



MAY 11, 2026

CIRCULAR NO. 10/26

TO MEMBERS OF THE ASSOCIATION

Dear Member:

OFAC ISSUES ALERT ON SANCTIONS RISK OF IRANIAN DEMANDS FOR STRAIT OF HORMUZ PASSAGE

On May 1, 2026, the U.S. Department of the Treasury's Office of Foreign Assets Control ("OFAC") published a sanctions Alert titled "[Sanctions Risks of Iranian Demands for Strait of Hormuz Passage](#)" (the "Alert").

The Alert highlights the significant sanctions risks arising from reported Iranian efforts to demand "toll" payments from vessels transiting the Strait of Hormuz in exchange for safe passage. The payments demanded may be in various forms, including fiat currency, digital assets, offsets, informal swaps, or other in-kind payments, such as nominally charitable donations made to the Iranian Red Crescent Society, Bonyad Mostazafan, or Iranian embassy accounts. The Alert warns U.S. and non-U.S. persons about the sanctions risks of making these payments to, or soliciting guarantees from, the Iranian regime for safe passage, regardless of payment method.

U.S. persons and U.S.-owned/controlled foreign entities are generally prohibited under U.S. sanctions from engaging in transactions with the Government of Iran, including the provision or receipt of services, unless exempt or authorized by OFAC, as well as Iran's Islamic Revolutionary Guard Corps (IRGC), which is sanctioned pursuant to several authorities and is a designated Foreign Terrorist Organization. The Alert underlines that U.S. persons are also generally prohibited from engaging with Iranian digital asset exchanges, which are considered blocked Iranian financial institutions under U.S. sanctions.

Non-U.S. persons risk exposure to sanctions for engaging in transactions with the Government of Iran and the IRGC that are not otherwise exempt or authorized for U.S. persons. This risk to non-U.S. persons includes secondary sanctions on participating foreign financial institutions, which could prohibit or restrict such foreign financial institutions' access to the U.S. financial system.

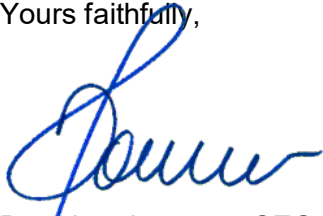
The Alert emphasizes that maritime industry participants involved with vessels calling at Iranian ports face significant sanctions risk under multiple sanctions authorities targeting Iran's shipping sector and ports, and OFAC will continue to target Iran's main revenue-generating sectors aggressively, in particular its petroleum and petrochemical sectors. Vessels of all nations entering or leaving Iranian ports and coastline are also subject to U.S. Central Command's impartial naval blockade, and OFAC authorizations do not supersede the authorities of all other U.S. government agencies and departments, including U.S. Central Command.

The Alert stresses that OFAC strongly encourages all maritime service providers to conduct enhanced due diligence on any vessels attempting to transit the Strait of Hormuz to ensure that such

vessels have not engaged in any sanctionable conduct involving Iran, which could expose the service provider to sanctions risk. Service providers should carefully review all available information for red flags, including voyage planning or actual transits through Iranian territorial waters. The Alert states that maritime service providers should ask counterparties for details on with whom they coordinated to transit the Strait of Hormuz and if any safe passage fees were or will be paid to Iran.

Members are encouraged to review the full Alert available [here](#). Members are reminded that cover is not available for any trade that breaches applicable sanctions. Members are advised that they should conduct thorough due diligence on the parties, cargoes, vessels and other service providers that are or may be involved before they engage in any trade with a high sanctions risk. Finally, Members are reminded to keep records of their due diligence investigations and findings.

Yours faithfully,



Dorothea Ioannou, CEO
Shipowners Claims Bureau, Inc., Managers for
THE AMERICAN CLUB