



ROSA & ROUBINI
ASSOCIATES

POLICY COMPASS

Monetising the Chokepoint: The Geopolitical and Economic Consequences of Iran and Oman's Strait of Hormuz Toll Regime

By

Lāsma Kokina



7 October 2026

Lāsma Kokina

***Monetising the Chokepoint: The Geopolitical and
Economic Consequences of Iran and Oman's Strait of Hormuz Toll Regime***

7 October 2026

Page | 2

Table of Contents

Executive Summary	Page 3
1. The Foundations of the Proposed Joint Maritime Service Fee Framework.....	4
1.1. Agreement Terms, Passage Mechanics, and Iranian Proposals.....	4
1.2. International Energy Sector Dynamics: Inflationary Extra Charges and Elevated Price Structures.....	4
1.3. Maritime Economics and Rerouting Dynamics.....	5
1.4. Legal Precedent and Geopolitical Friction.....	5
NOTES	6



Rosa & Roubini Associates Ltd is a private limited company registered in England and Wales (Registration number: 10975116) with registered office at 75 King William Street, London EC4N 7BE, United Kingdom.

For information about Rosa&Roubini Associates, please send an email to info@rosa-roubini-associates.com or call +44 (0)20 7101 0718.

Analyst Certification: I, Lāsma Kokina , hereby certify that all the views expressed in this report reflect my personal opinion, which has not been influenced by considerations of Rosa & Roubini Associates' business, nor by personal or client relationships. I also certify that no part of our compensation was, is or will be, directly or indirectly, related to the views expressed in this report.

Disclaimer: All material presented in this report is provided by Rosa & Roubini Associates-Limited for informational purposes only and is not to be used or considered as an offer or a solicitation to sell or to buy, or subscribe for securities, investment products or other financial instruments. Rosa & Roubini Associates Limited does not conduct "investment research" as defined in the FCA Conduct of Business Sourcebook (COBS) section 12 nor does it provide "advice about securities" as defined in the Regulation of Investment Advisors by the US SEC. Rosa & Roubini Associates Limited is not regulated by the FCA, SEC or by any other regulatory body. Nothing in this report shall be deemed to constitute financial or other professional advice in any way, and under no circumstances shall we be liable for any direct or indirect losses, costs or expenses nor for any loss of profit that results from the content of this report or any material in it or website links or references embedded within it. The price and value of financial instruments, securities and investment products referred to in this research and the income from them may fluctuate. Past performance and forecasts should not be treated as a reliable guide of future performance or results; future returns are not guaranteed; and a loss of original capital may occur. This research is based on current public information that Rosa & Roubini Associates considers reliable, but we do not represent it is accurate or complete, and it should not be relied on as such. Rosa & Roubini Associates, its contributors, partners and employees make no representation about the completeness or accuracy of the data, calculations, information or opinions contained in this report. Rosa & Roubini Associates has an internal policy designed to minimize the risk of receiving or misusing confidential or potentially material non-public information. We seek to update our research as appropriate, but the large majority of reports are published at irregular intervals as appropriate in the author's judgment. The information, opinions, estimates and forecasts contained herein are as of the date hereof and may be changed without prior notification. This research is for our clients only and is disseminated and available to all clients simultaneously through electronic publication. Rosa & Roubini Associates is not responsible for the redistribution of our research by third party aggregators. This report is not directed to you if Rosa & Roubini Associates is barred from doing so in your jurisdiction. This report and its content cannot be copied, redistributed or reproduced in part or whole without Rosa & Roubini Associates' written permission.

Lāsma Kokina

*Monetising the Chokepoint: The Geopolitical and
Economic Consequences of Iran and Oman's Strait of Hormuz Toll Regime*

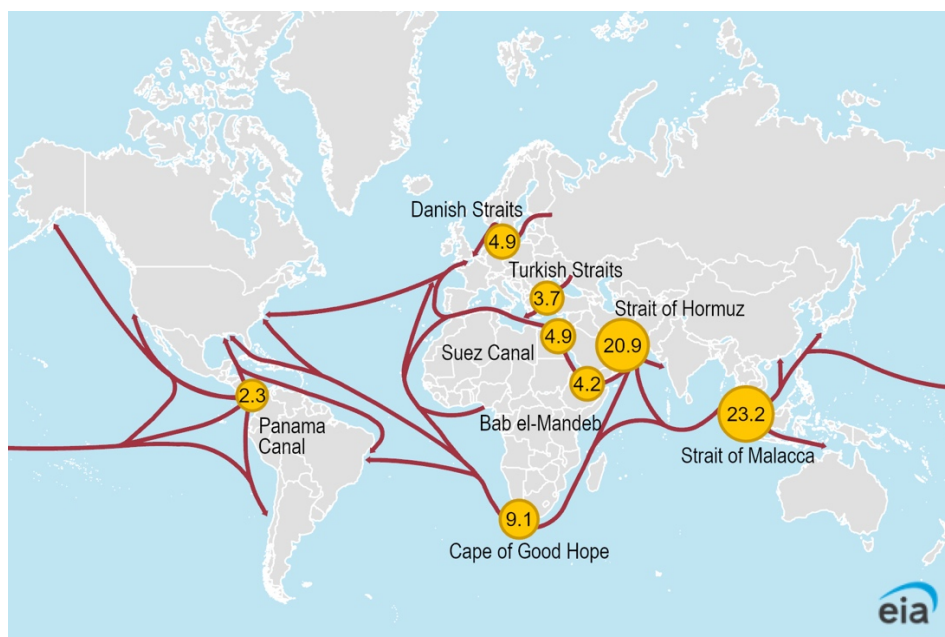
7 October 2026

Page | 3

Executive Summary

- ✦ Iran and Oman have established a bilateral agreement to introduce maritime service fees for vessels navigating the Strait of Hormuz.
- ✦ Iran aims to monetise its key geographic position to capture substantial revenue, whereas Oman participates in the joint initiative to moderate Iranian influence and prevent potential unilateral blockades of the waterway.
- ✦ Inbound vessels would remain subject to Iranian inspections, while outbound ships would use a designated channel managed via Omani clearances after notifying Iranian authorities.
- ✦ Modeling indicates a 7 percent transit fee on pre-conflict volume levels could generate up to \$140 billion annually, providing Iran with a revenue stream equal to roughly 37 to 39 percent of its nominal GDP.
- ✦ Due to minimal profit margins in energy trading, added shipping charges and transit fees will be passed directly onto delivered oil and liquefied natural gas prices, raising costs for refiners and end consumers.
- ✦ The proposed fee structure violates UNCLOS Articles 26 and 44, which guarantee unimpeded transit passage through international straits and forbid tolls on passing ships unless for requested services.
- ✦ Western nations reject mandatory tolls, while US Treasury sanctions against the Persian Gulf Strait Authority prohibit international operators and American citizens from making compliance payments.

Key Picture: Global Maritime Oil Chokepoints and Transit Volumes



Source: [EIA](#)

1. Foundations of the Proposed Joint Maritime Service Fee Framework

1.1. Agreement Terms, Passage Mechanics, and Iranian Proposals

The Strait of Hormuz, which is a narrow 21-mile-wide waterway connecting the Persian Gulf to the Gulf of Oman, has long served as the world's most critical maritime energy bottleneck.¹ Historically carrying over 20 million barrels per day (bpd) of crude oil and petroleum products, alongside nearly 20% of global liquefied natural gas (LNG), the strait has functioned as an open international waterway governed by the principles of transit passage.²

Page | 4

However, recent geopolitical proposals involving Iran and Oman to establish a joint authority charging "maritime service fees" threaten to end free transit. Rebranding passage fees as maritime infrastructure, security, and environmental service payments, the proposal effectively turns the Strait of Hormuz into a global toll booth.³ This structural shift is likely to carry severe economic implications for global supply chains, international law, macroeconomics, and energy security.

In August, bilateral consensus was established between Iran and Oman concerning their respective jurisdictions and revenue allocation within the Strait of Hormuz.⁴ Under the plan, ships would pay a "service fee" for safe transit rather than a formal toll. This arrangement would grant individual nations authority over a key energy transit point traditionally protected by international freedom-of-navigation rules, marking a major shift in global maritime governance. Consequently, Gulf oil exporters that rely on the strait may face a shift in regional power dynamics as they try to establish alternative trade routes.⁵

The proposed joint framework envisions a sovereign corporate structure between Iran and Oman to manage transit through the strait. Under initial discussions, Iran pushed for mandatory fees levied at 5% to 7% of total cargo valuation, while Oman advocated for lower levies around 3% or voluntary service charges.⁶ Iran argues that the fee would fund security and other services it provides.⁷ Analysts see the structure as a dual effort by Iran to monetise its strategic geography, generating an estimated \$40–100 billion annually.⁸ Meanwhile, Oman seeks a joint regional framework for managing the Strait of Hormuz to stop Iran from unilaterally blocking the waterway.

Under the newest proposal, Iran would retain the right to inspect or halt inbound shipping, whereas outbound vessels would navigate a designated channel between Iran and Oman, securing clearance through Oman after formal notification is given to Tehran.⁹

An Iranian parliamentary committee has approved key articles of a draft law that would establish a permanent regulatory and fee-based framework over the Strait of Hormuz, allowing Iranian authorities to temporarily detain non-compliant vessels and confiscate 20% of their cargo or equivalent value. The proposed legislation imposes criminal penalties on non-compliant ships, penalises individuals who obstruct the law's execution, requires international treaties involving the strait to align with Iran's constitution, and establishes specialised judicial branches and quarterly military updates to parliament.¹⁰

1.2. International Energy Sector Dynamics: Inflationary Extra Charges and Elevated Price Structures

Imposing a required transit toll in the Strait of Hormuz directly drives up energy costs.¹¹ Unlike artificial canals that charge fees for a faster route, Hormuz is a natural passage with no viable sea alternative.¹² Financial modeling highlights the immense revenue potential of these proposed charges if pre-war shipping volumes and baseline prices return. At a 7% toll on historical throughput, gross collections could reach approximately \$385 million per day, or up to \$140 billion annually, yielding roughly \$136 billion in near-pure net profit due to minimal collection overhead. On a single-vessel basis, a Very Large Crude Carrier (VLCC) transporting 2 million barrels valued at \$80 per barrel would incur an additional \$11 million to \$11.2 million toll per transit.¹³

If realised, a high-end \$136 billion net toll from the Strait of Hormuz would transform regional economics by competing with the earnings of global companies and massively surpassing traditional maritime revenue. At that scale, the revenue would rival or exceed the annual net incomes of companies like Apple and Microsoft. Most significantly for Iran, capturing this figure would equal roughly 37% to 39% of its entire \$363 billion nominal GDP.¹⁴

Because energy commodity trading operates on thin margins, shipping operators rarely absorb systemic transit surcharges. Any mandatory transit fees or security service charges imposed on oil tankers and gas carriers are immediately incorporated into freight rates and landed oil prices.¹⁵ Naturally, these added operational expenses directly elevate the delivered price of crude oil and liquefied natural gas.

Page | 5

1.3. Maritime Economics and Rerouting Dynamics

Faced with a mandatory toll booth, ocean carriers, oil majors, and commodity traders face a cost-benefit decision: pay the toll or bypass the Persian Gulf altogether. Alternative routes, such as bypassing the Gulf or rerouting long-distance shipments around the Cape of Good Hope, add roughly 14 days of sailing time each way. The detour incurs severe penalties in bunker fuel consumption and daily charter vessel rates.¹⁶

Since these detour costs often rival or exceed Iran's passage fee and war-risk premiums, buyers on tight deadlines find paying for passage to be the cheaper alternative. By pricing access just under the cost of the next-best route, the regime effectively monetises transit rather than blocking it entirely.¹⁷ Onshore alternatives, such as Saudi Arabia's East-West Pipeline (Petroline) to the Red Sea or the UAE's Abu Dhabi Crude Oil Pipeline (ADCOP) to Fujairah, possess a combined spare capacity of roughly 3 to 5 million bpd. This leaves the vast majority of Gulf crude exports with no alternative except the Strait of Hormuz.¹⁸

1.4. Legal Precedent and Geopolitical Friction

Beyond its immediate commercial impact, an Iranian-Omani toll system in the Strait of Hormuz directly threatens the foundation of international maritime law established under UNCLOS. Articles 26 and 44 of UNCLOS explicitly protect the right of transit passage through international straits, banning coastal states from hampering navigation or charging transit fees unless for requested, specific services.¹⁹

Thus, the economic mechanics of a Hormuz toll booth depend heavily on enforcement, presenting substantial implementation hurdles. The United States²⁰, the EU and the UK²¹ reject the legality of mandatory tolls in international straits. In addition, for shipping lines and oil traders, paying these fees carries severe compliance risks due to US sanctions placed on the Persian Gulf Strait Authority, which is the entity established by Iran in May to manage the waterway. Furthermore, the US Treasury strictly forbids Americans from accepting "safe passage guarantees" or related services from the Iranian government.²²

Ultimately, transforming a critical natural bottleneck into a commercial concession risks permanently fracturing global maritime governance and accelerating long-term energy realignments. While Oman has attempted to act as a moderating partner to maintain diplomatic channels and keep traffic moving compliant with international frameworks,²³ Western sanctions compliance creates an insurmountable barrier for international commerce. Should such a fee framework become permanently established, energy importers might be forced to restructure long-term procurement toward non-chokepoint suppliers outside the Persian Gulf.

NOTES

¹ “Strait of Hormuz”, IEA, accessed 29 September 2026, <https://www.iea.org/about/oil-security-and-emergency-response/strait-of-hormuz>.

² “Amid regional conflict, the Strait of Hormuz remains critical oil chokepoint”, EIA, accessed 29 September 2026, <https://www.eia.gov/todayinenergy/detail.php?id=65504>.

³ “Iran, Oman to jointly charge fees along Strait of Hormuz: Report”, Middle East Eye, accessed 29 September 2026, <https://www.middleeasteye.net/news/iran-oman-jointly-charge-fees-along-strait-hormuz-report>.

⁴ “Iran and Oman reach agreements on share of Hormuz and revenues, Revolutionary Guards say”, Reuters, accessed 29 September 2026, <https://www.reuters.com/world/asia-pacific/iran-oman-reach-agreements-share-hormuz-revenues-revolutionary-guards-say-2026-08-26/>.

⁵ Tyler Hansbrough, ““Iran Wants to Charge Service Fees”: Tehran’s Bid to Become Hormuz Gatekeeper Threatens Freedom of Navigation and Gulf Order”, The Economy News, accessed 29 September 2026, <https://economy.ac/news/2026/08/202608289694>.

⁶ “Proposed Hormuz passage deal not feasible for shipping industry, sources say, The Economic Times, accessed 29 September 2026, <https://economictimes.indiatimes.com/news/defence/challenges-of-proposed-iran-oman-deal-for-strait-of-hormuz-shipping-industry-concerns-over-fees-and-compliance/articleshow/133014167.cms?from=mdr>.

⁷ “Iran bill allows 20% cargo seizure for ships breaching Hormuz rules”, Iran International, accessed 29 September 2026, <https://www.iranintl.com/en/202609228524>.

⁸ Umud Shokri, “Why the \$100 billion Hormuz toll revenue is a myth”, Iran International, accessed 29 September 2026, <https://www.iranintl.com/en/202604144081>.

⁹ Jonathan Saul, “Proposed Hormuz passage deal not feasible for shipping industry, sources say”, Reuters, accessed 29 September 2026, <https://www.reuters.com/world/middle-east/proposed-hormuz-passage-deal-not-feasible-shipping-industry-sources-say-2026-08-06/>.

¹⁰ “Iran bill allows 20% cargo seizure for ships breaching Hormuz rules”, Iran International, accessed 29 September 2026, <https://www.iranintl.com/en/202609228524>.

¹¹ “Charging fees for passage through Strait of Hormuz 'could drive global inflation surge'”, The National News, accessed 29 September 2026, <https://www.thenationalnews.com/business/energy/2026/06/26/charging-fees-for-passage-through-strait-of-hormuz-could-drive-global-inflation-surge/>.

¹² Gokcay Balci and Ebru Surucu-Balci, “From the strait of Hormuz to Malacca, global trade relies almost entirely on these five narrow waterways”, The Conversation, accessed 29 September 2026, <https://theconversation.com/from-the-strait-of-hormuz-to-malacca-global-trade-relies-almost-entirely-on-these-five-narrow-waterways-278329>.

¹³ Jay Hilotin, “Iran’s 7% Hormuz toll could mint \$100+ billion a year — bigger than Nvidia, Apple, or a third of Iran’s entire economy — without pumping a single barrel”, Gulf News, accessed 29 September 2026, <https://gulfnews.com/business/energy/irans-7-hormuz-toll-could-mint-100-billion-a-year-bigger-than-nvidia-apple-or-a-third-of-irans-entire-economy-without-pumping-a-single-barrel-1.500633464>.

¹⁴ Ibid.

¹⁵Saurabh Sharma, “Hormuz Service Fee Explained: Will India Pay More For Oil If Iran Starts Charging Ships?”, accessed 29 September 2026, <https://www.outlookindia.com/national/hormuz-service-fee-explained-will-india-pay-more-for-oil-if-iran-starts-charging-ships>.

¹⁶ “The Strait of Hormuz transit fee.”, Straits, accessed 29 September 2026, <https://straits.live/strait-of-hormuz-transit-fee>.

Page | 7

¹⁷ Ibid.

¹⁸ “How the Strait of Hormuz Affects Oil Prices: UAE & Gulf Traders’ Guide (2026)”, GivTrade, accessed 29 September 2026, <https://www.givtrade.com/blog/strait-of-hormuz-oil-prices-uae-oman-gulf-traders-guide>.

¹⁹ “United Nations Convention on the Law of the Sea”, accessed 29 September 2026, https://www.un.org/depts/los/convention_agreements/texts/unclos/unclos_e.pdf.

²⁰ “US firmly rejects Iran’s proposed shipping charges in Strait of Hormuz, asserts freedom of navigation”, Economic Times, accessed 29 September 2026, <https://supplychain.economictimes.indiatimes.com/news/policy-and-trade/us-firmly-rejects-irans-proposed-shipping-charges-in-strait-of-hormuz-asserts-freedom-of-navigation/131956326>.

²¹ “Countries cannot hijack international transit routes”: EU and UK reject the idea of toll on Strait of Hormuz, movement of ships remains stalled over ceasefire confusion, OpIndia Staff, accessed 29 September 2026, <https://www.opindia.com/news-updates/eu-and-uk-reject-the-idea-of-toll-on-strait-of-hormuz-movement-of-ships-remains-stalled/>.

²² Jonathan Saul, “Proposed Hormuz passage deal not feasible for shipping industry, sources say”, Reuters, accessed 29 September 2026, <https://www.reuters.com/world/middle-east/proposed-hormuz-passage-deal-not-feasible-shipping-industry-sources-say-2026-08-06/>.

²³ “Oman resists US pressure to break ties with Iran over strait of Hormuz”, *The Guardian*, accessed 29 September 2026, <https://www.theguardian.com/world/2026/jun/04/oman-resists-us-pressure-to-break-ties-with-iran-over-strait-of-hormuz>.