

MARKET BULLETIN

REF: Y4963

Title	Iran – Market Direction
Purpose	To inform managing agents that the Direction regarding Iranian refined petroleum business has been revoked
Type	Event
From	Sean McGovern Chief Risk Officer & General Counsel General Counsel and Risk Management
Date	18 January 2016
Deadline	Effective immediately
Related links	Market Bulletin Y4409

Purpose

With immediate effect, Lloyd's Direction of 8 July 2010 regarding Iranian Refined Petroleum, detailed in Market Bulletin Y4409, has been revoked. As a consequence, Market Bulletin Y4409 is replaced by this Market Bulletin.

Background

Further to developments in international sanctions imposed against Iran by the UN, EU and US, Lloyd's issued a Market Bulletin on 8 July 2010, directing managing agents to ensure that no contract of (re)insurance was entered into (or existing contracts amended ie endorsed) where they had actual knowledge or should have known that an Iranian Refined Petroleum Risk would be (re)insured under that contract.

Due to the sanctions relief that has now been implemented under the terms of the Joint Comprehensive Plan of Action ("JCPOA") and become effective on 16 January 2016 (known as Implementation Day under the JCPOA), Lloyd's Direction no longer applies. Therefore, the terms of the Direction detailed in Market Bulletin Y4409 are rescinded.

From an EU perspective, on Implementation Day, the transport of Iranian oil and petroleum products and the provision of (re)insurance, including protection and indemnity (P&I) insurance, are permissible (amongst other products in the oil, gas and petrochemical sectors).

The US has also lifted sanctions on Iran regarding the oil and shipping sectors, although principally this relief targets non-US persons conducting business with Iran. With a few exceptions, the

general US trade embargo on Iran remains in place and US persons remain prohibited from conducting most business with Iran.

These permissions and the remainder of the sanctions relief provided for under the terms of JCPOA have been communicated to the Lloyd's Market in e-Alerts issued by the Lloyd's International Trading Advice team ("LITA").

Lloyd's managing agents should review these to obtain information about the full scope of the sanctions relief permitted under the JCPOA from an EU and US perspective and for a more detailed assessment of the impact of it upon the Lloyd's Market.

Contact Details

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