



REPUBLIC OF CYPRUS
MINISTRY
OF
COMMUNICATIONS AND WORKS



DEPARTMENT
OF
MERCHANT SHIPPING
LIMASSOL

Circular No. 17/2012
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9 April 2012

All Owners, Managers and Representatives
of ships under the Cyprus Flag

All Owners, Managers and Representatives
of ships under a foreign flag calling at Cyprus ports

Subject: New regime on restrictive measures against Iran pursuant to new EU sanctions adopted in March 2012

1. I refer to the above subject and further to my Circulars with numbers 19/2010, 30/2010, 34/2010 and 7/2012, I wish to inform you of the adoption of the following new European Union (EU) instruments concerning restrictive measures against the Islamic Republic of Iran (Iran):

- (i) ***EU Council Decision 2012/168/CFSP of 23rd March 2012 amending Decision 2011/235/CFSP;***
- (ii) ***EU Council Decision 2012/169/CFSP of 23rd March 2012 amending Decision 2010/413/CFSP;***
- (iii) ***EU Council Regulation (EU) No. 264/2012 of 23rd March 2012 amending Regulation (EU) No. 359/2011; and***
- (iv) ***EU Council Regulation (EU) No. 267/2012 of 23rd March 2012 repealing Regulation (EU) No. 961/2010.***

1.1. **Council Decision 2012/169/CFSP and Council Regulation (EU) No. 267/2012** relate to Iran`s nuclear programme whereas **Council Decision 2012/168/CFSP and Council Regulation (EU) No. 264/2012** relate to the deterioration of the human rights situation in Iran.

2. As a result of the aforesaid amending and/or repealing previous related EU instruments, the current applicable restrictive measures against Iran are, in a nutshell, as follows:



PART I: RESTRICTIVE MEASURES RELATING TO IRAN'S NUCLEAR PROGRAMME

Your attention is drawn to the adoption of **Council Decision 2012/169/CFSP** and **Council Regulation (EU) No. 267/2012** in the Cyprus legal order under paragraph 4(2) of the *Cyprus Ships (Prohibition of Transportation of Specific Items, Materials, Equipment, Goods and Technology to and from Iran) Order of 2010, P.I. 369/2010* (paragraph 2(e) of my Circular No. 30/2010 is of relevance).

It is recalled that paragraph 4 of Order P.I. 369/2010¹ extends the prohibition of transportation by Cyprus ships to “any items, materials and equipment in contravention of EU Council Decision 2010/413/CFSP and of any related Regulations or other instruments of the European Union adopted towards the implementation, amendment or replacement of the said Decision.”

Part I.1: Prohibition of transportation:**(A) Arms and related materiel**

Prohibition:

The transportation by Cyprus ships from and to Iran of arms and related material of all types including weapons and ammunition, military vehicles and equipment, paramilitary equipment and spare parts for such arms and related materiel is prohibited.

This prohibition shall not apply to non-combat vehicles which have been manufactured or fitted with materials to provide ballistic protection, intended solely for protective use of personnel of the EU and its Member States in Iran;

(B) Other goods

(B.1) Prohibition:

- (a) The transportation by Cyprus ships to any Iranian person, entity or body or for use in Iran of goods listed in Annex I or II of **EU Council Regulation (EU) No. 267/2012**, whether originating in the EU or not, is prohibited.

The aforesaid Annex I includes goods which are dual-use items as defined in Regulation (EC) No. 428/2009, except for certain goods as specified in part A of this annex.

The aforesaid Annex II includes other goods which could contribute to Iran's enrichment-related, reprocessing or heavy-water-related activities, to the development of

¹ Published in the Official Gazette of the Republic No. 4447, Supplement III (I), dated 20.08.2010.

nuclear weapon delivery systems, or to the pursuit of activities related to other topics about which the International Atomic Energy Agency (IAEA) has expressed concerns or has identified as outstanding, including those determined by the United Nations (UN) Security Council or by the related Sanctions Committee.

- (b) The transportation by Cyprus ships to any Iranian person, entity or body or for use in Iran of goods listed in Annex III of **EU Council Regulation (EU) No. 267/2012**, whether originating in the EU or not, is prohibited, unless a prior authorisation is granted by the competent authorities of the EU Member State where the exporter is established and shall be in accordance with the detailed rules laid down in Article 11 of Regulation (EC) No. 428/2009. The authorisation shall be valid throughout the EU.

The aforesaid Annex III includes goods and technology, other than those included in Annexes I and II, referred to under subparagraph (a) above, which could contribute to enrichment-related, reprocessing or heavy water-related activities, to the development of nuclear weapon delivery systems, or to the pursuit of activities related to other topics about which the IAEA has expressed concerns or has identified as outstanding.

Further information as to the criteria and requirements for such authorisation may be found in Article 3 of **EU Council Regulation (EU) No. 267/2012**.

- (c) The transportation by Cyprus ships from Iran of goods listed in Annex I or II of **EU Council Regulation (EU) No. 267/2012** is prohibited irrespective of whether the item concerned originates in Iran or not.

(B.2) Exemptions:

For the list of exemptions to the prohibitions referred to in paragraph (B.1)(a) above please refer to Articles 6 and 7 of **EU Council Regulation (EU) No. 267/2012**.

(C) Key equipment for sectors of oil and gas industry in Iran:

(C.1) Prohibition:

The transportation by Cyprus ships to any Iranian person, entity or body or for use in Iran of key equipment as listed in Annex VI of **EU Council Regulation (EU) No. 267/2012** is prohibited.

The aforesaid Annex VI includes key equipment for the following key sectors of the oil and gas industry in Iran, as well as, key equipment for the petrochemical industry in Iran:

- (a) exploration of crude oil and natural gas;
- (b) production of crude oil and natural gas;
- (c) refining;
- (d) liquefaction of natural gas.

(C.2) Exemptions:

For the list of exemptions to the above prohibition please refer to Article 10 of **EU Council Regulation (EU) No. 267/2012**.

(D) Crude Oil and Petroleum Products

(D.1) Prohibition:

- (a) The transportation by Cyprus ships of crude oil or petroleum products, including those set out in Annex IV of **EU Council Regulation (EU) No. 267/2012** is prohibited if such originate in Iran, or are being exported from Iran to any other country.
- (b) It is also prohibited to provide directly or indirectly insurance and re-insurance related to the transport of crude oil and petroleum products of Iranian origin or that have been imported from Iran.
This prohibition shall not apply until 1 July 2012 to the provision of third party liability insurance and environmental liability insurance.

(D.2) Exemptions:

For the list of exemptions to the above prohibition please see Article 12 of **EU Council Regulation (EU) No. 267/2012**

(E) Petrochemical Products

(E.1) Prohibition:

- (a) The transportation by Cyprus ships of petrochemical products, including those set out in Annex V of **EU Council Regulation (EU) No. 267/2012** is prohibited if

such originate in Iran, or are being exported from Iran to any other country.

- (b) It is also prohibited to provide directly or indirectly insurance and re-insurance related to the transport of petrochemical products of Iranian origin or that have been imported from Iran.

This prohibition shall not apply until 1 May 2012 to the provision of third party liability insurance and environmental liability insurance.

(E.2) Exemptions:

For the list of exemptions to the above prohibitions please see Article 14 of **EU Council Regulation (EU) No. 267/2012**.

(F) Gold, precious metals and diamonds

Prohibition:

The transportation by Cyprus ships of the following is prohibited:

- (a) gold, precious metals and diamonds, as listed in Annex VII of **EU Council Regulation (EU) No. 267/2012**, whether or not originating in the EU, to the Government of Iran, its public bodies, corporations and agencies, any person, entity or body acting on their behalf or at their direction, or any entity or body owned or controlled by them;
- (b) gold, precious metals and diamonds, as listed in Annex VII of **EU Council Regulation (EU) No. 267/2012**, whether the item concerned originates in Iran or not, from the Government of Iran, its public bodies, corporations and agencies and any person, entity or body acting on their behalf or at their direction, or any entity or body owned or controlled by them.

(G) Iranian denominated banknotes and coinage

Prohibition:

The transportation by Cyprus ships of newly printed or unissued Iranian denominated banknotes and minted coinage, to, or for the benefit of the Central Bank of Iran is prohibited.

Part I.2: Other related sanctions:**(A) Freezing of (Islamic Republic of Iran Shipping Lines (IRISL) assets and economic resources**

Pursuant to the combined reading of the provisions of paragraph 13 of the Recitals and of Article 23 of **EU Council Regulation (EU) No. 267/2012** all funds and economic resources belonging to IRISL or to a legal person acting on behalf of IRISL shall be frozen.

Moreover the transfer of ownership of vessels, owned, controlled or chartered by IRISL companies to other entities is also prohibited pursuant to the freezing of IRISL's assets.

In addition, according to Article 23 of **EU Council Regulation (EU) No. 267/2012**:

"Pursuant to the obligation to freeze the funds and economic resources of IRISL and of designated entities owned or controlled by IRISL, it shall be prohibited to load and unload cargoes on and from vessels owned or chartered by IRISL or by such entities in ports of Member States".

(B) Insurance**(B.1) Prohibition:**

According to Article 35 of **EU Council Regulation (EU) No. 267/2012**, it is prohibited to provide insurance or re-insurance, or to broker the provision of insurance or reinsurance, to:

- (a) Iran or its Government, and its public bodies, corporations and agencies;
- (b) an Iranian person, entity or body other than a natural person; or
- (c) a natural person or a legal person, entity or body when acting on behalf or at the direction of a legal person, entity or body referred to in (a) or (b).

(B.2) Exemptions:

- (i) Points (a) and (b) above shall not apply to the provision or brokering of compulsory or third party liability insurance or reinsurance to Iranian

persons, entities and bodies based in the EU, nor to the provision of insurance for Iranian diplomatic or consular missions in the EU.

- (ii) Point (c) above shall not prevent the provision of insurance or re-insurance or brokering of insurance to the owner of a vessel chartered by a person, entity or body referred to in point (a) or (b) above.

For the purpose of point (c) above, a person, entity or body shall not be considered to act at the direction of a person, entity or body referred to in points (a) and (b) above where that direction is for the purposes of docking, loading, unloading or safe transit of a vessel temporarily in Iranian waters.

Article 35 of **EU Council Regulation (EU) No. 267/2012** prohibits the extension or renewal of insurance and re-insurance agreements concluded before 27 October 2010, but, without prejudice to Article 23(3) thereof, it does not prohibit compliance with agreements concluded before that date.

(C) Restrictions on transport – Pre-arrival/ Pre-departure information

Article 36 of **EU Council Regulation (EU) No. 267/2012** imposes the obligation to provide the competent customs authorities with pre-arrival and pre-departure information on the transfer of goods.

(D) Bunkering or other ship supply services

Article 37 **EU Council Regulation (EU) No. 267/2012** stipulates that the provision of bunkering or ship supply services, or any other servicing of vessels, to vessels owned or controlled, directly or indirectly, by an Iranian person, entity or body shall be prohibited where the providers of the service have information, including from the competent customs authorities on the basis of the pre-arrival and pre-departure information referred to in Article 36 of **EU Council Regulation (EU) No. 267/2012**, that provides reasonable grounds to determine that the vessels carry goods covered by the Common Military List or goods whose supply, sale, transfer or export is prohibited under **EU Council Regulation (EU) No. 267/2012**, unless the provision of such services is necessary for humanitarian and safety purposes.

Such prohibitions shall apply until the cargo has been inspected and, if necessary, seized or disposed of, as the case may be.

PART II: RESTRICTIVE MEASURES RELATING TO THE DETERIORATION OF THE HUMAN RIGHTS SITUATION IN IRAN**(A) Arms and related materiel**

Prohibition:

The transportation by Cyprus ships from and to Iran of equipment which might be used for internal repression as listed in Annex III of **EU Council Regulation (EU) No. 359/2011, as amended**, is prohibited, whether or not originating in the Union, to any person, entity or body in Iran or for use in Iran.

(B) Equipment used for monitoring or interception of internet or telephone communications in Iran**(B.1) Prohibition:**

The transportation by Cyprus ships to any person, entity or body in Iran or for use in Iran, of equipment or software as identified in Annex IV of **EU Council Regulation (EU) No. 359/2011 as amended**, whether or not originating in the Union, intended primarily for use in the monitoring or interception by the Iranian regime or on its behalf, of internet or telephone communications on mobile or fixed networks in Iran, is prohibited.

(B.2.) Exemptions:

The competent authorities of the Republic may authorise the transportation of such equipment, unless they have reasonable grounds to determine that the equipment in question would be used for monitoring or interception, by the Iranian regime or on its behalf, of internet or telephone communications in Iran.

3. The text of the aforesaid **EU instruments** is obtainable from <http://eur-lex.europa.eu/>.

A regularly updated list of all the European Union restrictive measures in force can be found at http://eeas.europa.eu/cfsp/sanctions/docs/measures_en.pdf.

It is recalled that the relevant EU instruments are directly applicable in their entirety in all EU Member States.

4. All recipients of the present Circular are invited to take note of its content and should strictly abide by the provisions of the aforementioned European Union Instruments, other related European Union Instruments, Order P.I. 369/2010 and U N Security Council resolution 1929(2010).

This Circular must be placed on board vessels flying the Cyprus flag.



Nicolas L. Charalambous
Acting Director
Department of Merchant Shipping

cc: Permanent Secretary, Ministry of Communications and Works
Attorney General of the Republic
Permanent Secretary, Ministry of Foreign Affairs
Permanent Secretary, Ministry of Defence
Permanent Secretary, Ministry of Justice and Public Order
Diplomatic Missions and Honorary Consular Officers of the Republic
Maritime Offices of the Department of Merchant Shipping abroad
General Manager, Cyprus Ports Authority
Director, Department of Customs and Excise
Registrar of Companies
Commander, Cyprus Marine Police
Cyprus Shipping Chamber
Cyprus Union of Shipowners
Cyprus Shipping Association
Cyprus Bar Association

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