



11:00 AM - 11:15 AM

**“The Impact of trade sanctions on International Shipping & Financing”
Mr. Lianjun Li, Partner - ReedSmith Richard Butlers**

Good morning ladies and gentlemen, it is a great honor to have the opportunity to make a brief statement on trade supporters, shipping and the impact on finance issues. Special thanks to CAPITAL LINK for this invitation. Today I have prepared two topics. To briefly introduce, the first is about the United Nations sanctions law, the second is the main countries on trade sanctions list. First, let's me explain the United Nations sanctions law. In short, the United Nations use decisions to impose sanctions on individuals, companies and countries. Specific sanctions are currently being implemented through fourteen committees. Until April 13th this year, the United Nations had 705 individuals and 350 companies on its sanctions list. If there is any individual works in financial and shipping-related industries, the United Nations sanctions should be in your mind. It is known that the United Nations does not have an executive body, the law is carried out by a member State of the United Nations. The second topic is to give you a brief review of the United States, the European Community, the People's Republic of China, and the Hong Kong Special Administrative Region on sanctions. First, let's me talk about the U.S. sanctions, we know that the United States uses several ways of sanctions, the first is weapon, the second is finance, the third is trade export, and the fourth is travel. Whether you are doing financial or shipping trade, be careful of any transaction with the sanctioned countries in case of not violating the law. Sanctioned countries in Asia are Iran, Iraq, North Korea and Syria. In Europe is Russia. Africa and South America's Venezuela are also included. You've possibly heard about the sanctions law against non-Americans. The basic U.S. sanctions law applies to U.S. companies, citizens and green card holders. Moreover, if non-Americans go to the U.S.A, they are also affected by the U.S. sanctions law. The second point is that although you're not in the U.S.A and not an American, you may also be affected if you are dealing with the sanctioned countries. So be aware of who is trading with you. Regarding to the North Korean sanctions, there are primary and secondary sanctions. Any deal with North Korea could be affected by U.S. sanctions. As for Russia, there are also primary and secondary sanctions, especially in the energy sector. So, I want to remind everyone that any deal with Russia may constitute secondary sanctions. As for Iran, U.S. companies and individuals can't have Iran-related deals, the penalties for violating U.S. sanctions laws can be very serious. if you don't in the U.S.A, the laws can still have a big impact on you. For example, business partners know you're under U.S. sanctions, if you do business with them again, it could also be sanctions against them. So, you may lose a lot of business partners who are willing to have trades with you. Yesterday, one of my customers said that his boat in Venezuela had been in Venezuela for three months and it cannot enter the port. After a long waiting time, he said that it can now enter the port, and he was looking for tankers to supply the oil. Unfortunately, many tankers did not want to provide the oil because although the owner is from Hong Kong, the consignees and shippers can be on the U.S. sanctions list. So, sanctions law has a huge impact on shipping, many suppliers said they won't do any deals with you if there's a potential risk. In addition to the United States, the European Community is also very important. Many of our transactions

involve the European Community. Many of our companies and institutions in the European Community must comply with this law. It is also important to observe the law of Chinese sanctions, especially in the Far East. China is a member of the United Nations and all the United Nations sanctions laws apply to China. There is no single sanctions law in China. Sanctions law is enforced through China's trade laws and various administrative agencies. Anyone who is familiar with Chinese law knows that the United Nations sanctions are notified through the Ministry of Foreign Affairs and the Ministry of Economy and Trade, the results of the violations are very serious, but so far there have been no special proceedings. Last year, we had a client whose company was registered in Hong Kong, and he told us that the police were now on the road to our Qingdao client's company to check because there might be a violation of the United Nations decision about trading with North Korea. We can see that China is strictly enforcing the sanctions decision. I also want to remind that the Hong Kong Special Administrative Region, which have special laws and is guilty of serious offences, to comply with all the United Nations sanctions provisions. The impact of sanctions on international shipping and financing is also very important. Recently, we have a customer. he is a customer of the bank. After the bank heard that his financing ship may go to Iran, they said that although he is not strictly prohibited to go to Iran in the financing documents, but the shipowner has a certain default, If you're going to Iran, the bank is going to trigger customers quickly. Why is that important? Because if the ship goes to Iran, the value of the future auction of customers' ships will be greatly affected. One the other hand, sanctions law has good effects. Because Iran is unable to export oil now, customers need to increase voyage to West Africa to buy oil, this is an opportunity for some shipowners. I also suggest all companies should invest in a prevention system. If there is no such a system, if something bad happens, the penalties for the companies will be very serious. If there is a prevention system, at least you can say I have a system to prevent sanctions violations. In general, shipping companies and financial enterprises should establish a prevention system and team instructions to prevent violations of the law. Thank you.

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贸易制裁对国际航运和融资的影响
李连君先生（礼德齐伯礼合伙人）

女士们先生们，早上好，非常荣幸有机会在今天的论坛上对贸易支持者，对航运以及对金融的影响做一个简短的发言，非常感谢 CAPITAL LINK 的邀请。我讲的题目有三个，简短的给大家介绍一下，第一个是关于联合国的制裁，第二个是主要的国家在贸易制裁方面的法律，首先最重要的是了解联合国有关制裁的法律，简单来说，联合国通过决定对一些个人，公司和国家实行制裁，目前通过十四个委员会来执行具体的制裁。在今年四月十三号，联合国共有 705 个人和 350 个公司在联合国的制裁名单上，如果大家有从事和金融和航运相关的工作要注意联合国制裁的规定。大家知道联合国并没有执行机构，他是靠联合国的成员国来执行。第二部分给大家简单的回顾一下，美国，欧共体，中华人民共和国，以及香港特别行政区关于制裁上的法律，因为我们的会议在上海，很多船东也是悬挂香港的旗，我再介绍一下香港特别行政区的法律，最重要的这几个区域来讲，贸易制裁对航运和金融的影响第一个是美国的法律，大家知道，因为美国很多的美金交易都是通过美国的金融机构来进行，所以第一我们先说一下美国的制裁有关法律，大家知道美国通过几个方式进行制裁，第一个是武器，第二个是金融，第三是贸易出口，第四是旅行方面，制裁的国家，不管是做金融还是航运贸易，对这几个国家的贸易要小心，不要违反法律，亚洲有伊朗，伊拉克，北韩和叙利亚，欧洲的话，最重要的可能是俄罗斯，非洲以及南美洲的委内瑞拉，

在委内瑞拉方面，美国制裁上有新的规定，对于美国制裁的特点，大家有可能听说过对非美国人的制裁。美国基本的制裁法律适于美国的公司，公民和绿卡持有者，如果你去美国，非美国人也受美国制裁法律的影响，作为一个非美国人，如果你在美国出差，也根据美国制裁的法律来行事，第二点是，虽然你不在美国，虽然不是美国人，你和被制裁的国家进行交易可能也会受到影响，所以大家要注意哪些人跟你在交易。对于北韓的制裁，有 primary sanctions 和 secondary sanctions, 任何和北韓的交易都可能受到美国制裁的影响。对俄罗斯，有 primary sanctions 和 secondary sanctions, 特别是能源领域，提醒大家任何和俄罗斯的有关交易可能构成 secondary sanctions, 非常重要是伊朗，美国公司和个人不可以有和伊朗有关的交易，违反美国制裁法的处罚也是非常严重的，如果你不在美国也可能对你构成很大的影响，比如说商业伙伴知道你被美国制裁了，如果再跟你交易也可能构成对他的制裁，所以你可能会丧失很多商业伙伴与你交易的机会，我们昨天还有一个客户说他的船在委内瑞拉已经呆了三个月了不能进港，后来说现在可以进港，找加油商供油，很多加油商不提供油，理由是虽然这个船东挂的香港旗，但收货人和发货人可能在美国的制裁名单上，所以制裁法律对航运影响非常大，很多供应商说一旦有潜在的风险，我就不跟你做任何的交易所。除了美国之外，欧共体也非常重要，我们的很多交易也牵扯到欧共体，我们的很多公司和机构在欧共体也要遵守这个法律。还有一点，特别是在远东跟中国有关的公司，中国制裁的法律也要遵守，中国是联合国的成员，所有联合国的制裁都适用于中国，在中国，没有一个单独的制裁法律，都是通过中国的贸易法和各个行政机关来实施，熟悉中国法的人都知道联合国的制裁是通过外交部和经贸部发通知，违反的结果也是非常严重的，但到目前为止还没有特别的诉讼。去年我们有个客户，他的公司在香港注册，他告诉我们说警察现在在路上要去我们青岛客户的公司来查，因为可能有违反联合国的决定，跟北韓有交易，可见中国也是严格执行制裁决定。我也提醒香港特别行政区要遵守所有联合国有关制裁的规定，香港特别行政区有特别的法律，违反也有严重的罪行。提醒大家，制裁对国际航运和融资的影响也非常重要，最近我们有个客户，他是银行的客户，银行听说他融资的船可能要去伊朗，说他虽然在融资的文件里没有严格禁止去伊朗，但是由于船东有一定的 default，你要去伊朗他就很快 trigger 客户的 payment obligations, 这个为什么很重要呢？因为对银行来讲，万一去了伊朗，将来拍卖客户的船的价值会受很大影响。当然制裁法律但也有好的影响，比如说伊朗现在不能出口油，对某些船东可能是个机会，因为你增加航程到西非去买油。作为公司来讲，应该有一个预防系统，如果没有这个系统的话，万一有疏漏，行政机关对公司的处罚会非常严重，如果有预防系统，至少可以说我本身是有防止违反制裁的系统的，如果没有，可能造成很大的风险。总的来讲，航运公司和金融企业要建立系统，建立队员指示，防止违反法律，谢谢大家。