



## Security Council

Distr.: General  
1 December 2017  
English  
Original: Spanish

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### Security Council Committee established pursuant to resolution [1718 \(2006\)](#)

#### **Note verbale dated 1 December 2017 from the Permanent Mission of Panama to the United Nations addressed to the Chair of the Committee**

The Permanent Mission of Panama presents its compliments to the Chair of the Security Council Committee established pursuant to resolution [1718 \(2006\)](#) and transmits herewith the report on measures taken by Panama to fulfil the mandates set out in resolution [2371 \(2017\)](#), which was adopted by the Security Council on 5 August 2017 (see annex).

The Permanent Mission of Panama wishes to note that, in accordance with Security Council resolution [2371 \(2017\)](#), this report reflects the action taken by Panama to implement the measures adopted by the Security Council with regard to the Democratic People's Republic of Korea.



**Annex to the note verbale dated 1 December 2017 from the  
Permanent Mission of Panama to the United Nations addressed to  
the Chair of the Committee**

**Report of Panama on the implementation of Security Council  
resolution [2371 \(2017\)](#)**

In accordance with the mandates set out in Security Council resolution [2371 \(2017\)](#), the Republic of Panama has the honour to submit its report on implementation of the measures adopted by the Council.

**Legislative measures**

On the basis of its understanding of the challenge to international security posed by the proliferation of chemical, biological, radioactive and nuclear weapons, as well as their means of delivery, related materials and financing, Panama continues to adopt and implement new regulations to strengthen its legal framework with a view to implementing international measures to prevent and suppress such proliferation. Panama has ratified the international agreements relating to the proliferation of weapons of mass destruction and is making ongoing efforts to put into effect a consistent national implementation policy. In addition to the legislation previously reported, Panama is implementing Executive Decree No. 81 of 25 May 2017, which established control measures for the secure trade and transportation of dual-use materials for purposes of national and international security, as an integral part of its national strategy. By Executive Decree No. 129, issued on 5 April 2017, Panama established a national inter-agency plan for preventing and responding to threats and incidents involving chemical, biological, radioactive, nuclear and explosive weapons and their means of delivery, under the leadership of the National Security Council, among other provisions. The aim is to build national capacity to respond to such incidents from a procedural and training perspective and through the acquisition of special equipment.

In addition, a national plan to implement Security Council resolution [1540 \(2004\)](#) was launched in early November 2017. This document contains the short-, medium- and long-term commitments that Panama has decided upon with a view to establishing a consistent policy to prevent proliferation and its financing.

**Measures related to mining activities**

Panama has taken steps to verify and establish that neither the Democratic People's Republic of Korea nor any individuals or entities associated with it hold concessions for the mining or extraction of metallic or non-metallic minerals in Panama or are applying for permits for that purpose.

Article 4 of the Mineral Resources Code of Panama prohibits foreign States from obtaining, operating or benefiting from mining concessions. The Democratic People's Republic of Korea thus has no direct access to mining concessions. It was determined following a search of the records of current mining concessions that none of the individuals or entities listed in the annexes to resolution [2371 \(2017\)](#) are direct or indirect beneficiaries of any mining concessions in Panama. Furthermore, none of the entities listed in the annexes are engaged in or have applied to conduct business in Panama.

### **Asset-freezing measures**

In accordance with Security Council mandates and pursuant to Act No. 23 of 27 April 2015 and Executive Decree No. 587 of 4 August 2015 regarding preventive freezing, Panama, through the Ministry of Foreign Affairs and the Financial Analysis Unit, enacted preventive administrative measures to freeze the property and assets of the individuals listed in annex I of resolution [2371 \(2017\)](#). This included using the Financial Analysis Unit's digital platform to send financial and non-financial reporting entities the sanctions list so that they could consult their databases and determine whether any of their clients were subject to restrictive measures imposed by Security Council resolutions and, if so, report back through the same channels. At the end of the freezing process, no transactions by individuals or entities listed in the resolution were reported by the reporting entities.

### **Financial measures**

The supervisory institutions responsible for regulating the banking, securities, insurance and reinsurance sectors, and the activities of professionals such as lawyers, accountants and real estate agents, informed the financial and non-financial reporting entities under their supervision of the measures contained in Security Council resolution [2371 \(2017\)](#). They also sent them the list of individuals and entities subject to sanctions and the list of designated vessels to which services should not be provided, and informed them that any request for support from those individuals, entities or vessels should be reported.

The supervisory institutions carry out regular on- and off-site inspections and visits to the financial and non-financial reporting entities to ascertain their internal "know your customer" policies and the measures they have taken to combat money-laundering, terrorism financing and the financing of proliferation of weapons of mass destruction in fulfilment of United Nations mandates, including timely reporting to the Financial Analysis Unit when cases are found. All of the above action is taken in accordance with the standards and recommendations of the Financial Action Task Force.

Furthermore, training and awareness-raising activities continued to be organized for staff working with the reporting entities and for professionals subject to supervision on the implementation of measures aimed at minimizing the possibility that those subject to sanctions will use the national financial system for their activities.

### **Insurance and reinsurance measures**

Pursuant to Act No. 23 of 27 April 2015 and Agreement No. 3 of 27 July 2015, the Superintendency of Insurance and Reinsurance, the sector's supervisory body, issued circulars and directives relating to Security Council resolutions.

Three circulars were issued, 025-2017, 037-2017 and 044-2017, in which the Superintendency informed the sector of the measures taken by the Security Council in resolutions [1718 \(2006\)](#), [2321 \(2016\)](#) and [2371 \(2017\)](#).

These circulars are published on the Superintendency's website ([www.superseguros.gob.pa](http://www.superseguros.gob.pa)), together with the instructions issued by the Financial Analysis Unit.

In accordance with circulars 025-2017, 037-2017 and 044-2017, each insurance company submitted a note confirming that it is not providing insurance or reinsurance to representatives of the Democratic People's Republic of Korea, or to individuals

working for them or acting on their behalf, or to vessels owned or controlled by the Democratic People's Republic of Korea.

On 10 May 2017, circular 028-2017 was issued, informing the insurance sector of its obligation to report to the Financial Analysis Unit on any updates to the Security Council sanctions list.

In addition, the Superintendency continues to organize awareness-raising and training activities for insurance and reinsurance companies and insurance brokers on Security Council measures and its own recommendations to ensure that their services are not used by individuals or entities involved in proliferation.

### **Preventive security measures**

In accordance with the mandates set out in Security Council resolution [2371 \(2017\)](#), the National Security Council updated its consolidated list of individuals and entities and disseminated it to airports, ports and points of entry into Panama in order to ensure that alerts are issued and listed persons are denied entry into and transit through the country. Port facilities have also been notified of the prohibitions contained in that resolution against the use of such facilities by listed individuals and entities. In addition, there is ongoing inter-agency coordination within the security sector for the activation of contingency and incident-response plans and the prevention and early detection of materials that may be being sent to the Democratic People's Republic of Korea. Such activities are accompanied by training on the proliferation of weapons of mass destruction.

### **Immigration measures**

Measures such as those set forth in the previous report continue to be implemented, including specific action aimed at preventing the entry into and transit through the country of the individuals listed in annex I, who are subject to a travel ban. These measures include:

(a) Addition to the database of an immigration alert to prevent entry. In accordance with article 50 (Grounds for non-admission), paragraph 5 of Decree-Law No. 3 of 22 February 2008, which provides for the denial of entry into or transit through the country to travellers who constitute a risk or threat to national security or the international community, an alert to prevent the entry of individuals listed in annex I of Security Council resolutions [2321 \(2016\)](#) and [2371 \(2017\)](#) was incorporated into the integrated immigration system at all immigration control points to ensure that, in the event that these individuals attempt to enter the country or are identified as transit passengers, the following steps are taken:

- (i) Deny entry. When an individual is identified through the immigration alert, he or she will not be allowed to enter the country.
- (ii) Hold. While coordination procedures are carried out, the individual will be brought to the offices of the National Immigration Service under appropriate supervision before he or she is turned over to the competent authorities.
- (iii) Turn over to authorities. Once the appropriate background checks have been conducted at the National Immigration Service, the individual will be turned over to the competent authorities.

(b) Security check. Successful entry visa applications received by the National Immigration Service from Panamanian consulates, which require prior authorization from the executive body, are duly verified and transmitted to the executive secretariat of the National Security Council for approval or rejection; this helps with the identification of members of the Government, government officials and members of the armed forces of the Democratic People's Republic of Korea. Applications from

these individuals are rejected. In the last five years, no entry visa applications from citizens of the Democratic People's Republic of Korea have been recorded.

(c) Verification of legalization procedures. Statistics on legalization procedures were verified in order to determine whether citizens from the Democratic People's Republic of Korea had been legalized in the last ten years. No record of legalization of such citizens through any channels was found.

### Measures related to dual-use materials

In accordance with international mandates, Panama adopted Executive Decree No. 81 of 25 May 2017, by which it established control measures for the secure trade and transportation of dual-use materials for purposes of national and international security. Customs measures are being taken to prevent the use of Panamanian jurisdiction for the transport or transfer of dual-use materials without proper supervision. It also adopted Executive Decree No. 129 of 5 April 2017, by which it established a national inter-agency plan for preventing and responding to threats and incidents involving chemical, biological, radioactive, nuclear and explosive weapons and their means of delivery, under the leadership of the National Security Council, among other provisions.

### Customs measures

At the beginning of 2017, the Republic of Panama reported on action taken in accordance with Security Council resolution [2321 \(2016\)](#), including the establishment, by the inter-institutional risk analysis office of the National Customs Authority, of two selectivity regulations for the control of goods arriving from the Democratic People's Republic of Korea.

(a) Regulation RP2017010301981 relating to red channel goods (physical examination and documentary check), instituted on 4 January 2017.

Name of regulation: goods from the Democratic People's Republic of Korea

Description: verify goods arriving from the Democratic People's Republic of Korea that could be used for the proliferation of nuclear, chemical or biological weapons, as well as their means of delivery, which constitute a threat to national or international peace and security. In accordance with note DGOCI-DG-MIRE-2016-27663 regarding Security Council resolution [2270 \(2016\)](#).

(b) Regulation RP2016122901979 relating to red channel goods (physical examination and documentary check), instituted on 4 January 2017.

Name of regulation: products from the Democratic People's Republic of Korea

Description: prevent the entry of products arriving from the Democratic People's Republic of Korea such as coal, iron, iron ore, aviation gasoline, naphtha-type jet fuel, kerosene-type jet fuel and kerosene-type rocket fuel. Products such as gold, gold ore, titanium ore, vanadium ore and rare earth minerals also may not be imported from the Democratic People's Republic of Korea unless approved by the Committee for humanitarian reasons.

The controlled tariff items are as follows:

2530.90.90.00	2601.11.00.00	2601.12.00.00
2601.20.00.00	2614.00.00.00	2615.90.00.00
2616.90.10.00	2710.12.14.00	2710.12.92.00
2710.19.10.00	3802.10.00.00	7108.11.00.00
7108.12.00.00	7205.21.00.00	7205.29.00.00

Moreover, the Directorate of Information Technology of the National Customs Authority searched within the system and found no records of imports or exports or cargo movements (cargo manifests) from listed entities and individuals. In addition, no records of movements of goods to or from the Democratic People's Republic of Korea were found in the system.

Consequently, Panama has taken the necessary measures to comply with previous Security Council resolutions on related matters, including resolutions [1540 \(2004\)](#) and [2270 \(2016\)](#).

All of the above-mentioned actions are being implemented under Security Council resolution [2371 \(2017\)](#).

#### **Measures related to maritime services**

- The Panama Maritime Authority issued circular 106-04-DGMM of 13 October 2017, addressed to shipping industry clients, resident agents, consular offices abroad and internal staff, in which it reiterated its commitments to prevent the use of Panama-flagged vessels by companies and/or shipowners under the control of the Democratic People's Republic of Korea, and in which it was noted that, should any activity contrary to the provisions of the administrative decision be carried out, the vessel shall be officially deregistered, under Act No. 15 of 6 August 2008, entitled "General Law of Merchant Marine", and the competent security authorities informed.
- Similarly, the Authority has begun proceedings to deregister vessels that are reported as being connected to, or as carrying out actions associated with, the Democratic People's Republic of Korea, or for which it has otherwise received information to either effect. Consequently, administrative acts have been issued to prohibit renewals and the issuance of technical certificates, changes of ownership or deregistration without the proper authorization.
- A circular issued in 2013 contains an instruction not to issue or process certificates of competency or countersign or endorse courses from the Democratic People's Republic of Korea. This instruction was reiterated in a circular issued in 2016 and remains in effect.
- By a resolution adopted in 2014 and amended in 2015, the Authority issued an instruction that course certificates issued by maritime training centres would only be recognized as valid if they had been endorsed by the maritime administration of the flag State, which must be on the "White List" of the International Maritime Organization (IMO).
- Circulars issued in 2017 and addressed to maritime auxiliary services providers reiterated the provisions of resolutions adopted in 2015, published in the Official Gazette, that prohibit the provision of fuel or supplies, or other servicing of vessels, to vessels of the Democratic People's Republic of Korea.
- In a memorandum issued in April 2017, the maritime security office was instructed to prohibit the entry into and exit from ports in the Democratic People's Republic of Korea.
- A resolution adopted in 2016 requiring full compliance with Security Council resolution [1718 \(2006\)](#) remains in effect and, consequently, all requests for the registration of vessels from the Democratic People's Republic of Korea are to be denied.

The following actions, which were reported on previously, also remain in effect:

- By its circular 106-04-01-DGMM of 10 February 2017, the Authority urged shipping industry clients, resident agents, consular offices of the Republic of Panama abroad and officials of the General Directorate of Merchant Marine to exercise due care to prevent the Panamanian shipping registry from being used to evade the measures imposed on the Democratic People's Republic of Korea, aimed at preventing the proliferation of nuclear, chemical and biological weapons and their means of delivery, which constitutes a threat to international peace and security.
- The heads and officials of the departments of the General Directorate of Merchant Marine were instructed to comply with the provisions of resolution 106-36-DGMM of 16 November 2006, which requires full compliance with Security Council resolution [1718 \(2006\)](#), and consequently to deny any request to register vessels from the Democratic People's Republic of Korea and flying the flag of that State.
- In response to any report or information from the competent authorities or from a friendly nation, the Panama Maritime Authority conducts investigations and carries out the relevant actions and communications in order to determine the steps to be taken in each case.
- Through circular 106-02-DGMM of 13 March 2017, the Authority called on and instructed recognized organizations, recognized security organizations and rating companies authorized and/or incorporated in Panama to exercise due care and thus refrain from providing rating, certification and other related services or insurance to vessels flying the flag of the Democratic People's Republic of Korea or carrying out activities considered to be in violation of the measures imposed on the Democratic People's Republic of Korea, or to ships listed in Security Council resolutions that may have been fraudulently registered with the Panamanian Merchant Marine or registered under another flag but belong to the Democratic People's Republic of Korea, or whose ultimate beneficiary is that country, or which are carrying out any other activity in flagrant violation of such rules.
- The General Directorate of Merchant Marine, through indictment 106-PL-18-DGMM of 21 March 2017, began the process of deregistering the vessel *Lian De*, bearing IMO No. 8748397. These proceedings are currently under way, pursuant to the relevant legal procedures.
- Restrictions on entry into and exit from ports belonging to the Democratic People's Republic of Korea were imposed for all vessels in the Panamanian shipping registry. Consequently, ships must seek prior approval from the Panama maritime security office to make this passage.
- The General Directorate of Merchant Marine issued guidelines for the assessment and review of the United Nations lists, addressed to resident agents, consulates offering merchant marine services, the Panama Maritime Law Association and registered shipping industry clients, as well as the Ship Registry Department so that, should any individual or entity seek to register a ship in the Panamanian shipping registry, it can be determined with certainty that they have no ties to the Democratic People's Republic of Korea.

### **International cooperation measures**

Intelligence entities are working with their counterparts in other countries to increase information exchange, including through international alerts and intelligence cooperation, in order to determine whether the individuals on the lists established and maintained by the Committee or on national lists are conducting, in Panama, either

directly or through an intermediary individual or entity, any of the activities prohibited by the Security Council. They also continue to participate in the Global Container Control Programme, as a preventive measure and in cooperation with the international community.

Meanwhile, Panama, through the Ministry of Foreign Affairs, continues to work with the Panel of Experts on the Democratic People's Republic of Korea and partner countries to provide any information necessary to combat the possible involvement of companies or vessels registered in Panama. Similarly, work continues on national capacity-building with the support of other States and international organizations such as the United Nations Office on Drugs and Crime and the Inter-American Committee against Terrorism.

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