

MEMBER ALERT



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THE UNITED STATES OFFICE OF FOREIGN ASSETS CONTROL (OFAC) ISSUES ADVISORY IN REGARD TO PRESENTATION OF FRAUDULENT SHIPPING DOCUMENTS BY THE ISLAMIC REPUBLIC OF IRAN SHIPPING LINES (IRISL)

Members should note that the attached advisory was issued yesterday by OFAC. It is believed that the contents of this advisory speak for themselves.

While the advisory is principally directed at shippers, importers/exporters and freight forwarders, it will be of interest to all Members who may be involved in the container trades and may thereby be affected by the practices described therein, and the regulatory implications thereof.



OFAC

Office of Foreign Assets Control

Nonproliferation and Weapons of Mass Destruction Advisory

Issued: **March 31, 2011**

Subject: **Presentation of Fraudulent Shipping Documents**

The Office of Foreign Assets Control (“OFAC”) is issuing this Advisory to alert shippers, importers/exporters and freight forwarders to practices used by the Islamic Republic of Iran Shipping Lines (“IRISL”)¹ and companies acting on its behalf to evade U.S. and international economic sanctions. These practices, which hide the involvement of IRISL in shipping transactions, include (1) using container prefixes registered to another carrier; (2) omitting or listing invalid, incomplete or false container prefixes in shipping container numbers; and/or (3) naming non-existent ocean vessels in shipping documents. Examples of container prefixes that have been used by IRISL and either belong to another carrier or are fabricated include “IRSU” (belongs to another carrier), “XBIU” (belongs to another carrier) and “ALXU” (fabricated). Examples of container prefixes that are registered to designated entities affiliated with IRISL include “SBAU” and “HDXU.” Documents making use of these practices can be used to facilitate IRISL’s shipping business and the financing of transactions involving merchandise shipped on vessels that have been identified as blocked, including through letters of credit and other trade finance facilities.

Transactions involving U.S.-sanctioned entities cannot be processed through the United States or by U.S. persons unless there is an authorization from OFAC. Given the active and ongoing attempts at sanctions evasion by IRISL, OFAC advises all persons to exercise enhanced due diligence to ensure that they do not unwittingly process fraudulent shipping documents or facilitate prohibited activities. All persons should be alert to the presentation of fabricated vessel names in trade documents and check the bona fides of unfamiliar entities issuing shipping documents. One further useful step to mitigate this risk is to verify the accuracy of container numbers, particularly when unfamiliar with the issuer of the shipping documents. Information for verifying container numbers is available on the Internet using a search term, such as “shipping container validation.”

If you have any questions or concerns regarding this advisory, or sanctions on Iran, please contact OFAC’s Compliance Hotline at 1-800-540-6322 or 202-622-2490.

¹ OFAC designated IRISL in September 2008 pursuant to Executive Order 13382 for providing logistical services to Iran’s Ministry of Defense and Armed Forces Logistics (MODAFL). See <http://www.treasury.gov/press-center/press-releases/Pages/hp1130.aspx>