

CIRCULAR

To the Members

New U.S. Sanctions against Iran on Iron, Steel, Aluminum and Copper

On 8 May 2019, President Trump issued an Executive Order (EO) “Imposing Sanctions with Respect to the Iron, Steel, Aluminum, and Copper Sectors of Iran”. The EO is available [here](#).

In connection with the issuance of the EO, the Department of the Treasury’s Office of Foreign Assets Control (OFAC) published new FAQs, which are available [here](#).

Sanctionable activities

The EO authorises blocking sanctions on any person determined by the Secretary of the Treasury, in consultation with the Secretary of State:

1. to be operating in the iron, steel, aluminum, or copper sectors of Iran, or to be a person that owns, controls, or operates an entity that is part of the iron, steel, aluminum, or copper sector of Iran;
2. to have knowingly engaged, on or after the date of this order, in a significant transaction for the sale, supply, or transfer to Iran of significant goods or services used in connection with the iron, steel, aluminum, or copper sectors of Iran;
3. to have knowingly engaged, on or after the date of this order, in a significant transaction for the purchase, acquisition, sale, transport, or marketing of iron, iron products, aluminum, aluminum products, steel, steel products, copper, or copper products from Iran;
4. to have materially assisted, sponsored, or provided financial, material, or technological support for, or goods or services in support of any person whose property and interests in property are blocked pursuant to the EO; or
5. to be owned or controlled by, or to have acted or purported to act for or on behalf of, directly or indirectly, any person whose property and interests in property are blocked pursuant to the EO.

Wind-down period

According to OFAC FAQ 668, there is a wind-down period as follows:

Persons engaged in transactions that could be sanctioned under the Executive Order Imposing Sanctions with respect to the Iron, Steel, Aluminum, and Copper Sectors of Iran of May 8, 2019 will have a 90-day period to wind down

those transactions without exposure to sanctions under the EO of May 8, 2019. Those persons should take the necessary steps to wind down transactions by the end of the 90-day wind-down period to avoid exposure to sanctions. Entering into new business that would be sanctionable under the EO of May 8, 2019 (the effective date of the EO) will not be considered wind-down activity and could be sanctioned even during the wind-down period. [05-08-2019]

Members are encouraged to exercise due diligence if contemplating trading with Iran.

Yours faithfully,

The Japan Ship Owners' Mutual Protection & Indemnity Association