

Navigating OFAC's Guidance

Advanced Solutions for
Maritime Sanctions Compliance

Unpacking OFAC's Guidance for
Shipping and Maritime Stakeholders
on Detecting and Mitigating Iranian
Oil Sanctions Evasion.

May 2025



"We're not Navy SEAL Team 6."

This statement came up at a recent conference, and it stuck — because it reflects how many in the industry feel. Vessel due diligence? Too complex, too time-consuming. We are not regulators or global enforcers.

But here's the good news: you don't have to be. As sanctions evasion gets more sophisticated, so do the tools to detect it. With platforms like Lloyd's List Intelligence (LLI) Seasearcher, you can surface maritime risk, make sense of it, and act — without chasing ships across the ocean or time-consuming manual processes.

Compliance does not have to be a burden. With the right intelligence, it becomes faster, smarter, and surprisingly satisfying. After all, boats are cool — and catching the shady ones? Even cooler.

Executive Summary

As sanctions evasion techniques grow increasingly sophisticated, maritime stakeholders face mounting pressure to implement effective compliance controls. The April 2025 OFAC Advisory update on Iranian oil shipments underscores the critical need for advanced intelligence solutions in identifying high-risk vessels and transactions. This white paper unpacks OFAC's guidance, examines the evolving tactics of the "Shadow Fleet," and demonstrates how Lloyd's List Intelligence's Seasearcher platform delivers the comprehensive vessel intelligence required to detect sanctions risks efficiently, protect your business from penalties, and streamline compliance workflows.

Overview

On April 16, 2025, the U.S. Department of Treasury's Office of Foreign Assets Control (OFAC), issued an update to its September 2019 Advisory to the Maritime Petroleum Shipping Community, with the goal to:

"Assist the global shipping and maritime industry in identifying sanctions evasion related to the shipment of Iranian-origin petroleum, petroleum products, or petrochemical products and implement sanctions compliance practices to guard against such sanctions risk."

The updated advisory is consistent with President Trump's National Security Presidential Memorandum (NSPM-2), imposing maximum pressure campaign 2.0 on Iran. Included in the NSPM-2, is the goal of driving Iran's export of oil to zero, specifically calling out China.

Why are we here?

According to the U.S. government, Iran heavily relies on its oil sales to advance its nuclear weapons and ballistic missile programs, fund destabilizing activities, and support terrorist groups that threaten U.S. national security interests.

Potential risks to you and your business?

In March 2024, the Department of Commerce, Justice, and Treasury issued the Tri-Seal Compliance Note outlining the obligations of non-U.S. persons to comply with U.S. sanctions and export control laws. There were no new apparent requirements but reminded the industry of strict liability¹. Considering this, the recent multi-jurisdictional maritime advisories, aggressive enforcement through designations, one thing is clear, without operationalizing effective controls to manage this risk, your business could be at risk.

¹ That means, according to OFAC, "a person subject to U.S. jurisdiction may be held civilly liable even if such person did not know or have reason to know that it was engaging in a transaction that was prohibited..."

² <https://ofac.treasury.gov/media/932746/download?inline>.

³ Claim a flag they are not actually registered with.

⁴ Flagged by a registry not authorized to provide flagging services.



Consequences of Violation U.S. Sanctions or Engaging in Sanctionable Conduct

"The United States is committed to aggressively enforcing our sanctions against the Iranian regime."²

From December 2024, OFAC sanctioned 86 individuals and entities, spread across 25 countries, and identified 85 tankers as blocked property, for involvement in the shipment and sale of Iranian oil. From February 2025, the Department of State sanctioned 16 entities and identified 13 tankers as blocked property.

The Shadow Fleet

To facilitate the illicit movement of Iranian cargoes, the regime leverages a fleet of "Shadow" vessels to obfuscate the origin, generating billions in revenue.

What is the shadow fleet? According to OFAC, the Shadow Fleet is comprised of older, poorly maintained vessels, operating outside of standard maritime regulations, and engage in deceptive shipping practices, mainly relying on advanced data manipulation tactics.

OFAC indicates that Shadow Fleet vessels regularly change its registration (Flag), fly false flags,³ or are fraudulently flagged.⁴

Notably, OFAC highlights that Iran uses a separate fleet of gas carriers to transport liquified petroleum gas (LPG), mainly to China and engages in similar patterns of deceptive behavior to the oil tanker fleet.

Deceptive Practices Highlighted by OFAC & Effective Controls to Mitigate Risk

For each deceptive practice, we'll look at non-exhaustive best practices to lean on in order to identify and mitigate this type of risk. All controls reflect a risk-based approach, consistent with your organisation's risk appetite/exposure, deploying red flag triggers to identify risk. Red flag triggers may be jurisdictional, internal/external watchlist screening, scenario based, etc.

Ship-to-Ship Transfers

A ship-to-ship transfer (STS) is the process of transferring cargo from one ship to another and can occur at anchor or while underway. Not all STSs are bad, but it is a practice heavily utilized by Iran, sometimes 3 to 5 in a single shipment to obfuscate cargo origin and ultimately transport its product to third countries.

Best Practice: Maritime stakeholders should have the ability to identify STS transfers during the timeframe of the transaction. Not for all transactions but for transactions that trigger a review based on pre-determined red flags. Not just related to wet products, but also for containerized goods, general cargo, and bulkers – having the ability to identify STS transfers, transshipments, and cargo diversions are crucial to truly knowing your vessel and holistic transaction risk.

It is also worth noting that LLI has identified the Arabian Gulf and Strait of Malacca as areas posing heightened concern for illicit STS operations. As such, organisations should leverage intelligence platforms that provide automated alerts for vessels conducting operations in these regions, particularly when those vessels exhibit additional risk factors or display patterns consistent with sanctions evasion networks identified in OFAC's guidance.

Falsifying Cargo and Vessel Documents

Networks supporting the facilitation of illicit Iranian cargoes regularly engage in the falsification of cargo documents, obscuring cargo origin, loading ports, and destination. In the world of financial crime compliance, document falsification is nothing new, however, new tools, technologies, and datasets are available to aid the industry in identifying this type of risk.

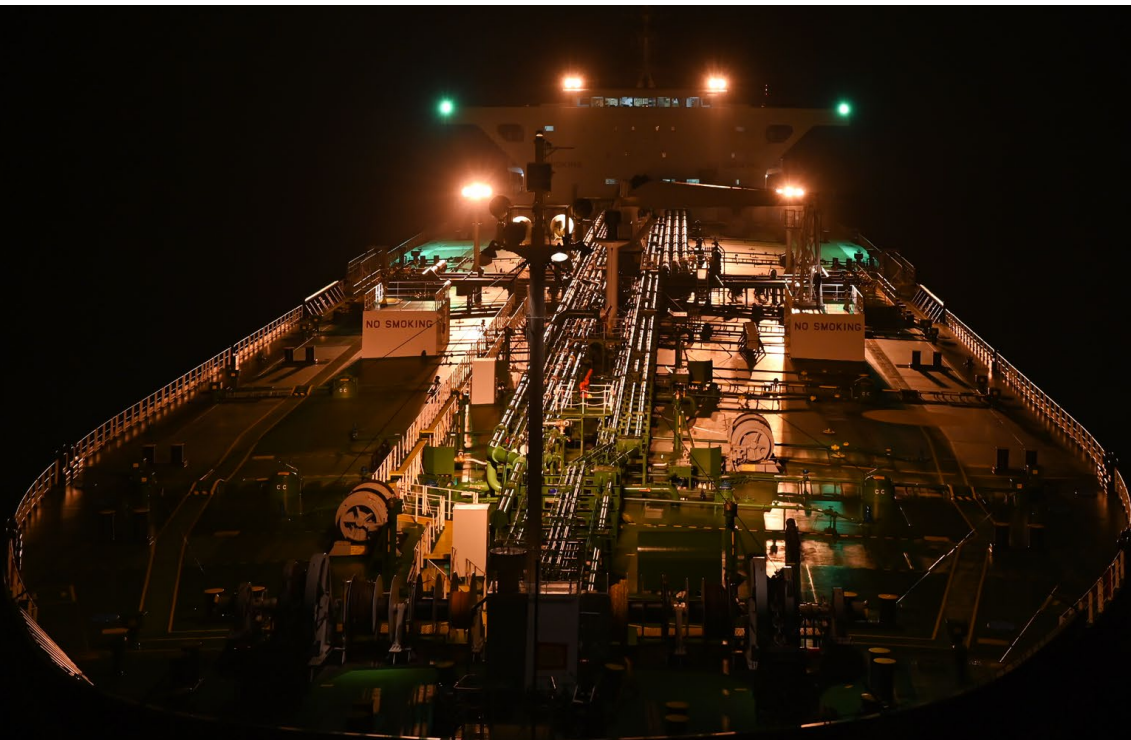
Best Practice

Check and challenge documentation presented against relevant data points. Cross check shipped on board date and vessel port calls, confirm there are no deceptive shipping practices present, and leverage maritime intelligence software. In addition, cargo flow/freight intelligence can be used to supplement documentation and maritime data, providing deeper insights into the transaction.

A quick OSINT search looking at entities involved can go a long way, at the very least, confirming the entities involved have verifiable web presence, the transaction makes sense (i.e. consistent trade lane, parties involved in same/similar industries, no apparent connections to sanctioned parties or jurisdictions).

Documentation leveraged for due diligence may include (non-exhaustive) the invoice, bill of lading, certificate of origin, packing lists, proof of adequate insurance, certificate of quality/quantity, and customs clearance.

The following case study demonstrates these principles in action, revealing how Lloyd's List Intelligence Seasearcher identifies discrepancies between vessel documentation and actual movement patterns that traditional compliance approaches would miss:

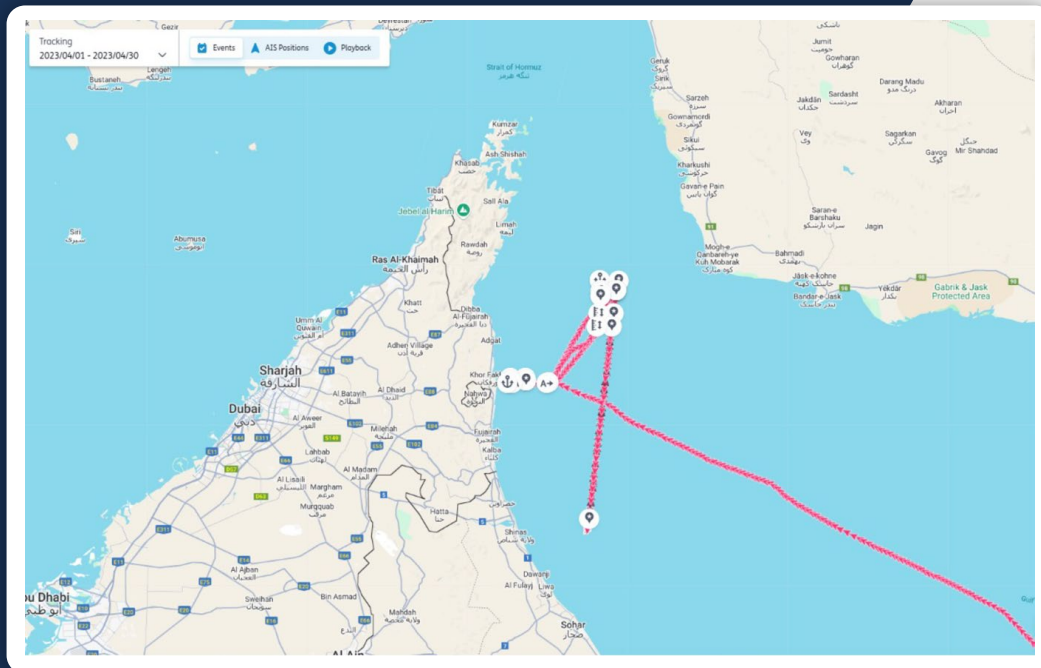


Case Study A:

The below bill of lading indicates the vessel Sea Opera loaded propane at Sohar, Oman, on April 17, 2023, with the certificate of origin issued by Babylon Marine Services LLC, relating to the same BL.

Shipper STARLING DENVER TRADING LIMITED		BILL OF LADING BL No. SO SOH-IP-1011(2023)	
TO BE USED WITH CHARTER-PARTIES: Reference No.		 بيبي لاون البحرية الخدمات ذ.م.م BABYLON MARINE SERVICES LLC	
Consignee TO ORDER		FIRST ORIGINAL	
Notify address TO ORDER			
Vessel SEA OPERA		PORT OF DISCHG SOHAR, OMAN	
PROF OF ORIGIN SHARJAH, UAE			
Shipper's description of goods		Gross weight	
FULLY REFRIGERATED PROPANE		21,330.169 MT (M AIR)	
CLEAN ON-BOARD FREIGHT PREPAID			
<small>(Of which: on deck at Shipper's risk, the Carrier not being responsible for loss or damage howsoever arising)</small>			
Freight payable as per CHARTER-PARTY clause		<small>It is I.P.P.S.D. at the Port of Loading in apparent good order and condition on board the Vessel for carriage to the Port of Discharge or to such extent as may be stated on the bill of lading.</small>	
FREIGHT ADVANCE Received on account of freight:		<small>Weight, measure, quality, quantity, condition, contents and value</small>	
Time used loading: days: hours:		<small>IT IS THE responsibility of the Master or Agent of the said Vessel to sign the certificate of origin of goods in accordance with the terms and conditions of the charter party and to ensure that the goods are in accordance with the bill of lading.</small>	
Freight payable at:		Place and date of issue SOHAR, OMAN 17/04/2023	
Number of original B/Ls: 1/3		Signature: MASTER OF SEA OPERA CAPT. VIKAS SHANDAL	
<small>Printed and sent by: M/V. Seabrook Shipping A/S, 66 Tordenskjold, DK-1253 Copenhagen, Telex: 45 3123 HSL By authority of The Baltic and International Maritime Council (BIMCO), Copenhagen</small>		For BABYLON MARINE SERVICES LLC 	

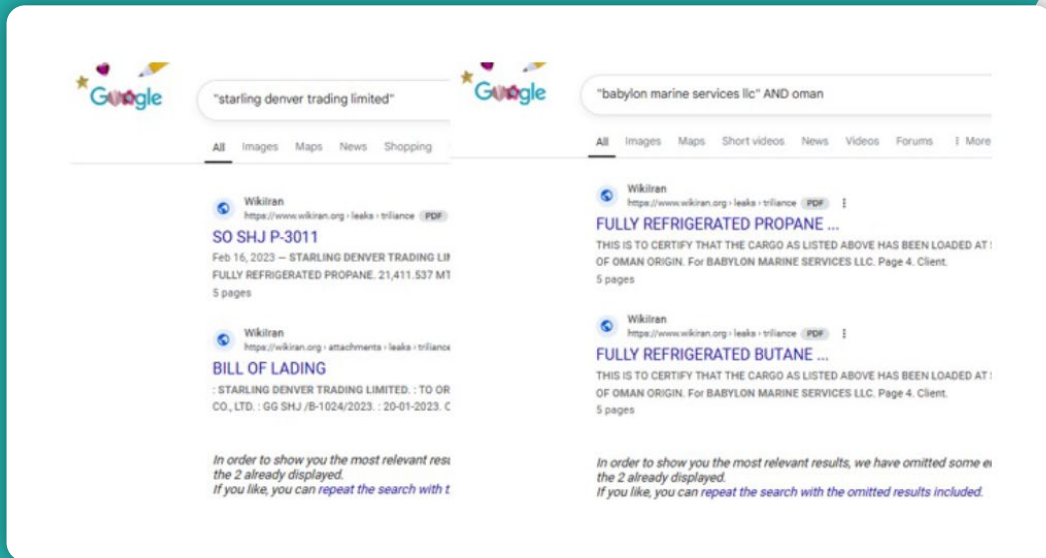
Sea Opera (IMO: 9000883; Flag: Cameroon) - AIS data from April 8, 2023 - April 30, 2023



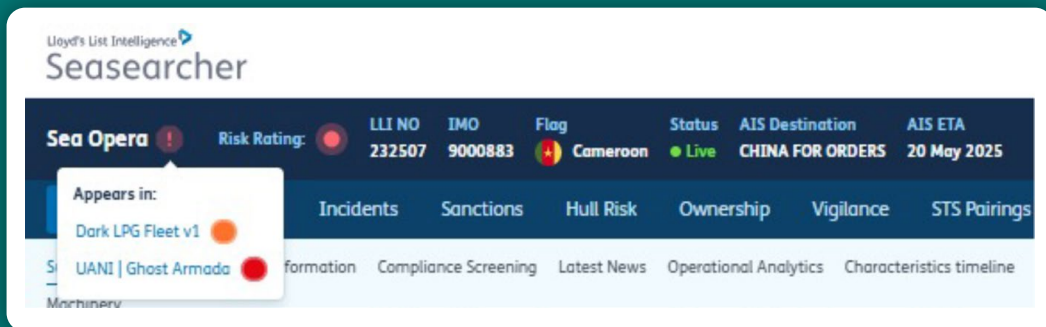
Per Seasearcher, the Sea Opera did not call in Oman during this timeframe. Rather, according to analysis by Lloyd's List, these AIS messages were manipulated.⁵

⁵ <https://www.lloydslist.com/LL1151543/An-aria-of-evasion-leaked-papers-sing-sanction-skirting-song-of-Sea-Opera>.

A quick OSINT search reveals that Starling Denver Trading Limited (shipper) and Babylon Marine Services LLC (issued certificate of origin) have minimal web presence, obtaining the below results from Wikiran:



This example reinforces the need for a holistic review of transactions when there are red flags present (i.e. vessels being part of the dark/shadow fleet or when dealing in high-risk products from high-risk jurisdictions, triggering a red flag review).



As of May 2025, the Sea Opera (non-sanctioned) indicates multiple red flag indicators:

- Included on the LLI Dark LPG Vessel Risk List
- Included on United Against Nuclear Iran's (UANI) Ghost Armada
- Risk Rated RED for AIS Gaps, AIS Spoofing, Probable Dark Port Call
- Flagged out of Cameroon

What can we learn from Sea Opera's activities?

In today's rapidly evolving geopolitical landscape, simply screening a regulatory sanctions list no longer sufficient to identify maritime sanctions risks within your organisation. Leveraging historic and real time vessel information to holistically assess your transaction is part of the evolution of diligence necessary to detect the red flags present in this case study – vessel behavioral risks aiding the identification of illicit Iranian product.

Manipulating Vessel Location and Identification Data

Typically, vessels are tracked via Automatic Identification System (AIS) transponders. Unfortunately, bad actors have found a way to intentionally disable and manipulate these systems to ultimately disguise their movements/behavior. This deception can conceal cargo origin, hide vessel's true location, obfuscate STS transfers, or discharge port(s).

Additionally, OFAC indicated that Iranian vessels are reporting the Maritime Mobile Service Identity numbers (MMSI) of different non-sanctioned vessels. Further adding to the issue, according to Lloyd's List analysis, over the past six months, 19 sanctioned ships have been simultaneously transmitting the same MMSI of other sanctioned vessels.⁶

Best Practice

Identifying AIS gaps, AIS spoofing, and MMSI manipulation are challenges for the industry, especially considering the increased sophistication deployed by illicit actors. This is where OFAC's recommendation to leverage available resources comes in.

With the right tools, you (the industry) do NOT have to be SEAL team six. With Seasearcher, the work is done for you, with our platform leveraging proprietary data supporting the underlying artificial intelligence (AI) and machine learning (ML) to identify what AIS dark vessels could be engaged in, providing end users with actionable intelligence and red flags to stay ahead of bad actors.

The below screenshots show recent examples of vessels engaged in location manipulation and how Seasearcher captured the events.

Complex Vessel Ownership and Management Structures

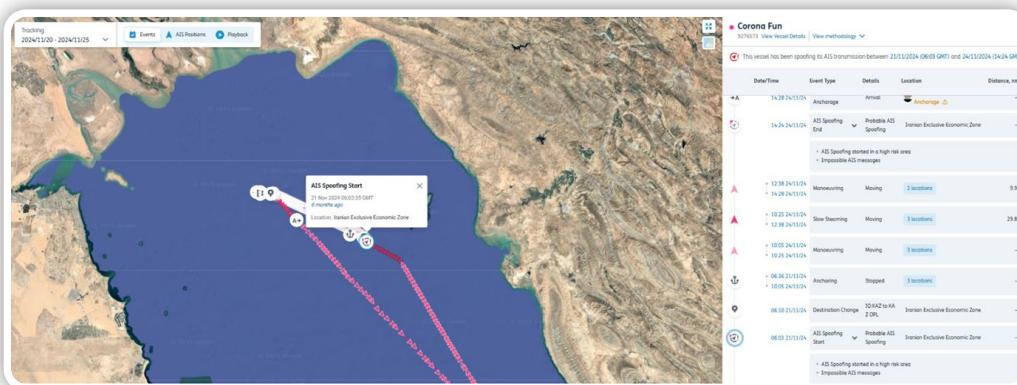
The use of multiple shell companies and special purpose vehicles in high-risk jurisdictions that may be owned by individuals with no public profiles to obfuscate Iranian involvement.

Best Practice: look at current and historical ownership to look for frequent or recent ownership transfers.

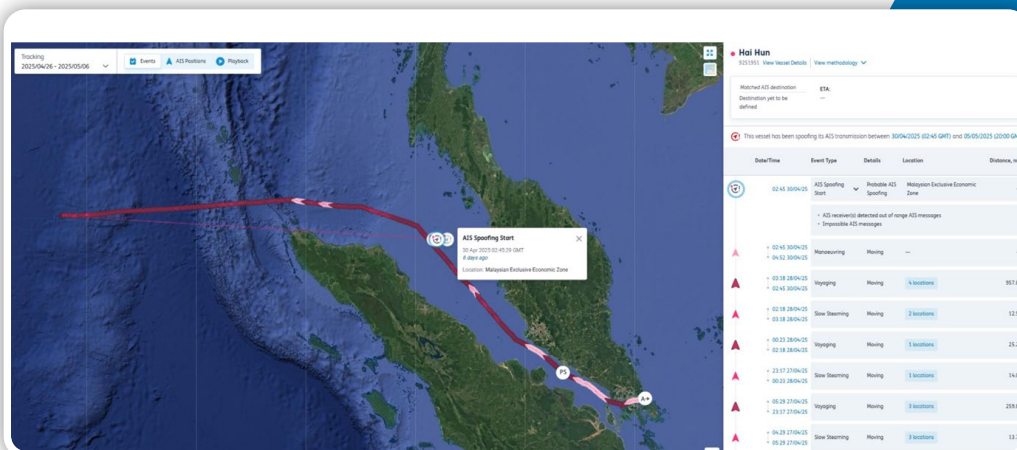
Obscure Oil Brokering Networks

In February 2025, OFAC designated over 30 persons and vessels for their roles in brokering/transporting Iranian products. This included brokers located in the United Arab Emirates and Hong Kong, tanker operators/managers in India, China, and the Seychelles, highlighting jurisdictions in which higher-risk activity may occur.

⁶ <https://www.lloydslist.com/LL1153219/Tracking-sanctioned-ships-is-a-more-difficult-task-as-vessels-share-critical-identification-numbers>.



Corona Fun (IMO: 9276573; Flag: Panama) – AIS Spoofing Event: November 2024



Hai Hun <FKA MS Enola> (IMO: 9251951; Flag: Gambia) – AIS Spoofing Event: April 2025 - current

The Maritime Intelligence Advantage

Lloyd's List Intelligence delivers more than just data—we provide the critical intelligence you need to make informed decisions in a complex regulatory environment:



Comprehensive Visibility

Monitor vessel behavior patterns that indicate sanctions evasion



Enhanced Due Diligence

Support your compliance requirements with authoritative vessel and cargo data



Proactive Risk Management

Identify high-risk vessels before they enter your transaction flow



Continuous Protection

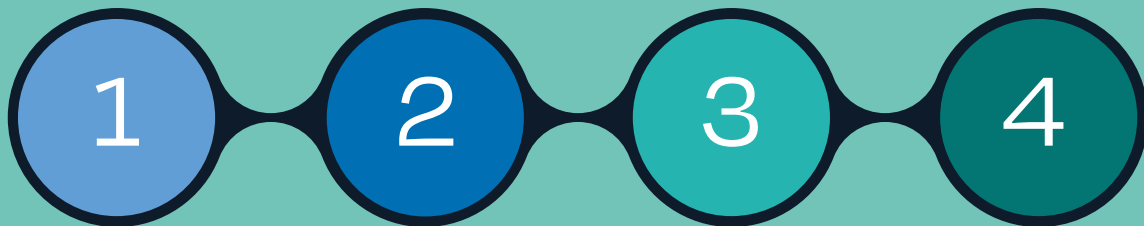
Continuous Protection: Stay ahead of evolving deceptive shipping practices with regular updates and alerts



Operational Efficiency

Streamline compliance workflows with purpose-built maritime intelligence tools

Taking Action: Next Steps



1 Assess Your Current Maritime Risk Exposure

Evaluate how your organisation identifies and mitigates sanctions risk in maritime transactions

2 Request a Demonstration

See how Seasearcher enhances sanctions compliance workflows

3 Develop a Custom Implementation Plan

Our experts will help integrate maritime intelligence into your existing compliance framework

4 Deploy Advanced Monitoring

Implement continuous monitoring of high-risk transactions with Seasearcher alerts

Ready to enhance your maritime sanctions compliance? Complete the form below to request a consultation with our compliance solutions experts.

[Book A Consultation](#) >

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Transparent and actionable maritime data and analytics powering decisions that drive the safe, efficient, and lawful movement of seaborne trade.

