



Supplement to Notice on Iran (nuclear proliferation) of 26 March 2012

Restrictions on the provision of insurance and reinsurance relating to the import, purchase or transport of Iranian crude oil, petroleum products and petrochemical products

On 26 March 2012 HM Treasury issued a notice in respect of the restrictive measures directed by the Council of the European Union against Iran following its adoption of Council Regulation (EU) 267/2012 ("the Regulation").

This Supplement provides further guidance on the restrictions on the provision of insurance and reinsurance relating to the import, purchase or transport of crude oil, petroleum products and petrochemical products from Iran. This Supplement should be read in conjunction with Articles 11-14 of the Regulation.

1. The Department for Business Innovation and Skills is the competent authority in the UK for the purposes of Chapter II of the Regulation (Export and Import Restrictions). However, queries related to Article 11(1)(d) and Article 13(1)(d) and their associated exemptions/derogations can be addressed to the Treasury in the first instance.
2. Article 11(1)(d) prohibits the provision of financing or financial assistance, including financial derivatives and insurance and reinsurance, related to the import, purchase or transport of crude oil and petroleum products from Iran.
3. Article 12(1)(a) allows the provision of (re)insurance, until 1 July 2012, where that (re)insurance is necessary for the execution of a trade contract for the import, purchase or transport of crude oil or petroleum products from Iran which was concluded before 23 January 2012.
4. Article 12(2) allows the provision, until 1 July 2012, directly or indirectly, of third party liability insurance and environmental liability insurance and reinsurance. This would include, for example, P&I insurance and reinsurance.

5. Article 13(1)(d) prohibits the provision of financing or financial assistance, including financial derivatives and insurance and reinsurance, related to the import, purchase or transport of petrochemical products from Iran.
6. Article 14(1)(a) allows the provision of (re)insurance, until 1 May 2012, where that (re)insurance is necessary for the execution of a trade contract for the import, purchase or transport of petrochemical products from Iran which was concluded before 23 January 2012.
7. Article 14(2) allows the provision, until 1 May 2012, directly or indirectly, of third party liability insurance and environmental liability insurance and reinsurance. Again, this would include, for example, P&l insurance and reinsurance.
8. The measures affecting insurance (third party liability, environmental liability and reinsurance) that is provided in connection with the import, purchase and transport of Iranian crude oil or petroleum products will be reviewed before the end of the exemption period, taking account of the availability and price of crude oil and petroleum products produced in countries other than Iran and the impact on global oil markets, as well as the impact on third countries.
9. The restrictions on insurance and reinsurance contained in Articles 11-14 of the Regulation are in addition to the restrictions on Iran's access to the EU's insurance and reinsurance markets contained in Article 35 of the Regulation.

Notification of (re)insurance contracts

10. Article 12(1) and Article 14(1) require that the person, entity or body seeking to perform a contract in accordance with an exemption provide notice to the competent authority at least 20 working days in advance of the activity or transaction. This requirement applies to trade contracts and to related ancillary contracts, including (re)insurance.
11. Only transactions or ancillary contracts required for the execution of a trade contract concluded before 23 January 2012 (the "parent contract") will be covered by an exemption. If the parent contract has been concluded on or after 23 January it will not fall within the scope of the relevant exemption. Where the exemption does not apply, transactions or ancillary contracts carried out after 24 March 2012 would be unlawful.
12. Providers of (re)insurance should undertake their own assessment of the parent contract to satisfy themselves that it falls within an exemption.

13. Notifications of ancillary (re)insurance contracts performed by UK (re)insurers should be:
- made using the form provided on the HM Treasury website: http://www.hm-treasury.gov.uk/fin_sanctions_iran_nuclear.htm#Prior_notificationauthorisation_forms
 - addressed to AFU@hmtreasury.gsi.gov.uk, and
 - contain "ARTICLE 12/14 NOTIFICATION" in the subject line.
14. Prior notification is not required for third party liability insurance and environment liability insurance and reinsurance provided in accordance with Article 12(2) and Article 14(2) of the Regulation.
15. Where multiple parties are providing (re)insurance on a single trade contract, for example through a syndicated arrangement, the lead (re)insurer may provide notification on behalf of the other parties to the contract by listing them in the single notification.
16. We recognise that the nature of some contracts of reinsurance means it may not be possible to identify the underlying insured entity. Article 42(2) of the Regulation states that the measures set out in the present Regulation shall not give rise to liability of any kind on the part of the natural or legal persons, entities or bodies concerned, if they did not know, and had no reasonable cause to suspect, that their actions would infringe these prohibitions.

Claims and adjustments

17. Activities pursuant to (re)insurance provided in accordance with Article 12 and Article 14 of the Regulation, for example the payment of claims from insured incidents for which there was valid cover, may run their course, subject to compliance with any other relevant provisions of the Regulation.

Enquiries

18. Non-media enquiries concerning Article 11(1)(d) and Article 13(1)(d) and their associated exemptions/derogations should be addressed to:
- Sanctions and Illicit Finance
Asset Freezing Unit
HM Treasury
1 Horse Guards Road
London SW1A 2HQ
E-mail: AFU@hmtreasury.gsi.gov.uk
19. Media enquiries should be addressed to the Treasury Press Office on 020 7270 5238.

20. Enquiries concerning import restrictions should be addressed to:

Department for Business Innovation and Skills

E-mail: enquiries.ilb@bis.gsi.gov.uk

HM Treasury

25/04/2012