



ශ්‍රී ලංකා ප්‍රජාතාන්ත්‍රික සමාජවාදී ජනරජයේ ගැසට් පත්‍රය

අති විශේෂ

The Gazette of the Democratic Socialist Republic of Sri Lanka

EXTRAORDINARY

අංක 2039/32 - 2017 ඔක්තෝබර් මස 06 වැනි සිකුරාදා - 2017.10.06

No. 2039/32 - FRIDAY, OCTOBER 06, 2017

(Published by Authority)

## PART I : SECTION (I) — GENERAL

### Government Notifications

L.D. B. 7/2001(I)

#### THE UNITED NATIONS ACT, No. 45 OF 1968

REGULATIONS made by the Minister of Foreign Affairs under Section 2 of the United Nations Act, No. 45 of 1968.

TILAK MARAPANA  
Minister of Foreign Affairs.

Colombo,  
04th of October, 2017.

#### Regulations

1. These regulations shall be cited as the United Nations (Sanctions in relation to Democratic People's Republic of Korea) Regulations of 2017.
2. The United Nations Security Council Resolution 1718 (2006), and the modifications and strengthening of the Resolution by the subsequent resolutions including 1874 (2009), 2087 (2013), 2094 (2013), 2270 (2016), 2321 (2016)



and 2371 (2017) and any other subsequent resolutions, which emphasize that proliferation of nuclear, chemical and biological weapons as well as their means of delivery constitute a threat to international peace and security and reaffirm that the Democratic People's Republic of Korea (hereinafter referred to as "DPRK") shall suspend all activities related to its nuclear and ballistic missile programme and abandon all nuclear weapons and existing nuclear programme which constitute threat to international peace and security, impose upon member states of the United Nations a series of obligations to apply sanction measures in relation to DPRK. The Security Council of the United Nations acting under Chapter VII of the Charter of the United Nations, on 14th October, 2006, unanimously adopted Resolution 1718 (2006).

## PART I

### COMPETENT AUTHORITY

3. There shall, for the purpose of these regulations be a Competent Authority who shall be appointed by the Minister in consultation with the Minister assigned the subject of Defence.

## PART II

### PROHIBITED ACTIVITIES

4. (1) A person in Sri Lanka or a citizen of Sri Lanka outside Sri Lanka shall not—
  - (a) supply, sell or transfer, directly or indirectly, any item or any luxury item designated by the United Nations Security Council or the Committee (hereinafter referred to as "designated item or designated luxury item") including any item listed in Schedule I to these regulations to any person in the DPRK or any person acting on behalf of the DPRK, whether or not the item originated in Sri Lanka; or
  - (b) procure, store or transfer any designated item or designated luxury item including any item listed in Schedule II to these regulations from any person in the DPRK or any person acting on behalf of DPRK, whether or not such item originated in the DPRK.
- (2) The Competent Authority shall forthwith publish in the *Gazette*-
  - (a) the first lists of designated items and designated luxury items specified in Annex III and IV of United Nations Security Council Resolution 2094 (2013), Annex IV of Resolution 2270 (2016) and Annex III and IV of Resolution 2321 (2016); and
  - (b) any subsequent amendments to such lists immediately upon such amendments being made.
- (3) Notwithstanding the provisions of paragraph (2), the Competent Authority shall, through the Financial Intelligence Unit, notify the financial institutions of the designated items and designated luxury items immediately upon such items being designated by the United Nations Security Council or the Committee.
5. A person shall not cause or permit a vessel or an aircraft to be used for the purpose of carrying out the activities specified under paragraphs (1) of regulation 4 or their use for purposes of procurement of coal under conditions stipulated by paragraph 26 of United Nations Security Council Resolution 2321 (2016), iron, iron ore, copper, nickel, silver and zinc, or statues from the DPRK or by their nationals.
6. (1) A person in Sri Lanka or a citizen of Sri Lanka outside Sri Lanka shall not-
  - (a) charter or lease a vessel or an aircraft;

- (b) provide crew services; or
- (c) sell new helicopters or vessels,

to the DPRK, or any designated person or designated entity or individual or entity who acts on behalf of or under the direction of a designated person or designated entity, to or for the benefit of such designated person or designated entity; or

- (2) A person in Sri Lanka or a citizen of Sri Lanka outside Sri Lanka shall not-
  - (a) apply to register vessels in the DPRK or obtain authorization for a vessel to use the DPRK flag;
  - (b) own, lease, operate any vessel flagged by the DPRK;
  - (c) provide any vessel classification, certification or associated service, for any vessel owned, controlled, or operated, including through illicit means, by the DPRK; or
  - (d) provide insurance or re-insurance services to vessels owned, controlled, or operated, including through illicit means, by the DPRK.
- (3) Any vessel that is owned, controlled, or operated by the DPRK shall be de-registered and any such de-registered vessel shall not be registered by another flag state.
- 7. A person in Sri Lanka or a citizen of Sri Lanka outside Sri Lanka shall not-
  - (a) provide or receive assets, financial services, technical training, advice, services or assistance related to the provision, manufacture, production, possession, acquisition maintenance, stockpiling, storage, development, transportation, transfer or use of any designated item to any person in the Democratic People's Republic of Korea or any citizen of DPRK; or
  - (b) receive technical training, advice, services or assistance related to the provision, manufacture, production, possession, acquisition, maintenance, stockpiling, storage, development, transportation, transfer or use of any designated item from any person in the DPRK.
- 8. A person shall not deal with any funds, other financial assets or economic resources that belong to or are wholly or jointly owned, held or controlled by a designated person or entity or any other person or entity acting on behalf of or at the direction of such designated person or entity.
- 9. A person in Sri Lanka or a citizen of Sri Lanka outside Sri Lanka shall not make available any funds, other financial assets and economic resources directly or indirectly to, or for the benefit of –
  - (a) any designated person;
  - (b) any designated entity; or
  - (c) any person or entity who acts on behalf of or under the direction of a designated person or designated entity, to or for the benefit of such designated person or designated entity.
- 10. A person in Sri Lanka shall not –
  - (a) provide any financial services; or
  - (b) transfer financial assets or other assets or resources including bulk cash

to any person or entity, that may reasonably be used to contribute to the nuclear-related, ballistic missile-related, other weapons of mass destruction-related programs or activities of the DPRK or to other activities prohibited by the United Nations Security Council Resolutions 1874 (2009), 2087 (2013), 2094 (2013), 2270 (2016) and 2321 (2016) or to the evasion of measures imposed by such resolutions.
- 11. A person in Sri Lanka or a citizen of Sri Lanka outside Sri Lanka shall not provide public and private financial support for trade with the DPRK including the granting of export credits, guarantees or insurance to a person involved in trade with DPRK.
- 12. A person in Sri Lanka and a citizen of Sri Lanka outside Sri Lanka shall not provide bunkering services, supplies, servicing, leasing or chartering of vessels or crew services of vessels to the DPRK.

13. A designated person or any member of the family of a designated person except such person who is a citizen of Sri Lanka shall not enter into or transit through the territory of Sri Lanka.
14. (1) A financial institution of DPRK shall not open new branches, subsidiaries or representative offices in Sri Lanka.  
(2) A financial institution shall not establish or maintain a representative office, subsidiary or account in the territory of DPRK.  
(3) A Sri Lankan financial institution shall not establish new joint ventures, take an ownership interest in or establish or maintain a correspondent relationship with any financial institution of DPRK.
15. (1) The Competent Authority may recommend to the Government of Sri Lanka the expulsion of-
  - (a) DPRK diplomats;
  - (b) representatives of the DPRK government;
  - (c) other DPRK nationals acting in a governmental or representative office capacity;
  - (d) foreign nationals that are working on behalf or at the direction of a designated person or designated entity;
  - (e) an individual or entity assisting in sanctions evasions or violating the resolutions;
  - (f) an individual working on behalf of or at the direction of a DPRK bank or financial institution for the purpose of repatriation to the DPRK or to the individual's state of nationality respectively;

Provided that the above measures shall not impede the transit of representative of the Government of the DPRK to the United Nations Headquarters or other United Nations facilities to conduct United Nations business.
- (2) The Competent Authority shall not make recommendations under paragraph (1) where:-
  - (a) the presence of the individual is required for fulfilment of judicial process;
  - (b) the presence of the individual is required exclusively for medical, safety or other humanitarian purposes; or
  - (c) the Committee has determined on a case-by-case basis that the expulsion of the individual is contrary to the objectives of the resolutions.
16. The Competent Authority shall recommend to the Government of Sri Lanka to close the representative offices of designated entities and to prohibit such entities, as well individuals or entities acting for or on their behalf, directly or indirectly, from participating in joint ventures or any other business arrangements.
17. The Competent Authority shall exercise enhanced vigilance over DPRK diplomatic personnel so as to prevent such individuals from contributing to or generating revenue for to the DPRK's prohibited programmes or activities, or to the evasion of sanctions.
18. The Competent Authority may recommend to the Government of Sri Lanka that a financial institution shall not open or maintain more than one account for a person or entity specified below:
  - (a) a DPRK diplomatic mission or consular post;
  - (b) a DPRK diplomatic or consular officer;
  - (c) a person or entity owned or controlled by a person or entity in paragraphs (a) or (b);
  - (d) a person acting on behalf of, or at the direction of, a person or entity in paragraphs (a) or (b).

### PART III

#### FREEZING AND SEIZURE OF FUNDS *etc.*

19. (1) The Competent Authority shall freeze immediately the funds, other financial assets and economic resources in Sri Lanka, which are owned or controlled directly or indirectly by a person or entity designated by the United Nations Security Council or the Committee (in these regulations referred to as "the designated person or designated entity") or any person or entity who acts on behalf of or under the direction of a designated person or entity, to or for the benefit of such designated person or entity.
- (2) The Competent Authority shall freeze immediately the funds, other financial assets and economic resources in Sri Lanka of entities of the Government of North Korea and the Korean Workers Party that the State determines to be associated with the prohibited activities specified in Part II of these regulations.
- (3) The Competent Authority shall forthwith publish in the *Gazette*-
- (a) the first lists of designated persons and designated entities specified in Annex I and II of United Nations Security Council Resolution 2087 (2013), Annex I and II of Resolution 2094 (2013), Annex I and II of Resolution 2270 (2016) and Annex I and II of Resolution 2321 (2016); and
  - (b) any subsequent amendments to such lists immediately upon such amendments being made.
- (4) Notwithstanding the provisions of paragraph (2), the Competent Authority shall, through the Financial Intelligence Unit, notify the financial institutions of the designated items and designated luxury items immediately upon such designations being done by the United Nations Security Council or the Committee.
20. The competent Authority shall freeze immediately the other resources or other financial assets or funds including bulk cash that may reasonable be used to contribute to the nuclear-related, ballistic missile related, or other weapons of mass destruction related programmes or activities of the DPRK.
21. The effect of an order of freezing shall be the prohibition of any move, transfer, alteration, use of or dealing with funds, other financial assets and economic resources in any way that would result in any change in their volume, amount, location, ownership, possession, charter, destination or other change that would enable the funds to be used to dealt with, including portfolio management.

Provided that such prohibition shall not apply to the crediting of a frozen account with interest or other earnings due on such account, or payments due under contracts, agreements or obligations that were concluded or arose before the account became a frozen account of funds transferred by a third party to the account, as long as the funds credited are also frozen.

22. (1) Upon an application made by the Competent Authority, the High Court may make an order authorizing the Competent Authority to search for and seize frozen funds, other financial assets and economic resources where:
- (a) the seizure is necessary in order to preserve the funds, other financial assets and economic resources; or
  - (b) there is a reasonable risk that such funds, other financial assets and economic resources will dissipate.
- (2) The Competent Authority may make an application to the High Court under paragraph (1) at the Competent Authority's own instigation or upon the request of the holder of such frozen funds, other financial assets and economic resources.
- (3) Where during the course of a search under an order granted under subsection (1), the Competent Authority finds funds, other financial assets and economic resources that they believe on reasonable grounds is of a kind which could have been included in the order has its existence been known of at the time of application of the

order, the Competent Authority may seize that funds, other financial assets and economic resources and the seizure order shall be deemed to authorize such seizure.

- (4) Funds, other financial assets and economic resources seized under an order granted under paragraph (2) may only be retained so long as the funds, other financial assets and economic resources remains frozen under these regulations.
23. Upon receiving information that a person or entity in Sri Lanka or being a citizen or resident of Sri Lanka, has been designated by the United Nations Security Council or the Committee, the Competent Authority shall make all reasonable efforts to inform, as soon as possible after the designation, the person or entity so designated of the fact of:-
  - (i) designation and its implications;
  - (ii) the review procedure and information on the de-listing process;
  - (iii) the publicly releasable information concerning the reasons for designation.
24. Any person or entity referred to in Regulation 23 may apply to the Competent Authority for assistance in seeking a de-listing by the Committee of the designation. The Competent Authority shall forward the request to the Committee and act upon it in a manner consistent with the standards and procedures set out in United Nations Security Council Resolutions that relate to the de-listing of designated persons in terms of United Nations Security Council Resolution 1718 (2006) and aforesaid subsequent resolutions.
25. (1) The Competent Authority may, after providing notification to the Committee of his intention to do so and complying with the Committee's requirements, grant a specific authorization to lift a prohibition in regulations 8, 9 or 10 that specific funds may be released or assets may be made available and decide on the conditions appropriate with respect to the authorization.
- (2) The authorization may be revoked or varied at any time in accordance with the Committee requirements. The Competent Authority shall act in accordance with the standards and procedures set out in United Nations Security Council Resolutions 1718 (2006) and 2270 (2016) and any other United Nations Security Council resolutions that relate to access to funds frozen pursuant to United Nations Security Council Resolution 1718 (2006) and aforesaid subsequent resolutions.
26. (1) A person or entity claiming that he or it is not a designated person or entity may apply to the Competent Authority requesting the issue of a certificate stating that such person or entity is not the person or entity whose name appears on the Lists of the Committee. The Competent Authority shall, upon making such inquiries as are appropriate in respect thereof and if it is established that the applicant is not a designated person or entity, issue a certificate to the applicant.
- (2) Where the Competent Authority decides to refuse the issue of a certificate under paragraph (1) he shall communicate his decision to the applicant with the reasons therefore.
27. Any person or entity aggrieved by the decision of the Competent Authority under Regulation 26 may apply against such decision to the High Court, within thirty days of the date on which the decision is communicated to such person or entity, for review thereof.
28. (1) Any person shall, in addition to any obligation under Regulations 8, 9, 10, 11 and 12 in relation to any designated person or entity-
  - (a) inform the Competent Authority or the Financial Intelligence Unit as the case may be, if he knows or suspects that an existing customer, or customer or any other person or entity with whom he has done

- business, or any other person or entity known to him is a designated person or entity or is a person acting on behalf of a designated person or entity;
- (b) provide the Competent Authority or the Financial Intelligence Unit as the case may be with information regarding –
- (i) the status of the funds, freezing actions under Regulation 20 and 21 and any other actions taken with respect to the funds;
  - (ii) the nature and amount or quantity of any funds, other financial assets or economic resources held by the relevant institution for the designated person or transactions executed, or held by a person for the designated person;
  - (iii) any transaction or attempted transaction by or on behalf of a designated person;
  - (iv) any transaction or attempted transaction in respect of frozen funds, other financial assets or economic resources; and
  - (v) any other information that would facilitate compliance with these regulations;
- (c) cooperate with the Competent Authority or the Financial Intelligence Unit as the case may be, in any verification of this information.
- (2) Any information provided or received in accordance with this regulation shall be used only for the purposes for which it was provided or received. Any information provided to the Competent Authority or to the Financial Intelligence Unit in accordance with this regulation shall not be treated as a breach of any restriction imposed by any written law or otherwise.
29. (1) Any person holding funds, other financial assets, economic resources other resources or other financial assets or funds including bulk cash, which are subject to a freezing action under Regulation 8, 9 or 10 pursuant to an obligation under these regulations, shall take all reasonable efforts, after the freeze has been effected, to provide notification to the person or entity whose funds, other financial assets or economic resources have been frozen of such freezing action and the procedures available to seek a lifting of the freeze.
- (2) The person holding the funds shall also provide immediate notification to the Financial Intelligence Unit. The Financial Intelligence Unit shall immediately inform the Competent Authority of such fact.
- (3) The notification under paragraph (1) shall be made to the legal domicile of the affected person or entity within two weeks of such freezing.
- (4) If the person or entity affected by the freeze is domiciled outside Sri Lanka, the notice of the freezing action shall be provided, through a request to the Competent Authority, to the Government of the country in which the affected person is domiciled with a request that service be made.
30. Any person holding funds, other financial assets, economic resources, other resources or other financial assets or funds including bulk cash which are subject to a freezing action under Regulation 8, 9 or 10, pursuant to an obligation under these regulations, shall also be prohibited from providing notice at any time prior to the freezing action, to the designated person that his or its funds, other financial assets or economic resources are to be frozen or assets are not being made available.
31. The Competent Authority may in accordance with the provisions of these regulations, grant a specific authorization, under such condition as he deems appropriate in order to prevent financing of nuclear-related, ballistic missile-related, or other weapons of mass destruction-related programs or activities of the DPRK, to permit;
- (a) the use of frozen funds or the provision of other assets for essential human needs of a natural person included in paragraphs (2) and (3) of Regulation 19 or a member of his family, including in particular payments for foodstuff, medicines, the rent or mortgage for the family residence and fees and charges concerning medical treatment of members of that family.

- (b) payments from frozen accounts or the provision of other assets for the following purposes:
- (i) payment of taxes, compulsory insurance premiums and fees for public utility service such as gas, water, electricity and telecommunications ;
  - (ii) payment of charges due to a financial institutions for the maintenance of accounts ;
  - (iii) payment of expenses associated with the provision of legal services, or fees or service charges for routine holding or maintenance of frozen funds or other financial assets or economic resources.
32. (1) Where there is information that provides reasonable grounds to believe that the cargo of a vessel or an aircraft to or from DPRK which is in the Sri Lankan territory including seaports and airports contains any designated item or any designated luxury item in contravention of Regulation 4 or 5, the Competent Authority shall refer such information to the relevant law enforcement authorities for inspection of such vessel or aircraft.
- (2) Where any vessel has refused to allow inspection under paragraph (1), such vessel shall be denied entry into any Sri Lankan port unless entry is required for the purpose of inspection, on the case of an emergency or in the case of return to the port of origination.
- (3) The Competent Authority shall refer to the relevant law enforcement authorities for inspection all cargo within or transiting through Sri Lanka, including airports, that has originated in the DPRK, or that is destined for the DPRK, or has been brokered or facilitated by the DPRK or its nationals, or by individuals or entities acting on their behalf or at their direction, or entities owned or controlled by them, or by designated individuals or entities, or that is being transported on DPRK flagged aircraft.
- (4) The Competent Authority shall refer to the relevant law enforcement authorities for inspection all DPRK flagged aircrafts when they land in or take off from Sri Lanka to ensure no designated item or designated luxury item is transferred, in a manner that minimizes the impact of cargo transfer when it is for humanitarian purposes.
33. It shall be the duty of such law enforcement authority to inspect such cargo, aircrafts and vessels referred to in Regulation 32.
34. (1) Any person who contravenes the provisions of Regulations 4, 5, 6, 7, 8, 9, 10, 11 and 12 shall be guilty of an offence under these regulations and shall, on conviction by the High Court, be liable to imprisonment for a period not less than two years and not exceeding five years or to a fine not exceeding rupees one million or to both such fine and imprisonment.
- (2) Any person who fails to comply with the requirements set out in Regulation 28 or 29 of these regulations shall be guilty of an offence under these regulations and shall on conviction by the High Court, be liable to imprisonment for a period not exceeding one year or to a fine not exceeding rupees five hundred thousand or both such fine and imprisonment.
35. (1) The Minister may, from time to time, in consultation with the Minister assigned with the subject of Defence and on the recommendation of the Competent Authority, propose to the Committee, the designation of-
- (a) any natural person, whom the Competent Authority has reasonable grounds to believe to be associated with any designated person or entity;
  - (b) any legal person or entity, which the Competent Authority has reasonable grounds to believe to be associated with any designated person or entity;
  - (c) any legal person or entity which is owned or controlled directly or indirectly by one or more natural or legal persons or entities referred to in sub paragraph (a) or (b) above;
  - (d) any natural or legal person or entity acting on behalf of, or on the direction of, one or more natural or legal persons or entities referred to in sub paragraph (a) or (b) above; and
  - (e) any entity of the Government of DPRK and the Korean Workers Party that the Competent Authority determines are associated with prohibited activities.



- (2) A proposal for designation under paragraph (1), shall be based upon precise information or material from any relevant source in respect of the persons and entities concerned, irrespective of the existence of a criminal investigation or proceedings pending against such persons and entities concerned.
  - (3) The Competent Authority shall take all reasonable steps to ensure that names of natural or legal persons or entities which are proposed to be designated under paragraph (1), have sufficient particulars appended to permit effective and accurate identification of such natural or legal persons or entities.
  - (4) The Competent Authority shall cause the names, designated by the Committee and published in the Lists of designations persons or entities consequent to any proposal made by the Minister, to be reviewed at regular intervals and at least once every year in order to ensure that there are grounds for retaining or removing such names from the Lists of designations persons or entities or to update information connected with such names.
  - (5) Where it is revealed upon reviewing the names under paragraph (4) that retention of any name in the Lists of designations persons or entities is not further necessary, the Minister shall propose to the Committee the removal of such name from such Lists.
  - (6) Where there is a need to update any information relating to any designated person included in the Lists of designations persons or entities, the Minister shall communicate such information to the Committee.
  - (7) Where the Minister -
    - (a) proposes a name to be designated, under paragraph (1);
    - (b) proposes to remove any name from the Lists of designations persons or entities under paragraph (5);
    - (c) communicates any information in order to update any information, under paragraph (6), the Minister shall follow the procedure and standard forms adopted by the Committee for such purpose.
  - (8) No person shall at any time prior to the making of a proposal for designation, provide notice to the person or entity that such person or entity is being proposed or is being considered for such proposal.
36. (1) The Competent Authority, Financial Intelligence Unit and the Minister shall refer any matter or information relevant to violation or possible violation of an obligation under these regulations to the appropriate law enforcement agencies and in the case of institutions, also to their respective supervisory authorities for consideration whether or not the administrative sanctions ought to be imposed.
- (2) The Competent Authority shall consult with law enforcement agencies, the Financial Intelligence Unit, supervisory authorities and other appropriate agencies and develop a plan that shall be implemented for monitoring compliance and enforcing sanctions related to these regulations.
  - (3) The Competent Authority may issue directives for the implementation of practices and enforcement of obligations under these regulations.
  - (4) The Competent Authority may consult, and solicit information from, any person or Government institution in giving effect to the provisions of these regulations.
37. For the purpose of these regulations-
- "arms and related material" includes:
- (a) weapons;
  - (b) ammunition;
  - (c) military vehicles and equipment, including:
    - (i) battle tanks;
    - (ii) armoured combat vehicles;

- (iii) large calibre artillery systems;
- (iv) combat aircraft;
- (v) attack helicopters;
- (vi) warships; and
- (vii) missiles and missile systems,

which have the same meanings as they have for the purposes of reports by member States to the United Nations Register of Conventional Arms established under United Nations General Assembly Resolution A/RES/46/36L of 6 December 1991;

- (d) spare parts and accessories for the items mentioned in paragraphs (a) to (c); and
- (e) paramilitary equipment, including:
  - (i) batons, clubs, riot sticks, tear gas, and similar devices and riot control agents of a kind used for law enforcement purposes;
  - (ii) body armour, bullet resistant apparel and helmets;
  - (iii) handcuffs, leg-irons and other devices used for restraining prisoners;
  - (iv) riot protection shields;
  - (v) whips; and
  - (vi) parts and accessories designed or adapted for use in, or with, equipment mentioned in subparagraphs (i) to (vi);

"asset" means funds, property, financial resources and economic resources of every kind, whether tangible or intangible, corporeal or incorporeal, moveable or immovable, actual or potential, however acquired and which potentially may be used to obtain funds, goods, or services, such as vessels (including maritime vessels) as well as legal documents or instruments in any form, including electronic or digital, evidencing title to, or interest in, or right to claim such asset, including currency, bank credits, deposits, travellers cheques, bank cheques, money orders, shares, securities, bonds, drafts, and letters of credit; and any interest, dividends, income or value accruing from, generated by or derived from such asset;

"Committee" means the Committee established pursuant to United Nations Security Council Resolution 1718 (2006);

"correspondent banking relationship" means a relationship that involves the provision of banking business services by one financial institution (the correspondent) to another financial institution (the respondent) where:

- (a) the correspondent carries on banking business at or through a permanent place of business in one country; and
- (b) the respondent carries on banking business at or through a permanent place of business in another country; and
- (c) the relationship between the correspondent and the respondent relates, in whole or in part, to the provision of banking services between those permanent places of business;

"DPRK financial institution" means a person or entity that conducts an activity listed in Paragraphs (a) to (m) of the definition of financial institution and that is:

- (a) regulated, registered, incorporated or licensed under any law of DPRK;
- (b) owned or controlled by the DPRK; or
- (c) a financial institution in which the DPRK or any of its nationals maintains an interest; or a subsidiary of any such financial institution;

"entity" includes:

- (a) a body corporate or unincorporate, a trust, a partnership, a fund, or an organization; and
- (b) a maritime vessel.

"Financial Intelligence Unit" means the Financial Intelligence Unit established under the Financial Transactions Reporting Act, No. 6 of 2006;

"Financial institution" means any person or entity that conducts in Sri Lanka any of the following activities for or on behalf of a customer:

- (a) acceptance of deposits and other repayable funds from the public, including private banking;
- (b) lending, including, consumer credit, mortgage credit, factoring (with or without recourse), and financing of commercial transactions, including forfeiting;
- (c) financial leasing other than in respect of arrangements relating to consumer products;
- (d) the transfer of currency or value;
- (e) issuing or managing means of payment including, credit and debit cards, cheques, travellers' cheques, money orders and bankers' drafts, and currency in non-physical form;
- (f) issuing financial guarantees or commitments;
- (g) trading in:
  - (i) bearer negotiable instruments;
  - (ii) foreign exchange;
  - (iii) exchange, interest rate or index instruments;
  - (iv) transferable securities; or
  - (v) commodity futures trading;
- (h) participation in securities issues or the provision of financial services related to such issues;
- (i) individual or collective portfolio management;
- (j) safekeeping or administration of physical currency, bearer negotiable instruments or liquid securities on behalf of other persons;
- (k) investing, administering or managing assets on behalf of other persons;
- (l) underwriting or placement of insurance, including insurance intermediation by agents and brokers; or
- (m) currency changing;

"frozen asset" means an asset which cannot be dealt with due to a prohibition imposed by these regulations;

"funds, other financial assets and economic resources" shall include assets of every kind, whether tangible or intangible, movable or immovable, actual or potential, which potentially may be used to obtain funds, goods or services including vessels, however acquired and legal documents or instruments in any form, including electronic or digital, evidencing title to, or interest in, such assets, including,

but not limited to, bank credits, travellers' cheques, bank cheques, money orders, shares, securities, bonds, drafts and Letters of Credit including-

- (i) all interest, dividends or other income or value securing from or generated by such funds, assets or economic resources; and
- (ii) indirectly owned funds, assets or economic resources.

"High Court" means the High Court established under Article 154P of the Constitution, for the Western Province holden in Colombo;

"institution" shall have the same meaning as in the Financial Transactions Reporting Act, No. 6 of 2006

"interest in" means having control or ownership (directly or indirectly) of a financial institution;

"Minister" means the Minister to whom the subject of External Affairs has been assigned;

"person" shall have the same meaning as in the Interpretation Ordinance (Chapter 2);

"weapons of mass destruction" means items, materials, equipment, goods, or technology:

- (a) listed in the following documents:
  - (i) S/2006/814;
  - (ii) S/2006/815;
  - (iii) S/2006/853;
  - (iv) S/2006/853/CORR.1;
  - (v) S/2009/205;
  - (vi) S/2013/136;
  - (vii) INFCIRC/254/Rev.9/Part 1a;
  - (viii) INFCIRC/254/Rev.7/Part 2a; or
  - (ix) Annex III to United Nations Security Council Resolution 2321;
- (b) that could contribute to DPRK's nuclear-related, ballistic missile-related or weapons of mass destruction-related programmes and are the subject of a determination:
  - (i) made by the United Nations Security Council or its Committees; and
  - (ii) made under Paragraph 8(a)(ii) of United Nations Security Council Resolution 1718; and
  - (iii) that has not ceased to have effect;
- (c) that are dual-use conventional arms and are the subject of a determination made under paragraph 7 of United Nations Security Council Resolution 2321; or
- (d) that could contribute to weapons of mass destruction-related programmes and are prohibited in the United Nations Security Council Regulations.

**SCHEDULE I**

(Regulation 4(1)(a) )

1. Arms or related materiel;
2. Weapons of mass destruction;
3. Ballistic missile-related goods;
4. Any item, materials, equipment, goods or technology that could contribute to the DPRK's nuclear or ballistic missile programmes, activities prohibited in United Nations Security Council Resolutions referred to in Regulation 2 or any subsequent resolutions or activities that could contribute to the operational capabilities of DPRK armed forces or to exports that support or enhance the operational capabilities of armed forces of another Member State outside the DPRK;
5. Conventional arms dual-use items including those listed in S/2016/1069 of 15 December 2016 (conventional arms dual-use items control list);
6. Aviation fuel prohibited in the United Nations Security Council Resolutions referred to in Regulation 2;
7. Any other items prohibited in the United Nations Security Council Resolutions referred to in Regulation 2.

**SCHEDULE II**

(Regulation 4(1)(b))

1. Arms and related material;
2. Weapons of mass destruction;
3. Ballistic missile-related goods;
4. Items, materials, equipment, goods or technology that could contribute to the operational capabilities of DPRK armed forces or to exports that support or enhance the operational capabilities of armed forces of another Member State outside the DPRK;
5. Coal, iron, or iron ore (subject to specific exemptions) ;
6. Gold, titanium ore, vanadium ore, copper, silver, nickel, or zinc;
7. Rare earth minerals prohibited by the United Nations Security Council Resolutions referred to in Regulation 2;
8. Any shipment of conventional arms or related items for repair, servicing, refurbishing, testing, reverse-engineering, and marketing, regardless of whether ownership or control is transferred;
9. Conventional arms dual-use items including those listed in S/2016/1069 of 15 December 2016 (conventional arms dual-use items control list).
10. Aviation fuel, including aviation gasoline, naptha-type jet fuel, kerosene-type fuel and kerosene-type rocket fuel, whether or not originating in their territory to the territory of the DPRK except with respect to the sale or supply of aviation fuel to civilian passenger aircraft exclusively for consumption during its flight to the DPRK and its return flight;
11. Technical training, advice, services or assistance related to the provision, manufacture, maintenance or use of the items described above.
12. materials, software, machinery, technology, and tools to be used for the manufacture of the items described above;
13. Any other items prohibited in the United Nations Security Council Resolutions referred to in Regulation 2.