



# EAGLE OCEAN MARINE

## CIRCULAR

**MARCH 22, 2018**

**TO ALL INSUREDS AND BROKERS**

**Dear Colleagues:**

### **THE UNITED STATES ISSUES DETAILED ADVISORY REGARDING DECEPTIVE SHIPPING PRACTICES BY NORTH KOREA TO EVADE ECONOMIC SANCTIONS**

On February 23, 2018, the US Department of the Treasury's Office of Foreign Assets Control (OFAC), in conjunction with the US Department of the State and US Coast Guard, issued a [global advisory](#) alerting persons to deceptive shipping practices used by North Korea to evade sanctions. Parties subject to US and/or United Nations (UN) sanctions should be aware of these practices in order to implement appropriate controls to ensure compliance with their legal requirements.

The February advisory contains two annexes. The first provides an overview of US and UN sanctions relevant to the shipping industry, including a non-exhaustive list of circumstances in which persons can be sanctioned by OFAC. The second provides a list of North Korean vessels capable of engaging in ship-to-ship transfers.

Under US law governing sanctions against North Korea, a person may become a sanctions target if that person is determined by the US government to knowingly, directly or indirectly (among other things):

- Provide significant amounts of fuel or supplies, provide bunkering services, or facilitate a significant transaction or transactions to operate or maintain a vessel or aircraft that is designated under a North Korea-related US Executive Order (EO) or United Nations Security Council Resolution (UNSCR), or that is owned or controlled by a person designated under a North Korea-related EO or UNSCR.
- Insure, register, facilitate the registration of, or maintain insurance or registration for, a vessel owned or controlled by the government of North Korea.

The US government is also aggressively targeting for designation any person, among others that:

- Facilitates a significant export to or import from North Korea; or
- Engages in the transportation industry of the North Korea economy.

Insureds should also bear in mind that sanctions against North Korea are not limited to those issued by the US government. United Nations sanctions are also in place against North Korea and, accordingly, Insureds outside of the US should exercise caution and increased due diligence when contemplating any transactions involving North Korea and any neighboring ports in Russia and/or China.

## Questions and further guidance

Insureds are reminded that pursuant to Eagle Ocean Marine insuring terms and conditions, there is no cover for voyages where this would violate or pose a risk of violating sanctions prohibitions, and also that causing a violation could entail the imposition of sanctions or penalties. As outlined above, Insureds are accordingly reminded to proceed with extreme caution in dealing with or involving North Korea and to conduct additional sanctions compliance due diligence to ensure their own and Eagle Ocean Marine's compliance with sanctions prohibitions.

Should any Broker or Insured 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, Crimea region of Ukraine, Venezuela (presently only SDNs)) or entities or individuals subject to US economic sanctions (e.g., OFAC SDN List), Eagle Ocean Marine will be pleased to respond.

Yours faithfully,



Joseph E.M. Hughes, Chairman & CEO  
Eagle Ocean Agencies, Inc.

***Eagle Ocean Marine is an American Club fixed premium facility offering gold standard International Group club service, underpinned by the impeccable security of reinsurance at Lloyd's.***

