

**Operational Tools to Combat IUU Fishing and Related Matters
Submitted by The Pew Charitable Trusts**

Executive Summary:

This document compares the collection of beneficial ownership data between the Global Record and the Global Integrated Shipping Information System. It also suggests a proposal for holding a workshop on beneficial ownership as well as a survey on current beneficial ownership data collection for fishing vessels amongst member States.

Background

1 IUU fishing is a multi-faceted issue that is complicated, in part, by the opaque nature of complex corporate structures. Beneficial ownership information for fishing vessels is a key piece of data that allows enforcement officials to know who actually controls and profits from fishing. Whereas vessel operators are more likely to be held accountable for IUU fishing, the only way to eliminate the financial incentives of operating illicitly would be for States to establish and enforce domestic penalties, and stop fishing subsidies and public funds, for citizens engaging in or profiting from IUU fishing. However, as beneficial ownership is a complex topic and there is limited understanding, of not just the concept but what sort of data States are already collecting.

2 The Global Record of Fishing Vessels, Refrigerated Transport Vessels, and Supply Vessels (Global Record), first launched in 2017, upgraded in 2022, and maintained by the FAO, it is a publicly available database of fishing and fishing related vessels. Flag States are responsible for uploading and verifying information on their registered vessels. As part of the database, States can upload ownership data regarding their vessels, including data on “Owner” as well as for “Beneficial Owner.” With the launch of the associated Global Information Exchange System (GIES) in December 2023, Parties to the Port State Measures Agreement now have the means to securely share and access data on the Global Record and use it as a tool to help combat IUU fishing.

3 At the 2015 meeting of the Global Record Informal Open Ended Technical and Advisory Working Group (GRWG), participants agreed to “develop a comprehensive Global Record of fishing vessels within FAO, including refrigerated transport vessels and supply vessels, that incorporates available information on beneficial ownership, subject to confidentiality requirements in accordance with national law.”¹ Subsequently, at the 2015 Global Record specialized core working group meeting, the participants agreed to make the inclusion of “beneficial owner name” and “address” fields high priority. However, an examination of the database shows that most flag States do not supply information for any of data fields regarding ownership, even the registered owner.

4 In comparison, the IMO maintains the Global Integrated Shipping Information System (GISIS) for merchant vessels, which collects and displays beneficial ownership data fields in a section reserved to flag states, IGOs and NGOs. Only information on the registered owner of a vessel is available to the public. A review² of the top 5 flag States for merchant vessels shows beneficial owner data have been submitted for many of their vessels.

5 At the Sixth meeting of the GRWG in December 2022, delegates discussed difficulties with collecting beneficial ownership data, including challenges with knowing the specific definition of a beneficial owner, including the minimum ownership threshold for ownership. Multiple States and organizations have different definitions of what they consider a beneficial owner to be.

6 Collecting beneficial ownership data has multiple purposes. It allows flag States to have a clearer picture of which companies are operating in their EEZs and who profits from vessels that are flagged to their country. Additionally, it allows them to carry out more effective due diligence when licensing vessels and acts as bulwark against bad actors who often try to change or conceal ownership in order to continue to fish illegally. Access to beneficial ownership data also benefits Regional Fishery Management Organizations (RFMOs), as this data can be crucial for understanding the nationality of who is accessing stock quotas. For port States, knowing the beneficial owner of a fishing vessel is critical to countries that are Parties to the Port State Measures Agreement to ensure that real time data informs their risk assessments so decisions can be made on whether vessels should be allowed entry into port or not. Known vessels that belong to beneficial owners that are also profiting from other vessels found to be operating illegally could be afforded greater scrutiny and be given priority for inspection.

7 Improving beneficial owner data could also help to implement the new World Trade Organization Agreement on Fisheries Subsidies, adopted on June 17, 2022, which bars any fishing subsidies to vessels and owners, or any person, who is in charge

¹ Report of the MEETING OF THE GLOBAL RECORD INFORMAL OPEN-ENDED TECHNICAL AND ADVISORY WORKING GROUP Rome, 23–25 February 2015, para 12.

of, or directs or controls the vessel that have been found to have fished illegally. There are distinct connections between the collection of beneficial ownership data and policing fisheries subsidies for fisheries and fisheries related activities – collecting and confirming beneficial ownership data will allow States to ensure that they are not giving subsidies to companies that are violating the law.

8 In order to optimize tracking fishing vessel ownership and sharing of vessel information, it is necessary to bring the Global Record into informational alignment with GISIS to avoid the management of fishing vessels falling behind that of merchant ships. A first step to doing that is for States to collect beneficial ownership data for their authorized vessels, updating their legal framework, if necessary. However, it is also important to for States to be in agreement on how to define beneficial ownership, how the data can be used, and what pieces must be collected in order to effectively control who is authorized to fish.

Action Requested of the Joint Working Group:

9 The Joint Working Group is invited to note the information provided, but in particular to consider the following:

- To convene a workshop to discuss the concept of beneficial ownership in relation to fishing vessels. As part of the workshop, the definition of beneficial ownership would be considered, as well as what information States should collect, how they can collect it, and best practices for securely storing it and exchanging it with those that have a legitimate interest, with due consideration to data protection and confidentiality requirements. Other subjects for discussion could include reporting of registered owners to the Global Record and how to bring that data into alignment with the existing scheme for collection of beneficial owners of merchant vessels in GISIS, potentially considering the extension of the use of the IMO Unique Company and Registered Owner Identification Number Scheme that was adopted, amongst other reasons, to facilitate the prevention of maritime fraud.
- Participants in this workshop could include flag State representatives, ideally with knowledge of vessel registration and licensing due diligence processes, legal experts on beneficial ownership within the maritime domain and beyond, as well as NGOs and other interested parties already active in the space.
- The meeting organizers could consider issuing a questionnaire to better understand the range of beneficial ownership information requirements and restrictions prior to running the workshop series.
- The outputs from the workshop could be reported out to the next GRWG meeting in 2024 for discussion and agreement so recommendations can be developed and considered by FAO's Committee on Fisheries in 2024.

