

Polish register defies US sanctions to class Iranian tankers

Most maritime service providers have distanced themselves from sanctioned Iranian companies, fearing secondary US sanctions could impede their ability to conduct business in US dollars

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NEWS



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Polish class society takes in US-sanctioned NITC tankers, arguing that political goals should not compromise maritime safety and environmental protection



Source: AP US NATIONAL SECURITY ADVISOR JOHN BOLTON WAS THE ARCHITECT OF THE SANCTIONS AGAINST IRAN.

THE Polish Register of Shipping has defied the US to class six Iranian tankers, saying the decision by the White House administration to sanction the vessels compromises international maritime safety and the marine environment.

At least five very large crude carriers and one suezmax tanker owned by the Iranian shipowner the National Iranian Shipping Co were transferred to the Polish registry from November through to February, according to Lloyd's List Intelligence. Under the oversight of US national security advisor John Bolton, the US government re-imposed sanctions on Iranian oil and petrochemical exports in November last year and explicitly warned the shipping community not to have dealings with NITC and its subsidiaries.

The sanctions have left most shipping industry participants reliant on US dollar transactions unwilling to deal with the NITC fleet, which covers 54 tankers including 46 VLCCs.

At least four other European classification societies and the Panamanian flag registry have withdrawn services to NITC over the last nine months, since sanctions were first flagged in May, 2018.

PRS however appears to have taken a more defiant stance.

"PRS is cognisant of the US actions being taken against Iran," board member Dariusz Rudinski said in an emailed statement to Lloyd's List.

"PRS is of the opinion that sanctions against the Iranian ships, which will navigate in spite of any sanctions, resulting in lack of proper supervision over technical condition of these ships, may cause marine casualties affecting not only Iranian interests but also those of the international community.

"In our opinion, the minimum level of the technical safety has to be ensured in any case. PRS' cooperation with the Iranian owners is of such nature."

Secondary US sanctions can be imposed on anybody "knowingly providing significant financial, material, technological, or other support" to activities or transactions that benefit the energy, shipping or shipbuilding sectors of Iran,

according to section 1244 of the Iran Freedom and Proliferation Act of 2012. That includes NITC and its fleet.

Lack of precedent

“The question is: what might be a material or significant service to them? That’s an open question that’s completely unanswered,” said Clyde & Co senior counsel Douglas Maag.

The New York-based lawyer was speaking generally about the sanctions, which he said has seen most western banks and companies shun dealing with Iran for fear of being blacklisted by the US Treasury. Anybody providing “significant support” risked being placed on the Specially Designated Nationals and Blocked Persons list published by the Office of Foreign Assets and Control.

“It’s a clear exposure to potential US sanctions by dealing with NITC,” he said. “It’s really impossible to guess whether sanctions would be imposed ... but there’s a risk and most people aren’t willing to take that risk.”

PRS now classes the VLCCs *Deep Sea*, *Felicity*, *Hilda I*, *Herby* and *Starla*, plus the Suezmax vessel *Salina*. These vessels were previously covered by classification societies Lloyd’s Register, Korea Shipping, and DNV, according to Lloyd’s List Intelligence data. Class transfers began in September, with the final vessel completed to PRS in late February, data shows. Most other tankers in the fleet are now with the China Classification Society.

The PRS said it condemned all acts of violence and terror but viewed the US sanctions as a political action. The board members noted the non-profit group previously complied with international sanctions against Iran, which were in place from mid-2012 through to the end of 2015.

“PRS is convinced that political goals should not compromise maritime safety and environment protection and stands by its mission to provide ships with the technical supervision services,” the email said.

The PRS is an International Association of Class Societies member, with 3.5m dwt covering 307 ships, making it the second smallest of the 12 members, according to the most recent IACS annual statement. The NITC tankers would be the only ones of this ship type in the PRS registry, based on the IACS information. The largest class society, ABS, has 375.2m dwt classed, according to IACS.

Italy’s RINA had classed another six NITC tankers for a short period of time once they left other European societies, over October and November. However, the vessels left “for external factors”, according to a statement from the Genoa-based group. This means the active NITC fleet is now covered by China for all but the six PRS vessels, according to Lloyd’s List Intelligence data.