



**THE REPUBLIC OF LIBERIA**  
**LIBERIA MARITIME AUTHORITY**

8619 Westwood Center Drive  
Suite 300  
Vienna, Virginia 22182, USA  
Tel: +1 703 790 3434  
Fax: +1 703 790 5655  
Email: [info@lisr.com](mailto:info@lisr.com)  
Web: [www.lisr.com](http://www.lisr.com)

**7 August 2015**

**MARINE ADVISORY: 06/2015**

**Subject: Agreement and Developments Regarding Sanctions against the Islamic Republic of Iran imposed by the United States**

**Ref:** (a) **E3/EU+3 Joint Comprehensive Plan of Action**  
(b) [Marine Advisory 02/2012](#)  
(c) [Marine Advisory 05/2012](#)  
(d) [Marine Advisory 06/2010](#)  
(e) [Marine Advisory 05/2010](#)

**To: All Owners/Operators and Masters of Liberian flagged vessels**

Dear Owner/Operator and Master:

This Advisory provides information regarding the E3/EU+3 Joint Comprehensive Plan of Action (“JCPOA”) and recent developments regarding U.S. sanctions against the Islamic Republic of Iran. Marine Advisory Note 02/2012 addresses the heightened U.S. sanctions against Iran, and Marine Advisory Note 05/2012 provides information on the European Union sanctions against Iran. Furthermore, Marine Advisory Note 06/2010 addresses United Nations sanctions imposed against Iran, and Marine Advisory Note 05/2010 addresses United States sanctions against Iran. All aforementioned Marine Advisories should also be reviewed.

**Information on the E3/EU+3 Joint Comprehensive Plan of Action (JCPOA)**

On 14 July 2015, the E3/EU+3 (China, France, Germany the Russian Federation, the United Kingdom and the United States, with the High Representative of the European Union for Foreign Affairs and Security Policy) and the Islamic Republic of Iran, entered into a diplomatic agreement and a Joint Comprehensive Plan of Action providing for a significant rolling back of international trade sanctions on Iran, in exchange for commitments on limiting Iran’s nuclear program.

This diplomatic agreement did not trigger any immediate sanctions relief. The JCPOA must first face review by official bodies in the U.S. and Iran prior to being put into effect. If approved, implementation of the agreement will be a staged process. Sanctions relief will only commence with the agreement’s “Implementation Date,” when the International Atomic Energy Agency (IAEA) certifies that Iran has met various threshold commitments on uranium enrichment. Additional sanctions relief will be afforded in future years of the agreement.

## **Caution Advisement**

Accordingly, shipowners, masters and operators should exercise caution to ensure vessels continue to be operated in compliance with applicable regulatory requirements during this potential transition period. In particular, Liberian vessels should continue to avoid undertaking any trade that will, owing to the ongoing operation of international sanctions, cause a lapse or withdrawal of compulsory insurance and financial security cover required pursuant to Liberian Law and Regulations.

## **Background – International Sanctions on Iran**

As noted in Marine Advisory 02/2012 and 05/2012, since 2010 the United States and the European Union have implemented far-reaching international sanctions targeting Iran's shipping, energy, defense and financial services sectors. In addition to the authorities detailed in the above-noted advisories, in 2013 the United States implemented the Iran Freedom and Counter-Proliferation Act, which provided for particularly broad sanctions on parties providing significant goods or services for the energy, shipping, or shipbuilding sectors of Iran, or providing underwriting services or insurance or reinsurance for those targeted sectors or other sanctioned trade.

Limited sanctions relief has been in place since November 2013, when the E3/EU+3 countries agreed with Iran on a Joint Plan of Action setting parameters for nuclear negotiations, and easing sanctions on some trade in crude oil, petrochemicals, and certain other goods. However, the bulk of the U.S. and EU sanctions against Iran (including on shipping and marine insurance) have remained in place while the JCPOA has been negotiated.

## **Proposed Iran Sanctions Relief: the JCPOA**

Under the JCPOA, the U.S. and EU have committed to roll back "nuclear-related" sanctions on Iran. This includes most of the sanctions imposed on Iran since 2010, including the "secondary sanctions" aimed at preventing non-U.S. persons from entering into transactions with Iran, particularly in the areas of energy, shipping, commodities, autos, insurance, defense and financial services. In addition, a number of parties linked to Iran's shipping sector will be removed from U.S. and EU sanctions lists. This sanctions relief will take effect after the agreement is approved and reaches its "Implementation Date," which is when the IAEA certifies Iran has met various nuclear milestones. Media reports suggest that the period to the Implementation Date may be approximately six months in the future.

Under the JCPOA, the "primary" U.S. sanctions on Iran (i.e., the rules that bar U.S. entities from doing business with Iran) will remain in place. So, even if the agreement is fully implemented, it may continue to be important to avoid any involvement by U.S. owners, charterers, banks, underwriters, or any other U.S. citizens or businesses in any Iran transactions, except for shipments of food, medicine, and any other exempt or licensed goods.

## **Discussion**

Liberia does not enforce the U.S. or European sanctions. However, it does administer certain international liability conventions whereby the Liberian Administration accepts P&I "blue cards" to support the Liberian certificates of financial responsibility issued to Liberian flagged vessels. A

violation of Liberian Maritime Law and Maritime Regulation could occur as a result of vessel owners/operators' failure to maintain insurance cover required by the International Convention on Civil Liability for Bunker Oil Pollution Damage, 2001 (BCLC), Nairobi International Convention on the Removal of Wrecks, 2007 (WRC) and the International Convention on Civil Liability for Oil Pollution Damage, 1992 (CLC). This may happen when insurance carriers, such as P&I Clubs, are restricted by sanctions on Iran to issue liability insurance to cover certain Iran-related voyages, entities or cargoes.

The legal impact of trade sanctions on particular vessels and voyages is often complex, particularly in the context of Iran. Compliance obligations may be impacted by a broad range of factors including identification of the charterers and other interested parties, the type and end use of cargoes, the identity and terms of the insurers, and a number of other details. In many instances it is not possible to ascertain the impact of international sanctions on a particular vessel's or voyage's insurance cover through a cursory or superficial review of the vessel's movements.

Accordingly, it is incumbent on owners and operators to continue to implement and maintain appropriate internal controls to screen their individual vessels to ensure compliance with Liberian financial responsibility requirements and applicable international conventions. Such controls should be maintained fully until such time as the relevant sanctions requirements have been fully suspended or withdrawn.

Registry staff are available to respond to any questions regarding compliance with Liberian law and Regulations, and to help direct Owners and operators to any necessary resources to manage sanctions issues.

For further information regarding the issuance of this Advisory, contact the Marine Investigations Department at +1 (703) 790-3434 or e-mail to [investigations@liscr.com](mailto:investigations@liscr.com).

\* \* \* \* \*