AUGUST 25, 2026

TO ALL INSUREDS AND BROKERS

Dear Colleagues:

UNITED STATES SANCTIONS – IRAN: OFAC ISSUES UPDATED GUIDANCE ON STRAIT OF HORMUZ TRANSITS AND EXPANDS SANCTIONS TO ADDITIONAL IRANIAN ECONOMIC SECTORS

On August 24, 2026, the U.S. Department of Treasury's Office of Foreign Assets Control (OFAC) issued an updated alert concerning the sanctions risks associated with Iranian demands for "toll" payments or other requirements for safe passage through the Strait of Hormuz. On the same date, OFAC issued a determination expanding the application of Executive Order 13902 to the shipping, aviation, digital asset, gold and technology sectors of the Iranian economy.

Key Takeaways for Insureds:

- **Strait of Hormuz passage:** U.S. and non-U.S. persons face significant sanctions exposure if they deal with the Persian Gulf Strait Authority (PGSA), Persian Gulf Marine Insurance Company (PGMIC), or HormuzSafe Marine Services Authority (Hormuz Safe).

- **Safe Passage payments:** OFAC warns that sanctions exposure may arise from payments or other forms of value provided in connection with safe passage, including currency, digital assets, offsets, government-to-government arrangements, informal swaps and certain in-kind or purported charitable payments, especially in relation to any one of the above entities.

- **Insurance and Services:** The sanctions risks are not limited to payments. Accepting insurance, other services, or responding to information requests or guarantees concerning safe passage from designated Iranian entities may also result in sanctions exposure.

- **Enhanced due diligence:** Maritime service providers continue to be strongly encouraged to conduct enhanced due diligence on vessels transiting the Strait of Hormuz, including reviewing voyage arrangements, Iranian territorial-water transits, counterparties, safe-passage fees and any services or insurance obtained from Iran.

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- **Expanded targeting of Iranian sectors:** With effect from August 24, 2026, OFAC has expanded the scope of parties subject to designation under Executive Order 13902 to those operating in the shipping, aviation, digital asset, gold, and technology sectors of the Iranian economy. Non-U.S. persons and entities who operate in these sectors may therefore become subject to U.S. sanctions, and U.S. persons are prohibited from transacting with them.

- **Non-U.S. persons:** Non-U.S. persons also face sanctions exposure, including potential secondary sanctions risks, when engaging in transactions involving the Government of Iran, designated Iranian entities, the Islamic Revolutionary Guard Corps (IRGC), or sanctioned Iranian financial and digital-asset sectors.

Insureds are encouraged to review the full texts of the August 24, 2026, Determination Pursuant to Section 1(a)(i) of Executive Order 13902 – Aviation, Digital Asset, Gold, Shipping, and Technology Sectors of the Iranian Economy and the updated guidance of the same date on Sanctions Risks of Iranian Demands for Strait of Hormuz Passage.

Insureds are reminded that cover is not available for any trade that breaches applicable sanctions. Insureds are advised to exercise heightened caution when arranging or supporting voyages through the Strait of Hormuz and to conduct appropriate due diligence on vessels, owners, charterers, counterparties, insurers and other service providers. Particular care should be taken to identify any direct or indirect involvement with Iranian authorities or designated entities and any request for payment, insurance, guarantees or other services in connection with safe passage. Insureds should also review existing and proposed transactions involving Iran in light of OFAC's expanded sectoral determination and obtain appropriate sanctions advice where necessary. Finally, Insureds are reminded to keep records of their due diligence investigations and findings.

Yours faithfully,

Dorothea Ioannou, 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.

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