



**MARCH 11, 2022**

**CIRCULAR NO. 10/22**

**TO MEMBERS OF THE ASSOCIATION**

**Dear Member:**

**SANCTIONS UPDATE: THE UNITED STATES IMPOSES ADDITIONAL ECONOMIC SANCTIONS AGAINST RUSSIA BY INTRODUCING PROHIBITONS WITH REGARD TO IMPORTS INVESTMENTS/ THE UNITED KINGDOM INTRODUCES SHIPPING SANCTIONS IN CONJUNCTION WITH SPECIFIC TRADE AND PORT PROHIBITIONS / THE EU HAS IMPOSED TRADE RESTRICTIONS WITH REGARD TO SPECIFIC CARGOES**

**US Sanctions against Russia regarding Russian Federation origin importations in the US**

Finding that the Russian Federation's war against Ukraine constitutes an unusual and extraordinary threat to the national security and foreign policy of the United States, President Biden issued an Executive Order on March 8, 2022, which prohibits:

- (i) the importation into the United States of the following products of Russian Federation origin: crude oil; petroleum; petroleum fuels, oils, and products of their distillation; liquefied natural gas; coal; and coal products.
- (ii) new investment in the energy sector in the Russian Federation by a United States person, wherever located.
- (iii) 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.

**Impact of the Executive Order**

The Executive Order prevents:

- carriers, irrespective of their nationality, to carry Russian Federation origin of crude oil; petroleum; petroleum fuels, oils, and products of their distillation; liquefied natural gas; coal; and coal products to the US.
- the provision of insurance and other services regarding the importation into the United States of crude oil; petroleum; petroleum fuels, oils, and products of their distillation; liquefied natural gas; coal; and coal products which are of Russian Federation origin.
- the payment of claims in conjunction with the importation into the United States of crude oil; petroleum; petroleum fuels, oils, and products of their distillation; liquefied natural gas; coal; and coal products which are of Russian Federation origin.

NOTE: Pursuant to US Department of Treasury OFAC General License 16, the importation of these cargoes in the US pursuant to agreements entered into prior to March 8, 2022 is authorized through **12:01 a.m. eastern daylight time, April 22, 2022.**

The Executive Order does not prevent:

- carriers, irrespective of their nationality, to carry Russian Federation origin crude oil; petroleum; petroleum fuels, oils, and products of their distillation; liquefied natural gas; coal; and coal products to and between countries other than the US, i.e., foreign countries.
- the provision of insurance and other services relating to the importation into foreign countries of crude oil; petroleum; petroleum fuels, oils, and products of their distillation; liquefied natural gas; coal; and coal products which are of Russian Federation origin.
- the payment of claims in conjunction with the importation into foreign countries of crude oil; petroleum; petroleum fuels, oils, and products of their distillation; liquefied natural gas; coal; and coal products which are of Russian Federation origin.

### **UK Office of Financial Sanctions against Russia in conjunction with specific trade and port prohibitions**

Pursuant to the Russia (Sanctions) (EU Exit) (Amendment) (No.3) Regulations 2022, the following services to, and for use in Russia are prohibited:

- (i) the export, supply, delivery and making available of dual-use goods and critical-industry goods (i.e., including the sectors of electronics, computers, telecommunications and information security, sensors and lasers, navigation and avionics, marine, aerospace, and propulsion).
- (ii) the making available and transfer of dual-use technology and critical-industry technology.
- (iv) the provision of technical assistance, financial services, funds and brokering services in relation to dual-use goods and technology and critical-industry goods and technology.

Pursuant to the Russia (Sanctions) (EU Exit) (Amendment) (No.4) Regulations 2022, upon Secretary of State's specification, both Russian vessels and non-Russian vessels could be prevented from entering the UK ports. In addition to that, vessels which are owned, controlled, chartered, or operated by a designated person or persons connected with Russia, and/or specified vessels, are prohibited from entering the UK ship register.

## **EU Sanctions against Russia related to specific trade restrictions**

According to EU Regulation 2022/394, of 9 March 2022, the sale, supply, transfer, or export, directly or indirectly, of maritime navigation goods and technology (i.e., *inter alia* radio communication technology), whether originating in the Union or not, to any natural or legal person, entity, or body in Russia, for use in Russia, or for the placing on board of a vessel flying the Russian flag is prohibited.

In this vein, unless the trade is intended for humanitarian purposes or/and health emergencies, technical and financial assistance, brokering services or other services related to maritime goods and technology is prohibited also.

### **Sanctions compliance**

Your Managers will continue to keep abreast of developments regarding the interpretation and implementation of sanctions against Russia, Ukraine, and the general Region, and will inform Members of developments of significance. Members are reminded that, pursuant to American Club rules, 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, Members 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/>

A list of the sanction's programs administered by OFSI and EU can be traced at:

<https://www.gov.uk/government/collections/financial-sanctions-regime-specific-consolidated-lists-and-releases>

<https://www.consilium.europa.eu/en/policies/sanctions/>

The OFSI and EU search engine lists are:

<https://sanctionssearch.ofsi.hmtreasury.gov.uk/>

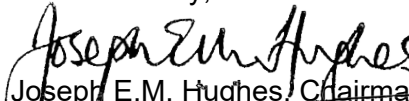
<https://www.sanctionsmap.eu/#/main>

Should Members 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, 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@americanclub.com](mailto:daniel.tadros@americanclub.com), or Charles J. Cuccia, Senior Vice President – Compliance, ph +1 212 847 4539, mob +1 917 215 2883, [charles.cuccia@american-club.com](mailto:charles.cuccia@american-club.com), or the general compliance email, [scbcompliance@american-club.com](mailto:scbcompliance@american-club.com).

Yours faithfully,

  
Joseph E.M. Hughes, Chairman & CEO  
Shipowners Claims Bureau, Inc., Managers for  
**THE AMERICAN CLUB**