North Korea Sanctions

A Plain-Language Guide

What the U.S. North Korea sanctions actually require, why they matter to your organization, and what to check before you act — written for people who are new to sanctions or come to them from compliance, legal, finance, or operations.

Covers the North Korea Sanctions Regulations (31 C.F.R. Part 510) and the United Nations measures behind them.

Prepared by mrsanctions.com

Current as of June 2026. This is general information, not legal advice. Check current OFAC publications before making compliance decisions.

What This Is and Why It Exists

The United States maintains one of its strictest sanctions programs against North Korea (officially the Democratic People's Republic of Korea, or DPRK). The goal is to cut off the money and materials that support North Korea's nuclear weapons and ballistic-missile programs, and to respond to human-rights abuses and sanctions evasion.

Two things make this program different from most others. First, it is comprehensive: instead of just naming specific people and companies to avoid, the rules treat the North Korean government itself — and trade with North Korea generally — as off-limits. Second, it grew out of, and still works alongside, a parallel set of sanctions imposed by the United Nations Security Council. So when you analyze a North Korea question, you are often looking at U.S. rules and UN measures at the same time.

The U.S. rules live in a regulation called the North Korea Sanctions Regulations (31 C.F.R. Part 510), administered by the Treasury Department's Office of Foreign Assets Control (OFAC). This guide explains, in plain English, what those rules do and how to spot a problem before it becomes a violation.

> **THE THREE THINGS TO REMEMBER**
>
> **1. The North Korean government and ruling party are "blocked" automatically — you do not need to find them on a list for the freeze to apply.**
>
> **2. Trade with North Korea is broadly banned — exports, imports, new investment, and most services, not just deals with named parties.**
>
> **3. Foreign banks and businesses can be hit too — helping North Korea-linked money or trade move can cost a foreign bank its access to the U.S. financial system.**

Essential Concepts (Start Here)

A handful of terms appear throughout. Here is what they mean in everyday language.

Blocking (asset freeze). "Blocking" a person or company means their property and money that touch the U.S. (or a U.S. person) are frozen. You cannot pay them, transfer their assets, or do business with them. You generally must hold the property and report it to OFAC. "Blocked" and "frozen" mean the same thing.

U.S. person. Any U.S. citizen or permanent resident (wherever they are in the world), anyone physically in the United States, and any company formed in the U.S. (including its foreign branches). U.S. persons must follow these rules.

SDN List. The Specially Designated Nationals and Blocked Persons List — OFAC's main list of blocked people, companies, vessels, and aircraft. If a name is on it, you freeze and do not deal. You can search it free using the OFAC Sanctions List Search tool. Important for North Korea: many blocked parties are *not* individually listed — see "The 50% Rule" and "blocked by status" below.

CAPTA List. A separate list of foreign banks that have lost — or had restricted — their ability to hold a U.S. "correspondent account" (the account a foreign bank needs to move U.S. dollars). It is a banking penalty, not a full freeze.

The 50% Rule. If one or more blocked persons own 50% or more of a company, that company is automatically blocked too — even if it is not named anywhere. You have to look through to the owners.

Secondary sanctions. Penalties aimed at *non-U.S.* people and companies (often foreign banks) for doing business connected to North Korea. The point is to make the rest of the world wary of dealing with North Korea, not just U.S. companies.

General license vs. specific license. A general license is permission OFAC writes into the rules so that *everyone* can do a certain narrow thing (for example, some humanitarian work) without asking first. A specific license is individual permission you apply for. If neither applies, the activity is prohibited.

Government of North Korea. Defined very broadly: the DPRK state, its agencies and instrumentalities, anything it owns 50%+ or controls, and anyone acting on its behalf. All of their property is blocked automatically (“by status”).

UN Security Council resolutions (UNSCRs). Binding decisions of the United Nations that impose sanctions on North Korea. The U.S. gives many of them legal force domestically, and the people the UN designates get added to OFAC’s SDN List.

What the Rules Actually Do

The Government and Ruling Party Are Frozen Automatically

The single most important rule: the Government of North Korea and the Workers’ Party of Korea (the ruling party) are blocked. Their property and money are frozen the moment they reach the U.S. or a U.S. person. You do not have to find them on the SDN List first — the freeze applies by status. Because “Government of North Korea” includes state agencies, state-owned companies, and entities they control, this sweeps in a very large number of organizations.

> **KEY COMPLIANCE TAKEAWAY**
> If a person or company is part of, owned by, or controlled by the North Korean government or ruling party, treat it as frozen — even if you cannot find it on any list.

Trade With North Korea Is Broadly Banned

For U.S. persons, North Korea is essentially closed for business. The rules ban, country-wide:

- Imports: bringing any goods, services, or technology from North Korea into the U.S.
- Exports and reexports: sending any goods, services, or technology to North Korea.
- New investment: putting money or assets into North Korea, or lending to it.
- Vessels and aircraft: U.S. persons cannot register, flag, own, lease, operate, or insure North Korean ships; and ships or planes that recently visited North Korea face a 180-day ban on entering the U.S.
- Facilitation: a U.S. person cannot help, finance, or arrange a deal for someone else that the U.S. person could not legally do directly.

A real-world example: a U.S. company cannot sell software to a buyer in North Korea, cannot buy North Korean coal or seafood, and cannot fund a project there — regardless of whether any specific person involved is on a sanctions list.

> **WATCH OUT — "NOBODY IS ON THE LIST" IS NOT A GREEN LIGHT**
> In many sanctions programs, if no one in the deal is on the SDN List, you can usually proceed. North Korea is the opposite. The trade bans apply to the whole country. So a transaction with North Korea can be illegal even when **every named party passes your screening.** Start from "what allows this?", not "is anyone listed?"

Foreign Banks and Companies Can Be Penalized Too (Secondary Sanctions)

The U.S. also pressures the rest of the world. If a foreign bank knowingly handles a "significant" transaction connected to North Korea — or provides significant financial services to certain North Korea-related designated parties — the U.S. can cut off or restrict that bank's U.S.-dollar correspondent account, or even freeze the bank entirely.

There is a catch that surprises people: there is no dollar amount that defines "significant," and there is no safe harbor. OFAC weighs many factors together (size, frequency, the bank's awareness, whether it was structured to hide the link, and more). A single transaction can count. And "knowingly" includes things the bank

should have known — so deliberately not looking is not a defense.

> **WATCH OUT — NO MINIMUM AMOUNT, NO SAFE HARBOR**
> A foreign bank cannot rely on a transaction being "too small to matter," and cannot rely on the absence of a name match. Trade with North Korea is itself a trigger. The practical defenses are real due diligence: tracing who really owns a counterparty, checking the trade and the vessels involved, and verifying the identity and location of remote workers and contractors (North Korea has used disguised IT workers to earn revenue abroad).

> **KEY COMPLIANCE TAKEAWAY**
> A foreign institution does not need a North Korean customer to be exposed — knowingly helping North Korea-linked money or trade move is enough to risk losing U.S. dollar access.

A Common Misunderstanding: UN "Caps" Are Not Permissions

The United Nations sets ceilings (caps) on how much of certain goods — like refined petroleum and crude oil — may be supplied to North Korea each year. People sometimes read a "cap" as an "allowance." It is not, at least not for U.S. persons.

> **WATCH OUT — A UN CAP DOES NOT LET A U.S. PERSON DO IT**
> Imagine a UN resolution that allows up to 500,000 barrels of refined petroleum to be supplied to North Korea in a year. A U.S. company might assume it can supply some of that. It cannot. For a U.S. person, supplying petroleum (or coal, or the other listed commodities) to North Korea is simply prohibited. The UN cap is a worldwide ceiling, and exceeding it is something the U.S. uses to **penalize foreign parties** — it is never a permission slip for a U.S. person.

What This Means for Your Organization

If You Are a U.S. Person or U.S. Company

- Assume you cannot trade with, invest in, or provide services to North Korea unless a specific authorization clearly applies.
- Screen the people and companies you deal with against the SDN List — but go further: look through ownership (the 50% Rule), and treat any North Korean government or party connection as a freeze trigger even without a list match.
- Watch for hidden North Korea links: a counterparty's bank, a vessel's recent ports of call, where goods were really made, or who is actually doing remote/contract work.
- If you think an activity might be allowed (for example, humanitarian or journalistic work), confirm it fits a specific general license in the regulations before proceeding.

If You Are a Non-U.S. Person or Foreign Company (Especially a Bank)

- U.S. dollar transactions usually pass through the U.S. financial system, which brings them under U.S. jurisdiction — so North Korea-linked dollar payments are a direct risk.
- You can face secondary sanctions for knowingly handling significant North Korea-related transactions or services, even with no U.S. touchpoint other than the dollar.
- Do not rely on transaction size or the absence of a name match. Build due diligence around beneficial ownership, trade and shipping, and the United Nations Consolidated List as well as OFAC's lists.

For Everyone

- Document your analysis. If you identify blocked property, freeze it and file the required report with OFAC rather than processing the transaction.
- Remember exports can need two approvals: OFAC and the Commerce Department's Bureau of Industry and Security can both have a say, and one approval does not replace the other.

Where the Rules Come From (the Legal Framework)

You do not need to memorize this, but it helps to know the building blocks, because compliance documents and OFAC notices refer to them constantly.

Emergency powers laws. The program rests on the International Emergency Economic Powers Act (IEEPA) and the National Emergencies Act — the laws that let the President declare an emergency and impose economic sanctions. A related law, the United Nations Participation Act (UNPA), is how the U.S. gives domestic legal force to UN sanctions.

A dedicated statute. The North Korea Sanctions and Policy Enhancement Act of 2016 (NKSPEA), later strengthened by CAATSA (2017) and a 2020 defense law, added *mandatory* sanctions triggers and most of the secondary-sanctions rules.

Executive orders. A series of presidential orders progressively widened the program: E.O. 13551 (2010, first blocking list), E.O. 13570 (2011, import ban), E.O. 13687 (2015, officials and the party), E.O. 13722 (2016, blocks the government and bans most trade/investment), and E.O. 13810 (2017, sectoral blocking and the foreign-bank correspondent-account tool). The earliest order, E.O. 13466 (2008), declared the emergency; E.O. 13382 is the related weapons-proliferation order under which many North Korea parties are also designated.

The regulation. OFAC pulled all of this together into the North Korea Sanctions Regulations, 31 C.F.R. Part 510, which were reissued in full in 2018. That is the document compliance teams actually work from.

The United Nations Connection

Because of the UN Participation Act, U.S. rules carry forward measures from the UN Security Council's North Korea sanctions, run by a body called the 1718 Committee (named after the first resolution). Over the years the UN added layer after layer:

UN Resolution	Year	What it added (in plain terms)
1718	2006	Started the program after the first nuclear test: arms embargo, ban on luxury goods, and freezes/travel bans on designated people.
1874	2009	Tightened the arms embargo and added cargo inspections.
2087 / 2094	2013	Added more designation reasons (including helping evade sanctions) and a "catch-all" for items that aid banned programs.
2270 / 2321	2016	Restricted mineral exports (coal, iron) and aviation fuel; added a coal export cap.
2356 / 2371	2017	Banned coal, iron, and seafood exports; limited the use of North Korean workers abroad.
2375	2017	Banned textile exports; capped refined petroleum; froze crude-oil supply; restricted overseas labor.
2397	2017	Cut the refined-petroleum cap to 500,000 barrels a year; banned more North Korean exports; required North Korean workers abroad to be sent home within 24 months.

WHY THIS MATTERS TO YOU

When the UN designates a person or company, that name is added to OFAC's SDN List, so it shows up in your normal screening. But there is a twist: for parties the UN has designated, the program's usual exemptions (for things like personal communications or informational materials) do **not** apply. So an activity you might treat as exempt for an ordinary blocked party may not be exempt for a UN-designated one. Screen the UN Consolidated List alongside OFAC's lists.

KEY COMPLIANCE TAKEAWAY

The U.S. and UN programs are linked: UN-designated parties become U.S.-blocked parties subject to the 50% Rule, and they lose the ordinary exemptions — so a UN listing deserves extra caution, not less.

Is Anything Allowed? (Licenses and Exemptions)

Yes, but the openings are narrow and mostly humanitarian. The main authorizations built into the regulations cover:

- Humanitarian / NGO work (§ 510.512) — broadened in 2024 to include certain educational and peacebuilding activities.
- Agricultural goods, medicine, and medical devices (§ 510.521).
- Journalism and news bureaus (§ 510.522).
- Noncommercial personal remittances (§ 510.511) — small personal money transfers, not business payments.
- Narrow exemptions for personal communications, informational materials (like books and films), and travel-related costs — but *not* for UN-designated parties, and travel to North Korea is separately restricted by the State Department.

There is no general "you may trade normally" license, and no broad wind-down allowance. If your activity is not clearly covered by one of these, assume it is prohibited and seek advice or a specific license.

To apply for individual permission, use the OFAC License Application Page.

> **KEY COMPLIANCE TAKEAWAY**
> Authorizations exist mainly for humanitarian, medical, journalistic, and personal purposes — ordinary commercial trade with North Korea is not authorized, so do not assume permission by analogy to other sanctions programs.

Official Answers to Common Questions

These plain-language questions track OFAC's published FAQs. The bottom line comes first.

Can a U.S. company do business with companies in North Korea?

Bottom line: No, not without OFAC and/or Commerce authorization. U.S. persons are barred from new investment in North Korea and from exporting or reexporting goods, services, or technology there. (FAQ #460)

What did the main 2016 order (E.O. 13722) actually do?

Bottom line: It froze the North Korean government and ruling party and banned most U.S. trade and investment. It blocks the Government of North Korea and the Workers' Party of Korea, bans U.S.-person exports/reexports of goods, services, and technology to North Korea, and bans new investment — plus it added new designation criteria. (FAQ #456)

If OFAC allows something, do I still need a Commerce Department license to export?

Bottom line: Possibly yes — they are separate. The export ban is enforced by OFAC, but the Commerce Department's Bureau of Industry and Security has its own licensing authority. A transaction can require approval from both. (FAQ #459)

What does the 2017 order (E.O. 13810) add for foreign banks?

Bottom line: It lets the U.S. cut off foreign banks that help North Korea. It gives Treasury tools to disrupt North Korea's weapons funding, including blocking sectors of the economy and restricting or removing a foreign bank's U.S. correspondent account if it handles significant North Korea-related transactions. (FAQ #525)

Is humanitarian work allowed?

Bottom line: Some is, under specific general licenses. A 2024 update modified the NGO general license and added authorizations for certain Commerce-approved exports, agricultural commodities, medicine and medical devices, and journalistic activities. The activity still has to fit within those licenses. (FAQ #1160)

The full set of questions is on the OFAC FAQ page.

Where to Find Official Information

What you need	Where to go
The regulations themselves	31 C.F.R. Part 510 (eCFR)
Program overview and document list	OFAC North Korea program page
Check a name against the lists	OFAC Sanctions List Search
Frequently asked questions	OFAC FAQs
Apply for a license	OFAC License Application Page
United Nations measures and the UN list	UN Security Council 1718 Committee
OFAC, the agency	OFAC home page
State Department (travel and broader policy)	State Department home page

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