

**CIRCULAR REF: MSMI 2010/006**

**CIRCULATED TO ALL MEMBERS, BROKERS AND DIRECTORS  
ATTENTION INSURANCE DEPARTMENT**

**5 July 2010  
MJS**

**IRAN - US SANCTIONS - REFINED PETROLEUM PRODUCTS**

On 1 July 2010 the USA enacted legislation targeting amongst other things the importation of refined petroleum products into Iran. The legislation formerly referred to as the Iran Refined Petroleum Sanctions Act (or IRPSA) now goes under the title the Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010 (or "CISAD").

CISAD is now signed into law and effective.

[http://fin.nepia.com/modules/assetlibrary/z\\_extra/getAsset.php?type=file&id=4588](http://fin.nepia.com/modules/assetlibrary/z_extra/getAsset.php?type=file&id=4588)A copy of President Obama's statement concerning the legislation is attached.

A copy of the Act is attached.

Amongst other things CISAD makes it illegal to ship or to insure the shipments of Refined Petroleum Products into Iran. Refined Petroleum Products are defined by CISAD to include "...diesel, gasoline, jet fuel (including naphtha-type and kerosene-type jet fuel), and aviation gasoline."

It appears that the Act may also apply to any form of support for the development of Iran's direct domestic refining capability. This could include the shipment of materials, provision of services, technical support, or finance for such development.

Businesses which break that law are likely to find that their dollar transactions are blocked by the US banking system. It follows that what is essentially a piece of US domestic legislation can be enforced against any business entity – including MSMI and its Members – which trade in dollars.

Members are reminded that pursuant to Rule 28(d) their insurance will cease:

*"...where by operation of law the Association is prohibited or prevented from providing Insurance to the Member (the reference to "operation of law" includes any direction, regulation, sanction or other measure issued or implemented by any government, authority or power in a position to require, compel or enforce compliance therewith by the Association or its Members, Directors, Managers, officers, employees, servants or agents)."*

Members who are performing or intend to perform voyages carrying Refined Petroleum Products to Iran should notify the Managers (Mike Salthouse, Mark Robinson or Graham Anderson) as soon as practicable.

M J C SALTHOUSE

DIRECTOR - North Insurance Management Limited

As Managers on behalf of the North of England P&I Association Limited