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CIRCULAR

To the Members

OFAC Alert: Sanctions Risks of Iranian Demands for Strait of Hormuz Passage

On 24 August 2026, the U.S. Department of the Treasury's Office of Foreign Assets Control (OFAC) issued an update to its May 1, 2026 alert to provide additional guidance in response to evolving Iranian threats to shipping and demands for "toll" payments and other requirements from the Government of Iran or its representatives in exchange for safe passage through the international Strait of Hormuz.

Prohibited Entities and Actions

- U.S. and non-U.S. persons risk sanctions or penalties by engaging with the designated so-called Persian Gulf Strait Authority (PGSA), Persian Gulf Marine Insurance Company (PGMIC) and HormuzSafe Marine Services Authority (Hormuz Safe), including by accepting insurance or other services or responding to information demands for guarantees of safe passage, even if there is no associated payment or other exchange of value for these services.
- Paying demanded tolls or fees violates sanctions regardless of the payment method, which could include fiat currency, digital assets, government-to-government deals, informal swaps or nominally charitable donations.

Guidance for Maritime Service Providers

- OFAC strongly encourages all maritime service providers to conduct enhanced due diligence on any vessels attempting to transit the Strait of Hormuz to ensure such vessels have not engaged in any sanctionable conduct involving Iran.
- Service providers should carefully review all available information for red flags, including voyage plans or actual transits through Iranian territorial waters.
- Service providers should ask counterparties for details on who they coordinated with to transit the Strait of Hormuz, if any safe passage fees were or will be paid to Iran, and if any services, including insurance, were accepted from Iran.

Members are encouraged to review the full alert available here.

Yours faithfully,

The Japan Ship Owners' Mutual Protection & Indemnity Association