

# Illegal, Unreported and Unregulated Fishing Action Alliance – Deep Dive Session #1

October 2, 2024

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Run-of-Show

<b>Time</b>	<b>Activity</b>	<b>Notes</b>
6:00AM-6:10AM	Roll Call	Conducted by: Carolyn Gruber, the Stimson Center
6:10AM-6:15AM	Introduction	Conducted by: Andrew McMaster, Chair, Canada
6:15AM-6:30AM	Presentation #1: Beneficial Ownership in the United Kingdom	Presented by: Gerlinde Schaffter, United Kingdom
6:30AM-6:45AM	Presentation #2: Global Charter for Fisheries Transparency	Presented by: Maisie Pigeon, Oceana/Coalition for Fisheries Transparency
6:45AM-7:10AM	Q+A	Moderated by: Andrew McMaster, Chair, Canada
7:10AM-7:35AM	Breakout Session #1	Topic: Beneficial Ownership
7:35AM-7:55AM	Breakout Session #2	Topic: Information and Reporting Systems
7:55-8:10	Health Break	
8:10-9:00AM	Group Discussion	Topic: Key takeaways from Breakout Sessions

# Presentations

## Beneficial Ownership in the UK

**Presenter:** Gerlinde Schaeffter, Senior Policy Advisor on Illegal, Unreported, and Unregulated Fishing, Department of Environment, Food and Rural Affairs, United Kingdom

**Link to Slides:** [2024.10.01 Beneficial Ownership of Fishing Vessels IUU-AA Presentation FINAL Clean.pptx](#)

### Key Takeaways:

- Definitions and Challenges:
  - In most countries, an individual must hold at least 25% ownership to be recognized as a "beneficial owner."
  - IUU fishing generates significant profits. Identifying the beneficial owner is key to holding the real perpetrators accountable for these activities.
- Flag State Oversight: Many states do not require information about the beneficial owner when a vessel from a flag state enters their waters.
- Methods Used to Conceal Beneficial Ownership:
  - Flags of convenience
  - Concealing foreign ownership
  - Using shell companies with complex corporate structures, often registered in countries that do not require disclosure of beneficial ownership
- Data Collection:
  - RFMOs: Some RFMOs, like CCAMLR, request beneficial ownership information.
  - IMO: States submit merchant vessel data to this system.
  - Companies House: The UK requires registration of beneficial ownership through "Companies House" within 28 days, with the information made publicly available. Vessels must then be registered on the UK Registry website.
- Challenges:
  - Greater international collaboration is needed, particularly in the fisheries context. There is ongoing work to develop a set of guidelines or best practices.
  - OECD Initiatives: The OECD is organizing an expert meeting at the end of the year to address these issues.
  - Lack of Consensus: There is no international agreement on what qualifies as a beneficial owner, complicating data collection across agencies and sectors.

# Global Charter for Fisheries Transparency

**Presenter:** Maisie Pigeon, Director, Global Fisheries Transparency, Oceana

**Link to Slides:** [IUU Action Alliance Deep Dive - Pigeon.pptx](#)

## Key Takeaways

- What is the Coalition for Fisheries Transparency?
  - Formed to address the lack of openness in the fisheries sector focusing on labor abuses, IUU fishing, corruption, and a lack of accountability
  - Acknowledged that the global nature of fisheries means more can be achieved between countries, with the Coalition on Fisheries Transparency offering a platform to coordinate talks and communications
- What is the Global Charter for Fisheries Transparency?
  - Acknowledges that there should be a common set of principles that entities can gather around
  - The Charter provides a common language and sets an international standard
- **Principles of the Global Charter for Fisheries Transparency:**
  - (1) Require all fishing vessels, refrigerated transport vessels and supply vessels to obtain unique identification numbers, and also provide them to the FAO Global Record, RFMOs, and other relevant bodies.
  - (2) Publish comprehensive and up-to-date lists of fishing vessel licenses, authorizations, subsidies, official access agreements, and sanctions, and also supply this to the FAO Global Record.
  - (3) Make public the beneficial ownership of vessels.
  - (4) Stop the use of flags of convenience by fishing vessels by enforcing the UNCLOS Article 91 requirement for a genuine link between vessels and their flag state and prevent vessels from engaging in IUU fishing and associated crimes regardless of their flag and punish the vessels that do.
  - (5) Require vessel position to be public by sharing Vessel Monitoring System (VMS) data, sharing other non-public systems, or mandating Automatic Identification Systems (AIS).
  - (6) Ban transferring fish between boats at sea – unless pre-authorized, carefully monitored and publicly logged.
  - (7) Mandate the adoption of a robust control system that ensures seafood is legal and traceable from boat to plate, conforming to relevant catch management measures whose key data elements are made publicly available.
  - (8) Ratify and comply with international instruments that set clear standards for fishing vessels and the trade in fisheries products, including the PSMA, ILO

- Fundamental Principles and Rights at Work, and the IMO Cape Town Agreement.
- (9) Publish all collected fisheries data and scientific assessments in order to facilitate access to information for small-scale fishers, fish workers, indigenous communities, industry associations, and civil society in developing fisheries rules, regulations, subsidies and fisheries budgets, and decisions on access to fisheries resources.
  - (10) Collect and verify robust data on crew (including nationalities, age, race, and gender), contractual terms, recruitment agencies, location and means of joining vessels, and conditions on vessels as well as publish this information in aggregate form.

## Guiding Breakout Discussion Questions

### Information and Reporting Systems

- What collaborative data sharing systems between flag states exist on exchanging information on non-compliance, in order to sanction IUU fishing (e.g., sharing VMS data, logbook data, provision of subsidies, fishing authorization lists, international instruments such as the PSMA)?
- What are the most significant gaps or challenges in current fisheries information and reporting systems that hinder transparency? How can these gaps or challenges be effectively addressed?
- How can member states improve data sharing and collaboration with other states, particularly in exchanging information on non-compliance?
- What innovative approaches or technologies could enhance the transparency and accessibility of fisheries data at domestic, regional, or international levels?

### Beneficial Ownership of Vessels

- What are the challenges in collecting and publishing beneficial ownership information of vessels? How can these challenges be overcome, especially in terms of legal, jurisdictional, or technical barriers?
  - How can flag states better manage and share beneficial ownership data with other authorities such as regional fisheries management organizations (RFMOs) or the public to increase transparency and combat IUU fishing?
  - What are the benefits and potential risks of making fishing access agreements and authorization lists publicly available? How can these be balanced?
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# Narrative Summaries of Breakout Groups for Session 1

## Room 1

The Moderator initiated the conversation by questioning the main areas where information sharing is lacking. A participant from the NGO community emphasized the necessity for states to publicly disclose where their vessels fish and who is operating in their waters. This transparency would enhance state-level data collection and contribute to the Global Record of fishing activities. The Moderator acknowledged the complexities in gathering baseline information in their country, while a participant from the NGO community pointed out that developing countries often want to share information but lack the capacity for robust reporting systems.

The Moderator suggested that lessons from disaster response could be applied to create standardized reporting tools or apps for developing nations. A Member State representative highlighted the challenges posed by privacy laws regarding commercial vessel activities, underscoring the need for coastal states to be aware of activities within their EEZs. They noted that some projects exchange offshore services for catch reporting, facilitating information flow.

A participant from the NGO community shared a positive example from England, where a successful app has achieved high participation rates among fishermen. Discussions at the Committee on Fisheries (COFI) explored potential projects testing the effectiveness of such technologies to promote broader access in developing states.

While the Moderator reiterated the importance of reporting vessel activities, a participant from the NGO community pointed to existing frameworks within RFMOs as potential models. However, concerns about privacy were raised, emphasizing the need for a clearer understanding of transparency's benefits for the commercial sector.

A Member State representative introduced the Registering Information Sharing Compact (RISC) a database that allows flag registries to share information on vessels, helping to mitigate risks and prevent regulatory evasion.

Overall, the dialogue revealed both challenges and opportunities in enhancing information sharing, with a collective commitment to fostering transparency and collaboration in fisheries management.

## Room 2

The Moderator started the discussion by questioning the ways we can improve compliance with international regulations and systems such as Global Records. A Member State representative raised the issue of the lack of updates in Global Records, and a member of the NGO community brought up the hindrance caused by the lack of data sharing between agencies and between countries because of confidentiality.

The Moderator acknowledged these challenges and continued the conversation by asking participants for their views on how the situation could be improved. A Member State representative emphasized the importance of the use of already existing tools and instruments such as Global Records by member states. The Moderator then asked how compliance with current regulations could be improved. A participant of the NGO community mentioned the idea of developing an automated common database, like what has been implemented by U.S. customs, to improve cost efficiency and centralize the data making it easier to exploit.

The Moderator concluded the session by mentioning Norway's proposal for a binding global agreement that required tracking of shipping vessels and implementing a fishing reporting system, which has received substantial support but hasn't moved forward yet, and questioned how the members of the Alliance could help advance it.

## Room 3

The Moderator initiated the discussion by centering the discussion around knowledge gaps in current reporting systems and ways to enhance effectiveness. The conversation opened with a focus on updating the Global Record for parties to the PSMA and the Global Information Exchange System, which has shown promise in facilitating information sharing.

One participant from the NGO community highlighted the importance of TM Tracking for analyzing transshipments and as a resource for identifying RFMO reporting systems. A Member State representative underscored the need to improve information exchanges globally by standardizing practices across various reporting platforms.

The Moderator raised the question of how relationships between states influence the flow of information sharing. A Member State representative affirmed that relationships do influence information, noting the example of the IUU vessel list and communication between RFMOs in enhancing flow. A representative from the NGO community added that expanding existing information-sharing programs could ensure broader adoption and information flow across various administrations and geopolitical contexts.

The Moderator then turned the discussion to what gaps currently exist in reporting systems. A Member State representative pointed out that some countries lack the

capability to share data but could learn from those that do, promoting the mutual goal of transparency.

## Room 4

A Member State representative began by highlighting the Global Information Exchange System established under the PSMA. They explained that this platform is intended for all countries, not just PSMA parties, to share critical information, such as inspection reports of foreign-flagged vessels seeking entry to ports. If a vessel is found to be non-compliant with national or international regulations during an inspection, the responsible party is required to upload this report to GIES, notifying other states about the vessel's status.

A participant from the NGO community emphasized that the Global Record serves as the backbone of the GIES system. However, they noted that participation is currently not mandated, leading to patchy data sharing practices. Both Member State representatives and NGO representatives stressed the lack of enforceability, indicating that without mandates from FAO, data sharing remains inconsistent.

A Member State representative brought attention to the role of RFMOs in facilitating information exchange, explaining that while compliance processes vary across RFMOs, they often require bilateral exchanges before issues are escalated to compliance committees. The confidentiality of inspection reports further complicates transparency, although outcomes such as vessel lists are made public.

A Member State representative reiterated that non-compliance findings are communicated to flag states, and there is a growing conversation about the need for wider dissemination of inspection reports among relevant parties, including port states and RFMOs.

The discussion also touched on legal barriers hindering effective data sharing. A Member State representative pointed out that regulations like the General Data Protection Regulation in the UK impose restrictions on what data can be shared, hindering robust data sharing while also addressing concerns about the use of out-of-context data.

In terms of enhancing data exchange to address non-compliance, a Member State representative argued that while existing systems are making progress, their effectiveness largely depends on the commitment of individual states to implement and adopt these systems meaningfully. Another Member State representative concluded by suggesting a need to rethink how the effectiveness of policies aimed at countering IUU fishing is measured, advocating for more robust and coherent frameworks to support collective action against non-compliance.

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# Narrative Summaries of Breakout Groups for Session 2

## Room 1

The Moderator began the conversation by opening discussion on current obstacles to states collecting and reporting beneficial ownership information. A representative from the NGO community highlighted that each country has complex ownership rules and privacy rights, complicating effective reporting. The Moderator furthered that the definition of a beneficial owner can vary, raising questions about the legal requirements for reporting and the risks of making this information public.

A participant from the NGO community noted the difficulties in developing and maintaining registries, emphasizing the need for clarity between owners and beneficial owners. Many countries can collect necessary information but hesitate due to concerns about sharing private data.

The Moderator acknowledged similar difficulties in their country. An NGO participant suggested that differentiating between secure and public information could address confidentiality issues. They referenced a U.S. Customs system that compartmentalizes important data, streamlining reporting for industry stakeholders.

The Moderator then questioned whether to address all beneficial ownership issues or focus on high-risk areas, such as vessels on the high seas. A Member State representative proposed that states should first collect information and assess what can be shared, as this would facilitate sanctions and the development of protocols. They suggested that Regional Fisheries Management Organizations (RFMOs) could be a good starting point for exchanging beneficial ownership information.

## Room 2

The Moderator opened the discussion by asking participants to explore the challenges of adopting clear beneficial ownership reporting systems in the fishing sector, drawing on the UK's approach.

A Member State representative emphasized that translating the UK's corporate framework to fishing vessels is complex due to the lack of a common definition for a beneficial owner in this context. They noted that the concept of substantial control is more complicated for fishing vessels compared to companies, which the UK recognizes as it considers the adaptability of its corporate beneficial ownership framework.

A Member State representative agreed, stating that much of their framework is tailored to the corporate sector and highlighted the need for international dialogue to create consistent definitions for both sectors. The Moderator raised parallels with a Pew study on the diamond and forestry industries, suggesting lessons learned from those fields could inform fishing ownership issues.

A representative from the NGO community pointed out that while there is a global record for beneficial ownership, it remains underutilized due to a lack of mandatory updates. They advocated for actionable recommendations from the FAO Secretariat. A Member State representative added that vessel owners are not required to disclose beneficial ownership, complicating efforts for long-term solutions. The Moderator stressed the importance of member states discussing these issues openly, proposing that framing the conversation around the risks of privacy concerns might drive progress.

A Member State representative further highlighted that while their country has the necessary information to assess beneficial ownership, the distribution of authority across agencies and confidentiality regulations hinder data sharing. They called for clarity in defining what a shipping vessel means and enhancing global transparency. Another Member State representative added that sanctioning non-compliant vessels presents challenges, particularly for foreign vessels seeking entry into their country, as existing legal frameworks may not apply equally.

A Member State representative shared their country's efforts since 2020 to establish a regulatory framework for vessel registration, which includes requiring disclosure of beneficial owners. However, they acknowledged difficulties in verifying the accuracy of declared owners and the lack of technology to investigate connections to illegal activities, posing significant challenges for their country.

## Room 3

The Moderator opened the discussion to addressing the challenges of collecting beneficial ownership information. A representative from the NGO community noted that the EU has developed processes for gathering beneficial ownership data primarily through counter-terrorism strategies, allowing NGOs access to related networks.

A Member State representative shared insights on their country's legal transparency framework, which grants the public access to information from public institutions within 20 days. They emphasized that institutions are required to publish annual reports, such as fishing and aquaculture inspection results, making compliance and conservation measures transparent. A Member State representative added that Norway automatically makes its information public, regardless of requests, and offers an online form for inquiries and feedback. Questions were raised about the efficiency of publicization of the information.

The discussion also touched on the European Court of Justice's involvement in beneficial ownership transparency cases. The Moderator asked about the advantages of collecting this information. A Member State representative pointed out its utility in monitoring, control, and surveillance certification processes. Another Member State representative acknowledged the domestic fishing industry's recognition of the benefits tied to certification.

A Member State representative noted that cross-departmental approvals can slow processes, as seen in their country's registry. A representative from the NGO community added that there are proposals within RFMOs to make beneficial ownership data public, with banks and insurance companies also showing interest in this information.

## Room 4

The Moderator opened the floor by prompting a discussion on the current legal mandates on beneficial ownership information. A Member State representative highlighted that while there are established structures for collecting corporate ownership information, the nuances of fisheries ownership complicate matters. They emphasized that defining what a beneficial owner of a vessel is can be challenging, making data collection difficult from the outset.

The Moderator noted that beneficial ownership often involves complex legal structures, especially in the US, and asked about information sharing between countries. A Member State representative pointed out that beneficial owners often hide behind complex entities, necessitating legal changes in their country to enhance monitoring, including data collection from tax authorities.

A Member State representative discussed transparency issues regarding ownership of industrial vessels and significant challenges within the artisanal sector, where individualistic practices complicate monitoring and registration, particularly with neighboring countries that may not share agreements.

The Moderator observed that these collection difficulties create data gaps. A Member State representative added that the high costs of data collection services exacerbate these challenges, particularly in areas with limited resources. Another Member State representative noted that legal barriers hinder interagency coordination and stressed the need for improved communication between economic services.

The Moderator then raised the question of mandating information sharing as part of licensing or access agreements. A Member State representative responded that such mandates would likely be bilateral rather than global, with no obvious drawbacks. Another Member State representative suggested that making ownership information

public and up to date by flag states would facilitate access to beneficial ownership details, ideally at the RFMO level to create more comprehensive vessel lists.

The Moderator concluded that while progress is being made, significant gaps remain in flag states, allowing vessels to circumvent information requirements. A Member State representative reiterated that many technical and legal barriers exist, and that strengthening the initial identification of ship owners is crucial for tracing beneficial ownership, highlighting systemic capacity issues rather than mere avoidance of regulations.

## Closing Discussion

The closing discussion encompassed representatives from each session providing summaries of key lessons learned during the breakout discussions.

Reported Key Takeaways and Gaps by theme:

### Data Information and Reporting Systems

- Voluntary commitments, trust between nations, and domestic-level legal and privacy barriers pose a challenge for information sharing
- Data sharing can be streamlined by ensuring data systems are simple to use and standardized, reducing duplicative uploads and increasing efficiency
- Building upon established systems—such as the FAO’s Global Record, Global Information Exchange System, or RFMO systems—to develop robust and trusted data sharing systems

### Beneficial Ownership

- There is a need to start from the basics such as establishing a universal definition of beneficial ownership to better inform policy planning
- Translating policy approaches from other sections such as diamonds or timber to the fisheries sector
- Applying information laws used to target transnational crime to beneficial ownership of vessels to improve efficiency in requests for information
- Emphasized that there are barriers to sharing information on beneficial ownership and transparency due to corporate privacy laws

The Chair ended the close-out discussion by requesting feedback from participants on the Deep Dive structure to be used to inform the planning of future IUU-AA Deep Dives.

## ANNEX A: Moderated Q+A

Q to the UK: Does the UK approach apply to all fishing vessels or is there an exemption based on size? What are the key challenges that you've identified in going through the process?

A: In regards to vessels, it was about all vessels regardless of sizes. There was surprisingly a lot of support in departments because they were keen on sharing this data between departments. Workshops and stakeholder engagement created fruitful discussion on how to share the necessary data and improve communications.

Q to Maisie: The coalition works with interested countries in identifying gaps, how do you support their capacity building and what are the steps to support their transparency?

A: The first step is to suggest partnerships on the ground that have deep experience and expertise from vessel track to catch documentation schemes, and are well connected to coastal communities and small-scale fisheries. We recently released a report that expands on the ten principles and highlights key studies and insights from different parts of the world.

Q to UK: Is there any exception for small vessels?

A: The criteria is not about vessel size, but the basic rule is that any company in the UK has to report their vessels. Since this includes all vessels owned by companies, it is not restricted by vessel size.

Q to UK: How does the UK manage the publication of information while addressing concerns about confidentiality and protection?

A: They have conducted workshops to get a sense of beneficial ownership information from governments that it already collected, and whether or not it can be shared. One department has developed a policy to set down the rules and legislation to share the data publicly, with the goal of removing sensitive information that could be used for intimidation and violence. The government is continuing to consult with stakeholders about the best path forward.