



CHINA SHIPOWNERS MUTUAL ASSURANCE ASSOCIATION

CPI Underwriting 2014 No.15

Date: 12th December 2014

To all members,

Further Extension of Sanctions Relief under Joint Plan of Action - 24 November 2014

Dear Sirs:

On 24 November 2014, the P5+1 countries - China, France, Germany, the Russian Federation, the United Kingdom and the United States - agreed with Iran to extend the implementation of the measures of the Joint Plan of Action (JPA) until 30 June 2015. The JPA originally ran for a period of six months from 20 January 2014. The JPA undertakings were then subsequently extended to 24 November 2014. As the parties have failed to reach a final agreement concerning Iran's nuclear programme, they have agreed to extend negotiations until 1 July 2015, with the expectation that terms should be reached by 1 March 2015. Discussions between the parties are expected to reconvene in December 2014.

In summary, the US measures broadly include the temporary suspension of sanctions on:

- Iran's petrochemical exports, as well as sanctions on any associated services;
- The purchase by China, India, Japan, the Republic of Korea, Taiwan, and Turkey of crude oil from Iran so as to maintain their current average level of imports from Iran and to render non-sanctionable a limited number of transactions for the release in instalments of an agreed amount of revenue to Iran for receipt at participating foreign financial institutions in selected jurisdictions;
- Provision of goods or services to Iran's auto industry;
- The purchase or acquisition of precious metals to or from Iran, as well as sanctions on associated services;
- Provision of goods or services for Iranian civil aviation.

The EU measures involve the suspension of the following restrictive measures:

- The prohibition on the transport (but not the prohibitions on purchase or import into the EU) of Iranian crude oil if it originates in Iran or is being exported from Iran to any other (i.e. non-EU) country;
- The prohibition on the provision of insurance and reinsurance related to the import, purchase or transport of crude oil of Iranian origin or that has been imported from Iran;
- The prohibition on the import, purchase or transport of Iranian petrochemical products and on the provision of related financial services, including insurance and reinsurance;
- The prohibition on trade in gold and precious metals, but not diamonds, with the

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Government of Iran, its public bodies and the Central Bank of Iran, or persons and entities acting on their behalf;

- The prohibition on making available vessels designed for the storage of oil and petrochemical products to any Iranian person entity or body, or to others where the vessel is used to carry or store oil or petrochemical products that originate in Iran or which have been exported from Iran.

The following EU measures shall also continue to apply until 30 June 2015, unless revoked sooner:

- Increased notification and authorisation thresholds in respect of payment to/ from Iran (as set out in in Regulation 267/2012 Article 30(3)(a)(b) and (c), and Article 30a(1(b) and (c)), meaning that parties may make payments to Iran up to the specified amounts without having to make prior notification or seek prior authorisation from their competent authority;
- A derogation from the asset freezing provisions in Article 23 (2) and (3) of Regulation 267/2012 in favour of the Iranian Ministry of Petroleum, to enable funds and economic resources to be made available where necessary for the execution of contracts for import, purchase or transport of petrochemical products (as listed in Annex V of Regulation 267/2012) that originate in Iran or which have been imported from Iran.

In the case of both the EU and US measures, the relief granted may be revoked at any time if Iran does not meet its commitments under the JPA. All other EU and US sanctions remain in place save for the limited and specific sanctions relief under the JPA which has now been extended until 30 June 2015.

Copies of an FAQ and Guidance Note on the JPA measures published by the US can be downloaded from the links set out below.

<http://www.steamshipmutual.com/Downloads/Sanctions/OFAC%20FAQ%20JPA%20EXTENSION%2024%20NOVEMBER%202014.pdf>

<http://www.steamshipmutual.com/Downloads/Sanctions/US%20GUIDANCE%20JPA%20EXTENSION%2025%20NOVEMBER%202014.pdf>

Yours Faithfully

China Shipowners Mutual Assurance Association