



Wade Weems with South China Morning Post on Chinese Banks' Possible Breach of U.S. North Korea Sanctions

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Kobre & Kim's Wade Weems, who formerly served in the U.S. Department of Justice's National Security Division, spoke with *South China Morning Post* today on U.S. allegations that three large Chinese banks have possibly violated U.S. sanctions against North Korea.

Earlier this week, it was reported that China's state-owned Bank of Communications, China Merchants Bank and Shanghai Pudong Development Bank (SPDB) were being held in contempt of court by U.S. District Court of the District of Columbia Chief Judge Beryl A. Howell for refusing to comply with subpoenas connected to a 2017 civil forfeiture action against the three banks. The *South China Morning Post* reported that all three lenders have dismissed the allegations, saying they have been complying with international and Chinese laws.

Mr. Weems spoke to SCMP on the strategic moves currently at U.S. authorities' disposal, including measures that effectively eliminate the banks' access to the U.S. financial system. However, while the regulatory process to impose such a "death penalty" on a Chinese bank is relatively straight forward, Mr. Weems added the caveat that "U.S. reliance on this powerful tool as a means for enforcement may, in the longer term, deter use of the U.S. financial system out of concern that even a U.S.-dollar transaction might subject foreign banks to U.S. judicial process."

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