

Insights



Kobre & Kim in Foreign Policy: Chinese banks are the next frontline of the U.S.-China Trade War

July 22, 2019

Publication: ***Foreign Policy***

Kobre & Kim's Wade Weems, Nathan Park and Beau Barnes offered their latest insights on the U.S.-China trade war in *Foreign Policy* this weekend, discussing a U.S. federal courts' order against three Chinese banks to comply with a subpoena in connection to violations of sanctions against North Korea.

Invoking Section 319 of the Patriot Act – which would end the banks' ability to conduct US dollar-denominated transactions – is known as a financial "death penalty," the team writes, and is a powerful new weapon that can be leveraged to advance U.S. national security and foreign policy interests. Yet, the team also notes that this comes with a significant risk: "If U.S. officials are too zealous in using this new tool to further their enforcement agenda in China or elsewhere," Weems, Park and Barnes warn, "the world may come to see the use of the 'death penalty' as an unjust political tool, and another example of U.S. jurisdictional overreach."

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