Market Advisory Council

MAC ADVICE

Better Alignment of Import Control Schemes in Major Market States

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1. Introduction

Seafood products are a globally traded commodity. According to the latest figures by the FAO, the value of the global fish trade stood at an estimated US$ 164 billion in 2018. This trade in fish and fish products thus represents around 11% of the global export value of agricultural products.[1]

With regard to the corresponding import value of fish and fishery products, the European Union (EU) was the world's largest import market with a share of 34% in 2018, followed by the United States (U.S.) with 14% and Japan with 9%. These three markets alone thus accounted for approximately 57% of the total value of world imports of fish and fish products.

In an effort to monitor seafood imports and stop products caught by illegal, unreported and unregulated (IUU) fishing from market entry, a number of market States, trade blocs and Regional Fisheries Management Organisations (RFMOs) have adopted import control schemes. Although sharing the same aim, these schemes have different characteristics and methodologies. Catch documentation schemes (CDS) record information on a consignment of fishery products throughout the supply chain. Other systems, however, use information available at the point of import to assess the legality of an imported consignment.

The CDS installed by the EU, which entered into force in 2010, covers all marine wild-caught fish traded by non-EU countries into the EU market. The U.S. operates its Seafood Import Monitoring Program (SIMP) since 2016, which covers 13 types of seafood that are identified as most vulnerable to IUU fishing and seafood fraud. Japan, by contrast, currently relies on multilateral schemes implemented by four RFMOs, covering only select species, but is in the process of devising its own import control scheme.

[1] Forest products are excluded by the FAO in this calculation.

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Due to these differences, these import control schemes in use today in market States, trade blocs and RFMOs diverge in the information they request from economic actors. This information addresses the *who*, *what*, *when*, *where* and *how* fish is caught – the Key Data Elements (KDEs) of an import control system. These KDEs can include, among others, the catching vessel's flag, the catch area, the requirement of an International Maritime Organization (IMO) number, fishing authorisations, trans-shipment declarations or the catching methods used.

Setting out a baseline of 17 KDEs – mainly informed by literature reviews, analysis of existing schemes and the FAO Voluntary Guidelines for Catch Documentation Schemes – to establish the legal origin of seafood, a recent report[2] compared the EU and US import control schemes as well as the multilateral measures in place in RFMOs.[3] The EU was found to request 13 of the 17 KDEs, while the U.S. requests 12. Overall, the analysis showed that in regard to the KDEs which operators need to submit at the point of import, the EU and U.S. systems are 59% aligned with each other,[4] which indicates a clear opportunity for greater harmonisation, but also information sharing, between the world's two largest seafood markets.

In the case of Japan, which falls under the requirements set out by the RFMOs ICCAT, CCAMLR, CCSBT and IOTC, alignment with the 17 baseline KDEs ranges from 41% to 76%, depending on the individual RFMO.

Moreover, with Japan as the world's third-largest seafood market being in the process of setting up its own import control scheme, there is an urgent opportunity to highlight the benefits of more harmonised information that is requested from imported fish and fish products. This would also allow for information sharing with other market States.

Stronger alignment between existing and future systems would benefit fishers and supply chain actors who sell or process catch for large market States, or who may seek to do so going forward. More aligned KDEs will remove potential loopholes for unscrupulous actors and allow for better

[2] EU IUU Coalition, 'A comparative study of key data elements in import control schemes aimed at tackling illegal, unreported and unregulated fishing in the top three seafood markets: the European Union, the United States and Japan', January 2020, http://www.iuuwatch.eu/wp-content/uploads/2020/01/CDS-Study-WEB.pdf. The EU IUU Coalition is made up of The Environmental Justice Foundation, Oceana, The Nature Conservancy, The Pew Charitable Trusts and WWF.

[3] Please consult this document's Annex for an overview of the 17 recommended Key Data Elements.

[4] 10 out of 17 KDEs are aligned between the two systems. For more, please see: EU IUU Coalition, *op. cit.*, p. 22.

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interoperability between systems, enabling information exchange and cross-referencing of data. This would in turn reduce the cost for economic operators of complying with multiple systems, create clarity and a level playing field and effectively enhance the ease of trade in fish and fish products.

2. Recommendations

The MAC therefore recommends that the European Commission, representing the largest market globally for seafood products:

a) Actively engages with its counterparts in the U.S. and Japan, as well as with RFMOs to strengthen existing, or help adopt ambitious and robust future import control schemes to strengthen the global fight against IUU fishing;

b) Ensures that any step towards further harmonisation adheres to the highest standards possible, while any harmonisation would aim to be "the least trade-restrictive measure" and is "designed to minimize the burden on those affected by its requirements", in accordance with FAO guidelines[5];

c) Works with partners in RFMOs towards aligning multilateral KDE requirements, in particular where catch documentation schemes are in the process of being developed, such as the Indian Ocean Tuna Commission;

d) Encourages other large importing States of fish and fish products to adopt robust import control schemes in line with best practices, with a particular view to supporting developing States;

e) Prioritises electronic means of exchange and interoperability between existing and future systems in different market States to allow for data cross-checks to effectively identify illicitly caught seafood and spot irregularities.

[5] FAO (2017) 'Voluntary Guidelines for Catch Documentation Schemes', http://www.fao.org/3/a-i8076e.pdf, Guideline 4.2.

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Annex

Overview of 17 recommended Key Data Elements for import control schemes for fisheries products, as found in Chapter 4 of the report 'A comparative study of key data elements in import control schemes aimed at tackling illegal, unreported and unregulated fishing in the top three seafood markets: the European Union, the United States and Japan', by the EU IUU Coalition, published in January 2020.

NB. These recommendations were compiled based on the 2017 FAO 'Voluntary Guidelines for Catch Documentation Schemes' as well as existing sources, including peer-reviewed literature, technical documents and research papers.

I. WHO – Vessel identifications and operators in processing States	
Vessel name	Specifying the name of the fishing vessel associated with a consignment enables import control authorities to cross-reference with vessel registers, photographs and other documents, helping to rule out vessel identify fraud. The vessel name should be legally associated with a vessel identification number, and we recommend a unique vessel identifier (UVI) like the IMO number.
Unique vessel identifier (IMO number)	A UVI is a unique identifier (usually a series of letters and numbers) that is assigned to a vessel to ensure international traceability. Once given, the UVI is with the vessel for its entire life, regardless of changes in flag, ownership, or name. In addition, it cannot be re-used by any other vessel with a permanent physical marking. Flag States are responsible for mandating and implementing UVIs for fishing vessels, as required by relevant national and regional regulations. IMO numbers are considered the gold standard of international UVI and are also an integral part of the FAO Global Record of Fishing Vessels, Refrigerated Vessels and Supply Vessels. An IMO number is one of the most useful and reliable vessel characteristics for risk analysis purposes. In instances where government registration systems do not exist or are not adequate, we recommend mandatory use of IMO numbers for all eligible vessels. At the time of this study, the latest eligibility criteria are described in IMO's 2017 Assembly Resolution A.1117(30) and include motorised inboard fishing vessels, including wooden ones, of less than 100

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	gross tonnage down to a size limit of 12 metres in length overall authorised to operate outside waters under the national jurisdiction of the flag State.
Vessel flag	Under the United Nations Convention on the Law of the Sea (UNCLOS), any country has the right to allow a vessel to fly its flag and therefore bestow its nationality upon that vessel. The flag State is legally responsible for ensuring compliance with national and international laws and for providing effective enforcement regardless of where violations occur. Flag States have primary prescriptive and enforcement jurisdiction over vessels on their register. In practice, this means that flag States decide both which laws shall apply to the owners and operators of their vessels and whether or not to enforce them. In deciding whether to grant nationality to a vessel, flag States apply varying levels of scrutiny and criteria. Some flag States have comparatively lax criteria concerning the vessels which may be added to their registries. "Flags of convenience" operate open registries, where the beneficial ownership or control of a registered vessel is found to lie outside the vessel's flag State. Countries that fail to comply with international fisheries laws and do not monitor the vessels that are registered to their flag are referred to as 'flags of noncompliance'. Providing information on a vessel's flag State can therefore highlight to import control authorities whether the seafood is at high-risk of being from IUU origin. An import from a 'flag of non-compliance' for example, can warrant further checks from the import control authority.
International Radio Call Sign	The International Radio Call Sign (IRCS) is a unique alphanumeric identity that belongs to the vessel. It enables two vessels with the same vessel name to be identified separately.
Information of exporter/ re-exporter	The "processing State" concept is not yet recognised in international fisheries law – yet it is a significant component of the supply chain. Current CDS cover the entry of product into markets and their exportation, but processing States are treated as "black boxes". There is a need for traceability tools to cover events between entry and exit gates into and out

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	of the country so that regulatory controls can establish where anomalies occur and identify those responsible. The name, address and telephone number of the exporting or re-exporting company should be made available in addition to the point of exportation/departure and State of destination. This information ensures that all actors in the supply chain are named, enabling full traceability of the fish. It allows authorities to check the validity of the company and contact the company if there are any concerns.
Identity of import company	Identification of the importing company (the name, address and telephone number), whether that be in the destination country or in a processing State, is needed to keep track of fish products along the value chain, whether it is processed or not. When foreign catch is imported first to a processing State, a processing statement must be issued at the time of exportation, linking the source products and foreign catch certificate(s) with the end products in the consignment. In addition, information on the point of importation/destination (city, country, state) is needed.
II. WHAT – Type and quantity of catch	
Product type	The import control scheme should clearly specify the product types (e.g. fresh, frozen, fillet, loin, surimi, fish meal etc.).
Species name embedded in the FAO/ASFIS 3-Alpha Code	The FAO collates world capture and aquaculture production statistics at either the species, genus, family or higher taxonomic levels in 2,346 statistical categories (2019 data release) referred to as species items. The Aquatic Sciences and Fisheries Information System (ASFIS) list of species includes 12,771 species items selected according to their interest or relation to fisheries and aquaculture. For each species item stored in a record, codes (ISSCAAP group, taxonomic and 3-alpha) and taxonomic information (scientific name, author(s), family, and higher taxonomic classification) are provided. This is considered the best international and harmonised practice to identify species worldwide. This is essential information to be cross-

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	referenced to ensure that the vessel has caught what it is legally allowed to and to avoid mislabelling fraud.
Estimated live weight (kg)	This information allows for cross-checks in cases where laundering is suspected. When the importation involves processed products, providing the conversion factors that have been used in calculations should be mandatory. This helps to determine whether the weight of the processed product is consistent with the weight of catch used in processing, as indicated in the processing statement. National authorities should hold their own conversion factors (which should be revised regularly) or should be adhering to RFMO conversion factors. Additional live weight conversion factors may be consulted in the Handbook of Fishery Statistical Standards from the FAO's Coordinating Working Party on Fisheries Statistics.
Processed weight (kg)	When foreign catch is imported by a processing State for re-export to the final market, processed weight should be clarified linking the source products and catch documentation with the end products in the consignment.
Declaration and authorisation of transshipment at sea	Illegal fishers take advantage of transshipment practices to 'launder' illegally caught fish (by mixing illegal and legal fish, the illegal fish takes on the documentation of the legal catch). Also, because reefers do not fish, they are often exempt from catch documentation and monitoring requirements, creating a missing link in the chain of custody from vessel to plate. It is essential that transshipment is better regulated, facilitating traceability and accountability, by recording information on the vessel's identity, date and area of transshipment, species, estimated weight transhipped, UVI, as well as information about the donor vessel.
III. WHEN – Dates of the operation	

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Event date	The date (day, month, and year) on which the harvest activity occurs. This helps an importing authority to verify that the fisher was legally allowed to carry out such activity at that time, which is also particularly useful for monitoring compliance in the case of closure periods.
IV. WHERE – Location	
Catch area	The catch area is the location(s) where capture of seafood has occurred. Catch area for fishing activity should be specific. The following catch area codes currently recommended are: ● International Organization for Standardization country codes when fishing occurs within a country's exclusive economic zone (EEZ) ● the RFMO when fishing occurs in an RFMO jurisdiction ● FAO fishing area codes To improve traceability and achieve proper port controls, better defined catch areas with a clear distinction between the EEZ and the high seas should be mandatory.
Authorisation to fish	This type of authorisation is a unique number associated with a regulatory document from the relevant authority granting permission for wild-capture of seafood by a fisher or fishing vessel. Evidence of authorisation to fish and/or transship should be specified in import documentation. This is needed to confirm that the competent authority has given authorisation for these activities to take place and that harvest is in compliance with any relevant management measures. The authorisation should contain information about duration, area, species, quantity limits, gears and issuing authority
Port of landing	The port of landing is the location where seafood was first discharged to land. The port where a vessel unloads the catch is key information for traceability purposes as it is the point where products transit from the sea-borne into the land-based supply chain. The date of landing should also be specified.

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Processing location	Name and address of the processing plant, approval number of the processing plant, and health certificate number and date.
V. HOW – Fishing methods	
Fishing gear or catching method	The fishing gear is the equipment used to capture seafood. This information allows an importing authority to verify that the event owner has carried out such activity in a lawful way. For example, ICCAT's species-specific Electronic Bluefin Tuna Catch Document Programme (eBCD) has a database of gear codes that are internationally accepted. These descriptions should be aligned with FAO's International Standard Statistical Classification of Fishing Gear.

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