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# Export Control and Sanctions' Impact on Transportation

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12:15-12:45



# Transportation by Sea

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1. Voyage charters

2. Time charters

3. Bareboat charters

4. Carriage of goods at sea (if a whole ship is not used the transportation is often simply called carriage of goods at sea/freight contract/sea waybill. The merchant/seller hires space on the vessel for a particular transportation of specified goods between two specified ports)

# Before Voyage

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"The Owners shall not be obliged to comply with any orders or voyage instruction for the employment of the Vessel whether under the terms of this charter party or by reason of bills of lading having been issued under or in connection with this charter party in any carriage, trade or on a voyage which, in the reasonable judgement of the Owners, will expose the Vessel, Owners, managers, crew, the Vessel's insurers, or their re-insurers, to any sanction or prohibition imposed by any State, Supranational or International Governmental Organisation".

# During Voyage

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"If the Vessel is already performing an employment to which such sanction or prohibition is subsequently applied, the Owners shall have the right to refuse to proceed with the employment and the Charterers shall be obliged to issue alternative voyage orders within 48 hours of receipt of Owners' notification of their refusal to proceed. If the Charterers do not issue such alternative voyage orders the Owners may discharge any cargo already loaded at any safe port (including the port of loading). The Vessel to remain on hire pending completion of Charterers' alternative voyage orders or delivery of cargo by the Owners and Charterers to remain responsible for all additional costs and expenses incurred in connection with such orders/delivery of cargo. If in compliance with this Sub-clause (b) anything is done or not done, such shall not be deemed a deviation".

# If no Sanctions Clause

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- Force Majeure
- Illegality
- Doctrine of frustration

# Unexpected developments

West Coast AB

US SDN

CMCA

Delivery in 6 months  
FOB  
Performance Guarantee

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# Unexpected developments

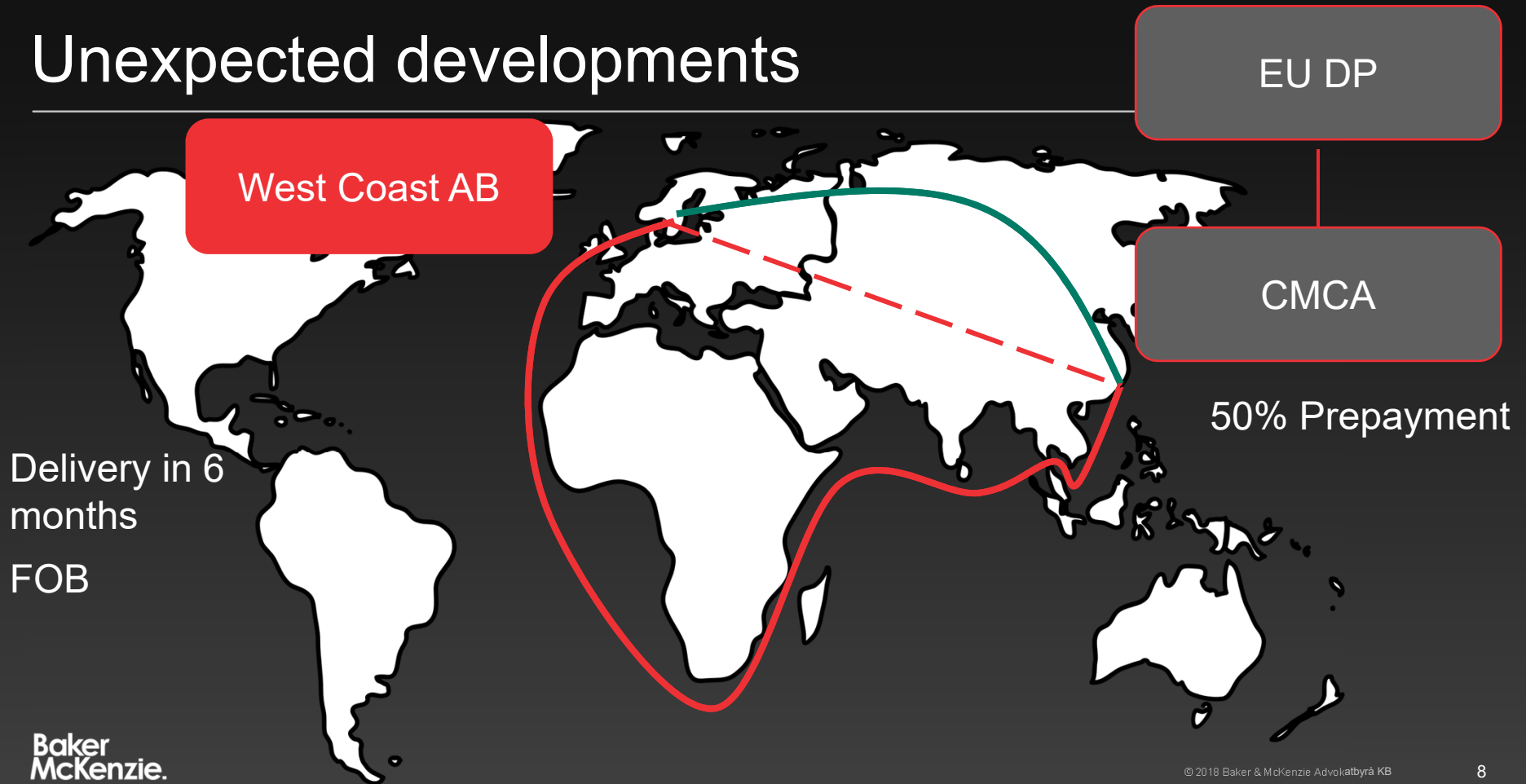
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What actions can/should West Coast AB take?

- Where do we start?
  - Purchase / Sales Contract
  - Contract of Carriage
  - Bill of Lading
- How should we manage the performance guarantee?



# Unexpected developments



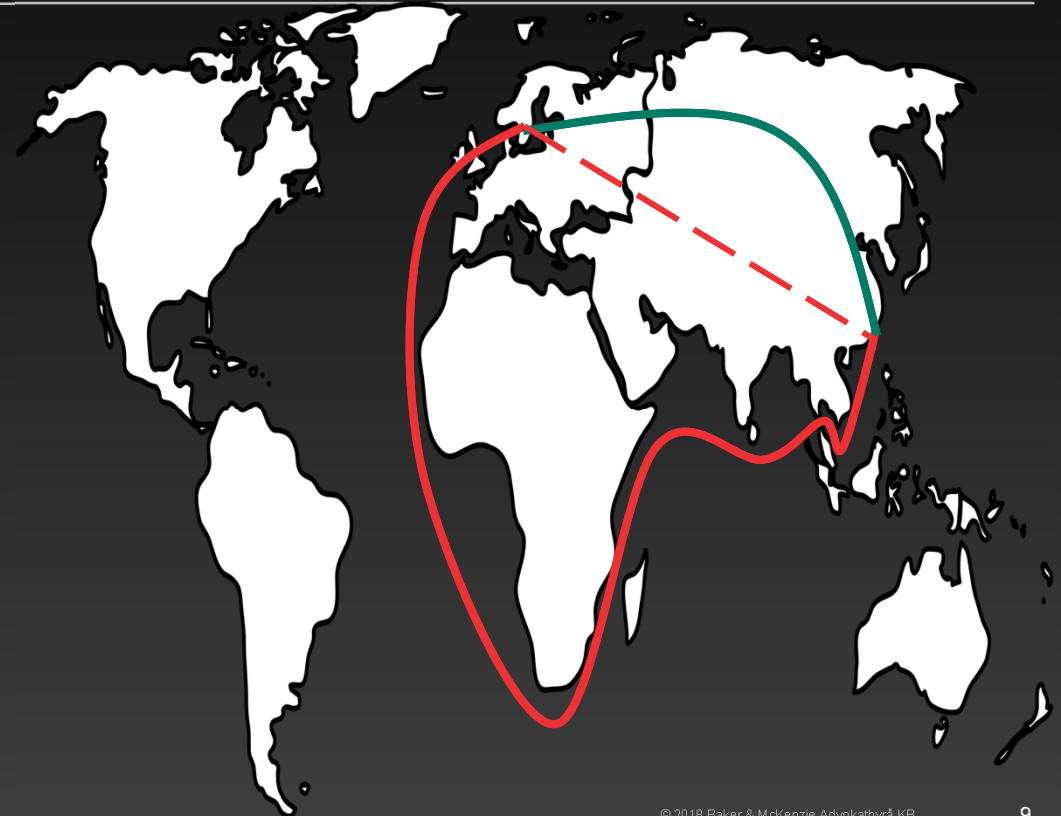


# Unexpected developments

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What actions can/should West Coast AB take?

- Has a sanctions violation taken place?
- Can we stop the delivery?
- How should we treat the prepayment?



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