

Analysis of beneficial owners' information of authorised vessels

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PURPOSE

To provide participants at the Working Party on the Implementation of Conservation and Management Measures (WPICMM) with an analysis of beneficial owners' information on vessels included in the IOTC Record of Authorised Vessels.

The analysis will serve to provide insight on the current number of vessels in the IOTC Record of Authorised Vessels that contain information on beneficial owners, and whether this information matches the information submitted for vessel owners and/or operators and/or companies or not, and in which proportion if they do. In addition, this document endeavours to provide further clarity on the level of compliance of CPCs with paragraph 3(l) of Resolution 19/04.

BACKGROUND

Vessel registration is key to correctly identify vessels and their owners. Access to information on the ultimate owner or beneficial owner of a ship in turn, remains fundamental to enable legal enforcement and to act against those who benefit from illicit activities. Nevertheless, for legitimate or not so legitimate reasons, the beneficial owners of a ship, may not want their name as a shareholder on a record, preferring to remain anonymous. Indeed, beneficial owners can legally set up complex structures with multiple layers of registered owners or front companies, whereby masking their identity from illegal activities, avoiding legal scrutiny and escaping legal action.

Aware of it, on 23 June 2001, the FAO Council adopted an International Plan of Action aiming to prevent, to deter and to eliminate illegal, unregulated and unreported fishing ([IPOA-IUU](#)). Within this plan, the regional fisheries management organisations were encouraged to take action to strengthen and develop innovative ways, in conformity with international law, to prevent, deter and eliminate IUU fishing and in particular to establish records of authorised vessels. To unambiguously identify vessel ownership, in accordance with the IPOA, the records of authorised vessels should include information not only on the natural or legal persons in whose name the vessel is registered and those which are responsible for managing its operations, but also the natural or legal persons with beneficial ownership of the vessel. In line with the IPOA-IUU, the IOTC adopted Resolution 19/04 Concerning the IOTC record of vessels authorised to operate in the IOTC area of competence, which included in its paragraph 3(l) the obligation of reporting the "Name and address of beneficial owner(s), if known and different from vessel owner/operator or indicate non-availability".

At its [18th Session in 2021](#), the Compliance Committee, while monitoring compliance with Resolution 19/04 in 2020, noted a significant decrease on the reporting obligations attributed greatly in part to a misinterpretation of paragraph 3(l). As result, CPCs have not provided information on the beneficial owner, when the owner and beneficial owner are the same. In view that the Secretariat cannot assume that the beneficial owner is the same as the owner or the operator, if the information is not provided explicitly, the Compliance Committee, recommended that CPCs should provide information on beneficial owners, if known and different from vessel owner/operator, or to clearly indicate that the beneficial owner is the same as the owner/operator, or in case, non-availability ([IOTC-2021-CoC18-R\[E\]](#)).

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The Recommendations of the CoC18 related to Resolution 19/04 are reproduced below:

Paragraph 21. The CoC **RECOMMENDED** that CPCs should provide information on beneficial owners, if known and different from vessel owner/operator, or to clearly indicate that the beneficial owner is the same as the owner/operator, or indicate non-availability, when including new vessels or updating information on their vessels in the IOTC Record of Authorised Vessels.

Paragraph 22. The CoC **RECOMMENDED** that paragraph 3(l) of Resolution 19/04, should be amended to make this reporting requirement clearer.

DISCUSSION

The analysis presented here, intends to reflect the current status of affairs in respect to the submission of the referred reporting requirement set forth on Resolution 19/04, paragraph 3(l). To this end, Table 1 below, illustrates the number of vessel records that contain information on owners, operators, beneficial owners or companies, and to which extent this information has been submitted to the IOTC Secretariat. It is worthy to note that all figures quoted correspond to data provided into the IOTC Record of Authorised Vessel by 31st January 2022.

Table 1. Percentage of vessels with information on owners, operators, beneficial owners and companies

CPCs	Total number of vessels	Owner	Operator	Beneficial Owner	Company
Australia	60	100	100	0	0
China	133	100	88	10	10
EU - France	57	100	100	0	63
EU - Italy	1	100	100	0	100
EU - Portugal	20	100	100	0	100
EU - Spain	53	100	100	100	100
India	4	100	100	0	0
Indonesia	566	100	96	33	36
Iran (Islamic Republic of)	1311	100	100	0	0
Japan	184	100	100	1	98
Kenya	5	100	100	100	100
Madagascar	8	100	100	0	0
Malaysia	21	100	100	0	95
Maldives	1031	100	31	30	1
Mauritius	4	100	100	25	100
Mozambique	24	100	100	100	100
Oman	10	100	40	40	40
Philippines	55	100	4	0	0
Republic of Korea	90	100	100	83	89
Seychelles	107	100	85	84	83
South Africa	34	100	100	0	0
Sri Lanka	2093	100	58	18	2
Tanzania	1	100	100	100	100
Thailand	8	100	100	38	38
United Kingdom	1	100	100	0	100
Liberia*	12	75	75	0	0

*Since June 2021, Liberia is no longer a Cooperating non-Contracting Party (CNCP) but has carrier vessels in the record.

For greater clarity, vessel records with the four attributes reported as “Unknown” and “Not available” are not counted within Table 1, instead, they are presented separately in Table 2 below.

Table 2. Percentages of vessel records with the four attributes reported as “Unknown” or “Not available” (N.A.).

CPCs	Total number of vessels	Owner	Operator	Beneficial Ownership	Company	
		% Unknown	% Unknown	% N.A.	% Unknown	% N.A.
China	133		12	8	8	
EU - France	57			35		
EU - Italy	1			1		
EU - Portugal	20			20		
Indonesia	566		4	46	3	41
Iran (Islamic Republic of)	1311	0	0			
Japan	184			7		
Malaysia	21			33		
Maldives	1031		69		5	28
Oman	10		60			
Philippines	55		96			
Republic of Korea	90			1		
Seychelles	107		15	1		1
Sri Lanka	2093		42		2	8
Thailand	8				13	
United Kingdom	1			100		
Liberia*	12	25	25			

*Since June 2021, Liberia is no longer a Cooperating non-Contracting Party (CNCP) but has carrier vessels in the record.

Based on the figures presented on Table 1 and Table 2, the partial and total percentages of vessels reported with information on owner, operator, beneficial owner and company, including when reported as “Unknown” and “Not available”, are reflected in Table 3 below.

Table 3: total percentage of vessel records reported with the four attributes

	Owner	Operator	Beneficial Owner	Company
% Table 1	100	71	19	14
% Table 2	0	29	6	14
Total %	100	100	25	27

In line with the recommendation made at the 18th Session of the Compliance Committee, Table 4 and Table 5, illustrate in which number and proportion, CPCs have submitted vessels with same beneficial owner and owner, same beneficial owner and operator or same beneficial owner and company. Vessel records with beneficial owners defined as “Unknown” or “Not available” where not counted.

Table 4: Percentage of vessel records with same beneficial owner and owner, operator or company

CPCs	Ben. Owner = Owner	Ben. Owner = Operator	Ben. Owner = Company
China	9	8	10
EU - Spain	85	87	94
Indonesia	30	8	5
Japan	1	1	1
Kenya	80	80	80
Maldives	30	30	1
Mauritius	25	100	0
Mozambique	100	100	100
Oman	40	40	40
Republic of Korea	82	82	83
Seychelles	31	32	70
Sri Lanka	16	16	2
Thailand	38	13	38

Table 5 shows that although based on the total number of vessels, the number of records with same beneficial owner and owner, operator or company information is not very significant, in relative terms, however, when compared to the total number of data provided about beneficial owners, it is very high. As a result, beneficial owner information in a large number of cases matches with owner or operator information.

Table 5. Proportion in which beneficial ownership data matches with owners, operators and companies data

	Ben. Owner = Owner	Ben. Owner = Operator	Ben. Owner = Company
% Based on # vessels with Ben Own data	87	77	30
% Based on total # of vessels	17	15	6

From the tables above, it can be concluded that the rate of information submitted to the IOTC Secretariat on vessel beneficial ownership and company is substantially low (19% and 14% respectively). In effect, only 14 CPCs out of 23 CPCs with vessels in the RAV, are submitting any information on vessel beneficial ownership, which largely matches with the information provided for their owners (87%) and operators (77%).

RECOMMENDATION/S

That the WPICMM05:

- 1) **NOTE** paper IOTC–2022–WPICMM05–11,
- 2) **NOTE** the low number of vessels with information on beneficial ownership and company,
- 3) **RECOMMEND** that CPCs with vessels in the IOTC Record of Authorised Vessels and whose level of reporting for the attributes beneficial owner and company are low to submit information for those attributes, or to provide information to the IOTC Secretariat to explain any impediment to submit this information.