



Bangko Sentral ng Pilipinas

OFFICE OF THE DEPUTY GOVERNOR SUPERVISION AND EXAMINATION SECTOR

CIRCULAR LETTER NO. CL-2009-058

To : **ALL BANKS AND NON-BANK FINANCIAL INSTITUTIONS
UNDER BSP SUPERVISION**

Subject : **United Nations Security Council Resolution (UNSCR) No.
1874 imposing sanction on the Democratic People's
Republic of Korea (DPRK)**

Attached for your information and guidance is a copy of UNSCR 1874 (2009) and 1718 (2006) relative to the actions taken against DPRK by reason of its conduct of nuclear tests on 25 May 2009 and 09 October 2006, respectively.

The Bangko Sentral ng Pilipinas, in coordination with the Department of Foreign Affairs, fully supports these resolutions and, within the bounds of banking laws, rules and regulations, advises Banks and non – bank financial institutions under its supervision to closely monitor any financial transactions with the individuals and entities referred to in UNSCR 1874 (2009) and 1718 (2006) and to report any known information regarding these individuals and entities such as amount, date, counterparty and nature of transaction to the Central Point of Contact Department I, Supervision and Examination Sector.


NESTOR A. ESPENILLA, JR.
Deputy Governor

03 August 2009

Att.: A/S

PANANALAPING MATATAG, BANSANG PANATAG

**Security Council**Distr.: General
12 June 2009

Resolution 1874 (2009)**Adopted by the Security Council at its 6141st meeting, on
12 June 2009***The Security Council,*

Recalling its previous relevant resolutions, including resolution 825 (1993), resolution 1540 (2004), resolution 1695 (2006), and, in particular, resolution 1718 (2006), as well as the statements of its President of 6 October 2006 (S/PRST/2006/41) and 13 April 2009 (S/PRST/2009/7),

Reaffirming that proliferation of nuclear, chemical and biological weapons, as well as their means of delivery, constitutes a threat to international peace and security,

Expressing the gravest concern at the nuclear test conducted by the Democratic People's Republic of Korea ("the DPRK") on 25 May 2009 (local time) in violation of resolution 1718 (2006), and at the challenge such a test constitutes to the Treaty on Non-Proliferation of Nuclear Weapons ("the NPT") and to international efforts aimed at strengthening the global regime of non-proliferation of nuclear weapons towards the 2010 NPT Review Conference, and the danger it poses to peace and stability in the region and beyond,

Stressing its collective support for the NPT and commitment to strengthen the Treaty in all its aspects, and global efforts towards nuclear non-proliferation and nuclear disarmament, and *recalling* that the DPRK cannot have the status of a nuclear-weapon state in accordance with the NPT in any case,

Deploing the DPRK's announcement of withdrawal from the NPT and its pursuit of nuclear weapons,

Underlining once again the importance that the DPRK respond to other security and humanitarian concerns of the international community,

Underlining also that measures imposed by this resolution are not intended to have adverse humanitarian consequences for the civilian population of the DPRK,

Expressing its gravest concern that the nuclear test and missile activities carried out by the DPRK have further generated increased tension in the region and beyond, and *determining* that there continues to exist a clear threat to international peace and security,

Reaffirming the importance that all Member States uphold the purposes and principles of the Charter of the United Nations,



Acting under Chapter VII of the Charter of the United Nations, and taking measures under its Article 41,

1. *Condemns* in the strongest terms the nuclear test conducted by the DPRK on 25 May 2009 (local time) in violation and flagrant disregard of its relevant resolutions, in particular resolutions 1695 (2006) and 1718 (2006), and the statement of its President of 13 April 2009 (S/PRST/2009/7);
2. *Demands* that the DPRK not conduct any further nuclear test or any launch using ballistic missile technology;
3. *Decides* that the DPRK shall suspend all activities related to its ballistic missile programme and in this context re-establish its pre-existing commitments to a moratorium on missile launches;
4. *Demands* that the DPRK immediately comply fully with its obligations under relevant Security Council resolutions, in particular resolution 1718 (2006);
5. *Demands* that the DPRK immediately retract its announcement of withdrawal from the NPT;
6. *Demands* further that the DPRK return at an early date to the NPT and International Atomic Energy Agency (IAEA) safeguards, bearing in mind the rights and obligations of States Parties to the NPT, and *underlines* the need for all States Parties to the NPT to continue to comply with their Treaty obligations;
7. *Calls upon* all 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) ("the Committee") pursuant to the statement of its President of 13 April 2009 (S/PRST/2009/7);
8. *Decides* that the DPRK shall abandon all nuclear weapons and existing nuclear programs in a complete, verifiable and irreversible manner and immediately cease all related activities, shall act strictly in accordance with the obligations applicable to parties under the NPT and the terms and conditions of the IAEA Safeguards Agreement (IAEA INFCIRC/403) and shall provide the IAEA transparency measures extending beyond these requirements, including such access to individuals, documentation, equipment and facilities as may be required and deemed necessary by the IAEA;
9. *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;
10. *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, and *calls upon* States to exercise vigilance over the direct or indirect supply, sale or transfer to the DPRK of small arms or light weapons, and further *decides* that States shall notify the Committee at least five days prior to selling, supplying or transferring small arms or light weapons to the DPRK;

11. *Calls upon* all States to inspect, in accordance with their national authorities and legislation, and consistent with international law, all cargo to and from the DPRK, in their territory, including seaports and airports, if the State concerned has information that provides reasonable grounds to believe the cargo contains items the supply, sale, transfer, or export of which is prohibited by paragraph 8 (a), 8 (b), or 8 (c) of resolution 1718 or by paragraph 9 or 10 of this resolution, for the purpose of ensuring strict implementation of those provisions;

12. *Calls upon* all Member States to inspect vessels, with the consent of the flag State, on the high seas, if they have information that provides reasonable grounds to believe that the cargo of such vessels contains items the supply, sale, transfer, or export of which is prohibited by paragraph 8 (a), 8 (b), or 8 (c) of resolution 1718 (2006) or by paragraph 9 or 10 of this resolution, for the purpose of ensuring strict implementation of those provisions;

13. *Calls upon* all States to cooperate with inspections pursuant to paragraphs 11 and 12, and, if the flag State does not consent to inspection on the high seas, *decides* that the flag State shall direct the vessel to proceed to an appropriate and convenient port for the required inspection by the local authorities pursuant to paragraph 11;

14. *Decides* to authorize all Member States to, and that all Member States shall, seize and dispose of items the supply, sale, transfer, or export of which is prohibited by paragraph 8 (a), 8 (b), or 8 (c) of resolution 1718 or by paragraph 9 or 10 of this resolution that are identified in inspections pursuant to paragraph 11, 12, or 13 in a manner that is not inconsistent with their obligations under applicable Security Council resolutions, including resolution 1540 (2004), as well as any obligations of parties to the NPT, the Convention on the Prohibition of the Development, Production, Stockpiling and Use of Chemical Weapons and on Their Destruction of 29 April 1997, and the Convention on the Prohibition of the Development, Production and Stockpiling of Bacteriological (Biological) and Toxin Weapons and on Their Destruction of 10 April 1972, and *decides* further that all States shall cooperate in such efforts;

15. *Requires* any Member State, when it undertakes an inspection pursuant to paragraph 11, 12, or 13, or seizes and disposes of cargo pursuant to paragraph 14, to submit promptly reports containing relevant details to the Committee on the inspection, seizure and disposal;

16. *Requires* any Member State, when it does not receive the cooperation of a flag State pursuant to paragraph 12 or 13 to submit promptly to the Committee a report containing relevant details;

17. *Decides* that Member States shall prohibit the provision by their nationals or from their territory of bunkering services, such as provision of fuel or supplies, or other servicing of vessels, to DPRK vessels if they have information that provides reasonable grounds to believe they are carrying items the supply, sale, transfer, or export of which is prohibited by paragraph 8 (a), 8 (b), or 8 (c) of resolution 1718 (2006) or by paragraph 9 or 10 of this resolution, unless provision of such services is necessary for humanitarian purposes or until such time as the cargo has been inspected, and seized and disposed of if necessary, and *underlines* that this paragraph is not intended to affect legal economic activities;

18. *Calls upon* Member States, in addition to implementing their obligations pursuant to paragraphs 8 (d) and (e) of resolution 1718 (2006), 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;

19. *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;

20. *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;

21. *Emphasizes* that all Member States should comply with the provisions of paragraphs 8 (a) (iii) and 8 (d) of resolution 1718 (2006) without prejudice to the activities of the diplomatic missions in the DPRK pursuant to the Vienna Convention on Diplomatic Relations;

22. *Calls upon* all Member States to report to the Security Council within forty-five days of the adoption of this resolution and thereafter upon request by the Committee on concrete measures they have taken in order to implement effectively the provisions of paragraph 8 of resolution 1718 (2006) as well as paragraphs 9 and 10 of this resolution, as well as financial measures set out in paragraphs 18, 19 and 20 of this resolution;

23. *Decides* that the measures set out at paragraphs 8 (a), 8 (b) and 8 (c) of resolution 1718 (2006) shall also apply to the items listed in INFCIRC/254/Rev.9/Part 1a and INFCIRC/254/Rev.7/Part 2a;

24. *Decides* to adjust the measures imposed by paragraph 8 of resolution 1718 (2006) and this resolution, including through the designation of entities, goods, and individuals, and directs the Committee to undertake its tasks to this effect and to report to the Security Council within thirty days of adoption of this resolution, and further *decides* that, if the Committee has not acted, then the Security Council will complete action to adjust the measures within seven days of receiving that report;

25. *Decides* that the Committee shall intensify its efforts to promote the full implementation of resolution 1718 (2006), the statement of its President of 13 April 2009 (S/PRST/2009/7) and this resolution, through a work programme covering compliance, investigations, outreach, dialogue, assistance and cooperation, to be

submitted to the Council by 15 July 2009, and that it shall also receive and consider reports from Member States pursuant to paragraphs 10, 15, 16 and 22 of this resolution;

26. *Requests* the Secretary-General to create for an initial period of one year, in consultation with the Committee, a group of up to seven experts ("Panel of Experts"), acting under the direction of the Committee to carry out the following tasks: (a) assist the Committee in carrying out its mandate as specified in resolution 1718 (2006) and the functions specified in paragraph 25 of this resolution; (b) gather, examine and analyze information from States, relevant United Nations bodies and other interested parties regarding the implementation of the measures imposed in resolution 1718 (2006) and in this resolution, in particular incidents of non-compliance; (c) make recommendations on actions the Council, or the Committee or Member States, may consider to improve implementation of the measures imposed in resolution 1718 (2006) and in this resolution; and (d) provide an interim report on its work to the Council no later than 90 days after adoption of this resolution, and a final report to the Council no later than 30 days prior to termination of its mandate with its findings and recommendations;

27. *Urges* all States, relevant United Nations bodies and other interested parties, to cooperate fully with the Committee and the Panel of Experts, in particular by supplying any information at their disposal on the implementation of the measures imposed by resolution 1718 (2006) and this resolution;

28. *Calls upon* all Member States to exercise vigilance and prevent specialized teaching or training of DPRK nationals within their territories or by their nationals, of disciplines which could contribute to the DPRK's proliferation sensitive nuclear activities and the development of nuclear weapon delivery systems;

29. *Calls upon* the DPRK to join the Comprehensive Nuclear-Test-Ban Treaty at the earliest date;

30. *Supports* peaceful dialogue, *calls upon* the DPRK to return immediately to the Six Party Talks without precondition, and *urges* all the participants to intensify their efforts on the full and expeditious implementation of the Joint Statement issued on 19 September 2005 and the joint documents of 13 February 2007 and 3 October 2007, by China, the DPRK, Japan, the Republic of Korea, the Russian Federation and the United States, with a view to achieving the verifiable denuclearization of the Korean Peninsula and to maintain peace and stability on the Korean Peninsula and in north-east Asia;

31. *Expresses* its commitment to a peaceful, diplomatic and political solution to the situation and welcomes efforts by Council members as well as other Member States to facilitate a peaceful and comprehensive solution through dialogue and to refrain from any actions that might aggravate tensions;

32. *Affirms* that it shall keep the DPRK's actions under continuous review and that it shall be prepared to review the appropriateness of the measures contained in paragraph 8 of resolution 1718 (2006) and relevant paragraphs of this resolution, including the strengthening, modification, suspension or lifting of the measures, as may be needed at that time in light of the DPRK's compliance with relevant provisions of resolution 1718 (2006) and this resolution;

33. *Underlines* that further decisions will be required, should additional measures be necessary;

34. *Decides* to remain actively seized of the matter.

**Security Council**Distr.: General
14 October 2006

Resolution 1718 (2006)**Adopted by the Security Council at its 5551st meeting, on
14 October 2006***The Security Council,*

Recalling its previous relevant resolutions, including resolution 825 (1993), resolution 1540 (2004) and, in particular, resolution 1695 (2006), as well as the statement of its President of 6 October 2006 (S/PRST/2006/41),

Reaffirming that proliferation of nuclear, chemical and biological weapons, as well as their means of delivery, constitutes a threat to international peace and security,

Expressing the gravest concern at the claim by the Democratic People's Republic of Korea (DPRK) that it has conducted a test of a nuclear weapon on 9 October 2006, and at the challenge such a test constitutes to the Treaty on the Non-Proliferation of Nuclear Weapons and to international efforts aimed at strengthening the global regime of non-proliferation of nuclear weapons, and the danger it poses to peace and stability in the region and beyond,

Expressing its firm conviction that the international regime on the non-proliferation of nuclear weapons should be maintained and recalling that the DPRK cannot have the status of a nuclear-weapon state in accordance with the Treaty on the Non-Proliferation of Nuclear Weapons,

Deploing the DPRK's announcement of withdrawal from the Treaty on the Non-Proliferation of Nuclear Weapons and its pursuit of nuclear weapons,

Deploing further that the DPRK has refused to return to the Six-Party talks without precondition,

Endorsing the Joint Statement issued on 19 September 2005 by China, the DPRK, Japan, the Republic of Korea, the Russian Federation and the United States,

Underlining the importance that the DPRK respond to other security and humanitarian concerns of the international community,

Expressing profound concern that the test claimed by the DPRK has generated increased tension in the region and beyond, and *determining* therefore that there is a clear threat to international peace and security,



Acting under Chapter VII of the Charter of the United Nations, and taking measures under its Article 41,

1. *Condemns* the nuclear test proclaimed by the DPRK on 9 October 2006 in flagrant disregard of its relevant resolutions, in particular resolution 1695 (2006), as well as of the statement of its President of 6 October 2006 (S/PRST/2006/41), including that such a test would bring universal condemnation of the international community and would represent a clear threat to international peace and security;

2. *Demands* that the DPRK not conduct any further nuclear test or launch of a ballistic missile;

3. *Demands* that the DPRK immediately retract its announcement of withdrawal from the Treaty on the Non-Proliferation of Nuclear Weapons;

4. *Demands* further that the DPRK return to the Treaty on the Non-Proliferation of Nuclear Weapons and International Atomic Energy Agency (IAEA) safeguards, and *underlines* the need for all States Parties to the Treaty on the Non-Proliferation of Nuclear Weapons to continue to comply with their Treaty obligations;

5. *Decides* that the DPRK shall suspend all activities related to its ballistic missile programme and in this context re-establish its pre-existing commitments to a moratorium on missile launching;

6. *Decides* that the DPRK shall abandon all nuclear weapons and existing nuclear programmes in a complete, verifiable and irreversible manner, shall act strictly in accordance with the obligations applicable to parties under the Treaty on the Non-Proliferation of Nuclear Weapons and the terms and conditions of its International Atomic Energy Agency (IAEA) Safeguards Agreement (IAEA INFCIRC/403) and shall provide the IAEA transparency measures extending beyond these requirements, including such access to individuals, documentation, equipments and facilities as may be required and deemed necessary by the IAEA;

7. *Decides* also that the DPRK shall abandon all other existing weapons of mass destruction and ballistic missile programme in a complete, verifiable and irreversible manner;

8. *Decides* that:

(a) All Member States shall prevent the direct or indirect supply, sale or transfer to the DPRK, through their territories or by their nationals, or using their flag vessels or aircraft, and whether or not originating in their territories, of:

(i) 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, or related materiel including spare parts, or items as determined by the Security Council or the Committee established by paragraph 12 below (the Committee);

(ii) All items, materials, equipment, goods and technology as set out in the lists in documents S/2006/814 and S/2006/815, unless within 14 days of adoption of this resolution the Committee has amended or completed their provisions also taking into account the list in document S/2006/816, as well as other items, materials, equipment, goods and technology, determined by the

Security Council or the Committee, which could contribute to DPRK's nuclear-related, ballistic missile-related or other weapons of mass destruction-related programmes:

(iii) Luxury goods;

(b) The DPRK shall cease the export of all items covered in subparagraphs (a) (i) and (a) (ii) above and that all Member States shall prohibit the procurement of such items from the DPRK by their nationals, or using their flagged vessels or aircraft, and whether or not originating in the territory of the DPRK;

(c) 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;

(d) 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;

(e) All Member States shall take the necessary steps to prevent the entry into or transit through their territories of the persons designated by the Committee or by the Security Council as being responsible for, including through supporting or promoting, DPRK policies in relation to the DPRK's nuclear-related, ballistic missile-related and other weapons of mass destruction-related programmes, together with their family members, provided that nothing in this paragraph shall oblige a state to refuse its own nationals entry into its territory;

(f) In order to ensure compliance with the requirements of this paragraph, and thereby preventing illicit trafficking in nuclear, chemical or biological weapons, their means of delivery and related materials, all Member States are called upon to take, in accordance with their national authorities and legislation, and consistent with international law, cooperative action including through inspection of cargo to and from the DPRK, as necessary;

9. *Decides* that the provisions of paragraph 8 (d) above do not apply to financial or other assets or resources that have been determined by relevant States:

(a) To be necessary for basic expenses, including payment for foodstuffs, rent or mortgage, medicines and medical treatment, taxes, insurance premiums, and public utility charges, or exclusively for payment of reasonable professional fees and reimbursement of incurred expenses associated with the provision of legal services, or fees or service charges, in accordance with national laws, for routine holding or maintenance of frozen funds, other financial assets and economic resources, after notification by the relevant States to the Committee of the intention

to authorize, where appropriate, access to such funds, other financial assets and economic resources and in the absence of a negative decision by the Committee within five working days of such notification;

(b) To be necessary for extraordinary expenses, provided that such determination has been notified by the relevant States to the Committee and has been approved by the Committee; or

(c) To be subject of a judicial, administrative or arbitral lien or judgement, in which case the funds, other financial assets and economic resources may be used to satisfy that lien or judgement provided that the lien or judgement was entered prior to the date of the present resolution, is not for the benefit of a person referred to in paragraph 8 (d) above or an individual or entity identified by the Security Council or the Committee, and has been notified by the relevant States to the Committee;

10. *Decides* that the measures imposed by paragraph 8 (e) above shall not apply where the Committee determines on a case-by-case basis that such travel is justified on the grounds of humanitarian need, including religious obligations, or where the Committee concludes that an exemption would otherwise further the objectives of the present resolution;

11. *Calls upon* all Member States to report to the Security Council within thirty days of the adoption of this resolution on the steps they have taken with a view to implementing effectively the provisions of paragraph 8 above;

12. *Decides* to establish, in accordance with rule 28 of its provisional rules of procedure, a Committee of the Security Council consisting of all the members of the Council, to undertake the following tasks:

(a) To seek from all States, in particular those producing or possessing the items, materials, equipment, goods and technology referred to in paragraph 8 (a) above, information regarding the actions taken by them to implement effectively the measures imposed by paragraph 8 above of this resolution and whatever further information it may consider useful in this regard;

(b) To examine and take appropriate action on information regarding alleged violations of measures imposed by paragraph 8 of this resolution;

(c) To consider and decide upon requests for exemptions set out in paragraphs 9 and 10 above;

(d) To determine additional items, materials, equipment, goods and technology to be specified for the purpose of paragraphs 8 (a) (i) and 8 (a) (ii) above;

(e) To designate additional individuals and entities subject to the measures imposed by paragraphs 8 (d) and 8 (e) above;

(f) To promulgate guidelines as may be necessary to facilitate the implementation of the measures imposed by this resolution;

(g) To report at least every 90 days to the Security Council on its work, with its observations and recommendations, in particular on ways to strengthen the effectiveness of the measures imposed by paragraph 8 above;

13. *Welcomes and encourages further* the efforts by all States concerned to intensify their diplomatic efforts, to refrain from any actions that might aggravate

tension and to facilitate the early resumption of the Six-Party Talks, with a view to the expeditious implementation of the Joint Statement issued on 19 September 2005 by China, the DPRK, Japan, the Republic of Korea, the Russian Federation and the United States, to achieve the verifiable denuclearization of the Korean Peninsula and to maintain peace and stability on the Korean Peninsula and in north-east Asia;

14. *Calls upon* the DPRK to return immediately to the Six-Party Talks without precondition and to work towards the expeditious implementation of the Joint Statement issued on 19 September 2005 by China, the DPRK, Japan, the Republic of Korea, the Russian Federation and the United States;

15. *Affirms* that it shall keep DPRK's actions under continuous review and that it shall be prepared to review the appropriateness of the measures contained in paragraph 8 above, including the strengthening, modification, suspension or lifting of the measures, as may be needed at that time in light of the DPRK's compliance with the provisions of the resolution;

16. *Underlines* that further decisions will be required, should additional measures be necessary;

17. *Decides* to remain actively seized of the matter.