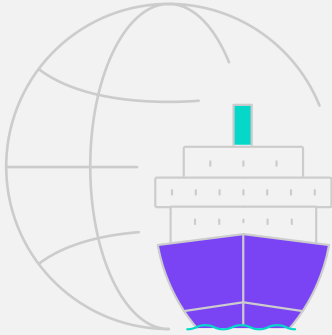
SQUIRE PATTON BOGGS



Sanctions brief

September 2026

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

Iran

- **"Operation Economic Outcast"** – President Donald J. Trump announced a campaign to "sever the economic lifelines that sustain the Iranian regime." Most of the secondary sanctions to be used for this effort have long been in place, but we anticipate increased targeting of vessels, owners, operators, managers, logistics companies, brokers, commodity traders, refineries and smaller financial institutions. In addition, the Office of Foreign Assets Control (OFAC) issued a determination to strengthen secondary sanctions on non-US parties that operate in the Iranian shipping sector, as well as the aviation, gold, digital asset and technology sectors.
- **Strait of Hormuz** – OFAC issued an alert on the "Sanctions Risks of Iranian Demands for Strait of Hormuz Passage," warning of the secondary sanctions risk associated with any form of payment, swap, charitable donation or other exchange made to Iran or its proxies for safe passage. This alert builds on prior guidance identifying payments to Persian Gulf Strait Authority (PGSA), Persian Gulf Marine Insurance Company (PGMIC) and HormuzSafe Marine Services Authority (Hormuz Safe) as sanctionable conduct. Maritime service providers are advised to implement compliance measures, as needed, to ensure vessels are not paying prohibited fees in any form.
- **Enforcement action** – OFAC settled potential sanctions violations with a US manufacturer for equipment sales that its European subsidiary made to a distributor in the UAE. The distributor reportedly knew or should have known the equipment was destined for Iran. This case highlights both the risks of goods being rerouted to Iran, but also the potential liability US entities have for the activities of their non-US affiliates. This is especially the case with the Iran sanctions program, which requires non-US entities owned or controlled by US persons to comply to nearly the same extent as their US parent.
- **New designations** – OFAC designated numerous individuals and entities to the Specially Designated Nationals and Blocked Persons List (SDN List) for transactions related to trade in Iranian crude oil, petroleum and petrochemicals. The sanctionable conduct included vessel management, commodity sales and purchases, as well as customs broker services. Targeted parties were located in countries such as India, Turkey, Singapore and Hong Kong. These sanctions are indicative of the broadening scope of Iranian secondary sanctions.

Cuba

- **Metals and mining** – The US Department of State (DoS) designated several companies to the SDN List for helping the government of Cuba exploit the country's metals and mining sector. Blocked companies include Metalcuba, Geominsal, Acinox Comercial and Empresa De Niquel Comandante Ernesto Che Guevara.
- **Other SDN designations** – DoS continued to designate entities engaged in trade that supports Cuban military and security forces. Among these are Sociedad Mercantil Duna SA, a Cuban importer, as well as entities affiliated with Grupo de Administración Empresarial S.A. (GAESA), such as Tecnoimport and Tecnotex. Although transactions involving these entities are strictly prohibited only when there is a US nexus, significant transactions by non-US persons can trigger secondary sanctions under Executive Order 14404.

Russia

- **Specific license** – Naftna Industrija Srbije (NIS), which operates Serbia's only oil refinery, was granted a renewed specific license by OFAC to operate through September 30, 2026. OFAC designated NIS in 2025, and it is owned ultimately by blocked Russian entities. This license, which was announced by NIS, reportedly authorizes continued operations, including operation of the Pančevo refinery and performance under existing contracts.

Syria

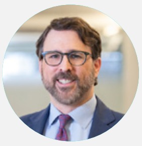
- **State sponsor of terrorism –** Secretary of State Marco Rubio authorized the formal recission of Syria's designation as a "State Sponsor of Terrorism." This action follows the broad sanctions and export control relief ordered by President Trump in 2025. This step eliminates barriers to private sector investment in Syria by lifting various restrictions on certain exports, loans by international financial institutions and tax credits.

Venezuela

- **Amended general licenses (GLs)** – OFAC amended several GLs that authorize Venezuela-related transactions to remove the requirement that terms of authorized contracts be interpreted in accordance with US law. These GLs still require dispute resolution proceedings to be held in the US, UK, France or Singapore. These amendments were made in response to investment-related reforms made recently by the Government of Venezuela. The amended GLs include: GL 46D, 47B, 48C, 50C, 51C, 52B, 54B and 61A.

Contact

For additional information, contact



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