



THE REPUBLIC OF LIBERIA

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Office of
Deputy Commissioner
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MARINE ADVISORY: 03/2012

Subject: United States Sanctions against Syria

Ref: United States Executive Order No. 13582- Syrian Sanctions (2011)

To: All Owners/Operators and Masters

Dear Owner/Operator and Master:

This Advisory provides information regarding the action implemented by the United States (US) against importing oil and petroleum products from Syria in the wake of the upheaval and political instability in Syria. This US Executive Order on sanctions against Syria took effect on 18 November 2011.

I. Information on the scope of Sanctions

On 17 August 2011, the United States government issued an Executive Order (EO #13582) sanctioning Syria. This Executive Order prohibits any United States individual, natural or legal, from any acts that involve “new investment in Syria; the exportation, re-exportation, sale, or supply, directly or indirectly from the United States, or by a United States person, wherever located, of any services to Syria; the importation into the United States of petroleum or petroleum products of Syrian origin; any transaction or dealing by a United States person, wherever located, including purchasing, selling, transporting, swapping, brokering, approving, financing, facilitating or guaranteeing, in or related to petroleum or petroleum products of Syrian origin; and any approval, financing, facilitation or guarantee by a United States person, wherever located, of a transaction by a foreign person where the transaction by that foreign person would be prohibited by this section if performed by the United States person or within the United States.”¹

This Presidential Executive Order #13582, in sum, precludes any and all business transactions of or relating to petroleum products by any United States national with Syria or those transactions involving petroleum products of Syrian origin.

II. Caution advisement

Dealings or transactions may cause failure to maintain the liability insurance which could occur as a result of suspension or cancellation of cover by a vessel's P&I Club when sanctions prohibit the P&I Club/entity from providing "...goods, service, technology or support..."

In view of the increased international pressure from the United States and due to the political interest in Syria, ship owner/operators are strongly encouraged to exercise caution in judgment and action relative to transaction that may involve products of Syrian origin and/or involving Syrian entities or associated entities or other entities that may have dealings with Syria or Syrian entities.

Relevant issues and possible violation of Liberian Maritime Law and Regulations

The Republic of Liberia is not responsible for enforcing the United States Government sanctions. However, the United States Executive Order (EO # 13582) specifically targets both US and non-US entities. In this regard, a violation of Liberian Maritime Law and Maritime Regulation could occur as a result of vessel owners/operators' failure to maintain insurance cover required by the International Convention on Civil Liability for Bunker Oil Pollution Damage, 2001 (BCLC) and the International Convention on Civil Liability for Oil Pollution Damage, 1992 (CLC). These are mandated in Liberian Maritime Regulation 2.35 pursuant to both liability Conventions to which the Republic of Liberia is a Party.

Liberia has international responsibility to implement and uphold the aforementioned liability Conventions in that the Liberian Administration accepts P and I "blue cards" to support the respective Liberian CLC and BCLC certificates issued to Liberian flagged vessels. A particular P&I Club (entity) may fall within the ambit of the US sanctions to the extent that it is prohibited to issue and maintain liability insurance relationship with any entity doing business with Syria.

It is understood that the members of the International Group of P and I Club have the same rules that apply to all their members. Owners may have already been provided circulars advising that "insurance cover would be null and void and of no effect whenever it became illegal." In addition to applicable legal prohibitions, some P&I Club rules may preclude coverage for voyages and activities which are prohibited by law.

The Indemnity and Protection insurance cover (required by Liberian Regulation 10.342, third party liability insurance) for crew protection including repatriation (required by Liberian Law Section 342 and Regulations 2.66(2) and 10.342) would also be invalidated. Consequently, the Liberian CLC and BCLC certificates (for both tanker and non-tanker vessels) issued to the particular vessel would also effectively be nullified, ceased and of no effect. Consequently, such action thereby renders no liability cover in force as required by the respective international Conventions which are applied by Liberian Law and Regulation 2.35. In effect, the particular vessel would be out of compliance having been without liability coverage and Owners/Operators will be in violation of Liberian Law and Regulations.

The Administration's action when violation of Liberian Law/Regulation is discovered

Penalty for violation of Liberian Law and Regulations in this regard includes the following:

- Detention of the vessel, which may include specific restriction of movement that could affect trading/navigation of the vessel;

- Suspension of the vessel's statutory certificates including the Registration Certificate;
- Revocation of Permanent Certificate of Registry and Cancellation of Registry;
- Possible monetary fines; and
- If the Administration conducts an investigation and there is failure on the part of the Owners/Operators, and or Master and crew to cooperate, then it will be considered another related offense for which penalty can be imposed.

Related action in accordance with Executive Order No. 13582

The US Department of Treasury continues to blacklist entities and vessels that its Office of Foreign Assets Control (OFAC) has identified as linked to the Republic of Syria.

In view of the wide reach of the sanctions imposed by the Executive Order, it is essential to be vigilant to avoid the risks in contravention of the US sanctions. By the sanctions regime, the United States may, in accordance with Executive Order No. 13582, limit or even terminate any commercial interest a foreign entity has with the United States or any United States entity, which may be equally damaging to an entity's global commercial activities.

These sanctions may have a direct and immediate impact on the vessel's anticipated/ planned port calls to or in the region of Syria. Ship owners/operators and Masters are to remain aware of the rapidly changing climate with respect to the matter of sanctions against Syria imposed by the United States. Accordingly, ship owners and operators should bring the contents of this Advisory to the attention of the Masters of their Liberian flagged ships and instruct them to exercise due care so as to avoid contravention of this Executive Order that may lead to conditions resulting in violation of Liberian Law and Regulations.

Note: The full text of the 17 August 2011 Executive Order (No. 13582) on the Syria sanctions is available at the following internet link:

<http://www.gpo.gov/fdsys/pkg/FR-2011-08-22/pdf/2011-21505.pdf>

III. Point of Contact

For further information regarding the issuance of this Advisory, please contact the Marine Investigations Department at +1 (703) 251-2407/2415; +1 (703) 790 3434 or via e-mail at investigations@liscr.com.

¹ See Executive Order 13582, Blocking Property of the Government of Syria and Prohibiting Certain Transactions with Respect to Syria, Section 2.