

A Legal Analysis of Insurance Sanctions Against Iranian Oil Tankers within the Framework of the General Agreement on Trade in Services (GATS)

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1. Round 1

1.1. Reviewer 1

Reviewer:

In the paragraph discussing the applicability of GATS, the sentence “This makes the application of GATS to marine insurance sanctions particularly challenging” introduces a key argument but lacks engagement with WTO jurisprudence. The article would be strengthened by incorporating specific dispute-settlement cases involving services, financial regulation, or national security exceptions to demonstrate how adjudicative bodies have interpreted similar legal issues.

The research objectives paragraph states that the article examines whether insurance sanctions violate obligations such as MFN, market access, and national treatment. However, the manuscript does not formulate explicit research questions or hypotheses. The authors should present one or more precise doctrinal questions that guide the subsequent legal analysis and establish a stronger methodological structure.

The section entitled “Legal Framework of Marine Insurance Services under GATS” provides a detailed description of insurance services but lacks a dedicated explanation of the Annex on Financial Services under GATS. Since marine insurance constitutes a financial service, the analysis should explicitly address how the Annex modifies, supplements, or influences the interpretation of core GATS obligations in this sector.

In the paragraph beginning “Marine insurance falls within the broader category of financial services”, the authors describe the legal characteristics of marine insurance in considerable detail, yet they do not sufficiently connect these characteristics to

WTO service-sector classifications. A more rigorous analysis should identify the relevant WTO Services Sectoral Classification List categories and explain precisely where marine insurance, reinsurance, and P&I services fit within the classification framework.

The discussion of the four modes of supply under GATS is informative; however, the paragraph would benefit from a more systematic examination of which modes are most directly affected by sanctions against Iranian oil tankers. The analysis currently lists all four modes but does not evaluate their relative legal significance or provide examples illustrating how each mode may be restricted by a sanctions regime.

The paragraph stating “Targeting insurers may be especially efficient because oil tankers without credible insurance face barriers across the entire shipping chain” is a central claim of the article. Nevertheless, the manuscript should support this assertion with empirical evidence, such as documented cases of denied port entry, cancelled charter agreements, or disrupted tanker operations resulting from insurance restrictions.

In the section “Compatibility of Insurance Sanctions with GATS Obligations,” the authors argue that insurance sanctions clearly affect trade in services. This conclusion appears reasonable, but the legal analysis would benefit from a more nuanced discussion of causation. Specifically, the authors should address whether indirect effects on service transactions are sufficient to establish that a measure “affects trade in services” under WTO law.

The market-access analysis contains the important observation that a prohibition on providing insurance services may function as a “zero quota.” This argument is potentially persuasive, but it requires engagement with relevant WTO case law interpreting Article XVI. The authors should cite and analyze jurisprudence addressing whether absolute prohibitions on service activities constitute market-access restrictions.

Authors revised the manuscript and uploaded the document.

1.2. Reviewer 2

Reviewer:

In the paragraph discussing MFN, market access, and national treatment obligations, the manuscript treats these obligations largely at a conceptual level. The authors should examine actual schedules of commitments of major sanctioning jurisdictions and determine whether the relevant insurance sectors have been scheduled without limitations. Without such analysis, conclusions regarding possible violations remain somewhat abstract.

The paragraph addressing the concept of “likeness” raises an important doctrinal issue. Nevertheless, the manuscript does not engage with existing WTO jurisprudence concerning likeness in services. The authors should discuss how adjudicators have approached likeness in service disputes and assess whether security-related distinctions involving Iranian-linked tankers could alter the likeness analysis.

The paragraph beginning “The financial services dimension of marine insurance introduces further complexity” distinguishes prudential regulation from sanctions regulation. This distinction is valuable but requires deeper analysis. The authors should specifically address the prudential carve-out under the Financial Services Annex and evaluate whether sanctioning states might characterize certain restrictions as prudential measures rather than sanctions.

In the section “Nature and Structure of Insurance Sanctions Against Iranian Oil Tankers,” the manuscript explains the mechanics of insurance sanctions but does not provide a sufficiently detailed historical account of the specific sanctions imposed against Iranian tanker operations. A chronology identifying key sanctions measures, implementing authorities, and legal instruments would significantly improve the empirical grounding of the article.

The paragraph beginning “A defining feature of insurance sanctions is that they often operate through private compliance rather than direct public enforcement” introduces the concept of private compliance. However, the article would benefit from concrete examples of sanctions clauses used by insurers, reinsurers, and P&I clubs. Such examples would help demonstrate how legal obligations are translated into commercial practice.

The discussion of global insurance and reinsurance markets highlights the importance of the London market and P&I Clubs. Nevertheless, the authors should provide supporting data or references concerning market concentration, global market share,

or dependence on particular reinsurance networks. Empirical evidence would strengthen the argument regarding the practical impact of sanctions.

The paragraph explaining how insurance sanctions alter contractual relationships is persuasive, but it would benefit from a more precise legal analysis of contractual sanctions clauses. The authors should examine whether such clauses operate automatically, whether they depend on force majeure doctrines, and how courts or arbitral tribunals have interpreted them in maritime disputes.

In the discussion of extraterritoriality, the manuscript repeatedly refers to secondary sanctions and their effects on third-country actors. However, it does not provide a structured legal assessment of the compatibility of extraterritorial sanctions with WTO principles. The article would be strengthened by dedicating a separate subsection to the legal status of extraterritorial sanctions under international economic law.

Authors revised the manuscript and uploaded the document.

2. Revised

Editor's decision: Accepted.

Editor in Chief's decision: Accepted.