



Iran Sanctions: United States

17 February 2016

Who do the US Sanctions apply to?

A. US Persons

United States sanctions regulations generally applies to “US Persons,” which includes US citizens and permanent resident aliens, persons physically in the United States (regardless of citizenship), US-organized entities and their branches, and any foreign entity owned or controlled by a US person.

These parties, subject to the newly provided relief under General License H (discussed below), are prohibited from engaging in transactions with companies and persons designated by the sanctions regulations. With regard to Iran, US persons are essentially prohibited from engaging in any transaction involving Iran or an Iranian national. They are also prohibited (without a license) from approving, guaranteeing, financing or facilitating transactions by foreign parties with sanctioned countries or parties, if those transactions would be prohibited if engaged in directly by a US person or entity. Facilitation can include referring to a foreign party, business opportunities involving prohibited countries or persons, and financing, insuring or transporting a shipment of goods sold by a foreign person to a sanctioned country or party.

B. Foreign Persons

The application of U.S. sanctions to foreign persons has dramatically changed in recent months. Effective 16 January 2016, the United States lifted much of its Secondary Sanctions (i.e., sanctions that apply to non-U.S. persons), in accordance with the Joint Comprehensive Plan of Action (JCPOA), thereby providing relief for activities that non-U.S. persons may engaged in with Iran. The following non-exhaustive list describes some of the principal circumstances in which non-US persons are directly impacted by US sanctions and circumstances where they now may have relief:

- Foreign entities that are owned or controlled by US entities are subject to US sanctions against Iran as if they were US persons and thus would need to act under either a general or specific license when transacting with Iran. In accordance with the JCPOA, newly released General License H provides relief to foreign entities owned or controlled by U.S. persons as well as to certain transactions involving the U.S. Parent. See Section: **Dealing in Iranian goods or services – what is prohibited?** A foreign entity is “owned or controlled” by a US party when the US party either (1) holds more than 50 percent of the equity interest by vote or value in the entity; (2) holds a majority of seats on the board of directors of the entity; or (3) otherwise controls the actions, policies, or personnel decisions of the entity.

- Foreign persons can be subjected to civil and criminal penalties if they (1) are subject to US jurisdiction (e.g., foreign companies that do substantial US-related business) and (2) “cause” a US person to violate US sanctions. For example, a shipowner or Club that conducts business in the US could be penalized if it makes or receives payment in US dollars for a transaction involving an Iranian national while concealing the involvement of the Iranian national in the payment instructions. Such concealment unlawfully “causes” a US bank to violate US sanctions when it processes the payment.
- Non-US companies are generally not subject to U.S.’s primary sanctions against Iran, and pursuant to the lifting of most of the U.S. Secondary Sanctions, may now engage in a broad range of transactions in Iran. Secondary sanctions (i.e. those which apply to non-U.S. persons) continue to attach to activities with (a) any of the more than 200 Iranian or Iran-related individuals and entities which remain on the SDN List; (b) the Islamic Revolutionary Guard Corps (IRGC) and its designated agents or affiliates and (c) any other person on the Specially Designated Nationals (SDN) List in connection with Iran’s proliferation of weapons of mass destruction or their means of delivery or Iran’s support for international terrorism. Thus, it is still critical that non-U.S. companies conduct thorough due diligence for all transactions involving Iran. For companies that choose to venture into Iran, it is important to recognise that a number of practical limitations are still in place – like the inability to conduct business in U.S. dollar transactions.
- US law does not have a blanket prohibition against transactions between foreign persons and parties on the SDN list; however, a foreign person’s property and interests in the US can be blocked if it knowingly provides “significant” financial, material, technological, or other support to any *Iranian* person on the SDN list. Moreover, the US Departments of State and Treasury have said that foreign persons transacting with SDNs generally could sustain “reputational damage.” Further, as stated above, Secondary Sanctions continue to attach to activities with any of the more than 200 Iranian or Iran-related individuals and entities which remain on the SDN List.

PROHIBITIONS: GENERAL

On 16 January 2016 (“Implementation Day”), in accordance with the Joint Comprehensive Plan of Action (JCPOA), the United States lifted nuclear-related sanctions on Iran, although some prohibitions remain in place.

As described in greater detail herein, the following general prohibitions still apply under US law:

- Goods, technology, and services generally may not be imported, exported, re-exported, sold or supplied, directly or indirectly, from the United States or by a US person, wherever located, to Iran or the Government of Iran. The ban on providing services includes any brokering function from the US or by US persons, wherever located (e.g., US persons and persons acting within the US may not broker offshore transactions that benefit Iranian nationals, including sales of foreign goods or arranging for third-country financing or guarantees).
- The property and interests in property of all parties on OFAC’s list of Specially Designated Nationals (SDN List) are blocked where that property is in the US, comes within the US or comes within the possession or control of US persons.
- Investments by US persons, including commitments of funds or other assets, loans or any other extensions of credit, in Iran or in property (including entities) owned or controlled by the Government of Iran are prohibited.
- All transactions ordinarily incident to travel to or from Iran, including the importation of accompanied baggage for personal use, payment of maintenance and living expenses and acquisition of goods or services for personal use are permitted.
- No US person may approve or facilitate the entry into or performance of transactions or contracts with Iran by a foreign subsidiary of a US firm that the US person is precluded from performing directly. Similarly, no US person may facilitate such transactions by unaffiliated foreign persons.
- US persons may not trade in Iranian oil or petroleum products refined in Iran, nor may they finance such trading. Similarly, US persons may not perform services, including financing services, or supply goods or technology that would benefit the Iranian oil industry.
- US depository institutions, including foreign branches, are prohibited from servicing accounts of the Government of Iran, including banks owned or controlled by the Government of Iran or persons in Iran.

SUSPENSION OF SOME US SANCTIONS

On July 14, 2015, the United States and its partners in the P5+1 (China, France, Germany, Russia, and the United Kingdom, coordinated by the European Union's High Representative) reached a Joint Comprehensive Plan of Action ("JCPOA"). The JCPOA built on the Joint Plan of Action ("JPOA") with Iran reached in November 2013, under which Iran received limited relief from international trade sanctions for a period of 6+6 months in return for compliance with restrictions on its nuclear programme.

Under the JCPOA, Iran receives phased sanctions relief once the International Atomic Energy Agency ("IAEA") verifies that Iran has implemented key nuclear-related commitments described in the JCPOA. The date on which sanctions relief under the JCPOA will commence is referred to as "Implementation Day." Accordingly, Implementation Day became effective 16 January 2016. The US issued guidance related to the implementation of the sanctions relief provided for under the JCPOA. Below we outlined the areas that have been provided relief.

The provisions for US sanctions relief are not identical to those implemented by the EU, so caution must be exercised. Transactions that are authorized from an EU perspective still may be subject to US sanctions. Further, with the exception of civil aviation activities, humanitarian channel and General License H, none of the sanctions relief may involve a US person, or as applicable, a foreign entity owned or controlled by a US person.

Further, under the JCPOA, the US reserves the right to "snap back" the sanctions it has suspended should Iran fail to adhere to its obligations.

What sanctions are suspended?

The United States nuclear-related restrictions **will remain in place** for U.S. persons. The United States has, however, **lifted most of** its nuclear-related restrictions for non-U.S. persons.

As further discussed below, the Secondary Sanctions relief focuses on commercial activities and associated services related to:

- Transactions with certain Iranian financial, credit and banking institutions
- Insurance, re-insurance and underwriting services for non-nuclear activities and transactions
- Investment and participation in ventures involving the oil, gas, or petrochemical sectors in Iran
- Shipping, shipbuilding, and port transactions, including the following operators: IRISL, South Shipping Line and NITC
- Sale, supply, export, or transfer of gold and precious metals
- Trade with Iran in graphite, raw or semi-finished metals such as aluminum and steel, coal
- Sale, supply or transfer of goods and services in Iran's automotive sector

Sanction List Removals

The U.S. government also removed over 400 individuals and entities from OFAC's List of Specially Designated Nationals and Blocked Persons (SDN List), Foreign Sanctions Evaders List (FSE List), and/or Non-SDN Iran Sanctions Act List (NS-ISA List).

The names of those individuals and entities are set out in Attachment 3 to Annex II of the JCPOA. Beginning on Implementation Day, non-U.S. persons are no longer subject to sanctions for conducting transactions with those delisted individuals and entities. However, secondary sanctions will continue to apply to non-U.S. persons for conducting transactions with any of the more than 200 Iranian or Iran-related individuals and entities who remain on the SDN List. Accordingly, non-U.S. persons must still continue to conduct screening to verify they are not doing business with an SDN.

DEALING WITH DESIGNATED PARTIES: ASSET FREEZES

What is prohibited?

The property and interests in property of all parties on OFAC's list of Specially Designated Nationals (SDN List) are blocked where that property is in the US, comes within the US or comes within the possession or control of US persons.

This extends to blocking the property of an entity in which a designated party (or one or more designated parties) owns a 50% or greater interest (either directly or indirectly), even if that entity is not itself designated.

It is prohibited to enter into a property transaction with a designated party, unless exempt or otherwise authorised.

→ What does this mean?

Blocking property imposes an across-the-board prohibition against transfers or dealings of any kind with that property.

"Property" includes funds and other financial assets.

If a party is on the SDN List, any commercial dealings with that party, or with any entity in which the designated party owns a 50% or greater interest, are effectively prohibited.

How is the shipping industry affected by the asset freeze provisions?

Effective Implementation Day, it is no longer sanctionable for non-U.S. persons to transact with Iran's shipping and shipbuilding sectors and port operators, including National Iranian Tanker Company (NITC) and the Islamic Republic of Iran Shipping Lines (IRISL). Asset Freezes would still apply to entities that are currently designated as SDNs.

How can I find out which parties are designated?

The full SDN List can be found on the OFAC website: <http://www.treasury.gov/resource-center/sanctions/SDN-List/Pages/default.aspx>

It is also possible to search the list via the website: http://www.treasury.gov/resource-center/sanctions/SDN-List/Pages/fuzzy_logic.aspx

OFAC has also published to its website additional information regarding actions to give effect to other JCPOA commitments, including removals from the Specially Designated Nationals and Blocked Persons List, the Foreign Sanctions Evaders List, and/or the Non-SDN Iran Sanctions Act List, as appropriate: https://www.treasury.gov/resource-center/sanctions/OFAC-Enforcement/Pages/updated_names.aspx

CARGO: IMPORT, EXPORT AND RELATED RESTRICTIONS

Carrying cargo to Iran – what cargos are prohibited?

General prohibition on all US goods, technology or services

In general, unless authorized by a general license or a specific OFAC license is granted, it is prohibited to export, re-export, sell or supply, directly or indirectly, any goods, technology or services from the US or by a US person, wherever located, to Iran or the Government of Iran.

It is prohibited to export from the US any goods, technology or services if the party exporting them knows, or has reason to know, that the items are intended for supply, transshipment or re-exportation to Iran.

Exportation is also prohibited if the exporter knows or has reason to know that the US items are intended for use in the production of, for commingling with, or for incorporation into goods, technology or services to be directly or indirectly supplied, transhipped or re-exported exclusively or predominately to Iran or the Government of Iran.

This prohibition extends to providing services, including any brokering function from the US or by a US person, wherever located. For example, a US person (wherever located) or any person acting within the US, may not broker off-shore transactions which benefit Iran or the Government of Iran. This includes the sale of foreign goods and arranging for third-country financing or guarantees.

→ Extraterritorial effect

Foreign parties who are not US persons are prohibited from re-exporting sensitive US-origin goods, technology or services to Iran or the Government of Iran. **Implementation Day does not provide relief for the re-export of U.S.-origin goods.**

OFAC specifically stated in recent guidance that U.S. controls on the exportation or reexportation of goods, technology, and services to Iran imposed pursuant to the Iran Transactions Sanctions Regulations (ITSR), including sections 560.204 and 560.205, as well as the Export Administration Regulations, 15 C.F.R. parts 730-774 (EAR), and the International Traffic in Arms Regulations, 22 CFR parts 120-130 (ITAR), remain in place. Pursuant to these authorities and unless exempt from regulation or authorized under the relevant regulations, the reexportation by non-U.S. persons of items that contain 10 percent or more U.S.-controlled content with knowledge or reason to know that the reexportation is intended specifically to Iran or the Government of Iran, generally requires a license.

For example, the ITAR would prohibit the export or reexport by a foreign person to Iran of U.S.-origin items listed on the United States Munitions List. Thus, a non-U.S. person would be prohibited from reexporting U.S. origin military-related cargo such as certain rockets, ammunition, guns, aircraft articles, personal protective equipment, turbofan and turbojet engines. Likewise, non-U.S. persons would require a license to reexport certain U.S. origin items controlled on the Commerce Control List. Examples of such items would include certain computer hardware, certain telecommunications systems, crude petroleum including reconstituted crude petroleum, and natural gas liquids.

Foreign parties involved in such reexports may be placed on the US Commerce Department's "Export Denial Orders" list.

→ Are there any exceptions?

There are certain limited exceptions to this prohibition, in particular:

- agricultural commodities;
- food;
- medicine;
- medical devices;
- humanitarian assistance exports;
- certain information and informational materials;
- exports related to the exchange of personal communications over the internet;
- exports or reexports related to fee-based services incident to the exchange of personal communications over the Internet, such as instant messaging, chat and email, social networking, sharing of photos and movies, web browsing, and blogging;
- exports or reexports related to fee-based software subject to the Export Administration Regulations, 15 C.F.R. parts 730 through 774 (the “EAR”), that is necessary to enable services incident to the exchange of personal communications over the Internet, such as instant messaging, chat and email, social networking, sharing of photos and movies, web browsing, and blogging, provided that such software is designated EAR99 or classified by the US Department of Commerce on the Commerce Control List, 15 C.F.R. part 774, supplement No. 1 (“CCL”), under export control classification number (“ECCN”) 5D992.C;
- exports or reexports related to fee-based software that is not subject to the EAR because it is of foreign origin and is located outside the United States that is necessary to enable services incident to the exchange of personal communications over the Internet, such as instant messaging, chat and email, social networking, sharing of photos and movies, web browsing, and blogging, provided that such software would be designated EAR99 if it were located in the United States or would meet the criteria for classification under ECCN 5D992.C if it were subject to the EAR;
- exports or reexports related to certain software and hardware incident to personal communications listed in the Annex to General License D-1;
- importation into the United States of hardware and software previously exported to Iran under General License D-1;
- exports of reexports related to consumer-grade Internet connectivity services and the provision, sale, or leasing of capacity on telecommunications transmission facilities (such as satellite or terrestrial network connectivity) incident to personal communications;
- export or reexport of certain publicly available no cost services and software;
- under newly issued General License H, entities owned or controlled by a United States person and established or maintained outside the United States (a “U.S.-owned or -controlled foreign entity”)

are authorized to engage in transactions, directly or indirectly, with the Government of Iran or any person subject to the jurisdiction of the Government of Iran that would otherwise be prohibited under new General License H

- relatedly, U.S. persons may engage in activities related to the establishment or alteration of operating policies and procedures of a United States entity or a U.S.-owned or -controlled foreign entity, to the extent necessary to allow a U.S.-owned or -controlled foreign entity to engage in the aforementioned authorized transactions; and
 - U.S. persons may engage in activities to make available to those foreign entities that the U.S. person owns or controls any automated and globally integrated computer, accounting, email, telecommunications, or other business support system, platform, database, application, or server necessary to store, collect, transmit, generate, or otherwise process documents or information related to the aforementioned authorized transactions.
 - persons wishing to rely on General License H should proceed with care as the U.S. government has provided specific guidelines and definitions for application of this general license
- for U.S. persons, effective Implementation Day, the U.S. government has issued a statement of favourable licensing policy to permit the export, re-export, sale, lease or transfer of commercial passenger aircraft and related parts and services by U.S. persons to Iran for exclusively civil, commercial passenger aviation end-use;
 - a general license, effective Implementation Day will also permit the importation into the United States of Iranian-origin carpets and foodstuffs, including pistachios and caviar;
 - exports related to safe operation of aircraft;
 - exports to the International Atomic Energy Agency;
 - exports to support activities of non-governmental organisations promoting democracy in Iran; and
 - exports which the President determines are in the US national interest.

Authorized Cargo Effective Implementation Day

1. Goods and services which enhance Iran's ability to develop petroleum resources

Non-U.S. persons are no longer prohibited from selling, leasing or providing goods, services, technology or support to Iran which could directly and significantly contribute to the enhancement of Iran's ability to develop petroleum resources located in Iran.

2. Refined petroleum products

Non-U.S. persons are no longer prohibited from providing Iran with refined petroleum products.

3. Goods and services which enhance Iran's ability to import refined petroleum products

Non-U.S. persons are no longer prohibited from selling, leasing or providing to Iran any goods, services, technology, information or support which could directly or significantly contribute to the enhancement of Iran's ability to import refined petroleum products. "Services" covers underwriting, providing insurance/reinsurance, financing and brokering. It also covers providing ships and shipping services to deliver refined petroleum products to Iran.

4. Goods and services which facilitate Iran's domestic production of refined petroleum products (RPP)

Non-U.S. persons are no longer prohibited from selling, leasing or providing to Iran any goods, services, technology, information or support which could directly and significantly facilitate the maintenance or expansion of Iran's domestic production of refined petroleum products.

6. Goods and services which facilitate Iran's domestic production of petrochemical products

Non-U.S. persons are no longer prohibited from selling, leasing or providing goods, services, technology or support to Iran which could directly and significantly facilitate the maintenance or expansion of its domestic production of petrochemical products.

7. Goods or services used in connection with Iran's energy, shipping or shipbuilding sectors

Non-U.S. persons are no longer prohibited from knowingly selling, supplying or transferring significant goods or services used in connection with Iran's energy, shipping or shipbuilding sectors to or from Iran.

8. Precious metals, minerals, metals and related materials

Non-U.S. persons are no longer prohibited from selling, supplying or transferring the following goods to or from Iran:

- precious metals
- graphite
- coal
- raw or semi-finished metals

9. Software for integrating industrial processes

Non-U.S. persons are no longer prohibited from selling, supplying or transfer software for integrating industrial processes to or from Iran.

10. Goods in Iran's automotive sector

Non-U.S. persons are prohibited from engaging in activities related to the transfer of goods to Iran with respect to Iran's automotive industry.

Carrying cargo from Iran – what cargos are prohibited?

General Prohibition on all goods and services of Iranian origin

It is prohibited to import any goods or services of Iranian origin into the US, either directly or through third countries.

US persons are also prohibited from providing financing for prohibited import transactions.

→ Are there any exceptions?

There are certain very limited exceptions to this prohibition, including:

- gifts valued at \$100 or less;
- information and informational materials;
- household and personal effects, of persons arriving in the US, that were used abroad by the importer or by other family members, which are not intended for any other person or for sale, and that are not otherwise prohibited from importation;
- Baggage for personal use normally to travel; and
- a general license, effective Implementation Day will also permit the importation into the United States of Iranian-origin carpets and foodstuffs, including pistachios and caviar.

Dealing in Iranian goods or services – what is prohibited?

General Prohibition on all goods and services of Iranian origin or goods and services owned or controlled by the Government of Iran

It is prohibited to knowingly engage in any transactions, including the purchase, sale, transportation, swap, financing or brokering transactions related to goods or services of Iranian origin or goods or services owned or controlled by the Government of Iran.

This prohibition applies to transactions by US persons in locations outside the US with respect to goods or services which are of Iranian origin or are owned or controlled by the Government of Iran. US persons may not import such goods or services into or export them from foreign locations.

→ Extraterritorial effect

Pursuant to General License H, the U.S. has afforded some relief to entities owned and controlled by a U.S. person.

→ Are there any exceptions?

A US party may engage in transactions in third countries necessary to sell, dispose of, store or maintain goods located in a third country which were legally acquired by the US party prior to 7 May 1995, on the condition that the transactions do not result in an importation into the US of goods of Iranian origin.

BANKING, FINANCIAL SERVICES AND RELATED SANCTIONS

General Secondary Sanctions targeted at foreign banks have been lifted

The following activities by Non-U.S. persons are no longer sanctionable:

- Financial and banking transactions with individuals and entities set out in [Attachment 3 to Annex II of the JCPOA](#), including: the Central Bank of Iran (CBI) and other specified Iranian financial institutions; the National Iranian Oil Company (NIOC), the Naftiran Intertrade Company (NICO), the National Iranian Tanker Company (NITC), and other specified individuals and entities identified as the Government of Iran by Office of Foreign Asset Control (OFAC); and certain designated individuals and entities that were removed from the SDN List on Implementation Day (see section 4.1.1 of Annex II of the JCPOA);
- Transactions involving the Iranian rial or maintaining funds or accounts outside of Iran denominated in the Iranian rial (see section 4.1.2 of Annex II of the JCPOA);
- Providing U.S. bank notes to the Government of Iran (see section 4.1.3 of Annex II of the JCPOA);
- The purchase, subscription to, or facilitation of the issuance of Iranian sovereign debt, including governmental bonds (see section 4.1.5 of Annex II of the JCPOA);
- Providing specialized financial messaging services to the CBI and Iranian financial institutions set out in [Attachment 3 to Annex II of the JCPOA](#) (see section 4.1.6 of Annex of the JCPOA); and
- The provision of associated services.

Mandatory sanctions are still targeted at foreign banks which knowingly facilitate:

- Iranian WMD transactions;
- Transactions related to Iran's support for terrorism;
- The activities of parties on the SDN List;
- Significant transactions with the IRGC or its affiliates;
- Significant transactions with Iranian-linked banks designated by the US.

Significant transactions with designated Iranian financial institutions

The US Treasury must either prohibit or impose strict conditions on US banks' maintenance of correspondent accounts for foreign financial institutions which knowingly conduct or facilitate any significant transactions or facilitate the activities of a designated Iranian financial institution or any other designated Iranian entity.

Facilitating Iran's pursuit of Weapons of Mass Destruction or support of terrorism

The US Treasury must either prohibit or impose strict conditions on US banks' maintenance of correspondent accounts for foreign financial institutions which knowingly facilitate Iran's pursuit of Weapons of Mass Destruction or support of terrorism.

Insurance, re-insurance and underwriting services for non-nuclear activities and transactions

Authorized Underwriting, insurance and reinsurance services

The JCPOA provide for the lifting, on Implementation Day, of secondary sanctions that apply to non-U.S. persons who provide underwriting services, insurance, or re-insurance in connection with activities consistent with the JCPOA, including activities with individuals and entities set forth in Attachment 3 to Annex II of the JCPOA.

Non-U.S. persons may provide underwriting services, insurance, or re-insurance in connection with activities underwriting services, insurance, or re-insurance in connection with activities in the

- Energy, shipping, and shipbuilding sectors of Iran;
- for the National Iranian Oil Company (NIOC) or the National Iranian Tanker Company (NITC);
- or for vessels that transport crude oil, natural gas, liquefied natural gas, petroleum, and petrochemical products to or from Iran.

PROPOSED LEGISLATION

The US Congress is currently considering proposed legislation entitled the Nuclear Iran Prevention Act of 2013. It passed the House of Representatives in July 2013 and was referred to the Senate Committee on Banking, Housing, and Urban Affairs in August of 2013. The Senate has yet to take further action. It includes several provisions, which will be of special interest to the shipping industry if they are passed. Principal among these are provisions that:

- Prohibit any foreign vessel from entering or operating in US navigable waters or transferring cargo in any port or place under US jurisdiction if such vessel is a foreign vessel (1) on a specified list of vessels owned or operated by or on behalf of IRISL, the National Iran Tanker Company (or any successor entity), or otherwise owned or operated on behalf of Iran; and (2) registered by a government that maintains a registration of a listed vessel.
- Deny access to the US of all ships of a country that allows Iranian-owned or operated vessels to be registered under such country's registry if more than 180 days after such list's publication the government continues to maintain a registration for a listed vessel.
- Direct the President to block the property of entities that operate special economic zones or free economic zones and entities in "strategic sectors." Shipping and shipbuilding are within the definition of "strategic sector."

RECOMMENDED CHARTERPARTY CLAUSE

For owner members, in order to safeguard their interests vis a vis their Charterers and minimise the risk they will become exposed to sanctions, The Club recommends, if possible, agreeing a wide-ranging warranty by which Charterers agree that their orders will not breach any applicable sanctions. The following clause, for example, is very wide-ranging:

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Charterers warrant that no voyage, shipment, carriage, sub-charter and/or operation, including the provision, stem and use of bunkers to and by the Vessel, will expose (i) the Vessel and/or (ii) Owners and/or (iii) Owners' affiliates, subsidiaries, servants, agents, employees, managers, crew and/or Master and/or (iv) the Vessel's insurers or their reinsurers and/or (v) vessels (and/or their owners) under the same management as the Vessel and/or (vi) third party contractors and/or (vii) any entity directly or indirectly related to Owners to any sanction or prohibition imposed by any State, Supranational or International Governmental Organisation (including but not limited to the United States of America, the European Union and the United Nations).

Charterers warrant that no voyage, shipment, carriage, sub-charter and/or operation, including the provision, stem and use of bunkers to and by the Vessel, will be unlawful under and/or in breach of any law or regulation of any applicable State, Supranational or International Governmental Organisation (including but not limited to the United States of America, the European Union and the United Nations).

Should the vessel become arrested or detained in Iran for whatever reason charterers warrant to provide security to release the vessel and all time losses shall be for charterer account.

Charterers shall indemnify owners and hold owners harmless for any losses, claims and liabilities of whatsoever nature that owners will suffer as a direct or indirect result of any sanction or prohibition imposed by any State, Supranational or International Governmental Organisation (including but not limited to the United States of America, the European Union and the United Nations).

Unquote

Legal advice should be obtained to ensure that any proposed clause is appropriate for the particular circumstances and in line with all other contract terms.