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CIRCULAR NO. 15/16

TO MEMBERS OF THE ASSOCIATION

Dear Member:

ECONOMIC SANCTIONS UPDATE: LIBYA

The recent blacklisting of a vessel by the United Nations, and an additional **Executive Order** issued by President Obama providing for the designation of additional Libyan sanctions targets, highlight the need for Members to be aware of current economic sanctions against Libya.

Current sanctions

While there are no country or territory-wide economic sanctions against Libya, the United States, the European Union (EU) and the United Nations (UN) do maintain limited (or narrow) economic sanctions against Libya. These limited sanctions:

1. Freeze the assets of, and prohibit dealings and transactions with, certain persons (entities and individuals) based in Libya or illegally acting for the legitimate government of Libya (collectively referred to herein as Libyan Sanctions Targets).
 - Under the US sanctions against Libya, Libyan Sanctions Targets are persons whose names appear on the US Treasury Department Office of Foreign Assets Control (OFAC)'s List of Specially Designated Nationals (SDNs) and Blocked Persons. This list is accessible and searchable at: <https://sanctionssearch.ofac.treas.gov/>
 - Under the UN and EU sanctions against Libya, Libyan sanctions targets are persons whose assets are frozen and with whom transactions are prohibited. A current list of asset freeze targets designated by the UN, the EU and the United Kingdom can be found at:

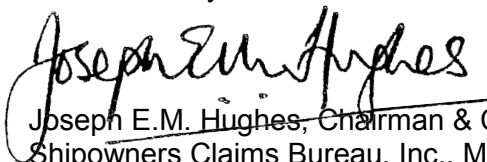
https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/517418/libya.pdf
2. Restrict the exportation and supply of certain high-technology and sensitive goods to Libya (US and EU export controls).
3. Embargo the exportation or supply of arms and related materiel to Libya (US, UN, and EU arms embargo).
4. Prohibit illicit purchases, procurement, shipment and exportation of crude oil from Libya, and transactions and activities related to the same including, but not limited to, the transportation and insurance of such crude oil. Crude oil from Libya must come from the legitimate government of Libya (the Government of National Accord) or the National Oil Company of Libya under the control of the Government of National Accord, and not from parallel institutions which are not acting under the authority of the Government of National Accord).

- If Members transport crude oil from Libya shipped by illegitimate entities, the offending vessel could be blacklisted by the UN, and if the shipper is a Libyan Sanctions Target, the Member could face penalties under relevant sanctions laws and regulations.
- The UN recently blacklisted an Indian-flagged vessel (DISTYA AMEYA) carrying crude oil shipped by the (illegitimate) Eastern Libya Government – a rival to the Government of National Accord. The blacklisting of the vessel prohibits it from entering ports.
- Before lifting crude oil from Libya, Members are urged to conduct due diligence to assure themselves that the crude oil is from legitimate sources in Libya. Members must know their shipper and have assurance that the shipper of the crude oil is the Government of National Accord or an entity such as the Libyan National Oil Company under the control of the Government of National Accord based in Tripoli.
- Members should be aware that there is no insurance cover for the transportation of illicit crude oil from Libya, or any other activity to the extent that such cover is prohibited by laws applicable to the American Club.

Questions and further guidance

For any questions regarding any aspect of the foregoing and other sanctions in general, or for confirmations as to the availability of cover from the American Club for voyages involving Libya or other countries subject to US/EU or UN economic sanctions (Iran, Syria, Sudan, North Korea and Cuba), please contact: Charles J. Cuccia, Senior Vice President – Compliance Director, ph +1 212 847 4539, mob +1 917 215 2883, charles.cuccia@american-club.com.

Yours faithfully,



Joseph E.M. Hughes, Chairman & CEO
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THE AMERICAN CLUB