

-- We request the cooperation of your authorities in global efforts to implement the United Nations Security Council (UNSC) sanctions regime aimed at ending the threat to international peace and security posed by the DPRK's weapons of mass destruction and ballistic missile programs.

-- It is critical for the international community to send a strong, unified message that the DPRK must avoid provocations and abide by its obligations under the UNSC resolutions (UNSCRs).

-- We especially appreciate your action to counter DPRK activities that evade or violate the UNSCRs at sea, such as illicit fishing activity, exports of DPRK-origin coal, and ship-to-ship transfers with DPRK-flagged ships or unreported direct deliveries of petroleum products destined for the DPRK, often through deceptive shipping practices.

Screening for Vessels Identified in UN Panel of Experts Report and Associated Entities

-- We would like to call to your attention the recent publication of the UN DPRK Panel of Experts (POE) Midterm Report, dated September 8 and released on October 4, which documents how the DPRK's illicit activities involve vessels that, wittingly or unwittingly, transact with the DPRK.

-- We have compiled a list of all the vessels identified in the POE's report that were implicated in these illicit activities and we have also identified where possible all of the entities and individuals and additional information that are related to the vessels, such as the vessel flag, IMO number, and owners and operators, and their contact information (see attachment Tab A).

-- We request that your authorities take this list and convey it to maritime industry groups, port authorities, ship registry administrators and any other relevant actors in your jurisdiction to request that they 1) take measures to ensure that the vessels and entities are not able to operate in your jurisdiction or enter your ports, consistent with relevant UNSCRs, and 2) also request that you advise your domestic industry to deny services to these vessels and associated entities or individuals or take other appropriate monitoring and enforcement measures as permitted under your domestic laws.

UNSCR-Prohibited Activities in the PRC's Territorial Waters

-- We are deeply concerned by findings in the report relating to UNSCR-prohibited activities in the People's Republic of China's (PRC) coastal waters including the reporting that the DPRK is conducting the vast majority of its exports of DPRK-origin coal at or near Ningbo-Zhoushan Port, in the PRC.

-- We are also concerned that many vessels which the UN DPRK Panel of Experts has recommended for designation freely transit from and return to waters near the PRC's port of Ningde, including the Sando Island anchorage area.

-- In response to the POE's inquiries, the PRC noted that most, but not all, of these vessels have not visited a PRC port since 2020. This response acknowledges that the PRC knows that some DPRK-linked vessels have entered a PRC port.

-- Port visits to the PRC by DPRK-linked vessels were documented by the POE in the form of the port clearance document issued by the PRC's Maritime Safety Administration for the DPRK-linked MT GOLD STAR (AKA OCEAN STAR 1 - IMO 9146247) in November 2020.

-- We are also urging the PRC to take measures to halt the illicit activity involving DPRK-flagged vessels and to disrupt illicit activities in a manner consistent with international law that occur in PRC waters and exclusive economic zone. We would appreciate your government joining the international community where possible to encourage the PRC to implement UNSCRs in its territory, in regards to persons and entities subject to its jurisdiction, and consistent with international law, in waters subject to its jurisdiction.

Deceptive Shipping Practices

-- According to the report, DPRK-linked, foreign-flagged vessels continue to use sophisticated deceptive practices to evade detection.

-- These practices include broadcasting the Automatic Identification System (AIS) information and Maritime Mobile Service Identity (MMSI) data of different vessels to disguise their identity, physical modifications to disguise the identity of the vessel, and obtaining a registration using falsified documentation.

-- For example, in May 2021 the BILLIONS NO. 18 (aka KINGSWAY - IMO: 9191773) was impounded after attempting to resupply in a Member State using the false identity of the Mongolia-flagged APEX / SHUN FA (IMO: 8528864).

-- The POE noted these vessels could be identified by their transmission of fraudulent identifiers that do not match their length, type, or flag, and that the deliberate manipulation of a stated ship type or vessel length in a vessel's AIS profile can be detected through observation.

-- DPRK-flagged vessels also used similar evasion techniques, including dark voyages where the vessel fails to broadcast AIS and transmit fraudulent identifiers, particularly in Ningbo-Zhoushan waters in the PRC where the vessels frequently transit to export DPRK-origin coal.

-- DPRK-flagged vessels continued to conduct ship-to-ship (STS) transfers with foreign flagged ships in the East China Sea near the PRC coast. The POE also reported two new STS transfer areas in 2020 to the southwest of Taiwan and east of the DPRK near the DPRK's border with Russia.

-- The POE also reported the characteristics of companies involved in illicit DPRK transfers, including having no online footprint, establishing a shell company with a sole director with no reported dealings with the vessel, and the use of corporate registry service providers to hide the identity of the beneficial owner.

-- The POE further reported that the DPRK was able to expand its fleet by purchasing vessels that were sold on ship auction websites and procuring vessels through third party brokers, frequently located in the PRC, to obfuscate the role of the DPRK.

Coal Exports from the DPRK

-- Between February and May 2021, the POE reported that the DPRK exported 364,000 metric tons of coal using DPRK-flagged and DPRK-controlled vessels to the Ningbo-Zhoushan area in at least 41 shipments.

-- The DPRK-flagged or controlled vessels were all located in the same area within the Ningbo-Zhoushan port area, they have been involved in ship-to-ship transfers with large PRC-flagged cargo vessels, and they have broadcast fraudulent identifiers or have not transmitted AIS at all.

-- The sheer volume of these transfers occurring in PRC territorial waters and involving PRC companies strongly suggests that the PRC is unwilling or unable to implement and enforce UNSCRs in situations where it should and could.

-- We are urging the PRC to investigate the cases presented in the report and to take immediate action to prevent these illicit imports of DPRK-origin coal from continuing.

Transfers of Refined Petroleum

-- According to the POE, unreported oil transfers to the DPRK have continued in 2021, and, despite limited imports in the first half of 2021, the DPRK is likely to exceed the UNSC-imposed oil importation cap for 2021.

-- The report also noted the ongoing efforts of several presumed stateless vessels that have repeatedly transferred oil to DPRK vessels or directly delivered oil to DPRK ports.

-- According to the POE report, these vessels include:

- BONVOY 3 [IMO: 8714085] presumed stateless
- DIAMOND 8 [IMO: 9132612] presumed stateless
- XING MING YANG 888 [IMO 8410847] presumed stateless
- RICH UNITED [IMO 9129213] presumed stateless
- YUK TUNG [IMO 9030591] presumed stateless
- NEW KONK [IMO: 9036387] presumed stateless
- SUBBLIC [IMO: 8126082] presumed stateless

-- None of these transfers were reported to the UNSC's 1718 Committee as required by UNSCR 2397 operative paragraph (OP) 5, which requires all UN Member States to prohibit the direct or indirect supply, sale, or transfer to the DPRK, including by their nationals, whether or not originating in their territories, of refined petroleum products to the DPRK – except for an aggregate amount of up to 500,000 barrels per year – and also requires all UN Member States to report to the 1718 Committee any deliveries under the permitted amount of 500,000 barrels.

-- The POE also noted the role of several oil smuggling networks in the report, including the Singapore-based Winson Group Pte. Ltd.

-- According to the POE, Winson is a key node in the DPRK's illicit fuel procurement operations. Oil sold by Winson was transferred to the DIAMOND 8, which was then transferred to the DPRK.

-- While Winson claimed to have no knowledge of the transfer and blamed an intermediary who chartered the vessel involved in the transfer, the POE found that the “intermediary” had the same address as a Winson office and was related to a Winson employee.

-- We reiterate the UN POE’s recommendation that your authorities report any known transfers of refined petroleum products to the DPRK consistent with UNSCR 2397 (2017).

-- We suggest that you issue an up-to-date circular noting the laundered AIS profiles and advise your industry to not transact with these vessels.

-- Given the concerns raised in the report about the activities of these vessels, and in light of your important role in the shipping industry, we ask that you maintain vigilance and take specific, appropriate monitoring and enforcement action as permitted under your national law. We reiterate our request that as part of your monitoring, investigation, and inspection efforts, you add the names and IMO numbers of vessels we are providing to your vessel watch list, and screen against the other entities and individuals that are identified in the information we are providing. We further urge you to convey to your industry the information we are providing that is directly associated with the vessels referenced in the POE’s report.

-- Based on the POE’s recommendations, we suggest that you engage customs officers, maritime authorities, and private industry in your country to update them on high-risk areas for ship-to-ship transfers based on the map provided by the POE.

-- Given the deliberate obfuscation employed by DPRK-linked ships, the POE recommended that authorities hosting shipyards that service foreign-flagged vessels contact those shipyards and raise awareness of the physical alternations used by DPRK-linked ships to disguise their identity.

-- To better verify the identity of a vessel involved in an oil transfer, the report recommends that ship owners and relevant counterparties implement effective due diligence measures and controls to prevent the risk of their involvement in sanctionable activities.

-- The POE also recommended that classification societies should certify the existence of a single, functional, Type A AIS system on each vessel as part of a periodic safety inspection. In particular, inspections should also look for evidence that the vessel is using of multiple AIS systems to avoid detection.

-- The POE has also recommended that any Member State receiving coal shipments for delivery or transshipment undertake enhanced measures to validate the documentation accompanying those shipments.

-- Given the new and continued attempts by DPRK-linked vessels to mask their activities, we recommend that port and maritime authorities require that vessels arriving in and leaving their jurisdictions maintain AIS broadcasts, consistent with the International Convention for the Safety of Life at Sea, and investigate vessels suspected of tampering with their identifiers, falsifying

their AIS or MMSI signals, or showing gaps in their AIS history that could be indicative of the AIS spoofing described by the POE.

-- We would particularly ask that you convey these recommendations to the relevant actors in the maritime industry in your jurisdiction and advise them to enhance their due diligence measures based on the content of the report.

-- We would also ask that you provide the vessel list and related information to relevant maritime industry companies in your jurisdiction, and that you advise them to deny any transaction with these vessels and entities, and report on your outreach to the Panel of Experts and 1718 Committee.

-- We recommend that you advise private sector entities operating within your jurisdiction of their sanctions risk related to transacting with DPRK-flagged or DPRK-linked vessels. Additionally, we ask that you remind oil tankers and bulk cargo carriers entering or leaving your jurisdiction of the restrictions on transacting with DPRK vessels, particularly the fleet of stateless vessels that supports the DPRK's petroleum procurement operations.

-- To support your industry outreach, we recommend you reference the POE report as well as other advisories and guidance documents which describe best practices for mitigating sanctions risk that may be relevant.

-- We would suggest you convey the DPRK's evasion techniques as outlined in this non-paper, along with the mitigation measures the POE recommends through an advisory or circular to industry in your jurisdiction.

-- We also look forward to continuing to cooperate closely with you as we work together to prevent malign actors from exploiting registries around the world to engage in maritime smuggling and sanctions evasion aimed at supporting the DPRK's unlawful, UN-prohibited weapons of mass destruction and ballistic missile programs.