

Our Ref: HWRB/C2/2020

25 June 2020

TO THE MEMBERS

Dear Sirs

U.S. – VENEZUELAN SANCTIONS

Prohibition in respect of Venezuelan oil trade activities from 29 June 2020, pursuant to Rule 14.

The Membership will be aware that the U.S. Department of the Treasury's Office of Foreign Assets Control (OFAC) has updated its Specially Designated Nationals and Blocked Persons List twice this month, on 2 June 2020 and on 18 June 2020, pursuant to Executive Order 13850. These designations have targeted, among others, international shipping companies and vessels managed in Greece, for operating in the oil sector of the Venezuelan economy. Four vessels and their registered owners that fall within this category are currently designated.

Whilst the precise details leading to OFAC's actions remain unclear, the Association is of the view that the continued dealings by any Owner with the Venezuelan oil sector poses an unacceptable risk of U.S. sanctions.

Accordingly, pursuant to Rule 14.1 the Directors of the Association hereby prohibit any Owner from any dealings with the oil sector of the Venezuelan economy, effective from 29 June 2020 (The "**Prohibition**"). The Prohibition extends, but is not limited to, the following activities:

1. the loading of Venezuelan oil;
2. the import of oil, oil products or diluents to Venezuela;
3. transshipment of Venezuelan oil; and
4. carriage of PdVSA cargo.

The Prohibition shall remain in force until further notice.

Should an Owner be engaged in an activity that does or may violate the Prohibition, then they should inform the Managers in writing immediately so that the Managers may consider, at their sole discretion, whether and on what terms a limited exception may be appropriate.

The Association's cover remains strictly in accordance with the Association's Rules at all times and attention is particularly directed to Rule 3.9 (Sanctions Exclusion and Limitation).

Members are reminded of their obligation to conduct their own due diligence to ensure that they do not carry cargoes in breach of sanctions against Venezuela, Iran or other sanctioned states. This is especially important in the case of transshipment cargoes, where the true origin of the cargo may not be readily ascertainable without further enquiry.

The Managers would be pleased to answer any questions that may arise.

Yours faithfully

THOMAS MILLER (BERMUDA) LTD
Managers

Copies of this Circular and other publications, including the Association's Rules, can be viewed and downloaded from the Association's website at www.hellenicwar risks.com