

CLIENT ALERT:

**U.S. PROVIDES GUIDANCE ON EXTENDED EASING OF
SANCTIONS AGAINST IRAN UNTIL NOVEMBER 24, 2014**

July 22, 2014

On July 21, 2014, OFAC and the Department of State issued a new Guidance relating to the extension of the prior easing of U.S. sanctions against Iran up to November 24, 2014. New FAQs have also been issued. Both the Guidance and the FAQs can be accessed at the OFAC website: <http://www.treasury.gov/resource-center/sanctions/Programs/pages/iran.aspx>

The Guidance and the FAQs are essentially a restatement of those that were issued on January 20, 2014, when the easing of U.S. sanctions was first announced. That prior Guidance was summarized in our Client Alert of January 21, 2014, which is available on the News & Articles page of our website, at www.freehill.com. There is, however, one notable clarification in the new Guidance relating to the provision of insurance. Footnote 1 on page one of the Guidance reads:

Insurance payments for claims arising from incidents that occur during the JPOA Period and/or the Extended JPOA Period may be paid after November 24, 2014, so long as the underlying transactions and activities conform to all other aspects of the sanctions remaining in place and the terms of the sanctions relief provided by the JPOA. Insurance and reinsurance companies should contact the USG directly with any inquiries. U.S. persons and U.S.-owned or -controlled foreign entities remain prohibited from participating in the provision of insurance or reinsurance services to or for the benefit of Iran or sanctioned entities, including with respect to all elements of the sanctions relief provided pursuant to the JPOA, unless specifically authorized by OFAC.

This clarification is repeated in FAQs 12 and 14. Therefore, a P&I Club or other insurer may now insure a permissible voyage or cargo during the extended period of the easing of U.S. sanctions and may also pay claims arising out of that voyage after the extended period of the easing of sanctions expires on November 24, 2014. Previously, it was unclear whether insurance payments made after the expiration of the easing of sanctions would constitute a violation. Now it is clear that they will not, as long as the underlying transaction was permissible.

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