

NORTH KOREA: BEST PRACTICES

North Korea takes advantage of gaps in regulatory frameworks and attempts to deceive potential business partners about its involvement. Follow industry best practices and avoid **damaging your business.**

Due Diligence and KYC: Conduct thorough due diligence on all parties involved in transactions, including buyers, sellers, and intermediaries. Make sure no sanctioned entities are involved. Remember that North Korean companies often use aliases or set up fake businesses in jurisdictions like Hong Kong.

Monitor and Verify: Regularly monitor and verify the activities of vessels involved in activities related to your business. This includes tracking the movement of ships and checking whether they are visiting sanctioned countries or regions. Check for gaps in vessel location transmissions and make sure the companies related to the vessels appear legitimate and trustworthy.

Review Documentation and contracts: Individuals and entities processing transactions involving possible shipments to/from North Korea should request and review complete and accurate shipping documentation. Manipulated shipping documentation should be investigated before proceeding with the transaction. Documents related to ship-to-ship transfers should demonstrate delivery to the listed port. Documents detailing the origin or destination of goods should be thoroughly investigated.

Leverage Available Resources: Utilize organizations that provide commercial shipping data, including ship location, registry information, and flagging details, along with available information from the United Nations and other related organizations.

If you have questions regarding DPRK sanctions evasion, Culmen International **can help.** Contact us if you have questions regarding improving due diligence and compliance procedures.