



North Korea: Troubled Waters

Doing business with North Korea, even unknowingly, carries high risk: reputation damages, international pressure, loss of trust, financial losses, and political repercussions.

North Korea is one of the most sanctioned countries in the world. Trade in many goods and services is subject to restrictions, prohibitions, and often results in damaging economic and political consequences.

Sanctions applied to North Korea are complex and overlapping, with the possibility of penalties arising from international, multilateral, and unilateral violations of law.

The problem is especially pertinent when it comes to companies and organizations working in the maritime industry. Pyongyang moves most of its cargo by sea, and so shipping has become one of its primary avenues for sanctions evasion.

Culmen provides resources for companies and organizations to improve their knowledge and compliance with international and local regulations. This lowers risk, improves profits, and increases opportunities.

Scan the QR code above for further information.



Are you at risk?

- **Oil Traders:** North Korea has developed a large and complex oil smuggling program that uses tangled networks to hide the eventual destination.
- **Coal Traders:** The DPRK uses a wide range of techniques to disguise its coal importing vessels and companies.
- **Sectoral Sanctions:** The import of many North Korean minerals is prohibited, and the export of many different types of processed and manufactured goods are also restricted or sanctioned.
- **Vessel Brokers and Ship Repair:** International sanctions prohibit North Korea from acquiring new vessels, yet it continues to purchase them through third parties and paper companies.

Navigate around North Korea

North Korean companies and agents operate in many countries around Asia, usually employing complicated webs of front companies and trusted third party intermediaries.

Every year, unwitting companies and individuals from around the world are deceived by North Korea into trading prohibited and restricted goods and services.

The costs of mistakenly doing business can be high, in addition to carrying legal, financial and reputational risk, a company found doing business with North Korea can end up on blacklists and be cut off from international financial systems.

A known association with North Korea will also scare off potential foreign customers and business partners.

In recent years, companies in Indonesia, Russia, the United Kingdom, Singapore and South Korea have all been caught engaging in illicit transactions with North Korea. In the case of the UK headquartered British American Tobacco in 2023, the company was fined \$627 million, the largest settlement in the US Justice Department's history.

Culmen International is committed to promoting good business practices which can help interested parties avoid being tricked into playing a role in North Korea's sanctions evasion machine.

Anyone interested in improving their compliance and minimizing exposure to the risks posed by the DPRK and its complex smuggling operations can access Culmen's information for free using the QR codes on this pamphlet.



About Culmen International

Who we are:

Established in 2004, Culmen International provides a large portfolio of technical, management, humanitarian assistance and logistics services supporting clients worldwide with extensive experience operating a diverse team in over 130 countries on six continents.

What we do:

Culmen International is dedicated to enhancing international security and stability through facilitating global collaboration and optimizing operations of governments and key partners. We help our customers operate in challenging environments with constrained resources, and effectively interact and engage with diverse cultures. Culmen undertakes complex initiatives across international borders to accomplish critical missions that make a positive impact..