

## Sanctions Summary Matrix

### A. Important notes

This sanctions summary matrix summarises sanctions imposed by the European Union (**EU**) and United States of America (**US**) with regard to certain selected countries considered most relevant to the shipping industry. This summary does not include a summary of all sanctions imposed by the EU and US.

The sanctions summary matrix provides a broad overview of the EU and US sanctions regimes as amended from time to time. It is intended to highlight trigger points for further enquiries rather than serve as comprehensive sanctions advice. EU and US sanctions are complex and a general guide such as this cannot cover every single circumstance that may arise in relation to such sanctions. Caution should be exercised at all times when trading to the jurisdictions listed in the below summary, or when trading with individuals or entities from such jurisdictions. If you have any concerns or uncertainties regarding sanctions, you should consult your compliance team and/ or seek legal advice.

EU and US sanctions regulations are frequently updated and amended. This guide will be updated on an on-going basis as and when we are alerted to the implementation of new legislation. However, please note that updates to this summary could be subject to a time lag.

There is no standard due diligence process which should be carried out in order to ensure that a reasonable level of due diligence has been conducted. The level of due diligence required is highly case specific and a risk based approach must be adopted.

### B. Scope of EU Sanctions

EU sanctions apply:

- (a) within the territory of the EU, including its airspace;
- (b) on board any aircraft or any vessel under the jurisdiction of an EU Member State;
- (c) to any person inside or outside the territory of the EU who is a national of an EU Member State;
- (d) to any legal person, entity or body, inside or outside the territory of the EU, which is incorporated or constituted under the law of an EU Member State;

and

(e) to any legal person, entity or body in respect of any business done in whole or in part within the EU.

### **C. Financial sanctions - list of entities subject to EU asset freeze**

EU sanctions regulations list certain individuals and entities that are subject to financial sanctions and have their assets/economic resources frozen. We recommend using the UK government HM treasury consolidated list of financial sanctions targets: [\(Link to UK government consolidated list of financial sanctions targets \(includes EU targets\)\)](#), as it is easier to access. Please be aware that this list includes targets of EU financial sanctions, but also lists entities and individuals that are subject to UK and UN sanctions, that are not on the EU financial sanctions target list.

Caution should be exercised when conducting a search of the list. Certain names can be spelt in a variety of ways, therefore when searching you should be careful to carry out a search against all of the potential variations.

### **D. More information - EU Sanctions**

More information about the EU sanctions currently in force and the relevant legislation can be found at the following link:

[http://eeas.europa.eu/cfsp/sanctions/docs/measures\\_en.pdf](http://eeas.europa.eu/cfsp/sanctions/docs/measures_en.pdf)

### **E. Scope of US Sanctions**

As a general rule US sanctions apply:

- (a) within the territory of the United States; and
- (b) to US persons and entities whether or not they are in the territory of the US.

However, US sanctions against, for example, Iran and Russia also purport to have limited extra-territorial effect and therefore can apply to non-US persons and entities in certain circumstances where there is no link to the US.

It should also be noted that US arms embargoes have a degree of extra-territorial application. The US arms embargoes are applicable to all defence articles and defence services, wherever located, that contain any US-origin items or technical data. Therefore, a shipment of such goods between two non-US countries could

result in a violation, by non-US persons, of US export control regulations if such goods contain any relevant US content (whether physical or knowledge based) and the required licence or other written approval has not been obtained from the Directorate of Defense Trade Controls (**DDTC**).

#### **F. Financial sanctions - list of US “Specially Designated Nationals”**

The US sanctions legislation lists certain individuals on the Office of Foreign Asset Control (**OFAC**) list of Specially Designated Nationals and Blocked Persons (**SDNs**). SDNs' assets are blocked and US persons are generally prohibited from dealing with them. Where non-US persons or entities deal with Iranian SDNs, this increases the risk that US authorities may enforce sanctions against such non-US person/entity.

Members can search the SDN list at the following link: [Listed persons, groups and entities subject to US restrictive measures \(SDN List\)](#)

Caution should be exercised when conducting a search of the list. Certain names can be spelt in a variety of ways, therefore when searching you should be careful to carry out a search against all of the potential variations. In addition, entities which are 50% or more owned by an SDN are also classed as SDNs.

#### **G. More Information – US Sanctions**

More information about the US sanctions currently in force and the relevant legislation can be found at the following link: <http://www.treasury.gov/resource-center/sanctions/Programs/Pages/Programs.aspx>. Also see the following link to the Directorate of Defense and Trade Controls for information about US arms embargoes in force: [http://pmdtc.state.gov/embargoed\\_countries/index.html](http://pmdtc.state.gov/embargoed_countries/index.html)

#### **IMPORTANT NOTE REGARDING OFAC SHIPPING ADVISORIES**

OFAC has issued two significant advisory documents related to sanctions impacting the shipping industry. While these do not constitute new sanctions, they give important information about OFAC's approach to enforcement of sanctions relating to Syria and Iran. Members can read the advisories by using the following links:

**Syria** - [https://www.treasury.gov/resource-center/sanctions/Programs/Documents/syria\\_shipping\\_advisory\\_03252019.pdf](https://www.treasury.gov/resource-center/sanctions/Programs/Documents/syria_shipping_advisory_03252019.pdf)

**Iran** - [https://www.treasury.gov/resource-center/sanctions/Programs/Documents/iran\\_advisory\\_09032019.pdf](https://www.treasury.gov/resource-center/sanctions/Programs/Documents/iran_advisory_09032019.pdf)

## **IMPORTANT NOTE REGARDING IRANIAN SANCTIONS**

### **US Sanctions on Iran**

On 8 May 2018, President Trump announced that the US would withdraw from the Joint Comprehensive Plan of Action (**JCPOA**) between the EU+3 (UK, US, EU, China, France, Germany and Russia) and Iran. As set out below, following wind-down periods, the US has re-imposed sanctions against Iran which were formerly lifted since 16 January 2016 (**Implementation Day**).

### **EU response**

The European Union has indicated its continued strong support for the JCPOA. On 18 May 2018 it announced the intention to implement counter-sanctions by expanding its “blocking statute” (in essence prohibiting EU companies from complying with the US sanctions on Iran) and support for certain oil-related payments directly to Iran’s central bank. The updated blocking statute (Council Regulation (EC) No 2271/96) came into force on 6 August 2018. Separately, on 31 January 2019, France, Germany and the UK (“E3”) announced the creation of a payment channel special purpose vehicle (the “Instrument in Support of Trade Exchanges” or INSTEX) to offer EU companies a settlement option in relation to their various business activities. **On 28 June 2019, the Joint Commission of the Iran JCPOA (comprising China, France, Germany, Russia, and the UK) announced that INSTEX was operational and available to all EU Member States and that the first transactions were being processed.**

The conflict of position between the United States and European Union is complex and not fully resolved. Caution should therefore be exercised to monitor the developing situation and ensure compliance with all sanctions affecting trade in Iran or including Iranian entities.

### **H. Date of Update**

The date of this matrix, as updated below, is **5 November 2019**.

No.	Sanctioned Country	European Union Sanctions	United States Sanctions
1.	Cuba		<p>As a general rule, persons subject to US jurisdiction (consisting of US companies and non-US companies owned or controlled by persons subject to US jurisdiction, US citizens and permanent resident aliens wherever located, and anyone in the territory of the US) are prohibited from engaging in virtually any business or related transactions with Cuba or the Cuban Government wherever located, subject to the exceptions set out below.</p> <p><b>Trade Restrictions</b></p> <ul style="list-style-type: none"> <li>• Ban on persons subject to US jurisdiction <b>engaging in most transactions involving Cuba, including</b> exporting, re-exporting or importing products, technologies or services, directly or through a third country, to Cuba or Cuban nationals, except where a licence has been issued or a licensing exception applies. <b>Exports of most U.S.-origin items</b> are subject to a general policy of denial, although this policy is itself subject to various exceptions (which are not detailed here).</li> <li>• Prohibition on any vessel carrying goods to or from Cuba, or goods in which Cuba or Cuban nationals have an interest, entering a US port with such goods on board</li> </ul>

			<p>without a license/unless exceptions apply.</p> <ul style="list-style-type: none"> <li>• Prohibition on any vessel engaged in trade with Cuba entering a US port to load/unload freight within 180 days of the date it departed Cuba without a license/unless listed exceptions apply.</li> </ul> <p><b>Exceptions to the trade restrictions include (note this is not exhaustive):</b></p> <ul style="list-style-type: none"> <li>○ Exporting/re-exporting informational material and certain donated food is authorised.</li> <li>○ Exporting/re-exporting items is authorised if the transaction complies with certain listed licensing exceptions including (<i>inter alia</i>); temporary exports and re-exports by the news and media of news gathering items, operations technology and software for legally exported items or software, replacement parts for one-for-one replacement of legally exported items, personal baggage, governments and international organizations, items in transit through the US from Canada regardless of their nature or origin gifts and parcels for humanitarian donations, exports of agricultural commodities, consumer communication devices, listed items that support the Cuban people (e.g. building materials, tools and equipment for the private sector, items</li> </ul>
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		<p style="text-align: center; font-size: 48px; opacity: 0.3; transform: rotate(-45deg);">SAMPLE</p>	<p>for scientific, archaeological, cultural etc. activities and items that improve communications to and from Cuba).</p> <ul style="list-style-type: none"> <li>○ Exporting/re-exporting certain services incident to internet-based communications (e.g. social networking), that are not for the promotion of tourism and services related to exports/re-exports of certain communication items, is authorised (for which purpose persons subject to US jurisdiction may engage in all transactions necessary to establish and maintain a business presence in Cuba, including through business relationships with Cuban nationals). <b>Note:</b> Persons subject to US jurisdiction may provide goods and services to a Cuban national located in a third country who is an individual, provided that the transaction does not involve a commercial exportation, directly or indirectly, of goods or services to or from Cuba.</li> <li>○ Transactions ordinarily incident to exportation of items from the US or the reexportation of items from a non-US country, to any person in Cuba where the export or reexport has been authorised under US Export Administration Regulations, are authorised subject to certain conditions including in the case of agricultural commodities the use of certain financing terms.</li> <li>○ Certain travel-related transactions and certain transactions directly incident to the conduct of market research,</li> </ul>
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			<p>to Cuba requires separate authorisation.</p> <ul style="list-style-type: none"> <li>○ Persons subject to US jurisdiction may enter into contingent contracts for transactions prohibited by the Regulations and to engage in transactions ordinarily incident to negotiating and entering into such contracts, provided that contract performance is made expressly contingent on prior authorisation by OFAC and any other relevant Federal agency.</li> <li>○ As an exception to the abovementioned prohibition on vessels engaged in trade with Cuba entering a US port to load/unload freight within 180 days from departing Cuba, non-US vessels may enter a US port within or after 180 days from departing Cuba if they have engaged in the export from a third country to Cuba only of items that would, if subject to the EAR, be designated as EAR99 or controlled on the Commerce Control List for anti-terrorism reasons only.</li> <li>○ Persons subject to US jurisdiction can provide Cuba or Cuban nationals with services related to developing, repairing, maintaining and enhancing Cuban infrastructure that directly benefit the Cuban people, provided that the services are consistent with the licensing policy of the US Department of Commerce. This includes projects related to the environmental protection of U.S., Cuban, and international air quality, waters, and coastlines</li> </ul>
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		<p style="text-align: center; font-size: 48px; opacity: 0.3; transform: rotate(-30deg);">SAMPLE</p>	<p><b>Financial Restrictions</b></p> <ul style="list-style-type: none"> <li>• Ban on persons subject to US jurisdiction dealing in any property in which Cuba or Cuban nationals have an interest (directly or indirectly).</li> <li>• On 16 June 2017, President Trump announced changes to the Cuba Sanctions Program in his National Security Presidential Memorandum (NSPM) which increased restrictions on Cuba. These took effect on 9 November 2017.</li> <li>• The US has strengthened its Cuba policies to channel economic activity away from the Cuban military and to encourage the government to move toward greater political and economic freedom for the Cuban people. Measures enacted include the publication of the “Cuba Restricted List” which details entities under the control of the Cuban military with whom persons subject to US jurisdiction are prohibited from engaging in certain direct financial transactions.</li> </ul> <p><b>Exceptions to this ban include (note this is not exhaustive):</b></p> <ul style="list-style-type: none"> <li>○ US depository institutions are permitted to open and</li> </ul>
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**This document is a sample (excerpt).**

**The latest Sanctions Matrix (full version) is available to Members only.**