

North Korea - Sanctions - Update

26th September 2017

In reaction to recent ballistic missile firings and nuclear weapon tests, President Trump issued an Executive Order on 21 September 2017 which, in conjunction with more stringent United Nations Security Council measures, significantly increases sanctions against North Korea. A copy of the EO can be found [here](#).

Impacts on maritime trade are likely to be significant, since measures include the designation of any party which owns or operates a port in North Korea and the imposition of a 180-day rule - similar to that which the US has operated against Cuba for many years - so that any vessel which calls at a North Korean port or engages in a STS operation with a North Korean vessel may not trade in US waters for the next six months.

Details of all the new measures are set out in a Client Guide from the Club's US attorneys Freehill, Hogan & Mahar, a copy of which can be found [here](#). It is however worth reiterating here the summary from the Client Guide, which clearly sets out the impact of these measures and the potential ramifications on any Member who engages in sanctionable activity:

"The latest U.S. and UN sanctions against North Korea could have far-reaching impact on the North Korean economy. Shipowners will need to exercise great caution in any dealings with North Korea to insure that they are not violating either the UN Security Council Resolutions or the U.S. sanctions. If a shipowner engages in sanctionable activity under the U.S. sanctions, that shipowner could lose access to the U.S. financial system. Additionally, any vessel that calls at a North Korean port is banned from U.S. ports for six months thereafter."

In addition, Members should bear in mind that the Club is very likely to be unable to support Members who do trade legitimately to North Korea, with payment of claims and fees and the provision of security liable to be very delayed and perhaps completely prohibited.

Any Member considering trading to North Korean is therefore strongly urged to re-assess the risks of undertaking that business and to contact the Managers for advice before doing so.

The West of England Ship Owners Mutual Insurance Association (Luxembourg)
R.C.S. Luxembourg B 8963

Managers: West of England Insurance Services (Luxembourg) S.A.
Registered Office: 31 Grand-Rue, L-1661 Luxembourg, G.D. Luxembourg
T +(352) 4700671 **F** +(352) 225253

UK Branch: Tower Bridge Court, 226 Tower Bridge Road, London SE1 2UP
T +(44) (0)20 7716 6000 **F** +(44) (0)20 7716 6100
E mail@westpandi.com **W** www.westpandi.com
