

# MEMBER ALERT



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## **ECONOMIC SANCTIONS UPDATE: IRAN SANCTIONS – GENEVA NUCLEAR TALKS**

Members will be aware that, on November 23, the United States, acting in concert with the United Kingdom, Germany, France, Russia and China (P5+1), concluded an initial understanding with Iran intended to freeze Iran's nuclear program for six months, while negotiations continue in an effort to reach agreement on broader, longer-term limitations on Iran's nuclear program.

In exchange, the P5+1 will ease some of the current sanctions in place against Iran. However, this is not a removal of all trade sanctions against Iran and, in fact, most remain fully in effect. As stated in the State Department Fact Sheet issued regarding the agreement:

*"In return, as part of this initial step, the P5+1 will provide limited, temporary, targeted, and reversible relief to Iran. This relief is structured so that the overwhelming majority of the sanctions regime, including the key oil, banking, and financial sanctions architecture, remain in place. The P5+1 will continue to enforce these sanctions vigorously. If Iran fails to meet its commitment, we will revoke the limited relief and impose additional sanctions upon Iran."*

The P5+1 has committed within the initial phase:

- Not to impose new nuclear-related sanctions for six months;
- To suspend certain sanctions on gold and precious metals, and on Iran's auto and petrochemical sectors;
- To license safety related repairs and inspections for Iran's civil aviation sector; and
- To allow purchase of Iranian oil to remain at current levels and to permit the transfer to Iran of \$4.2B from those sales.

The US briefing note can be accessed at:

<http://www.whitehouse.gov/the-press-office/2013/11/23/fact-sheet-first-step-understandings-regarding-islamic-republic-iran-s-n>

The relevant US sanctions previously imposed by a Presidential Executive Order can be revised by virtue of an Executive Order. However, the President cannot revoke statutes passed by Congress which have already been signed into law, and which contain various sanctions.

The EU sanctions are likely to follow the US position. The Commission recently provided a briefing in regard to the relaxation of measures which might be implemented within the period from December 2013 to December 2014. In the meantime, the Joint Plan of Action can be

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accessed through the link below. Page 3 thereof sets out the details of potential areas of relaxation of sanctions.

[http://eeas.europa.eu/statements/docs/2013/131124\\_03\\_en.pdf](http://eeas.europa.eu/statements/docs/2013/131124_03_en.pdf)

Until definitive steps have been taken by the US and the EU, it is not possible to set forth in detail potential changes in the sanctions as they will affect gold and precious metals, as well as the Iranian automotive and petrochemical sectors.

The Club will continue to monitor developments and any change in circumstances relevant to Members in respect of Club cover will be notified accordingly.