

## Iran - Further Advice on Re-imposition of Secondary Sanctions

15th August 2018

Further to our News Item of [7 August 2018](#), the Club's US attorneys Freehill Hogan & Mahar have now published a helpful Client Alert concerning the re-imposition of U.S. secondary sanctions against Iran, a copy of which can be found [here](#).

Members will note that in relation to the sanctions concerning financial transactions involving petroleum and petroleum products, Freehill's advise that:

*"...they will only apply if the President determines that there is a sufficient supply of such commodities from countries other than Iran to permit a significant reduction in the amount of petroleum and petroleum products purchased from Iran."*

This refers to the potential for some countries to be granted a waiver under the National Defense Authorization Act ("NDAA") of 2012 to continue buying Iranian oil as long as there was evidence that there was not a sufficient supply on the world market to replace their Iranian supply. Members will recall that when secondary sanctions were previously in place prior to January 2016 six countries - China, India, Japan, the Republic of Korea, Taiwan, and Turkey – held such a waiver.

There is however no current indication from the U.S. administration of whether any countries will be granted a similar waiver under the re-imposed sanctions and Members should therefore assume until informed otherwise that the prohibitions on the purchase and carriage of Iranian crude oil, petroleum products and petrochemicals apply in full and without waiver.

Members should also take note of the caveats expressed by Freehill's in their summary:

*"Since the U.S. has not been joined by the EU, Russia and China in re-imposing the pre-JCPOA sanctions, it seems likely that in order to exert maximum pressure OFAC will apply a strict interpretation of the sanctions and will enforce them with renewed vigor."*

*Any parties trading with Iran should now exercise caution and carefully review the status of the U.S. secondary sanctions against Iran to determine whether their activities may expose them to penalties."*

Further details on sanctions against Iran can be found on our dedicated [sanctions webpage](#). Any Member with specific questions concerning these measures and any other sanctions matters should contact the Managers.

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