



Royal United Services Institute
for Defence and Security Studies

EMERGING INSIGHTS: ANNEX

North Korean Proliferation Financing and Designated Non-Financial Businesses and Professions

Sasha Erskine



ANNEX SUMMARY

This Annex is intended to complement Sasha Erskine, 'North Korean Proliferation Financing and Designated Non-Financial Businesses and Professions', RUSI Emerging Insights, January 2022. It presents the 87 case studies used to inform the author's assessment of North Korean proliferation financing and designated non-financial businesses and professions (DNFBPs).

DNFBP TYPE: HIGH-VALUE GOODS DEALERS (HVGDS)

Case No. and Year	Description	DNFBP Service	Source	Value	Evasion Method	Proliferation Involvement	Jurisdictions Involved	DNFBP Complicity	DNFBP Jurisdiction	Regulation Cover
1 (2018)	Northeast Asian merchants and agents helped pass cars through to North Korea	HVGD: Luxury automobiles	S/2020/151; S/2019/691; C4ADS, 'Lux & Loaded: Exposing North Korea's Strategic Procurement Networks', 2019	Unknown	Elaborate shipping structure through numerous jurisdictions with multiple addressees. Shipment tracked from the Netherlands to China to Japan to South Korea to Russia. Goods were then likely flown in cargo jets to North Korea	Unknown	Germany, Italy, Amsterdam, Japan, South Korea	Unknown	Germany	Germany: Unknown FATF: No
2 (2019)	Taesong Department Store selling luxury goods	HVGD: Unspecified	S/2019/691	Unknown	Little information discovered; however, the case is relevant given the department store's connection to sanctioned entities	Designated entities such as Taesong Trading Company and Korea Daesong Bank also form part of Taesong Group	Unknown	Unknown	Unknown	FATF: No

Case No. and Year	Description	DNFBP Service	Source	Value	Evasion Method	Proliferation Involvement	Jurisdictions Involved	DNFBP Complicity	DNFBP Jurisdiction	Regulation Cover
3 (2019)	Baltika Beer shipments from St Petersburg. Intercepted transshipment en route to China, halted in Rotterdam, the Netherlands	HVGD: Alcoholic beverages – beer (the EU classes beer as a luxury good)	S/2020/151	Unknown	False address to company in China	Unknown	Russia, China, North Korea	Unknown	Russia	Russia: No FATF: No
4 (2019)	Shipments of alcoholic beverages from Russia. Shipment was intercepted on grounds of being destined for North Korea	HVGD: Alcoholic beverages – vodka (the EU classes vodka as a luxury good)	S/2020/151; S/2019/691	US\$27,125	Contracts paid for by Georgian company	Unknown	Russia, China, North Korea	Unknown	Russia	Russia: No FATF: No
5 (2019)	Mansudae Art Studio paintings seizure	HVGD: Artwork	S/2019/691	Unknown	Art sold by sanctioned actor in North Korea, obfuscation tactics unclear	Mansudae Art Studio is a sanctioned actor	North Korea	Complicit	North Korea	FATF: No
6 (2018)	Prime Okryu Art Gallery connection with Mansudae Art Studio. Paintings were advertised by a gallery in the UAE	HVGD: Artwork	S/2019/171	Unknown	Unknown	Prime Okryu advertised artists affiliated with Mansudae Art Studio (designated entity)	UAE, North Korea	Unknown	UAE	UAE: No FATF: No
7 (2018)	Rolls Royce Phantom in North Korea	HVGD: Car dealer	S/2019/171	Unknown	Mode of transit to Pyongyang unknown, but the vehicle has been sighted there	Unknown	North Korea	Unknown	UK	UK: Yes, but only for cash transactions FATF: No

Case No. and Year	Description	DNFBP Service	Source	Value	Evasion Method	Proliferation Involvement	Jurisdictions Involved	DNFBP Complicity	DNFBP Jurisdiction	Regulation Cover
8 (2018)	Multiple LX 570 automobiles in North Korea	HVGD: Car dealer	S/2020/151; S/2019/171	Unknown	Mode of transit to Pyongyang unknown, but the vehicles have been sighted there	Unknown	Unknown	Not complicit	Unknown	FATF: No
9 (2018)	Belarusian vodka shipments seized in the Netherlands	HVGD: Alcoholic beverages – vodka (the EU classes vodka as a luxury good)	S/2020/151; S/2019/691; S/2019/171	US\$14,160	Multiple companies facilitated shipment as intermediaries and contracts paid for by Singaporean HR company	Unknown	Singapore, North Korea	Unknown	Belarus	Belarus: No FATF: No
10 (2017)	Company (OCN/T Specialist) director charged with selling luxury goods to Bugsae/ Buksae shop in North Korea	HVGD: Luxury items (unspecified)	S/2020/151; S/2019/171; S/2018/171	Over S\$6 million	OCN/T Specialist used an account at Daedong Bank to transfer funds from proceeds of Bugsae sales. T Specialist used an account at Korea Kwangson Banking Corporation and numerous trading companies involved	Yes – see previous column on left	Multiple European countries, Japan, Singapore, North Korea	Complicit	Singapore	Europe and Japan: Unknown Singapore: No FATF: No
11 (2017)	Miniso Franchise in Pyongyang selling luxury goods	HVGD: Earphones and cosmetics (Japan classifies earphones and cosmetics as luxury goods)	S/2018/171	Unknown	Unknown	Unknown	North Korea, Japan	Likely complicit (unconfirmed)	Japan	Japan: Unknown FATF: No

Case No. and Year	Description	DNFBP Service	Source	Value	Evasion Method	Proliferation Involvement	Jurisdictions Involved	DNFBP Complicity	DNFBP Jurisdiction	Regulation Cover
12 (2016)	German export of wines (including sparkling wines) and spirits	HVGD: Alcoholic beverages – sparkling wines and spirits (the EU classes sparkling wines and spirits as luxury goods)	S/2018/171	US\$151,840	Export route and methods unknown	Unknown	Germany	Unknown	Germany	Germany: Unknown FATF: No
13 (2016)	Italian export of wine and vermouth	HVGD: Alcoholic beverages – wine and vermouth (the EU classes wine and spirits as luxury goods)	S/2018/171	US\$46,992	Export route and methods unknown	Unknown	Italy, North Korea	Unknown	Italy	Italy: No FATF: No
14 (2017)	Bulgarian export of wine	HVGD: Alcoholic beverages – wine (the EU classes wine as a luxury good)	S/2018/171	US\$11,959	Export route and methods unknown	Unknown	Bulgaria	Unknown	Bulgaria	Bulgaria: Unknown FATF: No
15 (2016)	Chilean export of wine	HVGD: Alcoholic beverages – wine. Chile is yet to respond as to whether wine forms part of restricted domestic luxury items. Remainder of case unknown	S/2018/171	US\$290,880	Export route and methods unknown	Unknown	Chile	Unknown	Chile	Chile: Unknown FATF: No

Case No. and Year	Description	DNFBP Service	Source	Value	Evasion Method	Proliferation Involvement	Jurisdictions Involved	DNFBP Complicity	DNFBP Jurisdiction	Regulation Cover
16 (2016)	Bulgarian export of perfumes and cosmetics	HVGD: Perfumes and cosmetics dealer	S/2018/171	US\$198,074	Export route and methods unknown	Unknown	Bulgaria	Unknown	Bulgaria	Bulgaria: Unknown FATF: No
17 (2016)	German export of perfumes and cosmetics	HVGD: Perfumes and cosmetics dealer	S/2018/171	US\$62,179	Export route and methods unknown	Unknown	Germany	Unknown	Germany	Germany: Unknown FATF: No
18 (2017)	Selling of art in Mansudae Art Studio showrooms in Beijing	HVGD: Artwork and art dealer	S/2018/171	Unknown	The name of this gallery includes the identical transcription of the Korean name for the Mansudae Art Studio, so this might potentially function as a front for the North Korean gallery in Beijing	Mansudae Art Studio is a sanctioned actor	China, North Korea	Likely complicit	China	China: No FATF: No
19 (2017)	Mansudae Art Studio in Italy	HVGD: Artwork and art dealer	S/2018/171	Unknown	An individual in Florence represented themselves as a 'Western Representative of Mansudae Art'	Mansudae Art Studio is a sanctioned actor	Italy, North Korea	Likely complicit	Italy	Italy: Yes FATF: No
20 (2016)	Masikryong ski resort: export of ski lifts from Austria to North Korea	HVGD: Ski lifts (the EU classifies ski lifts as luxury items)	S/2017/150	Unknown	Export route and methods unknown	Unknown	Austria, North Korea	Unknown	Austria	Austria: Likely (scope of HVG coverage is unclear) FATF: No
21 (2017)	Limousine seized by Bangladesh that had been smuggled into the country by a North Korean diplomat	HVGD: Limousine (automobile)	S/2017/150; S/2019/171	Unknown	A North Korean diplomat brought the limousine into Bangladesh for resale with false declaration on documentation	Unknown but likely given diplomatic affiliation	Bangladesh, North Korea	Unknown	North Korea	Bangladesh: Unknown FATF: No

Case No. and Year	Description	DNFBP Service	Source	Value	Evasion Method	Proliferation Involvement	Jurisdictions Involved	DNFBP Complicity	DNFBP Jurisdiction	Regulation Cover
22 (2015)	Airplanes from Italy and New Zealand sent to China (unconfirmed: North Korea as end destination)	HVGD: Airplanes (classified as luxury goods by both New Zealand and Italy)	S/2017/150; S/2018/171	Unknown	Airplanes from Italy and New Zealand sent to China, which has different luxury goods criteria, before being sent on to North Korea. Subsequent delivery to apparent front company in China	Unknown	New Zealand, Italy	Complicit	Italy	Italy: No New Zealand: Unknown FATF: No
23 (2014)	Australian-brand ski clothing produced in North Korea	HVGD: Luxury sportswear	S/2017/150	Unknown	Production of Australian ski clothing in North Korea. Export methods unknown	Unknown	Australia, North Korea	Unknown	Australia	Australia: No FATF: No
24 (2012)	Armoured Mercedes-Benz limousines in Pyongyang military parades	HVGD: Automobiles	S/2016/157; S/2019/171; S/2015/131; S/2012/422	Unknown	Unspecified. False declaration on customs documents, complex transaction structure (inconsistent), multiple transshipments	Unknown	Europe (unclear on specific jurisdictions)	Not complicit (Mercedes-Benz, manufacturer)	Europe (unclear on specific jurisdictions)	Europe: Unknown FATF: No
25 (unknown)	Masikryong ski resort equipment	HVGD: Ski equipment	S/2015/131; S/2014/147	Unknown	Contact with North Korean individual from North Korean mission in Geneva	Likely – ski equipment companies indicated that they had contact with individuals from the North Korean permanent mission in Geneva	Italy, Canada, China	Complicit	Italy, Canada, China	Jurisdictions: Unknown FATF: No
26 (2013)	Princess 95MY Yacht	HVGD: Yacht	S/2015/131; S/2014/147	US\$4–6 million	Export route and methods unknown	Unknown	UK, North Korea	Unknown	UK	No

Case No. and Year	Description	DNFBP Service	Source	Value	Evasion Method	Proliferation Involvement	Jurisdictions Involved	DNFBP Complicity	DNFBP Jurisdiction	Regulation Cover
27 (2013)	Luxury alcoholic beverages and handbag from Dennis Rodman/Paddy Power gifts	HVGD: Vodka, whisky (and whisky glasses and decanter), Mulberry handbag	S/2015/131; S/2014/147	Paddy Power US\$3,000; Rodman unknown	Dennis Rodman and Paddy Power bought these items and then brought them to North Korea as gifts	Unknown	US, Ireland, North Korea	Not complicit, given that these were purchased by third parties. Paddy Power indicated that they did not realise this could violate sanctions	US, Ireland	US: No Ireland: Not unless over €15,000 in cash FATF: No
28 (2008)	Tobacco and sake from Japan	HVGD: 10,000 rolls of tobacco and 12 bottles of sake	S/2013/337; S/2012/422	¥183,000	False declarations of destinations and consignees, transshipments, intermediaries	Unknown	Japan, North Korea	Complicit	Japan	Japan: Unknown FATF: No
29 (2009)	202 notebook-style computers from Japan, three shipments	HVGD: Computers	S/2013/337; S/2012/422	Unknown	False declarations of destinations and consignees, transshipments, intermediaries	Unknown	Japan, North Korea	Complicit	Japan	Japan: Unknown FATF: No
30 (2009)	Computer from Japan	HVGD: Notebook-style computer	S/2013/337; S/2012/422	¥105,800	False declarations of destinations and consignees, transshipments, intermediaries	Unknown	Japan, North Korea	Complicit	Japan	Japan: Unknown FATF: No
31 (2009)	Second-hand passenger automobiles from Japan	HVGD: Five second-hand passenger automobiles – three Mercedes-Benz cars, one Lexus and one GMC Safari	S/2013/337; S/2012/422	¥6,111,000	False declarations of destinations and consignees, transshipments, intermediaries	Unknown	Japan, North Korea	Complicit	Japan	Japan: Unknown FATF: No

Case No. and Year	Description	DNFBP Service	Source	Value	Evasion Method	Proliferation Involvement	Jurisdictions Involved	DNFBP Complicity	DNFBP Jurisdiction	Regulation Cover
32 (2009)	Automobiles and a spring unit for a vehicle shipped from Japan	HVGD: Automobiles and related parts (spring unit)	S/2013/337	¥2.69 million	False declarations of destinations and consignees, transshipments, intermediaries	Unknown	Japan, North Korea	Complicit	Japan	Japan: Unknown FATF: No
33 (2010)	Cosmetics shipped from Japan	HVGD: Cosmetics	S/2013/337; S/2012/422	¥295,680	False declarations of destinations and consignees, transshipments, intermediaries	Unknown	Japan, North Korea	Complicit	Japan	Japan: Unknown FATF: No
34 (2010)	Used automobiles shipped from Japan	HVGD: Automobiles	S/2013/337	¥7 million	False declarations of destinations and consignees, transshipments, intermediaries	Unknown	Japan, North Korea	Complicit	Japan	Japan: No FATF: No
35 (2011)	Computers shipped from Japan	HVGD: 10 notebook-style computers shipped from Japan	S/2013/337; S/2012/422	¥7.23 million	False declarations of destinations and consignees, transshipments, intermediaries	Unknown	Japan, North Korea	Unknown	Japan	Japan: Unknown FATF: No
36 (2008)	Second-hand Mercedes-Benz from Japan	HVGD: Three second-hand Mercedes-Benz from Japan	S/2012/422	Unknown	False declarations of destinations and consignees, transshipments, intermediaries	Unknown	Japan, North Korea	Unknown	Japan	Japan: Unknown FATF: No
37 (unknown)	Italian interception of cinema equipment and electronics	HVGD: Cinema equipment and high-end sound/recording equipment and electronics	S/2012/422	Unknown	Aliases	Purchaser listed as Chong Song Company Ltd, and many aliases for Green Pine Associated Corporation, include the word 'Chongsong'	Unknown	Unknown	Unknown	Italy: Unknown FATF: No

Case No. and Year	Description	DNFBP Service	Source	Value	Evasion Method	Proliferation Involvement	Jurisdictions Involved	DNFBP Complicity	DNFBP Jurisdiction	Regulation Cover
38 (unknown)	Italian interception of cognac and whisky	HVGD: Alcoholic beverages – whisky and cognac (classified as luxury goods on EU list)	S/2012/422	Unknown	Small, unnamed Italian company with previous commercial ties to North Korea	Unknown	Unknown	Unknown	Unknown	Italy: Unknown FATF: No
39 (unknown)	Italian interception of tap shoes	HVGD: Expensive tap dance shoes	S/2012/422	€150 per pair	Small, unnamed Italian company with previous commercial ties to North Korea	Unknown	US, North Korea	Unknown	US, North Korea	Italy: No FATF: No
40 (unknown)	Attempted purchase of luxury yachts from Austria	HVGD: Yachts	S/2012/422; S/2010/571; S/2014/147	€13 million	Purchased by Austrian citizen	Unknown	Austria, North Korea	Not complicit	Austria, North Korea	Austria: Likely (scope of HVG coverage is unclear) FATF: No
41 (unknown)	S-class Mercedes export from Austria	HVGD: Luxury automobiles	S/2012/422	Unknown	False end-user, use of third parties and nationalities	Purchased on behalf of North Korea	Austria	Not complicit	Austria, North Korea	Austria: Likely (scope of HVG coverage is unclear) FATF: No
42 (unknown)	Sale of computers	HVGD: Electronics	S/2012/422	US\$52,638 (blocked by Bank of America)	No information available	No information available	Switzerland (origin unknown), North Korea	Unknown	Switzerland	Switzerland: Unknown FATF: No
43 (2007)	Seizure of Steinway concert pianos shipped from Austria	HVGD: Musical instruments (classified as a luxury item under EU list)	S/2010/571	US\$788,578	Purchased by North Korean embassy for export to North Korea	Unknown	Austria, North Korea	Unknown	Austria	Austria: Likely (scope of HVG coverage is unclear) FATF: No
44 (2008)	34 second-hand pianos from Japan	HVGD: 34 second-hand pianos from Japan	S/2010/571; S/2012/422	¥2,681,515	False declarations of destinations and consignees, transshipments, intermediaries	Unknown	Japan, North Korea	Unknown	Japan	Japan: Unknown FATF: No

Case No. and Year	Description	DNFBP Service	Source	Value	Evasion Method	Proliferation Involvement	Jurisdictions Involved	DNFBP Complicity	DNFBP Jurisdiction	Regulation Cover
45 (2009)	Four second-hand Mercedes-Benz purchased from Japan	HVGD: Luxury automobiles	S/2010/571; S/2012/422	¥4,071,965	False declarations of destinations and consignees, transshipments, intermediaries	Unknown	Japan, North Korea	Unknown	Japan	Japan: Unknown FATF: No
46 (2008)	Cosmetics purchased from Japan	HVGD: Cosmetics	S/2010/571; S/2012/422	¥667,359	False declarations of destinations and consignees, transshipments, intermediaries	Unknown	Japan, North Korea	Unknown	Japan	Japan: Unknown FATF: No
47 (2009)	Pianos purchased from Japan	HVGD: Three second-hand pianos	S/2012/422	¥600,000	False declarations of destinations and consignees, transshipments, intermediaries	Unknown	Japan, North Korea	Unknown	Japan	Japan: Unknown FATF: No
48 (2008)	22 second-hand pianos purchased from Japan	HVGD: Pianos	S/2012/422	¥2,101,207	False declarations of destinations and consignees, transshipments, intermediaries	Unknown	Japan, North Korea	Unknown	Japan	Japan: Unknown FATF: No
49 (unknown)	Advertisements for luxury watches in North Korea store	HVGD: Luxury watches	S/2020/151	Unknown	Unknown	Unknown	Unknown	Unknown	Unknown	FATF: No
50 (unknown)	Wines, spirits and luxury goods	HVGD: Alcoholic beverages, additional luxury items	S/2020/151	US\$665,000	Directors at SINSMS conspired to ship goods	Unknown	Singapore, North Korea	Unknown	Singapore	Singapore: No FATF: No

DNFBP TYPE: DEALERS IN PRECIOUS METALS AND STONES (DPMS)

Case No. and Year	Description	DNFBP Service	Source	Value	Evasion Method	Proliferation Involvement	Jurisdictions Involved	DNFBP Complicity	DNFBP Jurisdiction	Regulation Cover
51 (2017)	Attempted gold-smuggling in DRC with Syrian and Lebanese arms traffickers	DPMS: Gold-smuggling and mining	S/2019/171	Unknown	Proposed investment to Kim Chol Su, who is a representative of Saeng P'il (Green Pine Associated Corp.), which is a UN designated entity	Unknown	DRC, Lebanon, Syria, North Korea	Unknown	DRC	DRC: No FATF: Covered under Rec. 7, not covered under record-keeping and due diligence standards
52 (2017)	Indian export of precious metals and stones	DPMS: Precious metals and stones	S/2018/171	US\$578,994	Export of precious metals and stones, possibly using cash	Unknown	India, North Korea	Unknown	India	India: No FATF: Covered under Rec. 7, possibly also covered if transaction confirmed to be cash-based above US\$15,000
53 (2017)	Australian citizen arrested for facilitating trade of gold. Other metals also traded	DPMS: Gold (unspecified form)	S/2018/171	Unknown	Use of multiple Australian front and offshore companies to obscure economic purpose	Unknown	Australia	Unknown	Australia	Australia: No FATF: Covered under Rec. 7, not covered under record-keeping and due diligence standards

Case No. and Year	Description	DNFBP Service	Source	Value	Evasion Method	Proliferation Involvement	Jurisdictions Involved	DNFBP Complicity	DNFBP Jurisdiction	Regulation Cover
54 (2017)	Mansudae Boka Design Company in Zimbabwe	DPMS: Gold (unspecified form) and other precious metals (unspecified)	S/2018/171	Unknown	Company reported to be a manufacturer but otherwise no further information is given. Two directors of North Korean origin	Unknown	Zimbabwe	Unknown	Zimbabwe	Zimbabwe: No FATF: Covered under Rec. 7, not covered under record-keeping and due diligence standards
55 (2016–17)	Silver export to China	DPMS: Silver ores and concentrates	S/2017/742	US\$365,206	Items appear to have been exported directly	Unknown	North Korea, China	Unknown	China	China: Unknown FATF: Covered under Rec. 7, not covered under record-keeping and due diligence standards
56 (2016)	Gold exported to India	DPMS: Gold (unwrought, semi-manufactured or powder)	S/2017/742	US\$215,782	Unknown	Unknown	North Korea, India	Unknown	India	FATF: Covered under Rec. 7, not covered under record-keeping and due diligence standards
57 (unknown)	Korea Daesong gold export	DPMS: Gold bullion	S/2017/150	Unknown	Designated entity with offices in China	Unknown	China, North Korea	Complicit – designated entity with offices in China	China	China: Yes FATF: Covered under Rec. 7, not covered under record-keeping and due diligence standards

Case No. and Year	Description	DNFBP Service	Source	Value	Evasion Method	Proliferation Involvement	Jurisdictions Involved	DNFBP Complicity	DNFBP Jurisdiction	Regulation Cover
58 (unknown)	Attempted acquisition of gemstones	DPMS: Gemstones, diamonds for processing in North Korea	S/2017/150	Unknown	Unknown	Unknown	North Korea, unknown secondary country	Complicit	North Korea	FATF: Covered under Rec. 7, not covered under record-keeping and due diligence standards
59 (unknown)	Gold and silver traders from and at Pyongyang International Trade Fair (attempted export)	DPMS: Gold bullion, silver, vanadium, titanium, zinc	S/2017/150	Unknown	Korea International Exhibition Corporation assisted designated entities to evade sanctions using the Pyongyang International Trade Fair	Unknown	North Korea	Complicit	North Korea	FATF: Covered under Rec. 7, not covered under record-keeping and due diligence standards
60 (2015)	Arrest and seizure of gold in Bangladesh	DPMS: Gold bars, jewellery	S/2017/150	US\$1.4 million	Gold transhipped from the UAE through Singapore and smuggled by a diplomat into Bangladesh	Unknown	North Korea, Bangladesh, Singapore, UAE (Dubai)	Unknown	UAE	UAE: No FATF: Covered under Rec. 7, not covered under record-keeping and due diligence standards
61 (2016)	Arrest and seizure of gold in Sri Lanka	DPMS: Gold jewellery and watches	S/2017/150	US\$167,000	Gold and jewellery obtained in Oman, smuggled via Sri Lanka with destination of Beijing using post office-listed address as a front company	Kim Song Chol, the individual stopped in Sri Lanka, was designated by the UN on 30 November 2016	North Korea, Oman, Sri Lanka	Unknown	Oman	Oman: No FATF: Covered under Rec. 7, not covered under record-keeping and due diligence standards

Case No. and Year	Description	DNFBP Service	Source	Value	Evasion Method	Proliferation Involvement	Jurisdictions Involved	DNFBP Complicity	DNFBP Jurisdiction	Regulation Cover
62 (2013)	Gold shipments from Israel	DPMS: Gold shipments (unspecified form)	S/2016/157	US\$346,726	Items exported directly, no further information available	Unknown	Israel, North Korea	Unknown	Israel	Israel: No FATF: Covered under Rec. 7, not covered under record-keeping and due diligence standards
63 (2013)	Gold bullion shipments from Ghana	DPMS: Gold; gold bullion	S/2016/157	Unknown	Unknown	Unknown	Ghana, North Korea	Unknown	Ghana	Ghana: Yes FATF: Covered under Rec. 7, not covered under record-keeping and due diligence standards
64 (2013)	Jewellery sales in Brazil to North Korean nationals	DPMS: Jewellery (unspecified)	S/2016/157	Unknown	Jewellery reported to have been likely sold at duty-free stores in the airport	Unknown	Brazil, North Korea	Not complicit	Brazil	Brazil: Unknown FATF: Covered under Rec. 7, not covered under record-keeping and due diligence standards
65 (2014)	Indian export of copper slime to North Korea	DPMS: Copper anode slime	S/2016/157	US\$1.9 million	Goods directly exported, no further information provided	Unknown	India, North Korea	Likely complicit, given that these were exported directly	India	India: Unknown FATF: No – not precious metal (copper anode slime)

Case No. and Year	Description	DNFBP Service	Source	Value	Evasion Method	Proliferation Involvement	Jurisdictions Involved	DNFBP Complicity	DNFBP Jurisdiction	Regulation Cover
66 (2014)	Thai export of silver jewellery	DPMS: Silver jewellery	S/2016/157	US\$10,984	Goods directly exported, no further information provided	Unknown	Thailand, North Korea	Likely complicit, given that these were exported directly	Thailand	Thailand: Yes FATF: Covered under Rec. 7, not covered under record-keeping and due diligence standards
67 (unknown)	Advertisements for luxury watches	DPMS: Luxury watches	S/2020/151	Unknown	Goods advertised in North Korea department store, no further information provided	Unknown	North Korea	Unknown	North Korea	FATF: Covered under Rec. 7, not covered under record-keeping and due diligence standards
68 (2009)	North Korean diplomats smuggling gold from Iran	DPMS: Gold (unspecified form)	S/2020/151	Unknown	North Korean diplomats smuggled goods from Tehran to Dubai	Likely, given diplomatic involvement	Iran, UAE (Dubai), North Korea	Unknown	Iran	Iran: Unknown FATF: Covered under Rec. 7, not covered under record-keeping and due diligence standards. Also unclear if cash-based transaction
69 (2014)	Financing of Chinese mining and real-estate investments through a special bank	DPMS: Unspecified	S/2017/150	Unknown	Bank was established for Chinese investors to fund mining and real-estate projects in North Korea	Unknown	China, North Korea	Unknown	China	FATF: Covered under Rec. 7, not covered under record-keeping and due diligence standards

Case No. and Year	Description	DNFBP Service	Source	Value	Evasion Method	Proliferation Involvement	Jurisdictions Involved	DNFBP Complicity	DNFBP Jurisdiction	Regulation Cover
70 (2021)	Gold- and cash-smuggling between Tehran airport and Dubai airport by officials of the North Korean embassy in Tehran	DPMS: Gold (unspecified form)	S/2021/211	Unknown	Smuggling	Likely, given diplomatic involvement	UAE (Dubai), Iran, North Korea	Likely complicit, given diplomatic involvement	UAE	UAE: Unknown FATF: Covered under Rec. 7, not covered under record-keeping and due diligence standards. Also unclear if cash transaction

DNFBP TYPE: REAL ESTATE

Case No. and Year	Description	DNFBP Service	Source	Value	Evasion Method	Proliferation Involvement	Jurisdictions Involved	DNFBP Complicity	DNFBP Jurisdiction	Regulation Cover
71 (2018)	Income from real estate in France	Real-estate property: Letting	S/2019/691	Unknown	Informal third party/nominee	North Korean diplomat involved in scheme, connection to designated person	France (fund origin), China (fund destination)	Unknown	France	France: No FATF: No
72 (2018)	Financing of Chinese mining/ real-estate investment through Rason Bank	Real-estate property: Leasing	S/2019/691	€850 per month in an Italian account with a balance of €4,071.16	Rent deposited into an Italian account monthly	Connected to designated person (Reconnaissance General Bureau)	Italy, North Korea	Unknown	Italy	Italy: Yes FATF: No (leasing)
73 (2014–)	Sublet of North Korean embassy to private businesses	Real-estate property: Investment	S/2018/150	Unknown	Bank was set up for Chinese investors to fund mining and real-estate projects in North Korea	No	Investors in China, real estate in North Korea	Unknown	China, North Korea	China: Unknown FATF: No
74 (2017)	Sublet of North Korean embassy to private businesses	Real-estate property: Letting	S/2018/171	Unknown	Abusing diplomatic privileges	Unknown	Poland	Complicit	Poland	Poland: No FATF: No
75 (2016–)	North Korean-owned business in Vladivostok at North Korean consulate	Real estate: Misuse of North Korean consulate	S/2019/171	Unknown	Business located at the consulate engaged in 'renting and operating of own or leased non-residential real estate'	Unknown	Russia	Complicit	Russia, North Korea	Russia: Unknown FATF: No

Case No. and Year	Description	DNFBP Service	Source	Value	Evasion Method	Proliferation Involvement	Jurisdictions Involved	DNFBP Complicity	DNFBP Jurisdiction	Regulation Cover
76 (2017)	Construction/development companies, possibly engaged in building private residence	Real estate: Construction	S/2019/171	Unknown	Companies registered in Zambia possibly functioned as front companies	MKP is associated with Mansudae Overseas Project (sanctioned)	Zambia	Complicit	Zambia	Zambia: No FATF: No
77 (2008–17)	Use of North Korean embassy in Berlin for commercial interests	Real estate: Leasing	S/2017/142	€38,000 a month	Commercial revenue from City Hostel Berlin on North Korean embassy property	Unknown, likely as it is an embassy	Germany, North Korea	Complicit	Germany	Germany: Unknown FATF: No
78 (2014)	MKP-related construction businesses in Uganda	Real estate: Construction	S/2019/171	US\$3.6 million as an advance for national housing	Joint venture with National Housing and Construction company	MKP is associated with Mansudae Overseas Project (sanctioned)	Uganda, North Korea	Complicit	Uganda	Uganda: No FATF: Yes
79 (unknown)	Construction project overlap indicates that North Korean state businesses (MKP and KOGEN) were engaged in building housing and commercial properties, along with government buildings, in numerous jurisdictions	Real estate: Construction and property development	S/2019/171 (specifically cases 48–51)	Unknown	Bank account possibly opened by a North Korean diplomat	GENCO appears to be the same company as MKP, which is associated with sanctioned entities	Numerous unconfirmed	Complicit	Numerous unconfirmed	FATF: No
80 (2020)	Commercial leasing of the North Korean embassy property in Romania	Real estate: Embassies	S/2020/840	Unknown	Generation of revenue through using embassy for commercial interests	Unknown, likely as it is an embassy	Romania, North Korea	Unknown, likely as it is an embassy	Romania	Romania: No FATF: No

Case No. and Year	Description	DNFBP Service	Source	Value	Evasion Method	Proliferation Involvement	Jurisdictions Involved	DNFBP Complicity	DNFBP Jurisdiction	Regulation Cover
81 (2018)	Commercial leasing of the North Korean embassy property in Bulgaria	Real estate: Embassies	S/2020/840	Unknown	Generation of revenue through using embassy for commercial interests	Unknown, likely as it is an embassy	Bulgaria, North Korea	Unknown	Bulgaria	Bulgaria: No FATF: No

DNFBP TYPE: GATEKEEPING PROFESSIONS (LAWYERS, ACCOUNTANTS, TRUST AND COMPANY SERVICE PROVIDERS [TCSPS])

Case No. and Year	Description	DNFBP Service	Source	Value	Evasion Method	Proliferation Involvement	Jurisdictions Involved	DNFBP Complicity	DNFBP Jurisdiction	Regulation Cover
82 (2018)	Marine Chain	Legal: Advice, licence applications, organising/creating corporations	S/2019/691	Unknown	False documentation, obscure beneficial ownership structure	One employee of Marine Chain had links to known North Korean cyber actors	Hong Kong, bank accounts in Singapore	Unknown	Hong Kong	Hong Kong: Yes FATF: Yes
83 (1990s to 2013)	FATF Proliferation Financing Guidance and DoJ: Case Study 1 (Hsien Tai Tsai Case)	TCSP: Company formation agent	US District Court, Northern District of Illinois, Eastern Division, 'United States of America v Hsien Tai Tsai'	Unknown	Front companies, obscure beneficial ownership structure, wire transfer	OFAC-designated in 2009	Taipei, US	Complicit – company formation agent was also a procurement agent Self-TCSP	Taipei	Taipei: Yes FATF: Yes
84 (2009)	Arms shipment seized by Thailand	TCSP: Company formation agent	S/2013/337	Unknown	Complex transaction structure, multiple jurisdictions, DNFBPs geographically far from client	Unknown	UAE, UK, New Zealand	Complicit	UAE (source of airplanes), UK/New Zealand (TCSP)	UAE: No UK: Yes New Zealand: Unknown FATF: Yes
85 (2013)	Leader (Hong Kong) International	TCSP: Company secretary	S/2015/131	Unknown	North Korean connections, fake director address, acting as secretary of a company in relation to luxury goods violations	Yes – designated in January 2013. No activity since	Hong Kong	Likely complicit, given other North Korean connections and fake director address	Unknown	Hong Kong: Yes FATF: Yes

Case No. and Year	Description	DNFBP Service	Source	Value	Evasion Method	Proliferation Involvement	Jurisdictions Involved	DNFBP Complicity	DNFBP Jurisdiction	Regulation Cover
86 (2018)	Opening and maintenance of trust fund	TCSP: Trust fund opening and maintenance	S/2020/151	Unknown	Indirect payments, geographically far from DNFBP, multiple jurisdictions	Unknown	Multiple sub-Saharan African countries. Trust fund (Namibia), construction projects in Angola, Ethiopia and Mozambique	Unknown	Unknown	Namibia: No Angola: No Mozambique: No FATF: Yes
87 (2016)	Casino used in Bangladesh bank heist	Casino and online gambling	S/2019/171	US\$20 million sent to Sri Lanka, US\$81 million to the Philippines	Funds stolen using SWIFT system and transferred to foreign bank accounts	Suspected North Korean individual involved	US (fund origin), Bangladesh, the Philippines, Sri Lanka, China, possibly North Korea (fund destinations)	Complicit	Philippines, Sri Lanka	Bangladesh: No Sri Lanka: No Philippines: No China: Unknown FATF: Yes

Source: Cases gathered from UN Panel of Experts Reports (2006–21). See Security Council Report, 'UN Documents for DPRK (North Korea): Sanctions Committee Documents', <https://www.securitycouncilreport.org/un_documents_type/sanctions-committee-documents/?ctype=DPRK%20%28North%20Korea%29&cbtype=dprk-north-korea>, accessed 2 May 2021.

About RUSI

The Royal United Services Institute (RUSI) is the world’s oldest and the UK’s leading defence and security think tank. Its mission is to inform, influence and enhance public debate on a safer and more stable world.RUSI is a research-led institute, producing independent, practical and innovative analysis to address today’s complex challenges.

Since its foundation in 1831, RUSI has relied on its members to support its activities. Together with revenue from research, publications and conferences, RUSI has sustained its political independence for 191 years.

The views expressed in this publication are those of the author(s), and do not necessarily reflect the views of RUSI or any other institution.

Published in 2022 by the Royal United Services Institute for Defence and Security Studies. RUSI is a registered charity (No. 210639).



This work is licensed under a Creative Commons Attribution – Non-Commercial – No-Derivatives 4.0 International Licence. For more information, see <<http://creativecommons.org/licenses/by-nc-nd/4.0/>>.

Royal United Services Institute
for Defence and Security Studies
Whitehall
London SW1A 2ET
United Kingdom
+44 (0)20 7747 2600
www.rusi.org

RUSI is a registered charity (No. 210639)