

NORTH P&I CLUB PUBLISHES GUIDANCE ON SANCTIONS FOR SHIPOWNERS

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The 'A' rated, 150 million GT North of England P&I Club has published new guidance for shipowners on how to avoid being caught out by the increasingly complex 'patchwork' of international trade sanctions currently in force worldwide.

Writing in the Club's newsletter Signals, head of loss prevention Tony Baker says, 'Trade sanctions are at the forefront of modern diplomacy and can be imposed by individual countries or supranational bodies such as the UN and EU. However, this can result in a patchwork effect that makes it difficult to know exactly what sanctions apply to what goods in a particular state.'

Baker says sanctions are a particular problem for shipowners, who often transport goods from one country to another with no real legal connection to either. 'An additional issue for container carriers is they are wholly reliant on shippers stating truthfully the contents of their boxes. Furthermore, the often complex web of contractual agreements involving ships and cargo can obscure entities that may be subject to sanctions,' he says.

North warns that if a shipowner is found to have broken a sanction, ignorance may not be a defence. 'Governments and supranational bodies imposing sanctions expect international trading companies to be aware of them and to have taken steps to ensure they are not in breach,' says Baker.

The Club is therefore advising its members to produce evidence showing they have taken measures to ensure that all international sanctions have been complied with. 'Shipowners are expected to know what sanctions apply, to whom they apply and to what cargoes they apply,' says Baker.

North has also just published an 18-page loss-prevention briefing to help members avoid breaching the complex overlapping trade sanctions imposed on Iran by the UN, EU, and USA. Updates on sanctions, including the 26 February 2011 UN sanctions against Libya, are published on the Club's online Industry News pages.

'Being found in breach of any trade sanction could result in penalties and seriously affect a shipowner's ability to continue trading,' warns Baker.

North provides P&I insurance to 105 million GT owned tonnage and 45 million GT chartered tonnage, with 4270 ships entered by 375 members. The Club is based in Newcastle upon Tyne with regional offices in Hong Kong, Piraeus and Singapore.

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