

MEMBER ALERT



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THE UNITED STATES MITIGATES THE EFFECTS OF ECONOMIC SANCTIONS IMPOSED AGAINST ADDITIONAL RUSSIAN ENTITIES AND INDIVIDUALS (THE SANCTION TARGETS) BY ISSUING GENERAL LICENSES DELAYING THE EFFECTIVE DATE OF APPLICABLE PROHIBITIONS

The above Sanctions Targets are now included on OFAC's SDN and Blocked Persons List which is searchable at:

<https://sanctionssearch.ofac.treas.gov/>

The sanctions against the Sanctions Targets prohibit transactions by US persons or transactions with a US nexus involving the Sanctions Targets. The American Club, as a US person, is prohibited from providing insurance cover for voyages or vessels involving the Sanctions Targets, and payments through the US involving the Sanctions Targets along with the other property of the Sanctions Targets are blocked. Targets subject to US jurisdiction are blocked (frozen), and US persons are generally prohibited from performing contracts with and engaging in transactions with Sanctions Targets.

Issuance of General Licenses Delaying Effective Date of Prohibitions

On April 23, 2018, to mitigate the effects of certain sanctions imposed on April 6, OFAC calibrated the strength of such sanctions by issuing General License 14 and publishing related FAQs.

General License 14 authorizes US persons to engage in specified transactions related to winding down or maintaining business with United Company RUSAL PLC (RUSAL) and its subsidiaries until October 23, 2018. OFAC has also issued Ukraine-/Russia-related General License 12A, which replaces and supersedes General License 12 in its entirety. For further details, read the press statement here:

<https://home.treasury.gov/news/press-releases/sm0365>

Transactions authorized under General License 12A must be completed by June 5, 2018.

Transactions under General License 13 "Authorizing Certain Transactions Necessary to Divest or Transfer Debt, Equity, or other Holdings in Certain Blocked Persons" must be completed by May 7, 2018.

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Questions and Further Guidance

Members are reminded that pursuant to American Club rules there is no cover for unlawful voyages or for voyages where the extension of cover would violate or pose a risk of violating sanctions prohibitions and also that causing a violation could entail the imposition of sanctions or penalties. Members are accordingly reminded to proceed with extreme caution in dealing with or involving Russia and Russian entities and to conduct additional sanctions compliance due diligence to ensure their own and the American Club's compliance with sanctions prohibitions.

Should you wish to discuss any questions or need additional guidance regarding any aspect of the foregoing or other sanctions in general or for confirmations as to the availability of cover for voyages involving countries (Iran, Syria, Cuba, North Korea, Russia, the Crimea region of Ukraine, Venezuela (presently only SDNs)) or entities or individuals subject to U.S. economic sanctions (e.g., OFAC SDN List), please contact: Charles J. Cuccia, Senior Vice President - Compliance & Enterprise Risk Management, ph +1 212 847 4539, mob +1 917 215 2883, charles.cuccia@american-club.com.