

United States Increases Sanctions against Iran

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On 12 July 2012, the United States Treasury's Office of Foreign Assets Control (OFAC) made some important shipping-related changes to its Iran sanctions regime. These changes consist of significant additions to the SDN list.

The aim of these additions is twofold: firstly to continue to target Iran's nuclear and missile proliferation activities, and secondly to prevent the circumvention of international sanctions by publicly identifying front companies, ships and banks which are considered fronts for, or agencies of, the Government of Iran.

Key additions to the SDN list include:

- the National Iranian Tanker Company ("NITC") and 27 affiliated entities;
- 58 NITC vessels;
- additional entities related to the Islamic Republic of Iran Shipping Lines ("IRISL") and the Islamic Revolutionary Guard Corps ("IRGC");
- 57 vessels affiliated with IRISL which have been renamed or reflagged since they were originally designated by OFAC;
- 7 vessels affiliated with IRISL which have not been previously identified;
- 20 Iranian financial institutions; and
- several front companies involved in Iran's oil trade.

A full list of the amendments and additions to the SDN list is available on the [OFAC website](#), together with a [press release](#) and [detailed fact sheet](#).

The additions have been made with **immediate effect**.

The presence of an entity on the SDN list means that US persons and those within US jurisdiction are prohibited from engaging in any transactions with that entity, and any assets which that entity may have under US jurisdiction are blocked. In addition, it is prohibited (without an OFAC licence) to approve, guarantee, finance or facilitate transactions by foreign persons with sanctioned entities, if those transactions would be prohibited by OFAC if engaged indirectly by a US person or entity.

As a result, an SDN listing is likely to impact the key aspects of commercial arrangements, including bank transfers in US dollars and insurance cover reinsured in the US market. The amended SDN list and the information referred to above should therefore be reviewed urgently and closely, as commercial arrangements with any of the entities listed will require immediate attention.

Should you wish to discuss these latest developments, contact one of the authors of this alert, alternatively your usual contact at Reed Smith.

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