Trade Controls Clause Templates

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## Sales & Purchase

“**Trade Control Laws**” means any applicable trade or economic sanction or embargo, Restricted Party lists, international boycotts, including, but not limited to, the applicable anti-boycott laws and regulations, controls on import, export, re-export, use, sale, transfer, trade, provision, or otherwise disposal of goods, services, and technology; or similar laws or regulations, rules, restrictions, licenses, orders or requirements, including those of the European Union, the member states of the European Union, the United Nations, the United Kingdom, the United States of America, as well as other government laws on trade control that are applicable to the parties in the Agreement.

“**Restricted Party**” means (i) any individual, legal person, entity or organization targeted by national, regional or multilateral trade or economic sanctions, prohibitions, or restrictions under Trade Control Laws; or (ii) any legal person, entity or organization that is either directly or indirectly owned, controlled by or any individual, legal person, entity or organization acting on behalf of the under (i) mentioned individuals, entities or organization, including their subsidiaries, directors, officers or employees.

“**Restricted Destination**” means any country, state, territory, region, or any destination (i) that is subject to economic or trade restrictions under the applicable Trade Control Laws, (ii) to which supplying products or with whom conducting transactions is either prohibited or restricted due to the governing laws in the place of origin.

1. Each party to this Agreement acknowledges and agrees that it is entering into this Agreement in reliance on the **Trade Control Laws**. Each party warrants and undertakes that it shall comply with all Trade Control Laws that are applicable to itself, its products or the transactions between parties. Without limiting the generality of the foregoing, each party shall not directly or indirectly, by any means (including through a third party) (a) sell, export, re-export, deliver, transfer, transport, import, acquire, transship or otherwise dispose of the products sold under this Agreement to or from a **Restricted Party** or a **Restricted Destination**, or for any use or in any manner prohibited under the **Trade Control Laws**; or, (b) sell, export, re-export, deliver, transfer, transport, import, acquire, transship or otherwise dispose of the products sold under this Agreement for any use or in any manner that is prohibited under the Trade Control Laws; or, (c) broker, finance or otherwise facilitate any transaction in violation of any of the **Trade Control Laws**.
2. Each party shall comply with all regulations, including but not limited to those relating to licensing, reporting, filing, recordkeeping, and/or other formalities in the event of export, re-export, import, transship of the product, and where necessary, shall provide upon request of the other party any relevant documents to the best of its ability for the purpose of, amongst other things, determining and obtaining applicable licenses, or official authorizations, and carrying out all necessary Customs formalities

\*\*\*FOR AGREEMENTS WITH U.S. CUSTOMERS ONLY\*\*\*

* 1. If the product is to be exported from the United States of America (hereinafter: ‘’U.S.’’) by BUYER or its designee, BUYER shall be the “U.S. Principal Party in Interest” in accordance with how that term is used by U.S. Customs and/or the Bureau of Industry and Security (“BIS”).
1. Any failure to comply with the provisions of this section and/or any violation of the **Trade Control Laws** by either Party shall be considered a breach of this Agreement. Upon written notice to the other Party of such breach, the non-breaching Party may terminate this Agreement, effective immediately. In the event of a breach of the obligations in this section or the Trade Control Laws, the breaching Party shall indemnify, defend and hold harmless the other Party for any resulting losses, damages, penalties, liabilities, fines, costs, and expenses arising from the breach. In no event shall either party be liable for consequential, incidental, punitive, special, exemplary or indirect damages, including but not limited to lost revenue, lost profits, business interruption or reduced output. This provision shall survive any termination of the Agreement.
2. Notwithstanding anything to the contrary , nothing in this Agreement is intended, and nothing shall be interpreted or construed, to induce or require either party or any of its subsidiaries hereto to act or refrain from acting (or agreeing to act or refrain) in any manner which is inconsistent with, non-compliant with, penalized or prohibited under the **Trade Control Laws**.

## Shipping

“**Trade Control Laws**” means any applicable trade or economic sanction or embargo, Restricted Party lists, international boycotts, including, but not limited to, the applicable anti-boycott laws and regulations, controls on import, export, re-export, use, sale, transfer, trade, provision, or otherwise disposal of goods, services, and technology; or similar laws or regulations, rules, restrictions, licenses, orders or requirements, including those of the European Union, the member states of the European Union, the United Nations, the United Kingdom, the United States of America, as well as other government laws on trade control that are applicable to the parties in the Agreement.

“**Restricted Party**” means (i) any individual, legal person, entity or organization targeted by national, regional or multilateral trade or economic sanctions, prohibitions, or restrictions under Trade Control Laws; or (ii) any legal person, entity or organization that is either directly or indirectly owned, controlled by or any individual, legal person, entity or organization acting on behalf of the under (i) mentioned individuals, entities or organization, including their subsidiaries, directors, officers or employees.

“**Restricted Destination**” means any country, state, territory, region, or any destination (i) that is subject to economic or trade restrictions under the applicable Trade Control Laws, (ii) to which supplying products or with whom conducting transactions is either prohibited or restricted due to the governing laws in the place of origin.

1. Each party to this Agreement acknowledges and agrees that it is entering into this Agreement in reliance on the **Trade Control Laws**. Each party warrants and undertakes that it shall comply with all Trade Control Laws that are applicable to itself, its products or the transactions between parties. Without limiting the generality of the foregoing, each party shall not directly or indirectly, by any means (including through a third party) (a) sell, export, re-export, deliver, transfer, transport, import, acquire, transship or otherwise dispose of the products sold under this Agreement to or from a **Restricted Party** or a **Restricted Destination**, or for any use or in any manner prohibited under the **Trade Control Laws**; or, (b) sell, export, re-export, deliver, transfer, transport, import, acquire, transship or otherwise dispose of the products sold under this Agreement for any use or in any manner that is prohibited under the Trade Control Laws; or, (c) broker, finance or otherwise facilitate any transaction in violation of any of the **Trade Control Laws**.
2. Owner represents, warrants and covenants that, in relation to any activities undertaken in connection with this Charter, it has not violated or failed, nor will Owner violate or fail to comply with any of the **Trade Control Laws**. Owner further represents, warrants and covenants that the Vessel has not traded, and shall not trade to or from a **Restricted Party** or a **Restricted Destination.**
3. In case of any changes in the chain of owners of the Owner and/or the Vessel, including registered owners and beneficiaries, Owner shall be obliged to provide the required information to the Charterer within 5 (five) business days from the date of introduction of such changes.
4. Any failure to comply with the provisions of this section or any violation of the **Trade Control Laws** by either party shall be considered a breach of this Agreement. Each Party agrees to give prompt notice in writing to the other in the event that, at any time during the term of this Agreement, it breaches any of the provisions contained in this section. Once such notice has been given, the breaching party shall be entitled to:
	1. immediately suspend the affected obligation (whether payment or performance) until such time as the breaching party may lawfully discharge such obligation; and/or
	2. where the inability to discharge the obligation continues (or is reasonably expected to continue) until the end of the contractual time for discharge thereof, to a full release from the affected obligation, provided that where the relevant obligation relates to payment for goods which have already been delivered, the affected payment obligation shall remain suspended (without prejudice to the accrual of any interest on an outstanding payment amount) until such time as the breaching party may lawfully resume payment; and/or
	3. where the obligation affected is acceptance of the vessel, to require the other party to nominate an alternative Vessel;

in each case without any liability whatsoever (including but not limited to any damages for breach of contract, penalties, costs, fees and expenses). The non-breaching party may terminate the Agreement, provided that any amount owed for goods or services delivered prior to termination shall remain suspended (without prejudice to the accrual of any interest on an outstanding payment amount) until such time as the breaching party may lawfully resume payment.

1. Notwithstanding anything to the contrary , nothing in this Agreement is intended, and nothing herein shall be interpreted or construed, to induce or require either party or any of its subsidiaries hereto to act or refrain from acting (or agreeing to act or refrain) in any manner which is inconsistent with, non-compliant with, penalized or prohibited under the **Trade Control Laws**.

## Software or Technology

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“**Restricted Party**” means (i) any individual, legal person, entity or organization targeted by national, regional or multilateral trade or economic sanctions, prohibitions, or restrictions under Trade Control Laws; or (ii) any legal person, entity or organization that is either directly or indirectly owned, controlled by or any individual, legal person, entity or organization acting on behalf of the under (i) mentioned individuals, entities or organization, including their subsidiaries, directors, officers or employees.

“**Restricted Destination**” means any country, state, territory, region, or any destination (i) that is subject to economic or trade restrictions under the applicable Trade Control Laws, (ii) to which supplying products or with whom conducting transactions is either prohibited or restricted due to the governing laws in the place of origin.

1. Each party to this Agreement acknowledges and agrees that it is entering into this Agreement in reliance on the **Trade Control Laws**. Each party warrants and undertakes that it shall comply with all Trade Control Laws that are applicable to itself, its products or the transactions between parties. Without limiting the generality of the foregoing, each party shall not directly or indirectly, by any means (including through a third party) (a) sell, export, re-export, deliver, transfer, transport, import, acquire, transship or otherwise dispose of the products sold under this Agreement to or from a **Restricted Party** or a **Restricted Destination**, or for any use or in any manner prohibited under the **Trade Control Laws**; or, (b) sell, export, re-export, deliver, transfer, transport, import, acquire, transship or otherwise dispose of the products sold under this Agreement for any use or in any manner that is prohibited under the Trade Control Laws; or, (c) broker, finance or otherwise facilitate any transaction in violation of any of the **Trade Control Laws**.
2. Each party shall notify the other party prior to transferring any “items” – meaning any goods, software, technology, or technical information that are subject to export control laws – (i) If the items are subject to the Export Administration Regulations (“EAR”) the transferring party will either provide the applicable Export Control Classification Numbers or indicate that EAR99 applies, (ii) If the items are subject to the International Traffic in Arms Regulations (“ITAR”) the transferring party will provide the relevant ITAR categories and subcategories. (iii) If the items are subject to on any other applicable export controls list of a foreign country, including E.U. Control List of Dual-Use items, the transferring party will provide the applicable necessary controls and restrictions. The receiving party may at its own discretion decline to accept any export-controlled items.
3. Each party shall comply with all regulations, including but not limited to those relating to licensing, reporting, filing, recordkeeping, and/or other formalities in the event of export, re-export, import, transship of the product, and where necessary, shall provide, upon request of the other party, any relevant documents to the best of its ability for the purposes of determining and obtaining necessary licenses, and/or official authorizations, and carry out all necessary Customs formalities, amongst other things.
4. Any failure to comply with the provisions of this section and/or any violation of the **Trade Control Laws** by either party shall be considered a breach of this Agreement. Upon written notice to the non-breaching Party, the non-breaching Party may terminate this Agreement, effective immediately. In the event of a breach of the foregoing obligations in this section or the Trade Control Laws, the breaching Party shall indemnify, defend and hold harmless the other Party for and against any resulting losses, damages, penalties, liabilities, fines, costs, and expenses arising thereof. In no event shall either party be liable for consequential, incidental, punitive, special, exemplary or indirect damages, including but not limited to lost revenue, lost profits, business interruption or reduced output. This provision shall survive any termination of the Agreement.
5. Notwithstanding anything to the contrary , nothing in this Agreement is intended, and nothing herein shall be interpreted or construed, to induce or require either party or any of its subsidiaries hereto to act or refrain from acting (or agreeing to act or refrain) in any manner which is inconsistent with, non-compliant with, penalized or prohibited under the **Trade Control Laws**.

## Other: Miscellaneous

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2. Each party is responsible for its own compliance with the Trade Control Laws and for obtaining all necessary approvals required by the responsible government entity. Each Party shall cooperate with the other Party and shall provide assistance to the other Party as reasonably necessary to obtain any required approvals.
3. Notwithstanding anything to the contrary, nothing in this Agreement is intended, and nothing herein shall be interpreted or construed, to induce or require either party or any of its subsidiaries to (agree to) act or refrain from acting in any manner that is inconsistent with, non-compliant with, penalized or prohibited under the **Trade Control Laws**.