



## OFAC Advisory to the Maritime Petroleum Shipping Community

**Issued:** November 20, 2018  
**Subject:** Sanctions Risks Related to Shipping Petroleum to Syria

The U.S. Department of the Treasury's Office of Foreign Assets Control (OFAC), with the U.S. Department of State and the U.S. Coast Guard, is issuing this advisory to alert persons globally to the significant U.S. sanctions risks for parties involved in petroleum shipments to Syria. These shipments create significant sanctions risk for entities and individuals in the shipping industry, including insurers, shipping companies, financial institutions, and vessel owners, managers, and operators.

The United States is committed to disrupting illicit financial and other support to the Syrian Government, to include transporting petroleum to its state-owned and -operated ports, regardless of the location or nationality of those facilitating such support. Countries such as Iran and Russia have been involved in providing Syria with petroleum. Those who facilitate the financial transfers, logistics, or insurance associated with these or other petroleum shipments are at risk of being targeted by the United States for sanctions.

The United States and its international partners continue to demonstrate resolve to disrupt support for the Assad regime by preventing the normalization of economic and diplomatic relations and reconstruction funding and permanently denying the regime the use of chemical weapons. The United States is committed to isolating the Assad regime and its supporters from the global financial and trade system in response to the continued atrocities committed by the regime against the Syrian people. The United States, European Union (EU), and United Nations (UN) maintain sanctions programs against Syria, and the United States will continue to maximize pressure on the Assad regime and impose additional financial costs on the regime and its financial facilitators. The United States prohibits virtually all trade and other transactions directly or indirectly by U.S. persons with the Government of Syria, and has the authority to sanction entities or individuals who provide support to the Government of Syria — including those who deliver or finance petroleum shipments to the Syrian government or government-owned entities, such as the U.S.-designated Syrian Company for Oil Transport or Baniyas Refinery Company.

This advisory contains an annex providing a non-exhaustive list of vessels that have delivered petroleum to Syria since 2016.<sup>1</sup>

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<sup>1</sup> NOTE: This annex is not a sanctions list or a comprehensive list of vessels in which blocked persons may have an interest. While some vessels on this list may be property in which a blocked person has an interest, the inclusion of

## **Sanctions Risks and OFAC Authorities**

Insurers, shipping companies, financial institutions, and others involved in petroleum-related shipping transactions with the Government of Syria may be subject to designation under one or more sanctions authorities. Similarly, individuals and entities knowingly engaged in certain transactions relating to petroleum and petroleum products from Iran or material support to the Central Bank of Iran or to certain other sanctioned Iran-related persons on OFAC's list of Specially Designated Nationals and Blocked Persons (SDN List) risk exposure to designation or other sanctions under one or more Iran sanctions authorities. A high-level overview of these sanctions authorities follows. However, more information on the Syria and Iran sanctions programs can be found on Treasury's website. Please note this section is current as of the date of this advisory. The most up-to-date information can be found on Treasury's website and the hyperlinks listed in the footnotes below.

### *Syria*

The U.S. government will aggressively target for designation any person who provides support to the regime, for example by facilitating exports to or imports from the Government of Syria, including government-owned entities, unless such exportation or importation is otherwise exempt or authorized.<sup>2</sup>

The United States also prohibits, among other things, any U.S. person from engaging in any transactions with or dealings with the Government of Syria, or entities sanctioned under the Syria Sanctions Program (*see, e.g.*, Executive Order 13582, "Blocking Property of the Government of Syria and Prohibiting Certain Transactions With Respect to Syria" and 31 C.F.R. Part 542).

### *Iran*

The United States is committed to targeting those who provide support to the Iranian regime and its malign activities, and those subject to U.S. jurisdiction who engage in prohibited transactions involving the Government of Iran may be subject to penalties under the Iranian Transactions and Sanctions Regulations, 31 C.F.R. Part 560 (ITSR). Furthermore, any property or interests in property of the Government of Iran that is subject to U.S. jurisdiction

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a vessel in this annex does not constitute a determination by OFAC that the vessel has been identified as property in which a blocked person has an interest. Persons subject to sanctions can be found on OFAC's List of Specially Designated Nationals and Blocked Persons (SDN List) and other sanctions lists, which can be searched [here](#). For more information, please see OFAC's [Iran](#) and [Syria](#) Sanctions webpages.

<sup>2</sup> The term Government of Syria includes: (a) The state and the Government of the Syrian Arab Republic, as well as any political subdivision, agency, or instrumentality thereof, including the Central Bank of Syria; (b) Any entity owned or controlled, directly or indirectly, by the foregoing, including any corporation, partnership, association, or other entity in which the Government of Syria owns a 50 percent or greater interest or a controlling interest, and any entity which is otherwise controlled by that government; (c) Any person that is, or has been, acting or purporting to act, directly or indirectly, for or on behalf of any of the foregoing; and (d) Any other person determined by OFAC to be included within (a) through (c).

must be blocked (*see* Executive Order 13599, “Blocking Property of the Government of Iran and Iranian Financial Institutions” and the ITSR). In addition, pursuant to multiple statutory and executive authorities, non-U.S. persons—including foreign financial institutions—may be subject to sanctions for knowingly conducting significant transactions for, or providing material support to, certain Iran-related sanctioned persons on OFAC’s SDN List. Non-U.S. persons that knowingly own, operate, control, or insure a vessel that transports crude oil from Iran to Syria or other countries that have not received a significant reduction exception could be subject to secondary sanctions under the Iran Sanctions Act.

OFAC sanctions on Iran broadly prohibit U.S. persons and U.S.-owned or -controlled foreign entities from engaging in virtually all transactions or dealings with or involving Iran, the Government of Iran, or Iranian financial institutions, unless the transactions are exempt from regulation or expressly authorized by the U.S. Government. Absent an exemption or OFAC authorization, foreign persons, including foreign financial institutions, are prohibited from processing transactions to or through the United States in violation of these prohibitions, including transactions through U.S. correspondent accounts for or on behalf of Iranian financial institutions, other persons located in Iran, or where the benefit is otherwise received in Iran.

### **Deceptive Shipping Practices Used to Ship Petroleum to Syria**

As the global community increases its pressure on the Syrian regime, persons in the petroleum shipping industry continue to deploy deceptive practices by obfuscating the destination and recipient of oil shipments in the Mediterranean Sea ultimately destined for Syria.

The following list provides examples of the types of tactics used to obfuscate the destination of petroleum bound for Syria.

**Falsifying Cargo and Vessel Documents:** Complete and accurate shipping documentation is critical to ensuring all parties to a transaction understand the parties, goods, and vessels involved in a given shipment. Bills of lading, certificates of origin, invoices, packing lists, proof of insurance, and lists of last ports of call are examples of documentation that typically accompanies a shipping transaction. Shipping companies have been known to falsify vessel and cargo documents to obscure the destination of petroleum shipments.

**Ship to Ship (STS) Transfers:** STS transfers are a method of transferring cargo from one ship to another while at sea rather than while located in port. STS transfers can conceal the origin or destination of cargo.

**Disabling Automatic Identification System (AIS):** AIS is a collision avoidance system, which transmits, at a minimum, a vessel’s identification and select navigational and positional data via very high frequency (VHF) radio waves. While AIS was not specifically designed for vessel tracking, it is often used for this purpose via terrestrial and satellite receivers feeding this information to commercial ship tracking services. Ships meeting

certain tonnage thresholds and engaged in international voyages are required to carry and operate AIS; however, vessels carrying petroleum to Syria have been known to intentionally disable their AIS transponders to mask their movements. This tactic can conceal the destination of cargo destined for Syria.

### **Risk Mitigation Measures**

The risk of engaging in prohibited activity or processing prohibited transactions can be potentially mitigated by implementing the following types of measures:

**Strengthen Anti-Money Laundering/Countering the Financing of Terrorism (AML/CFT) Compliance:** Financial institutions and companies alike should ensure compliance consistent with Financial Action Task Force AML/CFT standards and conduct enhanced due diligence to defend against abuse by the Assad regime and enablers such as the Iran regime.

**Monitor for AIS Manipulation:** Ship registries, insurers, charterers, vessel owners, or port operators should consider investigating vessels that appear to have turned off their AIS while operating in the Mediterranean and Red Seas. Any other signs of manipulating AIS transponders should be considered red flags for potential illicit activity and should be investigated fully prior to continuing to provide services to, processing transactions involving, or engaging in other activities with such vessels.

**Review All Applicable Shipping Documentation:** Individuals and entities processing transactions pertaining to shipments potentially involving petroleum shipments to Syria and/or involving Iranian oil should ensure that they request and review complete and accurate shipping documentation. Such shipping documentation should reflect the details of the underlying voyage and reflect the relevant vessel(s), flagging, cargo, origin, and destination. Any indication that shipping documentation has been manipulated should be considered a red flag for potential illicit activity and should be investigated fully prior to continuing with the transaction. In addition, documents related to STS transfers should demonstrate that the underlying goods were delivered to the port listed on the shipping documentation.

**Clear Communication with International Partners:** Parties to a shipping transaction may be subject to different sanctions regimes depending on the parties and jurisdictions involved, so clear communication is a critical step for international transactions. Discussing applicable sanctions frameworks with parties to a transaction can ensure more effective compliance.

**Leverage Available Resources:** There are several organizations that provide commercial shipping data, such as ship location, ship registry information, and ship flagging information. This data should be incorporated into due diligence practices, along with available information from OFAC as outlined below in the “Syria Sanctions Resources”

section of this advisory.

### **Penalties for Violations of U.S. Sanctions**

Individuals and entities engaged in shipping-related transactions or transfers destined for the Government of Syria or its subsidiaries/instrumentalities, or certain transactions involving Iranian petroleum or certain Iran-related sanctioned persons on the SDN List, should be aware that engaging in sanctionable conduct may result in designation or other sanction under U.S. sanctions authorities and that prohibited conduct could result in civil enforcement actions or criminal penalties for persons or transactions subject to U.S. jurisdiction.

Persons subject to U.S. jurisdiction that violate U.S. sanctions with respect to Syria can be subject to civil monetary penalties equal to the greater of twice the value of the underlying transaction, or \$295,141, per each violation.<sup>3</sup> OFAC investigates apparent violations of its regulations and maintains enforcement authority as outlined in its Economic Sanctions Enforcement Guidelines. See Treasury's [Guidance on OFAC Enforcement Policy](#) for additional information regarding OFAC's enforcement authorities, Economic Sanctions Enforcement Guidelines, and recent civil penalties and enforcement actions.

### **Sanctions Resources**

For additional guidance regarding the U.S. sanctions programs on Syria and Iran, please consult OFAC's Syria Sanctions [FAQs](#) and Iran Sanctions [FAQs](#) pages. For questions or concerns related to OFAC sanctions regulations and requirements, including to disclose a potential violation of U.S. sanctions regulations, please contact OFAC's Compliance Hotline at 1-800-540-6322 or via [OFAC\\_Feedback@treasury.gov](mailto:OFAC_Feedback@treasury.gov). To submit a request for a specific OFAC license, see [OFAC Licensing](#).

IHS Maritime is the manager of the International Maritime Organization (IMO) ship numbering scheme. For verification of IMO numbers for individual ships, you can research existing [IMO numbers](#) or contact IHS Maritime directly via email at [ship.imp@ihs.com](mailto:ship.imp@ihs.com).

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<sup>3</sup> Pursuant to Section 4 of the Federal Civil Penalties Inflation Adjustment Act (1990 Pub. L. 101-410, 104 Stat. 890; 28 U.S.C. 2461 note), as amended by the Debt Collection Improvement Act of 1996 (Pub. L. 104-134, 110 Stat. 1321-373) and the Federal Civil Penalties Inflation Adjustment Act Improvements Act of 2015 (Pub. L. 114-74, 129 Stat. 599, 28 U.S.C. 2461 note) (collectively, the FCPIA Act), requires each federal agency with statutory authority to assess civil monetary penalties (CMPs) to adjust CMPs annually for inflation according to a formula described in section 5 of the FCPIA Act.

## ANNEX

### Non-Exhaustive List of Vessels That Delivered Oil to Syria 2016-2018

Ship Name	IMO
ALMETYEVSK	9621558
ARAMIS	9354521
ARSOS M	9313761
AZIZ TORLAK	9558763
BASILIA	9012305
DISTYA PUSHTI	9179127
ENERGY GAS	9034690
GITTA GAS	8817693
GOEAST	7526924
GOLDEN SEA	8800298
HELEN M	9308223
IRIS GAS	9134359
KADER	9080493
KORSARO	9373137
LEVANTE	9391139
MAESTRO	8810700
MIURA	9390903
MOTIVATOR	9340386
MR NAUTILUS	9150767
OASIS 1	9465629
OCEAN 61	8870865
PATRIOTIC	9361469
RAMA 1	8306711
RAWAN	8697304
RISE DIGNITY	9221970
RISE GLORY	9155808
SEA SHARK	8919154
SENNA 8 <sup>4</sup>	9128673
SIENNA	9147447
TRUE OCEAN	9169421
TRUVOR <sup>5</sup>	9676230
VALE	9391153
VENICE	9005479
VOLGA <sup>6</sup>	9104770
YAZ	9735323

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<sup>4</sup> Formerly ODYN GAS

<sup>5</sup> Formerly MUKHALATKA

<sup>6</sup> Formerly MARSHAL ZHUKOV