



Office of
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THE REPUBLIC OF LIBERIA

LIBERIA MARITIME AUTHORITY

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MARINE ADVISORY: 01/2020

SUBJECT: Advisory on Sanctions with Respect to the Construction, Mining, Manufacturing, and Textile Sector of Iran

- Ref:** (a) **Marine Advisory 08/2019**
(b) **Marine Advisory 03/2012**
(c) **Marine Advisory 02/2012**
(d) **Marine Advisory 02/2019**
(e) **Marine Advisory 07/2019**

Dear Owner/Operator and Master:

On January 10, 2020, the President of the United States of America issued an Executive Order nr 13902 (“E.O”) “Imposing Sanctions with Respect to the Construction, Mining, Manufacturing, or Textiles sectors in Iran.” Section 1 of the E.O. authorizes blocking sanctions on any person, including non-U.S. persons, determined by the Secretary of Treasury, in consultation with the Department of State:

1. to operate in the construction, mining, manufacturing, or textiles sectors of the Iranian economy, or any other sector of the Iranian economy as may be determine by the Secretary of the Treasury, in consultation with the Secretary of State;
2. to have knowingly engaged, on or after the date of the order, in a significant transaction for the *sale, supply, or transfer to or from Iran* of significant goods or services used in connection with a sector of the Iranian economy specified in, or determined by the Secretary of the Treasury, in consultation with the Secretary of State, pursuant to, subsection above;
3. to have materially assisted, sponsored, or provided financial, material, or technological support for, or goods or services in support to or in support of, any person whose property and interests in property are blocked pursuant to this order; or
4. to be owned or controlled by, or to have acted or purported 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 this order. .

Additionally, the E.O. states that the prohibitions in the Section 1 include the making of “any contribution or provision of funds, goods, or services by, to, or for the benefit of any person” who

is designated and blocked under this order; and the receipt of any contribution or provision of funds, goods, or services from any such person.

Finally, the E.O. authorizes sanctions with respect to foreign financial institutions in connection with transactions involving the designated sectors.

A Frequently Asked Question nr 816 published by the U.S. Department of Treasury Office of Foreign Control (“OFAC”) on January 16, 2020, further clarified that necessary steps should be taken to wind down transactions in respective sectors by the end of the 90-day wind-down period to avoid exposure to sanctions. Such wind-down period expires on April 9, 2020.

Discussion

Based on the Advisory, both U.S. and non-U.S. ship owners and other maritime industry entities risk being subject to the United States blocking sanctions if they engage in sale, supply, or transfer to or from Iran significant goods or services in connection with the Construction, Mining, Manufacturing, or Textiles sectors in Iran.

The E.O. does not define the term “*significant*,” leaving considerable discretion to OFAC to examine significance on a case-by-case basis. Factors that might be taken into consideration include (a) the size, number, and frequency of the transactions; (b) the nature of the transactions, or the goods or services, including their type, complexity, and commercial purpose; (c) the level of awareness of a management and whether the transactions are part of a pattern of conduct; (d) the nexus of the person that engaged in the transactions and the prohibited activities; (e) the impact of the transactions on the objective of the E.O. at issue; and (f) whether the transactions attempt to obscure or conceal the actual parties or true nature of the transactions, or evade sanctions.

As the E.O. expands the sectors of the Iranian economy targeted for sanctions and can result in a greater scope of entities being added to the SDN list, extreme caution in trading and shipping to and from the named sectors of Iranian economy must be exercised to prevent involvement in any sanctionable activities.

Point of Contact

For further information regarding the issuance of this Advisory, contact the Marine Investigations Department at +1 (703) 790-3434 or email to investigations@liscr.com. If after business hours, please contact the Duty Officer at + 1 703 963 6216 or Dutyofficer@liscr.com.

Attachment: Executive Order “Imposing Sanctions with respect to Additional Sectors of Iran”

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