



NOVEMBER 16, 2012

CIRCULAR NO. 30/12

TO MEMBERS OF THE ASSOCIATION

Dear Member:

UNITED STATES SANCTIONS AGAINST CERTAIN PERSONS (ENTITIES AND INDIVIDUALS) IN YEMEN

Your Managers wish to draw the attention of Members trading to Yemen of recent US economic sanctions developments with respect to Yemen, and related prohibitions applicable to the American Club and all other US persons.

Background

On November 9, 2012, the Department of the Treasury's Office of Foreign Assets Control (OFAC) issued the new Yemen Sanctions Regulations, 31 CFR Part 552, to implement Executive Order 13611 of May 16, 2012, "*Blocking Property of Persons Threatening the Peace, Security, or Stability of Yemen.*"

In keeping with its usual practice, OFAC published the regulations in abbreviated form at this time, but intends to supplement this part 552 with a more comprehensive set of regulations. These may include additional interpretive and definitional guidance, and additional general licenses and statements of licensing policy.

The U.S. sanctions against Yemen under Executive Order 13611, and the new regulations, target only certain persons (entities and individuals) in, or based in, Yemen, or engaging in specified activities involving Yemen. The sanctions do not target the entire country or territory of Yemen.

As a result, transactions by US persons with or involving only certain designated persons in Yemen (Yemen Sanctions Targets) or persons acting on their behalf, or owned or controlled by them, are prohibited. Yemen Sanctions Targets are included in the list of Specially Designated Nationals and Blocked Persons maintained by OFAC. This list is searchable at: <http://sdnsearch.ofac.treas.gov/>

Compliance

As a consequence of Executive Order 13611 and the new regulations, the American Club is prohibited from engaging in any transaction with, or involving, a Yemen Sanctions Target. The American Club, *inter alia*, is prohibited from providing coverage to a Yemen Sanctions Target, and from paying any claims involving Yemen Sanctions Targets.

Accordingly, for the reasons explained above, because of the US sanctions against Yemen Sanctions Targets, Members' trade to or with Yemen now present a higher risk of being, directly or indirectly, impacted by relevant sanctions prohibitions.



Questions and guidance

For any questions regarding any aspect of the foregoing or with respect to Yemen-related and other sanctions in general, please contact:

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Yours faithfully,

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THE AMERICAN CLUB