



## **THE SWEDISH CLUB**

### **SANCTIONS GUIDANCE 2026**

#### **1. Purpose and Scope**

This guidance sets out The Swedish Club's approach to sanctions compliance and the expectations placed on Members when planning, negotiating, or performing any trade involving a potential sanctions nexus. Sanctions regulations are dynamic and evolve without notice. Trades that were lawful yesterday may be prohibited or practically impossible today. The aim of this document is not to offer legal advice or provide a definitive interpretation of sanctions laws, but rather to describe how the Club evaluates sanctions risk, how cover may be affected, and what standards of due diligence Members are expected to meet.

Sanctions affect not only legality but also the operational reality of maritime trade. A transaction may be lawful yet still unperformable due to banking restrictions, port access limitations, counterparty concerns, or the inability of the Club or its reinsurers to make payments or provide security. Members should therefore treat sanctions as both a regulatory and an insurance risk. The Swedish Club will support Members wherever possible but cannot guarantee assistance in situations where sanctions or related restrictions prevent performance.

This guidance applies to all Owners, Charterers, and Operators insured with The Swedish Club. It covers all forms of maritime activity, including the carriage of cargo, bunker transactions, ship-to-ship operations, port calls, and any other activity that may expose the Member or the Club to sanctions.

#### **2. The Swedish Club's Sanctions Compliance Framework**

The Swedish Club applies a conservative, risk-aware approach to evaluating sanctions exposure. The assessment focuses on five areas: jurisdiction, counterparties, cargo and activity, the practical viability of performance, and the impact on the Club's ability to provide cover and support.

Sanctions assessments are managed through a structured escalation process. Initial screening is carried out within the designated sanctions function using commercial databases and internal tools. Complex cases are referred to the Area Manager or the relevant office sanctions lead for jurisdictional and operational analysis. Situations involving heightened risk, uncertainty, or potential reinsurance impact are escalated to the Head of AFC. Executive escalation may occur where the trade is commercially significant or where sanctions issues remain unresolved.

Screening is not performed once at the outset and then forgotten. All voyages and counterparties are screened on a rolling basis. Any changes in parties, cargo, ports, routing, or payment structure require fresh analysis. The Club uses a combination of screening tools, ownership-mapping resources, vessel-tracking platforms, adverse media searches, and industry intelligence shared within the International Group to evaluate risk.

The Club's Rules impose limitations relevant to sanctioned or sanction-exposed activity. These include cesser provisions that terminate entry where a vessel is employed in a manner exposing the Club to sanctions; exclusions preventing recovery where payment or performance would expose the Club to



sanctions; and limitations arising from the involvement of reinsurers who may be prohibited from participating in a particular claim. The existence of an insurance entry does not guarantee that the Club will be able to make payments, appoint surveyors, or provide security if external restrictions prevent it.

Members must therefore understand that sanctions issues can interrupt the entire chain of assistance. Even where the Member itself is not prohibited from conducting the trade, the Club or its reinsurers may face restrictions that make support impossible.

### **3. Key Considerations Before Fixing Any Trade**

A sanctions assessment must be carried out before the fixture is concluded. The assumption that a lawful voyage is necessarily performable is incorrect. Members must consider five factors before fixing any voyage.

**Jurisdiction** - Multiple sanctions regimes may apply simultaneously. EU, UK, US, UN and individual state measures can each apply in different ways depending on the parties involved, the currency used, the ownership structure behind the vessel or cargo, and the ports visited. Secondary sanctions, particularly those imposed by the United States, must be considered even where no U.S. person is involved.

**Parties** - Members must establish who they are trading with, who ultimately owns or controls those parties, and whether any individual or entity is directly or indirectly connected to a sanctions target. Independent verification is essential.

**Cargo and activity** - The cargo itself may be restricted regardless of the parties involved. Export controls, import bans, licensing requirements, price cap regimes, and dual-use classifications may apply. Misdescribed or inaccurately documented cargo presents particular risks.

**Practical viability** - A voyage may be lawful but commercially or operationally impossible due to banking restrictions, port refusal, inability to appoint surveyors, or concerns arising from AIS manipulation or opaque ownership.

**Impact on Club cover** - Sanctions exposure can prevent the Club from issuing security, recovering from reinsurers, or even making claim payments. Members must notify the Club in advance of any sanctions-sensitive voyage.

### **4. Due Diligence Expectations for Members**

The Club expects Members to take all reasonable steps to investigate and mitigate sanctions risk before agreeing to any trade. Due diligence is mandatory, substantive, and ongoing.

Members should maintain an up-to-date sanctions policy, ensure staff training, verify counterparties, examine ownership structures, confirm cargo origin and nature, and monitor AIS history, routing, and operational behaviour. Records of due diligence and decision-making should be maintained.

Members must contact the Club early and provide full transparency where any sanctions nexus exists.



## **5. Country-Specific Sanctions Profiles**

Certain jurisdictions present elevated sanctions exposure due to extensive restrictions, inconsistent enforcement practices, and a history of illicit maritime activity. Members must approach any trade involving these countries with caution and ensure full due diligence and early consultation with the Club.

### **5.1 Iran**

#### **General considerations**

Iran remains subject to extensive U.S. primary and secondary sanctions, as well as EU and UK measures connected to proliferation and internal repression. These restrictions heavily affect shipping, energy, insurance, and financial transactions.

#### **Party-related exposure**

Numerous Iranian entities and individuals remain designated. Ownership or control links may extend restrictions to non-listed companies.

#### **Activity-related exposure**

Trades involving crude oil, petroleum products, petrochemicals, metals, construction materials, and goods linked to Iran's energy or shipping sectors may be sanctionable. Misdeclared cargo, forged documents, AIS gaps, and opaque vessel histories should be treated as red flags.

#### **Operational limitations**

Payments are often blocked regardless of legality. The Club may be unable to provide security, make payments, or appoint surveyors for Iranian-related trades.

### **5.2 North Korea**

#### **General considerations**

North Korea is subject to the most comprehensive sanctions regime globally, with heavy focus on maritime enforcement.

#### **Party-related exposure**

Numerous state-linked entities, front companies, and vessels are subject to asset freezes.

#### **Activity-related exposure**

UN measures prohibit most import and export activity, restrict bunkering, prohibit STS operations with North Korean-linked vessels, ban insurance, classification, and port entry for implicated vessels, and require seizure/inspection where breaches are suspected.

#### **Operational limitations**

AIS manipulation, falsified documents, concealed vessel identity, and opaque routing are common. All North Korea nexus enquiries must be escalated immediately.



### 5.3 Russia

#### **General considerations**

Sanctions targeting Russia are broad, complex, and frequently amended. These include party-based restrictions, extensive cargo bans, port bans, and oil price cap compliance regimes.

#### **Party-related exposure**

Russian individuals, companies, and vessels appear on multiple designation lists. Ownership or control links to listed parties require highest caution.

#### **Activity-related exposure**

Restrictions apply to a wide list of categories including crude oil, petroleum products, metals, technology, industrial goods, and many more. Price cap compliance requires strict documentation and timely attestations. Port access bans may apply to Russian-flagged vessels, vessels suspected of breaching oil rules, vessels involved in irregular STS transfers, or vessels with AIS manipulation.

#### **Operational limitations**

Failure to provide timely price cap attestations will prevent the Club from confirming cover. AIS gaps, unusual routing, and opaque STS partners require immediate escalation.

### 5.4 Cuba

#### **General considerations**

U.S. sanctions create the primary exposure, including a comprehensive trade embargo. Foreign subsidiaries of U.S. companies may also fall within jurisdiction.

#### **Party-related exposure**

Certain Cuban state and military-linked entities remain restricted.

#### **Activity-related exposure**

The U.S. “180-day rule” prohibits vessels that have engaged in Cuban trade from entering a U.S. port for 180 days unless exempt. Additional restrictions apply relating to U.S.-origin content in goods.

#### **Operational limitations**

Cargo classification under U.S. export rules can be complex. Operational decisions in Cuba—such as performing non-essential repairs—may inadvertently trigger prohibitions.

### 5.5 Syria

#### **General considerations**

Some broad sanctions have been lifted, but several regimes continue to maintain party-based designations focused on government officials, human rights concerns, and armed groups.

#### **Party-related exposure**

Asset freezes remain for certain Syrian-linked individuals and entities.

**Activity-related exposure**

Restrictions continue for military goods, dual-use items, internal-repression goods, surveillance technology, and cultural property.

**Operational limitations**

Trades involving the Syrian state or sensitive cargo types require heightened scrutiny and prompt escalation.

**5.6 Venezuela****General considerations**

Sanctions target the Venezuelan government, PdVSA, and sectors including oil, finance, and digital assets.

**Party-related exposure**

The government, PdVSA, subsidiaries, and related individuals/entities remain subject to restrictive measures.

**Activity-related exposure**

Restrictions apply to petroleum trades, financial dealings, debt instruments, and any material support to sanctioned entities.

**Operational limitations**

Secondary sanctions risks for non-U.S. Members remain significant. Venezuelan-origin trades require full due diligence and early consultation.

**6. Contractual Protections**

Contracts should allocate sanctions risk clearly and transparently. Members should ensure that charterparties contain sanctions clauses capable of addressing both party-related and activity-related exposure. Sanctions clauses should require charterers to warrant their own sanctions status and that of all parties in the contractual chain. They should also provide the owner with a right to refuse orders or terminate the contract where a voyage becomes unlawful or sanctionable, or where sanctions make performance impossible.

For voyages involving Russian crude or petroleum products, contractual wording must address the price cap requirements. Owners should receive full and timely price information and attestations. Failure to provide these within the required timeframe should entitle Owners to decline the voyage or require alternative employment.

Ship-to-ship operations require specific contractual treatment. Owners should have the right to refuse STS operations where the other vessel has engaged in AIS manipulation, has an unclear ownership structure, has recent calls in high-risk locations, or presents any other credible compliance concern. Contracts should address the consequences of refusal, including off-hire, deviation costs, and alternative performance.

The Club strongly recommends that Members review their contractual terms regularly and ensure they reflect contemporary sanctions risks.



## **7. Operational Red Flags and Common Pitfalls**

Certain behaviours, patterns, and documentary inconsistencies should be treated as warnings that a trade may be linked to sanctions evasion. These include unexplained AIS gaps, unusual routing through high-risk regions, last-minute changes to cargo or consignee, inconsistent certificates of origin, repeated renaming of companies or vessels, requests for backdated documents, pressure to proceed despite unresolved due diligence concerns, and the involvement of unknown intermediaries without commercial rationale.

Members should not ignore these signals. A failure to investigate may expose the Member to regulatory consequences and jeopardise Club cover.

## **8. The Swedish Club's Sanctions Support**

The Swedish Club provides sanctions support through its global offices. Members should contact the Club immediately where a trade may involve a sanctioned jurisdiction, party, or cargo. The Member must supply complete information regarding parties, ownership, cargo, routing, STS operations, price information, and payment arrangements. Incomplete information will result in delays and may prevent the Club from confirming cover.

The Club can provide guidance based on the information supplied, but no assurance can be given that cover will remain in place if circumstances change, if regulators amend restrictions, or if reinsurers become unable to participate. The Club cannot guarantee the availability of security, payments, or surveyor support in jurisdictions where sanctions or practical impediments prevent performance.

## **9. Disclaimer**

This guidance provides general information on sanctions risks and The Swedish Club's approach to evaluating them. It does not constitute legal advice. Members should seek independent legal counsel before proceeding with any trade involving potential sanctions exposure. The Swedish Club accepts no responsibility for any loss arising from reliance on this document. The application of sanctions law depends on specific facts, which Members must disclose fully and transparently.