



SEPTEMBER 24, 2024

CIRCULAR NO. 19/24

TO MEMBERS OF THE ASSOCIATION

Dear Member:

OFAC ISSUES ADVISORY TO THE MARITIME PETROLEUM SHIPPING COMMUNITY ON SANCTIONS RISKS RELATED TO PETROLEUM SHIPMENTS INVOLVING IRAN AND SYRIA

The U.S. Department of the Treasury's Office of Foreign Assets Control (OFAC) issued an updated advisory on September 11, 2024, to bring attention to the significant U.S. sanctions risks for parties involved in petroleum shipments to the Government of Syria. This advisory updates a previous advisory of March 25, 2019 (as previously reported in [Circular No. 10/19](#) of March 27, 2019) and includes a list of vessels involved in such shipments that are now blocked. Countries like Iran and Russia have continued to supply petroleum to Syria, increasing the sanctions risk for those involved in these trades. The full advisory is available [at this link](#).

Petroleum shipments to Syria create significant sanctions risk under one or more sanctions programs for entities and individuals in the shipping industry. This includes shipping companies, vessel owners, managers, operators, insurers, and financial institutions. Individuals and entities who in any way facilitate the financial transfers, logistics, or insurance associated with such petroleum shipments to Syria are at risk of being targeted by the United States for sanctions.

SANCTIONS RISKS AND OFAC AUTHORITIES

The advisory provides a high-level overview of sanctions authorities related to Syria and Iran, noting that more information can be found on the Treasury's website at <https://ofac.treasury.gov/sanctions-programs-and-country-information>.

SYRIA

The U.S. government will continue to impose sanctions on individuals and entities providing substantial financial, material, or technological support to the Assad regime, including those involved in exports or imports with the Syrian government or its state-owned entities, unless such activities are specifically authorized or exempted. Additionally, U.S. regulations prohibit transactions involving the Syrian government or entities sanctioned under the U.S. Syrian sanction program, except when authorized or exempt. The Caesar Syria Civilian Protection Act of 2019 also requires imposing sanctions on foreign persons who knowingly support or conduct significant transactions with the Syrian government.

IRAN

The United States remains steadfast in enforcing sanctions against individuals and entities involved in prohibited transactions under the Iranian Transactions and Sanctions Regulations (ITSR). This

includes targeting those engaged in activities violating other Iran-related sanctions. Foreign persons and entities, including financial institutions, may face sanctions for significant transactions or support involving Iran-related persons on OFAC's Specially Designated Nationals (SDN) List, such as the National Iranian Oil Company and the Islamic Republic of Iran Shipping Lines, unless exceptions apply. OFAC administers a comprehensive trade embargo against Iran under the ITSR and related Executive Orders. This embargo restricts most transactions with Iran by U.S. persons and entities, with limited exceptions. Additionally, foreign persons and institutions are barred from processing transactions through the U.S. if they violate these prohibitions, including transactions involving Iranian financial institutions or other entities in Iran.

DECEPTIVE SHIPPING PRACTICES

Although the United States maintains sanctions against the Government of Syria, some members of the petroleum shipping industry employ deceptive practices by obscuring the destination and recipient of oil shipments in the Mediterranean Sea that are destined for Syria. The below list provides examples of the types of tactics used to obscure the destination of petroleum that is bound for Syria.

- **Falsified Documents:** Entities falsify shipping documents to hide the destination of petroleum shipments.
- **Ship-to-Ship Transfers:** Transfers at sea can obscure the origin or destination of cargo.
- **Automatic Identification System (AIS) Manipulation:** Vessels may manipulate AIS data to disguise their movements, and have been known to do so when carrying petroleum to Syria.
- **Vessel Name Changes:** Changing a vessel's name can be a tactic to obscure its 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

- **Strengthen Compliance:** Financial institutions and companies are encouraged to implement robust anti-money laundering (AML) and countering the financing of terrorism (CFT) measures, including promoting beneficial ownership transparency for legal entities.
- **Monitor AIS Data:** Investigate vessels with suspicious AIS activity.
- **Review Shipping Documentation:** Ensure that all shipping documents are accurate and complete. Any discrepancies should be thoroughly investigated.
- **Know Your Customer:** Conduct thorough due diligence on all parties involved including 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.

- **Communicate Clearly with International Partners:** Ensure all parties in international transactions are aware of and comply with relevant sanctions.
- **Leverage Available Resources:** Several organizations provide commercial shipping data such as ship location, ship registry information, and ship flagging information.

CONSEQUENCES OF VIOLATING U.S. SANCTIONS OR ENGAGING IN SANCTIONABLE CONDUCT

- **Penalties:** Violations of U.S. sanctions can lead to significant civil and criminal penalties.
- **Secondary Sanctions:** Non-U.S. persons may also face sanctions for engaging in prohibited activities related to Syria or Iran.

SHIPPING ADVISORY ANNEX LIST OF SYRIA-RELATED SANCTIONED VESSELS

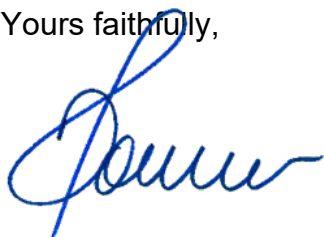
The advisory lists the following vessels as blocked property on OFAC's SDN List that have engaged in sanctionable conduct in support of the Government of Syria or entities owned by the Government of Syria.

- ALPHA GAS (IMO 8817693), DEVREZ (IMO 9120994), FINIKIA (IMO 9385233), JASMINE (IMO 9105085), MARINA (IMO 9005493), SAN COSMAS (IMO 9274343), SINOPA (IMO 9172038), SOBAR (IMO 9221970), SOLAN (IMO 9155808), SOURIA (IMO 9274331), TOUR 2 (IMO 9364112) and YAZ (9735323).

ADDITIONAL RESOURCES

For additional guidance regarding the U.S. sanctions program related to Syria and Iran, please consult OFAC's [FAQs](#) page. 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 <https://ofac.treasury.gov/contact-ofac>.

Yours faithfully,



Dorothea Ioannou, CEO
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THE AMERICAN CLUB