

14 May 2014

## **TO ALL MEMBERS**

Dear Sirs,

### **Update - Sanctions in Respect of Ukraine**

Members are referred to the Club circular dated 19/March/2014. In response to recent actions and use of violence in Ukraine both the EU and the US have introduced sanctions which are limited to targeting certain individuals. There are currently no measures aimed specifically at shipping or insurance. However, members and assured with vessels calling at ports in Ukraine should ensure that no sanctioned individuals or entities are involved.

The US authorities adopt the approach that designations extend to any entity owned or controlled by designated persons. Similarly, EU Regulations apply to funds and resources "controlled by" listed persons and prohibit making funds available to such persons "directly or indirectly".

In the absence of a political breakthrough, it is likely that sanctions will be extended and the situation remains fluid.

### **US**

On 6 March 2014 the President signed Executive Order 13660 allowing to sanction any individual or entity responsible for or complicit in actions that undermine the democratic process or threaten the peace, security and stability of Ukraine. This was expanded on 17 March 2014 by a second Executive Order enabling the targeting of Russian entities and individuals, including government officials. This was followed by designations of several individuals and entities (both Russian and Crimean officials, individual businessmen, banks and commercial companies) – the latest list can be found on US treasury website :

<http://www.treasury.gov/resource-center/sanctions/SDN-List/Pages/default.aspx>.

### **EU**

On 5 March 2014 the EU issued Council Regulation No 208/2014 freezing funds and economic resources of designated 18 persons identified as responsible for misappropriation of Ukrainian state funds and violence. On 17 March 2014, EU Council Regulation 269/2014 designated a further 21 individuals. The individuals are listed in Annex I of each of the Regulations.

On 15 April 2014 EU has amended Council Regulation 208/2014 adding four more individuals to the list.

On April 28 EU has implemented Regulation No. 433/2014 adding 15 more individuals to the list established by Regulation No. 269/2014.

Members are reminded that the Sanctions Risks clause as contained in the Club rules may be triggered if the members have trade/contracts involving designated parties, or where the employment of vessels contravenes sanctions regulations.

We will continue to monitor the situation and update.

Yours faithfully

China Shipowners Mutual Assurance Association