

115TH CONGRESS  
1ST SESSION

# S. 1591

To impose sanctions with respect to the Democratic People's Republic of Korea, and for other purposes.

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IN THE SENATE OF THE UNITED STATES

JULY 19, 2017

Mr. VAN HOLLEN (for himself and Mr. TOOMEY) introduced the following bill; which was read twice and referred to the Committee on Banking, Housing, and Urban Affairs

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## A BILL

To impose sanctions with respect to the Democratic People's Republic of Korea, and for other purposes.

1       *Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

3   **SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

4       (a) SHORT TITLE.—This Act may be cited as the  
5   “Banking Restrictions Involving North Korea (BRINK)  
6   Act of 2017”.

7       (b) TABLE OF CONTENTS.—The table of contents for  
8   this Act is as follows:

Sec. 1. Short title; table of contents.

Sec. 2. Findings.

Sec. 3. Definitions.

**TITLE I—FINANCIAL REQUIREMENTS AND SANCTIONS RELATING  
TO TRANSACTIONS INVOLVING NORTH KOREA**

- Sec. 101. Sanctions with respect to financial institutions providing support to the Government of North Korea.
- Sec. 102. Expansion of licensing requirements for transactions in North Korean covered property.
- Sec. 103. Authorization of imposition of sanctions with respect to the provision of specialized financial messaging services to North Korean financial institutions and sanctioned persons.
- Sec. 104. Authorization of imposition of sanctions with respect to governments that fail to comply with United Nations Security Council sanctions against North Korea.
- Sec. 105. Grants to conduct research on financial networks and financial methods of the Government of North Korea.
- Sec. 106. Report on use by the Government of North Korea of beneficial ownership rules to access the international financial system.
- Sec. 107. Sense of Congress on identification and blocking of property of North Korean officials.
- Sec. 108. Sense of Congress regarding the Kaesong Industrial Complex.

**TITLE II—DIVESTMEN T FROM NORTH KOREA**

- Sec. 201. Authority of State and local governments to divest from companies that invest in North Korea.
- Sec. 202. Safe harbor for changes of investment policies by asset managers.
- Sec. 203. Sense of Congress regarding certain ERISA plan investments.
- Sec. 204. Rule of construction.

**TITLE III—GENERAL AUTHORITIES**

- Sec. 301. Rulemaking.
- Sec. 302. Authority to consolidate reports.
- Sec. 303. Rule of construction.

**1 SEC. 2. FINDINGS.**

2 Congress finds the following:

- 3 (1) Since 2006, the United Nations Security
- 4 Council has approved 5 resolutions imposing sanc-
- 5 tions against North Korea under chapter VII of the
- 6 United Nations Charter, which—
- 7 (A) prohibit the use, development, and pro-
- 8 liferation of weapons of mass destruction by the
- 9 Government of North Korea;

1 (B) prohibit the transfer of arms and re-  
2 lated materiel to or by the Government of  
3 North Korea;

4 (C) prohibit the transfer of luxury goods to  
5 North Korea;

6 (D) restrict access by the Government of  
7 North Korea to the financial system and re-  
8 quire due diligence on the part of financial in-  
9 stitutions to prevent the financing of prolifera-  
10 tion involving the Government of North Korea;

11 (E) restrict North Korean shipping, includ-  
12 ing the reflagging of ships owned or controlled  
13 by the Government of North Korea;

14 (F) limit the sale by the Government of  
15 North Korea of precious metals, iron, coal, va-  
16 nadium, and rare earth minerals; and

17 (G) prohibit the transfer to North Korea  
18 of rocket, aviation, or jet fuel.

24 (3) The Federal Bureau of Investigation has  
25 determined that the Government of North Korea

1       was responsible for cyberattacks against the United  
2       States and South Korea.

3                   (4) In February 2016, the Director of National  
4       Intelligence reported that the Government of North  
5       Korea is “committed to developing a long-range, nu-  
6       clear-armed missile that is capable of posing a direct  
7       threat to the United States” and some arms control  
8       experts have estimated that the Government of  
9       North Korea may acquire this capability by 2020.

10                  (5) The Government of North Korea tested its  
11       5th and largest nuclear device on September 9,  
12       2016.

13                  (6) The Government of North Korea has in-  
14       creased the pace of its missile testing, including the  
15       test of a submarine-launched ballistic missile, poten-  
16       tially furthering the development of capability to at-  
17       tack the United States with a nuclear weapon.

18                  (7) Financial transactions and investments that  
19       provide financial resources to the Government of  
20       North Korea, and that fail to incorporate adequate  
21       safeguards against the misuse of those financial re-  
22       sources, pose an undue risk of contributing to—

23                   (A) weapons of mass destruction programs  
24       of that government; and

(B) prohibited imports or exports of arms and related materiel, services, or technology by that government.

## 10 SEC. 3. DEFINITIONS.

11 In this Act:

12 (1) APPLICABLE EXECUTIVE ORDER; APPLICA-  
13 BLE UNITED NATIONS SECURITY COUNCIL RESOLU-  
14 TION; GOVERNMENT OF NORTH KOREA; NORTH  
15 KOREA.—The terms “applicable Executive order”,  
16 “applicable United Nations Security Council resolu-  
17 tion”, “Government of North Korea”, and “North  
18 Korea” have the meanings given those terms in sec-  
19 tion 3 of the North Korea Sanctions and Policy En-  
20 hancement Act of 2016 (22 U.S.C. 9202).

4 (B) the Committee on Financial Services  
5 and the Committee on Foreign Affairs of the  
6 House of Representatives.

12 (4) NORTH KOREAN COVERED PROPERTY.—

13 (A) IN GENERAL.—The term “North Ko-  
14 rean covered property” includes any goods,  
15 services, or technology—

16 (i) that are in North Korea:

20 (iii) in which the Government of  
21 North Korea or a North Korean financial  
22 institution has a significant interest or ex-  
23 ercises significant control; or

1 (iv) in which a designated person has  
2 a significant interest or exercises signifi-  
3 cant control.

4 (B) DESIGNATED PERSON.—In this para-  
5 graph, the term designated person means a per-  
6 son who is designated under—

7 (i) an applicable Executive order;

8 (ii) an applicable United Nations Se-

9 curity Council resolution; or

10 (iii) section 104 of the North Korea

11 Sanctions and Policy Enhancement Act of

12 2016 (22 U.S.C. 9204).

16 (A) any North Korean financial institution,  
17 as defined in section 3 of the North Korea  
18 Sanctions and Policy Enhancement Act of 2016  
19 (22 U.S.C. 9202);

20 (B) any financial agency, as defined in sec-  
21 tion 5312 of title 31, United States Code, that  
22 is owned or controlled by the Government of  
23 North Korea;

24 (C) any money transmitting business, as  
25 defined in section 5330(d) of title 31, United

1 States Code, that is owned or controlled by the  
2 Government of North Korea; and

3 (D) any financial institution that is a joint  
4 venture between any person and the Govern-  
5 ment of North Korea.

6 (6) SECRETARY.—Unless otherwise specified,  
7 the term “Secretary” means the Secretary of the  
8 Treasury.

9 (7) UNITED STATES FINANCIAL INSTITUTION.—  
10 The term “United States financial institution”  
11 means a financial institution that—

12 (A) is a United States person, regardless  
13 of where the person operates; or

14 (B) operates or does business in the  
15 United States, including by conducting wire  
16 transfers through correspondent banks in the  
17 United States.

18 (8) UNITED STATES PERSON.—The term  
19 “United States person” means—

20 (A) a citizen or resident of the United  
21 States or a national of the United States (as  
22 defined in section 101(a) of the Immigration  
23 and Nationality Act (8 U.S.C. 1101(a))); and

24 (B) an entity that is organized under the  
25 laws of the United States or any jurisdiction

1           within the United States, including a foreign  
2           subsidiary of such an entity.

3   **TITLE I—FINANCIAL REQUIRE-**  
4   **MENTS AND SANCTIONS RE-**  
5   **LATING TO TRANSACTIONS**  
6   **INVOLVING NORTH KOREA**

7   **SEC. 101. SANCTIONS WITH RESPECT TO FINANCIAL INSTI-**  
8           **TUTIONS PROVIDING SUPPORT TO THE GOV-**  
9           **ERNMENT OF NORTH KOREA.**

10          (a) REPORT ON NONCOMPLIANT FINANCIAL INSTI-  
11          TUTIONS.—

12           (1) IN GENERAL.—Not later than 60 days after  
13           the date of the enactment of this Act, and every 180  
14           days thereafter, the President shall submit to the  
15           appropriate congressional committees and publish in  
16           the Federal Register a report that contains a list of  
17           any financial institutions that the President has  
18           identified as having engaged in, during the one-year  
19           period preceding the submission of the report, the  
20           following conduct:

21           (A) Dealing in North Korean covered prop-  
22           erty.

23           (B) Providing correspondent or interbank  
24           services to one or more North Korean financial  
25           institutions.

1 (C) Failing to apply enhanced due dili-  
2 gence to prevent North Korean financial insti-  
3 tutions from gaining access to correspondent or  
4 interbank services in the United States or pro-  
5 vided by United States persons.

6 (D) Knowingly operating or participating  
7 with or on behalf of an offshore United States  
8 dollar clearing system that conducts trans-  
9 actions involving the Government of North  
10 Korea or North Korean covered property.

11 (E) Conducting or facilitating one or more  
12 significant transactions in North Korean cov-  
13 ered property involving covered goods (as that  
14 term is defined in section 1027.100 of title 31,  
15 Code of Federal Regulations, or any successor  
16 regulation) or the currency of a country other  
17 than the country in which the person is oper-  
18 ating at the time of the transaction.

22 (b) IMPOSITION OF SANCTIONS.—

23 (1) IN GENERAL.—If the President determines  
24 that a financial institution identified under sub-  
25 section (a) has knowingly engaged in conduct de-

1 scribed in that subsection, the President shall apply  
2 the following sanctions with respect to that financial  
3 institution:

4 (A) Prohibit the designation of the finan-  
5 cial institution, or the continuation of any prior  
6 designation of the financial institution, as a pri-  
7 mary dealer in United States Government debt  
8 instruments.

9 (B) Prohibit the financial institution from  
10 serving as agent of the United States Govern-  
11 ment or as a repository for funds of the United  
12 States Government.

13 (C) One or more of the following:

14 (i) Prohibit the opening, and prohibit  
15 or impose strict conditions on the main-  
16 taining, in the United States of any cor-  
17 respondent account or payable-through ac-  
18 count by the financial institution if the fi-  
19 nancial institution is a foreign financial in-  
20 stitution.

21 (ii) Prohibit any transactions in for-  
22 eign exchange that are subject to the juris-  
23 diction of the United States and in which  
24 the financial institution has any interest.

1 (iii) In accordance with the Inter-  
2 national Emergency Economic Powers Act  
3 (50 U.S.C. 1701 et seq.), block and pro-  
4 hibit all transactions in all property and  
5 interests in property of the financial insti-  
6 tution if such property and interests in  
7 property are in the United States, come  
8 within the United States, or are or come  
9 within the possession or control of a  
10 United States person.

21 (i) unless the financial institution is  
22 described in clause (ii), the President shall  
23 impose a civil penalty not to exceed  
24 \$100,000 for each reportable act described  
25 in subparagraphs (A) through (E) of sub-

1 section (a)(1) that is knowingly conducted;

2 or

14 (c) SUSPENSION FOR LAW ENFORCEMENT PUR-  
15 POSES.—The President may suspend the submission of  
16 the reports described in subsection (a) and the application  
17 of sanctions and penalties described in subsection (b) for  
18 a one-year period if—

19 (1) such reporting and application of sanctions  
20 and penalties could compromise an ongoing law en-  
21 forcement investigation or prosecution; or

1       (d) SUSPENSION AND TERMINATION OF SANCTIONS  
2 AND PENALTIES.—

3               (1) SUSPENSION.—The President may suspend  
4 the application of any sanctions or penalties under  
5 subsection (b) for a period of not more than one  
6 year if the President certifies to the appropriate con-  
7 gressional committees that the Government of North  
8 Korea is taking steps toward—

9                       (A) the verification of its compliance with  
10 applicable United Nations Security Council Res-  
11 olutions; and

12                       (B) fully accounting for and repatriating  
13 United States citizens and permanent residents  
14 (including deceased United States citizens and  
15 permanent residents)—

16                               (i) abducted or unlawfully held captive  
17 by the Government of North Korea; or

18                               (ii) detained in violation of the Agree-  
19 ment Concerning a Military Armistice in  
20 Korea, signed at Panmunjom July 27,  
21 1953 (commonly referred to as the “Ko-  
22 rean War Armistice Agreement”).

23               (2) RENEWAL OF SUSPENSION.—The President  
24 may renew a suspension described in paragraph (1)  
25 for additional periods of not more than 180 days if

1 the President certifies to the appropriate congressional  
2 committees that the Government of North  
3 Korea continues to take steps as described in para-  
4 graph (1).

5 (3) TERMINATION OF SANCTIONS.—Subject to  
6 subsection (f), the President may terminate the ap-  
7 plication of any sanctions or penalties under sub-  
8 section (b) if the President certifies that the Govern-  
9 ment of North Korea has made significant progress  
10 towards—

11 (A) completely, verifiably, and irreversibly  
12 dismantling all of its nuclear, chemical, biologi-  
13 cal, and radiological weapons programs, includ-  
14 ing all programs for the development of systems  
15 designed in whole or in part for the delivery of  
16 such weapons; and

17 (B) fully accounting for and repatriating  
18 United States citizens and permanent residents  
19 (including deceased United States citizens and  
20 permanent residents)—

21 (i) abducted or unlawfully held captive  
22 by the Government of North Korea; or

23 (ii) detained in violation of the Agree-  
24 ment Concerning a Military Armistice in  
25 Korea, signed at Panmunjom July 27,

3 (e) WAIVER.—Subject to subsection (f), the President  
4 may waive the application of sanctions or penalties under  
5 subsection (b) with respect to a financial institution if the  
6 President determines that the waiver is in the national se-  
7 curity interest of the United States.

8 (f) CONGRESSIONAL REVIEW OF PROPOSED ACTIONS

## 9 TO WAIVE OR TERMINATE SANCTIONS.—

10 (1) SUBMISSION TO CONGRESS OF PROPOSED  
11 ACTION.—

12 (A) IN GENERAL.—Notwithstanding any  
13 other provision of law, before taking any action  
14 described in subparagraph (B), the President  
15 shall submit to the appropriate congressional  
16 committees and leadership a report that de-  
17 scribes the proposed action and the reasons for  
18 that action.

19 (B) ACTIONS DESCRIBED.—An action de-  
20 scribed in this subparagraph is—

21 (i) an action to suspend, renew a sus-  
22 pension, or terminate under subsection (d)  
23 the application of sanctions or penalties  
24 under subsection (b); or

1 (ii) with respect to sanctions or pen-  
2 alties under subsection (b) imposed by the  
3 President with respect to a person, an ac-  
4 tion to waive under subsection (e) the ap-  
5 plication of those sanctions or penalties  
6 with respect to that person.

12 (i) is not intended to significantly  
13 alter United States foreign policy with re-  
14 gard to North Korea; or

15 (ii) is intended to significantly alter  
16 United States foreign policy with regard to  
17 North Korea.

18 (D) INCLUSION OF ADDITIONAL MAT-  
19 TER.—

20 (i) IN GENERAL.—Each report sub-  
21 mitted under subparagraph (A) that re-  
22 lates to an action that is intended to sig-  
23 nificantly alter United States foreign policy  
24 with regard to North Korea shall include a  
25 description of—

(I) the significant alteration to United States foreign policy with regard to North Korea;

(II) the anticipated effect of the action on the national security interests of the United States; and

(III) the policy objectives for which the sanctions affected by the action were initially imposed.

10 (ii) REQUESTS FROM BANKING AND  
11 FINANCIAL SERVICES COMMITTEES.—The  
12 Committee on Banking, Housing, and  
13 Urban Affairs of the Senate or the Com-  
14 mittee on Financial Services of the House  
15 of Representatives may request the sub-  
16 mission to the Committee of the matter de-  
17 scribed in subclauses (II) and (III) of  
18 clause (i) with respect to a report sub-  
19 mitted under subparagraph (A) that re-  
20 lates to an action that is not intended to  
21 significantly alter United States foreign  
22 policy with regard to North Korea.

23 (2) PERIOD FOR REVIEW BY CONGRESS.—

24 (A) IN GENERAL.—During the period of  
25 30 calendar days beginning on the date on

which the President submits a report under paragraph (1)(A)—

3 (i) in the case of a report that relates  
4 to an action that is not intended to signifi-  
5 cantly alter United States foreign policy  
6 with regard to North Korea, the Com-  
7 mittee on Banking, Housing, and Urban  
8 Affairs of the Senate and the Committee  
9 on Financial Services of the House of Rep-  
10 resentatives should, as appropriate, hold  
11 hearings and briefings and otherwise ob-  
12 tain information in order to fully review  
13 the report; and

14 (ii) in the case of a report that relates  
15 to an action that is intended to signifi-  
16 cantly alter United States foreign policy  
17 with regard to North Korea, the Com-  
18 mittee on Foreign Relations of the Senate  
19 and the Committee on Foreign Affairs of  
20 the House of Representatives should, as  
21 appropriate, hold hearings and briefings  
22 and otherwise obtain information in order  
23 to fully review the report.

24 (B) EXCEPTION.—The period for congressional review under subparagraph (A) of a re-

1 port required to be submitted under paragraph  
2 (1)(A) shall be 60 calendar days if the report  
3 is submitted on or after July 10 and on or be-  
4 fore September 7 in any calendar year.

5 (C) LIMITATION ON ACTIONS DURING INI-  
6 TIAL CONGRESSIONAL REVIEW PERIOD.—Not-  
7 withstanding any other provision of law, during  
8 the period for congressional review provided for  
9 under subparagraph (A) of a report submitted  
10 under paragraph (1)(A) proposing an action de-  
11 scribed in paragraph (1)(B), including any ad-  
12 dditional period for such review as applicable  
13 under the exception provided in subparagraph  
14 (B), the President may not take that action un-  
15 less a joint resolution of approval with respect  
16 to that action is enacted in accordance with  
17 paragraph (3).

18 (D) LIMITATION ON ACTIONS DURING  
19 PRESIDENTIAL CONSIDERATION OF A JOINT  
20 RESOLUTION OF DISAPPROVAL.—Notwith-  
21 standing any other provision of law, if a joint  
22 resolution of disapproval relating to a report  
23 submitted under paragraph (1)(A) proposing an  
24 action described in paragraph (1)(B) passes  
25 both Houses of Congress in accordance with

1           paragraph (3), the President may not take that  
2           action for a period of 12 calendar days after the  
3           date of passage of the joint resolution of dis-  
4           approval.

5           (E) LIMITATION ON ACTIONS DURING CON-  
6           GRESSIONAL RECONSIDERATION OF A JOINT  
7           RESOLUTION OF DISAPPROVAL.—Notwith-  
8           standing any other provision of law, if a joint  
9           resolution of disapproval relating to a report  
10           submitted under paragraph (1)(A) proposing an  
11           action described in paragraph (1)(B) passes  
12           both Houses of Congress in accordance with  
13           paragraph (3), and the President vetoes the  
14           joint resolution, the President may not take  
15           that action for a period of 10 calendar days  
16           after the date of the President’s veto.

17           (F) EFFECT OF ENACTMENT OF A JOINT  
18           RESOLUTION OF DISAPPROVAL.—Notwith-  
19           standing any other provision of law, if a joint  
20           resolution of disapproval relating to a report  
21           submitted under paragraph (1)(A) proposing an  
22           action described in paragraph (1)(B) is enacted  
23           in accordance with paragraph (3), the President  
24           may not take that action.

3 (A) JOINT RESOLUTIONS OF DISAPPROVAL  
4 OR APPROVAL DEFINED.—In this paragraph:

5 (i) JOINT RESOLUTION OF AP-  
6 PROVAL.—The term “joint resolution of  
7 approval” means only a joint resolution of  
8 either House of Congress—

9 (I) the title of which is as fol-  
10 lows: “A joint resolution approving  
11 the President’s proposal to take an  
12 action relating to the application of  
13 certain sanctions with respect to  
14 North Korea.”; and

15 (II) the sole matter after the re-  
16 solving clause of which is the fol-  
17 lowing: “Congress approves of the ac-  
18 tion relating to the application of  
19 sanctions imposed with respect to  
20 North Korea proposed by the Presi-  
21 dent in the report submitted to Con-  
22 gress under section 101(f)(1)(A) of  
23 the Banking Restrictions Involving  
24 North Korea (BRINK) Act of 2017  
25 on \_\_\_\_\_ relating to

1 \_\_\_\_\_.”, with the first  
2 blank space being filled with the ap-  
3 propriate date and the second blank  
4 space being filled with a short descrip-  
5 tion of the proposed action.

6 (ii) JOINT RESOLUTION OF DIS-  
7 APPROVAL.—The term “joint resolution of  
8 disapproval” means only a joint resolution  
9 of either House of Congress—

10 (I) the title of which is as fol-  
11 lows: “A joint resolution disapproving  
12 the President’s proposal to take an  
13 action relating to the application of  
14 certain sanctions with respect to  
15 North Korea.”; and

16 (II) the sole matter after the re-  
17 solving clause of which is the fol-  
18 lowing: “Congress disapproves of the  
19 action relating to the application of  
20 sanctions imposed with respect to  
21 North Korea proposed by the Presi-  
22 dent in the report submitted to Con-  
23 gress under section 101(f)(1)(A) of  
24 the Banking Restrictions Involving  
25 North Korea (BRINK) Act of 2017

1 on \_\_\_\_\_ relating to  
2 \_\_\_\_\_.”, with the first  
3 blank space being filled with the ap-  
4 propriate date and the second blank  
5 space being filled with a short descrip-  
6 tion of the proposed action.

7 (B) INTRODUCTION.—During the period of  
8 30 calendar days provided for under paragraph  
9 (2)(A), including any additional period as appli-  
10 cable under the exception provided in paragraph  
11 (2)(B), a joint resolution of approval or joint  
12 resolution of disapproval may be introduced—

13 (i) in the House of Representatives,  
14 by the majority leader or the minority  
15 leader; and

16 (ii) in the Senate, by the majority  
17 leader (or the majority leader's designee)  
18 or the minority leader (or the minority  
19 leader's designee).

20 (C) FLOOR CONSIDERATION IN HOUSE OF  
21 REPRESENTATIVES.—

22 (i) REPORTING AND DISCHARGE.—If  
23 a committee of the House of Representa-  
24 tives to which a joint resolution of approval  
25 or joint resolution of disapproval has been

1 referred has not reported the joint resolu-  
2 tion within 10 calendar days after the date  
3 of referral, that committee shall be dis-  
4 charged from further consideration of the  
5 joint resolution.

6 (ii) PROCEEDING TO CONSIDER-  
7 ATION.—Beginning on the third legislative  
8 day after each committee to which a joint  
9 resolution of approval or joint resolution of  
10 disapproval has been referred reports the  
11 joint resolution to the House or has been  
12 discharged from further consideration of  
13 the joint resolution, it shall be in order to  
14 move to proceed to consider the joint reso-  
15 lution in the House. All points of order  
16 against the motion are waived. Such a mo-  
17 tion shall not be in order after the House  
18 has disposed of a motion to proceed on the  
19 joint resolution. The previous question  
20 shall be considered as ordered on the mo-  
21 tion to its adoption without intervening  
22 motion. The motion shall not be debatable.  
23 A motion to reconsider the vote by which  
24 the motion is disposed of shall not be in  
25 order.

(iii) CONSIDERATION.—The joint reso-

lution of approval or joint resolution of dis-  
approval shall be considered as read. All  
points of order against the joint resolution  
and against its consideration are waived.  
The previous question shall be considered  
as ordered on the joint resolution to final  
passage without intervening motion except  
2 hours of debate equally divided and con-  
trolled by the sponsor of the joint resolu-  
tion (or a designee) and an opponent. A  
motion to reconsider the vote on passage of  
the joint resolution shall not be in order.

(D) CONSIDERATION IN THE SENATE.—

(i) COMMITTEE REFERRAL.—A joint resolution of approval or joint resolution of disapproval introduced in the Senate shall be—

(I) referred to the Committee on Banking, Housing, and Urban Affairs if the joint resolution relates to a report submitted under paragraph (1)(A) with respect to an action that is not intended to significantly alter

3 (II) referred to the Committee on  
4 Foreign Relations if the joint resolu-  
5 tion relates to a report submitted  
6 under paragraph (1)(A) with respect  
7 to an action that is intended to sig-  
8 nificantly alter United States foreign  
9 policy with respect to North Korea.

20 (iii) PROCEEDING TO CONSIDER-  
21 ATION.—Notwithstanding Rule XXII of  
22 the Standing Rules of the Senate, it is in  
23 order at any time after the Committee on  
24 Banking, Housing, and Urban Affairs or  
25 the Committee on Foreign Relations, as

the case may be, reports a joint resolution of approval or joint resolution of disapproval to the Senate or has been discharged from consideration of such a joint resolution (even though a previous motion to the same effect has been disagreed to) to move to proceed to the consideration of the joint resolution, and all points of order against the joint resolution (and against consideration of the joint resolution) are waived. The motion to proceed is not debatable. The motion is not subject to a motion to postpone. A motion to reconsider the vote by which the motion is agreed to or disagreed to shall not be in order.

16 (iv) RULINGS OF THE CHAIR ON PRO-  
17 CEDURE.—Appeals from the decisions of  
18 the Chair relating to the application of the  
19 rules of the Senate, as the case may be, to  
20 the procedure relating to a joint resolution  
21 of approval or joint resolution of dis-  
22 approval shall be decided without debate.

23 (v) CONSIDERATION OF VETO MES-  
24 SAGES.—Debate in the Senate of any veto  
25 message with respect to a joint resolution

1 of approval or joint resolution of dis-  
2 approval, including all debatable motions  
3 and appeals in connection with the joint  
4 resolution, shall be limited to 10 hours, to  
5 be equally divided between, and controlled  
6 by, the majority leader and the minority  
7 leader or their designees.

10 (i) COORDINATION WITH ACTION BY  
11 OTHER HOUSE.—If, before the passage by  
12 one House of a joint resolution of approval  
13 or joint resolution of disapproval of that  
14 House, that House receives an identical  
15 joint resolution from the other House, the  
16 following procedures shall apply:

17 (I) The joint resolution of the  
18 other House shall not be referred to a  
19 committee

20 (II) With respect to the joint res-  
21 olution of the House receiving the  
22 joint resolution from the other  
23 House—

24 (aa) the procedure in that  
25 House shall be the same as if no

1 joint resolution had been received  
2 from the other House; but  
3 (bb) the vote on passage  
4 shall be on the joint resolution of  
5 the other House.

6 (ii) TREATMENT OF A JOINT RESOLU-  
7 TION OF OTHER HOUSE.—If one House  
8 fails to introduce a joint resolution of ap-  
9 proval or joint resolution of disapproval, a  
10 joint resolution of approval or joint resolu-  
11 tion of disapproval of the other House  
12 shall be entitled to expedited procedures in  
13 that House under this subsection.

14 (iii) TREATMENT OF HOUSE JOINT  
15 RESOLUTION IN SENATE.—If, following  
16 passage of a joint resolution of approval or  
17 joint resolution of disapproval in the Sen-  
18 ate, the Senate receives an identical joint  
19 resolution from the House of Representa-  
20 tives, that joint resolution shall be placed  
21 on the appropriate Senate calendar.

22 (iv) APPLICATION TO REVENUE MEAS-  
23 URES.—The provisions of this subparagraph  
24 shall not apply in the House of Rep-  
25 resentatives to a joint resolution of ap-

3 (F) RULES OF HOUSE OF REPRESENTA-  
4 TIVES AND SENATE.—This paragraph is en-  
5 acted by Congress—

6 (i) as an exercise of the rulemaking  
7 power of the Senate and the House of Rep-  
8 resentatives, respectively, and as such is  
9 deemed a part of the rules of each House,  
0 respectively, but applicable only with re-  
1 spect to the procedure to be followed in  
2 that House in the case of a joint resolution  
3 of approval or joint resolution of dis-  
4 approval, and supersedes other rules only  
5 to the extent that it is inconsistent with  
6 such rules; and

23 (g) BRIEFING REQUIRED.—Not later than 180 days  
24 after the date of the enactment of this Act, and every 180  
25 days thereafter, the President shall brief the appropriate

1 congressional committees on the status of efforts by the  
2 President to prevent conduct described in subparagraphs  
3 (A) through (E) of subsection (a)(1).

4 (h) RULE OF CONSTRUCTION.—Nothing in this sec-  
5 tion shall be construed to prohibit any person from, or  
6 authorize or require the imposition of sanctions with re-  
7 spect to any person for, conducting or facilitating any  
8 transaction for the sale or donation of agricultural com-  
9 modities, food, medicine, or medical devices.

10 (i) APPROPRIATE CONGRESSIONAL COMMITTEES AND  
11 LEADERSHIP DEFINED.—In this section, the term “ap-  
12 propriate congressional committees and leadership”  
13 means—

14 (1) the Committee on Banking, Housing, and  
15 Urban Affairs, the Committee on Foreign Relations,  
16 and the majority and minority leaders of the Senate;  
17 and

18 (2) the Committee on Financial Services, the  
19 Committee on Foreign Affairs, and the Speaker, the  
20 majority leader, and the minority leader of the  
21 House of Representatives.

22 **SEC. 102. EXPANSION OF LICENSING REQUIREMENTS FOR**  
23 **TRANSACTIONS IN NORTH KOREAN COVERED**  
24 **PROPERTY.**

25 (a) LICENSE REQUIRED.—

9 (2) EXCEPTION.—

10 (A) IN GENERAL.—Except as provided in  
11 subparagraph (B), the Secretary may grant li-  
12 censes and permits for the following purposes:

13 (i) For any purpose covered by an ex-  
14 emption or waiver under section 208 of the  
15 North Korea Sanctions and Policy En-  
16 hancement Act of 2016 (22 U.S.C. 9228),  
17 including humanitarian, diplomatic, con-  
18 sular, law enforcement, and other pur-  
19 poses.

20 (ii) To import food products into  
21 North Korea if such food products are not  
22 defined as luxury goods.

23 (iii) To meet an urgent and compel-  
24 ling humanitarian need.

1 (iv) For activities to promote human  
2 rights in North Korea, the development of  
3 private agriculture and markets in North  
4 Korea, and the free flow of information to,  
5 from, and within North Korea.

6 (v) To import agricultural products,  
7 medicine, or medical devices into North  
8 Korea if such products, medicine, or de-  
9 vices are classified as designated “EAR  
10 99” under subchapter C of chapter VII of  
11 title 15, Code of Federal Regulations, or  
12 any successor regulations (commonly  
13 known as the “Export Administration Reg-  
14 ulations”), and not controlled under—

15 (I) the Export Administration  
16 Act of 1979 (50 U.S.C. App. 2401 et  
17 seq.), as continued in effect under the  
18 International Emergency Economic  
19 Powers Act (50 U.S.C. 1701 et seq.);

20 (II) the Arms Export Control Act  
21 (22 U.S.C. 2751 et seq.);

22 (III) part B of title VIII of the  
23 Nuclear Proliferation Prevention Act  
24 of 1994 (22 U.S.C. 6301 et seq.); or

1 (IV) the Chemical and Biological  
2 Weapons Control and Warfare Elimi-  
3 nation Act of 1991 (22 U.S.C. 5601  
4 et seq.).

5 (B) EXCEPTION.—The Secretary may not  
6 grant a license or permit under subparagraph  
7 (A) for an activity described in section 104(a)  
8 of the North Korea Sanctions and Policy En-  
9 hancement Act of 2016 (22 U.S.C. 9214(a)).

## 10 (b) PENALTIES.—

11 (1) IN GENERAL.—A person shall be fined not  
12 more than \$5,000,000, imprisoned for not more  
13 than 20 years, or both, if the person knowingly—

14 (A) engages in a transaction described in  
15 subsection (a)(1), except pursuant to a license  
16 or permit granted under this section or regula-  
17 tions prescribed pursuant to this section; or

18 (B) evades a requirement to obtain a li-  
19 cense or permit under this section or a regula-  
20 tions prescribed pursuant to this section.

1       a transaction, is subject to forfeiture to the United  
2       States.

3       (c) REPORT REQUIRED.—

4           (1) IN GENERAL.—Not later than 180 days  
5       after the date of the enactment of this Act, and an-  
6       nually thereafter, the President shall submit to the  
7       appropriate congressional committees a report listing  
8       any licenses or permits granted under subsection  
9       (a).

10          (2) FORM.—Each report required under para-  
11       graph (1) shall be submitted in unclassified form but  
12       may include a classified annex.

13          (3) PUBLIC AVAILABILITY.—Not later than 30  
14       days after the submission of a report under para-  
15       graph (1), the Secretary of the Treasury and the  
16       Secretary of State shall each publish the unclassified  
17       part of the report on a publicly available Internet  
18       website of the Department of the Treasury and the  
19       Department of State, as the case may be.

20          (d) TERMINATION OF REQUIREMENTS.—The Presi-  
21       dent may terminate the prohibition on transactions de-  
22       scribed in subsection (a) and the imposition of penalties  
23       under subsection (b) if the President submits to the appro-  
24       priate congressional committees the certification described

1 in section 402 of the North Korea Sanctions and Policy  
2 Enhancement Act of 2016 (22 U.S.C. 9252).

3 (e) MODIFICATION OF DEFINITION OF SPECIFIED  
4 UNLAWFUL ACTIVITY FOR MONEY LAUNDERING PUR-  
5 POSES.—Section 1956(c)(7)(D) of title 18, United States  
6 Code, is amended—

7 (1) by striking “or section 104(a) of” and in-  
8 serting “section 104(a) of”; and

9 (2) by inserting before the semicolon at the end  
10 the following: “, or section 102(b) of the Banking  
11 Restrictions Involving North Korea (BRINK) Act of  
12 2017 (relating to transactions in certain North Ko-  
13 rean property)”.

14 **SEC. 103. AUTHORIZATION OF IMPOSITION OF SANCTIONS**  
15 **WITH RESPECT TO THE PROVISION OF SPE-**  
16 **CIALIZED FINANCIAL MESSAGING SERVICES**  
17 **TO NORTH KOREAN FINANCIAL INSTITU-**  
18 **TIONS AND SANCTIONED PERSONS.**

19 (a) SENSE OF CONGRESS.—It is the sense of Con-  
20 gress that—

21 (1) providers of specialized financial messaging  
22 services have been used as a critical link between the  
23 Government of North Korea and the international fi-  
24 nancial system;

6 (3) credible published reports have implicated  
7 the Government of North Korea in stealing approxi-  
8 mately \$81,000,000 from the Bangladesh Bank and  
9 attempting to steal another \$951,000,000 from  
10 other banks using a financial messaging service; and

17 (b) AUTHORIZATION OF IMPOSITION OF SANCTIONS.—The President may impose sanctions pursuant to  
18 the International Emergency Economic Powers Act (50  
19 U.S.C. 1701 et seq.) with respect to a person if, on or  
20 after the date that is 90 days after the date of the enact-  
21 ment of this Act, the person knowingly and directly pro-  
22 vides specialized financial messaging services to, or know-  
23 ingly enables or facilitates direct or indirect access to such  
24 messaging services for—  
25

12 (c) ENABLING OR FACILITATING ACCESS TO SPE-  
13 CIALIZED FINANCIAL MESSAGING SERVICES.—For pur-  
14 poses of this section, enabling or facilitating direct or indi-  
15 rect access to specialized financial messaging services to  
16 a person described in paragraph (1) or (2) of subsection  
17 (b) includes doing so by serving as an intermediary finan-  
18 cial institution with access to such messaging services.

19 (d) SUSPENSION AND TERMINATION OF SANCTIONS.—  
20

1       mittees that the Government of North Korea is tak-  
2       ing steps toward—

6 (B) fully accounting for and repatriating  
7 United States citizens and permanent residents  
8 (including deceased United States citizens and  
9 permanent residents)—

10 (i) abducted or unlawfully held captive  
11 by the Government of North Korea; or

1 under subsection (b) if the President certifies that  
2 the Government of North Korea has made signifi-  
3 cant progress towards—

10 (B) fully accounting for and repatriating  
11 United States citizens and permanent residents  
12 (including deceased United States citizens and  
13 permanent residents)—

14 (i) abducted or unlawfully held captive  
15 by the Government of North Korea; or  
16 (ii) detained in violation of the Agree-  
17 ment Concerning a Military Armistice in  
18 Korea, signed at Panmunjom July 27,  
19 1953 (commonly referred to as the “Ko-  
20 rean War Armistice Agreement”).

1   **SEC. 104. AUTHORIZATION OF IMPOSITION OF SANCTIONS**  
2                   **WITH RESPECT TO GOVERNMENTS THAT FAIL**  
3                   **TO COMPLY WITH UNITED NATIONS SECU-**  
4                   **RITY COUNCIL SANCTIONS AGAINST NORTH**  
5                   **KOREA.**

6       (a) **BRIEFING REQUIRED.**—Not later than 90 days  
7    after the date of the enactment of this Act, the President  
8    shall brief the appropriate congressional committees re-  
9    garding each government of a foreign country that the  
10   President has identified as failing to—  
11                   (1) close the branches, subsidiaries, or rep-  
12   resentative offices of North Korean financial institu-  
13   tions in that country;  
14                   (2) expel representatives of North Korean fi-  
15   nancial institutions;  
16                   (3) close the representative offices and expel the  
17   representatives of persons designated under applica-  
18   ble United Nations Security Council resolutions;  
19                   (4) prohibit joint ventures with North Korean  
20   financial institutions;  
21                   (5) deregister any vessel that constitutes North  
22   Korean covered property; or  
23                   (6) expel North Korean nationals, including  
24   diplomats, working on behalf of persons designated  
25   under applicable United Nations Security Council  
26   resolutions.

1       (b) PUBLICATION.—The Secretary of the Treasury  
2 shall publish in the Federal Register the names of each  
3 foreign country that has failed to carry out the activities  
4 described in paragraphs (1) through (6) of subsection (a).

5       (c) SANCTIONS AUTHORIZED.—With respect to any  
6 government of a foreign country included in the briefing  
7 under subsection (a), the President may, until such time  
8 as the President determines that the government has  
9 taken substantial steps to terminate conduct described in  
10 that subsection, impose one or more of the following sanc-  
11 tions with respect to that government:

12           (1) Prohibit or curtail the export of any goods  
13 or technology to that foreign country pursuant to  
14 the authorities provided in section 6 of the Export  
15 Administration Act of 1979 (50 U.S.C. 4605) (as  
16 continued in effect pursuant to the International  
17 Emergency Economic Powers Act (50 U.S.C. 1701  
18 et seq.)).

19           (2) Withhold assistance under the Foreign As-  
20 sistance Act of 1961 (22 U.S.C. 2151 et seq.) to  
21 that government.

22           (3) Instruct the United States executive direc-  
23 tor at each international financial institution (as de-  
24 fined in section 1701(c) of the International Finan-  
25 cial Institutions Act (22 U.S.C. 262r(c))) to use the

1 voice and vote of the United States to oppose the  
2 provision of loans, benefits, or other use of the funds  
3 of the institution to that government.

4 (d) RULE OF CONSTRUCTION.—This section shall not  
5 be construed to limit the use of other sanctions authorities  
6 available to the President in response to conduct described  
7 in subsection (a).

8 **SEC. 105. GRANTS TO CONDUCT RESEARCH ON FINANCIAL**  
9 **NETWORKS AND FINANCIAL METHODS OF**  
10 **THE GOVERNMENT OF NORTH KOREA.**

11 (a) GRANTS AUTHORIZED.—

12 (1) IN GENERAL.—The President, acting  
13 through the Attorney General, the Secretary of  
14 State, the Secretary of the Treasury, or the Director  
15 of National Intelligence, may award grants to, and  
16 enter into cooperative agreements with, States, units  
17 of local government, nongovernmental organizations,  
18 and relevant international organizations to further  
19 the purposes of this title and provide data to address  
20 the issues identified in section 2.

21 (2) RESEARCH INITIATIVES.—Grants awarded  
22 and cooperative agreements entered into under para-  
23 graph (1) shall include grants and agreements for  
24 the purpose of conducting research initiatives on the  
25 following:

5 (B) The relationship between proliferation  
6 by the Government of North Korea and the fi-  
7 nancial industry or financial institutions.

8 (C) The export by any person to the  
9 United States of North Korean covered prop-  
10 erty.

11 (D) The involvement of any person in  
12 human trafficking involving citizens or nation-  
13 als of North Korea.

14 (E) Information relating to transactions  
15 described in section 102(a).

16 (F) Information relating to activities de-  
17 scribed in section 104(a).

18 (G) Information relating to the identifica-  
19 tion, blocking, and release of property or pro-  
20 ceeds described in section 107(a).

21 (H) The effectiveness of law enforcement  
22 and diplomatic initiatives of Federal, State, and  
23 foreign governments to comply with the provi-  
24 sions of applicable United Nations Security  
25 Council resolutions.

1 (I) The effectiveness of compliance pro-  
2 grams within the financial industry to ensure  
3 compliance with applicable United Nations Se-  
4 curity Council resolutions.

5 (b) INTERAGENCY COORDINATION.—The President  
6 shall ensure that any information collected pursuant to  
7 subsection (a) is shared among the agencies involved in  
8 investigations described in section 102(b) of the North  
9 Korea Sanctions and Policy Enhancement Act of 2016 (22  
10 U.S.C. 9212).

11 (c) AUTHORIZATION OF APPROPRIATIONS.—There is  
12 authorized to be appropriated for each of fiscal years 2018  
13 through 2021 such sums as may be necessary to carry  
14 out this section.

15 SEC. 106. REPORT ON USE BY THE GOVERNMENT OF  
16 NORTH KOREA OF BENEFICIAL OWNERSHIP  
17 RULES TO ACCESS THE INTERNATIONAL FI-  
18 NANCIAL SYSTEM.

19 (a) IN GENERAL.—Not later than November 11,  
20 2018, the Director of the Financial Crimes Enforcement  
21 Network of the Department of the Treasury shall submit  
22 to the appropriate congressional committees and publish  
23 in the Federal Register a report setting forth the findings  
24 of the Director regarding how the Government of North

1 Korea is using laws regarding beneficial ownership of  
2 property to access the international financial system.

3 (b) ELEMENTS.—The Director shall include in the re-  
4 port required under subsection (a) proposals for such leg-  
5 islative and administrative action as the Director considers  
6 appropriate.

7 **SEC. 107. SENSE OF CONGRESS ON IDENTIFICATION AND**  
8 **BLOCKING OF PROPERTY OF NORTH KOREAN**  
9 **OFFICIALS.**

10 (a) IN GENERAL.—It is the sense of Congress that  
11 the President should collaborate with the Stolen Asset Re-  
12 covery Initiative of the World Bank Group and the United  
13 Nations Office on Drugs and Crime to prioritize the iden-  
14 tification, blocking, and release for humanitarian purposes  
15 of—

16 (1) any property owned or controlled by a  
17 North Korean official; or

18 (2) any significant proceeds of kleptocracy by  
19 the Government of North Korea or a North Korean  
20 official.

21 (b) NORTH KOREAN OFFICIAL DEFINED.—In this  
22 section, the term “North Korean official” includes—

23 (1) the individuals described in section  
24 304(a)(2)(B) of the North Korea Sanctions and Pol-

1 icy Enhancement Act of 2016 (22 U.S.C.  
2 9243(a)(2)(B)); and

6 SEC. 108. SENSE OF CONGRESS REGARDING THE KAESONG  
7 INDUSTRIAL COMPLEX.

8 (a) FINDINGS.—Congress finds the following:

1       tions, orders, or directives that may be issued pursuant  
2       to that Executive order.

3                   (3) In April 2013, the Under Secretary of the  
4       Treasury for Terrorism and Financial Intelligence  
5       said, in reference to the Kaesong Industrial Complex,  
6       “Precisely what North Koreans do with earnings  
7       from Kaesong, I think, is something that we  
8       are concerned about.”.

9                   (4) In February 2016, on announcing the sus-  
10      pension of operations at the Kaesong Industrial  
11      Complex, the Unification Ministry of the Republic of  
12      Korea stated that the Government of North Korea  
13      may have used the proceeds from the Kaesong In-  
14      dustrial Complex to finance its nuclear weapons pro-  
15      gram.

16                   (5) On November 30, 2016, the United States  
17      Security Council approved Resolution 2321, para-  
18      graph 32 of which requires member states of the  
19      United Nations to prohibit public and private finan-  
20      cial support for trade with North Korea from within  
21      their territories or by persons subject to their juris-  
22      diction, including the granting of export credits,  
23      guarantees, or insurance to persons involved in such  
24      trade, except as approved in advance by a committee

1 appointed by the Security Council on a case-by-case  
2 basis.

3 (b) SENSE OF CONGRESS.—It is the sense of Con-  
4 gress that—

5 (1) the United States stands in solidarity with  
6 its ally in the Republic of Korea, and has expressed  
7 that solidarity with the sacrifice of 36,914 people of  
8 the United States and with the continued presence  
9 of 29,500 members of the Armed Forces of the  
10 United States in the Republic of Korea;

11 (2) the nuclear weapons program of North  
12 Korea poses a grave and imminent threat to the  
13 freedom and security of both the United States and  
14 the Republic of Korea;

15 (3) the Kaesong Industrial Complex yielded  
16 few, if any, apparent benefits with regard to the re-  
17 form, liberalization, or disarmament of North Korea;

18 (4) the unconditional provision of revenue from  
19 the Kaesong Industrial Complex to the Government  
20 of North Korea undermines the financial pressure  
21 necessary to strict and effective enforcement of  
22 United Nations Security Council sanctions;

23 (5) the strict and effective enforcement of  
24 United Nations Security Council sanctions is the last  
25 plausible option to achieve the complete, verifiable,

1 irreversible, and peaceful nuclear disarmament of  
2 North Korea; and

3 (6) the Kaesong Industrial Complex should not  
4 be reopened until the Government of North Korea  
5 has completely, verifiably, and irreversibly disman-  
6 tled all of its nuclear, chemical, biological, and radio-  
7 logical weapons programs, including all programs for  
8 the development of systems designed in whole or in  
9 part for the delivery of such weapons.

10 **TITLE II—DIVESTMENt FROM**  
11 **NORTH KOREA**

12 **SEC. 201. AUTHORITY OF STATE AND LOCAL GOVERN-  
13 MENTS TO DIVESTMENt FROM COMPANIES THAT  
14 INVEST IN NORTH KOREA.**

15 (a) SENSE OF CONGRESS.—It is the sense of Con-  
16 gress that the United States should support the decision  
17 of any State or local government, for moral, prudential,  
18 or reputational reasons, to divest from, or prohibit the in-  
19 vestment of assets of the State or local government in,  
20 a person that engages in investment activities involving  
21 North Korean covered property if North Korea is subject  
22 to economic sanctions imposed by the United States or  
23 the United Nations Security Council.

24 (b) AUTHORITY To DIVESTMENt.—Notwithstanding any  
25 other provision of law, a State or local government may

1 adopt and enforce measures that meet the requirements  
2 of subsection (c) to divest the assets of the State or local  
3 government from, or prohibit investment of the assets of  
4 the State or local government in, any person that the  
5 State or local government determines, using credible infor-  
6 mation available to the public, engages in investment ac-  
7 tivities involving North Korean covered property of a value  
8 of more than \$10,000.

9 (c) REQUIREMENTS.—Any measure taken by a State  
10 or local government under subsection (b) shall meet the  
11 following requirements:

12 (1) NOTICE.—The State or local government  
13 shall provide written notice to each person with re-  
14 spect to which a measure under this section is to be  
15 applied.

16 (2) TIMING.—The measure applied under this  
17 section shall apply to a person not earlier than the  
18 date that is 90 days after the date on which written  
19 notice under paragraph (1) is provided to the per-  
20 son.

21 (3) OPPORTUNITY TO DEMONSTRATE COMPLI-  
22 ANCE.—

23 (A) IN GENERAL.—The State or local gov-  
24 ernment shall provide to each person with re-  
25 spect to which a measure is to be applied under

1       this section an opportunity to demonstrate to  
2       the State or local government that the person  
3       does not engage in investment activities in  
4       North Korean covered property.

5               (B) NONAPPLICATION.—If a person with  
6       respect to which a measure is to be applied  
7       under this section demonstrates to the State or  
8       local government under subparagraph (A) that  
9       the person does not engage in investment activi-  
10       ties in North Korean covered property, the  
11       measure shall not apply to that person.

12               (4) SENSE OF CONGRESS ON AVOIDING ERRO-  
13       NEOUS TARGETING.—It is the sense of Congress  
14       that a State or local government should not adopt  
15       a measure under subsection (b) with respect to a  
16       person unless the State or local government has—

17                       (A) made every effort to avoid erroneously  
18       targeting the person; and

19                       (B) verified that the person engages in in-  
20       vestment activities in North Korean covered  
21       property.

22               (d) NOTICE TO DEPARTMENT OF JUSTICE.—Not  
23       later than 30 days after a State or local government ap-  
24       plies a measure under this section, the State or local gov-

1 ernment shall notify the Attorney General of that meas-  
2 ure.

3 (e) AUTHORIZATION FOR PRIOR APPLIED MEAS-  
4 URES.—

5 (1) IN GENERAL.—Notwithstanding any other  
6 provision of this section or any other provision of  
7 law, a State or local government may enforce a  
8 measure (without regard to the requirements of sub-  
9 section (c), except as provided in paragraph (2)) ap-  
10 plied by the State or local government before the  
11 date of the enactment of this Act that provides for  
12 the divestment of assets of the State or local govern-  
13 ment from, or prohibits the investment of the assets  
14 of the State or local government in, any person that  
15 the State or local government determines, using  
16 credible information available to the public, engages  
17 in investment activities in North Korean covered  
18 property that are identified in that measure.

19 (2) APPLICATION OF NOTICE REQUIRE-  
20 MENTS.—A measure described in paragraph (1)  
21 shall be subject to the requirements of paragraphs  
22 (1), (2), and (3)(A) of subsection (c) on and after  
23 the date that is two years after the date of the en-  
24 actment of this Act.

1       (f) NO PREEMPTION.—A measure applied by a State  
2 or local government authorized under subsection (b) or (e)  
3 is not preempted by any Federal law.

4       (g) DEFINITIONS.—In this section:

5           (1) ASSET.—

6               (A) IN GENERAL.—Except as provided in  
7 subparagraph (B), the term “asset” means  
8 public monies, and includes any pension, retire-  
9 ment, annuity, endowment fund, or similar in-  
10 strument, that is controlled by a State or local  
11 government.

12               (B) EXCEPTION.—The term “asset” does  
13 not include employee benefit plans covered by  
14 title I of the Employee Retirement Income Se-  
15 curity Act of 1974 (29 U.S.C. 1001 et seq.).

16           (2) INVESTMENT.—The term “investment” in-  
17 cludes—

18               (A) a commitment or contribution of funds  
19 or property;

20               (B) a loan or other extension of credit; and  
21               (C) the entry into or renewal of a contract  
22 for goods or services.

23           (h) EFFECTIVE DATE.—

24               (1) IN GENERAL.—Except as provided in para-  
25 graph (2) and subsection (e), this section applies to

1 measures applied by a State or local government be-  
2 fore, on, or after the date of the enactment of this  
3 Act.

4 (2) NOTICE REQUIREMENTS.—Except as pro-  
5 vided in subsection (h), subsections (c) and (d) apply  
6 to measures applied by a State or local government  
7 on or after the date of the enactment of this Act.

8 **SEC. 202. SAFE HARBOR FOR CHANGES OF INVESTMENT**

9 **POLICIES BY ASSET MANAGERS.**

10 (a) IN GENERAL.—Section 13(c)(1) of the Invest-  
11 ment Company Act of 1940 (15 U.S.C. 80a-13(c)(1)) is  
12 amended—

13 (1) in subparagraph (A) by striking “or” at the  
14 end;

15 (2) in subparagraph (B) by striking the period  
16 and inserting “; or”; and

17 (3) by adding at the end the following:

18 “(C) engage in investment activities involv-  
19 ing North Korean covered property, as defined  
20 in section 3 of the Banking Restrictions Involv-  
21 ing North Korea (BRINK) Act of 2017.”.

22 (b) SECURITIES AND EXCHANGE COMMISSION REGU-  
23 LATIONS.—Not later than 120 days after the date of the  
24 enactment of this Act, the Securities and Exchange Com-  
25 mission shall issue any revisions the Securities and Ex-

1 change Commission determines to be necessary to the reg-  
2 ulations requiring disclosure by each registered investment  
3 company that divests itself of securities in accordance with  
4 section 13(c) of the Investment Company Act of 1940 (15  
5 U.S.C. 80a-13(c)), including in accordance with para-  
6 graph (1)(C) of that section, as added by subsection  
7 (a)(3).

8 **SEC. 203. SENSE OF CONGRESS REGARDING CERTAIN**  
9 **ERISA PLAN INVESTMENTS.**

10 It is the sense of Congress that—

11 (1) a fiduciary of an employee benefit plan, as  
12 defined in section 3(3) of the Employee Retirement  
13 Income Security Act of 1974 (29 U.S.C. 1002(3)),  
14 may divest plan assets from, or avoid investing plan  
15 assets in, any person the fiduciary determines en-  
16 gages in investment activities involving North Ko-  
17 rean covered property, if—

18 (A) the fiduciary makes that determination  
19 using credible information that is available to  
20 the public; and

21 (B) the fiduciary prudently determines  
22 that the result of that divestment or avoidance  
23 of investment would not be expected to provide  
24 the employee benefit plan with—

1 (i) a lower rate of return than alter-  
2 native investments with commensurate de-  
3 grees of risk; or  
4 (ii) a higher degree of risk than alter-  
5 native investments with commensurate  
6 rates of return; and  
7 (2) by divesting assets or avoiding the invest-  
8 ment of assets as described in paragraph (1), the fi-  
9 duciary is not breaching the responsibilities, obliga-  
10 tions, or duties imposed upon the fiduciary by sub-  
11 paragraph (A) or (B) of section 404(a)(1) of the  
12 Employee Retirement Income Security Act of 1974  
13 (29 U.S.C. 1104(a)(1)).

## 14 SEC. 204. RULE OF CONSTRUCTION.

Nothing in this Act or any other provision of law authorizing sanctions with respect to North Korea shall be construed to affect or displace—

22 (2) the regulation and taxation by the several  
23 States of the business of insurance, pursuant to the  
24 Act of March 9, 1945 (59 Stat. 34, chapter 20; 15

1 U.S.C. 1011 et seq.) (commonly known as the  
2 “McCarran-Ferguson Act”).

## 3                   **TITLE III—GENERAL**

## 4                   **AUTHORITIES**

## 5 SEC. 301. RULEMAKING.

6        The President may prescribe such rules and regula-  
7        tions as may be necessary to carry out this Act.

## 8 SEC. 302. AUTHORITY TO CONSOLIDATE REPORTS.

9 (a) IN GENERAL.—Any and all reports required to  
10 be submitted to the appropriate congressional committees  
11 under this Act that are subject to a deadline for submis-  
12 sion consisting of the same unit of time may be consoli-  
13 dated into a single report that is submitted pursuant to  
14 that deadline.

15 (b) CONTENTS.—Any reports consolidated under sub-  
16 section (a) shall contain all information required under  
17 this Act and any other elements that may be required by  
18 existing law.

## 19 SEC. 303. RULE OF CONSTRUCTION.

20 Nothing in this Act shall be construed to limit the  
21 authority or obligation of the President—

22 (1) to apply the sanctions described in section  
23 104 of the North Korea Sanctions and Policy En-  
24 hancement Act of 2016 (22 U.S.C. 9214) with re-

- 1       gard to persons that meet the criteria for designation under such section; or
- 2
- 3       (2) to exercise any other law enforcement authorities available to the President.
- 4

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