



EAGLE OCEAN MARINE

CIRCULAR

FEBRUARY 24, 2022

TO ALL INSUREDS AND BROKERS

Dear Colleagues:

SANCTIONS UPDATE: THE UNITED STATES IMPOSES ECONOMIC SANCTIONS AGAINST RUSSIAN-CONTROLLED REGIONS OF EASTERN UKRAINE, DONETSK, AND LUHANSK

President Biden issued an Executive Order on February 21, 2022 imposing economic sanctions in response to the Russian Federation's purported recognition of and deployment of troops in the Russian-ruled, breakaway enclaves of the Donetsk People's Republic (DNR) and the Luhansk People's Republic (LNR) in Ukraine, and declared *inter alia*, such action threatens the peace, stability, sovereignty, and territorial integrity of Ukraine, and thereby constitutes an unusual and extraordinary threat to the national security and foreign policy of the United States.

The sanctions imposed yesterday are not the more comprehensive sanctions (in addition to existing sanctions) expected to be imposed against Russia for any invasion of Ukraine that it may undertake.

Under the Executive Order, the following are prohibited:

- new investment in the so-called DNR or LNR regions of Ukraine or such other regions of Ukraine as may be determined by the Secretary of the Treasury, in consultation with the Secretary of State (collectively, the "Covered Regions"), by a United States person, wherever located;
- the importation into the United States, directly or indirectly, of any goods, services, or technology from the Covered Regions;
- the exportation, re-exportation, sale, or supply, directly or indirectly, from the United States, or by a United States person, wherever located, of any goods, services, or technology to the Covered Regions; and
- any approval, financing, facilitation, or guarantee by a United States person, wherever located, of a transaction by a foreign person where the transaction by that foreign person would be prohibited by this section if performed by a United States person or within the United States.

Additionally, the Executive Order blocks (prohibits transactions and activities with or involving) the following persons (SDNs) and their property:

- persons operating in or have operated since the date of this order in the Covered Regions;
- to be or have been since the date of this order a leader, official, senior executive officer, or member of the board of directors of an entity operating in the Covered Regions;
- to be owned or controlled by, or to have acted or purported to act for or on behalf of, directly or indirectly, any person whose property and interests in property are blocked; or

- to have materially assisted, sponsored, or provided financial, material, or technological support for, or goods or services to or in support of, any person whose property and interests in property are blocked.

The Executive Order also bans the entry into the United States of the foregoing persons.

Impact of the Executive Order

The Executive Order prohibits:

- the provision of insurance to or for SDNs, or to persons in the Covered Regions;
- the payment of claims to an SDN or to persons in the Covered Regions;
- the provision of insurance to or for any vessel carrying goods to or from the Covered Regions;
- transactions with or involving the Covered Regions or any person therein.

NOTE: Eagle Ocean Marine (EOM), being a US entity, cannot provide cover to an Assured or Insured vessel carrying cargo to/from these Regions, except for cargos approved under Ukraine General License #18 and/or any other General License(s).

UK Office of Financial Sanctions Implementation

In the wake of the developments in the region, the UK Office of Financial Sanctions Implementation amended its existing sanctions regulations against Russia. Under this amendment, any person/entity involved in de-stabilizing the Ukraine or undermining or threatening the territorial integrity, sovereignty or independence of the Ukraine will be designated accordingly. In that respect, OFSI proceeded on February 22, 2022, with eight new designations related to individuals and financial institutions. With minor exceptions, these individuals/entities have previously been included on the OFAC SDN list.

Sanctions compliance

EOM will continue to keep abreast of developments regarding the interpretation and implementation of sanctions against Russia, Ukraine, and the general Region, and will inform Assureds of developments of significance. Assureds are reminded that, pursuant to EOM's terms and conditions of cover, no cover exists for voyages where the extension of cover would violate or pose a risk of violating sanctions prohibitions, and that causing a violation could entail the imposition of sanctions or penalties. Accordingly, Assureds are reminded to exercise due diligence in ensuring their compliance with applicable sanctions prohibitions. A list of the sanction's programs administered by OFAC can be found at:

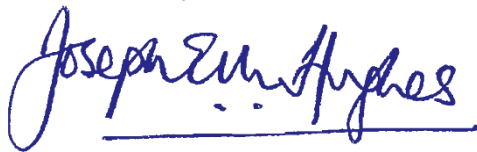
<https://www.treasury.gov/resource-center/sanctions/Programs/Pages/Programs.aspx>

The SDN List can be searched at:

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

Should Assureds have any questions or need additional guidance regarding the above, sanctions in general, or for confirmation as to the availability of cover for voyages involving countries (Iran, Syria, Cuba, North Korea, Russia, the Crimea region of Ukraine, Venezuela or Russia), entities and individuals subject to US economic sanctions (designated entities and individuals appearing on the OFAC SDN List), please contact: Daniel A. Tadros, Executive Vice President and Chief Legal & Compliance Officer, ph +1 212 847 4501, mob +1 504 460 7226, daniel.tadros@american-club.com, or Charles J. Cuccia, Senior Vice President – Compliance, ph +1 212 847 4539, mob +1 917 215 2883, charles.cuccia@american-club.com, or the general compliance email, scbcompliance@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.

