

**Ref:2024/2**

**TO: ALL MEMBERS**

**April, 2024**

**UPDATING OF PRACTICE RECOMMENDATION – INTERNATIONAL SANCTIONS**

Practice Recommendation 9 has been updated as set out on the following page.

The changes highlight the need for tanker Members to provide attestations to the Association in relation to the carriage of Russian oil and refined petroleum products.

Should Members have any queries then please contact the Managers.

Yours faithfully  
**THOMAS MILLER DEFENCE LTD.**  
Managers

## Practice Recommendation 9

### Compliance with international sanctions and other mandatory legislation

Members will be aware that at various times governmental or other supranational bodies introduce sanctions or other types of legislation which impact on the ability of Members and others to conduct business or trade to particular areas or countries. This has particularly been the case recently in respect of the UN, US, UK and the EU which have introduced various sanctions regimes affecting business and trading relations with a number of countries including Russia, Iran, Syria, Libya and Venezuela.

Members are reminded under Rule 3(4)(b) of the Association's Rules, the reasonableness of a Member's conduct is one of the factors which the Directors may take into account when considering the extent to which the Association can support the costs of a case.

In addition Members are reminded that under Rule 4(2) any costs arising out of or consequent upon an Entered Ship carrying contraband, blockade running or being employed in any unlawful or sanctionable trade are expressly excluded from the Association's cover unless and to the extent that the Directors in their discretion otherwise decide.

Under proviso (b) to Rule 2, the Association's cover is premised on the basis that there will be no recovery of any costs which could risk the Association being or becoming subject to any sanction or prohibition. A Member's Entry may be terminated upon 30 days' written notice under Rule 17(3) and Rule 17(4)(a) also provides that the cover may be suspended until further notice or may be terminated immediately where the Association determines that it is exposed to the risk of secondary sanctions as a result of an Entered Ship being employed in a sanctionable trade. Additionally, under Rule 17(4)(b) cover may be terminated immediately if a Member or Entered Ship is sanctioned.

If an Entered Ship or Member is named as a sanctioned entity, for example as a Specially Designated National by the US Office of Foreign Assets Control, it is likely that cover will be immediately suspended or terminated.

In certain circumstances it may be necessary for tanker Members to provide bespoke attestations to the Association for the carriage of Russian crude oil and refined petroleum products. It is important that all Members undertake due and proper enquiries before entering into transactions, voyages or other arrangements that may potentially be affected by any governmental or supranational legislation including sanctions, as claims that arise subsequently may not be recoverable from the Association.