

Iran Sanctions - Significant Reduction Exemptions

23rd April 2019

As reported in our [Notice to Members No.11 2018/2019](#), when U.S. secondary sanctions were re-imposed against the purchase and carriage of Iranian crude oil, petroleum products, liquified gases and petrochemicals in November 2018, eight countries - China, India, Italy, Greece, Japan, South Korea, Taiwan, and Turkey – were granted waivers from the U.S. so that they may continue to be permitted to import limited amounts of Iranian crude oil. These so-called Significant Reduction Exemptions (“SREs”) were given for limited period and are due to expire on 2 May 2019.

The U.S. State Department has now announced that none of these SREs will be renewed and that and all purchases and shipments of Iranian crude cargoes after this date will be in breach of U.S. sanctions, exposing those undertaking them to the full force of U.S. enforcement methods.

Further, in clarification provided to the Club’s U.S. attorneys Freehill, Hogan & Mahar, the State Department has said that in their view all shipments under SREs must be completed by the 2 May deadline. It would therefore seem clear that there be little or no sympathy shown by the U.S. authorities for any vessel which has not completed an SRE voyage and discharged its cargo by latest 2 May 2019.

Members with specific questions concerning these developments and any other sanctions matters should contact the Managers.

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