CHASING RED HERRINGS

FLAGS OF CONVENIENCE, SECRECY AND THE IMPACT ON FISHERIES CRIME LAW ENFORCEMENT

With the support of:

Norad  Nordic Council of Ministers
WHY THIS REPORT?
1. WHAT IS SECRECY AND SECRECY JURISDICITONS IN FISHERIES?

2. HOW ARE FLAGS OF CONVENIENCE OPERATED?

3. HOW CAN CRIMINALS USE FLAGS OF CONVENIENCE TO COMMIT CRIME?

WHAT IS THE IMPACT ON FISHERIES CRIME LAW ENFORCEMENT?
SECRECY FACILITATED BY FLAGS OF CONVENIENCE AND THE IMPACT ON FISHERIES CRIME LAW ENFORCEMENT
The Republic of Business Corporations Act (BCA) is modeled after the corporate laws of the United States (US) and the United Kingdom (UK), and allows for the appointment of a Managing Director and Corporate Secretary. Under the BCA, the Board of Directors and corporate officers may be individuals or business entities. Additionally, there is no mandatory requirement to file the names of directors, officers, or shareholders with the Registrar of Corporations or Registered Agent. However, this information may be filed or recorded voluntarily.

International Business Corporations (IBCs) are one of the most widely used business vehicles. IBCs are considered distinct legal entities and are utilized for a variety of purposes, such as holding securities and bank accounts, entering joint ventures, trust and estate planning, asset protection, public offerings for raising capital in world markets, international trade, and holding vessels.

IBCs give owners the ability to maximize profitability while minimizing personal liability. In the event of a business loss or lawsuit, shareholder liability is limited to his/her direct capital investment in the corporation.

ENTITY FORMATION

Entity formation is simple; a company may be formed in one (1) business day. The following information needs to be provided to any IRI office in order to proceed with the incorporation of a RMI IBC: corporate name, share structure, and organizational activity. RMI IBCs may also be formed online.
Shelf Companies

To retrieve information on an unsold Shelf Company, please press the Search button.

The search results will return real time results contained within the Registrar's database as of the date and time of when the search was performed. Therefore, the information retrieved from the database is subject to change without notice.

Please contact any of our worldwide offices or corp@register-iri.com for additional information.
THE IMPACT OF SECRECY ON FISHERIES CRIME LAW ENFORCEMENT:

1. WE “DON’T KNOW WHAT WE DON’T KNOW”

2. CANNOT TURN INTELLIGENCE INTO EVIDENCE

3. INADEQUATE RISK ASSESSMENTS
PRIVATE FLAGS AND THE IMPACT ON FISHERIES CRIME LAW ENFORCEMENT
Private flags = 22.9% of global fleet
Figure 3.3. Geographical spread of private flag companies’ head office

- In US: 5
- UK: 3
- Singapore: 4
- Other: 3
- Head office in flag state: 2
Figure 3.4. Number of FOCs and private flags among new member states of IMO since 2000 (n = 15)

- 7 OTHERS
- 6 PRIVATE FLAG FOCS
- 8 FOC
CONTRACTUAL TERMS (OR LACK THEREOF) THAT RAISE CONCERN:

• SIGNING OF CONVENTIONS *EN MASSE*

• RECORD KEEPING AND SHARING OF INFORMATION?

• COST OF CRIMINAL LAW ENFORCEMENT?
THE IMPACT OF PRIVATE FLAGS ON
FISHERIES CRIME LAW ENFORCEMENT:

1. FLAG STATE RESPONSIBILITY

2. MUTUAL LEGAL ASSISTANCE
STRATEGIC FLAGGING OF VESSELS AND THE IMPACT ON FISHERIES CRIME LAW ENFORCEMENT
Figure 4.1. Percentage of vessels used for illegal fishing with unknown flag state or stateless (n = 249)

Stateless vessels or vessels with unknown flag = 29.3%
Figure 4.2. Percentage of vessels used for illegal fishing flagged to Belize, Georgia, Panama and Togo (n = 197)

Flagged to Belize, Georgia, Panama and Togo = 57.9%
Figure 4.4. Percentage of vessels used for illegal fishing registered in FOCs (n = 197)

Vessels registered in FOC’s = 82.2%

Figure 4.6. Percentage of vessels used for illegal fishing flagged to private flags (n = 197)

Vessels flagged to private flags = 61.9%
Figure 4.7. Percentage of vessels used for illegal fishing flagged to developing countries (n = 197)

- Developed countries (excl LDC) = 76.1%
- Least developed countries (LDC) = 21.3%
- Others
IMPACT OF STRATEGIC FLAGGING ON FISHERIES CRIME LAW ENFORCEMENT:

1. CRIMINALIZATION

2. JURISDICTIONAL AMBIGUITY

3. RULE COMPETITION

Figure 4.5. Percentage of vessels used for illegal fishing without an IMO number (n = 249)

Vessels without an IMO number = 64.25%

Others
Figure 4.5. Percentage of vessels used for illegal fishing without an IMO number (n = 249)

Vessels without an IMO number = 64.25%
IMPROVE TRANSPARENCY IN FISHERIES:

1. INFORMATION ABOUT BENEFICIAL OWNERSHIP OF VESSELS

1. INFORMATION ABOUT VESSELS’ IDENTITIES AND NATIONALITY

1. INFORMATION ABOUT VESSEL MOVEMENTS

1. ACCESS TO INFORMATION AND INFORMATION SHARING
STRENGTHEN STATE’S FISHERIES CRIME LAW ENFORCEMENT ABILITY:

1. ASSIST DEVELOPING COUNTRIES ASSESS THE RISKS ASSOCIATED WITH FOCs

1. CRIMINALIZATION OF FISHERIES CRIME

1. MUTUAL LEGAL ASSISTANCE IN FISHERIES CRIME CASES

1. FLAG STATE RESPONSIBILITY
www.fishcrime.com/secrecyreport/