Fraudulent Registries and their impact

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Fraudulent registration/registries of ships and IMO - Timeline

• July 2015 – IMO Secretariat becomes aware of FSM fraudulent registry.
• April 2017 – 104th 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 – 105th session of the Legal Committee
  • Proposal to add a new output
Fraudulent registration/registries of ships - Timeline

• 2019 – 106th 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, Prospery, 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

• 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

- 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

- 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

• 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
• 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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