

Flags of convenience and hidden ownership:

EU-owned fishing vessels in high-risk jurisdictions

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European Commission concerns on the use of FOCs

- **New study** aims to assess the drivers and effects associated with **open registers used as flags of convenience**
- An open register allows foreign-owned ships to fly a country's flag **without a direct connection** to that country
- A **flag of convenience** refers to the practice of a shipowner **registering a ship in a country other than their own to benefit from lax regulations, lower taxes, and usually cheaper labour**
- Foreign registration allows fishing vessels to **evade stricter monitoring, control, and surveillance requirements**, as well as national and RFMO **conservation and management measures**
- FOC countries often **lack the resources and/or political will** to enforce international law effectively.

Study on flag State responsibilities and 'open registers' for vessel registration

European Commission concerns on the use of FOCs

Main Conclusions

- The top **35 flag States control 94.1% of maritime deadweight global tonnage**, led by FOC such as Panama, Liberia, and the Marshall Islands, often without national ownership
- FOC apply **lax “genuine link” standards**, allow shell companies, and obscure beneficial ownership
- **FOC vessels** are linked to **poor labour conditions, low safety standards, and weak environmental protections**, especially in fisheries
- Limited flag and port State control facilitates **IUU fishing, overfishing, smuggling, and money laundering**
- Regulatory and tax avoidance **allows FOC operators to undercut compliant EU firms** and erode national tax bases

How can flags of convenience facilitate potential IUU fishing imports?

- Fish caught, transhipped, processed, and sold across multiple countries create opportunities to **launder illegal catch** into legal seafood imports
- FOC-flagged vessels **exploit legal loopholes**, undermining fisheries monitoring, conservation, and management measures
- **FOCs can allow foreign-owned vessels to bypass EU access agreements and quotas**, sustaining overfishing and **enabling possible IUU fishing products to enter the EU market**



Methodology

In this report, we examine EU-ownership of large-scale fishing vessels flagged to countries that have either been:

- identified by the EU as a non-cooperative jurisdiction for tax purposes;
- issued a warning ('yellow card') by the EU for failing to address IUU fishing; or
- are deemed a FoC by the International Transport Workers Federation (ITF).

Vessel activity analysis: AIS-based tracking of fishing patterns, port visits, and EEZ access (GFW, 44 vessels, 2020–2025)

Market entry assessment: Cross-checking EU-owned FoC vessels against TRACES NT authorised establishment lists

Import and landing analysis: EUMOFA import data and Member State IUU fishing reports on landings in EU ports



Key findings

At least 105 EU-owned vessels are flagged to FoCs, yellow-carded countries, or tax havens

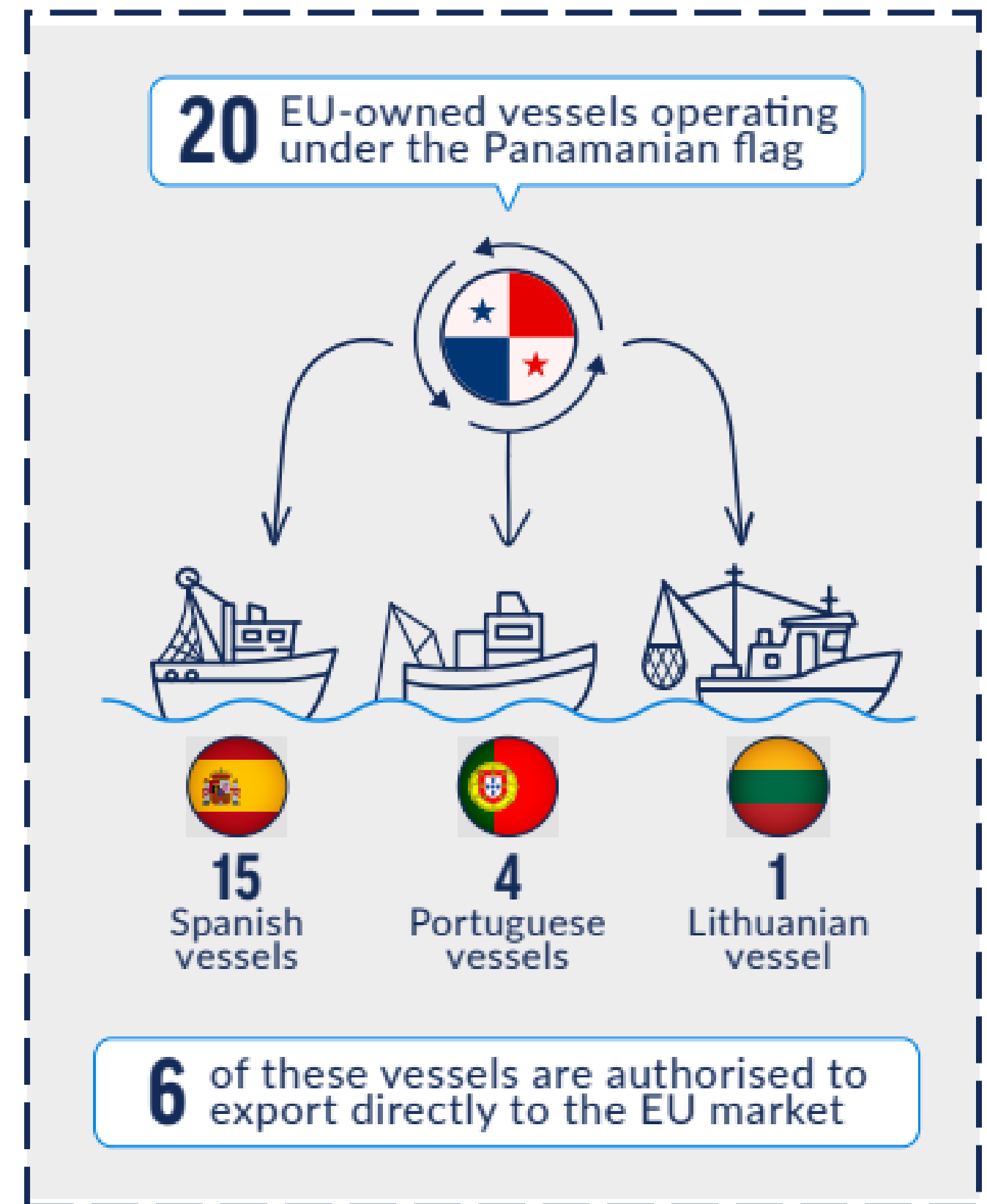
EU Member State where owner is based	FoC, yellow-carded country, or tax haven	Number of vessels owned	Total vessels for the EU Member State
 Belgium	 Belize	2	2
 Cyprus	 Equatorial Guinea	1	1
 Denmark	 Belize	1	2
	 Faroe Islands	1	
 Finland	 Russia	1	1
 Greece	 Honduras	2	3
	 Marshall Islands	1	
 Italy	 Mongolia	1	1
 Malta	 Bahamas	1	2
	 Mongolia	1	
 The Netherlands	 Faroe Islands	2	3
	 Tanzania	1	
 Portugal	 Panama	4	5
	 Sierra Leone	1	

EU Member State where owner is based	FoC, yellow-carded country, or tax haven	Number of vessels owned	Total vessels for the EU Member State
 Croatia	 Ecuador	1	1
 Estonia	 Belize	1	2
	 Honduras	1	
 Ireland	 Georgia	1	2
	 San Marino	1	
 Latvia	 Belize	1	1
 Lithuania	 Panama	1	5
	 Belize	1	
	 Georgia	1	
	 Guinea-Bissau	2	
 Spain	 Panama	15	73
	 Belize	9	
	 Vanuatu	1	
	 Senegal	21	
	 Honduras	3	
	 Sierra Leone	2	
	 Ecuador	7	
	 Curaçao	4	
	 Gabon	2	
	 Guinea-Bissau	1	
	 Mauritius	5	
	 Mongolia	1	
	 Tanzania	2	
	 Mongolia	1	
 Sweden	 Mongolia	1	1



Some FoC-flagged vessels land their catches in yellow-carded or FoC countries

- Twenty EU-owned vessels under Panamanian flag, fishing mainly on the Pacific high seas and **landing in Ecuador**
- **Weak controls** in both Panama and Ecuador, an **EU-yellow-carded** major tuna supplier
- Risks of **catch laundering** and **IUU fishing** products entering the EU market



EU-owned vessels could undermine EU efforts to fish sustainably in SFPAs

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3 Belizean-flagged vessels apparently fishing in **West African waters** where EU-flagged vessels fish under Sustainable Fisheries Partnership Agreements (SFPAs)










Not subject to the same sustainability, labour, reporting and control requirements that apply to EU-flagged vessels fishing under SFPAs

Creates potential for EU nationals to **circumvent sustainability obligations** and possibly **undermine EU efforts to promote responsible fishing practices** in partner countries.



High-risk fishing imports

Table 2. Total 2024 seafood imports into the EU from the top ten high-risk countries, by volume, value, and the main associated importing EU Member States (listed in decreasing order, by import volumes).

Top high-risk countries identified in the study	Total Import Volume ^k (tonnes)	Total Import Value (million EUR)	Top EU Member State importers
 Russia	208,846	764.24	Germany, the Netherlands, Poland, France, Portugal, Denmark, Spain, Italy, Lithuania, Czech Republic
 Ecuador	190,598	905.42	Spain, the Netherlands, Germany, Italy, France, Portugal, Belgium, Greece
 Faroe Islands	109,458	695.03	Denmark, the Netherlands, Germany, Poland, Latvia
 Mauritius	34,685	173.26	Spain, the Netherlands, Italy, France, Sweden, Finland
 Senegal	22,998	171.62	Spain, Italy, France, Portugal, Greece
 Tanzania	15,060	80.83	Spain, the Netherlands, Italy, Portugal, Belgium, Romania
 Belize	10,730	28.51	Spain, Portugal
 Honduras	4,793	45.39	France, Germany, Belgium, Spain, the Netherlands
 Panama	3,997	9.40	Spain, France
Bahamas	567	20.38	Belgium, France, Spain

Source: EUMOFA²⁷

- **15 of 20 high-risk countries** exported 601,732 tonnes of seafood to the EU in 2024, **over 10% of total EU imports**
- **FOC countries** with many EU-owned vessels (e.g. Panama, Belize, Senegal, Ecuador) are also **major EU seafood exporters**
- This overlap increases the **risk of IUU fishing-linked, unethical, or tax-avoidant seafood entering EU supply chains**



Recommendations

- Apply **stricter import control rules** (including verification checks) for **catches** originating from **FoC** jurisdictions.
- Ensure **reporting requirements for nationals** with any **legal, beneficial, or financial interests** in fishing vessels flagged to non-EU countries to **improve beneficial ownership transparency**



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