

Impact of Economic Sanctions on the Shipping Industry

**University of Texas School of Law
27th Annual Admiralty and Maritime Law Conference
Houston, Texas
September 21, 2018**

Presentation by:

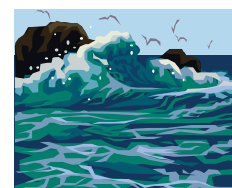
Jonathan Epstein, Holland & Knight LLP, Washington DC
1.202.828.1870 | jonathan.epstein@hklaw.com



Copyright © 2016 Holland & Knight LLP All Rights Reserved

The Rocks and Shoals of Sanctions Compliance

- **Rapid changes**
 - New executive orders and legislation
 - Frequent designations and designations with worldwide impact (Rusal)
- **Limited Sanctions**
 - Venezuela
 - Russia Sectoral Sanctions
- **U.S. secondary sanctions & conflicting laws**



Additional Factors Making Compliance Difficult

- Sanctions as an important foreign policy tool
 - Decision-making elevated to White House
 - Implications for Office of Foreign Assets Control (OFAC)
- Differing “benchmarks” as to what is effective compliance
 - Large versus small companies
 - Primary jurisdiction of company
 - Financial institutions versus commercial businesses
- The role of banks as enforcers of sanctions has grown



Holland & Knight

U.S. Economic Sanctions Laws

- Administered by the U.S. Department of the Treasury's Office of Foreign Assets Control (OFAC)
- Country based sanctions: Cuba, Iran, Syria, North Korea, and Crimea region
- List based, targeted, or limited sanctions programs by country or program
- Export control overlap with U.S. Department of Commerce's Bureau of Industry and Security (BIS)



Holland & Knight

Barred Entity List and Screening

- Specially Designated Nationals and Blocked Persons List (SDN)
 - Implements restrictions on persons and entities under numerous statutes and executive orders
 - Specially Designated Narcotics Trafficker (SDNT)
 - Entities associated with certain embargoed countries
- Entities owned or controlled by an SDN
 - 50% Rule
 - Due diligence issues
- BIS Entity List and Denied Persons List
 - Restricts the export/reexport of goods subject to U.S. jurisdiction to such entities
 - Prohibits any person from using, selling, etc., goods illegally exported

Specially Designated National (SDN) List & Other Targeted Entities

Name	Address	Type	Program(s)	List	Score ▼
HORMOZ OIL REFINING COMPANY	Next to the Current Bandar Abbas Refinery	Entity	IRAN	Non-SDN	100
PERSIA OIL & GAS INDUSTRY DEVELOPMENT CO.	7th Floor, No. 346, Mirdamad Avenue	Entity	IRAN	Non-SDN	100
PERSIA OIL AND GAS INDUSTRY DEVELOPMENT CO.	7th Floor, No. 346, Mirdamad Avenue	Entity	IRAN	Non-SDN	100
PARS OIL		Entity	IRAN	Non-SDN	100
PARS OIL CO.		Entity	IRAN	Non-SDN	100
COMMERCIAL PARS OIL CO.	9th Floor, No. 346, Mirdamad Avenue	Entity	IRAN	Non-SDN	100
OIL INDUSTRY INVESTMENT COMPANY	No. 83, Sepahbod Gharani Street	Entity	IRAN	Non-SDN	100
QAO ROSNEFT OIL COMPANY	26/1 Sofiyskaya Embankment	Entity	UKRAINE-EO13662	Non-SDN	100
OIL COMPANY ROSNEFT	26/1 Sofiyskaya Embankment	Entity	UKRAINE-EO13662	Non-SDN	100
SHIPPING AGENCIES CO.	Port Said Street, P.O. Box 28	Entity	SYRIA	SDN	100
SYRIAN SHIPPING AGENCIES COMPANY	Port Said Street, P.O. Box 28	Entity	SYRIA	SDN	100
SYRIAN CHAMBER OF SHIPPING	Al Jazeera Street, Farid Hanna Bldg. 8th Fl., P.O. Box 1731	Entity	SYRIA	SDN	100
STATE SHIPPING COMPANY KERCH SEA FERRY	Tselimbernaya Street 16	Entity	UKRAINE-EO13685	SDN	100
MILENYUM SHIPPING	c/o Milenyum Denizcilik Gemi H., Hizmetleri Ltd. Sti, Nazlı Sokak 9, Halilrifatpasa Mah, Sisli	Entity	SYRIA	SDN	100
GREEN SHIPPING LTD.	c/o Milenyum Denizcilik Gemi Hizmetleri Acentelik ve Özel Öğretim Hizmetleri Ltd. Sti, Nazlı Sokak 9, Halilrifatpasa Mah, Sisli	Entity	SYRIA	SDN	100
	c/o Milenyum Denizcilik Gemi Hizmetleri				

Find the full text of this and thousands of other resources from leading experts in dozens of legal practice areas in the [UT Law CLE eLibrary \(utcle.org/elibrary\)](https://utcle.org/elibrary)

Title search: Impact of Economic Sanctions on the Shipping Industry

Also available as part of the eCourse

[2018 Admiralty and Maritime Law eConference](#)

First appeared as part of the conference materials for the
27th Annual Admiralty and Maritime Law Conference session

"Sanctions on Imports and Exports and Their Impact on the Shipping Industry"