REGULATORY ADVISORY

UNITED NATIONS SECURITY COUNCIL RESOLUTIONS IMPLEMENTATION (DEMOCRATIC PEOPLE'S REPUBLIC OF KOREA SANCTIONS REGIME) REGULATIONS, 2021

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- Understand your obligations
- Protect your business and the financial system
- Comply with confidence

This Advisory is issued by the Financial Services Commission to all regulated entities to bring to your attention key requirements and actions in response to the gazetting of the above-mentioned Regulations.

FINANCIAL SERVICES COMMISSION
REGULATORY ADVISORY

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1. PURPOSE OF THIS ADVISORY

The Financial Services Commission ("FSC") issues this Regulatory Advisory to inform all FSC-regulated entities of the United Nations Security Council Resolutions Implementation (Democratic People's Republic of Korea Sanctions Regime) Regulations, 2021 (the "DPRK Regulations"), as published in The Jamaica Gazette, Vol. CXLIX, No. 123, dated 16 March 2026.

The DPRK Regulations were made pursuant to section 3 of the United Nations Security Council Resolutions Implementation Act (UNSCRIA) and give effect in Jamaica to specified decisions of the United Nations Security Council concerning the Democratic People's Republic of Korea ("DPRK"). The Regulations establish sanctions, prohibitions, restrictions, asset-freezing measures and permit requirements that are relevant to activities undertaken by regulated entities.

The purpose of this Advisory is to highlight key requirements and the actions FSC-regulated entities should take to ensure that their policies, procedures, systems, controls and governance arrangements are appropriate to meet their obligations.

2. REGULATORY CONTEXT

The Regulations were made on 8 November 2021 and were affirmed by the Senate and the House of Representatives. The Regulations and the related parliamentary resolutions are published in the March 16, 2026 edition of The Jamaica Gazette.

Regulation 3 provides that the Regulations have effect as a United Nations sanction enforcement law for purposes of section 9 of the Act. The Regulations also contain provisions concerning the extra-territorial application of specified requirements and offences.

3. WHO SHOULD PAY PARTICULAR ATTENTION?

All FSC-regulated entities should assess the relevance of the Regulations to their business. Particular attention should be given by entities involved in:

- securities dealing and investment advisory services;
- portfolio and fund management;
- custody and administration of client assets;

- insurance and reinsurance;
- trust and corporate services;
- cross-border financial or investment transactions;
- complex ownership or control structures; and
- relationships with international customers, counterparties, intermediaries or service providers.

4. KEY REQUIREMENTS OF THE DPRK REGULATIONS

Requirement	What it means for regulated entities
Designated entities	Entities associated with specified DPRK weapons programmes or prohibited activities may be designated. Regulated entities should have effective screening and escalation arrangements.
Sanctioned services	Specified financial and investment services may constitute sanctioned services and may not be provided except where permitted under the Regulations.
Sanctioned commercial activity	Specified relationships, structures and transactions involving DPRK-linked entities are restricted and may require Authorisation.
Freezable assets	Specified assets owned or controlled by designated entities are subject to restrictions on use, dealing and making assets available.
Bank-account restrictions	The Regulations provide for notices concerning closure of specified bank accounts and prohibit holding certain accounts.
Insurance/reinsurance	Specific prohibitions apply to insurance or reinsurance of certain DPRK-connected vessels or prohibited cargo.
Permits	Part III establishes a permit framework for specified activities. An entity should not rely on an exception unless the applicable legal requirements are satisfied.
Enforcement	Specified contraventions are subject to the offence provisions of the United Nations Security Council Resolutions Implementation Act.

5. DESIGNATED PERSONS AND ENTITIES – SCREENING

Regulation 4 provides for designation of entities of the Government of the DPRK or Workers' Party of the DPRK associated with nuclear, ballistic missile or other weapons of mass destruction programmes or activities prohibited by relevant Security Council resolutions.

Regulated entities should maintain sanctions screening arrangements that are appropriate to their business and capable of identifying relevant designated persons and entities. Screening should be supported by accurate and current customer, beneficial ownership, control and counterparty information.

- Screen relevant customers and counterparties at onboarding and on an ongoing basis, as appropriate.

- Ensure screening arrangements use applicable designation information and are capable of identifying relevant aliases and identifiers.

- Investigate potential matches to determine whether they are true matches, rather than relying solely on automated screening outcomes.
- Maintain records of alerts, investigations, decisions and escalations.
- Ensure confirmed sanctions concerns are escalated promptly through the appropriate internal and legal channels.

6. SANCTIONED SERVICES – PARTICULAR RELEVANCE TO FSC ENTITIES

Regulation 13 defines "*sanctioned service*". The definition includes: "*financial transactions relating to arms or related material; financial services that could contribute to DPRK nuclear, ballistic missile or other weapons of mass destruction programmes; financial services that could facilitate prohibited activities or sanctions evasion; public or private financial support for trade with the DPRK; and investment services relating to or assisting sanctioned commercial activity*."

The Regulations define financial services broadly to include: " *activities such as lending, money or value transfer, financial guarantees and commitments, foreign exchange, trading in transferable securities, participation in securities issues, portfolio management, safekeeping and administration of cash or liquid securities, investment and fund management, certain investment-related insurance business, money changing and means of payment."*

Investment services include, among other activities, reception and transmission of orders, execution of client orders, dealing on own account, portfolio management, investment advice, underwriting and placing of financial instruments.

Regulation 14 prohibits the provision of a sanctioned service unless the service is provided in relation to an Authorised supply and also prohibits procuring a sanctioned service from the DPRK, a person in the DPRK or a DPRK national.

7. SANCTIONED COMMERCIAL ACTIVITY

Regulation 15 identifies certain activities as sanctioned commercial activity. These include specified representative offices, branches and subsidiaries, joint ventures or cooperative entities involving the DPRK or persons/entities in the DPRK, correspondent banking relationships with specified DPRK-linked financial institutions, certain bank accounts and certain acquisition or transfer of interests.

Regulation 16 prohibits knowingly engaging in sanctioned commercial activity without Authorisation.

FSC-regulated entities should therefore assess whether their activities, structures or services could create direct or indirect exposure to a prohibited DPRK-linked relationship.

8. FREEZABLE ASSETS

Regulation 17 defines freezable assets by reference to assets owned or controlled by designated entities identified under specified Security Council resolutions, assets derived or generated from such assets and certain designated vessels or cargo.

Regulation 18 restricts the knowing use or dealing with freezable assets, allowing such use or dealing, facilitating their use or dealing, and making such assets available directly or indirectly to designated entities, unless Authorised.

Entities that hold or administer client or third-party assets should ensure that their systems can identify, restrict and escalate potential freezable assets, such as:

- client funds and cash balances
- securities and investment portfolios
- custodial assets
- trust assets
- investment fund assets
- insurance-related assets

9. INSURANCE AND REINSURANCE

Regulation 22 contains prohibitions concerning the provision of insurance or reinsurance services to specified vessels connected to the DPRK or to vessels containing cargo whose sale or supply is prohibited by a relevant Security Council resolution.

Relevant insurance businesses and intermediaries should consider, where applicable:

- vessel ownership, control, registration and operation;
- insureds, policyholders, beneficiaries and counterparties;
- brokers, agents and reinsurers;
- cargo and trade information; and
- claims, premium and other payment flows.

10. SECURITIES, INVESTMENT AND FUNDS

- Assess customers, beneficial owners, controllers, issuers, counterparties and intermediaries.
- Assess investment transactions and financial instruments for possible sanctions exposure.
- Consider sanctions implications before providing portfolio management, investment advice, dealing, order execution, underwriting, placing or custody services.
- Consider whether a proposed transaction could assist sanctioned commercial activity or sanctions evasion.
- Ensure potential freezable assets are identified and appropriately escalated.
- Maintain an auditable record of sanctions screening and decision-making.

11. TRUST AND CORPORATE SERVICES PROVIDERS

- Obtain and maintain adequate information on beneficial ownership and control.
- Consider directors, shareholders, settlors, trustees, beneficiaries and authorised persons, as applicable.

- Assess whether corporate or trust structures could obscure ownership or control by a designated person/entity.
- Apply appropriate scrutiny to complex structures, nominee arrangements and third-party instructions.
- Do not establish, maintain or facilitate a structure where doing so would constitute prohibited sanctioned commercial activity.

12. IRAN AND OTHER JURISDICTIONAL CONNECTIONS

Regulated entities should recognise that sanctions screening may identify customers, counterparties or transactions with connections to jurisdictions such as Iran. The DPRK Regulations, however, are specifically directed to the DPRK sanctions regime.

An Iran-related connection should therefore be assessed in accordance with the applicable legal and regulatory framework and should not be treated, solely on that basis, as a prohibition under the DPRK Regulations. Entities should determine whether the relevant person or entity is designated, is acting on behalf of or at the direction of a designated person/entity, involves the DPRK, involves a sanctioned service or commercial activity, involves freezable assets, or otherwise engages in conduct prohibited by an applicable sanctions regime.

Where separate Jamaican legislation, order or other applicable legal instrument establishes requirements concerning Iran or another jurisdiction, regulated entities must comply with those requirements as applicable.

13. REPORTING, INFORMATION AND RECORDKEEPING

FSC-regulated entities should maintain records and systems that enable them to demonstrate compliance with applicable sanctions requirements and respond accurately to requests or directions from the competent authorities.

- Maintain accurate customer, beneficial ownership, account, asset and transaction information.
- Maintain records of sanctions screening and investigations.
- Document decisions to proceed, reject, restrict or escalate transactions.
- Retain evidence of any Authorisation or permit relied upon.
- Ensure relevant information can be retrieved promptly when required by the competent authority.
- Where an entity is subject to specific reporting obligations under applicable legislation, ensure that reports are complete, accurate and timely.

14. GOVERNANCE AND SENIOR MANAGEMENT EXPECTATIONS

The Board and senior management of each regulated entity should ensure that sanctions compliance is appropriately governed and proportionate to the entity's business model, products, services, customers, counterparties and geographic exposure.

- Clearly allocate responsibility for sanctions compliance.
- Ensure material sanctions and proliferation-financing risks are identified and escalated.
- Ensure policies and procedures are current and implemented.
- Ensure relevant staff are appropriately trained.
- Ensure sanctions controls are periodically tested.
- Ensure identified weaknesses are addressed in a timely manner.
- Ensure management information is sufficient to support oversight.

15. ACTIONS REQUIRED OF FSC-REGULATED ENTITIES

Action	Expected outcome
1. Review	Review the Regulations and assess applicability to the entity's business, products, services and customers.
2. Risk assess	Document exposure to DPRK sanctions and proliferation-financing risks.
3. Screen	Confirm that relevant designated persons/entities are incorporated into sanctions screening controls.
4. Review customers	Review existing relationships, beneficial owners, controllers and relevant counterparties.
5. Review products/services	Assess securities, investment, insurance, custody, trust/corporate and other services for sanctions exposure.
6. Review transactions	Confirm transaction monitoring can identify relevant DPRK-linked activity and potential sanctions evasion.
7. Address assets	Ensure procedures exist to identify and appropriately handle potential freezable assets.
8. Escalate	Maintain clear procedures for potential matches, prohibited activity and competent-authority directions.
9. Authorisation	Verify that required permits/Authorisations are obtained before undertaking an activity for which they are required.
10. Train	Provide relevant staff with role-appropriate sanctions training.
11. Evidence	Maintain sufficient records to demonstrate compliance.
12. Govern	Ensure Board/senior management oversight of material sanctions risks.

16. FSC SUPERVISORY EXPECTATIONS

As part of its supervisory activities, the FSC may assess whether a regulated entity has appropriately implemented controls relevant to the Regulations. Entities should be able to demonstrate:

Supervisory area	Evidence the FSC may consider
Governance	Board/senior management oversight, assigned responsibilities and management information.
Risk assessment	Documented sanctions/CPF risk assessment and identified mitigating controls.
Screening	Screening methodology, list sources, parameters, testing and alert disposition.
CDD/Beneficial ownership	Information sufficient to identify ownership and control.
Transaction monitoring	Relevant scenarios, alerts, investigations and escalation.
Asset controls	Procedures and records relating to potential freezable assets.
Policies and procedures	Approved and implemented sanctions policies and procedures.
Training	Training material, attendance and role-specific competency.
Recordkeeping	Retrievable evidence supporting sanctions decisions and actions.
Testing and assurance	Independent or management testing of relevant controls, where applicable.

17. COMPLIANCE WITH THE REGULATIONS

Regulated entities are expected to take the necessary steps to understand and comply with the DPRK Regulations and any other applicable requirements under the United Nations Security Council Resolutions Implementation Act and related legislation.

Nothing in this Advisory should be interpreted as limiting or replacing the requirements of the Regulations, the Act, applicable United Nations Security Council resolutions, or any other applicable law. In the event of any inconsistency, the applicable legislation prevails.

18. EFFECTIVE DATE

This Advisory is issued on March 16, 2026 and should be read together with the United Nations Security Council Resolutions Implementation (Democratic People's Republic of Korea Sanctions Regime) Regulations, 2021, as published in The Jamaica Gazette on March 16, 2026.

19. ENQUIRIES

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FINANCIAL SERVICES COMMISSION

ANNEX 1 – REGULATED ENTITY IMPLEMENTATION CHECKLIST

Entities may use this checklist to support their implementation assessment. It does not replace the requirements of the legislation.

☐ The entity has reviewed the DPRK Regulations and identified provisions relevant to its activities.

☐ A sanctions/CPF risk assessment has considered DPRK exposure.

☐ Applicable designated persons/entities are included in sanctions screening.

☐ Customer, beneficial ownership and control information is sufficient for sanctions screening.

☐ Relevant counterparties and intermediaries are screened or otherwise assessed.

☐ Relevant securities/investment services have been assessed.

☐ Relevant insurance/reinsurance activities have been assessed.

☐ Relevant trust and corporate services have been assessed.

☐ Transaction monitoring has been assessed for DPRK-related sanctions risk and evasion indicators.

☐ Procedures exist for potential sanctions matches and escalation.

☐ Procedures exist for identifying and handling potential freezable assets.

☐ Procedures exist for verifying required permits/Authorisations.

☐ Relevant staff have received appropriate sanctions training.

☐ Board/senior management oversight is documented.

☐ Sanctions decisions and investigations are appropriately documented and retained.

☐ The entity can respond accurately and promptly to competent-authority requests or directions.

☐ Any identified control gaps have been assigned to responsible persons and tracked to remediation.

ANNEX 2 – KEY REGULATORY PROVISIONS

Regulation	Subject
3	Object and effect; enforcement and specified extra-territorial application.
4	Designated entities.
5–2	Export/import sanctioned items and related prohibitions.
13	Sanctioned services.
14	Prohibitions in respect of sanctioned services.
15	Sanctioned commercial activity.
16	Prohibition in respect of sanctioned commercial activity.

17	Freezable assets.
18	Prohibitions in respect of freezable assets.
19–20	Bank account closure notices and prohibition on holding certain accounts.
21	Bunkering services.
22	Vessel ownership, registration, insurance/reinsurance and related matters.
23–28	Entry/overflight, port, transshipment, high-seas inspection and arms/scientific cooperation restrictions.
29–42	Permits and Authorisations.
43	Revocation.