



**AUGUST 04, 2015**

**CIRCULAR NO. 34/15**

**TO MEMBERS OF THE ASSOCIATION**

**Dear Member:**

**US ECONOMIC SANCTIONS: ADDITIONAL INDIVIDUALS AND ENTITIES TARGETED IN RELATION TO UKRAINE/RUSSIA**

This Circular reports recent developments in regard to the universe of individuals and identifies targeted by US economic sanctions concerning Ukraine and Russia.

**New SDNs**

On July 30, 2015, the United States expanded the list of individuals and entities subject to US Ukraine/Russia-related sanctions. Eleven individuals and 15 entities were designated as additional sanctions targets or Specially Designated Nationals (SDNs).

As a consequence, the property of the foregoing within the US jurisdiction is blocked and US persons are prohibited from engaging in transactions with, or involving, such persons. This means that the American Club, inter alia, cannot extend insurance cover to, or engage in other transactions with or involving, such entities.

**New sectoral sanctions targets**

Additionally, 35 new entities were identified as sectoral sanctions targets and were included on the Sectoral Sanctions List (SSI List) published by the US Office of Foreign Assets Control (OFAC). These sectoral sanctions prohibit US persons from providing credit and equity investment, and also prohibit certain (oil industry related) exports, to such entities, depending on the Directive pursuant to which an entity has been included on the SSI List.

However, except for prohibitions with respect to certain exports, these sanctions are unlikely to be implicated by the insurance activities of the American Club or the maritime transport activities of its Members.

A list of the new SDNs and the entities included on the SSI List can be found at:

<http://www.treasury.gov/resource-center/sanctions/OFAC-Enforcement/Pages/20150730.aspx>

**Sanctions in regard to Crimea**

In addition, the US has issued a Crimea Sanctions Advisory to highlight practices being taken to circumvent or evade US sanctions involving the Crimea region of Ukraine. The US sanctions with respect to the Crimea region of Ukraine prohibit virtually all direct and indirect transactions (including financial, trade and other commercial transactions) by US persons or within the United States, or to or from Crimea unless authorized by OFAC or exempted by statute.

The evasive practices identified by OFAC include the omission or obfuscation of references to Crimea and locations within Crimea in documentation underlying transactions involving US persons or the United States. US persons and persons conducting business in or through the United States should be



aware of these practices in order to implement appropriate controls, commensurate with their OFAC sanctions risk profile, to ensure compliance with their OFAC obligations.

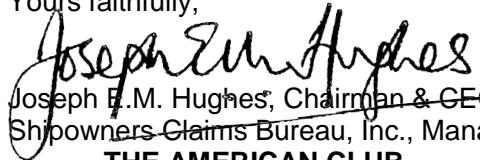
The American Club is prohibited from extending insurance cover for trade with Crimea, or from engaging in transactions to facilitate such trade. Members are urged to carefully scrutinize trade documents to determine whether their trade involves Crimea.

For Members' ready reference, a copy of the Crimea Sanctions Advisory is available at:

[http://www.treasury.gov/resource-center/sanctions/Programs/Documents/crimea\\_advisory.pdf](http://www.treasury.gov/resource-center/sanctions/Programs/Documents/crimea_advisory.pdf)

If Members have any questions regarding any aspect of the foregoing, or sanctions in general, Members are asked to contact Charles J. Cuccia, Senior Vice President at +1 212 847 4539 or by e-mail at [charles.cuccia@american-club.com](mailto:charles.cuccia@american-club.com).

Yours faithfully,

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