



FEBRUARY 9, 2016

CIRCULAR NO. 07/16

TO MEMBERS OF THE ASSOCIATION

Dear Member:

**US GOVERNMENT REMOVES RESTRICTION ON AMERICAN CLUB'S ABILITY TO PROVIDE COVER FOR SHIPMENTS OF CRUDE OIL AND PETROLEUM PRODUCTS FROM IRAN**

**Circular No. 04/16** of January 18, 2016, informed Members of the lifting of secondary US sanctions on Iran and of other steps the United States has taken to provide certain other limited Iran sanctions relief. It also informed Members of the favorable impact of the lifting of those secondary sanctions, and the EU sanctions regarding Iran, on the American Club's non-US person Members' ability to trade with Iran, and on the Club's ability to provide cover for most voyages involving Iran.

In the context of shipowner activity, the Circular explained that, as a result of the lifting of relevant sanctions, non-US shipowners were no longer barred from most transportation activities involving Iran (previously subject to secondary US sanctions as well as EU sanctions), for which there had been no American Club cover.

As to American Club cover, the Circular confirmed that this was now generally available to non-US shipowners for transportation involving Iran, except for shipments of crude oil and petroleum products, as long as the transportation was in respect of benign/non-military/non-nuclear cargoes and the transportation did not involve Iranian or other SDNs (Iranian or other sanctions targets on the US OFAC SDN list).<sup>1</sup>

**Your Managers are now pleased to report that, on February 5, 2016, (in a manner consonant with the lifting of the secondary US sanctions on Iran), the US government prospectively removed the restriction which had hitherto precluded the American Club from providing cover for shipments of crude oil and petroleum products from Iran.**

Consequently, American Club cover is now generally available for non-US person Members' transportation of benign/non-military/non-nuclear cargoes, including crude oil and petroleum products (and petrochemicals), to and from Iran, provided such transportation does not involve transactions with Iranian SDNs and is otherwise consistent with the American Club's rules.

These Iranian and other SDNs can be searched on OFAC's blacklist at:

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

It should be noted that the Tidewater entity which operates a number of ports in Iran is an SDN.

**Primary US Iran sanctions have not been lifted**

US persons are still generally prohibited from trading, or from having other economic interaction, with Iran or Iranian entities, or from facilitating the activities of non-US persons with Iran if such activities

<sup>1</sup> Please note that there are many Iranian entities on the OFAC SDN List. Most, but not all, are denominated as "non-SDNs."



are those which a US person is prohibited from engaging in, absent authorization by the US government.

It should also be noted that prohibitions with which US persons must comply may also affect non-US persons conducting trade with Iran to the extent that such trade, or any financial transaction related to such trade, comes within US jurisdiction or has a US nexus.

### Questions and further guidance

For any questions regarding any aspect of the foregoing, sanctions in general, or for Member inquiries seeking confirmation as to the availability of cover for voyages involving Iran or other countries, Members are invited to contact (in addition to performing their own due diligence): 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](mailto:charles.cuccia@american-club.com).

Yours faithfully,

Joseph E.M. Hughes, Chairman & CEO  
Shipowners Claims Bureau, Inc., Managers for  
**THE AMERICAN CLUB**