



EAGLE OCEAN MARINE

CIRCULAR

NOVEMBER 8, 2018

TO ALL INSUREDS AND BROKERS

Dear Colleagues:

**REIMPOSED SECONDARY US SANCTIONS AGAINST IRAN COME INTO FORCE.
SANCTIONS WAIVERS GRANTED TO CERTAIN COUNTRIES FOR THEIR PURCHASES AND
IMPORTS OF IRANIAN CRUDE OIL.
US TREASURY ADDS 700 IRANIAN SANCTIONS TARGETS TO THE OFAC SDN LIST.**

The reimposed sanctions

November 4, 2018 marked the final day of the 180-day wind-down period following President Trump's May 8, 2018 announcement to cease the United States' participation in the Joint Comprehensive Plan of Action (JCPOA). On November 5, 2018, the United States fully reimposed those sanctions on Iran that had been lifted or waived under the JCPOA.

The sanctions which have been reimposed are summarized below:

- i. Sanctions on Iran's port operators, and shipping and shipbuilding sectors, including on the Islamic Republic of Iran Shipping Lines (IRISL), South Shipping Line Iran, or their affiliates;
- ii. Sanctions on petroleum-related transactions with, among others, the National Iranian Oil Company (NIOC), Naftiran Intertrade Company (NICO), and National Iranian Tanker Company (NITC), including the purchase of petroleum, petroleum products, or petrochemical products from Iran;
- iii. Sanctions on transactions by foreign financial institutions with the Central Bank of Iran and designated Iranian financial institutions under Section 1245 of the National Defense Authorization Act for Fiscal Year 2012;
- iv. Sanctions on the provision of specialized financial messaging services to the Central Bank of Iran and Iranian financial institutions described in the Comprehensive Iran Sanctions and Divestment Act of 2010;
- v. Sanctions on the provision of underwriting services, insurance, or reinsurance; and
- vi. Sanctions on Iran's energy sector.

Sanctions also include sanctions on associated services, related to the foregoing activities.

The sanctions which were re-imposed as of August 6, 2018 comprise:

- i. Sanctions on the purchase or acquisition of US dollar banknotes by the Government of Iran;
- ii. Sanctions on Iran's trade in gold or precious metals;
- iii. Sanctions on the direct or indirect sale, supply, or transfer to or from Iran of graphite, raw, or semi-finished, metals such as aluminum and steel, coal, and software for integrating industrial processes;
- iv. Sanctions on significant transactions related to the purchase or sale of Iranian rials, or the maintenance of significant funds or accounts outside the territory of Iran denominated in the Iranian rial;
- v. Sanctions on the purchase, subscription to, or facilitation of the issuance of Iranian sovereign debt; and
- vi. Sanctions on Iran's automotive sector.

The US Iran sanctions prohibit Eagle Ocean Marine/the American Club from engaging in the activities mentioned above.¹ They are also prohibited from providing insurance cover in connection with such activities.

Oil purchase and import waivers

The United States has also announced that it has granted waivers to the following jurisdictions for their purchases of crude oil from Iran, and to transactions by non-US persons related to such activity:

China
Greece
India
Italy
Japan
South Korea
Taiwan
Turkey

¹EOM's EU-based Insureds are reminded that their compliance with US sanctions against Iran may constitute a violation of EU law under the EU Blocking Regulation which forbids compliance with US Iran and Cuba sanctions prohibitions.

Under these oil sanctions waivers, EOM's non-US Insureds would not be prohibited from transporting crude oil from Iran to the above-mentioned jurisdictions. EOM/the American Club expect to be authorized to provide insurance cover for such permitted transportation.

The waivers will be valid for six months (and may be renewed if the jurisdictions in questions have reduced their purchases from Iran). During that time, the importing jurisdiction may buy Iranian oil, but must deposit the sales proceeds due to Iran for such oil purchases into an escrow account. Iran can spend the money thus earned, but only on a narrow range of humanitarian items or bilateral non-sanctionable trade.

700 new sanctions targets

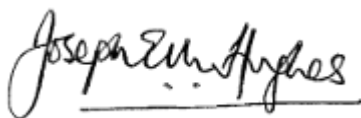
The US Treasury Department has also added 700 Iranian individuals, entities, vessels and aircraft to the SDN List. This means that transactions with or involving such targets will entail penalties or the imposition of further sanctions.

Insureds are reminded that, pursuant to EOM's standard terms and conditions of cover, 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.

Insureds are accordingly reminded to proceed with extreme caution in dealing with or involving Iran and Iranian entities and to conduct additional sanctions compliance due diligence to ensure their own, and EOM's/the American Club's, compliance with applicable sanctions prohibitions.

Should Insureds 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 Russian and other entities or individuals subject to US economic sanctions (e.g., OFAC SDN List), they should contact: Charles J. Cuccia, Senior Vice President - Compliance, ph +1 212 847 4539, mob +1 917 215 2883, charles.cuccia@american-club.com.

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.