



July 2015

**To the Members**

Dear Sirs,

**Announcement of a Joint Comprehensive Plan of Action regarding the Islamic Republic of Iran's nuclear programme**

The P5+1 countries and Iran have agreed a Joint Comprehensive Plan of Action (JCPOA) which, upon implementation, will open the way for the restoration of trade activities with Iran by lifting the trade, energy, insurance and banking embargoes that have been incrementally imposed by the European Union and US since 2009.

The JCPOA provides for all UN Security Council sanctions as well as multilateral and national sanctions related to Iran's nuclear programme to be lifted, subject to the terms of the JCPOA. It also provides for the lifting of the EU prohibition on the provision of insurance and reinsurance to Iran, the Government of Iran, and Iranian persons and entities.

At this stage, however, all existing sanctions remain in place and it is difficult to anticipate the timescale by which the current legislation in the EU and US will be repealed or rolled back. The JCPOA provides that adoption will occur 90 days after the endorsement of the JCPOA by the UN Security Council or at an earlier date by mutual consent of all JCPOA participants, at which point the JCPOA will come into effect. The EU and its Member States will adopt an EU Regulation, taking effect on the date of implementation, terminating all provisions of EU Regulations implementing nuclear-related economic and financial sanctions.

The agreement must also be approved by both the Supreme Leader in Iran and by the US Congress, which has 60 days to review and vote on the plan. It is anticipated that there will be careful scrutiny of the agreement by the US Congress, where there has been significant opposition to any deal being concluded with Iran.

Until the JCPOA is implemented, all existing sanctions will remain in place except for the limited sanctions relief already available under the JPOA which has now been extended to 14th January, 2016. Members are reminded that those relaxation measures apply to a very limited range of trade activities.

Members should note that sanctions may impair the Club's ability to provide insurance and claims service to Members, and the Club's position regarding cover in respect of trades involving Iran and/or Iranian counterparts is presently unchanged.

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**STEAMSHIP MUTUAL UNDERWRITING ASSOCIATION LIMITED**

Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and Prudential Regulation Authority

(Registered in England and Wales – Registration number 105461. PRA and FCA registration number 202548)

**MANAGERS: STEAMSHIP P&I MANAGEMENT LLP**

SPIM is an appointed representative of Steamship Insurance Management Services Limited which is authorised and regulated by the Financial Conduct Authority

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Rules 17, 24, 32 and 35 and the Sanctions Clause in certificates of entry impose significant restrictions upon the availability of cover in respect of trading activities which involve sanctions or sanctions risks. In the event of an incident, even if the underlying trade does not involve a sanctionable activity or designated parties directly, it is highly unlikely that the Club would be in a position to provide security.

These developments, although they are positive so far as the eventual lifting of sanctions is concerned, do not change the fact that some Members and fleets are prohibited from trading with Iranian interests, and many trades to/from Iran or with Iranian interests continue to be subject to sanctions.

Trade involving Iran or Iranian entities may thus still be unlawful, and must be approached with caution. Members who may be affected by these issues are advised to seek independent advice and in the case of any cover queries to contact the Club Managers.

Yours faithfully,

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