

Sanctions 13 Jan, 2020

Iran sanctions - the U.S. imposes further measures



Tony Paulson
Head of Asia & Corporate Director

In view of recent events between the United States and Iran, President Trump issued an Executive Order on 10 January 2020 imposing further sanctions on Iran.

As Members will note from a helpful Client Alert issued by the Club's U.S. attorneys Freehill Hogan & Mahar, the new regulations prohibit any person – including non-U.S. persons - from operating in the construction, mining, manufacturing, or textiles sectors of the Iranian economy or from engaging in a “significant transaction” for the “sale, supply, or transfer to or from Iran of significant goods or services” used in connection with those industries.

The Managers have been advised by Freehill's that this prohibition is very likely to prohibit the carriage of cement clinker. Clarification will be sought from OFAC on this point but Members should treat the carriage of cement clinker to or from Iran as prohibited unless advised otherwise.

As always it is difficult to say with any certainty what constitutes a “significant transaction” since there is no clear guidance from OFAC. As the Client Alert makes clear, determination would be on a case-by-case basis, taking into account the various factors set out by Freehill's. As with other previous measures subject to the same criteria, the Managers strongly suggest that these trades should be avoided in full rather than gambling on whether a particular trade meets OFAC's “significant” threshold or not.

Members with any questions on this or any other sanctions matter should contact the Managers for guidance. Further information on all sanctions matters including Iran can also be found on our dedicated sanctions webpages, including advice on the practical impacts on the operation of Club cover for legitimate calls to Iran. In this regard Members are reminded that the Club may be severely constrained in its ability to assist if the vessel has an incident whilst in Iranian waters.

Iran Sanctions - Client Alert

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