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MONETARY AUTHORITY OF SINGAPORE ACT (CHAPTER 186)

MONETARY AUTHORITY OF SINGAPORE (SANCTIONS AND FREEZING OF ASSETS OF PERSONS — DEMOCRATIC PEOPLE'S REPUBLIC OF KOREA) (AMENDMENT) REGULATIONS 2017

In exercise of the powers conferred by section 27A(1)(b) of the Monetary Authority of Singapore Act, the Monetary Authority of Singapore makes the following Regulations:

Citation and commencement

1. These Regulations are the Monetary Authority of Singapore (Sanctions and Freezing of Assets of Persons — Democratic People's Republic of Korea) (Amendment) Regulations 2017 and come into operation on 31 August 2017.

Amendment of regulation 2

2. Regulation 2 of the Monetary Authority of Singapore (Sanctions and Freezing of Assets of Persons — Democratic People's Republic of Korea) Regulations 2016 (G.N. No. S 275/2016) (called in these Regulations the principal Regulations) is amended by deleting the words “and 2270 (2016)” and substituting the words “, 2270 (2016), 2321 (2016) and 2356 (2017)”.

Amendment of regulation 4

3. Regulation 4 of the principal Regulations is amended —

(a) by deleting the words “17 June 2016” in paragraph (a)(i) and (ii) of the definition of “designated export item” in paragraph (1) and substituting in each case the words “31 August 2017”;

- (b) by deleting the words “export from or transit through Singapore of which is prohibited under regulation 6(2)(d)” in paragraph (a)(ii) of the definition of “designated export item” in paragraph (1) and substituting the words “exportation from, transhipment in, or transit through, Singapore of which is prohibited under regulation 6(2)(c)(ii)”;
- (c) by deleting the words “17 June 2016” in paragraph (a)(i) and (ii) of the definition of “designated import item” in paragraph (1) and substituting in each case the words “31 August 2017”;
- (d) by deleting the words “import into Singapore of which is prohibited under regulation 6(2)(d)” in paragraph (a)(ii) of the definition of “designated import item” in paragraph (1) and substituting the words “importation into, transhipment in, or transit through, Singapore of which is prohibited under regulation 6(2)(c)(i)”;
- (e) by deleting the words “set out in the UN List” in the definition of “designated person” in paragraph (1) and substituting the words “identified in the UN List to be subject to an asset freeze”;
- (f) by inserting, immediately after the definition of “designated person” in paragraph (1), the following definition:

““designated vessel” means any vessel identified in the UN List to be subject to an asset freeze, subject to paragraph (3);”;
- (g) by inserting, immediately after the definition of “economic resources” in paragraph (1), the following definition:

““family member”, in relation to an individual, means the individual’s parent, step-parent, child, stepchild, adopted child, spouse, sibling, stepsibling or adopted sibling;”;
- (h) by deleting the definition of “luxury goods” in paragraph (1) and substituting the following definition:

“luxury goods” means the luxury items specified in paragraph (5) in the third column of item 2 of the Seventh Schedule to the Regulation of Imports and Exports Regulations (Cap. 272A, Rg 1), as in force on 31 August 2017;”;

- (i) by deleting the words “individuals or entities” wherever they appear in the definition of “UN List” in paragraph (1) and substituting in each case the words “individuals, entities or vessels”;
- (j) by deleting the word “or” at the end of paragraph (c) of the definition of “UN List” in paragraph (1);
- (k) by deleting the comma at the end of paragraph (d) of the definition of “UN List” in paragraph (1) and substituting a semi-colon, and by inserting immediately thereafter the following paragraphs:
 - “(e) paragraph 3 or 12(d) of Resolution 2321 (2016); or
 - “(f) paragraph 3 of Resolution 2356 (2017);”;
and
- (l) by inserting, immediately after paragraph (2), the following paragraph:

“(3) For the purposes of the definition of “designated vessel” —
 - (a) where any vessel is added to the UN List on or after 31 August 2017, the vessel is taken to be a designated vessel with effect from the date immediately following the date of addition to the UN List;
 - (b) where any vessel is removed from the UN List, the vessel ceases to be a designated vessel with effect from the date of removal from the UN List; and
 - (c) where the particulars of any vessel in the UN List are modified on or after 31 August

2017, the particulars of the vessel are taken to be modified for the purposes of these Regulations with effect from the date immediately following the date of modification of the UN List.”.

Amendment of regulation 5

4. Regulation 5(1) of the principal Regulations is amended by deleting the words “guarantees or insurance” in sub-paragraph (a) and substituting the words “guarantees, insurance or re-insurance”.

Amendment of regulation 6

5. Regulation 6 of the principal Regulations is amended —

(a) by deleting the words “Subject to paragraph (3)” in paragraph (1) and substituting the words “Except with the prior written approval of the Authority”;

(b) by deleting the words “guarantees or insurance” in paragraph (1)(a) and substituting the words “guarantees, insurance or re-insurance”;

(c) by deleting the comma immediately after the words “(including through a gold courier transiting to and from the Democratic People’s Republic of Korea)” in paragraph (1)(b);

(d) by deleting sub-paragraph (b) of paragraph (2) and substituting the following sub-paragraph:

“(b) the owning, leasing, operating or controlling of any vessel, including through illicit means, by the Democratic People’s Republic of Korea.”; and

(e) by deleting paragraph (3).

Amendment of regulation 7

6. Regulation 7(1) of the principal Regulations is amended by inserting, immediately after the words “financial assistance or services” in sub-paragraph (b), the words “(including but not

limited to the granting of export credits, guarantees, insurance or re-insurance)’.

New regulations 7A and 7B

7. The principal Regulations are amended by inserting, immediately after regulation 7, the following regulations:

“Prohibition against entering into financial transactions or providing financial assistance or services, etc., in relation to designated vessels”

7A. A financial institution must not, directly or indirectly (including through any provider of any brokering or other intermediary services) —

- (a) enter into any financial transaction with (including the enforcement or recovery of any security interest or lien); or
- (b) provide, facilitate the provision of, or procure the provision of any financial assistance or services (including but not limited to the granting of export credits, guarantees, insurance or re-insurance) to,

a person if the financial transaction, or financial assistance or services relates to a designated vessel.

Prohibition against entering into financial transactions or providing financial assistance or services, etc., in relation to trade

7B. Except with the prior written approval of the Authority, a financial institution must not, directly or indirectly (including through any provider of any brokering or other intermediary services) —

- (a) enter into any financial transaction;
- (b) provide, facilitate the provision of, or procure the provision of any financial assistance or services (including but not limited to the granting of export credits, guarantees, insurance or re-insurance);

- (c) transfer (including through a gold courier transiting to and from the Democratic People's Republic of Korea) any financial assets or resources (including bulk cash or gold); or
- (d) transfer other assets or resources, that are associated with, or may contribute to, any trade with the Democratic People's Republic of Korea or any person in, or national of, the Democratic People's Republic of Korea.”.

Amendment of regulation 9

8. Regulation 9(2) of the principal Regulations is amended by inserting, immediately after the words “directly or indirectly,” in sub-paragraph (a), the words “including through illicit means.”.

New regulation 9A

9. The principal Regulations are amended by inserting, immediately after regulation 9, the following regulation:

“Designated vessels to be subject to asset freeze

9A.—(1) Subject to paragraph (2), any financial institution that has in its possession, custody or control in Singapore, any designated vessel must —

- (a) immediately subject the designated vessel to an asset freeze; and
- (b) ensure that the designated vessel is not made available, whether directly or indirectly, to or for the benefit of any person.

(2) The requirement in paragraph (1) does not apply if the Authority gives a written notice to the financial institution or the class of financial institutions to which the financial institution belongs that the designated vessel is —

- (a) necessary for the payment of —
 - (i) basic expenses, including any payment for foodstuff, rent, the discharge of a mortgage,

medicine, medical treatment, taxes, insurance premiums and public utility charges; or

- (ii) any extraordinary expenses;

(b) exclusively for —

- (i) the payment of reasonable professional fees and the reimbursement of any expenses incurred in connection with the provision of legal services; or
- (ii) the payment of fees or service charges imposed for the routine holding or maintenance of the designated vessel; or

(c) the subject of any judicial, administrative or arbitral lien or judgment.

(3) Where the Authority gives a notice under paragraph (2)(c) that the designated vessel is the subject of any judicial, administrative or arbitral lien or judgment, the designated vessel may be used to satisfy such lien or judgment but only if the lien or judgment —

- (a) arose or was entered before 30 November 2016; and
- (b) is not, whether directly or indirectly, for the benefit of —
 - (i) a designated person;
 - (ii) any entity owned or controlled, directly or indirectly, including through illicit means, by any designated person;
 - (iii) any individual or entity who acts on behalf of or under the direction of any designated person;
 - (iv) a prohibited entity;
 - (v) any entity owned or controlled, directly or indirectly, including through illicit means, by a prohibited entity; or

- (vi) any individual or entity who acts on behalf of or under the direction of a prohibited entity.”.

Amendment of regulation 10

- 10.** Regulation 10 of the principal Regulations is amended —
- (a) by deleting the words “or 2270 (2016)” in paragraph (2) and substituting the words “, 2270 (2016), 2321 (2016) or 2356 (2017)”; and
 - (b) by inserting, immediately after the words “directly or indirectly,” in paragraph (3)(a), the words “including through illicit means.”.

New regulation 10A

- 11.** The principal Regulations are amended by inserting, immediately after regulation 10, the following regulation:

“Bank accounts opened by Democratic People’s Republic of Korea’s diplomatic or consular officer, etc.

10A. Except with the prior written approval of the Authority, a financial institution must not on or after 31 August 2017 open or maintain any bank account for —

- (a) or on behalf of any Democratic People’s Republic of Korea’s diplomatic or consular officer or any of the officer’s family members; or
- (b) the carrying out of any activity of the Democratic People’s Republic of Korea’s diplomatic and consular missions.”.

Amendment of regulation 11

- 12.** Regulation 11 of the principal Regulations is amended by deleting the words “8, 9 or 10” and substituting the words “7A, 7B, 8, 9, 9A, 10 or 10A”.

Amendment of regulation 12

13. Regulation 12 of the principal Regulations is amended by deleting the words “or 8” in paragraph (a) and substituting the words “, 7A, 7B, 8, 9, 9A, 10 or 10A”.

Made on 28 August 2017.

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