



Sanctions and Export Controls Update: U.S. Sanctions – Heightened Enforcement

U.S. Sanctions – Heightened Enforcement in relation to Shadow-fleet

Introduction

The U.S. Department of the Treasury’s Office of Foreign Assets Control (**OFAC**) issued a new round of sanctions on April 15, 2026, targeting Iran’s illicit oil transportation infrastructure operating within the network of Iranian oil shipping magnate Mohammad Hossein Shamkhani. Over two dozen individuals, companies, and vessels were sanctioned. This forms part of the U.S. “maximum pressure” campaign of maximum economic pressure on Iran and its regional proxies.

In a parallel action, the OFAC, in a joint investigation with Homeland Security Investigations, designated Seyed Naiemaei Badroddin Moosavi, an Iranian national and Hizballah financier, along with three associated companies linked to a complex money laundering scheme involving the sale of Iranian oil in exchange for Venezuelan gold.

These actions highlight the broad extraterritorial reach of United States sanctions laws, with enforcement activity extending well beyond United States territory to entities and individuals in India, the United Arab Emirates (UAE), the Netherlands, and the Marshall Islands, among others, for operating in certain sectors.

U.S. Sanctions on India-Based Entities and Individuals

Two Indian-incorporated companies and two individuals of Indian nationality have been designated.

I. **Fleet Tanqo Private Limited (Navi Mumbai, Maharashtra, India)**

Fleet Tanqo Private Limited (“Fleet Tanqo”), incorporated in India in March 2025 and registered at Navi Mumbai, Maharashtra, has been designated under Executive Order 13902 for having materially assisted, sponsored, or provided financial, material, or technological support for, or goods or services to or in support of, Mohammad Hossein Shamkhani.

According to the OFAC, Fleet Tanqo served as the manager of five tankers in the Shamkhani shadow fleet, namely the Panama-flagged HORAE (IMO 9413004), VERSA (IMO 9379301), ANAYA (IMO 9326885), and DAPHNE V (IMO 9321677), and the Cameroon-flagged SILVAR (IMO 9291262). These vessels transported more than 20 cargoes of Russian petroleum products in 2025 on behalf of the Shamkhani network. All five vessels have been identified as blocked property linked to Fleet Tanqo Private Limited.

II. House of Shipping Private Limited (Chennai, Tamil Nadu, India)

House of Shipping Private Limited is the India-based office of and a direct subsidiary of the UAE-based House of Shipping Investment FZCO, a key shipping firm within the Shamkhani network. House of Shipping Private Limited has been designated under Executive Order 13902 for being owned or controlled by, or having acted or purported to act for or on behalf of, directly or indirectly, House of Shipping Investment FZCO.

III. Chetan Prakash Balhotra (Indian National, UAE-based)

Chetan Prakash Balhotra, an Indian national, is identified as a director of Meritron DMCC, a Shamkhani-linked front company. Meritron DMCC has been used to clandestinely procure new vessels for the Shamkhani network's shipping operations and to facilitate the transportation of sanctioned petroleum products.

During the period from 2025 to early 2026, Meritron DMCC sought to purchase two new-construction vessels from South Korea, valued at tens of millions of dollars, on behalf of the Shamkhani network. Chetan Prakash Balhotra has been designated under Executive Order 13902 for having materially assisted, sponsored, or provided financial, material, or technological support for, or goods or services to or in support of, Mohammad Hossein Shamkhani.

IV. Tanjore Sunil Kumar Srinivas (Indian National, UAE-based)

Tanjore Sunil Kumar Srinivas, an Indian national, has served as an official across multiple companies within the Shamkhani network. He acted as a procurement manager for UAE-based Marvise SMC DMCC, which was designated by OFAC in July 2025, and held executive or operational roles in several Shamkhani-associated entities.

Srinivas has been designated under Executive Order 13902 for having acted or purported to act for or on behalf of, directly or indirectly, Mohammad Hossein Shamkhani.

Sanctions Implications

As a result of the designations, the following consequences flow as a matter of U.S. sanctions law:

- All property and interests in property of the designated persons that are in the United States or in the possession or control of U.S. persons are blocked and must be reported to OFAC. This includes bank accounts, funds, and other assets.
- Any entities owned, directly or indirectly, 50% or more by one or more blocked persons are also automatically blocked, regardless of whether they are themselves named.
- U.S. persons are prohibited from engaging in transactions with designated or blocked parties, unless specifically licensed or exempted by OFAC.
- Non-U.S. persons, including Indian companies and financial institutions, face secondary sanctions risk for dealings with designated parties, as U.S. authorities may target those who facilitate transactions that circumvent U.S. sanctions.

- Violations of U.S. sanctions may also result in civil or criminal penalties imposed on both U.S. and foreign persons. OFAC may impose civil penalties on a strict liability basis, meaning intent is not a required element for enforcement.

Conclusion

The United States, along with the European Union and the United Kingdom, has continued to intensify sanctions enforcement across identified high-risk sectors to curb activities linked to the “shadow fleet,” with the petroleum sector being a recent focus area. Entities operating within such sectors are increasingly subject to regulatory scrutiny, which may escalate into formal investigations and potential sanctions exposure. Notably, Indian businesses cannot assume insulation merely on account of conducting transactions in INR. Regulators in Western countries may still examine both direct and indirect linkages to shadow fleet activities, including through counterparties, supply chains, or payment structures. Accordingly, a heightened, risk-based compliance approach is essential when engaging in such sectors.

Economic Laws Practice (“ELP”) has been assessing sanctions laws and regulations in several jurisdictions and regularly advising clients of any potential exposure to such regulations on account of their potential business engagements. ELP also has a reach that extends to jurisdictions across the globe through its extensive network of foreign lawyers and consultants, who in turn work closely with regulators and government authorities in respective jurisdictions.

We trust you will find this an interesting read. For any queries or comments on this update, please feel free to contact us at tradewatch@elp-in.com or write to our authors:

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