

Sanctions 01 Oct, 2019

Iran sanctions – U.S. issues clear warning to shipping over petroleum shipments



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OFAC recently issued an “Advisory to the Maritime Petroleum Shipping Community” reiterating in the strongest terms the sanctions risks for shipowners, marine insurers and bunker suppliers related to the carriage of petroleum and associated products from Iran.

As noted in a helpful Client Alert from the Club’s U.S. attorneys Freehill Hogan & Mahar, OFAC is clear that the U.S. *“is targeting private and public sector entities around the world that engage in sanctionable conduct, including those involved in procuring petroleum and petroleum products from Iran to Syria, China, and elsewhere.”* Recent OFAC enforcement actions have underlined the force of that intent.

The Advisory also sets out suggested risk mitigation measures that parties should consider deploying in order to ensure proper due diligence - including establishing the bona fides of a cargo’s origin and the counter-parties involved – as well as the position surrounding the supply of bunkers to Iranian and non-Iranian tonnage engaged in trade with Iran.

As Freehill’s conclude:

“The OFAC Advisory is a further reflection of OFAC’s intent to focus on international shipping and non-U.S. persons. OFAC clearly expects those operating in the shipping industry to take steps to avoid any intentional or unintentional violation of U.S. sanctions. Anyone operating in the shipping industry, including owners, charterers, managers, and insurers, should take steps to ensure compliance. With this latest Advisory, OFAC will consider the international shipping community to be more than sufficiently warned of the potential for sanctions being imposed against anyone in the world.”

Members are strongly urged to take note of this Advisory as well as the content on our Iran Sanctions Webpage. Extreme caution should be exercised around any potential fixture for or possibly linked to Iran and Members are again reminded that the Club may be severely constrained in its ability to assist if a vessel has an incident whilst in Iranian waters.

Download the Client Alert and Advisory below: