



THE REPUBLIC OF LIBERIA

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Office of
Deputy Commissioner
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MARINE ADVISORY: 04/2012

Subject: European Union Sanctions against Syria

Ref: European Union Regulation (EC # 2011/522)

To: All Owners/Operators and Masters

Dear Owner/Operator and Master:

This Advisory provides information regarding the action implemented by the European Union against importing oil and petroleum products from Syria in the wake of the upheaval and political instability in Syria. The European Union (EU) Sanction Regulation took effect as of 2 September 2011.

I. Information on the scope of Sanctions

The European Union (EU) Council, as of 2 September 2011, amended its decision concerning its previous measures (adopted in May of 2011) against Syria to include

That “the purchase, import or transport from Syria of crude oil and petroleum products shall be prohibited.”¹ The European Union in this Regulation (EC # 2011/522) further prohibits any provision “directly or indirectly, financing or financial assistance, including financial derivatives” to matters relating to the purchase, import or export of crude oil or petroleum products of Syrian Origin.² These new amendments are applicable to all European Union Member States.

The Sanctions holds all individuals, entities and bodies subject to the European Union jurisdiction to the prohibition of engaging in any transactions involving petroleum or petroleum products with Syria or involving those products of Syrian origin.

II. Caution advisement

Dealings or transactions may cause failure to maintain the liability insurance which could occur as a result of suspension or cancellation of cover by a vessel’s P&I Club when sanctions prohibit the P&I Club/entity from providing “directly or indirectly, financing or financial assistance, including

financial derivatives” to matters relating to the purchase, import or export of crude oil or petroleum products of Syrian Origin.

Therefore, in view of the increased international pressure from the European Union and due to the political interest in Syria, ship owners/operators are strongly encouraged to exercise caution in judgment and action relative to transaction that may involve products of Syrian origin and/or involving Syrian entities or associated entities or other entities that may have dealings with Syria or Syrian entities.

Relevant issues and possible violation of Liberian Maritime Law and Regulations

The Republic of Liberia is not responsible for enforcing the European Union sanctions. However, the European Union holds all individuals, entities and bodies subject to the European Union jurisdiction to the prohibition of engaging in any transactions involving petroleum or petroleum products with Syria or involving those products of Syrian origin. The sanctions are applicable to all European Union Member States.

In this regard, a violation of Liberian Maritime Law and Maritime Regulation could occur as a result of a vessel Owner/Operators’ failure to maintain insurance cover required by the International Convention on Civil Liability for Bunker Oil Pollution Damage, 2001 (BCLC) and the International Convention on Civil Liability for Oil Pollution Damage, 1992 (CLC). These are mandated in Liberian Maritime Regulation 2.35 pursuant to both liability Conventions to which the Republic of Liberia is a Party.

Liberia has international responsibility to implement and uphold the aforementioned liability Conventions in that the Liberian Administration accepts P and I “blue cards” to support the respective Liberian CLC and BCLC certificates issued to Liberian flagged vessels. A particular P&I Club (entity) may fall within the ambit of the EU sanctions to the extent that it is prohibited to issue and maintain liability insurance relationship with any entity doing business with Syria.

It is understood that the members of the International Group of P and I Club have the same rules that apply to all their members. Owners may have already been provided circulars advising that “insurance cover would be null and void and of no effect whenever it became illegal.” In addition to applicable legal prohibitions, some P&I Club rules may preclude coverage for voyages and activities which are prohibited by law.

The Indemnity and Protection insurance cover (required by Liberian Regulation 10.342, third party liability insurance) for crew protection including repatriation (required by Liberian Law Section 342 and Regulations 2.66(2) and 10.342) would also be invalidated. Consequently, the Liberian CLC and BCLC certificates (for both tanker and non-tanker vessels) issued to the particular vessel would also effectively be nullified, ceased and of no effect. Consequently, such action thereby renders no liability cover in force as required by the respective international Conventions which are applied by Liberian Law and Regulation 2.35. In effect, the particular vessel would be out of compliance having been without liability coverage and Owners/Operators will be in violation of Liberian Law and Regulations.

The Administration's action when violation of Liberian Law/Regulation is discovered

Penalty for violation of Liberian Law and Regulations in this regard includes the following:

- Detention of the vessel, which may include specific restriction of movement that could affect trading/navigation of the vessel;
- Suspension of the vessel's statutory certificates including the Registration Certificate;
- Revocation of Permanent Certificate of Registry and Cancellation of Registry;
- Possible monetary fines; and
- If the Administration conducts an investigation and there is failure on the part of the Owners/Operators, and or Master and crew to cooperate, then it will be considered another related offense for which penalty can be imposed.

Action in accordance with European Union sanctions

In view of the wide reach of the sanctions imposed by the European Union, it is essential to be vigilant to avoid the risks in contravention of the sanctions. By its sanctions regime, the European Union may limit or even terminate any commercial interest a foreign entity has with the European Union member States or any European Union entity, which may also be damaging to an entity's global commercial activities.

These sanctions may have a direct and immediate impact on the vessel's anticipated/ planned port calls to or in the region of Syria. Ship owners/operators and Masters are to remain aware of the rapidly changing climate with respect of the matter of sanctions against Syria imposed by the European Union. Accordingly, ship owners and operators should bring the contents of this Advisory to the attention of the Masters of their Liberian flagged ships and instruct them to exercise due care so as to avoid contravention of the European Union Sanctions that may lead to conditions resulting in violation of Liberian Law and Regulations.

Note: The text of the European Union Regulation (EC # 878/2011) on the Syrian sanctions is available at the following internet link:

<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2011:228:0001:0005:EN:PDF>

III. Point of Contact

For further information regarding the issuance of this Advisory, please contact the Marine Investigations Department at +1 (703) 251-2407/2415; +1 (703) 790 3434 or via e-mail at investigations@liscr.com.

¹ See Article 2a of the Council Decision 2011/522/CFSP of 2 September 2011.

² See Article 2a of the Council Decision 2011/522/CFSP of 2 September 2011.