



# SANCTIONS ADVISORY



## Guidance for Shipping and Maritime Stakeholders on Detecting and Mitigating Iranian Oil Sanctions Evasion

April 16, 2025

The U.S. Department of the Treasury's Office of Foreign Assets Control (OFAC) is issuing this update to a September 2019 advisory to assist the global shipping and maritime industry in identifying sanctions evasion related to the shipment of Iranian-origin petroleum, petroleum products, or petrochemical products and implement sanctions compliance practices to guard against such sanctions risk. This amended guidance is part of Treasury's implementation of President Trump's February 4, 2025, [National Security Presidential Memorandum \(NSPM-2\)](#), which imposes a policy of maximum pressure on the Government of Iran. NSPM-2 directs Treasury to implement a robust and continual sanctions enforcement campaign to deny the Iranian regime and its terror proxies access to revenue and, in coordination with the Department of State, to drive Iranian oil exports to zero.

Iran relies on oil sales revenue to fund its destabilizing activities, including advancing its nuclear weapons and ballistic missile programs and supporting terrorist groups that threaten the national interests of the United States and its allies and partners. These oil shipments create significant sanctions exposure for maritime industry participants, including, but not limited to, shipping companies, vessel owners, managers, operators, insurers, port operators, port service providers, and financial institutions. OFAC maintains comprehensive sanctions on Iran and will continue to target Iran's main revenue-generating sectors, in particular its petroleum and petrochemical sectors, under Executive Order 13902 and other sanctions authorities. OFAC will also continue to pursue enforcement actions against those who violate any of its Iran sanctions programs.

### Shipment of Iranian Petroleum and Petroleum and Petrochemical Products

Currently, Iran exports approximately 1.6 million barrels per day (bpd) of crude oil and 0.4 million bpd of refined petroleum products via seaborne transport, providing billions of dollars of annual revenue for the Iranian regime. Kharg Island is Iran's largest export facility by volume for crude exports, accounting for around 90 percent of Iran's total seaborne crude loadings. Bandar Mahshahr is the lead facility for the export of Iran's refined products, followed by Bandar Abbas. Fuel oils, such as gasoline and, to a lesser extent, naphtha, are Iran's primary refined product export.

The Iranian regime relies on deceptive international trade practices to evade sanctions and sell its petroleum and petroleum products at a discount, including by shifting its trade patterns to less efficient routes with

multiple transfers, using “shadow” payment channels, and using ships with complex, opaque ownership structures, all to conceal links to Iran.

## The Shadow Fleet

The Iranian regime depends on a vast shadow fleet of tankers to disguise oil shipments and generate billions in revenue in support of its destabilizing activities. The shadow fleet that transports Iranian oil generally comprises older, poorly maintained vessels that operate outside of standard maritime regulations.<sup>1</sup> The use of these tankers, particularly combined with deceptive shipping practices, creates a dangerous operating environment that can pose serious sanctions and safety risks to legitimate shipping activities. This fleet relies on longstanding obfuscation tactics paired with increasingly advanced data manipulation methodologies to transport Iranian petroleum in contravention of U.S. sanctions. Certain maritime sector stakeholders and jurisdictions further aid the shadow fleet by (1) permitting substandard tankers to call at their ports, (2) overlooking adherence to international maritime regulations such as regular port state control inspections, and (3) providing services such as bunkering, flagging, and crew management services to tankers sanctioned by OFAC or to other shadow fleet tankers.

### Flag Registry Trends with Shadow Fleet Vessels

Shadow fleet tankers rely on flag registries with lower operating and due diligence standards. These tankers will regularly (1) move their registration to flag states known to be providing services to other sanctioned tankers, (2) illegitimately claim to fly a flag they are not registered with (i.e., a “false” flag), or (3) be flagged by registries that are not authorized to provide flagging services for a particular jurisdiction (i.e., fraudulent registries). Maritime sector stakeholders should consider the flag registry and registration history of a vessel and conduct enhanced due diligence to ensure vessels with which they and their counterparties engage are not participating in trade of Iranian petroleum, petroleum products, or petrochemicals.

In addition to oil tankers, Iran uses a separate fleet of gas carriers to transport liquefied petroleum gas (LPG) shipments, primarily to China. This fleet, which presents similar safety and sanctions risks, employs similar deceptive practices as the oil tanker fleet, though the vessels tend to be older due to the longer lifespan of gas carriers versus crude tankers.

## Deceptive Practices Associated with Iranian Oil Shipments

The following list provides examples of the types of tactics used to obfuscate the origin and destination of Iranian petroleum, petroleum products, and petrochemical products.

<sup>1</sup> The International Maritime Organization (IMO) issued a [resolution on December 6, 2023](#), urging relevant stakeholders to promote actions to prevent illegal operations in the maritime sector by the shadow fleet, including practices that are inconsistent with international conventions, including The International Convention for the Safety of Life at Sea (“SOLAS”) and The International Convention on Civil Liability for Oil Pollution Damage (CLC), which requires adequate liability coverage for oil pollution damage.

## SHIP-TO-SHIP TRANSFERS

While ship-to-ship (STS) transfers are often conducted for legitimate purposes, sanctioned Iranian tankers utilize STS transfers outside of the territorial waters of a coastal state with non-sanctioned vessels to transport Iranian petroleum to third-country buyers. Iran often uses multiple STS transfers—usually three to five—in a single shipment to obfuscate the origin of crude oil and/or the involvement of sanctioned tankers. Successive STS transfers serve little commercial purpose and are a strong risk factor for sanctions evasion, especially when these operations are also conducted at night, in unsafe waters, near sanctioned jurisdictions, terminal, or refineries, or involve a vessel with missing or manipulated Automatic Identification System (AIS) data. (LPG shipments tend to be more efficient and involve fewer STS transfers, but they still rely on “clean” or non-sanctioned vessels to ultimately deliver cargo to third countries.)



## FALSIFYING CARGO AND VESSEL DOCUMENTS

Iranian-linked networks have been known to falsify vessel and cargo documents to obscure the origin and destination of petroleum shipments. This is achieved by manual manipulation or by obtaining new cargo documentation issued by a relevant competent authority, thereby concealing the Iranian nexus by exploiting lax jurisdictional oversight and established customs processes. Complete and accurate shipping documentation is critical to ensuring all parties to a transaction understand the counterparties, goods, and vessels involved in each shipment. Bills of lading, certificates of origin, invoices, packing lists, proof of adequate insurance, and lists of last ports of call are examples of

documentation that typically accompanies a shipping transaction that can be modified or indicative of potentially evasive practices.

### **MANIPULATING VESSEL LOCATION AND IDENTIFICATION DATA**

Vessels carrying petroleum from Iran have been known to intentionally disable their AIS transponders or modify transponder data to mask their movements, including port calls and STS transfers in certain waters. This is also commonly done in conjunction with other data manipulation, including Iranian vessels reporting the Maritime Mobile Service Identity (MMSI) number of a different, non-sanctioned vessel or the International Maritime Organization (IMO) number of a vessel that has been scrapped and is no longer in operation. This tactic can conceal a cargo's Iranian origin, create uncertainty regarding the location of Iranian vessels, and/or obfuscate STS transfers of Iranian cargo. When investigating vessels for AIS manipulation or involved in successive STS transfers, it is essential to research all involved vessels not only by name but also using multiple identification and location data points. If a ship needs to disable its AIS in response to a legitimate safety concern, the ship should document the circumstances that necessitated disablement, and stakeholders including shipowners, charterers, ship managers, and flag registries should receive documentation as appropriate.

#### **Sanctions Risks for Vessels Manipulating AIS Data**

In [March 2025](#), OFAC designated several vessels transporting Iranian oil shipments on behalf of Iran's Ministry of Petroleum and the Iranian armed forces to China. One vessel, the CORONA FUN (IMO: 9276573) had manipulated its AIS transponder data to disguise its efforts to ship Iranian oil. OFAC's March 2025 action builds on actions in [December 2024](#) against the MS ENOLA (IMO: 9251951), which continued to use deceptive practices, including turning off its AIS, to help obfuscate the illegal transfer of Iranian oil for several years, including receiving millions of barrels of Iranian oil in a ship-to-ship transfer from sanctioned National Iranian Tanker Company (NITC) tanker DINO I (IMO: 9569671).

### **COMPLEX VESSEL OWNERSHIP AND MANAGEMENT STRUCTURES**

Iranian-linked networks use multiple shell companies and vessel-owning special purposes vehicles (SPVs) in high-risk, low-transparency, and low-regulation jurisdictions. These entities are often wholly owned by individuals with no public profile, no source of wealth information, and potentially falsified or citizenship-by-investment passports to obfuscate Iranian involvement (including Iranian interest in vessel financing, purchasing, and chartering transactions). SPVs linked in certain networks may take on similar naming conventions and utilize "courtesy-of" addresses reflecting the jurisdiction of the ship managers. Some intermediary ship brokers in jurisdictions with lax compliance oversight also help facilitate vessel transfers between initial purchasers and transfer to shell companies in different jurisdictions with local firms acting as agents.

## OBSCURE OIL BROKERING NETWORKS

In addition to shadow fleet vessels, oil brokers outside Iran help facilitate the sale and transport of Iranian petroleum and petroleum products to foreign end users, largely in China. Oil brokers serve as a critical link in moving Iranian exports by connecting buyers and purchasers in the market, usually outside of Iran and steps removed from the initial sale of the Iranian product. Oil brokers seeking to evade sanctions also have direct access to information such as the origin of cargo and create or distribute falsified documents to obscure the true origin, creating risks for charterers, shipowners, ship managers, insurers, and financial institutions further down the line in the trade transaction.

### Targeting Brokers Moving Iranian Oil

Iran's evasive shipping practices create acute sanctions risks for foreign maritime sector stakeholders facilitating various aspects of the petroleum supply chain. In [February 2025](#), OFAC imposed sanctions on over 30 persons and vessels in multiple jurisdictions for their role in brokering the sale and transportation of Iranian petroleum-related products and shipping tens of millions of barrels of crude oil valued in the hundreds of millions of dollars. This included oil brokers in the United Arab Emirates and Hong Kong; tanker operators and managers in India, China, and the Seychelles; and vessels registered with flag states in Panama, Barbados, and the Cook Islands.

## Identifying and Mitigating Sanctions Risks

Maritime sector stakeholders involved at various points in the supply chain for Iranian petroleum, petroleum products, and petrochemical products should consider implementing, as relevant, a review of their sanctions compliance programs, enhanced due diligence requirements, and additional internal controls to account for the following practices:

### VERIFY CARGO ORIGIN

Those receiving petroleum or petroleum product shipments should conduct appropriate due diligence to corroborate the origin of such goods, especially when transported or delivered by vessels exhibiting deceptive behaviors or where connections to sanctioned persons or locations are suspected. Testing samples of the cargo's composition can reveal chemical signatures unique to Iranian oil fields. Publicizing or alerting industry and relevant competent authorities of cases where certificates of origin are known to be falsified, or common trade routes and patterns used to obfuscate Iranian origin cargos, can deter efforts to resell the goods to alternative customers. Certificates of origin issued in jurisdictions known for obfuscating Iranian origin, such as Oman, United Arab Emirates, or Iraq, or known to have a high frequency of Iranian STS operations in adjacent waters, such as Malaysia or Singapore, should be thoroughly investigated. For entities such as shipowners or charterers involved in loading oil via STS, this may include requesting additional documentation from relevant counterparties regarding vessel STS history or verification of the last time the tank of the offloading vessel was empty to ensure you are not loading Iranian origin oil.

OFAC encourages coastal states that are party to the International Convention for the Prevention of Pollution from Ships (MARPOL) to enforce the requirements under Annex 1 of MARPOL, including a 48-hour notification requirement by each tanker prior to STS operations occurring in the States' territorial seas or Exclusive Economic Zone.

### **VERIFY INSURANCE**

Insurance is a critical requirement for the seaborne transport of Iran petroleum and petroleum products. When reviewing vessel and trade transaction documentation, parties should ensure vessels have adequate and legitimate insurance coverage and are not relying on sanctioned insurance providers (e.g., Kish Protection & Indemnity Club) or new and untested insurance providers for no apparent business reason.

### **Insurance as a Red Flag and Facilitator**

Maritime service providers, including insurance companies, that support the transport of Iranian cargo for the Iranian regime and its proxies are subject to sanctions risk. In [July 2024](#), OFAC sanctioned Ascent General Insurance Company, which is registered in the Seychelles and based in Singapore and Thailand, for providing insurance to vessels identified as blocked property of those sanctioned for providing support to Sa'id al-Jamal, an Iran-based Houthi financial supporter. Al-Jamal's network of front companies and vessels have smuggled Iranian fuel, petroleum products, and other commodities to customers throughout the Middle East, Africa, and Asia, generating tens of millions of dollars in revenue to the Houthis. There is sanctions risk related to the provision of underwriting services or insurance or reinsurance to Iranian energy- or maritime-related persons or activity. Past public OFAC enforcement actions for violations under the Iranian Transactions and Sanctions Regulations (ITSR) include reinsurance claims payments for NITC and insurance brokering services for coverage of an oil rig in Iranian waters.

### **VERIFY FLAG REGISTRATION**

When vessels are registered by jurisdictions known to service shadow fleet vessels or have flown multiple flags in an uncommonly short period of time (e.g., three flag registration changes within a year's time), maritime stakeholders, including charterers, shipbrokers, insurers and port agents and operators, should request additional documentation on the vessel's ownership, voyage history, and flag history. This may include utilizing publicly available resources, such as the IMO's Global Integrated Shipping Information (GISIS) database, to determine if a vessel is flying a "FALSE" or "UNKNOWN" flag.<sup>2</sup> Flag states are encouraged to participate in the Registry Information Sharing Compact (RISC) to share information about vessels they de-flag and remain vigilant of sanctioned or suspicious vessels trying to gain access to their services.

<sup>2</sup> If a flag registry advises that a ship continues to fly a flag or broadcast (via AIS) flag information after de-registration, then the ship is recorded as flying a FALSE flag in the IMO's GISIS database.



## **REVIEW ALL APPLICABLE SHIPPING DOCUMENTATION**

Maritime actors rely on complete and accurate shipping documentation to ensure their understanding of the other parties, goods, and vessels involved in a given shipment. Such shipping documentation should reflect the details of the underlying voyage and reflect the relevant vessel(s), flagging information, cargo details, origin, and destination. Any indication that shipping documentation has been manipulated should be considered a red flag for potential illegal 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. Stakeholders with greater access to trade information (e.g., oil brokers and charterers) should be prepared to provide additional information to confirm the veracity of relevant shipping documentation with their counterparties (e.g., carriers and insurers).

## **KNOW YOUR CUSTOMER (KYC) AND KNOW YOUR VESSEL (KYV)**

Those involved in the maritime petroleum shipping community are advised to conduct KYC due diligence, as well as further due diligence, as appropriate, on their customer's counter parties and associated vessels in a maritime petroleum shipment. This includes not only researching companies and individuals, but also the vessels, vessel owners, the ultimate beneficial owner or group ultimate owners, and operators involved in any contracts, shipments, or related maritime commercial transactions. For vessels, this includes researching its IMO number and associated vessel history, including, but not limited to, travel patterns, available STS history, ownership history, insurance, flag history, ties to evasive activities, actors, or regimes, and potential sanctions risks associated with the vessel or its owners, operators, or managers. Enhanced due diligence helps to ensure that those in the maritime petroleum shipping community are aware of the activities and transactions they engage in, as well as the parties, geographies, and country-of-origin and destination of the goods involved in any underlying shipments.

## **MONITOR FOR VESSEL LOCATION DATA MANIPULATION**

Flag registries, insurers, charterers, vessel owners, ship agents, ship managers, and port operators should consider investigating vessels that appear to have manipulated AIS data, or to have displayed AIS abnormalities while sailing in jurisdictions known to be high-risk for sanctions evasion, including in the outer port limits of Malaysia and Singapore, or near China. Instances of AIS manipulation in conjunction with other associated indicia of data manipulation or known characteristics of Iranian oil trade, including evidence of extended periods of time without AIS transmission in high-risk jurisdictions and certificates of origin from certain jurisdictions, should initiate enhanced due diligence from relevant counterparties prior to continuing to provide services to, processing transactions involving, or engaging in other activities with such vessels. For example, a shipowner may request additional documentation from the charterer or involved oil brokers, including current and previous certificates of origin, and should conduct a thorough audit of the charterer, previous sub-charterers, and voyage history. Other stakeholders, such as flag registries, that have access to Long-Range Identification and Tracking (LRIT) data should use it to determine the true location of vessels in instances of AIS outage or manipulation.

### **IMPLEMENT APPROPRIATE CONTRACTUAL CONTROLS**

When entering commercial arrangements with counterparties in the maritime petroleum supply chain, especially international partners, it is important to receive contractually contingent assurances or warranties that they are not engaging in activity that would violate, or cause a U.S. person to violate, U.S. sanctions laws and regulations. Shipowners, ship management companies, vessel charterers, insurers and reinsurers should ensure contracts (e.g., charter arrangements, insurance and reinsurance policies, and other long-term service agreements) include sufficient sanctions exclusion clauses to exit or terminate agreements that would otherwise be prohibited by U.S. sanctions regulations. Furthermore, participants should consider contractual language authorizing contract termination on the basis of certain deceptive practices, such a pattern of multiple instances of vessel location manipulation.

### **REFUSE SERVICE OR PORT ENTRY TO SANCTIONED VESSELS**

If port agents, operators, and terminals encounter sanctioned vessels, they should refuse service or port entry to such vessels. Ensuring proper due diligence of all vessel information, including name, IMO number, and voyage history, is important to preventing port entry and service provision to sanctioned Iranian vessels.

### **LEVERAGE AVAILABLE RESOURCES**

Maritime stakeholders engaged in due diligence can use a variety of open-source databases as well as information from organizations that provide commercial shipping data, such as vessel location, ship registry information, and insurance coverage. To the extent authorized under applicable law, OFAC encourages industry information sharing and benchmarking, which can help identify networks of concern and relevant red flags. OFAC also encourages industry to contact OFAC to share new typologies or areas of risk, so that OFAC can incorporate this information into future guidance and inform broader industry.

## **Consequences of Violating U.S. Sanctions or Engaging in Sanctionable Conduct**

The United States is committed to aggressively enforcing our sanctions against the Iranian regime. These include broad sanctions related to Iranian oil. On October 11, 2024, the Secretary of the Treasury, in consultation with the Secretary of State, identified the Iranian petroleum and petrochemical sectors as part of the Iranian economy pursuant to Executive Order 13902, which enables OFAC to impose sanctions on persons operating in those sectors and those who are supporting them.

Targeting Iran's oil supply chain, including shipments of Iranian-origin petroleum and petroleum products, and petrochemical products, is a critical element of denying the Iranian regime access to financial resources to support its destabilizing activities. As part of this sanctions campaign, the United States is targeting private and public sector entities around the world that engage in sanctionable conduct, including those involved in transporting and selling petroleum and petroleum products from Iran to China and elsewhere.



For example, in December 2024, February 2025, March 2025, and April 2025, OFAC sanctioned a total of 86 individuals and entities in more than 25 countries and identified 85 tankers as blocked property involved in the shipment and sale of millions of barrels of Iranian oil. In February 2025, March 2025, and April 2025, the Department of State sanctioned a total of 16 entities and identified 13 tankers as blocked property.

U.S. persons are generally prohibited from engaging in transactions with blocked persons, as well as transactions involving Iranian-origin petroleum, petroleum products, and petrochemical products. In addition, non-U.S. persons are prohibited from causing or conspiring to cause U.S. persons to wittingly or unwittingly violate U.S. sanctions, as well as engaging in conduct that evades U.S. sanctions. Violations of Iran sanctions could result in civil enforcement actions or criminal penalties for persons or transactions subject to U.S. jurisdiction. OFAC has pursued civil enforcement actions against several shipping and logistics companies, some resulting in significant monetary penalties, for violations of U.S. sanctions.<sup>3</sup> For example, in [January 2022](#), [April 2024](#), and [December 2024](#), OFAC took enforcement action against non-U.S. persons in Asia and Europe for conduct involving evasive shipping practices in the Iranian petrochemical industry.

## Additional Resources

[OFAC Compliance Communiqué: Sanctions Guidance for the Maritime Shipping Industry](#)

[Sanctions Advisory for the Maritime Industry, Energy, and Metals Sectors, and Related Communities: Guidance to Address Illicit Shipping and Sanctions Evasion Practices](#)

[Quint-Seal Compliance Note: Know Your Cargo: Reinforcing Best Practices to Ensure the Safe and Compliant Transport of Goods in Maritime and Other Forms of Transportation](#)

[OFAC Compliance Hotline](#)

<sup>3</sup> Persons that violate the ITSR can be subject to significant civil monetary penalties. OFAC investigates and enforces violations of its regulations as outlined in its [Economic Sanctions Enforcement Guidelines, 31 C.F.R. part 501, Appendix A](#). For more information regarding civil monetary penalties and other administrative actions taken by OFAC, see the [Civil Penalties and Enforcement Information](#) portion of OFAC's web site.

