

## Fraudulent Registries and their impact

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## Fraudulent registration/registries of ships and IMO - Timeline

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- July 2015 – IMO Secretariat becomes aware of FSM fraudulent registry.
- April 2017 – 104<sup>th</sup> session of the Legal Committee
  - Problem first brought to the attention of the Legal Committee by the Democratic Republic of the Congo (DRC)
  - DRC reported that approximately 73 vessels had been fraudulently using its flag and that illegal fishing was being carried out in its waters to its economic detriment
- 2018 – 105<sup>th</sup> session of the Legal Committee
  - Proposal to add a new output

## Fraudulent registration/registries of ships - Timeline

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- 2019 – 106<sup>th</sup> session of the Legal Committee
  - Reports on cases of fraudulent registration and fraudulent registries of ships
    - DRC - 73 fraudulent ships
    - Federated States of Micronesia: Over 100 fraudulent ships + Fake MISR and intent to defraud the Organization
    - Fiji - 91 fraudulent ships
    - Maldives – 3 fraudulent ships Ocean Porpoise, Prosperity, Xin Yuan 18
    - Nauru - Fake Nauru Maritime Administration International Ship registry
    - Samoa - 18 fraudulent ships
    - United Republic of Tanzania – 11 fraudulent ships + Philtex Corporation
    - Vanuatu - Illegal Vanuatu international ship registry

## Fraudulent registration/registries of ships

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- Entities purporting to be authorized to act on behalf of the Administration of a country, issuing fraudulent certificates of registration (Sierra Leone, United Republic of Tanzania, Samoa)
- Flying the flag of a State where no international registry has ever existed (Democratic Republic of the Congo, Fiji, Federated States of Micronesia, Maldives, Nauru, Samoa)
- Defrauding IMO to get access to IMO web accounts (Federated States of Micronesia)

## Fraudulent registration/registries of ships – Outcome of LEG 106

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- Assembly resolution on Measures to prevent the fraudulent registration and fraudulent registries of ships
- GISIS – Module on registries & Communication of information to the Organization through authorized diplomatic mechanisms – Circular Letter No.4190
- Recommended best practices to assist in combating fraudulent registration and fraudulent registries of ships covering:
  - verifying IMO numbers of vessels when receiving an application for registration;
  - ensuring Flag State Administration contact point information is up-to-date;
  - ensuring the application of the requirement for the Continuous Synopsis Record;
  - a recommendation for prospective flag States to review the United Nations Security Council Sanctions List Search webpage at <https://scsanctions.un.org/search/>; and
  - verifying the relevant information pertaining to Registries of ships in the “Contact Points” module in GISIS

## Scope of the Problem: Threat posed by fraudulent registration/registries of ships

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- Illicit activities, including evading UN sanctions
- Migrant ghost ships
- Fraudulent certificates
  - Non compliance with safety and security regulations, endangering the vessels' crew and posing threat of damage to the marine environment
- Entire foundation of IMO regulatory system at risk!

## IMO's initiatives to strengthen flag State jurisdiction and control

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- IMO Member State Audit Scheme
- IMO Ship Identification Number Scheme and IMO Unique Company and Registered Owner Identification Number Scheme: mandatory under SOLAS regulation XI-1/3 and XI-1/3-1, respectively
- Assembly Resolution to prevent registration of “phantom” ships
- MSC Circular Recommended procedure to enhance the transparency of the condition of the ship on the occasion of the transfer of ships between flag States

## Next Steps: LEG 107

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- Terms of Reference for CG include proposals for future action – workplan for LEG
- Proposals must come from Member States
- Expectation is for robust discussion on what more should be done



# THANK YOU

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