



JAPAN P&I NEWS

To the Members

Carriage of Jet A1 fuel to Myanmar

1 February 2023 was the second anniversary of the military coup in Myanmar. The coup led to the imposition of additional sanctions and export controls by the EU, the US and the UK. The sanctions and export controls include but are not limited to the following:

EU

Asset freezes targeting individuals and entities, including government ministers, a member of the State Administrative Council and members of the Union Election Commission, as well as high-ranking members of the Myanmar Armed Forces (Tatmadaw). As regards the sanctioned entities, these are either state-owned companies providing substantive resources to the Tatmadaw, or private companies closely connected to the Tatmadaw's top leadership.

An embargo on arms and equipment that can be used for internal repression, an export ban on dual-use goods for use by the military and border guard police, export restrictions on equipment for monitoring communications that could be used for internal repression, and a prohibition on military training for and military cooperation with the Tatmadaw. (<https://www.consilium.europa.eu/en/press/press-releases/2022/02/21/myanmar-burma-eu-imposes-restrictive-measures-on-22-individuals-and-4-entities-in-fourth-round-of-sanctions/>)

US

Restrictions on (i) dealings involving certain targeted persons (e.g., those operating in the defence sector); (ii) exports and reexports to Myanmar, and transfers (in-country) within Myanmar, of items subject to the US Export Administration Regulations (EAR) (e.g., US-origin items or items containing more than a de minimis level of controlled US content) to certain targeted entities; (iii) exports, reexports, and transfers (in-country) of certain items subject to the EAR intended for military end use or end users in Myanmar; (iv) exports, reexports, and transfers (in-country) of items subject to the EAR intended for military-intelligence end use or end users in Myanmar; and (v) exports and reexports to Myanmar, and transfers (in-country) within Myanmar, of sensitive items subject to the US Export Administration Regulations in response to the military coup and escalating violence against peaceful protesters. (<https://www.commerce.gov/news/press-releases/2021/03/commerce-implements-new-export-controls-burma-and-makes-entity-list> and <https://www.state.gov/burma-sanctions/>)

UK

Companies supplying the Myanmar Air Force with aviation fuel to carry out its relentless bombing campaign against innocent people have been targeted by the UK in the latest round of sanctions.

(<https://www.gov.uk/government/news/uk-sanctions-myanmar-aviation-fuel-businesses-marking-two-years-since-coup>)

The provision of military goods and military technology, technical assistance, armed personnel, financial services or funds or associated brokering services to or for the benefit of the Tatmadaw (or persons acting on its behalf or under its direction), where such provision relates to the military activities of the recipient, or otherwise enables or facilitates the conduct of armed hostilities, in Myanmar.

<https://www.gov.uk/government/publications/myanmar-sanctions-guidance/myanmar-sanctions-guidance>)

One product which we understand some Members may have been asked to carry to Myanmar is JET A1 aviation fuel. If this has occurred or may occur, Members should be aware of the risk of possibly breaching sanctions and/or export controls, and should ensure that this is not the case.

As Members will know, the P&I insurance contract may be prejudiced where they trade a vessel in a manner which may expose the Club to a risk of breaching sanctions and/or export controls.

Also, please note that even where there is no risk to the Club pursuant to sanctions and/or export controls, cover is not provided for losses arising out of or consequent upon the vessel's being employed in an unlawful trade.

Yours faithfully,

The Japan Ship Owners' Mutual Protection & Indemnity Association