DEPARTMENT OF THE TREASURY
WASHINGTON, D.C. 20220

OFAC Advisory to the Maritime Petroleum Shipping Community

Issued: **March 25, 2019**
Subject: **Sanctions Risks Related to Petroleum Shipments involving Iran and Syria**

The U.S. Department of the Treasury's Office of Foreign Assets Control (OFAC), with the U.S. Department of State and the U.S. Coast Guard, is issuing this advisory to alert persons globally to the significant U.S. sanctions risks for parties involved in petroleum shipments to the Government of Syria. These shipments create significant sanctions risk for entities and individuals in the shipping industry, including shipping companies, vessel owners, managers, operators, insurers, and financial institutions. Countries such as Iran and Russia have been involved in providing the Government of Syria with petroleum. Those who in any way facilitate the financial transfers, logistics, or insurance associated with these or other petroleum shipments are at risk of being targeted by the United States for sanctions. The United States is committed to disrupting illicit financial and other support to the Government of Syria, to include transporting petroleum to its state-owned and -operated ports, regardless of the location or nationality of those facilitating such support.

The United States and its international partners continue to demonstrate resolve to disrupt support for the Assad regime by preventing the normalization of economic and diplomatic relations and the provision of reconstruction funding, as well as permanently denying the regime the use of chemical weapons. The United States is committed to isolating the Assad regime and its supporters from the global financial and trade system in response to the continued atrocities committed by the regime against the Syrian people. The United States and European Union (EU) maintain sanctions programs against Syria, and the United States will continue to maximize pressure on the Assad regime and impose additional financial costs on the regime and its network of financial and logistics facilitators.

In connection with this activity, in November 2018, OFAC sanctioned Iranian and Russian private and public sector entities involved in procuring Iranian oil for Syria. This scheme used a payment offsetting arrangement in which the sale and shipment of Iranian oil to Syria provided hundreds of millions of dollars to Iran's terror proxy groups, including Hizballah, HAMAS, and the Islamic Revolutionary Guard Corps Qods Force (IRGC-QF).

United States sanctions regulations broadly prohibit trade and other transactions, subject to U.S. jurisdiction, with the Government of Syria, and has the authority to sanction entities or individuals who provide support to the Government of Syria—including those who deliver or finance petroleum shipments to the Government of Syria or government-owned entities,

such as the U.S.-designated Syrian Company for Oil Transport or Banias Refinery Company.

This advisory contains an annex providing a non-exhaustive list of vessels that have delivered petroleum to Syria, engaged in Ship-to-Ship (STS) transfers of petroleum destined for Syria, or have exported Syrian petroleum since 2016.[1] Some of these shipments and transfers have involved Iranian-origin oil.

Sanctions Risks and OFAC Authorities

Insurers, shipping companies, financial institutions, and others involved in petroleum-related shipping transactions with the Government of Syria may be subject to designation under one or more sanctions authorities. Similarly, individuals and entities knowingly engaged in certain transactions relating to the purchase, acquisition, sale, transport, or marketing of petroleum or petroleum products from Iran or providing material support to certain Iran-related persons on OFAC's list of Specially Designated Nationals and Blocked Persons (SDN List) risk being sanctioned under U.S. sanctions authorities relating to Iran, unless an exception applies.

A high-level overview of these sanctions authorities follows. However, this overview is not intended to be a comprehensive summary of all U.S. sanctions authorities related to Syria and Iran. More information on the Syria and Iran sanctions programs can be found on Treasury's website. Please note this section is current as of the date of this advisory. The most up-to-date information can be found on Treasury's website and the hyperlinks listed in the footnotes below.

Syria

The U.S. government will aggressively target for designation any person who provides support to the regime, for example by facilitating exports to or imports from the Government of Syria, including government-owned entities, unless such exportation or importation is otherwise exempt or authorized.[2]

The United States also prohibits, among other things, transactions subject to U.S. jurisdiction that, directly or indirectly, involve the Government of Syria, or entities sanctioned under the Syria Sanctions Regulations (*see, e.g.,* Executive Order 13582,

[1] NOTE: This annex is not a sanctions list or a comprehensive list of vessels in which blocked persons may have an interest. While some vessels on this list may be property in which a blocked person has an interest, the inclusion of a vessel in this annex does not constitute a determination by OFAC that the vessel has been identified as property in which a blocked person has an interest. Persons subject to sanctions can be found on OFAC's List of Specially Designated Nationals and Blocked Persons (SDN List) and other sanctions lists, which can be searched here. For more information, please see OFAC's Iran and Syria Sanctions webpages.

[2] The term Government of Syria includes: (a) the state and the Government of the Syrian Arab Republic, as well as any political subdivision, agency, or instrumentality thereof, including the Central Bank of Syria; (b) any entity owned or controlled, directly or indirectly, by the foregoing, including any corporation, partnership, association, or other entity in which the Government of Syria owns a 50 percent or greater interest or a controlling interest, and any entity which is otherwise controlled by that government; (c) any person that is, or has been, acting or purporting to act, directly or indirectly, for or on behalf of any of the foregoing; and (d) any other person determined by OFAC to be included within (a) through (c).

"Blocking Property of the Government of Syria and Prohibiting Certain Transactions With Respect to Syria" and the Syrian Sanctions Regulations, 31 C.F.R. Part 542 (SSR)).

Iran

The United States is committed to enforcing sanctions against those who engage in prohibited transactions under the Iranian Transactions and Sanctions Regulations, 31 C.F.R. part 560 (ITSR) , and will continue to aggressively target those involved in sanctionable activities under other Iran-related sanctions authorities in support of the Iranian regime's malign activities. Pursuant to U.S. sanctions authorities, non-U.S. persons—including foreign financial institutions—may be subject to sanctions for knowingly conducting significant transactions for, or knowingly providing significant support to, certain Iran-related persons on OFAC's SDN List, including the National Iranian Oil Company, the National Iranian Tanker Company, and the Islamic Republic of Iran Shipping Lines, unless an exception applies. Further, non-U.S. persons that knowingly own, operate, control, or insure a vessel that transports crude oil from Iran to Syria or other countries that have not received a significant reduction exception pursuant to section 1245 of the National Defense Authorization Act for Fiscal Year 2012 could be subject to secondary sanctions under the Iran Sanctions Act. Even when a significant reduction exception applies, the involvement of the IRGC or any other person designated in connection with Iran's support for international terrorism or its proliferation of weapons of mass destruction or their means of delivery is outside the scope of the significant reduction exception and the conduct could be subject to U.S. sanctions.

OFAC administers and enforces a comprehensive trade embargo against Iran as set forth in the ITSR and Executive Orders issued under the authority of the International Emergency Economic Powers Act, 50 U.S.C. §§ 1701-06, and other statutes. The ITSR prohibits most direct and indirect transactions with Iran by U.S. persons or within the United States, unless authorized by OFAC or exempted by statute.[3] Further, absent an applicable exemption or OFAC authorization, foreign persons, including foreign financial institutions, are prohibited from processing transactions to or through the United States in violation of these prohibitions, including transactions through U.S. correspondent accounts for or on behalf of Iranian financial institutions, other persons located in Iran, or where the benefit of those services is otherwise received in Iran.

Deceptive Shipping Practices

As the global community increases its pressure on the Government of Syria, persons in the petroleum shipping industry continue to deploy deceptive practices by obfuscating the destination and recipient of oil shipments in the Mediterranean Sea ultimately destined for

[3] The ITSR also prohibits entities owned or controlled by a United States person and established or maintained outside the United States ("U.S.-owned or -controlled foreign entities") from knowingly engaging in any transaction directly or indirectly with the Government of Iran or any person subject to the jurisdiction of the Government of Iran that would be prohibited by the ITSR if the transaction were engaged in by a United States person or in the United States.

Syria.

The following list provides examples of the types of tactics used to obfuscate the destination of petroleum bound for Syria.

Falsifying Cargo and Vessel Documents: Complete and accurate shipping documentation is critical to ensuring all parties to a transaction understand the parties, goods, and vessels involved in a given shipment. Bills of lading, certificates of origin, invoices, packing lists, proof of insurance, and lists of last ports of call are examples of documentation that typically accompanies a shipping transaction. Shipping companies have been known to falsify vessel and cargo documents to obscure the destination of petroleum shipments.

Ship to Ship (STS) Transfers: STS transfers are a method of transferring cargo from one ship to another while at sea rather than while located in port. STS transfers can conceal the origin or destination of cargo.

Disabling Automatic Identification System (AIS): AIS is a collision avoidance system, which transmits, at a minimum, a vessel's identification and select navigational and positional data via very high frequency (VHF) radio waves. While AIS was not specifically designed for vessel tracking, it is often used for this purpose via terrestrial and satellite receivers feeding this information to commercial ship tracking services. Ships meeting certain tonnage thresholds and engaged in international voyages are required to carry and operate AIS; however, vessels carrying petroleum to Syria have been known to intentionally disable their AIS transponders to mask their movements. This tactic can conceal the destination of cargo destined for the Government of Syria.

Vessel Name Changes: The owners of vessels that have engaged in illicit activities are known to change the name of a vessel in an attempt to obfuscate its prior illicit activities. For this reason, it is essential to research a vessel not only by name, but also by its International Maritime Organization (IMO) number.

Risk Mitigation Measures

The risk of engaging in prohibited activity or processing prohibited transactions can be potentially mitigated by implementing the following types of measures:

Strengthen Anti-Money Laundering/Countering the Financing of Terrorism (AML/CFT) Compliance: Financial institutions and companies are strongly encouraged to employ risk mitigation measures consistent with Financial Action Task Force standards designed to combat money laundering, and terrorist and proliferation financing. This includes the adoption of appropriate due diligence policies and procedures by financial institutions and non-financial gatekeepers and promoting beneficial ownership transparency for legal entities, particularly as related to the scenarios outlined above.

Monitor for AIS Manipulation: Ship registries, insurers, charterers, vessel owners, or port operators should consider investigating vessels that appear to have turned off their AIS while operating in the Mediterranean and Red Seas. Any other signs of manipulating AIS transponders should be considered red flags for potential illicit activity and should be investigated fully prior to continuing to provide services to, processing transactions involving, or engaging in other activities with such vessels.

Review All Applicable Shipping Documentation: Individuals and entities processing transactions pertaining to shipments potentially involving petroleum shipments to Syria or involving oil from Iran should ensure that they request and review complete and accurate shipping documentation. Such shipping documentation should reflect the details of the underlying voyage and reflect the relevant vessel(s), flagging, cargo, origin, and destination. Any indication that shipping documentation has been manipulated should be considered a red flag for potential illicit activity and should be investigated fully prior to continuing with the transaction. In addition, documents related to STS transfers should demonstrate that the underlying goods were delivered to the port listed on the shipping documentation.

Know Your Customer: As a standard practice, those involved in the maritime petroleum shipping community, including vessel owners and operators, are advised to conduct Know Your Customer (KYC) due diligence. KYC due diligence helps to ensure that those in the maritime petroleum shipping community are aware of the activities and transactions they engage in, as well as the parties, geographies, and country-of-origin and destination of the goods involved in any underlying shipments. This includes not only researching companies and individuals, but also the vessels, vessel owners, and operators involved in any contracts, shipments, or related maritime commerce. Best practices for conducting KYC on a vessel includes researching its IMO number, which may provide a more comprehensive picture of the vessel's history, travel patterns, ties to illicit activities, actors, or regimes, and potential sanctions risks associated with the vessel or its owners or operators.

Clear Communication with International Partners: Parties to a shipping transaction may be subject to different sanctions regimes depending on the parties and jurisdictions involved, so clear communication is a critical step for international transactions. Discussing applicable sanctions frameworks with parties to a transaction can ensure more effective compliance.

Leverage Available Resources: There are several organizations that provide commercial shipping data, such as ship location, ship registry information, and ship flagging information. This data should be incorporated into due diligence best practices, along with available information from OFAC as outlined below in the "Syria Sanctions Resources" section of this advisory.

Insurance:

There is sanctions risk related to the provision of underwriting services or insurance or reinsurance to certain Syrian and Iranian maritime-related persons or activity.

Consequences of Violating U.S. Sanctions or Engaging in Sanctionable Conduct

Individuals and entities engaged in shipping-related transactions or transfers destined for the Government of Syria or its controlled entities or instrumentalities, or certain transactions involving petroleum or petroleum products from Iran or certain Iran-related persons on the SDN List, should be aware that engaging in such conduct may result in designation or other sanctions under U.S. sanctions authorities unless an exception applies.

In addition, violations of the ITSR or SSR could result in civil enforcement actions or criminal penalties for persons or transactions subject to U.S. jurisdiction.

Persons that violate the ITSR or SSR can be subject to significant civil monetary penalties.[4] OFAC investigates and enforces violations of its regulations as outlined in its Economic Sanctions Enforcement Guidelines, 31 C.F.R. part 501, Appendix A. For more information regarding civil monetary penalties and other administrative actions taken by OFAC, see the Civil Penalties and Enforcement Information portion of OFAC's web site.

Sanctions Resources

For additional guidance regarding the U.S. sanctions programs on Syria and Iran, please consult OFAC's Syria Sanctions FAQs and Iran Sanctions FAQs pages. For questions or concerns related to OFAC sanctions regulations and requirements, including to disclose a potential violation of U.S. sanctions regulations, please contact OFAC's Compliance Hotline at 1-800-540-6322 or via OFAC_Feedback@treasury.gov. To submit a request for a specific OFAC license, see OFAC Licensing.

[4] Pursuant to Section 4 of the Federal Civil Penalties Inflation Adjustment Act (1990 Pub. L. 101-410, 104 Stat. 890; 28 U.S.C. 2461 note), as amended by the Debt Collection Improvement Act of 1996 (Pub. L. 104-134, 110 Stat. 1321-373) and the Federal Civil Penalties Inflation Adjustment Act Improvements Act of 2015 (Pub. L. 114-74, 129 Stat. 599, 28 U.S.C. 2461 note) (collectively, the FCPIA Act), requires each federal agency with statutory authority to assess civil monetary penalties (CMPs) to adjust CMPs annually for inflation according to a formula described in section 5 of the FCPIA Act.

ANNEX

The following lists identify vessels which have engaged in sanctionable conduct in support of the Government of Syria or entities owned by the Government of Syria. Vessels that have been designated as blocked property pursuant to U.S. sanctions regulations are identified on the SDN List.

Non-Exhaustive List of Vessels That Delivered Oil to Syria 2016-2018

Ship Name	IMO
AKEKSE[5]	8012114
KARAKUZ[6]	9621558
ANHONA[7]	9354521
ARSOS M	9313761
AZIZ TORLAK	9558763
BASILIA	9012305
CANDY[8]	9005479
DEVREZ	9120994
DISTYA[9]	9087972
DISTYA PUSHTI	9179127
EFTYXIA GAS	8813116
ENERGY GAS	9034690
FELIX[10]	9003079
GEM[11]	8919752
GEROY ROSSII PYATNITSKIKH	9673214
GOEAST	7526924
GOLDEN SEA	8800298
HELEN M	9308223
JUNO GAS[12]	8817693
KADER	9080493
KORSARO	9373137
LEVANTE	9391139
MAESTRO	8810700

[5] Formerly ALTERA 1
[6] Formerly ALMETYEVSK
[7] Formerly ARAMIS
[8] Formerly VENICE
[9] Formerly DISTYA AKULA
[10] Formerly G MUSE
[11] Formerly GEMINI
[12] Formerly GITTA GAS

MAGNUS[13]	9018464
MEDIA[14]	9377432
MIURA	9390903
SUNBEAM[15]	9340386
MR NAUTILUS	9150767
OASIS 1	9465629
OCEAN 61	8870865
PATRIOTIC	9361469
RAMA-	8306711
RAWAN	8697304
SCHUMI[16]	9134359
SEA SHARK	8919154
SENNA 8[17]	9128673
SIENNA	9147447
SINCERO	9254422
SINOPA	9172038
SOBAR[18]	9221970
SOLAN[19]	9155808
STALINGRAD	9690212
TIMBUKTU[20]	9015345
TOUR 2	9364112
TRUE OCEAN	9169421
TRUVOR[21]	9676230
UNICOM ALPHA	9133393
VALE	9391153
VITO	9079195
VOLGA[22]	9104770
YAZ	9735323

[13] Formerly GVENOUR
[14] Formerly MEDIATOR
[15] Formerly MOTIVATOR
[16] Formerly IRIS GAS
[17] Formerly ODYN GAS
[18] Formerly RISE DIGNITY
[19] Formerly RISE GLORY
[20] Formerly BUKHARA
[21] Formerly MUKHALATKA
[22] Formerly MARSHAL ZHUKOV

Non-Exhaustive List of Vessels which have Engaged in STS Transfers of Petroleum Destined for Syria 2016-2019

Ship Name	IMO
AKEKSE[23]	8012114
BLOOM	9365283
CANDY[24]	9005479
CAPRICORN	8900878
DISTYA PUSHTI	9179127
WARRIOR[25]	9169689
EFTYXIA GAS	8813116
EMMA	9105085
VULCAN GAS[26]	9034690
GAS BEAUTY I	7420089
GAS SPIRIT 1	7411569
GEM[27]	8919752
JUNO GAS[28]	8817693
KADER	9080493
KAROLINE N	9386299
MAESTRO	8810700
MARSHALZ	9114608
MINERVA ZEN	9410909
NAVIGATOR GEMINI	9404780
NAVIGATOR GRACE	9531478
NAVIGATOR PEGASUS	9407328
OASIS 1	9465629
OCEAN 61	8870865
PINK CORAL	9259898
QAASWA	9438250
RAMA-1	8306711
RUTA	8711899
SCHUMI[29]	9134359
SENNA 8[30]	9128673
VOLGA[31]	9104770
ZARIFA ALIYEVA[32]	9420617

[23] Formerly ALTERA 1
[24] Formerly VENICE
[25] Formerly DS WARRIOR
[26] Formerly ENERGY GAS
[27] Formerly GEMINI GAS
[28] Formerly GITTA GAS
[29] Formerly IRIS GAS
[30] Formerly ODYN GAS
[31] Formerly MARSHAL ZHUKOV
[32] Formerly SHAH DENIZ

Non-Exhaustive List of Vessels which have Shipped Petroleum from Syria 2016-2019

Ship Name	**IMO**
EMMA	9105085
MR NAUTILUS	9150767