief would just need to focus on exemptions for payment methods and political risk insurance.

**Sanctions relief should support inter-Korean cooperation to the extent possible.** Negotiators should consider how sanctions relief could facilitate inter-Korean cooperation and advance peace and stability on the Korean Peninsula. In the early stages of negotiations, the resumption of tourism at Mount Kumgang or infrastructure projects related to rail, roads, health

A street merchant sells souvenirs near the Friendship Bridge in Dandong, China, on December 25, 2017. From this border city, the Chinese businesswoman Ma Xiaohong conducted trade that American officials say violated international sanctions. (Photo by Lam Yik Fei/New York Times)



care, and energy are potentially feasible and could be easily halted if Pyongyang did not fulfill its commitments. Reopening the Kaesong Industrial Complex may be more productive toward the end of the dismantlement process owing to the business risks involved unless the UN Security Council provided per-

manent exemptions to Kaesong operations or the risks were mitigated through a partial reopening. Ultimately, if the goal of reopening the complex is to provide benefits more widely, it should be linked to the wider North Korean economy to allow for inputs to be purchased from North Korean suppliers and finished goods or parts to be sold within the domestic North Korean economy.

**Sanctions relief should incentivize licit economic exchanges and support markets.** North Korea lacks experience with international economic engagement and has instead developed trading networks outside traditional, legal channels. Negotiators should consider not just what sanctions to lift in exchange for specific dismantlement steps but the impact of sanctions relief on the development of licit trade and markets in North Korea. This principle could also extend to technical relief and financial aid to support the development of legitimate trade finance and North Korea's ability to join international financial institutions and undertake economic reforms.



Dismantling the nuclear weapons program of a secretive state will undoubtedly include setbacks after an agreement is reached. Deadlines will be missed and undisclosed information will be discovered. These incidents may elicit calls from North Korea skeptics to restore sanctions or withdraw from the agreement. It is important, therefore, to structure the exchange of dismantlement measures and sanctions relief in a way that maximizes the parties' commitment to the process and to include adjudication mechanisms that favor the continuation rather than termination of the deal.<sup>52</sup> Flexibility and independent reviews (e.g., by the International Atomic Energy Agency or consortiums that include China and Russia) will be needed to determine whether delays or new discoveries are efforts by North Korea to conceal or maintain certain nuclear capabilities or are merely part of the challenge of unwinding complex nuclear and ballistic missile development programs.

Although the relief of sanctions against North Korea is only one aspect of a larger set of negotiations related to dismantling the nation's nuclear weapons and ballistic missile programs, developing a credible path to sanctions removal for North Korea is a necessary and critical step to reach a comprehensive agreement. This process will be a challenge because it requires unwinding both UN sanctions and unilateral sanctions. Even if an agreement relieves or removes multilateral sanctions on North Korea, Pyongyang may continue to face economic restrictions from unilateral sanctions that could mitigate the agreement's economic benefits. If these issues are not addressed, the agreement risks becoming politically unviable.

No nation has ever given up as large a nuclear weapons program that it had developed on its own. An endeavor of this proportion will require both sides to receive significant protections and benefits and to demonstrate creativity, flexibility, and persistence in overcoming the inevitable setbacks and obstacles.

# Notes

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7. US Department of the Treasury, “Treasury Takes Actions to Further Restrict North Korea’s Access to the U.S. Financial System,” press release, June 1, 2016, [www.treasury.gov/press-center/press-releases/Pages/jl0471.aspx](http://www.treasury.gov/press-center/press-releases/Pages/jl0471.aspx).
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41. UNSCR 2397 states that the Security Council "shall keep the DPRK's actions under continuous review and is prepared to strengthen, modify, suspend or lift the measures as may be needed in light of the DPRK's compliance," indicating that modification is not a synonym for the lifting of sanctions.
42. Troy Stangarone, "Economic Engagement with North Korea Post-denuclearization," in "Pathways to Peace: Achieving the Stable Transformation of the Korean Peninsula," ed. Patrick M. Cronin, *Hudson Institute*, March 20, 2020, [www.hudson.org/research/15845-pathways-to-peace-achieving-the-stable-transformation-of-the-korean-peninsula](http://www.hudson.org/research/15845-pathways-to-peace-achieving-the-stable-transformation-of-the-korean-peninsula).
43. The EU, the UK, Canada, Australia, Japan, and South Korea are also among the blocs and states that impose unilateral sanctions on North Korea. The EU recently introduced human rights sanctions against North Korea, but its sanctions, along with Canada's, the UK's, and Australia's, are largely related to North Korea's weapons programs and could be removed with progress on the nuclear issue. Relief from Japan's sanctions may be complicated since they also relate to the issue of North Korean abductions of Japanese citizens. South Korean sanctions against North Korea may be removed earlier in the process as part of inter-Korean rapprochement, but they also relate to issues such as the sinking of the ROKS *Cheonan* and the death of a South Korean citizen at the Mount Kumgang resort.
44. Dianne E. Rennack, "North Korea: Legislative Basis for U.S. Economic Sanctions," *Congressional Research Service*, March 9, 2020, <https://fas.org/sgp/crs/row/R41438.pdf>.
45. The decision to designate Iran under section 311 of the Patriot Act was done through the Administrative Procedure Act's exception for foreign affairs rather than the normal process of public comment prior to designation. That could have implications for future administrations' ability to redesignate North Korea after removing it from section 311. See an analysis of the Iran case in Carlton Greene, Jeffrey L. Snyder, and Nicole Sayegh Succar, "FinCEN Identifies Iran as Money Laundering Threat while OFAC Announces New Mechanism to Facilitate Humanitarian Assistance There," *Crowell & Moring*, November 5, 2019, [www.crowell.com/NewsEvents/AlertsNewsletters/all/FinCEN-Identifies-Iran-as-Money-Laundering-Threat-While-OFAC-Announces-New-Mechanism-to-Facilitate-Humanitarian-Assistance-There](http://www.crowell.com/NewsEvents/AlertsNewsletters/all/FinCEN-Identifies-Iran-as-Money-Laundering-Threat-While-OFAC-Announces-New-Mechanism-to-Facilitate-Humanitarian-Assistance-There).
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