



MAY 6, 2019

CIRCULAR NO. 14/19

TO MEMBERS OF THE ASSOCIATION

Dear Member:

US TREASURY DEPARTMENT PUBLISHES A *FRAMEWORK FOR OFAC COMPLIANCE COMMITMENTS*

On May 2, 2019, the US Department of the Treasury's Office of Foreign Assets Control (OFAC) published [A Framework for OFAC Compliance Commitments](#) in order to provide organizations subject to US jurisdiction, as well as foreign entities that conduct business in or with the United States or US persons, or that use US-origin goods or services, with a framework on the essential components of the sanctions compliance programs.

The document also outlines how OFAC may incorporate these components into its evaluation of apparent violations and resolution of investigations resulting in settlements. In addition – and finally – the document includes an appendix which offers a brief analysis of some of the root causes of apparent violations of US economic and trade sanctions programs which OFAC has identified during its investigative processes over recent years.

Your Managers believe that this will be of interest to Members and, more particularly, of significance to them in regard to their own initiatives in regard to the important issue of OFAC compliance generally. It should also be noted that the Club's own robust and rigorous OFAC sanctions compliance program incorporates and is consistent with the elements of the **Framework** document from OFAC, and can itself be viewed at:

<https://www.american-club.com/page/sanctions>

Members are reminded that, pursuant to American Club rules, there is no cover for voyages, or any activity related to or attendant thereon, which violate, or pose a risk of violating, sanctions prohibitions, and/or where causing a violation could entail the imposition of sanctions or penalties. Members are therefore urged to conduct additional sanctions due diligence to ensure their own and the American Club's compliance with relevant prohibitions.

Should Members wish to discuss any questions or need additional guidance regarding any aspect of the foregoing or other sanctions in general, or for confirmations as to the availability of cover for voyages involving countries (Iran, Syria, Cuba, North Korea, Russia, the Crimea region of Ukraine, Venezuela, or entities or individuals subject to US economic sanctions (designated entities and individuals appearing on the OFAC SDN List, e.g., certain Russian entities), they are invited to contact: Charles J. Cuccia, Senior Vice President - Compliance, ph +1 212 847 4539, mob +1 917 215 2883, charles.cuccia@americanclub.com.

Yours faithfully,

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