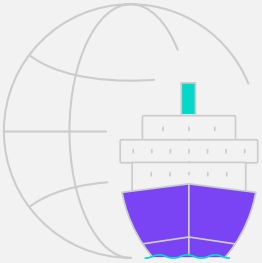
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Sanctions brief

November 2026



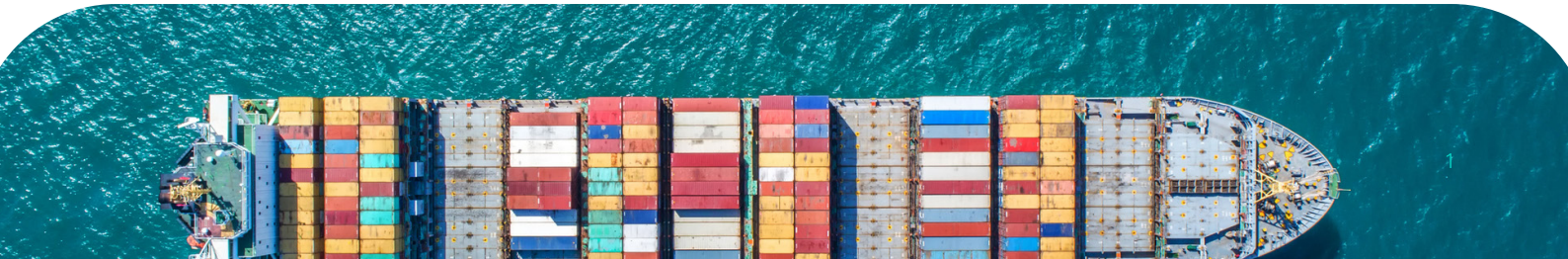
Our firm's Commodities & Shipping Practice highlights the following recent developments regarding US economic sanctions:

Iran

- **New licensing policy –** As noted in last month's Sanctions brief, the Office of Foreign Assets Control (OFAC) implemented a new licensing policy of "presumed denial" for all Iran-related license applications, except when licenses are "required by law," or in certain urgent circumstances. Although these exceptions are quite narrow, we have seen instances where OFAC has shown a willingness to consider licenses to enforce arbitration awards and obtain full payment for commodity sales and shipments that were authorized under certain humanitarian-related general licenses (e.g., the sale of agricultural commodities to Iran).
- **Shipping Designations** – OFAC designated over 20 tankers to the Specially Designated Nationals and Blocked Persons List (SDN List) due their involvement in carrying Iranian commodities. OFAC also targeted numerous vessel owners, operators, managers and shipping agents for participating in Iran's petroleum or petrochemical sectors. US authorities are actively mapping the networks and financial channels that Iran uses to export oil, evade sanctions and fund proxies.
- **Illicit shipping** – OFAC designated a law firm operating in both Greece and Panama for supporting Iranian shipping activity over a period of years. Among other activities, the firm registered shipping companies that own shadow fleet vessels responsible for shipping Iranian steel, petroleum and petrochemicals, among other goods. Shipping agents in Singapore and UAE were similarly targeted for supporting Iranian trade.
- **Mining and Metals** – OFAC is targeting the Iranian metals industry – the country's second most important sector in terms of export value. Sanctions include the designation of a German company to the SDN List, finding that it provided precursor materials for steel production in Iran. Our team expects to see an increase in OFAC's targeting of companies that provide goods and services for Iranian mining and metals.

Russia

- **General License (GL) for Russian diesel** – Only 21 days after passage of the Lindsey O. Graham Sanctioning Russia and Iran Act of 2026 (the "Graham Act"), which strengthened US sanctions against Russia, President Donald J. Trump announced a deal with President Vladimir Putin for Russia to supply more than 300,000 tons of diesel to the US and global markets. Shortly thereafter, OFAC issued GL 135, which authorized transactions "related to the sale, delivery, offloading, or importation, including importation into the United States, of [Russian] diesel fuel" until April 7, 2027. The legality of GL 135 has been called into question by some US lawmakers, particularly regarding US imports of Russian diesel, which is restricted under the Ending Importation of Russian Oil Act of 2022. Our team is monitoring efforts among members of Congress to challenge GL 135 through legislative measures. The governor of New Jersey has threatened "harsh penalties" for those who unload Russian diesel at New Jersey terminals.
- **Graham act waiver** – On 16 October, President Trump issued an executive order that invokes the waiver provisions of the Graham Act to suspend application of mandatory sanctions. President Trump provided Congress with a written certification that the waiver is in the national interests of the US, along with a report explaining that the waiver was "necessary to incentivize resolution of the Russia-Ukraine war." As a result, sanctions and tariffs that otherwise would have been mandatory within 30 days of the Graham Act's passage (see October Sanctions Brief) are now suspended for an indefinite period. Secretary of State Marco Rubio has indicated the administration will revisit this issue in the coming months.



Cuba

- **Banking** – The US Department of State continues to target financial institutions that facilitate transactions for the benefit of blocked persons. Most recently a Cuban bank that provided services to a blocked Iranian bank was designated on the SDN List.

Enforcement and disputes

- **OFAC settlement** – A logistics company and freight forwarder violated US sanctions after it arranged a shipment of goods from a blocked Chinese entity to the US. Although the blocked entity had adopted a different name from the one on the SDN List, OFAC found the screening to be insufficient because the blocked entity's phone number was published on the SDN List and it had not changed. Multiple violations were settled, but OFAC noted as an "aggravating factor" heightened due diligence expected of international logistics companies, given the compliance risks in that sector.
- **Freedom of Information Act (FOIA) lawsuit** – A Moscow-based entity has sued OFAC to obtain documents, which it requested under FOIA, related to OFAC's rationale for designating the company on the SDN List. When OFAC denies an SDN's delisting petition, the SDN sometimes uses FOIA to seek the underlying administrative record with the ultimate aim of challenging the sufficiency of the designation's basis under the Administrative Procedure Act.
- **Vessel seizures** – The US District Court for the Southern District of Texas has published rules for "prize" proceedings – the first such rules in the US since 1942. Prize law permits a US court to condemn vessels and cargo captured at sea during war and transfer them to the US government. The US Department of Justice reportedly plans to use these measures to condemn three tankers seized by US forces this year, at least two of which are blocked under US sanctions on Iran. US Central Command's April 2026 blockade guidance asserts a right to board and search any sanctioned vessel, and it treats crude oil, petroleum products, metals and industrial machinery as potential contraband. Unlike a civil forfeiture, which the US government has used to take title to sanctioned cargo in the past, prize proceedings offer no innocent-owner defense and pre-capture mortgages on enemy property generally do not survive.

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