

FATF



FATF GUIDANCE

# The Implementation of Financial Provisions of United Nations Security Council Resolutions to Counter the Proliferation of Weapons of Mass Destruction

June 2013



FINANCIAL ACTION TASK FORCE

The Financial Action Task Force (FATF) is an independent inter-governmental body that develops and promotes policies to protect the global financial system against money laundering, terrorist financing and the financing of proliferation of weapons of mass destruction. The FATF Recommendations are recognised as the global anti-money laundering (AML) and counter-terrorist financing (CFT) standard.

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## ACRONYMS

<b>ABFP</b>	Activity-Based Financial Prohibition
<b>AML/CFT</b>	Anti-Money Laundering and Countering the Financing of Terrorism
<b>DNFBP</b>	Designated Non-Financial Businesses and Profession
<b>DPRK</b>	Democratic People's Republic of Korea
<b>GAPP</b>	General Anti-Proliferation Provision
<b>IRISL</b>	Islamic Republic of Iran Shipping Lines
<b>IRGC</b>	Islamic Revolutionary Guard Corps
<b>OFP</b>	Other Financial Provision
<b>OP</b>	Operative Paragraph
<b>TFS</b>	Targeted Financial Sanction
<b>UN</b>	United Nations
<b>UNSCR</b>	United Nations Security Council Resolution
<b>VM</b>	Vigilance Measure
<b>WMD</b>	Weapons of Mass Destruction

# THE IMPLEMENTATION OF FINANCIAL PROVISIONS OF UNSCRS TO COUNTER THE PROLIFERATION OF WEAPONS OF MASS DESTRUCTION

## I. INTRODUCTION

### OBJECTIVES

1. This guidance is intended to:

- (a) consolidate and update the following guidance papers previously issued by the FATF: (i) *The Implementation of Financial Provisions of United Nations (UN) Security Council Resolutions* (UNSCRs, or resolutions) *to counter the Proliferation of Weapons of Mass Destruction* (June 2007); (ii) *The Implementation of Activity-Based Financial Prohibitions of UNSCR 1737* (October 2007); and (iii) *The Implementation of Financial Provisions of UNSCR 1803* (October 2008);
- (b) assist countries<sup>1</sup> in implementing the targeted financial sanctions relating to the prevention of weapons of mass destruction (WMD) proliferation which are contained in the relevant UNSCRs, and required by FATF Recommendation 7 and its Interpretive Note (see Section II). Further guidance for implementing targeted financial sanctions against a designated financial institution is also provided (see **Annex A**);
- (c) assist countries in implementing the activity-based financial prohibitions contained in UNSCRs relating to the prevention of WMD proliferation (see Section III);
- (d) assist countries in implementing the vigilance measures contained in UNSCRs which relate to exercising vigilance over the activities of financial institutions and others which could contribute to WMD proliferation (see Section IV);
- (e) assist countries in implementing the other financial provisions contained in UNSCRs relating to the prevention of WMD proliferation (see Section V); and
- (f) provide an overview of all of the financial provisions contained in UNSCRs relating to the prevention of WMD proliferation – resolutions 1540(2004), 1718(2006), 1737(2006), 1747(2007), 1803(2008), 1874(2009), 1929(2010), 2087(2013) and 2094(2013) (see **Annex B** and **Annex C**).

2. It should be stressed that this guidance is without prejudice to other existing guidance or work in this area.<sup>2</sup>

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<sup>1</sup> All references to *country* or *countries* apply equally to territories or jurisdictions.

<sup>2</sup> The FATF's work includes the *Proliferation Financing Report* (June 2008) and the *Combating Proliferation Financing: A Status Report on Policy Development and Consultation* (February 2010) (available at [www.fatf-gafi.org](http://www.fatf-gafi.org)).

3. In considering this guidance, countries should ensure that financial institutions comply with existing legal requirements that implement the *FATF Recommendations*, in particular: Recommendation 10 concerning customer due diligence; Recommendation 13 concerning correspondent banking; Recommendation 16 concerning wire transfers; Recommendation 18 concerning internal controls; and Recommendation 7 concerning targeted financial sanctions pursuant to UNSCRs 1718(2006), 1737(2006), 1747(2007), 1803(2008), 1874(2009), 1929(2010), 2087(2013) and 2094(2013).

4. This guidance is not intended to replace other measures or obligations that may already be in place for dealing with funds or other assets, or items or technology relating to the proliferation of WMD. It is also not intended to extend the scope of the relevant financial provisions contained in UNSCRs listed in paragraph 1(f) above, and which are reproduced in their entirety in **Annex B**.

5. This guidance is not binding, and therefore compliance with it is not assessed in the FATF mutual evaluation or assessment process.

## II. TARGETED FINANCIAL SANCTIONS

6. The sanctions regimes imposed by the UN Security Council include implementation of targeted financial sanctions against persons or entities engaged in or providing support for the proliferation-sensitive activities and programmes of the DPRK (Democratic People's Republic of Korea) and Iran,<sup>3</sup> as set out in: Operative Paragraph (OP) 8(d) of resolution 1718(2006), OP 7 of resolution 1874(2009)<sup>4</sup>, OP 5(a) of resolution 2087(2013)<sup>5</sup> and OP 8 of resolution 2094(2013)<sup>6</sup> relating to the DPRK; and OP 12 of resolution 1737(2006), OP 4 of resolution 1747(2007), OP 7 of resolution 1803(2008), and OP 11, OP 12<sup>7</sup> and OP 19 of resolution 1929(2010) relating to Iran.

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<sup>3</sup> A consolidated list of designated persons and entities under resolution 1718(2006) and its successor resolutions (on the DPRK) and a list of those under 1737(2006) and its successor resolutions (on Iran) can be found at the website of the United Nations 1718 Committee (<http://www.un.org/sc/committees/1718/>) and 1737 Committee (<http://www.un.org/sc/committees/1737/consolist.shtml>), respectively.

<sup>4</sup> OP 7 of resolution 1874(2009) calls upon Member States to implement their obligations pursuant to resolution 1718(2006), including with respect to designations made by the 1718 Committee (i.e. targeted financial sanctions).

<sup>5</sup> OP 5(a) of resolution 2087(2013) extends application of OP 8(d) of resolution 1718(2006) to the individuals and entities listed in Annex I and II of resolution 2087(2013).

<sup>6</sup> OP 8 of resolution 2094(2013) extends application of OP 8(d) of resolution 1718(2006) to the individuals and entities listed in Annex I and II of resolution 2094(2013) and to any individuals or entities acting on their behalf or at their direction, and to entities owned or controlled by them, including through illicit means.

<sup>7</sup> OP 12 of resolution 1929(2010) addresses both targeted financial sanctions and vigilance over transactions involving the IRGC (the Islamic Revolutionary Guard Corps) that could contribute to Iran's proliferation-sensitive nuclear activities or the development of nuclear weapon delivery systems.

7. FATF Recommendation 7<sup>8</sup> requires countries to implement targeted financial sanctions to comply with the UNSCRs relating to the prevention, suppression and disruption of proliferation of WMD and its financing. The Interpretive Note to Recommendation 7 sets out specific requirements concerning the implementation of targeted financial sanctions, including in relation to: designations; freezing and prohibiting dealing in funds or other assets of designated persons and entities; de-listing, unfreezing and providing access to frozen funds or other assets; and the UN designation criteria. The additional material here is useful for countries to consider in establishing an effective targeted financial sanctions regime, but there are no additional obligations contained in this guidance paper that will be evaluated during the FATF mutual evaluation or assessment process.

8. For resolution 1718(2006) and its successor resolutions (on DPRK), the 1718 Committee and the UN Security Council are the authorities that are responsible for designating the persons and entities subject to the asset freezing measures and to whom unlicensed funds, or other assets and economic resources shall not be made available. According to resolution 1718(2006), all UN Member States should have the authorities and capabilities to implement these asset freezing measures, and ensure that any funds or other assets and economic resources are prevented from being made available to such persons and entities designated by the 1718 Committee or the UN Security Council, as well as those acting on their behalf or at their direction.

9. For resolution 1737(2006) and its successor resolutions (on Iran), the 1737 Committee and the UN Security Council are the authorities responsible for designating persons and entities subject to the asset freezing measures and to whom unlicensed funds or other assets shall not be made available.<sup>9</sup> According to resolution 1737(2006), all UN Member States should have the authorities and capabilities to implement these asset freezing measures, and ensure that any funds or other assets and economic resources are prevented from being made available to such designated persons and entities, as well as those acting on their behalf or at their direction, or those owned or controlled by them.<sup>10</sup>

## IDENTIFYING AND DESIGNATING PERSONS OR ENTITIES FINANCING OR SUPPORTING WMD PROLIFERATION

10. In order to comply with and fulfil the preventive intent of the relevant UNSCRs, it is necessary for countries to be in a position to identify any related suspicious activity and for UN Member States

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<sup>8</sup> Recommendation 7 is applicable to all current and future successor resolutions to resolution 1718(2006) relating to the DPRK. At the time of issuance of this guidance paper (June 2013), the successor resolutions to resolution 1718(2006) are: resolution 1874(2009), resolution 2087(2013), and resolution 2094(2013). Recommendation 7 is also applicable to all current and future successor resolutions to resolution 1737(2006) relating to Iran. At the time of issuance of this guidance paper (June 2013), the successor resolutions to resolution 1737(2006) are: resolution 1747(2007), resolution 1803(2008), and resolution 1929(2010).

<sup>9</sup> The persons and entities to which the measures in OP 12 of resolution 1737(2006) apply have been expanded under OP 4 of resolution 1747(2007), OP 7 of resolution 1803(2008), and OP 11, 12, and 19 of resolutions 1929(2010) (see Annex B).

<sup>10</sup> When the UN Security Council acts under Chapter VII of the UN Charter, Member States are obligated to carry out its decision. (see Article 25 of the UN Charter).

to propose additional persons and entities, as appropriate, to the relevant UN Committees for designation. There is no specific obligation upon UN Member States to submit proposals for designations to the relevant Security Council Committees. However, in practice, the Committees primarily depend upon requests for designation by Member States. Resolutions 1718 (2006) and 1737(2006) provide that the relevant Committees shall promulgate guidelines as may be necessary to facilitate the implementation of the measures imposed by these resolutions.

11. Countries should have appropriate legal authorities and procedures, and should consider establishing or identifying a competent authority or authorities, to solicit and consider information from all relevant sources to identify, and to collect as much identifier information as possible about persons and entities that, based on reasonable grounds, or a reasonable basis to suspect or believe, meet the criteria for designation as set out in section E of the Interpretive Note to Recommendation 7.

### **FREEZING AND PROHIBITING DEALING IN FUNDS OR OTHER ASSETS OF DESIGNATED PERSONS AND ENTITIES**

12. Paragraph 5 of the Interpretive Note to Recommendation 7 addresses the obligation of countries to implement targeted financial sanctions without delay against designated persons and entities when the relevant UN Committees are acting under the authority of Chapter VII of the Charter of the UN. Where a bank or other financial institution is designated for purposes of applying financial sanctions, countries should undertake a number of additional measures and safeguards in order to: (i) ensure that sanctions are implemented effectively and robustly; (ii) prevent any prohibited payments; (iii) preserve the rights of innocent third parties; and (iv) co-operate internationally with other competent authorities within their legal framework. Countries may also want to consider measures to prevent asset flight. Further guidance regarding such additional measures and safeguards, particularly in the context of implementing targeted financial sanctions against a designated financial institution, is provided in **Annex A**.

### **POST-FREEZING REPORTING AND INVESTIGATION**

13. Paragraph 6(d) of the Interpretive Note to Recommendation 7 states that countries should require financial institutions and designated non-financial businesses and professions to report to competent authorities any assets frozen or actions taken in compliance with the prohibition requirements of the relevant UNSCRs, including attempted transactions, and ensure that such information is effectively utilized by competent authorities. As an example, countries may facilitate their implementation of this requirement by:

- (a) developing procedures, within their legal framework, to ensure that competent authorities receive, share, and act on information gathered from the private sector related to the freezing of funds or other assets, including sharing such information internationally to the extent appropriate; and
- (b) providing, to the extent appropriate, general feedback to and developing a dialogue with financial institutions indicating how financial information relating to the reporting of frozen



funds or other assets is generally being used to support actions against WMD proliferation financing.

### PROVIDING ACCESS TO FROZEN FUNDS OR OTHER ASSETS

14. Where countries have determined that the exemption conditions set out in resolution 1718(2006) and resolution 1737(2006) are met, countries should authorise access to funds or other assets in accordance with the procedures set out therein, and pursuant to paragraph 9 of the Interpretive Note to Recommendation 7. Where the funds or other assets are owned or held by a designated financial institution, countries should undertake a number of additional measures and safeguards to ensure that only permitted payments are made. **Annex A** to this guidance provides further guidance regarding such additional measures and safeguards.

### III. ACTIVITY-BASED FINANCIAL PROHIBITIONS

15. The sanctions regimes imposed by the UN Security Council oblige or encourage countries to implement activity-based financial prohibitions to prevent the provision of financial services, financial resources or financial assistance to the DPRK or Iran related to the supply, sale, transfer, manufacture, maintenance, or use of the items, materials, equipment, goods and technology prohibited by the relevant resolutions, as set out in: OP 9, 10 and 18 of resolution 1874(2009)<sup>11</sup>, OP 5(b) of resolution 2087(2013), and OP 7, 11, 14 and 20 of resolution 2094 (2013) (for DPRK)<sup>12</sup>; and OP 6 of resolution 1737(2006), and OP 8, 13 and 21 of resolution 1929(2010) (for Iran).<sup>13 14</sup>

16. Countries should take appropriate steps to ensure that their financial institutions and designated non-financial businesses and professions (DNFBPs) are aware of their obligations regarding the activity-based financial prohibitions in the above UNSCRs.

<sup>11</sup> Resolution 1874(2009) was made by the Security Council acting under the authority of Chapter VII of the Charter of the United Nations. A precursor resolution is resolution 1695(2006) which was made by the Security Council "Acting under its special responsibility for the maintenance of international peace and security", but which makes no reference to Chapter VII. Part of OP 9 and 10 of resolution 1874(2009) is referring to financial provisions.

<sup>12</sup> OP 8(a)(i), (ii) and (iii) of resolution 1718(2006) reference prohibited items. The following OPs prohibit "services" which can include prohibitions on providing financial services. OP 8(c) of 1718 prohibits transfers to the DPRK of services or assistance relating to the prohibited items. OP 5(b) of resolution 2087(2013) extends the items to which the measures in OP 8(a), 8(b) and 8(c) of resolution 1718(2006) apply. Measures in OP 8(a) and 8(b) of 1718 apply to financial transactions, services and assistance as provided by OP 10 and 9 of resolution 1874(2009), respectively. OP 7 of resolution 2094(2013) extends the items to which the measures in OP 8(c) of 1718 apply. OP 20 of resolution 2094 extends the items to which the measures in OP 8(a) and 8(b) of resolution 1718 apply.

<sup>13</sup> OP 6 of resolution 1747(2007), OP 22 of resolution 1929(2010) and OP 24 of resolution 2094(2013) are not activity-based financial prohibitions, but also relevant (see footnotes 16, 17 and 18). These provisions are referred to as vigilance measures in Section IV of this guidance and are included in this section as possible determinants of risk. OP 12 of resolution 2087(2013) and OP 14 of resolution 2094(2013) may also be relevant as determinants of risk.

<sup>14</sup> Part of OP 8 and 13 of resolution 1929(2010) is referring to financial provisions.

## GENERAL PRINCIPLES

17. In applying the guidance in this section, countries should consider the following general principles:

- (a) Countries should implement this guidance according to their legal framework.
- (b) Countries' efforts to implement activity-based financial prohibitions should complement, rather than duplicate, export control regimes or other existing WMD counter-proliferation controls.
- (c) Guidance in this section is not intended to expand the scope of prohibitions set forth in the relevant paragraphs of UNSCRs listed in paragraph 15 above.
- (d) As described below, financial institutions can comply with activity-based financial prohibitions by identifying high-risk customers and transactions, applying enhanced scrutiny to such customers and transactions, and taking appropriate follow-up action to promote compliance with UN Security Council measures listed in paragraph 15 above.
- (e) Activity-based financial prohibitions may be implemented or complied with through the adaptation or expansion of existing financial mechanisms, controls or prohibitions, such as those with respect to certain items, materials, equipment, goods and technology, including those controlled for military or proliferation reasons.
- (f) The identification of high-risk customers and/or transactions presents challenges for countries and financial institutions. Accordingly, as described in paragraphs 18 to 20 below, competent authorities should consider sharing with financial institutions information relating to risks associated with provisions described in paragraph 15 above to assist in identifying high-risk customers and transactions. Such information sharing should be subject to national legal authorities, including confidentiality requirements of international export control regimes, as well as appropriate investigative and intelligence gathering sensitivities of law enforcement and WMD counter-proliferation authorities.
- (g) As described in paragraphs 18 to 20 below, financial institutions should generally manage and mitigate their risk of exposure to activity-based financial prohibitions by considering the following information in identifying high-risk customers and transactions:
  - (i) relevant information provided by competent authorities;
  - (ii) existing customer and transactional information currently collected by financial institutions, including through their customer due diligence programs and existing AML/CFT (Anti-money laundering and countering the financing of terrorism) obligations; and
  - (iii) determinants of risk specifically associated with the UN Security Council resolutions listed above in paragraph 15.
- (h) As described in paragraphs 21 to 23 below, financial institutions should consider undertaking reasonable efforts to collect additional information related to identified high-risk customers and transactions and subject such high-risk customers and transactions to ongoing monitoring.

- (i) A financial institution's ability to identify and mitigate risks associated with high-risk customers and transactions will depend in part on the nature of any particular transaction and the role of the financial institution in that transaction.

## IDENTIFICATION OF HIGH-RISK CUSTOMERS AND TRANSACTIONS

18. Countries should encourage financial institutions to apply a risk-based approach to identify high-risk customers and transactions. Recognizing that information currently available to financial institutions may be insufficient to identify high-risk customers and transactions, competent authorities should work within their legal framework to provide additional relevant information to financial institutions, where appropriate and in accordance with applicable data protection laws. Examples of relevant information could include:

- (a) Names of specific entities and individuals of proliferation concern and end users of particular concern regarding items, materials, equipment, goods and technology prohibited under resolutions 1874(2009), 2087(2013) and 2094(2013) (relating to the DPRK), and resolutions 1737(2006) and 1929(2010) (relating to Iran), including lists provided by national export control authorities, where applicable;
- (b) Available typologies of proliferation finance;<sup>15</sup>
- (c) Available red flags of financial activity related to proliferation finance;
- (d) Lists and/or characteristics of persons who have been granted or denied export licenses and associated transactional details (*e.g.* type of goods involved, export routes, methods of financing, and the rationale for denial); and
- (e) Information relating to the diversion of items, materials, equipment, goods and technology prohibited under resolution 1874(2009), 2087(2013) and 2094(2013) (relating to the DPRK), and resolutions 1737(2006) and 1929(2010) (relating to Iran).

19. In addition to relevant information provided by competent authorities, countries should encourage financial institutions to consider and rely upon existing customer and transactional information that they currently collect, including through their customer due diligence programs and existing AML/CFT obligations, to identify high-risk customers and transactions. Countries should encourage financial institutions to consider among others the following determinants of risk specifically associated with resolution 1874(2009), 2087(2013) and 2094(2013) (relating to the DPRK), and resolutions 1737(2006) and 1929(2010) (relating to Iran), to assist in identifying high-risk customers and transactions:

- (a) customers and transactions associated with the DPRK<sup>16</sup> and Iran<sup>17</sup>;

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<sup>15</sup> See the FATF *Proliferation Financing Report* (June 2008) and the *Combating Proliferation Financing: A Status Report on Policy Development and Consultation* (February 2010), the latter of which was built on the former (available at: [www.fatf-gafi.org](http://www.fatf-gafi.org)).

- (b) vehicles that particularly could be used to finance activity-based financial prohibitions, such as certain trade financing products and services;
- (c) customers involved with and/or transactions related to items, materials, equipment, goods and technology prohibited under resolutions 1874(2009), 2087(2013) and 2094(2013) (relating to the DPRK), and resolutions 1737(2006) and 1929(2010) (relating to Iran); and<sup>18</sup>
- (d) Significant withdrawals or deposits of cash that could potentially be used to evade DPRK-related sanctions and activity based financial prohibitions.<sup>19</sup>

20. Countries should also encourage their financial institutions to be aware of risks associated with the use of their correspondent relationships or similar banking relationships to provide financial services or products on behalf of high-risk customers or to otherwise engage in high-risk transactions.

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<sup>16</sup> In encouraging financial institutions to consider customers associated with the DPRK as high risk for purposes of implementing activity-based financial prohibitions, countries should also consider OP 24 of resolution 2094(2013) calling for enhanced vigilance over DPRK diplomatic personnel.

<sup>17</sup> In encouraging financial institutions to consider customers associated with Iran as high risk for purposes of implementing activity-based financial prohibitions, countries should also consider the requirements to exercise vigilance under OP 22 of resolution 1929(2010) with respect to certain Iranian entities. Specifically, OP 22 of 1929(2010) requires countries “to exercise vigilance when doing business with entities incorporated in Iran or subject to Iran’s jurisdiction, including those of the IRGC and IRISL, and any individuals or entities acting on their behalf or at their direction, and entities owned or controlled by them, including through illicit means, if they have reasonable ground to believe that such activities could contribute to Iran’s proliferation-sensitive activities or the development of nuclear weapon delivery systems or to violations of resolutions 1737(2006), 1747(2007), 1803(2008), or [1929(2010)]”.

<sup>18</sup> In encouraging financial institutions to consider transactions as high risk for purposes of implementing activity-based financial prohibitions, countries should consider the vigilance measures under OP 6 of 1747(2007) with respect to certain specified items. Specifically, OP 6 of resolution 1747(2007) calls upon “all States to exercise vigilance and restraint in the supply, sale or transfer directly or indirectly from their territories or by their nationals or using their flag vessels or aircraft of any battle tanks, armoured combat vehicles, large calibre artillery systems, combat aircraft, attack helicopters, warships, missiles or missile systems as defined for the purpose of the United Nations Register on Conventional Arms to Iran, and in the provision to Iran of any technical assistance or training, financial assistance, investment, brokering or other services, and the transfer of financial resources or services, related to the supply, sale, transfer, manufacture or use of such items in order to prevent a destabilizing accumulation of arms”.

<sup>19</sup> OP 12 of resolution 2087(2013) “Deplores the violations of the measures imposed in 1718(2006) and 1874(2009), including the use of bulk cash to evade sanctions”. OP 14 of resolution 2094(2013) “Expresses concern that transfer to the DPRK of bulk cash may be used to evade the measures imposed in resolutions 1718(2006), 1874(2009), 2087(2013), or [2094(2013)], and clarifies that all States shall apply the measures set forth in paragraph 11 of [2094(2013)] to the transfers of cash, including through cash couriers, transiting to and from the DPRK so as to ensure such transfers of bulk cash do not contribute to the DPRK’s nuclear or ballistic missile programmes, or other activities prohibited by resolutions 1718(2006), 1874(2009), 2087(2013), or [2094(2013)], or to the evasion of measures imposed by resolutions 1718(2006), 1874(2009), 2087(2013), or [2094(2013)]”.

## ENHANCED SCRUTINY OF HIGH-RISK CUSTOMERS AND TRANSACTIONS

21. Countries should encourage financial institutions to use a risk-based approach to apply enhanced scrutiny to high-risk customers and transactions to determine whether a transaction is prohibited. Such enhanced scrutiny may include the collection of additional information as described in paragraph 22 below, as well as ongoing monitoring as described in paragraph 23 below. If a financial institution has a reasonable basis to suspect or believe that a high-risk customer is involved with and/or a transaction is related to an activity-based financial prohibition, then the financial institution should take appropriate follow-up action as described in paragraphs 24 through 27 below. Enhanced monitoring should be consistent with OP 21 of resolution 1929(2010), OP 18 of resolution 1874(2009), and OP 11 of resolution 2094(2013) that call upon countries to apply “enhanced monitoring to prevent all such transactions [described above] in accordance with their national authorities and legislation”.<sup>20</sup>

22. Countries should encourage their financial institutions to collect additional information on high-risk customers and transactions in order to identify, and avoid engaging in, prohibited activities, and to enable follow-up actions. The ability of a financial institution to collect such additional information may depend in part on whether the financial institution has a direct relationship with the customer, the mechanisms or instruments being used to finance the transaction,<sup>21</sup> and the financial institution’s role in the financial transaction. Depending on these factors, a financial institution may or may not have access to additional information that may be useful in determining whether a high-risk customer is involved with and/or a transaction is related to an activity-based financial prohibition. Such additional information may include:

- (a) details about the nature, end use or end user of the item;
- (b) export control information, such as copies of export-control or other licenses issued by the national export control authorities, and end-user certification;
- (c) in the case of a financial institution handling incoming wire transfers, information in accordance with Recommendation 16 (Wire transfers); and
- (d) the purpose of the transaction.

23. Financial institutions should conduct on-going monitoring of high-risk customer account activity. Such monitoring should be conducted in accordance with the financial institution’s

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<sup>20</sup> OP 6 of resolution 2087(2013) “Recalls paragraph 18 of resolution 1874(2009), and calls upon Member States to exercise enhanced vigilance in this regard, including monitoring the activities of their nationals, persons in their territories, financial institutions, and other entities organized under their laws (including branches abroad) with or on behalf of financial institutions in the DPRK, or of those that act on behalf or at the direction of DPRK financial institutions, including their branches, representatives, agents and subsidiaries abroad”.

<sup>21</sup> Examples of mechanisms or instruments that could be used to finance activity-based financial prohibitions may include letters of credit, documentary collections, open accounts, loans and lines of credit, and wire transfers.

assessment of risk associated with the account. Such monitoring should also ensure that the activity in the account is consistent with the documentation associated with the transactions in the account.

### FOLLOW-UP ACTIONS

24. Countries should encourage financial institutions that either identify or cannot resolve concerns regarding high-risk customers and/or transactions to consider consulting with relevant competent authorities, as permitted by existing legal authorities.<sup>22</sup> Financial institutions may also consider additional steps, such as terminating the relationship with the relevant customer or account; suspending the relevant transaction, pending further investigation. OP 18 of resolution 1874(2009), OP 21 of resolution 1929(2010) and OP 11 of 2094(2013) also mention that countries are obliged to freeze such financial or other assets or resources, that are associated with the DPRK's nuclear-related, ballistic missile-related, or other weapons of mass destruction-related programs or activities (for resolutions 1874 and 2094), and that are related to Iran's proliferation-sensitive nuclear activities or the development of nuclear weapon delivery systems (for resolution 1929), respectively.<sup>23</sup>

25. Countries should continue to study measures to facilitate the effective implementation of the activity-based financial prohibitions, with a view to facilitating a harmonised and workable approach for financial institutions to prevent engaging in financial activities prohibited under activity-based financial prohibitions.

26. Information provided by financial institutions relating to potential activity-based financial prohibitions should be shared internally with relevant counter-proliferation authorities, as appropriate and subject to countries' existing legal frameworks. Information exchange related to WMD proliferation financing among competent national authorities is further expounded upon in the *FATF Best Practices Paper on Recommendation 2: Sharing among domestic competent authorities information related to the financing of proliferation*.

27. Countries should also share such information with counterparts from relevant countries, as appropriate. Countries should establish controls and safeguards to ensure that any information exchanged by competent authorities is used only in an authorised manner, consistent with their obligations concerning privacy and data protection.

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<sup>22</sup> This provision regarding consultation should not be interpreted as requiring financial institutions to file suspicious activity reports. Relevant competent authorities may include law enforcement or other counter-proliferation authorities, identified as appropriate and as permitted by the relevant country.

<sup>23</sup> See OP 18 of resolution 1874(2009), OP 11 of resolution 2094(2013), and OP 21 of resolution 1929(2010) in Annex B.

#### IV. VIGILANCE MEASURES

28. OP 10 of resolution 1803(2008) calls upon “all States to exercise vigilance over the activities of financial institutions in their territories with all banks domiciled in Iran, in particular with Bank Melli and Bank Saderat, and their branches and subsidiaries abroad, in order to avoid such activities contributing to the proliferation sensitive nuclear activities, or to the development of nuclear weapon delivery systems, as referred to in resolution 1737(2006)”. Preambular paragraph 16 of 1929(2010) recalls “the need to exercise vigilance over transactions involving Iranian banks, including the Central Bank of Iran, so as to prevent such transactions contributing to proliferation-sensitive nuclear activities, or to the development of nuclear weapon delivery systems”.

29. OP 22 of resolution 1929(2010) the Security Council decides that “all States shall require their nationals, persons subject to their jurisdiction and firms incorporated in their territory or subject to their jurisdiction to exercise vigilance when doing business with entities incorporated in Iran or subject to Iran’s jurisdiction, including those of the IRGC and IRISL (Islamic Republic of Iran Shipping Lines), and any individuals or entities acting on their behalf or at their direction, and entities owned or controlled by them, including through illicit means, if they have information that provides reasonable grounds to believe that such business could contribute to Iran’s proliferation-sensitive nuclear activities or the development of nuclear weapon delivery systems or to violations of resolutions 1737(2006), 1747(2007), 1803(2008) or this resolution”.<sup>24</sup>

30. OP 6 of resolution 1747(2007) calls upon “all States to exercise vigilance and restraint...in the provision to Iran of any...financial assistance, investment, brokering or other services, and the transfer of financial resources or services” related to the supply, sale or transfer directly or indirectly from their territories or by their nationals or using their flag vessels or aircraft of any battle tanks, armoured combat vehicles, large calibre artillery systems, combat aircraft, attack helicopters, warships, missiles or missile systems as defined for the purpose of the United Nations Register on Conventional Arms to Iran.

31. OP 6 of resolution 2087(2013) recalls OP 18 of resolution 1874(2009) regarding the prevention of financial services that could contribute to DPRK’s proliferation activities and calls upon “Member States to exercise enhanced vigilance...including monitoring the activities of their nationals, persons in their territories, financial institutions, and other entities organized under their laws (including branches abroad) with or on behalf of financial institutions in the DPRK, or of those that act on behalf or at the direction of DPRK financial institutions, including their branches, representatives, agents and subsidiaries abroad”.

32. OP 24 of resolution 2094(2013) calls upon “States to exercise enhanced vigilance over DPRK diplomatic personnel so as to prevent such individuals from contributing to the DPRK’s nuclear or ballistic missile programmes, or other activities prohibited by resolutions 1718(2006), 1874(2009), 2087(2013), and [2094(2013)], or to the evasion of measures imposed by resolutions 1718(2006), 1874(2009), 2087(2013), or [2094(2013)]”.

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<sup>24</sup> OP 22 of resolution 1929(2010), OP 6 of resolution 2087(2013), and OP 24 of resolution 2094(2013) calls for broad vigilance measures. Examples of broad vigilance measures are financial measures and non-financial measures.

33. FATF guidance on each of these vigilance measures is set forth in the sections below.

### VIGILANCE REGARDING FINANCIAL INSTITUTIONS' ACTIVITIES WITH IRANIAN AND DPRK BANKS

34. Countries should encourage financial institutions to consider transactional and customer information collected through their existing AML/CFT obligations and customer due diligence programmes to identify transactions, accounts (including correspondent accounts), or relationships (such as joint ventures or jointly owned banking operations or facilities) with Iranian and DPRK banks.<sup>25</sup> Countries should encourage financial institutions to apply, on the basis of a risk-based approach, the risk mitigation practices described in paragraphs 35 through 38 below in order to avoid transactions, accounts and relationships with Iranian and DPRK banks, including the Central Bank of Iran, and particularly Bank Melli and Bank Saderat, that contribute to proliferation-sensitive nuclear activities or to the development of nuclear weapon delivery systems, in particular, by violating or evading:

- (a) the activity-based financial prohibitions contained in resolutions 1737(2006) and 1929(2010); or
- (b) the targeted financial sanctions issued under resolutions 1737(2006), 1747(2007), 1803(2008) and 1929(2010).

35. Countries should encourage financial institutions to apply the following risk mitigation practices with respect to enhanced monitoring of any financial transactions with Iranian and DPRK banks, and particularly with Bank Melli and Bank Saderat:

- (a) Require that all information fields of payment instructions are completed which relate to the originator and beneficiary of the transaction in question and, if they are not, to obtain that information or refuse the transaction.
- (b) Monitor transactions and, on a risk-based approach, apply enhanced scrutiny<sup>26</sup> to those transactions that present a risk of violating or evading: the activity-based financial prohibitions contained in resolutions 1737(2006) and 1929(2010) relating to Iran, or resolutions 1874(2009), 2087(2013) and 2094(2013) relating to the DPRK; or the targeted financial sanctions issued under resolutions 1737(2006), 1747(2007), 1803(2008) and 1929(2010) relating to Iran, or resolutions 1718(2006), 1874(2009), 2087(2013) and 2094(2013) relating to the DPRK.
- (c) With respect to high risk transactions as identified in subparagraph (b) above, obtain additional information to avoid transactions that violate or evade: the activity-based financial prohibitions contained in resolutions 1737(2006) and 1929(2010) relating to Iran,

<sup>25</sup> The terms *Iranian banks* and *DPRK banks* refer to all banks domiciled in Iran or DPRK, and their branches and subsidiaries abroad.

<sup>26</sup> Enhanced scrutiny should be applied to high risk transactions flagged through monitoring. Straight-through processing would not be disrupted for transactions not flagged as high risk. Post-event monitoring should apply, in accordance with a risk-based approach, to all transactions.



or resolutions 1874(2009), 2087(2013) and 2094(2013) relating to the DPRK; or the targeted financial sanctions issued under resolutions 1737(2006), 1747(2007), 1803(2008) and 1929(2010) relating to Iran, or resolutions 1718(2006), 1874(2009), 2087(2013) and 2094 (2013) relating to the DPRK. To the extent necessary to avoid transactions prohibited under these resolutions, such additional information should include information on the: (i) parties to the transaction; (ii) source of funds; (iii) beneficial ownership of the counterparty; and (iv) purpose of the transaction or payment. Financial institutions could be encouraged to consult with competent authorities, as permitted by existing legal frameworks, in seeking additional information to assist them in avoiding such prohibited transactions.

- (d) Refuse to process or execute transactions when the financial institution has been unable to clarify that such transactions do not violate or evade: the activity-based financial prohibitions contained in resolutions 1737(2006) and 1929(2010) relating to Iran, or resolutions 1874(2009), 2087(2013) and 2094(2013) relating to the DPRK; or the targeted financial sanctions issued under resolutions 1737(2006), 1747(2007), 1803(2008) and 1929(2010) relating to Iran, or resolutions 1718(2006), 1874(2009), 2087(2013) and 2094 (2013) relating to the DPRK. With respect to such transactions, countries should consider encouraging financial institutions to take the follow-up actions described in paragraphs 24 through 27 above.

36. Countries should encourage financial institutions to apply the following risk mitigation practices with respect to correspondent relationships with Iranian and DPRK banks, and particularly with Bank Melli and Bank Saderat:

- (a) Subject all transactions with Iranian and DPRK banks to the risk mitigations measures set forth in paragraph 35 above.
- (b) Conduct a risk assessment of direct correspondent relationships with Iranian and DPRK banks using information gathered in implementing Recommendation 13 (correspondent banking) and other information, as appropriate, in order to:
- (i) Assess as far as possible the respondent Iranian or DPRK bank's business (correspondent banking, private banking, trade finance, others) in order to properly handle the related risks. This assessment should take into account, as far as possible, the amount of business the respondent Iranian bank handles for Iranian government entities.
- (ii) Assess whether the respondent Iranian or DPRK bank has adequate controls to detect and prevent sanctions evasion, in order to avoid contributing to proliferation sensitive nuclear activities or to the development of nuclear weapon delivery systems, in particular, by violating or evading either: the activity-based financial prohibitions contained in resolutions 1737(2006) and 1929(2010) relating to Iran, or resolutions 1874(2009), 2087(2013) and 2094(2013) relating to the DPRK; or the targeted financial sanctions issued under resolutions 1737(2006), 1747(2007), 1803(2008) and 1929(2010) relating to Iran, or resolutions 1718(2006), 1874(2009), 2087(2013) and 2094(2013) relating to the DPRK.
- (iii) Assess whether the respondent Iranian or DPRK bank has adequate customer due diligence procedures or other controls to detect shell companies or front companies and to ascertain the beneficial ownership of such entities.

- (c) Amend policies, procedures and controls to mitigate the specific risks identified pursuant to the risk assessment described in sub-paragraph 36(b) above.
- (d) Review and, if necessary, terminate or amend agreements related to the maintenance of correspondent relationships with or for the benefit of Iranian or DPRK banks, based upon the risk assessment described in sub-paragraph 36(b) above.

37. Countries should also encourage financial institutions to take adequate steps to satisfy themselves that their correspondent relationships with other banks are not used to bypass or evade the risk mitigation practices described in this guidance.

38. Countries should encourage financial institutions to apply, on the basis of a risk-based approach, the transactional and account-based risk mitigation practices described in paragraphs 35, 36 and 37 above to any other relationships that they may have with Iranian or DPRK banks. Such relationships may include direct relationships such as joint ventures or joint banking operations or facilities conducted with Iranian or DPRK banks, or customer-based relationships with such joint ventures or joint banking operations or facilities.

#### **GUIDANCE FOR COMPETENT AUTHORITIES REGARDING VIGILANCE TOWARDS IRANIAN AND DPRK BANKS**

39. Competent authorities should consider the risk posed by foreign branches and subsidiaries of Iranian banks located within their territories for the purposes of supervision and monitoring. In this regard, competent authorities should consider taking the following steps, consistent with their legal framework and regulatory principles, with respect to these foreign branches and subsidiaries to ensure they have adequate systems and controls in place to prevent activities from contributing to proliferation sensitive nuclear activities or to the development of nuclear weapon delivery systems, including by violating or evading: the activity-based financial prohibitions contained in resolutions 1737(2006) and 1929(2010) relating to Iran, or resolutions 1874(2009), 2087(2013) and 2094(2013) relating to the DPRK; or the targeted financial sanctions issued under resolutions 1737(2006), 1747(2007), 1803(2008) and 1929(2010) relating to Iran, or resolutions 1718(2006), 1874(2009), 2087(2013), and 2094(2013) relating to the DPRK.

- (a) Placing the branch or subsidiary under enhanced supervisory oversight to:
  - (i) Ensure that the risk mitigation practices described above in paragraphs 34 through 38 are being implemented.
  - (ii) Ensure compliance with existing legal requirements that implement: (i) the *FATF Recommendations*, in particular Recommendations 7, 10, 13 and 16; and (ii) activity-based financial prohibitions contained in resolutions 1737(2006) and 1929(2010) relating to Iran, or resolutions 1874(2009), 2087(2013) and 2094(2013) relating to the DPRK.

- (b) Taking supervisory action against any branch or subsidiary that fails to comply with the binding risk mitigation practices referred to and described in subparagraphs 39(a)(i) and (ii) above, including revoking licences in cases of significant or sustained non-compliance.<sup>27</sup>

40. Competent authorities should consider transactions, accounts or relationships that their financial institutions may have with Iranian and DPRK banks, and particularly Bank Melli and Bank Saderat, as high risk for purposes of enhanced supervision and monitoring. The purpose of such enhanced supervisory and examination practices is to encourage implementation of the risk mitigation steps described in paragraphs 34 through 38 above.

41. Competent authorities should encourage Iranian and DPRK banks located within their territory to identify high risk customers and transactions, and apply enhanced scrutiny to such high risk customers and transactions, as described in paragraphs 18 through 23 above. Competent authorities should also encourage Iranian banks located within their territory to incorporate specific measures to counter the risk of proliferation finance, in accordance with this guidance.

42. Subject to information-sharing arrangements and applicable law, competent authorities that are notified pursuant to paragraph 35(d) should consider informing immediately the competent authority of other countries that may be relevant to the reported transaction, as appropriate.

43. Due to the particular risks associated with Bank Melli and Bank Saderat as identified in resolution 1803(2008), countries should consider adopting additional preventive measures with respect to these two Iranian banks.

#### **VIGILANCE REGARDING IRANIAN ENTITIES COVERED IN OP 22 OF UNSCR 1929 AND DPRK ENTITIES & INDIVIDUALS COVERED IN UNSCRS 2087 & 2094**

44. Resolutions 1929(2010), 2087(2013) and 2094(2013) require states to ensure vigilance is carried out with respect to Iranian and DPRK entities or individuals. Such vigilance may include financial measures, in part, to prevent potential sanctions evasion through those specified entities and/or individuals.

45. With respect to Iran, these entities include “entities incorporated in Iran or subject to Iran’s jurisdiction, including those of the IRGC and IRISL, and any individuals or entities acting on their behalf or at their direction, and entities owned or controlled by them, including through illicit means.” OP 22 of resolution 1929(2010) decides that “all States shall require their nationals, persons subject to their jurisdiction and firms incorporated in their territory or subject to their jurisdiction to exercise vigilance when doing business” with these entities “if they have reasonable ground to believe that such activities could contribute to Iran’s proliferation-sensitive activities or the development of nuclear weapon delivery systems or to violations of resolutions 1737(2006), 1747(2007), 1803(2008), or [1929(2010)]”.

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<sup>27</sup> The risk mitigation practices referred to in subparagraphs 39(a)(i) and (ii) contain both binding and nonbinding risk mitigation practices. Supervisory action should focus on binding risk mitigation practices.

46. With respect to the DPRK, these entities and individuals include DPRK diplomatic personnel and financial institutions in the DPRK, or those that act on behalf or at the direction of DPRK financial institutions, including their branches, representatives, agents and subsidiaries abroad. OP 6 of resolution 2087(2013) recalls OP 18 of resolution 1874(2009) regarding the prevention of financial services that could contribute to DPRK's proliferation activities and calls upon "Member States to exercise enhanced vigilance...including monitoring the activities of their nationals, persons in their territories, financial institutions, and other entities organized under their laws (including branches abroad) with or on behalf of financial institutions in the DPRK, or of those that act on behalf or at the direction of DPRK financial institutions, including their branches, representatives, agents and subsidiaries abroad". OP 24 of resolution 2094(2013) calls upon "States to exercise enhanced vigilance over DPRK diplomatic personnel so as to prevent such individuals from contributing to the DPRK's nuclear or ballistic missile programmes, or other activities prohibited by resolutions 1718(2006), 1874(2009), 2087(2013), and [2094(2013)], or to the evasion of measures imposed by resolutions 1718(2006), 1874(2009), 2087(2013), or [2094(2013)]".

47. When exercising vigilance over such entities in the form of financial measures, countries should encourage financial institutions to apply the following risk mitigation practices:

- (a) Collect additional information on: (i) parties to the transaction; (ii) source of funds; (iii) beneficial ownership of the counterparty; and (iv) purpose of the transaction or payment.
- (b) Refuse to process or execute transactions when the financial institution has been unable to clarify that such transactions do not violate or evade: the activity-based financial prohibitions contained in resolutions 1737(2006) and 1929(2010) relating to Iran, or resolutions 1874(2009), 2087(2013) and 2094(2013) relating to the DPRK; or the targeted financial sanctions issued under resolutions 1737(2006), 1747(2007), 1803(2008) and 1929(2010) relating to Iran, or resolutions 1718(2006), 1874(2009), 2087(2013), and 2094(2013) relating to the DPRK. With respect to such transactions, countries should consider encouraging financial institutions to take the follow-up actions described in paragraphs 24 through 27 above.<sup>28</sup>

#### VIGILANCE REGARDING TRANSACTIONS COVERED IN OP 6 OF UNSCR 1747

48. OP 6 of resolution 1747(2007) calls upon "all States to exercise vigilance and restraint...in the provision to Iran of any...financial assistance, investment, brokering or other services, and the transfer of financial resources or services" related to the supply, sale or transfer directly or indirectly from their territories or by their nationals or using their flag vessels or aircraft of any battle tanks, armoured combat vehicles, large calibre artillery systems, combat aircraft, attack helicopters,

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<sup>28</sup> OP 11 of resolution 2094(2013) decides Member States "shall...prevent the provision of financial services or the transfer to, through, or from their territory, or to or by their nationals or entities organized under their laws (including branches abroad), or persons or financial institutions in their territory, of any financial or other assets or resources, including bulk cash, that could contribute to the DPRK's nuclear or ballistic missile programmes, or other activities prohibited by resolutions 1718 (2006), 1874 (2009), 2087 (2013), or [2094(2013)], or to the evasion of measures imposed by resolutions 1718 (2006), 1874 (2009), 2087 (2013), or [2094(2013)]".

warships, missiles or missile systems as defined for the purpose of the United Nations Register on Conventional Arms to Iran.

49. In implementing OP 6 of resolution 1747, competent authorities should encourage financial institutions to apply the following risk mitigation practices:

- (a) Countries should encourage financial institutions to apply a risk-based approach to identify high-risk customers and transactions. Recognizing that information currently available to financial institutions may be insufficient to identify high-risk customers and transactions, competent authorities should work within their legal framework to provide additional relevant information to financial institutions, where appropriate and in accordance with applicable data protection laws.<sup>29</sup>
- (b) In addition to relevant information provided by competent authorities, countries should encourage financial institutions to consider and rely upon existing customer and transactional information that they currently collect, including through their customer due diligence programs and existing AML/CFT obligations, to identify high-risk customers and transactions.
- (c) Encouraging financial institutions to collect additional information to determine customers involved with and/or transactions related to the certain specific items referenced in OP 6 of resolution 1747, which may be an additional determinant of risk.
- (d) Refuse to process or execute transactions when the financial institution has been unable to clarify that such transactions do not violate or evade: the activity-based financial prohibitions contained in resolutions 1737(2006) and 1929(2010); or the targeted financial sanctions issued under resolutions 1737(2006), 1747(2007), 1803(2008) and 1929(2010). With respect to such transactions, countries should consider encouraging financial institutions to take the follow-up actions described in paragraphs 24 through 27 above.

## V. OTHER FINANCIAL PROVISIONS

50. The FATF, in collaboration with the United Nations 1540 Committee, has conducted further study in this area. A proliferation financing typology project was undertaken to identify and analyse the existing threat of the financing of proliferation; examine existing measures used to counter this threat; and outline a series of options that the FATF could consider to address the financing of proliferation within the framework of resolutions 1540(2004) and 1673(2006). The results of this study were published in June 2008: see the *Proliferation Financing Report*.

51. In October 2008, the FATF created a project team on proliferation financing to develop policy options for consideration as measures that could be considered in combating the financing of proliferation within the framework of existing UNSCRs, such as resolution 1540(2004), in consideration of the *Proliferation Financing Report* and national legal frameworks. The *Proliferation Financing Report* formed the starting point for this work which was conducted with input from the

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<sup>29</sup> Examples of relevant information can be found in the FATF's *Combating Proliferation Financing: A Status Report on Policy Development and Consultation* (February 2010). Some countries use lists and/or characteristics of persons who have been denied export licenses and/or penalties issued by the relevant authorities.

private sector and other relevant stakeholders. The results of this work were published in February 2010: see *Combating Proliferation Financing: A Status Report on Policy Development and Consultation*.

52. The sanctions regimes imposed by the UN Security Council oblige or encourage countries to implement other financial provisions to prevent the financing of proliferation activities by the DPRK and Iran, and by non-state actors. Countries should take appropriate steps to ensure that their financial institutions are aware of these other financial provisions explained below.

53. Resolutions 1747(2007), 1803(2008), 1874(2009) and 2094(2013) contain financial provisions relating to various types of financial support for the DPRK and Iran which is being provided by other countries and international financial institutions and credit institutions, as follows.

(a) In relation to the DPRK:

- (i) OP 19 of resolution 1874(2009) calls upon countries and international financial institutions and credit institutions not to enter into new commitments for grants, financial assistance and concessional loans to the DPRK, except for humanitarian and developmental purposes directly addressing the needs of the civilian population, or the promotion of denuclearization, and calls for enhanced vigilance with a view to reducing current commitments.
- (ii) OP 20 of resolution 1874(2009) calls upon countries not to provide public financial support for trade with the DPRK (including the granting of export credits, guarantees or insurance to their nationals or entities involved in such trade) where such financial support could contribute to its nuclear-related or ballistic missile-related or other WMD-related programmes or activities. OP 15 of resolution 2094(2013) extends activities, to which the prohibition of public financial support apply, to those prohibited by resolutions 1718(2006), 1874(2009), 2087(2013) and 2094(2013).
- (iii) OP 12 of resolution 2094(2013) calls upon countries to take appropriate measures to prohibit in their territories the opening of new branches, subsidiaries, or representative offices of DPRK banks, and also calls upon countries to prohibit DPRK banks from establishing new joint ventures and from taking an ownership interest in or establishing or maintaining correspondent relationships with banks in their jurisdiction to prevent the provision of financial services if they have information that provides reasonable grounds to believe that these activities could contribute to the DPRK's nuclear or ballistic missile programmes, or other activities prohibited by resolutions 1718(2006), 1874(2009), 2087(2013) and 2094(2013), or to the evasion of measures imposed by these resolutions.
- (iv) OP 13 of resolution 2094(2013) calls upon countries to take appropriate measures to prohibit financial institutions within their territories or under their jurisdiction from opening representative offices or subsidiaries or banking accounts in the DPRK if they have information that provides reasonable grounds to believe that such financial services could contribute to the DPRK's nuclear or ballistic missile programmes, and other activities prohibited by resolutions 1718(2006), 1874(2009), 2087(2013) and 2094(2013).

(b) In relation to Iran:

- (i) OP 7 of resolution 1747(2007) calls upon countries and international financial institutions not to enter into new commitments for grants, financial assistance and concessional loans to Iran except for humanitarian and development purposes.
- (ii) OP 9 of resolution 1803(2008) calls upon countries to exercise vigilance in entering into new commitments for public provided financial support for trade with Iran, including the granting of export credits, guarantees or insurance to their nationals or entities involved in such trade in order to avoid such financial support contributing to proliferation-sensitive nuclear activities, or to the development of nuclear weapon delivery system, as referred to in resolution 1737(2006).

54. Resolution 1929(2010) contains financial provisions relating the ability of Iranian banks and entities to invest and do business in other countries, and the ability of financial institutions to do business in Iran, as follow:

- (a) OP 7 of resolution 1929(2010) requires countries to prohibit, in territories under their jurisdiction, investment by Iran which would enable it to acquire an interest in any commercial activity in another country involving uranium mining, production or use of nuclear materials and technology.<sup>30</sup>
- (b) OP 23 of resolution 1929(2010) calls upon countries to take appropriate measures that prohibit in their territories the opening of new branches, subsidiaries or representative offices of Iranian banks, and prohibit Iranian banks from establishing new joint ventures, taking an ownership interest in or establishing or maintaining correspondent relationships with banks in their country to prevent the provision of financial services if they have information that provides reasonable grounds to believe that these activities could contribute to Iran's proliferation-sensitive nuclear activities or the development of nuclear weapon delivery systems.
- (c) OP 24 of resolution 1929(2010) calls upon countries to take appropriate measures that prohibit financial institutions within their territories or under their jurisdiction from opening representative offices or subsidiaries or banking accounts in Iran if they have information that provides reasonable grounds to believe that such financial services could contributed to Iran's proliferation-sensitive nuclear activities or the development of nuclear weapon delivery systems.

55. In addition to country-specific UNSCRs, there are broad-based financial provisions within paragraphs 2 and 3(d) of resolution 1540(2004) which are mandatory Chapter VII obligations that have been further examined by the FATF. Effective implementation of these provisions, as well as the provisions discussed above, will require information sharing and exchange between or among authorities at the domestic level, as called for under Recommendation 2.<sup>31</sup>

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<sup>30</sup> OP 7 of resolution 1929(2010) calls for broad measures, including financial measures.

<sup>31</sup> See the *FATF Best Practices Paper on Recommendation 2: Sharing among domestic competent authorities information related to the financing of proliferation* (February 2012) (available at: [www.fatf-gafi.org](http://www.fatf-gafi.org)) for best practices in information sharing among relevant authorities at the domestic level relating to the financing of proliferation.

- (a) OP 2 prohibits the financing of proliferation-related activities by non-State actors.<sup>32</sup>
- (b) OP 3(d) requires countries to establish, develop, review and maintain appropriate controls on providing funds and services, such as financing, related to the export and trans-shipment of items that would contribute to WMD proliferation.<sup>33</sup>

56. Resolution 1673(2006) reiterates the requirements of resolution 1540(2004) and emphasizes the importance for all countries to implement fully that resolution, including provisions regarding the financing of proliferation of WMD.

57. Resolutions 1810(2008) and 1977(2011) both take note of “international efforts towards full implementation of resolution 1540(2004), including on preventing the financing of proliferation-related activities, taking into consideration the guidance of the framework of the Financial Action Task Force (FATF)”.

58. Resolution 2094(2013), in its preambular, welcomes the FATF’s Recommendation 7 and urges Member States to “apply FATF’s Interpretative Note to Recommendation 7 and related guidance papers for effective implementation of targeted financial sanctions related to proliferation”.

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<sup>32</sup> OP 2 of resolution 1540(2004): “Decides also that all States, in accordance with their national procedures, shall adopt and enforce appropriate effective laws which prohibit any non-State actor to manufacture, acquire, possess, develop, transport, transfer or use nuclear, chemical or biological weapons and their means of delivery, in particular for terrorist purposes, as well as attempts to engage in any of the foregoing activities, participate in them as an accomplice, assist or finance them”.

<sup>33</sup> OP 3(d) of resolution 1540(2004): “Decides also that all States shall take and enforce effective measures to establish domestic controls to prevent the proliferation of nuclear, chemical or biological weapons and their means of delivery, including by establishing appropriate controls over related materials and to this end shall . . . Establish, develop, review and maintain appropriate effective national export and trans-shipment controls over such items, including appropriate laws and regulations to control export, transit, trans-shipment and re-export and controls on providing funds and services related to such export and trans-shipment such as financing, and transporting that would contribute to proliferation”.



## ANNEX A: FINANCIAL SANCTIONS AGAINST A FINANCIAL INSTITUTION DESIGNATED UNDER UNITED NATIONS SECURITY COUNCIL RESOLUTIONS RELATING TO PREVENTION OF WMD PROLIFERATION

### I. INTRODUCTION

1. A number of additional issues arise where a bank or other financial institution is designated for the purpose of financial sanctions. This annex deals with the case of designated banks in particular under United Nations (UN) Security Council Resolutions (UNSCRs, or resolutions) 1737/1747/1929. Similar considerations apply in respect of other designated financial institutions.<sup>34</sup>
2. When financial sanctions are imminent, competent authorities may wish to consider other regulatory measures within their legal framework to prevent asset flight and overall risks on financial and payment systems and protect the position of counter-parties acting in good faith.
3. Where implementing financial sanctions against a designated bank, competent authorities should ensure that the sanctions are implemented effectively and robustly by preventing new banking business and restricting any prohibited payments. Within a framework of robust controls competent authorities should seek to protect third parties from the impact of sanctions to the extent possible, for example by making use of exemptions that allow for payments due under contracts concluded before the bank was designated. Such payments should, however, be closely monitored.
4. The application of financial sanctions affects the liquidity and/or solvency of a designated financial institution, increases the risks of insolvency over time, and raises immediate issues of prudential concern. In such circumstances, the country's insolvency or similar procedures, if applicable, should be applied in accordance with national laws and subject to the requirements of financial sanctions. This may involve the appointment of an administrator or auditor.

### II. APPLICATION OF THE SANCTIONS

5. Where a bank has been designated, competent authorities should seek to implement financial sanctions as quickly as possible. In so doing, they should take a number of immediate actions:
  - (a) **Determine whether the designated bank has a presence in their country.** A bank may have a presence by being constituted within that country, because it has a branch there or because it owns or controls an entity in the country (e.g. a subsidiary). The authorities should also determine whether the designated bank has accounts in a bank located in its territory.

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<sup>34</sup> A consolidated list of designated individuals and entities under UNSCR 1737(2006) and its successor resolutions, which includes designated banks, can be found at the United Nations 1737 Committee's website (<http://www.un.org/sc/committees/1737/consolist.shtml>). As for the Democratic People's Republic of Korea (DPRK), a consolidated list of designated entities and individuals under UNSCR 1718(2006) and its successor resolutions, including designated banks, can be found at the 1718 Committee's website (<http://www.un.org/sc/committees/1718/>).

- (b) **Consider whether the designation of the bank will cause fit-and-proper concerns relating to the bank's directors or senior management, and consider whether the designation of the bank will cause other regulatory concerns**, such as systemic risks (e.g. other banks suffering an adverse effect) or other market impacts (e.g. a run of creditors on the bank or potential disturbances in the payment systems). Such a determination may lead authorities to consider the appointment of an administrator or auditor, or other appropriate action.

### III. PAYMENTS MADE BY THE DESIGNATED BANK

6. No payments should be made by a designated bank except where authorised by competent authorities which are actually implementing the financial sanctions.

7. In determining authorisation on the basis of the relevant UNSCRs, competent authorities should consider:

- (a) What payments should in principle be authorised; and
- (b) What safeguards should be built into the authorisation regime to ensure that only permitted payments are made, including what type of monitoring and scrutiny should be conducted.

#### A. SAFEGUARDS

8. Competent authorities should put in place robust safeguards to ensure that only permitted payments are made. This should include, at a minimum:

- (a) Pre-vetting of all payments made by the bank under authorisation by competent authorities or, if legislation allows for it, independent bodies, such as auditors, acting at the request of the competent authorities and under their supervision.
- (b) Regular reporting by the bank, verified by the administrator/auditor, if applicable, to the competent authority on all payments made and received by the bank.

#### B. PAYMENTS DUE UNDER PRIOR CONTRACTS

9. Competent authorities should consider how to deal with payments due under prior contracts.

10. For example, paragraph 15 of resolution 1737(2006) specifies that the sanctions measures shall not prevent a designated person or entity from making payments due under contracts entered into prior to listing, where the relevant countries have determined that the contract is not related to items, assistance or services prohibited under the resolution and that the payment is not directly or indirectly received by a designated person or entity. This includes the transfer of funds between the head office, branches or accounts of the bank necessary for such payments. Under paragraph 15 of resolution 1737(2006), states are required to notify the UN Sanctions Committee of their intention to authorise payments due under prior contracts 10 working days before issuing an authorisation. Paragraph 11 of the Interpretive Note to Recommendation 7 reiterates this element with respect to resolution 1737(2006).

11. In order to prevent new banking business with a designated financial institution, countries should not permit payments under discretionary facilities such as overdrafts or revolving facilities, such that a designated financial institution cannot continue to be a vehicle for future commercial contracts.<sup>35</sup>
12. Competent authorities should consider whether prior contracts that have been amended after the designation of the respective bank should be treated as prior contracts for sanctions purposes (e.g., the renewal of a lease), or whether the changes to the contract are sufficiently substantive that they should be treated as new contracts. Competent authorities should be aware that third parties may wish to consider alternative financing arrangements.
13. Where the designated entity has a branch, the competent authority where the branch is located may allow the designated entity to transfer funds between branches or offices in order to make payments due under prior contract to third parties acting in good faith, on its behalf or on behalf of its head office. In this case, the competent authority of the country where the branch is located should exercise appropriate vigilance when granting such an authorisation.

### C. OTHER PAYMENTS: BASIC AND EXTRAORDINARY EXPENSES<sup>36</sup>

14. Resolution 1737 has the effect of preventing the designated bank from conducting new business and competent authorities should bear this in mind when considering whether to authorise other payments.
15. Nonetheless, competent authorities may need to consider authorising certain basic and extraordinary expenses that do not create new banking obligations but are necessary in order to ensure an orderly wind down of the bank's obligations under prior contracts to third parties acting in good faith, including non-designated account holders.
16. Basic expenses requests will require the absence of a negative decision by the UN Sanctions Committee, and extraordinary expenses will require prior approval by the Committee.

#### Basic expenses

17. In the case of UNSCR 1737, paragraph 13(a) specifies that sanctions measures do not apply to funds, other financial assets or economic resources that relevant countries have determined to be necessary for basic expenses, including e.g. payment for rent or mortgage, salaries, taxes, insurance premiums, public utility charges or for payment of professional fees such as legal services.

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<sup>35</sup> This provision should not be interpreted as permitting a designated financial institution to refuse to pay debts owed to third parties acting in good faith.

<sup>36</sup> With respect to the DPRK, paragraphs 9(a), 9(b) and 9(c) of UNSCR 1718(2006) provide for authorisation of basic expenses, extraordinary expenses, and those to be subject of a judicial, administrative or arbitral lien or judgement.

### Extraordinary expenses

18. In the case of UNSCR 1737, paragraph 13(b) specifies that the sanctions measures do not apply to funds, other financial assets or economic resources that relevant countries have determined to be necessary for extraordinary expenses and that the UN Sanctions Committee has approved.

19. Extraordinary expenses include *inter alia* any expenses in connection with ancillary transactions of a subsidiary or a branch of the bank not covered by paragraph 15 of UNSCR 1737 that are necessary to ensure an orderly wind down of the bank's obligations under prior contracts to third parties acting in good faith or for expenses necessary to ensure the protection of such third parties. Examples of such extraordinary expenses might include:

- (a) Expenses in connection with ancillary transactions that are necessary to allow the bank to repatriate or transfer its assets within the banking group or from other financial institutions (*e.g.*, transactions to align currency reserves in order to repatriate or transfer assets);
- (b) Where appropriate, allowing a subsidiary to "set off" against a parent bank's frozen assets held by the subsidiary;
- (c) Expenses in connection with certain foreign exchange transactions to allow the bank to meet its obligations under prior contracts (*e.g.*, to allow for payment under prior contracts in the currency called for by the contract at issue);
- (d) The fees of an administrator or auditor.

## IV. PAYMENTS DUE TO THE DESIGNATED BANK

20. Paragraph 14 of resolution 1737(2006) allows payments to be made to the frozen accounts of a designated person or entity provided that the payment is due under a prior contract, agreement or obligation. Third parties may not require an authorisation from a competent authority to make such payments so long as it is into a frozen account.

21. In principle, competent authorities should permit these payments to be made, as long as they are payments due under prior contracts, agreements or obligations and do not create new banking obligations, as this will help the bank to meet its prior obligations to third parties. However, competent authorities will need to ensure that payments made to the bank are properly frozen in the same way as the bank's existing assets, and are subject to close monitoring and scrutiny by the competent authorities.

## V. CROSS-JURISDICTIONAL CO-OPERATION

22. Countries containing branches or subsidiaries of a designated bank should communicate with each other to ensure that sanctions are being applied in a consistent and effective manner across countries.

23. There should be a need for wider co-operation between competent authorities regarding payments to and from designated banks that cross jurisdictional boundaries. The aim should be to ensure that permitted payments can move as efficiently as possible, subject to proper controls,

[recording and monitoring] and that any prohibited payments are quickly identified and prevented. The cooperation between countries may include coordinated exemption notifications to the UN Sanctions Committee.

## ANNEX B: RELEVANT FINANCIAL PROVISIONS CONTAINED IN UN SECURITY COUNCIL RESOLUTIONS RELATING TO THE PREVENTION OF WMD PROLIFERATION

The following UN Security Council resolutions are Chapter VII resolutions which are binding on UN Member States: resolutions 1540(2004), 1718(2006), 1737(2006), 1747(2007), 1803(2008), 1874(2009), 1929(2010), 2087(2013), and 2094(2013).

### Resolution 1540(2004)

Under **paragraph 2** of resolution 1540(2004), the Security Council requires that “all Member States, in accordance with their national procedures, shall adopt and enforce appropriate effective laws which prohibit any non-State actor to manufacture, acquire, possess, transport, transfer or use nuclear, chemical or biological weapons and their means of delivery, in particular for terrorist purposes, as well as attempts to engage in any of the foregoing activities, participate in them as an accomplice, assist or finance them”.

Under **paragraph 3(d)** of resolution 1540(2004), the Security Council requires that “all States shall...Establish, develop, review and maintain appropriate effective national export and trans-shipment controls over such items, including appropriate laws and regulations to control export, transit, trans-shipment and re-export and controls on providing funds and services related to such export and trans-shipment such as financing, and transporting that would contribute to proliferation, as well as establishing end-user controls; and establishing and enforcing appropriate criminal or civil penalties for violations of such export control laws and regulations”.

### Resolution 1718(2006)

**Paragraphs 8(a)(i) and (ii)** of resolution 1718(2006) specifies the goods and technology, the supply, sale or transfer of which is prohibited because they could contribute to DPRK’s missile or WMD programmes. **Paragraph 8(b)** of resolution 1718(2006) decides that all Member States shall prohibit the procurement of these items from the DPRK.

Under **paragraph 8(c)** of resolution 1718(2006) the Security Council decides that “all Member States shall prevent any transfers to the DPRK by their nationals or from their territories, or from the DPRK by its nationals or from its territory, of technical training, advice, services or assistance related to the provision, manufacture, maintenance or use of the items in subparagraphs (a) (i) and (a) (ii) above”.

Under **paragraph 8(d)** of resolution 1718(2006) the Security Council decides that “all Member States shall, in accordance with their respective legal processes, freeze immediately the funds, other financial assets and economic resources which are on their territories at the date of the adoption of this resolution or at any time thereafter, that are owned or controlled, directly or indirectly, by the persons or entities designated by the Committee or by the Security Council as being engaged in or providing support for, including through other illicit means, DPRK’s nuclear-related, other weapons of mass destruction-related and ballistic missile related programmes, or by persons or entities acting on their behalf or at their direction, and ensure that any funds, financial assets or economic

resources are prevented from being made available by their nationals or by any persons or entities within their territories, to or for the benefit of such persons or entities”.

### Resolution 1737(2006)

Under **paragraph 6** of resolution 1737(2006) the Security Council decides that “all States shall also take the necessary measures to prevent the provision to Iran of any technical assistance or training, financial assistance, investment, brokering or other services, and the transfer of financial resources or services, related to the supply, sale, transfer, manufacture or use of the prohibited items, materials, equipment, goods and technology specified in paragraphs 3 and 4 above”.<sup>37</sup>

Under **paragraph 12** of resolution 1737(2006) the Security Council decides that “all States shall freeze the funds, other financial assets and economic resources which are on their territories at the date of adoption of this resolution or at any time thereafter, that are owned or controlled by the persons or entities designated in the Annex, as well as those of additional persons or entities designated by the Security Council or by the [1737] Committee as being engaged in, directly associated with or providing support for Iran’s proliferation sensitive nuclear activities or the development of nuclear weapon delivery systems, or by persons or entities acting on their behalf or at their direction, or by entities owned or controlled by them, including through illicit means, and that the measures in this paragraph shall cease to apply in respect of such persons or entities if, and at such time as, the Security Council or the Committee removes them from the Annex, and decides further that all States shall ensure that any funds, financial assets or economic resources are prevented from being made available by their nationals or by any persons or entities within their territories, to or for the benefit of these persons and entities”.

### Resolution 1747(2007)

Under **paragraph 4** of resolution 1747(2007) the Security Council decides that “the measures specified in paragraphs 12, 13, 14 and 15 of resolution 1737 (2006) shall apply also to the persons and entities listed in Annex I to this resolution”: countries are required to extend the measures of paragraph 12 of S/RES/1737(2006) to the persons and entities listed in Annex I of S/RES/1747(2007).

Under **paragraph 6** of resolution 1747(2007) the Security Council calls upon “all States to exercise vigilance and restraint in the supply, sale or transfer directly or indirectly from their territories or by their nationals or using their flag vessels or aircraft of any battle tanks, armoured combat vehicles, large calibre artillery systems, combat aircraft, attack helicopters, warships, missiles or missile systems as defined for the purpose of the United Nations Register on Conventional Arms to Iran, and in the provision to Iran of any technical assistance or training, financial assistance, investment, brokering or other services, and the transfer of financial resources or services, related to the supply, sale, transfer, manufacture or use of such items in order to prevent a destabilizing accumulation of arms”.

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<sup>37</sup> See paragraphs 3-4 of resolution 1737(2006) for the specified prohibited items, materials, equipment, goods and technology that are covered.

Under **paragraph 7** of resolution 1747(2007) the Security Council calls upon “all States and international financial institutions not to enter into new commitments for grants, financial assistance, and concessional loans, to the Government of the Islamic Republic of Iran, except for humanitarian and developmental purposes”.

### Resolution 1803(2008)

Under **paragraph 7** of resolution 1803(2008) the Security Council decides that “the measures specified in paragraphs 12, 13, 14 and 15 of resolution 1737 (2006) shall apply also to the persons and entities listed in Annexes I and III to this resolution, and any persons or entities acting on their behalf or at their direction, and to entities owned or controlled by them and to persons and entities determined by the Council or the Committee to have assisted designated persons or entities in evading sanctions of, or in violating the provisions of, this resolution, resolution 1737 (2006) or resolution 1747 (2007)”.

Under **paragraph 9** of resolution 1803(2008) the Security Council calls upon “all States to exercise vigilance in entering into new commitments for public provided financial support for trade with Iran, including the granting of export credits, guarantees or insurance, to their nationals or entities involved in such trade, in order to avoid such financial support contributing to the proliferation sensitive nuclear activities, or to the development of nuclear weapon delivery systems, as referred to in resolution 1737 (2006)”.

Under **paragraph 10** of resolution 1803(2008) the Security Council calls upon “all States to exercise vigilance over the activities of financial institutions in their territories with all banks domiciled in Iran, in particular with Bank Melli and Bank Saderat, and their branches and subsidiaries abroad, in order to avoid such activities contributing to the proliferation sensitive nuclear activities, or to the development of nuclear weapon delivery systems, as referred to in resolution 1737 (2006)”.

### Resolution 1874(2009)

Under **paragraph 7** of resolution 1874(2009) the Security Council calls upon Member States “to implement their obligations pursuant to resolution 1718(2006), including with respect to designations made by the Committee established pursuant to resolution 1718(2006)...pursuant to the statement of its President of 13 April 2009 (S/PRST/2009/7)”.

Under **paragraph 9** of resolution 1874(2009) the Security Council decides that “the measures in paragraph 8 (b) of resolution 1718 (2006) shall also apply to all arms and related materiel, as well as to financial transactions, technical training, advice, services or assistance related to the provision, manufacture, maintenance or use of such arms or materiel”.

Under **paragraph 10** of resolution 1874(2009) the Security Council decides that “the measures in paragraph 8 (a) of resolution 1718 (2006) shall also apply to all arms and related materiel, as well as to financial transactions, technical training, advice, services or assistance related to the provision, manufacture, maintenance or use of such arms, except for small arms and light weapons and their related materiel”.



Under **paragraph 18** of resolution 1874(2009) the Security Council calls upon Member States “to prevent the provision of financial services or the transfer to, through, or from their territory, or to or by their nationals or entities organized under their laws (including branches abroad), or persons or financial institutions in their territory, of any financial or other assets or resources that could contribute to the DPRK’s nuclear-related, ballistic missile-related, or other weapons of mass destruction-related programs or activities, including by freezing any financial or other assets or resources on their territories or that hereafter come within their territories, or that are subject to their jurisdiction or that hereafter become subject to their jurisdiction, that are associated with such programs or activities and applying enhanced monitoring to prevent all such transactions in accordance with their national authorities and legislation”.

Under **paragraph 19** of resolution 1874(2009) the Security Council calls upon all Member States and international financial and credit institutions “not to enter into new commitments for grants, financial assistance, or concessional loans to the DPRK, except for humanitarian and developmental purposes directly addressing the needs of the civilian population, or the promotion of denuclearization, and also *calls upon* States to exercise enhanced vigilance with a view to reducing current commitments”.

Under **paragraph 20** of resolution 1874(2009) the Security Council calls upon all Member States “not to provide public financial support for trade with the DPRK (including the granting of export credits, guarantees or insurance to their nationals or entities involved in such trade) where such financial support could contribute to the DPRK’s nuclear-related or ballistic missile-related or other WMD-related programs or activities”.

### Resolution 1929(2010)

Under **preambular 16**: (...) the Security Council recalls “in particular the need to exercise vigilance over transactions involving Iranian banks, including the Central Bank of Iran, so as to prevent such transactions contributing to proliferation-sensitive nuclear activities, or to the development of nuclear weapon delivery systems”.

Under **paragraph 7** of resolution 1929(2010) the Security Council decides that “Iran shall not acquire an interest in any commercial activity in another State involving uranium mining, production or use of nuclear materials and technology as listed in INFCIRC/254/Rev.9/Part 1, in particular uranium enrichment and reprocessing activities, all heavy-water activities or technology related to ballistic missiles capable of delivering nuclear weapons, and *further decides* that all States shall prohibit such investment in territories under their jurisdiction by Iran, its nationals, and entities incorporated in Iran or subject to its jurisdiction, or by persons or entities acting on their behalf or at their direction, or by entities owned or controlled by them”.

Under **paragraph 8** of resolution 1929(2010) the Security Council decides that “all States shall prevent the direct or indirect supply, sale or transfer to Iran, from or through their territories or by their nationals or individuals subject to their jurisdiction, or using their flag vessels or aircraft, and whether or not originating in their territories, of any battle tanks, armoured combat vehicles, large calibre artillery systems, combat aircraft, attack helicopters, warships, missiles or missile systems as defined for the purpose of the United Nations Register of Conventional Arms, or related materiel,

including spare parts, or items as determined by the Security Council or Committee established pursuant to resolution 1737 (2006) (“the Committee”), decides further all States shall prevent the provision to Iran by their nationals or from or through their territories of technical training, financial resources or services, advice, other services or assistance related to the supply, sale, transfer, provision, manufacture, maintenance or use of such arms and related materiel, and, in this context, calls upon all States to exercise vigilance and restraint over the supply, sale, transfer, provision, manufacture and use of all other arms and related materiel”.

Under **paragraph 11** of resolution 1929(2010) the Security Council decides that “the measures specified in paragraphs 12, 13, 14 and 15 of resolution 1737 (2006) shall apply also to the individuals and entities listed in Annex I of this resolution and to any individuals or entities acting on their behalf or at their direction, and to entities owned or controlled by them, including through illicit means, and to any individuals and entities determined by the Council or the Committee to have assisted designated individuals or entities in evading sanctions of, or in violating the provisions of, resolutions 1737 (2006), 1747 (2007), 1803 (2008) or this resolution”.

Under **paragraph 12** of resolution 1929(2010) the Security Council decides that “the measures specified in paragraphs 12, 13, 14 and 15 of resolution 1737 (2006) shall apply also to the Islamic Revolutionary Guard Corps (IRGC, also known as “Army of the Guardians of the Islamic Revolution”) individuals and entities specified in Annex II, and to any individuals or entities acting on their behalf or at their direction, and to entities owned or controlled by them, including through illicit means, and *calls upon* all States to exercise vigilance over those transactions involving the IRGC that could contribute to Iran’s proliferation-sensitive nuclear activities or the development of nuclear weapon delivery systems”.

Under **paragraph 13** of resolution 1929(2010) the Security Council decides that “for the purposes of the measures specified in paragraphs 3, 4, 5, 6 and 7 of resolution 1737 (2006), the list of items in S/2006/814 shall be superseded by the list of items in INFCIRC/254/Rev.9/Part 1 and INFCIRC/254/Rev.7/Part 2, and any further items if the State determines that they could contribute to enrichment-related, reprocessing or heavy water-related activities or to the development of nuclear weapon delivery systems, and further *decides* that for the purposes of the measures specified in paragraphs 3, 4, 5, 6 and 7 of resolution 1737 (2006), the list of items contained in S/2006/815 shall be superseded by the list of items contained in S/2010/263”.

Under **paragraph 19** of resolution 1929(2010) the Security Council decides that “the measures specified in paragraphs 12, 13, 14 and 15 of resolution 1737 (2006) shall also apply to the entities of the IRISL as specified in Annex III and to any person or entity acting on their behalf or at their direction, and to entities owned or controlled by them, including through illicit means, or determined by the Council or the Committee to have assisted them in evading the sanctions of, or in violating the provisions of, resolutions 1737 (2006), 1747 (2007), 1803 (2008) or this resolution”.

Under **paragraph 21** of resolution 1929(2010) the Security Council calls upon “all States, in addition to implementing their obligations pursuant to resolutions 1737 (2006), 1747 (2007), 1803 (2008) and this resolution, to prevent the provision of financial services, including insurance or re-insurance, or the transfer to, through, or from their territory, or to or by their nationals or entities organized under their laws (including branches abroad), or persons or financial institutions in their

territory, of any financial or other assets or resources if they have information that provides reasonable grounds to believe that such services, assets or resources could contribute to Iran's proliferation-sensitive nuclear activities, or the development of nuclear weapon delivery systems, including by freezing any financial or other assets or resources on their territories or that hereafter come within their territories, or that are subject to their jurisdiction or that hereafter become subject to their jurisdiction, that are related to such programmes or activities and applying enhanced monitoring to prevent all such transactions in accordance with their national authorities and legislation".

Under **paragraph 22** of resolution 1929 the Security Council decides that "all States shall require their nationals, persons subject to their jurisdiction and firms incorporated in their territory or subject to their jurisdiction to exercise vigilance when doing business with entities incorporated in Iran or subject to Iran's jurisdiction, including those of the IRGC and IRISL, and any individuals or entities acting on their behalf or at their direction, and entities owned or controlled by them, including through illicit means, if they have information that provides reasonable grounds to believe that such business could contribute to Iran's proliferation-sensitive nuclear activities or the development of nuclear weapon delivery systems or to violations of resolutions 1737 (2006), 1747 (2007), 1803 (2008) or this resolution".

Under **paragraph 23** of resolution 1929 the Security Council calls upon States "to take appropriate measures that prohibit in their territories the opening of new branches, subsidiaries, or representative offices of Iranian banks, and also that prohibit Iranian banks from establishing new joint ventures, taking an ownership interest in or establishing or maintaining correspondent relationships with banks in their jurisdiction to prevent the provision of financial services if they have information that provides reasonable grounds to believe that these activities could contribute to Iran's proliferation-sensitive nuclear activities or the development of nuclear weapon delivery systems".

Under **paragraph 24** of resolution 1929 the Security Council calls upon States to "take appropriate measures that prohibit financial institutions within their territories or under their jurisdiction from opening representative offices or subsidiaries or banking accounts in Iran if they have information that provides reasonable grounds to believe that such financial services could contribute to Iran's proliferation-sensitive nuclear activities or the development of nuclear weapon delivery systems".

### Resolution 2087(2013)

Under **paragraph 5** of resolution 2087(2013) the Security Council recalls "the measures imposed by paragraph 8 of resolution 1718(2006), as modified by resolution 1874(2009), and determines that: (a) The measures specified in paragraph 8 (d) of resolution 1718 (2006) shall apply to the individuals and entities listed in Annex I and II, and the measures specified in paragraph 8 (e) of resolution 1718 (2006) shall apply to the individuals listed in Annex I; and, (b) The measures imposed in paragraph 8 (a), 8 (b) and 8 (c) of resolution 1718 (2006) shall apply to the items in INFCIRC/254/Rev.11/Part 1 and INFCIRC/254/Rev.8/Part 2 and S/2012/947".

Under **paragraph 6** of resolution 2087(2013) the Security Council recalls "paragraph 18 of resolution 1874 (2009), and calls upon Member States to exercise enhanced vigilance in this regard,

including monitoring the activities of their nationals, persons in their territories, financial institutions, and other entities organized under their laws (including branches abroad) with or on behalf of financial institutions in the DPRK, or of those that act on behalf or at the direction of DPRK financial institutions, including their branches, representatives, agents and subsidiaries abroad”.

Under **paragraph 12** of resolution 2087(2013) the Security Council deplores “the violations of the measures imposed in resolution 1718 (2006) and 1874 (2009), including the use of bulk cash to evade sanctions, underscores its concern over the supply, sale or transfer to or from the DPRK or through States’ territories of any item that could contribute to activities prohibited by resolutions 1718 (2006) or 1874 (2009) and the importance of appropriate action by States in this regard, calls on States to exercise vigilance and restraint regarding the entry into or transit through their territories of individuals working on behalf or at the direction of a designated individual or entity, directs the Committee to review reported violations and take action as appropriate, including through designating entities and individuals that have assisted the evasion of sanctions or in violating the provisions of resolutions 1718 (2006) and 1874 (2009)”.

### Resolution 2094(2013)

Under **preambular 6** of resolution 2094(2013) the Security Council “welcoming the Financial Action Task Force’s (FATF) new Recommendation 7 on targeted financial sanctions related to proliferation, and urging Member States to apply FATF’s Interpretative Note to Recommendation 7 and related guidance papers for effective implementation of targeted financial sanctions related to proliferation”.

Under **paragraph 7** of resolution 2094(2013) the Security Council reaffirms that “the measures imposed in paragraph 8 (c) of resolution 1718 (2006) apply to items prohibited by paragraphs 8 (a) (i), 8 (a) (ii) of resolution 1718 (2006) and paragraphs 9 and 10 of resolution 1874 (2009), decides that the measures imposed in paragraph 8 (c) of resolution 1718 (2006) also apply to paragraphs 20 and 22 of this resolution, and notes that these measures apply also to brokering or other intermediary services, including when arranging for the provision, maintenance or use of prohibited items in other States or the supply, sale or transfer to or exports from other States”.

Under **paragraph 8** of resolution 2094(2013) the Security Council decides that “measures specified in paragraph 8 (d) of resolution 1718 (2006) shall apply also to the individuals and entities listed in annexes I and II of this resolution and to any individuals or entities acting on their behalf or at their direction, and to entities owned or controlled by them, including through illicit means, and decides further that the measures specified in paragraph 8 (d) of resolution 1718 (2006) shall apply to any individuals or entities acting on the behalf or at the direction of the individuals and entities that have already been designated, to entities owned or controlled by them, including through illicit means”.

Under **paragraph 11** of resolution 2094(2013) the Security Council decides that “Member States shall, in addition to implementing their obligations pursuant to paragraphs 8 (d) and (e) of resolution 1718 (2006), prevent the provision of financial services or the transfer to, through, or from their territory, or to or by their nationals or entities organized under their laws (including branches abroad), or persons or financial institutions in their territory, of any financial or other

assets or resources, including bulk cash, that could contribute to the DPRK's nuclear or ballistic missile programmes, or other activities prohibited by resolutions 1718 (2006), 1874 (2009), 2087 (2013), or this resolution, or to the evasion of measures imposed by resolutions 1718 (2006), 1874 (2009), 2087 (2013), or this resolution, including by freezing any financial or other assets or resources on their territories or that hereafter come within their territories, or that are subject to their jurisdiction or that hereafter become subject to their jurisdiction, that are associated with such programmes or activities and applying enhanced monitoring to prevent all such transactions in accordance with their national authorities and legislation".

Under **paragraph 12** of resolution 2094(2013) the Security Council calls upon States to "take appropriate measures to prohibit in their territories the opening of new branches, subsidiaries, or representative offices of DPRK banks, and also calls upon States to prohibit DPRK banks from establishing new joint ventures and from taking an ownership interest in or establishing or maintaining correspondent relationships with banks in their jurisdiction to prevent the provision of financial services if they have information that provides reasonable grounds to believe that these activities could contribute to the DPRK's nuclear or ballistic missile programmes, or other activities prohibited by resolutions 1718 (2006), 1874 (2009), 2087 (2013), and this resolution, or to the evasion of measures imposed by resolutions 1718 (2006), 1874 (2009), 2087 (2013), or this resolution".

Under **paragraph 13** of resolution 2094(2013) the Security Council calls upon States to "take appropriate measures to prohibit financial institutions within their territories or under their jurisdiction from opening representative offices or subsidiaries or banking accounts in the DPRK if they have information that provides reasonable grounds to believe that such financial services could contribute to the DPRK's nuclear or ballistic missile programmes, and other activities prohibited by resolutions 1718 (2006), 1874 (2009), 2087 (2013), and this resolution".

Under **paragraph 14** of resolution 2094(2013) the Security Council expresses "concern that transfers to the DPRK of bulk cash may be used to evade the measures imposed in resolutions 1718(2006), 1874(2009), 2087(2013), and this resolution, and clarifies that all States shall apply the measures set forth in paragraph 11 of this resolution to the transfers of cash, including through cash couriers, transiting to and from the DPRK so as to ensure such transfers of bulk cash do not contribute to the DPRK's nuclear or ballistic missile programmes, or other activities prohibited by resolutions 1718 (2006), 1874 (2009), 2087 (2013), or this resolution, or to the evasion of measures imposed by resolutions 1718 (2006), 1874 (2009), 2087 (2013), or this resolution".

Under **paragraph 15** of resolution 2094(2013) the Security Council decides that "all Member States shall not provide public financial support for trade with the DPRK (including the granting of export credits, guarantees or insurance to their nationals or entities involved in such trade) where such financial support could contribute to the DPRK's nuclear or ballistic missile programmes, or other activities prohibited by resolutions 1718 (2006), 1874 (2009), 2087 (2013), or this resolution, or to the evasion of measures imposed by resolutions 1718 (2006), 1874 (2009), 2087 (2013), or this resolution".

Under **paragraph 20** of resolution 2094(2013) the Security Council decides that “the measures imposed in paragraphs 8 (a) and 8 (b) of resolution 1718 (2006) shall also apply to the items, materials, equipment, goods and technology listed in annex III of this resolution”.

Under **paragraph 24** of resolution 2094(2013) the Security Council calls upon States to “exercise enhanced vigilance over DPRK diplomatic personnel so as to prevent such individuals from contributing to the DPRK’s nuclear or ballistic missile programmes, or other activities prohibited by resolutions 1718 (2006), 1874 (2009), 2087 (2013), and this resolution, or to the evasion of measures imposed by resolutions 1718 (2006), 1874 (2009), 2087 (2013), or this resolution”.

## ANNEX C: FINANCIAL PROVISIONS OF UNSCRS AND THEIR CATEGORISATION

The chart below summarises the operative paragraphs (OP) of relevant UNSCRs that either contain specific financial provisions, or are general anti-proliferation provisions which must be read in conjunction with subsequent financial provisions in order to give them effect or (in the case of UNSCR 1540) to renew their effect.

For convenience, the first column organises the UNSCRs into five categories: a targeted financial sanction (TFS), an activity-based financial prohibition (ABFP), a vigilance measure (VM), other financial provision (OFP), or a general anti-proliferation provision (GAPP) (*i.e.*, a provision which does not have an express financial component, but which must be read in connection with another financial provision to give it effect).

Category	UNSCRs	OP	Quotes from the relevant UNSCRs
TFS	1718(2006) DPRK	8(d)	<i>Decides</i> that...All Member States shall... <b>freeze immediately</b> the funds, other financial assets and economic resources... that are owned or controlled...by the persons or entities <b>designated by the Committee or by the Security Council</b> as being engaged in or providing support for...DPRK's nuclear-related, other weapons of mass destruction-related and ballistic missile-related programmes...and ensure that any funds, financial assets or economic resources are <b>prevented from being made available</b> ...
	1737(2006) Iran	12	<i>Decides</i> that all States shall <b>freeze</b> the funds, other financial assets and economic resources ... that are owned or controlled by the persons or <b>entities designated...by the Security Council or by the Committee</b> as being engaged in...or providing support for Iran's proliferation sensitive nuclear activities or the development of nuclear weapon delivery systems...and <i>decides further</i> that all States shall ensure that any funds, financial assets or economic resources <b>are prevented from being made available</b> ...
	1747(2007) Iran	4 <sup>38</sup>	<i>Decides</i> that the <b>measures specified in paragraphs 12...of resolution 1737 (2006) shall apply also to</b> the persons and entities listed in Annex I to this resolution [relating to Iran].
	1803(2008) Iran	7 <sup>39</sup>	<i>Decides</i> that the <b>measures specified in paragraphs 12...of resolution 1737 (2006) shall apply also to</b> the persons and entities listed in Annexes I and III to this resolution [relating to Iran]...
	1874(2009) DPRK	7 <sup>40</sup>	<i>Calls upon</i> all Member States to <b>implement their obligations pursuant to resolution 1718(2006), including with respect to designations made by the Committee</b> established pursuant to resolution 1718(2006)...pursuant to the statement of its President of 13 April 2009 (S/PRST/2009/7) [on DPRK].
	1929(2010) Iran	11 <sup>41</sup>	<i>Decides</i> that the <b>measures specified in paragraphs 12...of resolution 1737 (2006) shall apply also to</b> the individuals and entities listed in Annex I of this resolution...and to any individuals and entities <b>determined by the Council or the Committee to have assisted designated individuals or entities</b> in evading sanctions of, or in violating the provisions of, resolutions 1737 (2006), 1747 (2007), 1803 (2008) or this

<sup>38</sup> Extends the TFS of UNSCR 1737, OP 12.

<sup>39</sup> Extends the TFS of UNSCR 1737, OP 12.

<sup>40</sup> Extends the TFS of UNSCR 1718, OP 8(d).

<sup>41</sup> Extends the TFS of UNSCR 1737, OP 12.

Category	UNSCRs	OP	Quotes from the relevant UNSCRs
			resolution ...[relating to Iran].
		12 <sup>42</sup>	<i>Decides</i> that the <b>measures specified in paragraphs 12...of resolution 1737 (2006) shall apply also</b> to the Islamic Revolutionary Guard Corps (IRGC, also known as “Army of the Guardians of the Islamic Revolution”) individuals and entities specified in Annex II...and <i>calls upon</i> all States to exercise vigilance over those transactions involving the IRGC that could contribute to Iran’s proliferation-sensitive nuclear activities or the development of nuclear weapon delivery systems.
		19 <sup>43</sup>	<i>Decides</i> that the <b>measures specified in paragraphs 12...of resolution 1737 (2006) shall also apply to</b> the entities of the Islamic Republic of Iran Shipping Lines (IRISL) as specified in Annex III...and to any person or entity...determined by the Council or the Committee to have assisted them in evading the sanctions of, or in violating the provisions of, resolutions 1737 (2006), 1747 (2007), 1803 (2008) or this resolution.
	2087(2013) DPRK	5(a) <sup>44</sup>	<i>Recalls</i> the measures imposed by paragraph 8 of resolution 1718 (2006), as modified by resolution 1874 (2009), and determines that: (a) <b>The measures specified in paragraph 8 (d) of resolution 1718 (2006) shall apply</b> to the individuals and entities listed in Annex I and II, and the measures specified in paragraph 8 (e) of resolution 1718 (2006) shall apply to the individuals listed in Annex I.
	2094(2013) DPRK	8 <sup>45</sup>	<i>Decides</i> further that <b>measures specified in paragraph 8 (d) of resolution 1718 (2006) shall apply also</b> to the individuals and entities listed in annexes I and II of this resolution and to any individuals or entities acting on their behalf or at their direction, and to entities owned or controlled by them, including through illicit means, and <i>decides</i> further that the measures specified in paragraph 8 (d) of resolution 1718 (2006) shall apply to any individuals or entities acting on the behalf or at the direction of the individuals and entities that have already been designated, to entities owned or controlled by them, including through illicit means.
ABFP	1695(2006) DPRK	4	<i>Requires</i> all Member States...to <b>exercise vigilance</b> and <b>prevent</b> the procurement of missiles or missile related-items, materials, goods and technology from the DPRK, and the <b>transfer of any financial resources</b> in relation to DPRK’s missile or WMD programmes.
	1737(2006) Iran	6	<i>Decides</i> that all States shall also take the necessary measures to <b>prevent the provision to Iran of any technical assistance or training, financial assistance, investment, brokering or other services, and the transfer of financial resources or services</b> [related to Iran’s enrichment-related, reprocessing or heavy water-related activities, or to the development of nuclear weapon delivery systems].
	1874(2009) DPRK	9 <sup>46</sup>	<i>Decides</i> that the <b>measures in paragraph 8(b) of resolution 1718(2006) shall also apply</b> to all arms and related materiel, as well as to <b>financial transactions...services or assistance</b> related to the provision...of such arms [to DPRK].
		10 <sup>47</sup>	<i>Decides</i> that the <b>measures in paragraph 8(a) of resolution 1718(2006) shall also apply to...financial transactions...services or assistance</b>

42 Extends the TFS of UNSCR 1737, OP 12.

43 Extends the TFS of UNSCR 1737, OP 12.

44 Extends the TFS of UNSCR 1718, OP 8(d).

45 Extends the TFS of UNSCR 1718, OP 8(d).

46 Extends the prohibitions of UNSCR 1718, OP 8(b) to financial transactions, services or assistance.



Category	UNSCRs	OP	Quotes from the relevant UNSCRs
			related to the provision...of such arms [to DPRK].
		18	<i>Calls upon</i> Member States...to <b>prevent the provision of financial services or the transfer...of any financial or other assets or resources</b> that could contribute to the DPRK's nuclear-related, ballistic missile-related, or other weapons of mass destruction-related programs or activities.
	1929(2010) Iran	8	<i>Decides...</i> further that all States <b>shall prevent the provision</b> to Iran by their nationals or from or through their territories of technical training, <b>financial resources or services</b> , advice, other services or assistance related to the supply, sale, transfer, provision, manufacture, maintenance or use of such arms and related materiel [to Iran].
		13 <sup>48</sup>	<i>Decides</i> that <b>for the purposes of the measures specified in paragraphs...6...of resolution 1737 (2006), the list of items in S/2006/814 shall be superseded by</b> the list of items in...and any further items if the State determines that they could contribute to enrichment-related, reprocessing or heavy water-related activities or to the development of nuclear weapon delivery systems, and further <i>decides</i> that <b>for the purposes of the measures specified in paragraphs...6...of resolution 1737 (2006), the list of items contained in S/2006/815 shall be superseded by</b> the list of items contained in S/2010/263 [relating to Iran].
		21	<i>Calls upon</i> all States, in addition to implementing their obligations pursuant to resolutions 1737 (2006), 1747 (2007), 1803 (2008) and this resolution, <b>to prevent the provision of financial services</b> , including insurance or re-insurance, or the transfer... of any financial or other assets or resources if they have information that provides reasonable grounds to believe that such services, assets or resources could contribute to Iran's proliferation-sensitive nuclear activities, or the development of nuclear weapon delivery systems, including by <b>freezing</b> any financial or other assets or resources on their territories or that hereafter come within their territories, or that are subject to their jurisdiction...that are related to such programmes or activities and <b>applying enhanced monitoring</b> to prevent all such transactions in accordance with their national authorities and legislation.
	2087(2013) DPRK	5(b) <sup>49</sup>	<i>Recalls</i> the measures imposed by paragraph 8 of resolution 1718 (2006), as modified by resolution 1874 (2009), and determines that... (b) <b>The measures imposed in paragraph 8 (a), 8 (b) and 8 (c) of resolution 1718 (2006) shall apply</b> to the items in INFCIRC/254/Rev.11/Part 1 and INFCIRC/254/Rev.8/Part 2 and S/2012/947.
	2094(2013) DPRK	7 <sup>50</sup>	<i>Reaffirms</i> that <b>the measures imposed in paragraph 8 (c) of resolution 1718 (2006)</b> apply to items prohibited by paragraphs 8 (a) (i), 8 (a) (ii) of resolution 1718 (2006) and <b>paragraphs 9 and 10 of resolution 1874 (2009)</b> , <i>decides</i> that <b>the measures imposed in paragraph 8 (c) of resolution 1718 (2006)</b> also apply to paragraphs 20 and 22 of this resolution, and <i>notes</i> that these measures apply also to brokering or other intermediary services, including when arranging for the provision, maintenance or use of prohibited items in other States or the supply, sale

<sup>47</sup> Extends the prohibitions of UNSCR 1718, OP 8(a) to financial transactions, services or assistance.

<sup>48</sup> Extends the ABFP of UNSCR 1737, OP 6.

<sup>49</sup> Extends the items to which the measures of UNSCR 1718, OP 8(a), 8(b) and 8(c) apply.

<sup>50</sup> Extends the items to which the measures of UNSCR 1718, OP 8(c) apply.

Category	UNSCRs	OP	Quotes from the relevant UNSCRs
			or transfer to or exports from other States.
		11	<i>Decides</i> that Member States shall, in addition to implementing their obligations pursuant to paragraphs 8 (d) and (e) of resolution 1718 (2006), <b>prevent the provision of financial services or the transfer</b> to, through, or from their territory, or to or by their nationals or entities organized under their laws (including branches abroad), or persons or financial institutions in their territory, <b>of any financial or other assets or resources</b> , including bulk cash, that could contribute to the DPRK's nuclear or ballistic missile programmes, or other activities prohibited by resolutions 1718 (2006), 1874 (2009), 2087 (2013), or this resolution, or to the evasion of measures imposed by resolutions 1718 (2006), 1874 (2009), 2087 (2013), or this resolution, including by <b>freezing</b> any financial or other assets or resources on their territories or that hereafter come within their territories, or that are subject to their jurisdiction or that hereafter become subject to their jurisdiction, that are associated with such programmes or activities and applying enhanced monitoring to prevent all such transactions in accordance with their national authorities and legislation.
		14	<i>Expresses</i> concern that transfers to the DPRK of <b>bulk cash may be used to evade the measures</b> imposed in resolutions 1718 (2006), 1874 (2009), 2087 (2013), and this resolution, and <i>clarifies</i> that all States shall apply the measures set forth in <b>paragraph 11 of this resolution to the transfers of cash</b> , including through <b>cash couriers</b> , transiting to and from the DPRK so as to ensure such transfers of bulk cash do not contribute to the DPRK's nuclear or ballistic missile programmes, or other activities prohibited by resolutions 1718 (2006), 1874 (2009), 2087 (2013), or this resolution, or to the evasion of measures imposed by resolutions 1718 (2006), 1874 (2009), 2087 (2013), or this resolution.
		20 <sup>51</sup>	<i>Decides</i> that <b>the measures imposed in paragraphs 8 (a) and 8 (b) of resolution 1718 (2006)</b> shall also apply to the items, materials, equipment, goods and technology listed in annex III of this resolution.
VM	1747(2007) Iran	6	<i>Calls upon</i> all States to <b>exercise vigilance and restraint...in the provision to Iran of any...financial assistance, investment, brokering or other services, and the transfer of financial resources or services</b> related to [battle tanks, armoured combat vehicles...missiles or missile systems...
	1803(2008) Iran	10	<i>Calls upon</i> all States to <b>exercise vigilance over the activities of financial institutions</b> in their territories with all banks domiciled in Iran, in particular with Bank Melli and Bank Saderat, and their branches and subsidiaries abroad, in order to avoid such activities contributing to the proliferation sensitive nuclear activities, or to the development of nuclear weapon delivery systems, as referred to in resolution 1737(2006)...
	1929(2010) Iran	22	<i>Decides</i> that all States shall <b>require their nationals, persons subject to their jurisdiction and firms incorporated in their territory or subject to their jurisdiction to exercise vigilance when doing business with entities incorporated in Iran</b> or subject to Iran's jurisdiction, including those of the IRGC and IRISL...if they have information that provides reasonable grounds to believe that such business could contribute to Iran's proliferation-sensitive nuclear activities or the development of nuclear weapon delivery systems or to violations of resolutions 1737 (2006), 1747 (2007), 1803 (2008) or this resolution.

<sup>51</sup> Extends the items to which the measures of UNSCR 1718, OP 8(a) and 8(b) apply.

Category	UNSCRs	OP	Quotes from the relevant UNSCRs
	2087(2013) DPRK	6	<i>Recalls</i> paragraph 18 of resolution 1874 (2009), and <i>calls upon</i> Member States to <b>exercise enhanced vigilance</b> in this regard, including <b>monitoring</b> the activities of their nationals, persons in their territories, <b>financial institutions</b> , and other entities organized under their laws (including branches abroad) with or on behalf of financial institutions in the DPRK, or of those that act on behalf or at the direction of DPRK financial institutions, including their branches, representatives, agents and subsidiaries abroad.
	2094(2013) DPRK	24	<i>Calls upon</i> States to <b>exercise enhanced vigilance over DPRK diplomatic personnel</b> so as to prevent such individuals from contributing to the DPRK's nuclear or ballistic missile programmes, or other activities prohibited by resolutions 1718 (2006), 1874 (2009), 2087 (2013), and this resolution, or to the evasion of measures imposed by resolutions 1718 (2006), 1874 (2009), 2087 (2013), or this resolution.
OFFP	1540(2004)	2	<i>Decides also</i> that all States...shall adopt and enforce appropriate effective laws which <b>prohibit</b> any non-State actor to manufacture, acquire, possess, transport, transfer or use nuclear, chemical or biological weapons...as well as attempts to engage in any of the foregoing activities, participate in them as an accomplice, assist or <b>finance them</b> .
		3(d)	<i>Decides also</i> that all States shall take and enforce effective measures to establish domestic controls...and to this end shall...Establish, develop, review and maintain appropriate effective national export and trans-shipment controls over such items, including appropriate laws and regulations to control export, transit, trans-shipment and re-export and <b>controls on providing funds and services related to such export and trans-shipment such as financing</b> , and transporting that would contribute to proliferation, as well as establishing end-user controls; and establishing and enforcing appropriate criminal or civil penalties for violations of such export control laws and regulations.
	1747(2007) Iran	7	<i>Calls upon</i> all States and international financial institutions not to enter into <b>new commitments for grants, financial assistance, and concessional loans</b> to...Iran.
	1803(2008) Iran	9	<i>Calls upon</i> all States to <b>exercise vigilance</b> in entering into new commitments for <b>public provided financial support</b> for trade with Iran, including the granting of export credits, guarantees or insurance...in order to avoid such financial support contributing to the proliferation sensitive nuclear activities, or to the development of nuclear weapon delivery systems, as referred to in resolution 1737(2006).
	1874(2009) DPRK	19	<i>Calls upon</i> all Member States and international financial and credit institutions <b>not to enter into new commitments for grants, financial assistance, or concessional loans</b> to the DPRK.
		20	<i>Calls upon</i> all Member States <b>not to provide public financial support for trade</b> with the DPRK (including the granting of export credits, guarantees or insurance to their national or entities involved in such trade) where such financial support could contribute to the DPRK's nuclear-related or ballistic missile-related or other WMD-related programs or activities.
	1929(2010) Iran	7	<i>Decides</i> that <b>Iran shall not acquire an interest in any commercial activity in another State</b> involving uranium mining, production or use of nuclear materials and technology...and <i>further decides</i> that All States <b>shall prohibit such investment</b> in territories under their jurisdiction by Iran...
		23	<i>Calls upon</i> States to take appropriate measures that <b>prohibit</b> in their territories the opening of new branches, subsidiaries, or representative

Category	UNSCRs	OP	Quotes from the relevant UNSCRs
			offices of Iranian banks, and also that <b>prohibit</b> Iranian banks from establishing new joint ventures, taking an ownership interest in or establishing or maintaining correspondent relationships with banks in their jurisdiction to prevent the provision of financial services <b>if they have information that provides reasonable grounds to believe</b> that these activities could contribute to Iran’s proliferation-sensitive nuclear activities or the development of nuclear weapon delivery systems.
		24	<i>Calls upon</i> States to take appropriate measures that <b>prohibit</b> financial institutions within their territories or under their jurisdiction from opening representative offices or subsidiaries or banking accounts in Iran <b>if they have information that provides reasonable grounds to believe</b> that such financial services could contribute to Iran’s proliferation-sensitive nuclear activities or the development of nuclear weapon delivery systems.
	2094(2013) DPRK	12	<i>Calls upon</i> States to take appropriate measures to <b>prohibit</b> in their territories the opening of new branches, subsidiaries, or representative offices of DPRK banks, and also <i>calls upon</i> States to <b>prohibit</b> DPRK banks from establishing new joint ventures and from taking an ownership interest in or establishing or maintaining correspondent relationships with banks in their jurisdiction to prevent the provision of financial services <b>if they have information that provides reasonable grounds to believe</b> that these activities could contribute to the DPRK’s nuclear or ballistic missile programmes, or other activities prohibited by resolutions 1718 (2006), 1874 (2009), 2087 (2013), and this resolution, or to the evasion of measures imposed by resolutions 1718 (2006), 1874 (2009), 2087 (2013), or this resolution.
		13	<i>Calls upon</i> States to take appropriate measures to <b>prohibit</b> financial institutions within their territories or under their jurisdiction from opening representative offices or subsidiaries or banking accounts in the DPRK <b>if they have information that provides reasonable grounds to believe</b> that such financial services could contribute to the DPRK’s nuclear or ballistic missile programmes, and other activities prohibited by resolutions 1718 (2006), 1874 (2009), 2087 (2013), and this resolution.
		15	<i>Decides</i> that all Member States shall <b>not provide public financial support for trade</b> with the DPRK (including the granting of export credits, guarantees or insurance to their nationals or entities involved in such trade) where such financial support could contribute to the DPRK’s nuclear or ballistic missile programmes, or other activities prohibited by resolutions 1718 (2006), 1874 (2009), 2087 (2013), or this resolution, or to the evasion of measures imposed by resolutions 1718 (2006), 1874 (2009), 2087 (2013), or this resolution.
	GAPP	1673(2006)	1
1718(2006) DPRK		8(a) (i), (ii)	<i>Decides</i> that all Member States shall... <b>prevent</b> the direct or indirect <b>supply, sale or transfer</b> to the DPRK of...any battle tanks, armoured combat vehicles...items, materials, equipment, goods and technology...which could contribute to DPRK’s nuclear-related, ballistic missile-related or other weapons of mass destruction-related programmes.
		8(b)	<i>Decides</i> that...all Member States shall <b>prohibit the procurement</b> of such items [covered in subparagraphs (a)(i) and a(ii) above] from the DPRK...
		8(c)	<i>Decides</i> that...All Member States shall <b>prevent any transfers</b> to the DPRK...of technical training, advice, <b>services or assistance</b> related to the provision, manufacture, maintenance or use of the items in

Category	UNSCRs	OP	Quotes from the relevant UNSCRs
			subparagraphs a(i) and a(ii) above...
	1810(2008)	1	<i>Reiterates</i> its decisions in and the requirements of resolution 1540(2004) and emphasizes the importance for all States to implement fully that resolution.
	2087(2013) DPRK	12	<i>Deplores</i> the violations of the measures imposed in resolution 1718 (2006) and 1874 (2009), including <b>the use of bulk cash to evade sanctions</b> , <i>underscores</i> its concern over the supply, sale or transfer to or from the DPRK or through States' territories of any item that could contribute to activities prohibited by resolutions 1718 (2006) or 1874 (2009) and the importance of appropriate action by States in this regard, <i>calls on</i> States to exercise vigilance and restraint regarding the entry into or transit through their territories of individuals working on behalf or at the direction of a designated individual or entity.

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