



CHINA SHIPOWNERS MUTUAL ASSURANCE ASSOCIATION

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To all members,

IRAN SANCTIONS – UPDATE

It was announced on 2 April 2015 that the so-called P5+1 powers (China, France, Germany, the Russian Federation, UK and USA), the European Union and Iran had reached a framework agreement which, subject to further and detailed negotiations to be completed by 30 June 2015, will see sanctions against Iran relaxed in exchange for significant and verifiable steps to be taken by Iran in relation to its nuclear programme.

The key parameters includes:

- Iran has agreed to reduce by approximately two-thirds its installed centrifuges. Iran will go from having about 19,000 installed today to 6,104 installed under the deal, with only 5,060 of these enriching uranium for 10 years.
- Iran has agreed to reduce its current stockpile of about 10,000 kg of low-enriched uranium (LEU) to 300 kg of 3.67 percent LEU for 15 years. Iran has agreed to not build any new facilities for the purpose of enriching uranium for 15 years.
- Iran has agreed to redesign and rebuild a heavy water research reactor in Arak, based on a design that is agreed to by the P5+1, which will not produce weapons grade plutonium, and which will support peaceful nuclear research and radioisotope production. Iran will not build any additional heavy water reactors for 15 years.

China Shipowners Mutual Assurance Association

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- All excess centrifuges and enrichment infrastructure will be placed in IAEA monitored storage and will be used only as replacements for operating centrifuges and equipment.
- U.S. and E.U. nuclear-related sanctions will be suspended after the IAEA has verified that Iran has taken all of its key nuclear-related steps.

Whilst it is to be hoped that further clarification will be forthcoming as the precise terms of the full agreement are negotiated between the parties over the coming months, the US authorities have underlined the fact that in the meantime all existing sanctions – as well as the current relaxation of certain sanctions under the Joint Plan of Action (JPOA) agreed on 24 November 2013 – remain firmly in place.

Therefore, the Club cover may be prejudiced in case the Members engage in sanctionable transactions.

Members are therefore reminded of the continuing need to exercise due diligence with regard to trade which may be subject to sanctions, and should contact the Club for assistance should they be in any doubt.

Yours Faithfully

China Shipowners Mutual Assurance Association