AUSTRALIA N CUSTO M S NOTIC E NO . 2007/0 2

**United Nations Security Council (UNSC) Resolution 1718: Sanctions on the export of luxury goods to the Democratic People’s Republic of Korea (North Korea)**

Amendments to the *Customs (Prohibited Exports) Regulations* 1958 and the *Customs (Prohibited Imports) Regulations* 1956 relating to the Democratic People’s Republic of Korea (DPRK), also known as North Korea, came into effect on 3 November 2006 and were advised in Australian Customs Notice 2006/52.

**UNSC Sanctions**

UNSC Resolution 1718 obliges Member States to take steps to prevent the direct or indirect supply, sale or transfer to the DPRK of, amongst other things, certain luxury goods.

Regulation 13CO of the *Customs (Prohibited Exports) Regulations* 1958 was introduced with effect from 3 November 2006. This regulation prohibits the exportation of goods included on the luxury goods list to the DPRK unless the written permission of the Minister for Foreign Affairs or an authorised officer of his Department is produced to Customs at or before the exportation of such goods. The “luxury goods list” is defined in Regulation 13CO as the luxury goods list (if any) determined by the Foreign Minister under the *Charter of the United Nations (Sanctions – Democratic People’s Republic of Korea) Regulations 2006*, as in force from time to time.

Regulation 19 of the *Charter of the United Nations (Sanctions – Democratic People’s Republic of Korea) Regulations 2006* provides the Foreign Minister may, by legislative instrument, determine a list of goods (the ***luxury goods list***) that are to be treated as luxury goods for the purposes of these Regulations.

This luxury goods list was made by the Foreign Minister on 7 December 2006 and registered on 21 December 2006 (FRLI Number F2006L05741 refers). The list includes a range of alcoholic beverages, tobacco, foodstuffs, vehicles, jewellery, precious metals and stones, and electronic consumer goods. The full list came into effect on 22 December 2006 and is produced overleaf.

The written permission of the Minister for Foreign Affairs, or an authorised officer of his Department, must be produced to Customs before such goods are cleared for exportation to the DPRK. The exportation of any of the listed luxury goods without this written permission being so produced constitutes an offence under the *Customs Act 1901*, the penalties for which may be a penalty not exceeding three times the value of the goods or a penalty not exceeding

$110,000, whichever is the greater.

All importers, exporters, customs brokers and freight forwarders are reminded to use the Country Code KP, when reporting to Customs the exportation or importation of goods to or from the DPRK. Exportations and importations to or from the Republic of Korea (ROK), also known as South Korea, must use the Country Code KR. Errors in country codes will lead to delays in the clearance of cargo, especially where the country of destination KP (North Korea) is used.

Inquiries concerning this notice may be directed to the Manager, Counter Proliferation on telephone number (02) 6275 6189, or fax number (02) 6275 6699.

SUE PITMAN

National Director (Trade) CANBERRA ACT

10 January 2007



**Security Council Resolution 1718 Australian Luxury Goods List**

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| 1 | Wine |
| 2 | Spirits (all kinds) |
| 3 | Tobacco Products |
| 4 | Caviar |
| 5 | Crustaceans (all), eg rock lobsters |
| 6 | Abalone |
| 7 | Molluscs and aquatic invertebrates, eg oyster in any form |
| 8 | Automobiles and other vehicles to transport people |
| 9 | Yachts and pleasure craft |
| 10 | Perfumes and toilet waters |
| 11 | Cosmetics (all) |
| 12 | Furs |
| 13 | Silver |
| 14 | Gold |
| 15 | Jewellery |
| 16 | Precious and Semi Precious Stones (including diamonds and pearls) |
| 17 | Drinking glasses (lead crystal) |
| 18 | Works of Art (all) |
| 19 | Fountain Pens |
| 20 | Watches & Clocks |
| 21 | Carpets |
| 22 | Precious Metals |
| 23 | Leather travel goods, apparel and clothing accessories |
| 24 | Consumer Electronics (televisions, videos, DVD players, PDAs, laptops, MP3 players - and any other relevant exports) |
| 25 | Photographic equipment |
| 26 | Electronic entertainment / software |
| 27 | Sports Equipment |

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