

Dark webs:

Uncovering those behind forced labour on commercial fishing fleets



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ABBREVIATIONS

AIS	Automatic identification system
AML	Anti-money laundering
BO	Beneficial owner
DWF	Distant water fleet
EEZ	Exclusive Economic Zone
EITI	Extractive Industry Transparency Initiative
FAO	Food and Agriculture Organization of the United Nations
FATF	Financial Action Task Force
FITI	Fisheries Transparency Initiative
FOC	Flag of Convenience
IFF	Illicit Financial Flow
ILO	International Labour Organisation
IMO	International Maritime Organisation
ITF	International Transport Workers' Federation
IUU	Illegal, unreported and unregulated
RFMO	Regional fisheries management organisations
UNCLOS	UN Convention on the Law of the Sea
UNODC	UN Conference on Trade and Development

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1. Introduction

Forced labour in the fisheries sector is increasingly being recognised as a widespread human rights crisis. Forced labour is defined by the International Labour Organization (ILO) – the UN agency that sets up labour standards to ensure decent working conditions – as “all work or service which is exacted from any person under the menace of any penalty and for which the said person has not offered himself voluntarily.”⁰¹ The ILO provides a framework of 11 forced labour risk indicators that apply to the fishing sector, including indicators such as debt-bonded labour, and abusive working and living conditions.⁰²

BOX: ILO Indicators of Forced Labour⁰³

1. **Abuse of vulnerability** People such as their ethnicity, faith, gender, disability or other protected characteristics may be more vulnerable to abuse and are more often found in forced labour.
2. **Deception** Victims of forced labour are often recruited with promises of good conditions, but workers subsequently find themselves trapped in abusive conditions without the ability to escape.
3. **Restriction of movement** If workers are not free to enter and exit the work premises, subject to certain restrictions which are considered reasonable.
4. **Isolation** Workers may not know where they are, be far from habitation, kept behind closed doors, means of communications confiscated, prevent them from seeking help.

01 International Labour Organization, Convention C029 – Forced Labour Convention, 1930 (No. 29). https://www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:12100:0::NO::P12100_ILO_CODE:C029.

02 International Labour Organization, ILO indicators of Forced Labour. https://www.ilo.org/global/topics/forced-labour/publications/WCMS_203832/lang-en/index.htm.

03 International Labour Organization (2017) Guidelines on flag State inspection of working and living conditions onboard fishing vessels. https://www.ilo.org/wcmsp5/groups/public/---ed_dialogue/---sector/documents/normativeinstrument/wcms_428592.pdf

- 5. Physical and sexual violence** Forced labourers, their family members and close associates may be subjected to actual physical or sexual violence, forcing workers to take drugs or alcohol so as to have greater control over them, undertake tasks that were not part of the initial agreement.
- 6. Intimidation and threats** Other common threats used against workers include denunciation to the immigration authorities thus denying the right to leave the workplace, loss of wages or access to housing or land.
- 7. Retention of identity documents** The retention by the employer of identity documents or other valuable personal possessions is an element of forced labour if workers are unable to access these items on demand and if they feel that they cannot leave the job without risking their loss.
- 8. Withholding of wages** When wages are systematically and deliberately withheld as a means to compel the worker to remain, and deny him or her the opportunity to change employer.
- 9. Debt bondage** Forced labourers are often working in an attempt to pay off an incurred or sometimes even inherited debt. The debt arises from wage advances or loans to cover recruitment or transport costs or from daily living or emergency expenses, such as medical costs.
- 10. Abusive working and living conditions** Forced labour victims are likely to endure living and working conditions that workers would never freely accept. Work may be performed under conditions that are degrading (humiliating or dirty) or hazardous (difficult or dangerous without adequate protective gear), and in severe breach of labour law.
- 11. Excessive overtime** Forced labourers may be obliged to work excessive hours or days beyond the limits prescribed by national law or collective agreement, denied breaks and days off, having to take over the shifts and working hours of colleagues who are absent, or being constantly on call.

Overall, the ILO estimates that 17.3 million people were victims of forced labour in 2021, including 128,000 fishers who are trapped in forced labour aboard fishing vessels, often whilst in the high seas (seas beyond the territorial waters of any state) where workers are isolated, conditions are hazardous and there is little regulatory oversight.⁰⁴ The ILO however says this figure “likely significantly understates the full extent of the problem”.

Victims of forced labour in these fishing vessels are often deceived about the nature of the work and pay by unscrupulous labour recruiters linked to these companies, including charging exploitative recruitment fees and related costs for preparing documents such as obtaining fraudulent training certificates, and for lodging and travel during visa and document processing in their countries of origin. They often also have their identity documents confiscated and forced to work on board vessels under the threat or by means of debt bondage, among other violations.

Migrant fishers are particularly vulnerable to being deceived, according to the ILO. They are told that they are required to pay a lump sum before they can terminate their contract, with the fishers often not aware of the exact amount. On board, retaining their wages is one of the common means through which they are coerced into remaining in their jobs.⁰⁵

Forced labour and distant water fishing fleets

This report focuses on widespread labour exploitation aboard distant water fishing fleets from countries that have mostly failed to ratify key labour protection agreements and their ownership structures. That is, commercial fishing vessels that operate outside a nation’s 200-mile exclusive economic zone (EEZ), whether on the high seas or in another nation’s EEZ.

A study by McDonald et al. in 2020 found that an estimated 57,000 to 100,000 individuals work on these vessels in the high seas, many of whom may have been forced labour victims.⁰⁶ They detected this pattern by analysing the behaviour of fishing vessels using forced labour, since longliners and trawlers committing these crimes travel further from port and shore, fish more hours per day than other vessels, and have fewer voyages and longer voyage durations.

Just five countries are responsible for 90 percent of distant water fishing efforts, with China and Taiwan alone accounting for 60 percent of this activity, while Japan, South Korea, and Spain account for about 10 percent each.⁰⁷ The biggest fleet is the Chinese though its true

The ILO estimates that 17.3 million people were victims of forced labour in 2021, including 128,000 fishers who are trapped in forced labour aboard fishing vessels, often whilst in the high seas

04 International Labour Organization, “Global estimates of modern slavery: Forced labour and forced marriage” (ILO, 2022). (September 2022). https://www.ilo.org/wcmsp5/groups/public/---ed_norm/---ipec/documents/publication/wcms_854733.pdf

05 International Labour Organization, “Global estimates of modern slavery: Forced labour and forced marriage” (ILO, 2022). (September 2022). https://www.ilo.org/wcmsp5/groups/public/---ed_norm/---ipec/documents/publication/wcms_854733.pdf

06 McDonald, G., Costello, C., Bone, J. and Zahn, O. (12 December 2020). Satellites can reveal global extent of forced labor in the world’s fishing fleet. PNAS. <https://www.pnas.org/doi/full/10.1073/pnas.2016238117>

07 Stimson Center (2019) Shining a Light: The Need for Transparency Across Distant Water Fishing. <https://www.stimson.org/wp-content/files/file-attachments/Stimson%20Distant%20Water%20Fishing%20Report.pdf>

size is unknown, believed to be over 3,000 vessels.⁰⁸ The country’s distant water fleet alone caught 2.25 million metric tonnes of fish in 2022,⁰⁹ representing around 2.5 percent of global catches.¹⁰

These vessels already pose a critical threat to local economies as they strip jobs away from domestic fishers and undermine the food security of local coastal communities in global South countries.¹¹ Their expansion has also been a key driver of overfishing, with over 90 percent of assessed marine fish stocks fully exploited, overexploited or depleted, according to the UN Food and Agriculture Organisation (FAO).¹² Out of these, a third of fish stocks were classified as overfished, in a “continuous increasing trend.”

Evidence of human trafficking aboard distant water vessels has grown exponentially in the past few years.¹³ For example, in 2014, the Guardian reported that shrimp sold in major US and UK retail stores was fed with fish caught on the high seas by Thai-flagged fishing vessels whose unidentified owners subjected migrant workers from Myanmar and Cambodia to forced labour.¹⁴ Similarly, in 2015, the Associated Press uncovered the plight of thousands of Indonesian migrant workers were abused whilst being employed on Thai vessels without ownership data, the catch ending up in major US retailers.¹⁵

Evidence of human trafficking aboard distant water vessels has grown exponentially in the past few years

Forced labour on board distant water fishing vessels are often driven by economic considerations. Mounting fuel and other costs and greater competition for fish catches has put increasing pressure on them to reduce costs in order to remain profitable despite often being heavily subsidised. One of the biggest industry costs is labour, and it is the most flexible and easy to manipulate. This, together with the vast – and often un-governed – nature of the high seas, the weak controls in global South EEZs, and financial secrecy has created the conditions for increased forced labour by foreign distant water fleets to flourish.¹⁶

Distant water fishing fleets pose a particular challenge to determine vessel ownership. These vessels are often flagged to one country, but registered to a legal owner of another state while fishing in a third country or on the high seas. Reefers are often used to tranship

08 Myers, S.L., Chang, A., Watkins, D., and Fu, C. (26 September 2022) Hoe China targets the global fish supply. <https://www.nytimes.com/interactive/2022/09/26/world/asia/china-fishing-south-america.html>

09 Harkell, L. (24 February 2023). World’s largest distant water fishing fleet caught 2.25m metric ones in 2022. Undercurrent News. <https://www.undercurrentnews.com/2023/02/24/worlds-largest-distant-water-fishing-fleet-caught-2-25m-metric-tons-in-2022/>

10 Global Fishing Watch. Commercial Fishing. <https://globalfishingwatch.org/commercial-fishing/>

11 Stimson Center (2019) Shining a Light: The Need for Transparency Across Distant Water Fishing. <https://www.stimson.org/wp-content/files/file-attachments/Stimson%20Distant%20Water%20Fishing%20Report.pdf>

12 FAO (2020) The State of World Fisheries and Aquaculture 2020. Sustainability in action. <https://doi.org/10.4060/ca9229en>

13 US Department of Justice. Task Force on Human Trafficking in Fishing in International Waters. Report to Congress (January 2021). <https://www.justice.gov/crt/page/file/1360366/download>

14 Hodal, K., Kelly, C. and Lawrence, F. (10 June 2014) Revealed: Asian Slave Labour Producing Prawns for Supermarkets in the US, UK. The Guardian. <https://www.theguardian.com/global-development/2014/jun/10/supermarket-prawns-thailand-produced-slave-labour>

15 McDowell, R., Mason, M. and Mendoza, M. (25 March 2015) AP Investigation: Slaves may have caught the fish you bought. Associated Press. <https://www.ap.org/explore/seafood-from-slaves/ap-investigation-slaves-may-have-caught-the-fish-you-bought.html>

16 Interpol (27 March 2019). Modus Operandi. file:///C:/Users/alfon/Downloads/Human%20Trafficking%20and%20Forced%20Labour%20(1).pdf

fish from one vessel to another, thus reducing the need to bring catch to ports where ports could request legal and beneficial ownership information. Corporate organisations running these operations often own vessels which are owned by various companies linked to different legal jurisdictions and ownership requirements, further obfuscating the identity of their ultimate owners.

Lack of legal and beneficial ownership transparency

Despite the scale and horrific nature of the forced labour being committed on board distant water fishing vessels, very little is known about the companies behind the foreign commercial vessels accused of these labour and human rights

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violations, or their beneficial owners. The beneficial owners are the natural persons who effectively and ultimately own, control or benefit from legal vehicles such as companies, partnerships, trusts or foundations.¹⁷

This is largely due to beneficial ownership information being “rarely, if ever, collected during the licensing or vessel registration process,” with only information on the legal owner being collected.¹⁸ Where beneficial ownership is reported in databases and company filings, it is hard to know if this is about actual beneficial owners or nominees, i.e. acting on behalf of others and thus not being the real beneficial owners. In many cases only legal owners are filed. The legal owner refers to the first layer of ownership (like in the case of a shareholder) and they can be either a natural person or a legal vehicle.

Even when information is registered, it is often hard to access it, and it is often kept private to certain authorities. This was made worse by the European Court of Justice in November 2022 issuing a ruling¹⁹ that effectively invalidated the part of the European Union’s Anti-Money Laundering Directive that required countries from the European Union to guarantee public access to registries detailing companies’ beneficial owners. This has made it even harder to find beneficial owners behind fishing vessels linked with forced labour and other offences.

17 The 2023 edition of the FATF guidance defines the beneficial owner as “the natural person(s) who ultimately owns or controls a customer and/or the natural person on whose behalf a transaction is being conducted. It also includes those natural persons who exercise ultimate effective control over a legal person or arrangement. Only a natural person can be an ultimate beneficial owner, and more than one natural person can be the ultimate beneficial owner of a given legal person or arrangement” (2023, p.15). FATF (2023), Guidance on Beneficial Ownership for Legal Persons, FATF, Paris, <http://www.fatf-gafi.org/publications/FATFrecommendations/guidance-beneficial-ownership-legalpersons.html>

18 Horn, P., Fiore, G. (20 September 2020) Better Tracking of Vessel Ownership Needed to Fight Illegal Fishing. Pew Charitable Trust. <https://www.pewtrusts.org/en/research-and-analysis/articles/2021/09/20/better-tracking-of-vessel-ownership-needed-to-fight-illegal-fishing>

19 European Court of Justice (22 November 2022) Anti-money laundering directive: the provision whereby the information on the beneficial ownership of companies incorporated within the territory of the Member States is accessible in all cases to any member of the general public is invalid. <https://curia.europa.eu/jcms/upload/docs/application/pdf/2022-11/cp220188en.pdf>

Making matters worse, companies and beneficial owners of commercial fishing vessels often use complex, cross-jurisdictional corporate structures to mask their ownership, ranging from using shell companies to setting up joint ventures which may be spread around the world. These complex corporate structures disguise not just those responsible for forced labour, but a range of other violations such as illegal, unreported and unregulated (IUU) fishing, illegal access to fishing quotas and vessel authorisations, document forgery, vessel identity fraud, tax evasion and tax abuses.

Also nothing prevents vessel owners from renaming and reflagging the vessels to different jurisdictions than where they are from (flying so-called flags of convenience or FoCs) that notably have poorer labour and environmental standards,²⁰ while also using secrecy jurisdictions²¹ that have financial and corporate secrecy allowing them to hide the vessel owners' identities, activities and compliance history from the authorities, further obfuscating the beneficial and legal ownership of these vessels. This means that those ultimately responsible for these crimes and illicit activities can evade justice, allowing them to continue operating unhindered. In many cases flags of convenience jurisdictions are also secrecy jurisdictions.

Lack of political will

The need for greater financial transparency in the fisheries sector as a whole, however, has largely been ignored, reflecting limited political interest in addressing this issue which directly impacts the ability to uncover the legal and beneficial owners of vessels accused of labour and human rights violations.

The Extractives Industry Transparency Initiative (EITI) for instance was launched in 2002 to facilitate the voluntary disclosure by governments and firms of the revenues received or paid across resource concessions and extraction. For industries covered, including oil, gas and mineral resources, the standards require the disclosure of the beneficial owners, but fisheries are not included as an extractive industry.

A separate initiative called the Fisheries Transparency Initiative (FiTI) was launched in 2017 in Bali.²² Eight countries have thus far signed up to the FiTI standard, three having committed to the standard and five having candidate status. However, this initiative has several shortcomings, not least the fact that only a handful of countries have joined, and that the FiTI Standard only asks them to report their *status* of implementing public beneficial ownership registries rather than requiring implementing publicly accessible and verified beneficial ownership registries.

20 Stimson Center (2019) Shining a Light: The Need for Transparency Across Distant Water Fishing. <https://www.stimson.org/wp-content/files/file-attachments/Stimson%20Distant%20Water%20Fishing%20Report.pdf>

21 Tax Justice Network, Financial Secrecy Index 2022, <https://fsi.taxjustice.net/>; Tax Justice Network, Corporate Tax Haven Index 2021, <https://cthi.taxjustice.net/en/>

22 Standing, A. (11 July 2017) The FiTI Awakens. <https://www.cffacape.org/publications-blog/2017/07/11/2017-7-11-the-launch-of-the-fiti-standard-improvements-on-the-original-concept>

The Financial Action Task Force (FATF) in March 2022 widened the need for beneficial ownership registration by updating its recommendation 24 concerning registration of beneficial owners to recommend setting up centralised registries or alternative solutions, deeming it was not sufficient for countries to simply rely on information that might be available with financial institutions. In the area of environmental crimes FATF highlighted money laundering risks from illegal wildlife trade, illegal logging, illegal mining and waste trafficking, yet continued to ignore forced labour on board fishing vessels and IUU fishing.²³

UN General Assembly Resolution from the 71st session also highlights the need to tackle environmental crimes, but only lists illegal wildlife trafficking included in this category.²⁴ In a joint report by UNEP and INTERPOL, fisheries crimes are included as part of the definition of environmental crimes.²⁵ The G7 Climate and Environment Ministers' Communiqué²⁶ in April 2023 stated their keen interest in including IUU fishing as part of the list of environmental crimes, but made no commitment on tackling environmental crimes through enhanced beneficial ownership registration.

Positively, the United Nations Sustainable Development Goals (SDGs) incorporates natural resource crimes including fisheries crimes and tax abuses from the fishing industry as contributing factors driving illicit financial flows,²⁷ included in SDG target 16.4.1. The indicator is relatively wide in scope, including corruption, illicit activities and tax abuses. The definition draws in part on the UNODC International Classification of Crime for Statistical purposes (ICCS)²⁸ where two categories are relevant for forced labour and IUU fishing, namely "acts that result in the depletion or degradation of natural resources" and "forced labour in agriculture, construction, manufacturing, entertainment, fisheries, sweatshops, farms", both of which would count towards illicit financial flows.

Additionally as part of the SDGs, forced labour is part of the SDG target 8.7 on labour standards, while IUU fishing is part of the SDG Target 14.4 that aims to end overfishing, IUU fishing and destructive fishing practices. SDG target 14.6 aims to eliminate subsidies that contribute to IUU fishing, along with prohibiting subsidies to overfishing and factors that contribute to overcapacity in fisheries fleets.

This lack of political will to tackle this crisis is also reflected in the support for important international instruments aiming to address forced labour at sea more generally. They include International Maritime Law, which is the extended regime of the United Nations Convention on the Law of the Sea (UNCLOS), the Maritime Labour Convention (MLC), the Torremolinos Protocol and the 2012 Cape Town Agreement. Also ILO provides technical assistance, such as training and expertise, to countries to achieve the international standards set forth in the Maritime Convention.

23 Keatinge, T., Young, L. (16 November 2022) Swimming in Dirty Money: It's time to dive below the surface. <https://www.rusi.org/explore-our-research/publications/commentary/swimming-dirty-money-its-time-dive-below-surface>

24 UNGA 2016 A/RES/71/19. <https://undocs.org/en/A/RES/71/19>

25 UNEP and INTERPOL 2016. https://wedocs.unep.org/bitstream/handle/20.500.11822/17008/environment_peace_security.pdf?sequence=1&%3BisAllowed=

26 G7 Climate and Environment: Ministers' Communiqué, Sapporo, April 16, 2023. <https://www.meti.go.jp/press/2023/04/20230417004/20230417004-1.pdf>

27 UNCTAD. Illicit Financial Flows. <https://unctad.org/statistics/illicit-financial-flows>

28 UNODC. International Classification of Crime for Statistical Purposes (ICCS). https://www.unodc.org/documents/data-and-analysis/statistics/crime/ICCS/ICCS_English_2016_web.pdf

Only 21 countries at the time of writing this report had ratified the ILO Work in Fishing Convention 188

However, labour issues overall have not been a priority for countries as their vessel inspections, if any, are focused on rules around fisheries management, pollution, safety equipment and customs issues. This is reflected in the fact that only 21 countries at the time of writing this report had ratified the ILO Work in Fishing Convention 188. Key players like China, Indonesia, Taiwan and the United States are among those that have not ratified. The convention sets out binding requirements to address the main issues concerning work on board fishing vessels, and is a fundamental tool to protect fishers' labour rights.

Also only 17 countries have agreed to ratify the Cape Town Agreement of 2012 on hazardous working conditions on vessels, which was supposed to enter in force on October 11, 2022.²⁹ However, this convention requires the approval of at least 22 states, with an aggregate of 3,600 fishing vessels of 24 metres length and over operating in the high seas, to come into force. China, Taiwan, Thailand, South Korea, the United States, Panama and other key players have failed so far to join this agreement.

Despite all these challenges, this report sheds light on the interests of the legal and beneficial owners behind industrial and semi-industrial vessels involved in forced labour globally, using a novel combination of datasets to reveal the vessels involved in forced labour and their legal owners and beneficial owners which has not been done in this scale until now (see Annex 1: data and methodology). For this study, we only considered commercial fishing vessels which had been accused of forced labour as typified by the International Labour Organisation's 11 indicators.³⁰ (see Box: ILO Indicators of Forced Labour).

Even so, and despite using the best data sources and information available, we only found some shareholder data regarding natural persons for a fifth of detected vessels accused of forced labour, reflecting the challenges of uncovering those responsible for these crimes. We report this as natural persons identified as shareholders rather than beneficial owners as we cannot distinguish if these reported shareholders are nominees. In terms of legal owners, we found that approximately half of vessels accused of forced labour do identify a company behind the offence, though these could be shell companies.

This is vastly important as often after a registered offence the vessel itself is sold, name and flag changed, or it may be scrapped. Also shell companies that directly own offending vessels can be closed or made inactive quite easily after an offence. Re-offending is easier when companies and individuals are not revealed behind the offending vessels as then they cannot be fined, barred from fishing licences or sanctioned.

This report sheds light on the interests of the legal and beneficial owners behind industrial and semi-industrial vessels involved in forced labour globally, using a novel combination of datasets to reveal the vessels involved in forced labour and their legal owners and beneficial owners which has not been done in this scale until now

29 IMO. 2012 Cape Town Agreement to enhance fishing safety. <https://www.imo.org/en/MediaCentre/HotTopics/Pages/CapeTownAgreementForFishing.aspx>

30 International Labour Organization (2017) Guidelines on flag State inspection of working and living conditions onboard fishing vessels. https://www.ilo.org/wcmsp5/groups/public/--ed_dialogue/--sector/documents/normativeinstrument/wcms_428592.pdf

The data also shows that this is a concentrated sector, with 11.4 percent of detected vessels accused of forced labour belonging to only 10 global companies, some of which have kept their beneficial owner and shareholder information hidden despite their large-scale operations.

In this report, Chapter 2 presents our key findings in terms of financial secrecy in the distant water fishing fleets accused of forced labour, and the main companies responsible. Chapter 3 analyses the cases of Senegal, Peru and Uruguay, while Chapter 4 looks at the links between IUU fishing and forced labour. We end by presenting our conclusions and recommendations in Chapter 5. Annex 1 explains the methodology and data sources used to produce this report. Annex 2 lists the vessels, their registered owners, and beneficial owners where such information was available belonging to the top 10 companies accused of being involved in labour and human rights abuses.

BOX Beneficial Owner vs. Legal Owner

A beneficial owner is the real person who derives the ultimate benefit from the ownership of an asset, a company or another legal entity like a trust. The Financial Action Task Force (FATF) defines the beneficial owner as “natural person(s) who ultimately owns or controls a customer and/or the natural person on whose behalf a vessel is being operated. It also includes those persons who exercise ultimate effective control over a legal person or arrangement.”³¹

In this report, we distinguish the beneficial owner from a legal owner, that might itself be a company, trust or another legal entity and thus not reveal the real beneficiary from illicit activities described in this report. Ownership registries from company shares, real-estate, land to vehicles often require only identifying the legal owners, rather than the real beneficial owners, and this creates an opaque economic system of endless shell companies that hide the flesh-and-bone individuals behind economic activities.

Sometimes even a named individual shareholder might be a nominee shareholder, in which case such an individual is still the legal owner. Where we are unsure, we state that we found a natural person identified as a shareholder. Meanwhile the beneficial owner is a natural person – that is, a real, live human being, not another company or trust – who directly or indirectly exercises substantial control over a company or receives substantial economic benefits from the company.³²

Beneficial ownership transparency reveals how companies and other legal entities or arrangements, such as trusts, are owned and controlled by their beneficial owners. The preferred way to implement beneficial ownership transparency as supported by civil society, media, parliamentarians is to have publicly accessible, verified, and free to use beneficial ownership registries that are presented in machine readable formats.

31 FATF (2023, p.15), Guidance on Beneficial Ownership for Legal Persons, FATF, Paris. <http://www.fatf-gafi.org/publications/FATFrecommendations/guidance-beneficial-ownership-legalpersons.html>

32 Global Witness (2014) The Great Rip Off. <https://www.globalwitness.org/en/campaigns/corruption-and-money-laundering/great-rip-off/>



2. Main findings

This report, based on the most extensive analysis of individual cases of industrial and semi-industrial vessels accused of being involved in forced labour, has identified five key findings:

- Natural persons were identified as shareholders for only one-fifth of vessels accused of forced labour, mostly incomplete, revealing a beneficial ownership information gap.
- More than a third of vessels accused of forced labour operated in Asia, 21 percent in Africa. 45 percent of accused vessels were found in just five countries: Indonesia, Ireland, Uruguay, Somalia and Thailand.
- A quarter of accused vessels are flagged to China, whilst 18 percent carry flags of convenience, which have lax controls, financial secrecy and low or non-existent taxes.
- Top 10 companies own 1 in 9 vessels accused of forced labour: seven from China, two from South Korea and one from Russia, some linked to secrecy jurisdictions.
- European companies own 22.5 percent vessels involved in forced labour.
- Russia's Pescatlant Ltd. is the top European company accused of forced labour, using subsidiaries based in Belize and with Spanish links.

2.1. Natural persons were identified as shareholders for only a quarter of vessels accused of forced labour, revealing the beneficial ownership gap in the fisheries sector

In the report, we identified natural persons as shareholders for only 99 of the 475 (20 percent) foreign industrial and semi-industrial vessels identified of being involved in forced labour between January 2010 and May 2023.³³

However, even in the cases we identified individuals as shareholders, they may be nominees, i.e. acting on behalf of others and thus not being the real beneficial owners. This is indicated by the fact that they hold business roles in hundreds of other companies. We also found majority shareholder information only in very few cases, despite using the most robust databases available.

This compares with 48 percent of cases (227 vessels out of 475 in total in the forced labour dataset) for which we were able to find legal ownership information of the companies owning these vessels. However, these entities are often shell companies, with the main shareholders sometimes holding positions in hundreds of other companies.

Table: Nationality of forced labour fishing companies

	Total	% total	Total with some individual shareholder data	% with some individual shareholder data for the region
Total w/ data nationality	227	47.8%		
Africa	11	4.85%	1	9%
LAC	16	7.05%	2	13%
Asia	140	61.67%	72	51%
Europe	51	22.47%	22	43%
Oceania	7	3.08%	1	14%

In terms of nationalities of the companies owning commercial vessels accused of these crimes for which this data is available, almost two-thirds (61.67 percent, 140 companies) were from Asia whilst 51 companies (22.47 percent) were from Europe. Another 16 companies were from Latin America and the Caribbean (7 percent), 11 companies from Africa (4.85 percent) and 7 companies from Oceania (3 percent). In addition, just five countries concentrate 64 percent of all detected companies: China with 77 companies representing 34 percent of the total, Taiwan (26), Thailand (18), South Korea (13) and Spain (10).

33 FATF Guidance: Transparency and Beneficial Ownership. (October 2014). Financial Action Task Force. <http://www.fatf-gafi.org/media/fatf/documents/reports/Guidance-transparency-beneficial-ownership.pdf>. Archived at: <https://perma.cc/F5YV-9EHP>

Table: Top 5 nationalities of forced labour fishing companies

China		76	35%
Taiwan		21	10%
Thailand		18	8%
South Korea		13	6%
Spain		10	5%
TOTAL		138	63%

Interestingly, we found a large variation in terms of individual shareholder related data depending on the nationality of the companies. Specifically, we were able to find some shareholder data, which could be BOs or nominees, for 51 percent of Asian companies and 43 percent of European companies, compared to only 13 percent for LAC and 9 percent for African companies.

The low availability of BO information for African and LAC companies owning vessels accused of forced labour suggests some of them could be shell companies or joint ventures to hide their beneficial owners. In the case of LAC, this would be reflected by the fact that three-quarters of identified companies from that region are from Belize (9) and Panama (3).

In Belize, companies must maintain a list of those individuals who own or control 10 percent or more of the entity, and this information must be kept at a company's registered office and/or with their registered agent. However, companies are not required to report individual shareholder information to the government, and there is no central BO registry.³⁴ This is now in violation of the FATF recommendation 24, agreed in March 2022, and updated in March 2023.³⁵ In addition, in October 2023 the European Union added Belize to its tax haven blacklist.³⁶

Panama still provides a high level of BO secrecy even though the country approved Law 129 in January 2020 establishing a regulatory framework to create a centralised but private BO registry. The threshold applied for Beneficial Ownership declaration is set at 25 percent for

We were able to find some BO data for 51 percent of Asian companies and 43 percent of European companies, compared to only 13 percent for LAC and 9 percent for African companies.

34 Global Financial Integrity (May 2023). Beneficial ownership and Belize: Policy needs and opportunities. <https://gfintegrity.org/wp-content/uploads/2023/06/BO-Fact-Sheet-FINAL2.pdf>

35 FATF 2023, FATF Guidance of Beneficial Ownership of Legal Persons. <https://www.fatf-gafi.org/en/publications/Fatfrecommendations/Guidance-Beneficial-Ownership-Legal-Persons.html#:~:text=10%20March%202023%20%20In%20March,the%20true%20owners%20of%20companies>

36 Buell, T. (18 October 2023). Belize decries inclusion on EU tax haven list. Law360. <https://www.law360.com/tax-authority/articles/1734098/belize-decries-inclusion-on-eu-tax-haven-list>

both companies and trusts.³⁷ This means that owners of fishing vessels can still be hidden and backed by shell companies, as long as they use more complex ownership structures or have more than five shareholders based in more opaque jurisdictions. A similar case applies in many other jurisdictions that use the 25 percent threshold.

Additionally, like Belize, Panama is also in the EU tax haven blacklist and, like other jurisdictions such as the Cayman Islands and Liberia, is also recognised as having low effective tax rates, providing an added incentive for companies engaged in forced labour registering there via subsidiaries. Additionally, Belize and Panama are also on the Brazilian list of favourable fiscal regimes,³⁸ as well as in the Ecuadorian list of tax havens³⁹ along with many states omitted by the European list as the EU does not list its own member states or their dependent territories.

In the case of Africa, we only found some individual shareholder related data for one company based in that continent out of 11 in total, suggesting many of the others are shell companies hiding foreign interests. Companies operating for example in Ghana where two of the 12 companies accused of forced labour in the continent were found, have been found to hide mostly Chinese business interests behind these companies to exploit the local waters. Ghana established a beneficial ownership registry as part of the Companies Act, 2019 (Act 992), where a centralised registry is established, with lower thresholds for companies in the extractive industries.

Ghana's laws restrict industrial and semi-industrial fishing to Ghanaian-flagged vessels that are not owned or part-owned by foreign interests, except in the case of tuna trawling. The purpose is to limit the over-exploitation of its fisheries resources,⁴⁰ as over two million people depend directly or indirectly on marine fisheries for income and employment in this West African country.⁴¹

Ghana has followed a good practice of having a lower threshold for high-risk sectors, including extractive industries and politically exposed persons (PEPs) being required to declare ownership of 5 percent or above, while all other sectors have a 20 percent threshold. However, fisheries is not defined as an extractive industry. The higher threshold of 20 percent for fisheries means that many joint ventures can be structured in such a way that the foreign owners of joint ventures are not declared.

37 In addition, in the last edition of the Financial Secrecy Index, it was identified that bearer shares are still available in the country, and only need to be registered with custodians (such as Banks, or Lawyers). Thus, even if beneficial ownership information is registered, the continued existence of bearer shares may hinder the identification of the ultimate beneficial owners. See: Secrecy Indicator 15, of the Financial Secrecy Index (2022). <https://fsi.taxjustice.net/country-detail/#country=PA&period=22>

38 Brazilian Tax Authority (2010) <http://normas.receita.fazenda.gov.br/sijut2consulta/link.action?idAto=16002>

39 Buro Tributaria (2022) <https://burotributario.com.ec/nuevo-listado-de-paraisos-fiscales-y-las-normas-que-regulan-la-calificacion-de-jurisdicciones-de-menor-imposicion-y-regimenes-fiscales-preferentes/>

40 Republic of Ghana (2002) Fisheries Act. Available to the authors.

41 FAO (2018). Ghana country profile fact sheets' in Fishery and Aquaculture Country Profiles. Rome: FAO Fisheries and Aquaculture Department. www.fao.org/fishery/facp/GHA/en

Indeed, a 2018 report by the Environmental Justice Foundation (EJF) found that 90 percent of trawlers registered in Ghana are Chinese owned and crewed, allowing these companies to avoid regulations.⁴² By registering Ghanaian subsidiaries and setting up local joint-venture companies, these businesses are able to import their vessels and secure licences, potentially work around beneficial ownership registration requirements, offering local agents or 'enablers' a cut of the overall proceeds.

In all countries, the general lack of beneficial ownership information is concerning. The S&P Lloyd's Global IHS Markit dataset, for example, does not provide adequate information about shareholders and beneficial owners, even though this is the largest repository of fishing vessel data in the world.

2.2. More than 40 percent of commercial vessels accused of forced labour operated in Asia, followed by Africa (21 percent), Europe (14 percent) and LAC (11 percent).

The report has identified 475 commercial vessels accused of being involved in labour and human rights violations between January 2010 and May 2023. The geographical location for these vessels where they operated or were denounced was identified for 63 percent of the cases, totalling 298 vessels.

Of these, 42.28 percent or 128 vessels for which location data for the offences is available were found in Asia, followed by Africa (63 vessels, 21.14 percent of the total), Europe (13.76 percent, 41 vessels), LAC (11.07 percent, 33 vessels) and Oceania (7.72 percent, 23 vessels), with additional vessels identified in other regions such as the United States.

Almost a fourth of vessels accused of forced labour for which we found location data were identified in Indonesia alone which is the global epicentre of these violations. Elsewhere in Asia, the majority of vessels were found in Thailand (14) and South Korea (10). In Europe, on the other hand, most vessels were identified in Ireland (19), Spain (8) and the UK (7), with these three countries accounting for 83 percent of all vessels accused of forced labour in that region.

Almost a fourth of vessels accused of forced labour for which we found location data were identified in Indonesia alone which is the global epicentre of these violations.

42 EJF (24 May 2021). Ghana losing millions of dollars as Chinese fishing trawlers hide ownership <https://ejfoundation.org/news-media/ghana-losing-millions-of-dollars-in-revenue-as-chinese-fishing-trawlers-hide>

Table: Regional breakdown of locations of vessels accused of forced labour

	Total	% total
Africa	63	21.14%
LAC	33	11.07%
Asia	126	42.28%
Europe	41	13.76%
Oceania	23	7.72%
Other	12	4.03%

Meanwhile in LAC, commercial fishing vessels accused of forced labour were concentrated in Uruguay (16 vessels), Peru (10) and Argentina (6) In Africa, on the other hand, most vessels accused of these crimes were found in Somalia (15) and Senegal (7), whilst in Oceania most vessels were found in New Zealand (9) and Papua New Guinea (6) (See Chapter 3 for Senegal, Peru and Uruguay country studies).

Interestingly, 45 percent of vessels (133) accused of being involved in forced labour for which location information was available were identified in just five countries: Indonesia (69), Ireland (19), Uruguay (16), Somalia (15) and Thailand (14).

Table: Top 5 country locations of vessels accused of forced labour

Indonesia		69	23%
Ireland		19	6%
Uruguay		16	5%
Somalia		15	5%
Thailand		14	5%
TOTAL		133	45%

2.3. A quarter of vessels accused of forced labour flagged to China, whilst 18 percent carried flags of convenience

Of the 475 identified commercial vessels suspected or reported to be involved in forced labour, flag information was available for 268 of them, representing 56 percent of the total. In total, 26 percent of detected vessels for which flag data was available were flagged to China (71 vessels), followed by Taiwan (42), Thailand (16), Panama (16) and Ireland (13). These five countries alone accounted for 58 percent of all the vessels accused of forced labour.

54 percent of detected forced labour vessels were flagged to Asian countries whilst 14.5 percent were flagged to LAC countries led by Panama (16 vessels) and Belize (8). Another 10 percent were flagged to Africa

In terms of regions, 54 percent of detected forced labour vessels were flagged to Asian countries whilst 14.5 percent were flagged to LAC countries led by Panama (16 vessels) and Belize (8). Another 10 percent were flagged to Africa led by Cameroon (4), Guinea (3) and Namibia (3). In addition, 15.67 percent flew European flags led by Ireland with 13 vessels, Russia with 7 vessels and Spain with 5 vessels, while 3.36 percent were flagged to Oceania.

Table: Flags of vessels accused of forced labour, by region and top 5 countries

Region	Number vessels	% Total	Country	TOP 5 Flags	Number vessels	% Total for vessels with flag data
Africa	27	10.07%	China		71	26%
LAC	39	14.55%	Taiwan		42	16%
Asia	146	54.48%	Thailand		16	6%
Europe	42	15.67%	Panama		16	6%
Oceania	9	3.36%	Ireland		13	5%
Other	5	1.87%		TOTAL	158	58.96%

50 vessels representing 18.66 percent of the total for which there is flag information were registered in countries considered to be providing flags of convenience (FoCs)

Importantly, 50 vessels representing 18.66 percent of the total for which there is flag information were registered in countries considered to be providing flags of convenience (FoCs). This list was topped by Panama with 16 vessels, followed by Belize (8), Honduras (4), Vanuatu (4), Cameroon (4), St. Kitts and Nevis (2), Tanzania (2), Comoros (1), Cook Islands (1), Equatorial Guinea (1), Togo (1), Bolivia (1), Liberia (1), Malta (1), Mongolia (1), Sierra Leone (1), and Saint Vincent and the Grenadines (1).

Flags of convenience are routinely used by ship owners to evade regulations of their home state, such as workers' rights and/or safety and environmental standards.⁴³

Flags of convenience can also help to hide vessel owners from legal action or scrutiny, particularly by obscuring who actually owns vessels engaging in illicit activity.⁴⁴ However,

43 ITF. Flags of Convenience. <https://www.itfglobal.org/en/sector/seafarers/flags-of-convenience>

44 Brush, A. (2019). 'Something smells fishy...'. Blog. <https://c4ads.org/commentary/2019-4-2-something-smells-fishy/>

many other states also provide financial secrecy services, which means that for purposes of seeking secrecy Flags of Convenience is not the only port of call for registering such vessels.

Overall, some 15 percent of the world's large-scale fishing fleet is flying FoCs or listed as flag unknown.⁴⁵ Data from this report therefore suggests that vessels accused of forced labour use FoCs in a greater proportion than the rest of the fishing fleets. Importantly, even though some countries are not regarded as flags of convenience, their regulations remain extremely lax, meaning that in practice they may have the same lack of controls including on labour and human rights abuses. This is particularly the case of China which as a flag state has a weak record of engaging with the international community and complying with regional fisheries management organisation (RFMO) obligations.⁴⁶

China for example has failed to endorse some fundamental marine conventions including the Forced Labour Convention (1930) and the Freedom of Association and Protection of the Right to Organise (1948) (ILO, 2017). As of May 2023, China had also still not even ratified the legally binding Agreement on Port State Measures to Prevent, Deter and Eliminate IUU Fishing (PSMA), unlike other significant fisheries powers such as the EU and the United States.⁴⁷ This agreement was approved by the FAO Conference in 2009 and came into force in 2016, aiming to strengthen controls in ports where the fisheries catches are landed and reported.

But China is not the only major country to fail to join important conventions to protect the rights of workers and crew in commercial fishing vessels. Only 21 countries have ratified the ILO Work in Fishing Convention, 2017 (No. 188)⁴⁸ at the time of writing this report which does not include key flag states like Indonesia, Taiwan and the United States, in addition to China. This convention sets out binding requirements to address the main issues concerning work on board fishing vessels. This includes occupational safety and health and medical care at sea and ashore, rest periods, written work agreements, and other key protections.

Also, only 17 countries have so far agreed to ratify the Cape Town Agreement of 2012. It would set minimum standards for life-saving equipment, communications and navigational equipment, machinery, vessel condition, fire safety, and inspections and other related provisions. While not specifically addressing forced labour, the Cape Town Agreement addresses hazardous working conditions that are often found on vessels engaged in human trafficking.

Only 21 countries have ratified the ILO Work in Fishing Convention, 2017 (No. 188) at the time of writing this report which does not include key flag states






45 Gianni, M. and Simpson, W. (2005). The Changing Nature of High Seas Fishing. Canberra: Australian Department of Agriculture, Fisheries and Forestry, International Transport Workers' Federation, and WWF International. http://awsassets.wwf.es/downloads/pesca_altamar.pdf

46 Hosch, G. (2 May 2019). China ranks worst on global illegal fishing index. China Dialogue. <https://maritime-executive.com/editorials/report-china-ranks-worst-on-global-illegal-fishing-index>

47 FAO. Parties to the Port State Measures Agreement (PSMA). www.fao.org/port-state-measures/background/parties-psma/en/

48 ILO. Ratifications of C188 – Work in Fishing Convention, 2007 (No. 188). https://www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:11300:0::NO::p11300_instrument_id:312333

Table: Top 5 nationalities companies owning vessels accused of forced labour

Country		Number vessels	% total
China		77	34%
Taiwan		26	11%
Thailand		18	8%
South Korea		13	6%
Spain		12	5%
TOTAL		146	64%

Important flag countries like China, as well as Taiwan, Thailand, South Korea, the United States and Panama, have failed so far to sign this agreement. This treaty requires the approval of at least 22 states, with an aggregate of 3,600 fishing vessels of 24 metres length and over operating in the high seas, to come into force, so it has not yet come into force.⁴⁹

BOX: forced labour in fishing fleets: the US links

In the United States meanwhile, NGOs and journalists have denounced that foreign fishing workers employed on US longline fishing vessels have been subjected to various abuses. They include exorbitant recruitment and repatriation fees, prolonged work hours, unsanitary and unsafe living and working conditions, denial of medical care, verbal and mental abuse, including threats of deportation, and inadequate provision of basic necessities, including food, water, clothes, and safety gear.⁵⁰

In 2016, two Indonesian citizens filed the first-ever human trafficking lawsuit against a US commercial fishing vessel under the Trafficking Victims Protection Act and the Alien Tort Statute. The fishermen sued the US owner of the Sea Queen II fishing vessel after they had been allegedly subjected to human trafficking.

They said they had entered into what they believed was a legitimate contract to work as tuna fishermen aboard an US vessel, after agreeing to pay high recruitment fees to an agent for the chance to work under the offered contract. Only after the men were ready to leave did the agent ask them to sign a second contract, containing a US\$1,000 penalty, equivalent to approximately 2.5 months' wages, if they failed to complete their two-year term.

After they boarded the overcrowded vessel where they had contracted to work, they were soon forcibly transferred in the middle of the Pacific Ocean to a different vessel, the Sea Queen II, and passports and other important papers were taken to prevent them from leaving or seeking help whenever the vessel docked. For several months, the men worked in hazardous and unsanitary conditions for 20 hours a day without adequate protective equipment, eventually managing to

49 IMO. 2012 Cape Town Agreement to enhance fishing safety. <https://www.imo.org/en/MediaCentre/HotTopics/Pages/CapeTownAgreementForFishing.aspx>

50 US Department of Justice (January 2021) Task Force on Human Trafficking in Fishing in International Waters. Report to Congress. <https://www.justice.gov/crt/page/file/1360366/download>

flee when it docked in the port of San Francisco. The parties finally reached a settlement in 2018 for an undisclosed amount of money.⁵¹

The US government has put greater emphasis in fighting forced labour in commercial fishing fleets in recent years. This was reflected by US President Joe Biden signing in June 2022 the National Security Memorandum on Combating IUU Fishing and Associated Labour Abuses (NSM-11) to incentivise ethical behaviour in the seafood sector, including limiting the market for products derived from forced labour as well as IUU fishing.⁵² This was followed in December 2022 when the US Treasury sanctioned the Chinese-owned companies Dalian Ocean Fishing Co. Ltd. and Pingtan Marine Enterprise, Ltd. – both of which appear in our lists of top 10 companies accused of IUU fishing and forced labour – and their beneficial owners.⁵³

As of January 2024, the Financial Crimes Enforcement Network (FinCEN), a bureau of the U.S. Department of Treasury, will require some companies to register their beneficial owners⁵⁴ as legislated in the Corporate Transparency Act (CTA).⁵⁵ The legislation, although an important step, has been subjected to criticism, as it exempts several entities⁵⁶. In addition, New York is the only state close to enacting a law that, once signed by the governor, would provide the first public BO registry in the US.⁵⁷ If greater beneficial ownership data were made public, it would be easier to sanction other companies involved in this illicit trade.

However, alleged forced labour in fishing vessels linked to US companies, even though not directly owned by them, continue to emerge. For instance, in 2022 Greenpeace denounced that Taiwanese vessels supplying US seafood giant Bumble Bee had been accused of forced labour and IUU fishing.⁵⁸ The crew of one of the vessels, the Da Wang – flagged to Vanuatu at the time of the offence according to Lloyd's, a flag of convenience with lax flag state controls – was even indicted on charges of forced labour and human trafficking, with reports of a migrant fisher dying onboard, suggesting that much more remains to be done.⁵⁹

51 US Department of Justice (January 2021) Task Force on Human Trafficking in Fishing in International Waters. Report to Congress. <https://www.justice.gov/crt/page/file/1360366/download>

52 US White House (27 June 2022) Memorandum on Combating Illegal, Unreported and Unregulated Fishing and Associated Labor Abuses. <https://www.whitehouse.gov/briefing-room/presidential-actions/2022/06/27/memorandum-on-combating-illegal-unreported-and-unregulated-fishing-and-associated-labor-abuses/>

53 US Treasury (9 December 2022). Treasury targets serious human rights abuse aboard distant water fishing vessels based in the People's Republic of China. <https://home.treasury.gov/news/press-releases/jy1154>

54 FinCEN 2023. BOI Newsroom. <https://www.fincen.gov/boi/newsroom>

55 FACT Coalition (September 2023) Just the FACTs. <https://thefactcoalition.org/just-the-facts-9-22-23/>

56 See Knobel, Andres (2021) The US beneficial ownership law has its weaknesses, but it's a seismic shift <https://taxjustice.net/2021/01/20/the-us-beneficial-ownership-law-has-its-weaknesses-but-its-a-seismic-shift/> and the assessment from the Financial Secrecy Index <https://fsi.taxjustice.net/country-detail/#country=US&period=22>

57 ICIJ (2023). <https://www.icij.org/investigations/pandora-papers/as-us-company-registry-stalls-new-york-forges-its-own-path-towards-transparency/>

58 Greenpeace (1 September 2022). Investigation finds suspected human rights abuse by suppliers of major US and Taiwanese seafood company. <https://www.greenpeace.org/international/press-release/55466/investigation-suspected-human-rights-abuse-bumblebee-fcf-seafood/>

59 Greenpeace (25 April 2022). Nine people indicted for abusing crew members on Taiwan owned fishing vessel – Greenpeace response. <https://www.greenpeace.org/international/press-release/53401/nine-indicted-abusing-crew-taiwan-fishing-vessel-dawang/>

2.4. Top 10 companies own 1 in 9 vessels accused of forced labour, most are from China

The report reveals that the 10 top companies own 11.37 percent of the vessels (1 in 9) reported to have been involved in forced labour, totalling 54 vessels. This represents a quarter of vessels for which legal ownership information is available which is 227 vessels. We gathered legal ownership and beneficial ownership information for vessels at the time of the reported labour and human rights offences using mainly the S&P Lloyd's Global IHS Markit and Moody's Orbis databases. (See Annex 2: Top 10 companies table of vessel forced labour violations)

The report reveals that the 10 top companies own 11.37 percent of the vessels (1 in 9) reported to have been involved in forced labour, totalling 54 vessels

Of the top 10 companies, seven are from China, two from South Korea and another from Russia. This reflects the fact that China's distant water fleet (DWF) is by far the largest in the world, with at least 3,000 vessels and believed to represent 36 percent of the world's DWF capacity.⁶⁰ Its activity is concentrated in Africa, Latin America and Asia where national authorities have limited monitoring and control capacity. Also local populations in West Africa in particular, but also across many regions in the global South tend to depend on fishing for their protein intake and livelihoods.⁶¹ We contacted all these companies for comment and to understand whether they have implemented any measures to ensure protection of their labour force in the future, but have not received any replies.

Table: Top 10 companies owning vessels accused of forced labour

Company	Total vessels	Nationality
ZheJiang Hairong Ocean Fisheries Co Ltd	10	 China
Pescantlant Ltd.	7	 Russia
Pingtang Marine Enterprise Ltd.	7	 China
Ocean Star Fujian Pelagic Fishery Co. Ltd.	6	 China
Liaoning Daping Fishery Group Co. Ltd.	5	 China
CNFC-China National Overseas Fisheries Corporation Ltd. (CNFC)	5	 China
Dong Won Fisheries Co. Ltd.	4	 South Korea
Dalian Ocean Fishing Co. Ltd.	4	 China
Qingdao Haoyang Ocean Fishery Co. Ltd.	3	 China
O Yang Fisheries Co. Ltd. (now Sajo Oyang)	3	 South Korea

60 Stimson Center (2019). Shining a Light: The Need for Transparency Across Distant Water Fishing. <https://www.stimson.org/wp-content/files/file-attachments/Stimson%20Distant%20Water%20Fishing%20Report.pdf>

61 Gutierrez, M., Daniels, A., Jobbins, G., Almanzor, G., Montenegro, C. (June 2020). China's distant-water fishing fleet, scale, impact and governance. Overseas Development Institute. https://cdn.odi.org/media/documents/chinesedistantwaterfishing_web.pdf

The Chinese company ZheJiang Hairong Ocean Fisheries Co. Ltd. tops the ranking with 10 of its vessels accused of labour and human rights violations.

The Chinese company **ZheJiang Hairong Ocean Fisheries Co. Ltd.** tops the ranking with 10 of its vessels accused of labour and human rights violations. Specifically, according to Greenpeace, fishermen in the vessels Han Rong 356, Han Rong 358, Han Rong 363, Han Rong 365, Han Rong 368, Han Rong 51, Fanous Qeshm 3, Fanous Qeshm 11 and Fanous Qeshm 12, experienced several types of forced labour as typified by the International Labour Organisation, including deception, withholding of wages, abusive living and working conditions, and debt bondage.

The crew of another of the vessels owned by this company, the Ahadi 1, was abandoned and their wages owed for two months, according to the ILO. All these vessels are flagged to China except the Fanous Qeshm ones which flew the Iran flag, and the Ahadi 1 which flew the Kenya flag. Despite the importance and global reach of ZheJiang Hairong Ocean Fisheries, we were not able to find any beneficial ownership and shareholder information in the Orbis Moody's dataset for this company.

The Chinese government emerges as the single largest actor involved in alleged labour and human rights abuses in commercial fishing vessels through its ownership or part-ownership of companies accused of these violations. One of these companies is the **China National Overseas Fisheries Corporation Ltd. (CNFC)** which features in the top 10 ranking with five of its vessels accused of being involved in alleged forced labour.

CNFC owned China's original state-owned distant water fishing fleet, starting operations in 1985 with five vessels. By 1999, private vessels made up around 70 percent of the fleet, and CNFC owned 556 vessels.⁶² With its subsidiaries, CNFC remains a publicly listed state company and is China's largest fishing company, with offices in Spain, Morocco, Guinea-Bissau, India, Yemen, Saudi Arabia, Hong Kong and Australia.⁶³

The Chinese company **Pingtang Marine Enterprise Ltd.** with links to the government also appears in the top 10 ranking with four of its vessels accused of labour and human rights violations. It was incorporated in the Cayman Islands in January 2010 with the original name China Equity Growth Investment Ltd. Importantly, the Cayman Islands is regarded as a tax haven, given that there is no corporate income, capital gains, payroll or other direct taxes imposed on corporations in the country.⁶⁴

The Cayman Islands also ranks second in Tax Justice Network's Corporate Tax Haven Index⁶⁵, and 14th in the 2022 Financial Secrecy Index.⁶⁶ Pingtan was also listed in the Nasdaq stock exchange but was delisted in December 2022 after the company and its founder and CEO Xinrong Zhuo were sanctioned by the US government for being responsible for forced labour and IUU fishing, as well as **Dalian Ocean Fishing** which also appears in the list of top

62 Mallory, T.G. (2013). China's distant water fishing industry: evolving policies and implications. *Marine Policy* 38: 99–108. <https://ideas.repec.org/a/eee/marpol/v38y2013icp99-108.html>

63 FIS – Fish Information & Services. CNFC. https://seafood.media/fis/companies/details.asp?l=e&company_id=32635

64 PWC Tax Summaries. <https://taxsummaries.pwc.com/cayman-islands/corporate/taxes-on-corporate-income>

65 Tax Justice Network. Corporate Tax Haven Index 2021. <https://cthi.taxjustice.net/en/>

66 Tax Justice Network. Financial Secrecy Index 2022. <https://fsi.taxjustice.net/>

10 companies accused of forced labour together with its chairman and general manager Li Zhenyu.⁶⁷

The Pingtan fishing vessels accused of forced labour operate under a subsidiary company called Fujian Provincial Pingtan County Ocean Fishery Group Co. Ltd., 92 percent of which is owned by Fujian Heyue Marine Fishing Development Co. Ltd. and 8 percent by the China Agriculture Industry Development Fund Co. Ltd., or China Agriculture, after investing US\$65 million in 2015.⁶⁸ China Agriculture was established in 2013 and is one of China's largest state-run agricultural industry funds and invests in enterprises in the agriculture sector, highlighting again the links between major Chinese fisheries companies and the government.

Pingtan vessels include the Fu Yuan Yu 7883 where 18 Indonesian fishermen claimed they were not paid for the 20 months between 2018 and 2020, and the Fu Yuan Yu 7881 where 24 Filipino fishermen on board reported that they have been stranded in China for three months, were not being paid, and only have access to rusty water.⁶⁹ Another of its vessels accused of forced labour is the Fu Yuan Yu 7886 whose crew were reported to have experienced several types of forced labour including physical violence, intimidation and threats and withholding of wages.⁷⁰

Pingtan is also accused of forced labour involving other vessels it does not own directly. Specifically, Pingtan's subsidiary Fujian Provincial Pingtan County Ocean Fishing subcontracts a fleet of fishing vessels from **Fuzhou Honglong Ocean Fishing Co. Ltd.** under a 25-year exclusive operating licence. They include the Fu Yuan Yu 7889, Fu Yuan Yu F91 and Fu Yuan Yu 8661 where an Indonesian fisherman reported that he only received US\$70 for seven months of work on that vessel.⁷¹

According to AIS data, Pingtan-associated vessels also rarely seem to visit ports outside of China. An investigation found that between January 1, 2016 and September 30, 2021, 172 of their vessels appeared to make a total of 1,813 port calls, 95 percent of which were in China, suggesting a desire to avoid inspections by foreign port authorities as well as minimising fuel expenses.⁷²

The Chinese government's alleged involvement in forced labour through companies it owns or partly owns goes beyond CNFC and Pingtan. We identified four other fishing vessels accused of forced labour owned by companies linked to the Chinese government. They are the Hua Jian 1, Tai Hong 1, Zhou Yu 901 and Zhou Yu 905.

The Chinese government's alleged involvement in forced labour through companies it owns or partly owns goes beyond CNFC and Pingtan.

67 White, C. (4 January 2023). US sanctions prompt Nasdaq to delist Pintan Marine. Seafood Source. <https://www.seafoodsource.com/news/business-finance/us-sanctions-prompt-nasdaq-to-delist-pingt-an-marine>

68 Pingtan Marine Enterprise Ltd. Annual Report. <https://ir.ptmarine.com/annual-reports#document-26106-0001213900-21-053503>

69 C4ADS (2022). Net Worth: How the Chinese government & US stock investors are funding the illegal activities of a major Chinese fishery company. <https://c4ads.org/wp-content/uploads/2022/04/NetWorth-Report.pdf>

70 Greenpeace (31 May 2021). Forced Labour at Sea: The case of Indonesian migrant fishers. https://www.greenpeace.org/static/planet4-southeastasia-stateless/2021/05/ef65bfe1-greenpeace-2021-forced-labour-at-sea-digital_final.pdf

71 C4ADS (2022). Net Worth: How the Chinese government & US stock investors are funding the illegal activities of a major Chinese fishery company. <https://c4ads.org/wp-content/uploads/2022/04/NetWorth-Report.pdf>

72 C4ADS (2022). Net Worth: How the Chinese government & US stock investors are funding the illegal activities of a major Chinese fishery company. <https://c4ads.org/wp-content/uploads/2022/04/NetWorth-Report.pdf>

In the case of the Zhou Yu 901, Greenpeace denounced that the fishermen suffered deception, withholding of wages and abusive working and living conditions, among other abuses typified by the International Labour Organisation. With regards to the Zhou Yu 905, this organisation denounced that fishermen suffered intimidation and threats and debt bondage, among other abuses.

Both of these vessels were owned at the time of the offence by a company called **China Aquatic Products Zhoushan Marine Fisheries Corp.**, according to the S&P Lloyd's Global IHS Markit dataset. This is a China government-controlled subsidiary via the China National Agricultural Development Group Co. Ltd., according to the Moody's Orbis company database.

Another of the vessels, the Tai Hong 1, was intercepted in 2018 in the territorial waters of Tanzania, holding shark fins. The captain was accused of denying water and food to 12 Tanzanian fishermen onboard, who shared a small compartment without ventilation, with only two beds, forcing the others to sleep on the floor.⁷³

This vessel was owned at the time of the offence by **Shandong Zhonglu Oceanic Fisheries Co. Ltd.** according to Lloyd's. This company is 33.07 percent owned by Shandong State-Owned Assets Investment Holdings Company Limited which in turn is owned by the Chinese government, according to Moody's Orbis.

Concerningly, China is not the only government directly linked to commercial fishing vessels accused of labour crimes. The Russian government for instance owned the Nikolay Solodchuk vessel at the time when it was intervened in Namibia in 2018 when, according to information provided to the report authors by the International Transport Workers' Federation (ITF), the Russian crew requested assistance when they had not received salaries for four months. Another vessel owned by the Russian government is the Laima which was denounced in Norway for unpaid wages, according to the ITF.






2.5. European companies own almost a quarter of commercial fishing vessels accused of forced labour

In total, 22.5 percent of commercial fishing vessels accused of forced labour were owned by

22.5 percent of commercial fishing vessels accused of forced labour were owned by European companies

European companies. Spain tops this list with 12 vessels representing 5 percent of the total for which legal information is available, followed by Russia (7 vessels) and the UK (6 vessels), making it one of the top 5 countries of companies owning vessels accused of forced labour. Spanish vessels also represent almost a quarter of European vessels accused of forced labour, whilst Russian vessels represent 14 percent of the total and the UK 12 percent.

Table: Top 5 European countries owning vessels accused of forced labour

		Total vessels	% of total European vessels
Spain		12	24%
Russia		7	14%
UK		6	12%
Ireland		5	10%
Greece		5	10%

The Indonesian crew of one of these vessels, for instance, the Pescamaro Seis, was abandoned in Peru in 2020 without receiving their salaries or return tickets to their home country.⁷⁴ The legal owner of that vessel at the time of the offence was based in Alicante, Spain, for which there is no beneficial ownership data. The company is currently under liquidation according to Orbis Mody's. Spanish company registry filings confirm the liquidation in 2022, and its change in ownership in 2019.

Another European country accused of not acting upon alleged forced labour is the UK where companies own six vessels allegedly involved in these crimes.

However, this appears to be the tip of the iceberg. A report published in 2022 by the University of Nottingham found that a third of migrant workers on UK fishing vessels who responded to a research survey worked 20-hour shifts, and 35 percent reported regular physical violence, suggesting the vast majority of these cases are not reported or investigated.⁷⁵ Interviews with migrant workers on fishing boats across the UK who mainly came from the Philippines, Ghana, Indonesia, Sri Lanka and India, also revealed experiences of racism and several accounts of "extreme violence", including two reported incidents of graphic and sexually violent acts.

UK fishing boat owners are using "transit visas" to bring migrant workers to the UK, thereby tying workers to a single employer

These forced labour violations should be thoroughly investigated as part of the Modern Slavery Act, and other requirements. As a result of a legal opinion regarding forced labour constituting a money laundering offence under Proceeds of Crime Act (POCA), it is possible that this offence could also constitute a predicate crime for money laundering.⁷⁶

74 Indonesia Ministry of Foreign Affairs (10 December 2020) The Indonesian embassy in Lima assisted the repatriation of 98 Indonesian crew members through Peru. <https://kemlu.go.id/portal/en/read/1968/view/the-indonesian-embassy-in-lima-assisted-the-repatriation-of-98-indonesian-crew-members-through-peru#!>

75 Sparks, J. (2022). Letting exploitation off the hook? Evidencing forced labour in UK fishing. University of Nottingham. <https://www.nottingham.ac.uk/Research/Beacons-of-Excellence/Rights-Lab/resources/reports-and-briefings/2022/May/Letting-exploitation-off-the-hook.pdf>

76 Latham & Watkins (2023) Can Forced-Labour Goods Trigger UK Money Laundering Violations? <https://www.latham.london/2023/02/can-forced-labour-goods-trigger-uk-money-laundering-violations/>

A separate report from the International Transport Workers' Federation (ITF) Workers denounced that UK fishing boat owners are using "transit visas" to bring migrant workers to the UK, thereby tying workers to a single employer. This leaves them dependent on the ship's captains for their working and living conditions, such as access to food and other essentials, and prevents them changing jobs, opening the way for them to be abused and controlled by rogue shipowners.

This is happening despite the UK having ratified the ILO Work in Fishing Convention 188 in January 2010. Together with the Modern Slavery Act, this makes the UK, on paper, one of the most stringent fisheries labour regulation environments in the world, yet forced labour on board UK fishing vessels appears to be far too prevalent, and too easy to escape accountability.

In terms of location of forced labour vessels, the UK (with 7 vessels), together with Ireland (19 vessels) and Spain (8 vessels), represent 83 percent of the vessels detected committing these offences in Europe. The case of Ireland is particularly concerning, with its fishing industry facing US sanctions in 2022 following a report from a US-based NGO alleging exploitation of migrant workers aboard its vessels.⁷⁷

This group denounced that Ireland lacks a robust system of governance and controls around labour and accountability for violations in its fishing fleet. This is made worse by the lack of financial transparency of the vessels accused of forced labour, with the authors of this report only being able to find some shareholder information for two of them.

A study published in 2021 by the Maynooth University Department of Law concluded that racist insults, verbal abuse, long working hours with few breaks and pay below the legal minimum wage are "common workplace experiences" of migrant workers in the Irish fishing sector.⁷⁸ According to the ITF, a major issue is the country's Atypical Working Scheme introduced in 2016 to regularise the status of non-EU citizens working onboard Irish vessels which effectively indentures workers to their employers, leading to abuses.⁷⁹ This scheme was reformed in January 2023 but it is still unclear what the impact will be on migrant fishermen conditions aboard Irish vessels.⁸⁰

Importantly, similarly to what takes place in other regions, it is very complex to uncover the beneficial ownership (BO) of European vessels accused of forced labour and IUU fishing. All EU Member States are required to operate BO registries, following the 4th and 5th EU Anti-Money Laundering Directives (AMLD). The latter also required EU Member States to provide public access to BO information about companies in national registries.

Racist insults, verbal abuse, long working hours with few breaks and pay below the legal minimum wage are "common workplace experiences" of migrant workers in the Irish fishing sector

77 Godfrey, M. (24 March 2022). Ireland faces possible sanctions from US due to fisheries labor issue. Seafood Source. <https://www.seafoodsource.com/news/environment-sustainability/ireland-faces-possible-sanctions-from-us-due-to-fisheries-labor-issue>

78 Murphy, C., Doyle, D., and Thompson, S. (2021). Experiences of Non-EEA Migrant Workers in the Irish Fishing Industry. <https://www.maynoothuniversity.ie/sites/default/files/assets/document//Experiences%20of%20Non%20EEA%20Workers%20in%20the%20Irish%20Fishing%20Industry.pdf>

79 Godfrey, M. (24 March 2022). Ireland faces possible sanctions from US due to fisheries labor issue. Seafood Source. <https://www.seafoodsource.com/news/environment-sustainability/ireland-faces-possible-sanctions-from-us-due-to-fisheries-labor-issue>

80 Economic Times (7 August 2023). Ireland is calling in foreign workers to fill labour shortage gaps. <https://economictimes.indiatimes.com/nri/work/ireland-is-calling-in-foreign-workers-to-fill-labour-shortage-gaps/articleshow/102503634.cms>

However, the European Court of justice (ECJ) in November 2022 invalidated general public access to BO registries, and provided limited access for those with a 'legitimate interest' potentially including some non-governmental only organisations and journalists, rather than the public. The Court even decided to clarify its decision in a LinkedIn post⁸¹ clarifying its intent, and outlining its case for limited public access.

Many countries like Ireland, Spain and Sweden do not have publicly available BO registries.

The European Union is currently discussing a proposal that would effectively prohibit the placing and making available on the EU market and the export from the EU of products made with forced labour

But even if they had them, their use would be limited to identify those responsible for forced labour and IUU fishing violations since the registries generally only provide BO data either at the time when the companies were registered or at the present moment, limiting access to civil society organisations and journalists resident in the country, sometimes charging for this access.

The harmful decision by the ECJ cannot be undone by providing a way for beneficial ownership to be available on-request, rather than in a publicly accessible database. The ability of journalists and civil society actors, such as ourselves, to access this information is confined in terms that those that are "connected with the prevention and combating of money laundering and terrorist financing having a legitimate interest in accessing information on beneficial ownership". Unfortunately, this risks leaving out the need to know the beneficial owners behind environmental, human rights and natural resource related resource crimes and abuses unless they are defined as constituting money laundering in all EU member states.

Importantly, however, the European Union is currently discussing a proposal that would effectively prohibit the placing and making available on the EU market and the export from the EU of products made with forced labour.⁸² The prohibition will cover domestically produced and imported products. Building on international standards and, if approved, would have a direct impact on any European companies—especially from Spain and Ireland—accused of forced labour, as well as those trying to export their production to this market.

2.6. Russia's Pescatlant is the top European company accused of forced labour, with Spanish links and owned via Belize shell companies.

In total, 51 commercial fishing vessels accused of these violations between January 2010 and May 2023 were owned by European companies, representing 22.5 percent of the total for which legal ownership information is available. Prominent among them is a company

81 LinkedIn 2022. <https://www.linkedin.com/feed/update/urn:li:activity:7005505340528033792/>

82 Ireland government (2023) Public consultation on the proposal on prohibiting products made with forced labour on the Union market. <https://www.gov.ie/en/consultation/5bfad-public-consultation-on-the-proposal-on-prohibiting-products-made-with-forced-labour-on-the-union-market/>

called **Pescatlant Ltd.** which owns seven commercial fishing vessels accused of a series of forced labour including forced labour, crew abandonment and unpaid wages.⁸³

The ITF denounced that the crew of one of its vessels, the Frio V, was abandoned in Las Palmas, Spain, in February 2021. In May 2021 only after an ITF Intervention involving the relevant authorities, the crew was paid and repatriated using assistance from the financial security provider.

An ITF inspector boarded another Pescatlant vessel, the Star SKN-151, in September 2021 and the crew informed him they had not received any wages since they joined the vessel and some of them had not been paid for over 20 months, constituting 'forced labour' according to the ILO indicators. Similarly, ITF denounced that the crew of the company's Aristotle fishing vessel reported in 2021 to have worked for eight months on board and were repatriated with no wages paid.

Three of the vessels accused of forced labour – Frio V, Aristotle and Star SKN 11 – were flagged to Cameroon at the time of the alleged offences. Meanwhile the Frio Seven and Grange Bay were flagged to St. Kitts and Nevis, the Archimedes was flagged to Angola and the Galileo was flagged to Cook Islands. Importantly, all these flags except for Angola are flags of convenience (FoCs). FoCs are routinely used by ship owners to evade regulations of their home state including workers' rights and can also help to hide vessel owners from legal action or scrutiny, by obscuring who actually owns vessels engaging in illicit activity.⁸⁴

Moreover, six of the company's seven vessels accused of forced labour were owned via subsidiaries from Belize except for the Archimedes which was directly linked to Pescatlant Russia, according to the S&P Lloyd's Global IHS Markit. Belize is a secrecy jurisdiction which does not require companies to report BO information to the government, and does not have a central BO registry.

According to ITF, Pescatlant is headquartered in St Petersburg, Russia, and uses the port of Las Palmas (Spain) as a base for its vessels. According to this organisation, Pescatlant was found to be in labour rights abuses on its vessels since much earlier than these reported cases, dating back to 2015.

The ITF also denounced that the Spanish authorities had not been forthcoming in investigating alleged abuses aboard the Pescatlant Ltd. vessels since it had not yet ratified the ILO Work in Fishing Convention 188. Spain finally joined this agreement in 2023 but it will only come into effect on February 29, 2024. This convention aims to ensure that fishers have decent working conditions on board fishing vessels with regard to minimum requirements for work, while the relevant EU directive only applies to EU flagged vessels or those operating in EU waters.

As a result of Spain not implementing its publicly open BO registry prior to November 2022, and afterwards due to the invalidation of public access to beneficial ownership information by the ECJ halting the process to make the beneficial ownership data public. The data will be collected to a centralised registry, and the government based on its commitments to end forced labour should act upon these allegations.

The Spanish authorities had not been forthcoming in investigating alleged abuses aboard the Pescatlant Ltd. vessels since it had not yet ratified the ILO Work in Fishing Convention 188

83 International Transport Workers' Federation (25 January 2022). Pescatlant accused of using forced labour. <https://www.itfglobal.org/en/news/pescatlant-accused-using-forced-labour?fbclid=IwAR0bC-F9sXyFz5gOpLDTKUS257gtwa4FsYHuw2bCf5a3w085AKsdCXnjY>

84 ITF. Flags of Convenience. <https://www.itfglobal.org/en/sector/seafarers/flags-of-convenience>

SHAREHOLDERS
BENEFICIAL OWNERS



RUSSIAN PARENT COMPANY

(of *Pescatlant Ltd. Belize*)

HQ in St. Peterburg, Russia

(Source: ITF)



PESCATLANT LTD.

Registered in Belize

Operating from Las Palmas, Spain

(Source: ITF)



SUBSIDIARIES

ATLANTIC TRAWLERS LTD.
(Belize)

A FISH LTD.
(Belize)

ATLANTICO LIMITED
(Belize)

ATLANTIC TRAWLERS LTD.
(Belize)

GRANGE BAY
(St. Kitts and Nevis)

STAR SKN 151
(Cameroon)

ARCHIMEDES
(Angola)

GALILEO
(Cook Island)

VESSELS

FRIO V
(Cameroon)

ARISTOTLE
(Cameroon)

FRIO SEVEN
(St. Kitts and Nevis)

1. Vessels in forced labour list
2. Vessel flag appears in parenthesis



3. Case studies: Forced labour and IUU fishing in Latin America and Africa

3.1. Peru and Uruguay: forced labour hotspots

In the last ten years, the distant water squid fishing fleet (DW-Squid Fleet) – the main foreign fishing fleet operating in the region made up of hundreds of vessels – has seen a four-fold growth in fishing effort level in the high seas off South America,⁸⁵ with many accused of forced labour and IUU fishing. In the Pacific region, most of these vessels belong to China and operate outside the exclusive economic zone of Peru, and the west of the Galapagos Islands (Ecuadorian EEZ). In the Atlantic region, the fleet is made up of vessels flagged to China, Taiwan, South Korea and Spain, and most fishing activity happens on the edge of Argentina's EEZ.

This foreign fishing fleet can operate for long periods in international waters thanks to the presence of refrigeration vessels, called 'reefers', which transport catches to Asian ports and tankers that are responsible for continuous refuelling. However, there are some activities that cannot be carried out in the open sea, such as hull maintenance, documentary procedures, crew changes or more specialised treatment of the seriously wounded and sick, so vessels must enter a nearby port. The main ports of arrival in these cases are Chimbote

85 Extracted from Global Fishing Watch. https://globalfishingwatch.org/map/fishing-activity/effort_dwsquidfleet_ftc-user-public?start=2013-01-01T00%3A00%3A00.000Z&end=2024-01-01T00%3A00%3A00.000Z&latitude=-29.998431139507392&longitude=-82.3339969&zoom=2.497921804111027



Figure 1: Squid fleet route between South Atlantic Ocean and Pacific Ocean. © Artisonal

particularly before 2020 and Callao in Peru in the Pacific region and the port of Montevideo in Uruguay in the Atlantic, where forced labour cases have been detected.⁸⁶

Most of the crew members working aboard the distant water squid fleet are of Chinese origin⁸⁷ supplemented by Indonesian, Filipino and African crews. They sign employment contracts for periods of between 1 and 2 years with representatives of the companies that own them.⁸⁸ Trade union representatives say that the majority of these contracts are in Chinese, so the sailor signs something that he does not understand. Therefore, he has to rely on the word of the person who hires him, who tells him that it will be for a certain period, but in reality could be three or four times more time than he was told.

These hired fishermen often board the vessels when they go through the Strait of Malacca in Indonesia and then skirt the coasts of South Africa on their way to fishing grounds in the South Atlantic. There the captain becomes responsible for the safety of the crew and will be the one who decides when the vessel will stop fishing or under what circumstances it will enter a coastal port.

However, many of these vessels have been accused of forced labour and IUU fishing.⁸⁹ In fact, in this report we found that Uruguay (16 vessels) and Peru (10 vessels) are the countries in LAC where more commercial fishing vessels accused of forced labour have been detected, which together represent 78 percent of all cases in the region between January 2010 and May 2023.

86 Robbins, S. (3 August 2022). At Uruguay's Port of Montevideo, a Deadly Circle of Fishing and Labor Abuse InSight Crime. <https://insightcrime.org/investigations/uruguay-port-montevideo-deadly-circle-iuu-fishing-labor-abuse/>

87 Ojo Público (18 October 2023) El alto costo humano y ambiental de la gigante flota china en los océanos. <https://ojo-publico.com/4710/flota-china-los-altos-costos-humanos-y-ambientales-los-oceanos>

88 Urbina, I. (9 October 2023). The crimes behind the seafood you eat. <https://www.newyorker.com/magazine/2023/10/16/the-crimes-behind-the-seafood-you-eat>

89 Austin, B., Dury-Agri, J. (2022) Who controls the distant water squid fishing fleet? C4ADS. <https://c4ads.org/wp-content/uploads/2022/04/SquidFleet-Brief.pdf>

Peru: lack of financial transparency

In the southeastern Pacific Ocean, the giant squid (*Dosidicus gigas*) fishery catches an average of one million tonnes per year. Half of the catches come from around 500 Chinese-flagged vessels.⁹⁰ The squid fishery is regulated by the South Pacific Regional Fisheries Management Organisation (SPRFMO), an entity that recently limited the level of fishing effort of this foreign fleet to 766 authorised vessels.

IUU fishing by foreign vessels has become a major problem in Peru, a practice estimated to generate annual losses of more than 1.2 billion soles (US\$312 million)

However, IUU fishing by foreign vessels has become a major problem in Peru, a practice estimated to generate annual losses of more than 1.2 billion soles (US\$312 million)⁹¹. In the last 10 years, the Peruvian government through the Regulations of the General Fisheries Law imposed sanctions on nine foreign-flagged vessels⁹² for IUU fishing for fishing illegally in the Peruvian maritime domain, whose data is publicly accessible by the transparency law. However, this information only contains details of the vessels' legal representatives and not the beneficial owners, preventing the authorities from bringing those ultimately responsible for these activities to justice.

There is also a gap in terms of the sanctions imposed which fall on the shipping agent, who is the legal representative of the owner in Peru, but this does not include monetary penalties to the vessel's beneficial owner. For this reason, port regulations require that all foreign-flagged vessels must be represented by a Maritime Agency. The information of the shipping agent and the beneficial owner of the vessel are requirements for foreign ships to use Peruvian ports. In Peru, the transparency law allows public access to all this information. However, in the information accessed by the report authors, the beneficial ownership information was not included for any of these vessels, suggesting that this regulation is not applied in practice.

Penalties for the nine ships sanctioned for IUU fishing by the Peruvian authorities generally ranged from US\$50,000 to US\$200,000, although the *Damanzaihao*, the world's largest factory ship, was fined nearly US\$6 million for unauthorised transshipment and providing false information to Peruvian authorities.⁹³ In order to avoid being caught, various reports reveal that Asian vessels in particular intentionally turn off their AIS (Automated Identification System) signal at the limit of 200 miles of Peruvian territorial waters⁹⁴ to fish illegally within that zone. Consequently, the Peruvian government decided to implement a new port

90 Annual Report of the People's Republic of China to SC11 – Squid (SPRFMO)
 91 El Peruano (6 June 2022) Perú ratifica que protegerá su biodiversidad marina. <https://www.elperuano.pe/noticia/159875-peru-ratifica-que-protegera-su-biodiversidad-marina>
 92 List of foreign fishing vessel sanctioned by IUU fishing. Ministry of Production (PRODUCE)
 93 Estrada, M. (1 September 2020) Sanción a expropietaria del *Damanzaihao* por pesca ilegal en manos de la Corte Suprema. Ojo Público. <https://ojo-publico.com/edicion-regional/sancion-empresa-por-pesca-ilegal-manos-la-corte-suprema>
 94 Global Fishing Watch (July 2021) Analysis of the Southeast Pacific Distant Water Squid Fleet. <https://globalfishingwatch.org/wp-content/uploads/GFW-2021-FA-SQUID2020-EN-1.pdf>

regulation for the Asian squid fleet, complying with the provisions of the Port State Measures Agreement (PSMA), of which Peru is a member.

Supreme Decree No. 016-2020-PRODUCE establishes that as of August 2020, the fleet must install Peru's vessel monitoring system (VMS) in order to continue operating in the country's ports and shipyards. In addition, it is necessary for the vessel to transmit its satellite position for the last six months prior to arrival at the port. The regulation is not convenient for the foreign fleet, because it would have to share information on its trajectory, including its fishing operations at mile 201 in Argentina.⁹⁵ A region on the high seas with the highest number of AIS shutdowns⁹⁶ in the world, and with more than 20 cases of illegal fishing in the last 10 years.⁹⁷

However, during the three years that have elapsed since the implementation of the new port regulation, only five foreign squid vessels have installed the Peruvian VMS equipment, transmitting their position only a few days before deactivating it and disappearing again.⁹⁸ So the Asiatic squid fleet operating in the Pacific Ocean made up of Chinese, Taiwanese and South Korean vessels, has demonstrated its refusal to comply with Peru's new port regulations and not allow another government to monitor its fishing activities on the high seas; with the governments of China and South Korea beginning to look for various mechanisms to weaken the Peruvian regulation.

Worsening forced labour

The decisions made by the distant water squid fleet not to comply with Peru's port regulations have begun to have a direct impact on forced labour. After the regulation was implemented, Asian vessels began to extend their stay on the high seas from 10 to 18 months without going to port.

When an Asiatic squid vessel arrives at the Peruvian port, the inspector must complete the SPRFMO inspection form according to a regulation relevant to squid vessels. This document records the reason for entry (transshipment, unloading, resupply, crew change, accidents, etc.), shipping agent, legal owner and the observations found during the inspection.

According to official information from inspection reports, available thanks to the Transparency Law, since 2020, around 40 Chinese vessels requested forced arrival at Peruvian ports. This mechanism is used only when a crew member needs medical attention or when

95 Industrias Pesqueras (24 February 2023) El número de buques que faenan en la milla 201 del Atlántico Sudoccidental se ha duplicado en los últimos 15 años, según ITF. <https://industriaspesqueras.com/noticia-74327-sec-Pol%C3%84%E2%80%9A%20%20%C3%84%E2%80%9A%C3%A2%E2%82%AC%C2%A0%20%C3%84%E2%80%9A%20%20%C3%84%E2%80%9A%C3%A2%E2%82%AC%C5%A1%C3%83%E2%80%9A%C3%82%C2%ADtica>

96 Oceana (June 2021) Now You See Me, Now You Don't: Vanishing Vessels Along Argentina's Waters. https://usa.oceana.org/wp-content/uploads/sites/4/2021/06/oceana_argentina_mini_report_finalupdated.pdf

97 Buques capturados por la Prefectura Naval Argentina (2020). <https://www.argentina.gob.ar/prefecturanaval/resumen-operativo/buques-capturados>

98 Myers, S., Chang, A., Watkins, D., and Fu, C. (26 September 2022) How China Targets the Global Fish Supply. New York Times. <https://www.nytimes.com/interactive/2022/09/26/world/asia/china-fishing-south-america.html>

the ship has breakdowns that make navigation difficult.⁹⁹ Of the total number of admissions due to forced arrivals, 25 cases included the disembarkation of sick and injured crew members, including those with respiratory and heart problems, cerebral haemorrhage, and loss of sight¹⁰⁰. Most of these cases involve vessels that remained at sea for more than a year and a half.

Some of these vessels have a previous history of forced labour, such as the Chinese-flagged Chang Tai 802. In August 2019, the vessel entered the port of Chimbote in Peru to drop off a crew member with kidney disease caused by drinking unsafe water. The crew member needed urgent treatment, but instead was intimidated and forced to accept a plane ticket to return to his home country.¹⁰¹ Subsequently, in the midst of an operation by the Sea Shepherd organisation in July 2021, the same vessel was spotted west of the Galapagos Islands, carrying on board an Indonesian crew member held against his will for nearly two years.

Financial transparency around labour abuses: a legal vacuum

Peru has not signed the ILO Work in Fishing Convention 188 and the 2012 Cape Town Agreement. Also, unlike for IUU fishing, there are no penalties contemplated in Peru's legislation for cases of forced labour in foreign fishing fleets. In addition, the Regulations on the Supervision and Sanction of Activities do not consider forced labour as a cause of violation. Likewise, the regulatory framework does not address cases of forced labour, reduction to servitude, and people trafficking from foreign ships arriving at Peruvian ports. At the moment, inspection records should include information about the beneficial owner, the shipping agent, and the reason for the ship's entry, which are part of the inspection protocols of regional organisations such as SPRFMO. However, in practice, beneficial ownership data was not available in the documents seen by the report authors, making it very difficult to track those ultimately responsible for forced labour abuses.

In any case, Peru's beneficial ownership (BO) registry which is managed by the country's Tax Administration (SUNAT) is not publicly available. It can only be accessed by a few agencies, insurance companies and other specialised firms, and the country's financial investigation unit (Unidad de Inteligencia Financiera). Public access is being considered but the authorities are currently against this move.

The Peruvian BO registry also does not include the historical BO information of companies, so even if foreign fishing firms were included there, the data would be of limited use since it would not be possible to uncover the BO at the time of the alleged forced labour or IUU fishing offence. It would, however, act as a strong deterrent to future violations.

Positively, the Peruvian government must register and report forced labour cases aboard commercial fishing vessels to the SPRFMO, which is responsible for implementing minimum working standards for crew members of foreign fishing fleets in this region and

99 Supreme Decree No. 015-2014-DE Regulates the strengthening of the armed forces in the competences of Peru's national maritime authority. [https://www2.congreso.gob.pe/sicr/cendocbib/con5_uibd.nsf/9035E2D566D3A7A70525865D0079D093/\\$FILE/1170260-1.pdf](https://www2.congreso.gob.pe/sicr/cendocbib/con5_uibd.nsf/9035E2D566D3A7A70525865D0079D093/$FILE/1170260-1.pdf)

100 SPRFMO. Format for Port Inspection Reports. <https://drive.google.com/file/d/1xzgq0W2awsF0aCiK182TM0xpMQu3yNGL/view>

101 Greenpeace (31 May 2021) Forced Labour at Sea: The case of Indonesian Migrant Fishers. https://www.greenpeace.org/static/planet4-southeastasia-stateless/2021/05/ef65bfe1-greenpeace-2021-forced-labour-at-sea-digital_final.pdf

provide compensation. Unfortunately, pressure not to implement regulations has resulted in no cases of alleged labour abuses being investigated by this organisation after 2020. Positively, working conditions in the Asian squid fishing fleet have generated concern from SPRFMO members such as Ecuador, which proposed the creation of a working group to establish a minimum standard that regulates working conditions onboard vessels, but this initiative has not been supported by other SPRFMO members to be debated.

Uruguay: lack of controls

The port of Montevideo in Uruguay is the main entry point for the foreign fleet operating in the southwestern Atlantic Ocean due to its strategic location in the South Atlantic region, with some 350 foreign fishing vessels on average visiting Montevideo each year.¹⁰² The National Directorate of Aquatic Resources (DINARA) is responsible for authorising the entry of foreign-flagged fishing vessels once they prove that they have not participated in illegal fishing activities. However, due to lack of effective controls, Montevideo has become one of the main ports in the world to receive vessels accused of IUU fishing, labour abuses and



Credit: - © Martin Katz / Greenpeace

102 Administración Nacional del Puerto de Montevideo (ANPM). Arribos de buques por Categoría: Enero- Diciembre 2022. <https://www.anp.com.uy/sites/default/files/archivos/parrafo-colapsable/2023-01/12%20enero-%20Diciembre%20Arribos%20de%20Buques%20por%20Categor%C3%ADa.pdf>

human trafficking, also since neighbouring Argentina does not allow them to use its ports for fishing.

According to official figures from Uruguay's Naval Prefecture, 59 deceased crew members of the foreign fishing fleet were disembarked in the port of Montevideo between 2013 and 2021, with more than a dozen possible cases linked to forced labour.¹⁰³ Among others, in June 2018 the Taiwan-flagged Fuh Sheng 11 became the first ship to be arrested for violating the ILO Work in Fishing Convention 188 during a port check in Cape Town, South Africa, having arrived at Montevideo four months earlier. South African officials documented that the crew had been physically abused and forced to work up to 22-hour workdays. The same ship had arrived at the port of Montevideo four months earlier, but the Uruguayan authorities did not register any problems on board even though there were no inspection records.

59 deceased crew members of the foreign fishing fleet were disembarked in the port of Montevideo between 2013 and 2021, with more than a dozen possible cases linked to forced labour

In another case, Indonesian authorities found a frozen body with traces of torture in the hold of the ship Lu Huang Yuan Yu 117, which was fishing in the South Atlantic. More recently, a distress message inside a bottle was thrown by a crew member of the Lu Qing Yuan Yu 765 vessel. The Uruguayan authorities determined that there was a claim on board the vessel for back wages after having been fishing for two years without entering port.

Legal loopholes in fight vs. forced labour and IUU fishing

With regards to forced labour cases on foreign fishing vessels, the Naval Prefecture carries out inspections aimed at verifying the safety conditions of the vessel and its crew. In cases of disembarkation of injured or deceased crew members or suspected of labour abuses, the Naval Prefecture in coordination with the National Ports Authority carry out the inspections and inform the corresponding Attorney General's Office to initiate investigations.¹⁰⁴

In the case of deceased crew members, the prosecutor's office proceeds to take the captain's statement, perform an autopsy and communicate it to the embassy of the crew member's nationality. The investigation involves the captain and the company that owns the boat. However, most of the cases that reach the judicial stage end up being archived because the justice system prefers not to investigate¹⁰⁵ because the events took place outside the administrative and judicial jurisdiction of Uruguay, resulting in that until now no financial or criminal penalties have been reported for cases of forced labour. against vessel legal or beneficial owners, the same as with IUU fishing.

103 Robbins, S. (3 August 2022) At Uruguay's Port of Montevideo, a Deadly Circle of Fishing and Labor Abuse. Insight Crime. <https://insightcrime.org/investigations/uruguay-port-montevideo-deadly-circle-iuu-fishing-labor-abuse->

104 Océanos Sanos. Webinarios sobre pesca INDNR y derechos humanos. <https://oceanosanos.org/wp-content/uploads/2020/12/INFORME-WEBINARIOS-PESCA-INDNR-Y-DDHH-2.pdf>

105 Noticias (9 June 2019). Descontrol, maltrato y muerte. <https://noticias.perfil.com/noticias/noticias-uruguay/2019-06-09-descontrol-maltrato-y-muerte.phtml>

Currently, the port inspection protocols do not contemplate reviewing work regimes, much less any mechanism that allows crew members to report possible cases such as withholding wages. For now, crew members can only send anonymous messages and hope someone can find it. In addition, like Peru, Uruguay has not signed the ILO Work in Fishing Convention 188 or the 2012 Cape Town Agreement.

Making matters worse, like in the case of Peru, most—if not all—foreign fishing companies using the port of Montevideo as a logistics hub do not have to provide their BO data since

Like in the case of Peru, most - if not all - foreign fishing companies using the port of Montevideo as a logistics hub do not have to provide their BO data since they do not have a permanent presence in the country

they do not have a permanent presence in the country. In any case, Uruguay's BO registry, which lies in the Central Bank and is managed by an agency within the Ministry of Economy and Finance, is also not open to the general public. It can only be accessed via a court order or in specific cases involving for example criminal or family cases. Also as in the case of Peru, this registry does not include historical BO data of companies, which would make it impossible to find ownership at the time the offence took place. Again as earlier, current and future data as long as changes in beneficial ownership are recorded and maintained either in public registries, or by third parties, would represent a deterrent against these crimes.

3.2. Senegal: financial secrecy around abuses

The West African country of Senegal lies on one of the richest fishing grounds in the world.¹⁰⁶ However, more than 50 percent of the fisheries resources in the stretch of coast ranging from Senegal to Nigeria alone have already been overfished, in part because of IUU fishing.¹⁰⁷ There are no figures for estimated IUU fishing for Senegal specifically, but in West Africa this practice is estimated to represent 37 percent of total seafood catches, the highest rate in the world.¹⁰⁸

The depletion of these regional fisheries stocks, partly driven by IUU fishing, has huge social consequences particularly for this region, made worse by the current cost-of-living crisis. Up to one-quarter of jobs in West Africa are linked to fisheries, whilst up to two-thirds of all animal protein in coastal West African States come from fish and seafood, according to the UN.¹⁰⁹

106 Ministère des Pêche et des Affaires Maritimes du Sénégal : Document introductif au Conseil interministériel sur la pêche, Juin 2013 (Page 5). http://www.aprapam.org/wp-content/uploads/2013/07/Document-introductif-duconseil-intrministpercentC3percentA9riel-sur-la-percentC3percentAAche_version-final.pdf

107 FAO (2012) The state of the world fisheries and aquaculture. <https://www.fao.org/3/i2727e/i2727e.pdf>

108 Agnew DJ, Pearce J, Pramod G, Peatman T, Watson R, et al. "Estimating the Worldwide Extent of Illegal Fishing" (Marine Resources Action Group and University of British Columbia, 2009). <https://journals.plos.org/plosone/article?id=10.1371/journal.pone.0004570>

109 FAO (2020) The state of the world fisheries and aquaculture. <https://www.fao.org/3/ca9229en/ca9229en.pdf>

In February 2023, the Senegalese Minister of Fisheries and Maritime Economy, Pape Sagna Mbaye, said that IUU fishing causes losses estimated at nearly 155 to 200 billion CFA francs (US\$253 to US\$327 million) in Senegalese and Liberian maritime waters every year.¹¹⁰ However, the Senegalese government has not released any figures on the country's losses due to IUU fishing. Civil society actors and fishermen's associations and unions we met in Dakar also have no information on the scale of losses due to IUU fishing.

Also the artisanal fishing sector is impacted by this activity, as catch numbers were reduced by 8.7 percent in 2018 in comparison with 2017.¹¹¹ In Saint-Louis, in northern Senegal, for example, the coordinator of the local small-scale fisheries council, Oumar Dièye, told us already in 2021 that illegal fishing was widespread. "We are small-scale fishermen and it is very rare that we see coastguard vessels patrolling. The authorities have granted a specific zone to industrial vessels, but they do not respect it, so illegal fishing is pervasive," he said. The quantities landed in 2019 increased by 13.4 percent to 451,964 tonnes, from 398,643 tonnes in 2018, but this increase can be explained by the fact that the number of active traditional fishing boats or pirogues rose by 8 percent compared with 2018.¹¹²

Foreign vessels operating in Senegalese waters have been accused of disabling their AIS (automatic identification system) to become invisible and avoid detection, allowing them to also enter marine protected areas. For example, during a tour of West African waters in 2017, the environmental organisation Greenpeace found that 30 fishing vessels in Senegal had switched off their AIS.¹¹³

AIS is first and foremost a tool for navigation safety and security. Although many nations have adopted legislation regarding safety at sea, there is no international convention in force that specifically addresses the safety of fishing vessels. The activation of the AIS is not, for the time being, a requirement for industrial fishing activities in the region. Only the Vessel Monitoring System (VMS) remains an obligation for any vessel with a valid fishing licence in the member states of the Sub-Regional Fisheries Commission (SRFC), the regional fisheries management organisation that governs this area. VMS is very effective but remains entirely under the control of national governments and companies, which is why this data is not publicly available, unlike AIS data.

Lack of transparency

The Senegalese government insists that fighting IUU fishing is one of its priorities. In 2015 the government reformed the 2008 Fisheries Code and increased the fines for vessels caught fishing illegally to a maximum of 1 billion CFA Francs (US\$1.5 million), five times more than the previous maximum amount.

110 Agence Agro (8 February 2023) Sénégal et le Liberia s'associent pour renforcer la lutte contre la pêche illégale. <https://www.agencecofin.com/breves-agro/0802-105309-le-senegal-et-le-liberia-s-associent-pour-renforcer-la-lutte-contre-la-peche-illegale>

111 Agence Nationale de la Statistique et de la Démographie (ANSD). Situation Economique et sociale du Senegal 2017-2018 (July 2021) http://www.ansd.sn/ressources/ses/SES_2017-2018.pdf

112 ANSD (2019) Situation Economique et Sociale du Sénégal. Document accessed by report authors.

113 Greenpeace (2017) The Cost of Ocean Destruction: Report from Greenpeace ship tour of West African Fisheries 2017. https://www.greenpeace.org/static/planet4-netherlands-stateless/2018/06/The_Cost_of_Ocean_Destruction.pdf

However, the Directorate of Fisheries Protection and Surveillance (DPSP) refuses to disclose the amounts of the fines imposed by Senegal. Despite this lack of transparency, the head of the inspection and control division of the DPSP, Mr. Cheikh Fall, believes that the increase in the maximum fine for unauthorised fishing is a deterrent, as his agency has noted a decrease in violations between 2015 and 2022. However, Mr. Fall refused to provide statistics on this issue.

The Senegalese government affirms that it is making efforts to strengthen fisheries surveillance and the application of measures to combat IUU fishing. DPSP teams carried out regular inspection and control operations at the quayside, in the factories and at sea. “3,121 inspections and/or controls were carried out in 2019 compared to 2,412 in 2018, an increase of 29.4 percent” according to the country’s statistics office ANSD. In total, 919 boardings were carried out in 2019, including nine industrial fishing vessels and 910 Senegalese artisanal fishing canoes.¹¹⁴ However, the DPSP refused to provide to the report authors the names of the industrial fishing vessels that had been boarded.

There is also a complete lack of transparency on foreign fishing fleets operating in Senegal and their legal and beneficial owners, as well as data on IUU vessels. Forum Civil, the Senegalese section of Transparency International, is still waiting to receive the information that its coordinator has been requesting from the Senegalese authorities. Senegal has legislation regarding a beneficial ownership registry since March 2023 for those holding directly or indirectly more than 25 percent of the capital or voting rights of the entity.¹¹⁵ An earlier presidential decree from 2020, however, had a lower threshold of 2 percent which in the new BO law is reserved for the mining sector identified as a high-risk sector.¹¹⁶

The lack of a BO registry and other AML deficiencies led to Senegal being on the FATF “grey list”¹¹⁷ in terms of AML deficiencies, and it requested the IMF for technical assistance in establishing and operationalising its BO registry commitment in order to exit the grey list by the end of 2023.¹¹⁸ However, like for many other countries, this registry is not public, nor is this a FATF requirement. There is a separate public BO registry for mining, oil and gas sectors under a separate commitment under the EITI for public BO information in this sector, and is publicly available concerning the identified beneficial owners.¹¹⁹ However, in many cases it only identifies legal owners, i.e. the next level of the ownership structure.

There is also a complete lack of transparency on foreign fishing fleets operating in Senegal and their legal and beneficial owners, as well as data on IUU vessels

114 ANSD (2019) Situation Economique et Sociale du Sénégal. Document accessed by report authors.

115 Orbitax (2023) Senegal’s New Beneficial Ownership Identification Requirements. <https://www.orbitax.com/news/archive.php/Senegals-New-Beneficial-Owner-52795>

116 Open ownership (2022) Beneficial ownership state of play in Senegal. <https://www.openownership.org/en/publications/senegal-scoping-assessment/the-beneficial-ownership-state-of-play-in-senegal/>

117 FATF (June 2023) Jurisdictions under Increased Monitoring. <https://www.fatf-gafi.org/en/publications/High-risk-and-other-monitored-jurisdictions/Increased-monitoring-june-2023.html>

118 IMF (2023) <https://www.imf.org/-/media/Files/Publications/CR/2023/English/ISENEA2023002.ashx>

119 EITI Senegal (2023) Données Ouvertes: ITIE Sénégal. <https://donnees.itie.sn/dashboard/>

Moreover, the government has refused to make public the fishing licences granted to industrial vessels, which is done in secret. Between 2018 and 2019, several dozen fishing licences were secretly granted by the Senegalese fishing authorities to deep-sea demersal trawlers, leading civil society organisations, including the Senegalese industrial shipowners' association GAIPES, to denounce this situation, as well as suspicious movements of Chinese and Turkish vessels. A special commission has been set up by the Ministry of Fisheries to investigate this situation, but GAIPES has told us that nothing has been done due to a lack of political will, a situation that continues to this day. Neither fisher's organisations nor civil society, let alone journalists, have access to this information, despite numerous requests.

Secrecy around forced labour abuses

Many of the IUU vessels and other industrial vessels operating in Senegal have also been accused of serious labour abuses among the crews. In this report, Senegal is found to be

Senegal is found to be the second country in Africa with the most reported cases of vessels accused of forced labour in Africa

the second country in Africa with the most reported cases of vessels accused of forced labour in Africa, with seven vessels between January 2010 and May 2023, after Somalia with 15 vessels. Many of the crew members working in these commercial fishing vessels come from poor and underdeveloped parts of the world and often work in hazardous conditions.¹²⁰

This crisis is often driven by widespread poverty in the country. The poverty rate in Senegal is over 53 percent in rural areas and almost 30 percent in urban areas, according to a study published in 2021 and carried out by the ANSD.¹²¹ The fishers in Dakar come from poor areas such as Thiaroye sur Mer and Casamance. One of the abuses told to a journalist, when hired, they only receive their passports back when they disembark.¹²²

None of the seafarers further interviewed were shocked by this situation, since many of them are unaware of labour law or the rights conferred on them by their national collective agreement, let alone international conventions. The vast majority of seafarers recruited on European vessels come from small-scale fishing, a trend confirmed by the 2004 ILO report on working conditions in the fishing industry.¹²³ The results of the study "Artisanal Fisheries and Human Rights in Senegal" published in August 2004 show that, among artisanal fishing workers, the "level of literacy in the official language, French, is very low, only 12.5 percent have secondary education and 31.3 percent have primary education.

One of the sailors who told their story as part of this investigation, who asked not to be named, admitted that their captain on board a European vessel tried "to make [them] sign a document just after a 3-day strike" in June 2023. Having no idea of the real content of the

120 Personal communication, October 2023

121 ANSD. Rapport des Enquetes de Suivi de la Pauvreté. https://www.ansd.sn/Indicateur/rapport-des-enquetes-de-suivi-de-la-pauvrete?field_types_de_document_value=2

122 Personal communication, October 2023

123 ILO (2004) Conditions de travail dans le secteur de la peche. <https://www.ilo.org/public/french/standards/relm/ilc/ilc92/pdf/rep-v-1.pdf>

document, this sailor refused to give in to their captain's insistence. They preferred to first seek advice from the association of industrial fishing professionals who advised them not to sign the document. The document stated that the sailor acknowledged that they were not a union member and that their salary was not reduced by 75 euros (US\$80) per day, which would have harmed them had they signed it.

The association of industrial fishing professionals recognises these difficulties linked to the low level of education of seafarers and their poor knowledge of their rights. Its Secretary General, Ibra Diop stated that in addition to this "physical and psychological violence disrupts the well-being of Senegalese sailors on European ships."¹²⁴

Senegalese consignees, representing foreign shipowners, offer standard contracts to recruited fishers; but no mention is made of protecting the employee from abuse at work. Making matters worse, in Senegal fishers are governed by the collective agreement establishing the conditions of officers and sailors in the Senegalese merchant navy dating back to 1976 but this does not address abuses and violations of human rights. The Senegalese authorities and fisher's unions were to discuss a new convention in October 2023, but the meeting was finally postponed to November 2023.

Making matters worse, Senegal's fishing code does not provide any section concerning prevention and/or sanctions in the event of abuse on fishing vessels. A senior official at Senegal's Agence Nationale des Affaires Maritimes (ANAM) who refused to be named told the report authors that the government has a list of commercial vessels accused of forced labour abuses but it is secret, making it harder to bring any companies and beneficial owners of these vessels to justice.

All these issues came to the fore when 2,000 crew from Senegal and also Ivory Coast working in 64 Spanish and French-owned fishing vessels in West Africa and the Indian Ocean went on strike in June 2023.¹²⁵ They complained that they were being paid far less than the monthly minimum US\$658 wage set by the ILO, in contravention of the agreements between the European Union and African countries to promote sustainable fishing and employment.

Specifically, according to the trade union representatives spoken to as part of this investigation, seafarers were to be paid the ILO minimum rate which is currently US\$658 per month, but in reality were typically only receiving US\$200 despite claims by the European employers that they were paying the full amount to the agents, suggesting that they are taking a massive cut.¹²⁶ In the end, under heavy government pressure according to ITF, they signed an agreement in October 2023 which still only provides 57 percent of the ILO minimum. As part of this research, we did not include these vessels in our dataset given that the violations do not fall under the criteria we use for forced labour as typified by the ILO (see Annex 1: Data and Methodology), but this reflects a continued disregard by many European fleets for the welfare of their crews.

Senegal's fishing code does not provide any section concerning prevention and/or sanctions in the event of abuse on fishing vessels

124 Personal communication, October 2023

125 McVeigh, K. (14 June 2023) Massive strike pits African fishers against 'superprofitable' EU firms. The Guardian. <https://www.theguardian.com/global-development/2023/jun/14/massive-strike-pits-african-fishers-against-superprofitable-eu-firms>

126 Personal communication, October 2023



4. Forced labour and IUU fishing: links with secrecy jurisdictions

Commercial fishing vessels and operators involved in IUU fishing are also often linked to forced labour and human trafficking. IUU fishing vessels are already evading laws, regulations and oversight to gain higher profits, making them more

Commercial fishing vessels and operators involved in IUU fishing are also often linked to forced labour and human trafficking

willing to drive down costs by exploiting workers through forced labour, since they are already evading laws and oversight, employing migrant workers who can be paid lower wages.¹²⁷

They take advantage especially of the unobserved nature of fishing on the high seas taking place beyond national jurisdictions and where there is a fragmented legal framework and lack of effective enforcement.¹²⁸ Unsurprisingly, IUU fishing is also linked to a range of other illicit activities such as money laundering, human trafficking, document forgery and drug and illegal wildlife trade.¹²⁹

IUU fishing generates direct losses of up to US\$23.5 billion, representing the third most lucrative natural resource crime after timber and mining.¹³⁰ More recent estimates put the

127 US Department of Justice (January 2021). Task Force on Human Trafficking in Fishing in International Waters. Report to Congress. <https://www.justice.gov/crt/page/file/1360366/download>

128 UNODC (2019) Rotten fish: A guide on addressing corruption in the fisheries sector. https://www.unodc.org/documents/Rotten_Fish.pdf

129 Interpol (15 December 2021) Depleting fish stocks fueling transnational crimes. <https://www.interpol.int/en/News-and-Events/News/2021/Depleting-fish-stocks-fueling-transnational-crime>

130 Agnew, D.J., Pearce, J., Pramod, G., Peatman, T., Watson, R., Beddington, J.R. and Pitcher, T.J. (2009) 'Estimating the worldwide extent of illegal fishing', PLoS ONE 4(2): e4570 Plos One Journal. <https://journals.plos.org/plosone/article?id=10.1371/journal.pone.0004570>

figure of direct economic losses between US\$15.5 billion up to US\$36.4 billion every year,¹³¹ while other sources estimate that losses could be as much as US\$50 billion.¹³²

Africa concentrates 49.8 percent of identified industrial and semi-industrial vessels involved in IUU fishing, leading to an economic loss of illicit financial flows of up to US\$11.70 billion

Natural resource crimes like IUU fishing also represent a major financial loss in the form of illicit financial flows for global South countries. In this report, we updated the figures from a study we carried out last year, and found that Africa concentrates 49.8 percent of identified industrial and semi-industrial vessels involved in IUU fishing, leading to an economic loss of illicit financial flows of up to US\$11.70 billion originating from the continent alone.

The most affected sub-region is West Africa with losses of up to US\$8.8 billion in IFFs linked to IUU fishing. For this analysis, we updated the list of industrial and semi-industrial fishing vessels accused of being involved in IUU fishing from the Financial Transparency Coalition 'Fishy Links' report launched in October 2022,¹³³ expanding the period of analysis from January 2010 to May 2023 (from May 2022 in the previous report).

Meantime in Argentina estimated IUU fishing losses are between US\$1 billion to US\$2.6 billion in terms of IUU fishing catch per year,¹³⁴ while Chile estimates its losses at US\$397 million per year¹³⁵ and Indonesia at US\$4 billion per year¹³⁶ equivalent to the country's annual net rubber exports.¹³⁷ Most countries do not publish loss estimates.

In the Pacific Ocean the volume of illicit catch in marine resources is 4–7 million tonnes per year, costing Pacific nations US\$4.3 billion to US\$8.3 billion per year in loss of gross revenues.¹³⁸ Meanwhile a country like Madagascar which suffers from chronic food security issues loses an estimated US\$80 million every year due to this illicit trade.¹³⁹

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- 131 May, C. (2017) 'Transnational Crime and the Developing World' https://secureservercdn.net/166.62.106.54/34n.8bd.myftpupload.com/wp-content/uploads/2017/03/Transnational_Crime-final.pdf
 - 132 Sumaila, U.R., Zeller, D., Hood, L., Palomares, M.L.D., Li, Y. and Pauly, D. Illicit trade in marine fish catch and its effects on ecosystems and people worldwide. *Science Advances* (26 February 2020). <https://www.science.org/doi/10.1126/sciadv.aaz3801>
 - 133 Daniels, A., Kohonen, M., Gutman, N., Thiam, M. (October 2022) Fishy networks: Uncovering the companies and individuals behind illegal fishing globally. <https://financialtransparency.org/wp-content/uploads/2022/10/FTC-fishy-Network-OCT-2022-Final.pdf>
 - 134 Parlamentario.com (7 February 2022) La pesca ilegal genera una pérdida entre 1000 y 2600 millones de dólares para nuestro país. <https://www.parlamentario.com/2022/02/07/stefani-la-pesca-ilegal-genera-una-perdida-entre-1000-y-2600-millones-de-dolares-para-nuestro-pais/>
 - 135 Torrico, G. (13 January 2021) South America plans regional response to quid overfishing. *China Dialogue Ocean*. <https://chinadiialogueocean.net/en/fisheries/15979-squid-overfishing-south-america-plans-regional-response/>
 - 136 Orłowski, A. (21 May 2018) Indonesia's explosive IUU policy is working, new report. *Seafood Source*. <https://www.seafoodsource.com/features/indonesias-explosive-iuu-policy-is-working-new-report-says>
 - 137 World's Top Exports. <https://www.worldstopexports.com/indonesias-top-10-exports/>
 - 138 S. Widjaja, T. Long, H. Wirajuda, et al. 2019. *Illegal, Unreported and Unregulated Fishing and Associated Drivers*. Washington, DC: World Resources Institute. <https://oceanpanel.org/wp-content/uploads/2022/05/Illegal-Unreported-and-Unregulated-Fishing-and-Associated-Drivers.pdf>
 - 139 Oceans5. Ending destructive industrial fishing in Madagascar and the Western Indian Ocean. <https://www.oceans5.org/project/ending-destructive-industrial-fishing-in-madagascar-and-the-western-indian-ocean/>

Comparison IUU fishing and vessels linked with forced labour

In this report, we found that most vessels accused of forced labour were also involved in IUU fishing, with both sets of vessels displaying some similar patterns. In total, we identified 1,045 vessels accused of IUU fishing, from 972 in the previous report. This is more than four times more than the number of vessels included in the Combined IUU Fishing Vessel List from the regional fisheries management organisations (RFMOs) individual lists of IUU vessels for that same period, combined historically by Trigg Mat Tracking.¹⁴⁰

In the analysis, we found that the availability of data on legal ownership and natural persons identified as shareholders for IUU vessels and those accused of forced labour is similar. In both cases we only found legal ownership information for around half of vessels accused of these illicit activities, highlighting the enormous financial opacity in this sector.

Specifically, we found 42.58 percent of legal ownership data for vessels accused of IUU fishing (445 out of 1,045 vessels) compared to 48 percent for vessels accused of labour and human rights abuses (227 out of 475 vessels). Interestingly, in the case of data regarding natural persons identified as shareholders, on the other hand, we found some shareholder information for 17.89 percent (187 out of 1,045 vessels) accused of IUU violations, compared to 20.84 percent (99 out of 475 vessels) for vessels accused of forced labour.

In terms of the geographical occurrences of alleged offences, we were able to identify the location where forced labour were detected and/or denounced for 298 fishing vessels or two-thirds of the list. In the case of IUU vessels, we identified the location for 521 vessels representing half of all cases. Whereas there was a certain overlap in locations for vessels accused of both offences, there were also significant differences.

In total, 42 percent of vessels accused of forced labour for which location data was available were detected in Asia, while 21 percent were in Africa. This is almost the inverse of IUU vessels, with almost half identified in Africa while 21.5 percent were detected in Asia. This suggests that Asia is the global epicentre of forced labour in commercial fishing fleets, while Africa is the global epicentre for IUU activity.

Interestingly, the prevalence of forced labour is greater in Europe as a proportion of the total, compared to IUU vessels. Specifically, 13.76 percent of vessels accused of forced labour were detected in Europe as opposed to 3.26 percent of total vessels accused of IUU abuses, suggesting this problem is not just affecting the global South.




The prevalence of forced labour is greater in Europe as a proportion of the total, compared to IUU vessels.

140 Combined IUU Vessel List. <https://iuu-vessels.org>

Table: location vessels accused of forced labour and IUU fishing, by region

Location of vessels linked with forced labour			Location IUU vessels		
	Total	% total		Total	% total
Africa	63	21.14%	Africa	259	49.81%
LAC	33	11.07%	LAC	83	15.96%
Asia	126	42.28%	Asia	112	21.54%
Europe	41	13.76%	Europe	17	3.27%
Oceania	23	7.72%	Oceania	41	7.88%
Other	12	4.03%	Other	9	1.73%

Table: Top 5 countries where vessels accused of forced labour and IUU fishing were detected

Top 5 Forced Labour Locations				Top 5 IUU offences locations			
		Vessels	% total			Vessels	% total
Indonesia		69	23%	Indonesia		55	11%
Ireland		19	6%	Sierra Leone		40	8%
Uruguay		16	5%	Ghana		35	7%
Somalia		15	5%	Guinea		32	6%
Thailand		14	5%	Guinea-Bissau		23	4%
TOTAL		133	45%	TOTAL		185	36%

Also, forced labour offences are more concentrated geographically than IUU fishing, with the top 5 countries representing 45 percent of the total vessels for which location data was available. In contrast, the top 5 countries for IUU violations represented 36 percent of the total, even though this data shows that both illicit activities are concentrated in relatively few locations.

The greater prevalence of labour abuse crimes in Asia as opposed to IUU violations is reflected by the fact that 2 of the top 5 countries where these abuses were detected – Indonesia and Thailand – were from that region. One African country, Somalia, appears in the top 5 forced labour list, while four African countries – Sierra Leone, Ghana, Guinea and Guinea-Bissau – appear in the IUU list. Indonesia tops both lists, representing 23 percent of the total vessels for which labour abuse location data was available, compared to 11 percent for alleged IUU offences.

Table: Flags of vessels accused of forced labour and IUU fishing, by region

Flags forced labour vessel			IUU fishing		
Flags	vessels	% total	vessel flags	Total vessels	% total
Total with data flags	268	56.42%	Total with flags data	725	69%
Africa	27	10.07%	Africa	103	14.21%
LAC	39	14.55%	LAC	115	15.86%
Asia	146	54.48%	Asia	397	54.76%
Europe	42	15.67%	Europe	90	12.41%
Oceania	9	3.36%	Oceania	7	0.97%
Other	5	1.87%	Other	13	1.79%
Flags of convenience	50	18.66%	Flags of convenience	66	9.10%

In terms of flags, there are very close similarities between both categories. More than half of commercial vessels accused of IUU and forced labour were flagged to Asia, with around 15 percent flagged to Europe in the case of forced labour as opposed to 12 percent for IUU fishing, while 15 percent flew Latin American flags. A slightly larger proportion of IUU vessels (14.21 percent, 103 vessels) were flagged to African countries than those accused of forced labour (27 vessels, 10 percent).

Importantly, however, the proportion of vessels accused of forced labour abuses flying flags of convenience (50 vessels, representing 18.66 percent of the total) is double those allegedly involved in IUU violations (66 vessels, 9.10 percent). This suggests that companies involved in forced labour are more concerned about hiding their legal and beneficial ownership as flags of convenience can help to hide vessel owners from legal action or scrutiny, particularly by obscuring who actually owns vessels engaging in illicit activities.¹⁴¹ Overall, some 15 percent of the world's large-scale fishing fleet are estimated to fly flags of

141 Brush, A. (2019) 'Something smells fishy...'. Blog, <https://c4ads.org/commentary/2019-4-2-something-smells-fishy/>

convenience or are listed as flag unknown, further suggesting that owners of vessels involved in forced labour are particularly keen to hide their true identities.¹⁴²

The proportion of flags used by vessels accused of labour and IUU violations is also highly concentrated. The top 5 flags in both categories represent over half of all flags used by vessels accused of IUU fishing and forced labour for which flag data is available. China is the country where more vessels accused of labour and IUU fishing violations are flagged to. Chinese-flagged vessels account for 29 percent of those accused of forced labour and more than two-thirds of IUU vessels. Meanwhile, one African country, Ghana, appears in the top 5 IUU fishing flag list, although no African countries feature in the top 5 list for forced labour.

Importantly, Panama appears in the top 5 list of flags used by vessels accused of forced labour. Panama is regularly used by foreign owners wishing to avoid the stricter marine regulations imposed by their own countries, which helps explain that almost a quarter of the world's fleet carry a Panamanian flag. Panama is also a known secrecy jurisdiction despite making some improvements in establishing a centralised beneficial ownership registry. However, as they still retain a low-tax environment especially for foreign companies, many companies may use it as part of complex ownership structures such as joint-ventures, or multi-layered shell companies common also in other secrecy jurisdictions. As noted above, Panama also has bearer shares that complicates the effective implementation of beneficial ownership registries.

Also, there is a striking similarity between the nationality of the companies accused of being involved in IUU fishing and forced labour, with around two-thirds of them being Asian. Meanwhile 22.47 percent of companies behind forced labour are European, compared to nearly 14 percent in the case of IUU fishing, whilst there are similar percentages in both categories for African and LAC companies.

Chinese companies represent 34 percent of those accused of forced labour, followed by Taiwan (10 percent) and Thailand (11 percent) for which there is company nationality data. This is a smaller proportion than Chinese companies involved in IUU fishing (45 percent), with also Taiwan and Thailand featuring among the top 5. This is reflected by the fact that seven companies in the top 10 list accused of being involved in both activities are from China including Pingtan Marine Enterprise Ltd., China National Fisheries Corporation (CNFC) and Dalian Ocean Fishing Co. Ltd.






142 Gianni, M. and Simpson, W. (2005) 'The Changing Nature of High Seas Fishing'. Canberra: Australian Department of Agriculture, Fisheries and Forestry, International Transport Workers' Federation, and WWF International. http://awsassets.wwf.es/downloads/pesca_altamar.pdf

Table: Top 5 nationalities of companies linked to vessels accused of forced labour and IUU fishing

TOP 5 NATIONALITIES COMPANIES LINKED WITH FORCED LABOUR

Country		Total vessels	% total
China		77	34%
Taiwan		26	11%
Thailand		18	8%
South Korea		13	6%
Spain		12	5%
TOTAL		146	64%

TOP 5 IUU COMPANY NATIONALITIES

Country		Total vessels	% total
China		199	45%
Spain		38	9%
South Korea		35	8%
Taiwan		24	5%
Thailand		20	4%
TOTAL		316	71%



5. Conclusion and recommendations

Most countries have ignored the role financial secrecy plays in hiding the beneficial owners of commercial fishing vessels accused of forced labour abuses, and IUU fishing. In this report, we attempt to bridge this gap and highlight the importance of this issue, by putting together a database of nearly 1,500 commercial vessels accused involved in forced labour and IUU fishing, 475 of which were involved in human rights abuses, making it one of the largest datasets of its kind in the world.

Not surprisingly, some of the vessels accused of forced labour are also found to be engaging in IUU fishing. Many of such vessels utilise secrecy jurisdictions to hide their legal and beneficial owners. They take advantage of the vast – and often ungoverned – nature of the high seas, and that lack of monitoring and surveillance capacity of global South countries in particular where the majority of violations and related Illicit Financial Flows take place. Furthermore, they also take advantage of the lack of financial transparency in monitoring the financial flows—licit and illicit—that enable this trade at such a large scale.

Unscrupulous vessel operators accused of forced labour and IUU fishing are also often able to hide behind a web of complex, cross-jurisdictional corporate structures, ranging from using shell companies to setting up joint ventures. This problem is compounded by beneficial ownership information being “rarely, if ever, collected during the licensing or vessel registration process”¹⁴³ Whilst more than 100 countries to date have committed, are in the process or have already established centralised beneficial ownership registries only 32 had committed to open access to beneficial ownership registries as of 2021. Then came the ECJ ruling suspending the requirement of open access for 27 EU member states¹⁴⁴, leaving us with only a handful of countries committed to open beneficial ownership registries.

143 Horn, P., Fiore, G. Better Tracking of Vessel Ownership Needed to Fight Illegal Fishing. Pew Charitable Trust (20 September 2020) <https://www.pewtrusts.org/en/research-and-analysis/articles/2021/09/20/better-tracking-of-vessel-ownership-needed-to-fight-illegal-fishing>

144 State of Beneficial Ownership 2022, Tax Justice Network; State of Beneficial Ownership 2020, Tax Justice Network.

With more beneficial ownership data available, we could see a wider use of money laundering and human rights abuse legislation to tackle these crimes and abuses committed across the seas. As an example, in December 2022, Pingtan Marine Enterprise Ltd. and Dalian Ocean Fishing Co. Ltd. were sanctioned by the US government for being responsible for forced labour and IUU fishing, whilst Pingtan was delisted from the Nasdaq stock exchange.¹⁴⁵ However, and despite strong evidence of violations by these two companies, the Chinese government condemned these measures, saying they represented an interference in the country's internal affairs.¹⁴⁶

But this is not just a problem involving China. We found for example that Spain, which has one of the largest distant water fleets in the world, tops the list of top 5 nationalities of companies owning commercial fishing vessels accused of forced labour, together with China, Taiwan, Thailand and South Korea. A report by the University of Nottingham also found that a third of migrant workers on UK fishing vessels who responded to a research survey worked 20-hour shifts, and 35 percent reported regular physical violence.¹⁴⁷

With more beneficial ownership data available, we could see a wider use of money laundering and human rights abuse legislation to tackle these crimes and abuses committed across the seas

All this suggests a continued lack of political will to resolve the growing problem of forced labour and IUU fishing, and end financial secrecy surrounding these illicit practices which are so damaging especially for global South coastal countries. Therefore, it is imperative that the following **five key reforms** are urgently adopted to end this practice:

1. **Improve publicly available vessel information:** Before awarding a fishing licence or authorisation, flag and coastal states should require information on the managers, operators and beneficial owners of the vessel on a public asset registry. This should be accompanied by national and international authorities like the ILO to create a unified and publicly available list of vessels with track records of human rights abuses, including forced labour, and IUU fishing, while improving the monitoring capacity by coastal state governments
2. **Create publicly accessible beneficial ownership registries:** Unless there is publicly available beneficial ownership information, states will only end up sanctioning or fining the vessel's captain, crew or the vessel itself, without being able to pursue the legal and beneficial owners who are profiting from these natural resource crimes and forced labour. These should be accessible to all citizens and civil society organisations at no cost, and should include past beneficial ownership data for the companies.

145 White, C. (4 January 2023). US sanctions prompt Nasdaq to delist Pingtan Marine. Seafood Source. <https://www.seafoodsource.com/news/business-finance/us-sanctions-prompt-nasdaq-to-delist-pingt-an-marine>

146 Godfrey, M. (21 December 2022) Pingtan Marine, Chinese government, NGOs respond to US sanctions. Seafood Source. <https://www.seafoodsource.com/news/environment-sustainability/pingt-an-marine-chinese-government-ngos-respond-to-us-sanctions>

147 Sparks, J. (2022). Letting exploitation off the hook? Evidencing forced labour in UK fishing. University of Nottingham. <https://www.nottingham.ac.uk/Research/Beacons-of-Excellence/Rights-Lab/resources/reports-and-briefings/2022/May/Letting-exploitation-off-the-hook.pdf>

3. Identify forced labour and IUU fishing as predicate offences for money

laundering purposes: Fisheries-related crimes should also be considered “predicate offences” for money laundering, i.e. an illegal activity that generates proceeds of crime that are then laundered, and therefore treated as illicit financial flows. This would open up the possibility of utilising money laundering tools and procedures to sanction companies and individuals behind forced labour and IUU fishing.

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4. States should ratify key international fisheries treaties and conventions to prevent forced labour:

This includes the ILO Work in Fishing Convention of 2007, whose objective is to ensure that fishers have decent conditions of work on board fishing vessels and has only been ratified by 21 countries, and the Cape Town Agreement of 2012, while improving the monitoring capacity by coastal state governments.

5. Expand extractive industry reporting to include fisheries:

Fisheries should be included as an extractive industry in key initiatives including the Extractives Industry Transparency Initiative (EITI) and other global and regional initiatives concerning regulation and transparency of extractive industries.

Credit: © Ardiles Rante / Greenpeace



Annex 1: Data and Methodology

The report has sought to gather data from various sources to build a comprehensive list of industrial and semi-industrial vessels operating globally which have been reported to be involved in forced labour, as opposed to gathering evidence of individual *instances* of offences taking place. The period covered in this study spans from January 2010 to May 2023.

For this report, we only considered fishing vessels which had been accused of forced labour as typified by the International Labour Organisation which consists of 11 separate indicators.¹⁴⁸ They include physical and sexual violence, intimidation and threats, abusive working conditions, systematically and deliberately withholding wages and forcing crew members to work to pay off incurred debts. (see Box: ILO Indicators of Forced Labour).

We also defined the Flag of Convenience according to the definition and list used by the International Transport Federation (ITF) Fair Practice Committee. The definition of a secrecy jurisdiction is given by the Tax Justice Network, however they don't publish a single list of secrecy jurisdictions but rather prefer to rate all jurisdictions based on their secrecy score and global weight with relation to the extent to which they are creating a risk in terms of financial secrecy overall. We use the Financial Secrecy Index and the Corporate Tax Haven Index as indicative indexes of where financial secrecy is most prevalent.

One source we used was information from official government agencies which sometimes list fishing vessels involved in forced labour, as well as reports from the ILO. Other sources were data gathered from trade unions protecting fishers' rights both publicly available and shared with the report authors confidentially to use in the analysis. In the case of Senegal, first hand statements by fishers were sought to gain a broader contextual picture. We also used a variety of other open sources such as the IHS Sea-Web portal, NGO reports, and news reports from reputed organisations to expand this list.

Once the list of forced labour instances was gathered, we analysed the vessels' legal owners and tried to gather information about their beneficial owners i.e. the natural person(s) who directly or indirectly control the company or receive economic benefits from it *at the time of the reported offences*. This was done mainly by using the S&P Lloyd's Global IHS

148 International Labour Organization (2017). Guidelines on flag State inspection of working and living conditions onboard fishing vessels. https://www.ilo.org/wcmsp5/groups/public/---ed_dialogue/---sector/documents/normativeinstrument/wcms_428592.pdf

Markit dataset, the most important source of fishing vessel information in the world.¹⁴⁹

This provides some information on legal owners, natural persons identified as individual shareholders, IMO numbers and other data about the vessels. We decided not to report the data from Lloyds or Orbis as beneficial ownership (BO) data, despite both databases using this term to identify shareholders due to the risk of these individual shareholders potentially being nominees. Fully verified BO registries could provide the confidence of reporting actual beneficial owners.

We complemented this search regarding legal and natural persons identified as individual shareholders by using the Moody's Orbis database, regarded as the largest dataset of companies in the world. In some cases, such as the UK and France, we consulted national beneficial ownership registries where public access exists. In a few cases using data from reports from reputed NGOs such as Greenpeace.

We contacted all companies named in the report for comment and to understand whether they have implemented any measures to ensure that rights of their crews would be protected in the future but did not receive any replies.

IUU vessels

For this study, we also updated the list of industrial and semi-industrial fishing vessels accused of being involved in IUU fishing used in the Financial Transparency Coalition 'Fishy Networks' report launched in October 2022,¹⁵⁰ expanding the period analysed from January 2010 to May 2023, from May 2022 in the previous report, to enable doing a comparative analysis between legal and beneficial owners of vessels involved in IUU fishing and those accused of forced labour.

For this purpose, we used a variety of sources similarly with what we did to build the forced labour database, except that instead of trade union data we used the regional fisheries management organisations' (RFMOs) individual lists of IUU vessels which are combined historically by Trigg Mat Tracking, resulting in the Combined IUU Fishing Vessel List.¹⁵¹ This provides information including vessel name, IMO number and date and details of the offence and is publicly available.

We also used a variety of open sources such as the IHS Sea-Web portal, NGO reports, and news reports from reputed organisations to expand this IUU list. Data was also gathered directly from government agencies, specifically from the Argentinian, Panamanian, Nigerian and Guinean governments, as well as IUU fishing notices published by the Chinese Ministry of Agriculture and Rural Affairs (MARA).

149 IHS Markit IHS Markit | Leading Source of Critical Information

150 Daniels, A., Kohonen, M., Gutman, N., Thiam, M. (October 2022) Fishy networks: Uncovering the companies and individuals behind illegal fishing globally. <https://financialtransparency.org/wp-content/uploads/2022/10/FTC-fishy-Network-OCT-2022-Final.pdf>

151 Combined IUU Vessel List. IUU Vessel List (iuu-vessels.org)

Data limitations

The fisheries sector is extremely opaque, and most governments do not publish the lists of vessels caught engaged in forced labour violations, as well as those accused of IUU fishing

The fisheries sector is extremely opaque, and most governments do not publish the lists of vessels caught engaged in forced labour violations, as well as those accused of IUU fishing. This, combined with the secrecy of the operations and lack of monitoring and control capacity by governments, results in any information gathered for this report being limited in scope and reflecting only part of industrial and semi-industrial vessels involved in these abuses and illicit activities.

Similarly, there is a lack of information regarding the legal owners of fishing vessels, not to mention beneficial owners. This is due to a variety of reasons, including owners using complex, cross-jurisdictional corporate structures to mask the links to the beneficial owners behind fishing vessel operations, ranging from using shell companies to setting up joint ventures. In addition, beneficial ownership information being “rarely, if ever, collected during the licensing or vessel registration process”¹⁵² and there is a widespread absence of public beneficial ownership registries.

We attempted to bridge this information gap by using the S&P Lloyd’s Global IHS Markit dataset, searching for the vessel legal and beneficial ownership at the time of the reported offence. We concluded that neither database could identify where a declared beneficial owner was a nominee, thus we state that the findings constitute data on natural persons identified as shareholders. However, despite its extraordinary breadth, this database only includes information for fishing vessels above 100 gross tons (GT) and only vessels with International Maritime Organisation (IMO) numbers. This means that even many vessels accused of forced labour are not shown, making it harder to identify their legal owners. Also, this dataset does not offer information about beneficial owners of these companies, except in very few exceptions, which explains why we resorted to using the Moody’s Orbis database.

Data confidence

The forced labour incidence list – as well as the IUU list used for the comparative analysis – gathered for this report covers a large variety of sources across various geographical jurisdictions, providing as balanced a picture as possible on the illicit activities. This method uses a novel combination of datasets to reveal the vessels involved in forced labour as typified by ILO and their legal owners and beneficial owners which has not been done in this scale until now.

Offences reported by official sources such as government agencies, the ILO and trade unions (or RFMOs in the case of IUU vessels) are associated with a higher degree of certainty compared to offences reported by NGOs and reputed media outlets that have not

152 Horn, P., Fiore, G. (20 September 2020) Better Tracking of Vessel Ownership Needed to Fight Illegal Fishing. Pew Charitable Trust. <https://www.pewtrusts.org/en/research-and-analysis/articles/2021/09/20/better-tracking-of-vessel-ownership-needed-to-fight-illegal-fishing>

been confirmed by the relevant coastal or flag states, or competent regional management fisheries bodies. However, the level of confidence that these vessels were involved in forced labour is very high by the evidence provided and the fact that reports and stories were published.

Despite the challenges, we were able to identify 475 industrial and semi-industrial vessels reported to be involved in forced labour incidents globally, identifying the companies that are named as legal owners for 227 vessels, representing 48 percent of the total, and the beneficial owners for 99 vessels (20 percent of the total). Of the data of forced labour on fishing vessels used for this report, 29.8 percent was gathered from official government sources such as government agencies and the ILO, 17.6 percent from trade union organisations, 37.4 percent from major NGOs and 14.9 percent from reputed news organisations.

In the case of IUU fishing, we updated the list to include vessels for the same period as the forced labour dataset, identifying 1,045 industrial and semi-industrial vessels reported to have been involved in this activity, identifying the companies named as legal owners for 445 vessels, representing 42.6 percent of the total, and the beneficial owners for 187 vessels (17.9 percent of the total).

This is more than three times more than the number of vessels included in Combined IUU Fishing Vessel List for offences which took place from January 2010 until May 2023, totalling 296 fishing vessels. Of the IUU data used for this report, 16.9 percent was gathered from official government sources, 29 percent from regional fisheries management organisations (both the IUU Combined List and separate reports by RFMOs) and 54.1 percent from major NGOs and reputed news organisations.











Table: Sources of data on forced labour and IUU fishing used in this study








Sources of data on forced labour	Number of vessels	% total
Official (government agencies, UN, ILO, RFMOs)	142	29.8%
Trade unions	84	17.6%
NGOs and news reports	249	52.3%
TOTAL	475	







Sources of data IUU vessels	Number of vessels	% total
Official (government agencies)	177	16.9%
Regional fisheries management organisations	303	29.0%
NGOs and news reports	565	54.1%
TOTAL	1045	











Annex 2: Top 10 company vessels accused of forced labour violations


Company name	Vessel Name	Details offence	Forced labour offence source	Date offence	Flag at time of offence
Zhejiang Hairong Ocean Fisheries Co. Ltd.	Fanous Qeshm 11	ILO Indicators: Deception, withholding of wages, debt bondage and abusive working and living conditions.	NGO–Greenpeace	2019 and 2020	
	Fanous Qeshm 12	ILO Indicators: Abuse of vulnerability, deception and withholding of wages.	NGO–Greenpeace	2019 and 2020	
	Fanous Qeshm 3	ILO Indicators: Abuse of vulnerability, deception, withholding of wages and abusive working and living conditions.	NGO–Greenpeace	2019 and 2020	
	Han Rong 356	ILO Indicators: Abuse of vulnerability, deception, restriction of movement, violence, intimidation and threats, retention of identity documents, withholding of wages, abusive working and living conditions and excessive overtime.	NGO–Greenpeace	2019 and 2020	
	Han Rong 358	ILO Indicators: Abuse of vulnerability, deception, restriction of movement, intimidation and threats, retention of identity documents, withholding of wages, debt bondage, abusive working and living conditions and excessive overtime.	NGO–Greenpeace	2019 and 2020	
	Han Rong 363	ILO Indicators: Abuse of vulnerability, deception, restriction of movement, isolation, violence, intimidation and threats, retention of identity documents, withholding of wages, debt bondage, abusive working and living conditions and excessive overtime.	NGO–Greenpeace	2019 and 2020	
	Han Rong 365	ILO Indicators: Abuse of vulnerability, violence, intimidation and threats, and abusive working and living conditions.	NGO–Greenpeace	2019 and 2020	
	Han Rong 368	ILO Indicators: Restriction of movement, and abusive living and working conditions.	NGO–Greenpeace	2019 and 2020	
	Han Rong 51	ILO Indicators: Deception, retention of identity documents, withholding of wages, and debt bondage.	NGO–Greenpeace	2019 and 2020	
	Ahadi 1	Seafarers were abandoned and owned slavery for two months by their employer.	ILO	2020	






Company name	Vessel Name	Details offence	Forced labour offence source	Date offence	Flag at time of offence
	Fu Yuan Yu 8693	Indonesian fisherman claimed that he was transferred to this vessel where he received US\$20 for two months' work and was fed only rice and raw vegetables.	NGO-C4ADS	2018-2020	
	Fu Yuan Yu 7871	Substandard living working conditions according to ILO regulations.	ITF	2019	
	Fu Yuan Yu 7874	Filipino man severely hit his head and did not receive medical treatment for almost three weeks. Another crew member onboard also reported long working hours and poor food and water quality.	NGO-C4ADS	2019	
	Fu Yuan Yu 7881	24 Filipino fishermen onboard the vessel reported that they had been stranded in China for three months, were not being paid, and only had access to rusty water.	NGO-C4ADS	2018-2020	
	Fu Yuan Yu 7883	18 Indonesian fishermen claimed they had not been paid for the 20 months they worked on the vessel between 2018 and 2020.	Media report	2020	
Pingtian Marine Enterprise Ltd.	Fu Yuan Yu 7886	Fishermen on this vessel experienced several types of forced labour including physical violence, intimidation and threats and withholding of wages.	NGO-Greenpeace	2019 and 2020	
	Fu Yuan Yu 7887	Fishermen experienced several types of forced labour as typified by the ILO, including but not limited to intimidation, withholding of wages, abusive living and working conditions, and excessive overtime.	NGO-Greenpeace	2019 and 2020	
	Fu Yuan Yu 7889	10 Filipino fishermen working on the vessel posted a letter and photos on social media seeking repatriation. They claimed that they were given insufficient food, suffered health issues due to water quality, were overworked, were not given proper safety equipment, and were not paid the wages due to them.	NGO-C4ADS	2019	
	Fu Yuan Yu 8661	Indonesian fisherman reported that he only received US\$70 for seven months of work on this vessel.	NGO-C4ADS	2019	
	Fu Yuan Yu F91	Chinese fisherman sought compensation for medical issues incurred during employment aboard this vessel. He claimed that he began working on the vessel in 2016 and shortly thereafter began suffering from various medical complications, including grade 3 hypertension, due to the harsh working conditions. He stated that he was fired in March 2017 without compensation after he was hospitalised as a result of these medical complications.	NGO-C4ADS	2018	

Company name	Vessel Name	Details offence	Forced labour offence source	Date offence	Flag at time of offence
	Frio V	Crew was abandoned in Las Palmas (Spain) since February 2021. In May 2021 after an ITF Intervention involving the relevant authorities, the crew was paid and repatriated using assistance from the financial security provider as per MLC (2006) requirements.	ITF	2021	
	Archimedes	Crew did not receive their salaries since they joined the vessel. A crew member explained that Internet and satellite communication has been cut so they could not contact ITF.	ITF	2021	
	Aristotle	Crew repatriated with no wages paid.	ITF	2021	
Pescatlant Ltd.	Frio Seven	Crew was abandoned in Tema, Ghana on November 16, 2021. The crew reported that they were owed salaries from August 2021, and requested help. They also reported there was no food on board, only a few tonnes of fresh water and fuel to last a couple of days at anchorage.	ILO	2021	
	Galileo	Criminalisation / Repatriation. According to Lloyd's, in October 2019, 40 workers had been on board for up to 18 months and had not received salaries. Crew members were abandoned in the port of La Luz in Gran Canaria (Spain).	ITF/Lloyd's	2019 and 2020	
	Star SKN 151	ITF inspector boarded vessel in September 2021 and crew informed him they had not received any wages since they joined the vessel, some of them had not been paid for over 20 months. A shortage of sufficient food, water and fuel was also documented.	ITF	2021	
	Grange Bay	Seafarer was not paid after leaving the vessel, the company did not respond to requests.	ITF	2018	

Company name	Vessel Name	Details offence	Forced labour offence source	Date offence	Flag at time of offence
	Fu Yuan Yu 54	ILO typified violations including but not limited to deception, restriction of movement, withholding of wages, abusive living and working conditions and excessive overtime.	NGO–Greenpeace	2019 and 2020	
	Fu Yuan Yu 56	Fishermen were promised large salaries and bonuses from catches, and good jobs to work on this vessel. However, in reality they experienced, violence, intimidation and threats, such as threats using sharp weapons, and other abuses.	NGO–Greenpeace	2020	
	Fu Yuan Yu 57	ILO typified violations including but not limited to deception, restriction of movement, withholding of wages, abusive living and working conditions and excessive overtime.	NGO–Greenpeace	2019 and 2020	
Ocean Star Fujian Pelagic Fishery Co. Ltd.	Fu Yuan Yu 58	ILO typified violations including but not limited to deception, restriction of movement, withholding of wages, abusive living and working conditions and excessive overtime.	NGO–Greenpeace	2019 and 2020	
	Fu Yuan Yu 59	ILO typified violations including but not limited to deception, restriction of movement, withholding of wages, abusive living and working conditions and excessive overtime.	NGO–Greenpeace	2019 and 2020	
	Fu Yuan Yu 60	ILO typified violations including but not limited to deception, restriction of movement, withholding of wages, abusive living and working conditions and excessive overtime.	NGO–Greenpeace	2019 and 2020	

Company name	Vessel Name	Details offence	Forced labour offence source	Date offence	Flag at time of offence
Liaoning Daping Fishery Group Co. Ltd.	Liao Dong Yu 572	<p>Since September 2020, a fleet of Chinese flagged fishing vessels were observed to be operating in the waters of Somalia. In June 2021, reports made to the fisher's welfare organisation 'Destructive Fishing Watch' alerted them that the 13 Indonesian crewmembers working on the vessels had been stranded in Somalia since January 2021. Despite their contracts having finished in December 2020, the crew were reportedly forced to continue working and vessel operators refused to repatriate them.</p> <p>In August 2021 a crew member tried to flee to shore from one of the vessels. Reports indicated that they suffered physical abuse when they asked for information about repatriation and were denied breakfast for days as punishment if they refused to work. Some of the crew fell ill, reporting symptoms similar to those exhibited by those suffering from beriberi disease or thiamine deficiency – with symptoms including difficulty breathing and swollen legs, leaving some struggling to walk. These vessels were also accused of IUU fishing.</p>	International Justice Commission	2021	
	Liao Dong Yu 575				
	Liao Dong Yu 577				
	Liao Dong Yu 535				
	Liao Dong Yu 571				
China National Fisheries Corp. (CNFC)	Jin Sheng 2	Not allowing access to the bridge for observer, mistreatment of crew.	Media	2018	
	Xin Tu 1	Filipino crew requested food, water and repatriation.	ITF	2018	
	Zhong SHUI 9417	Mistreatment of observer and crew.	NGO–Greenpeace	2013	
	Ming Wang	ILO Indicators: Abuse of vulnerability, deception, withholding of wages and abusive working and living conditions.	NGO–Greenpeace	2019 and 2020	
	Zhong Shu 737	Unpaid salaries.	ITF	2022	

Company name	Vessel Name	Details offence	Forced labour offence source	Date offence	Flag at time of offence
Dongwon Fisheries Co. Ltd.	Dong Won 519	Some 130 sailors claimed US\$6.1 million in unpaid wages for their time aboard the Dong Won 519, 530 and 701. An additional 18 sailors claimed US\$1 million for their time aboard Dong Won 522. The sailors alleged they were paid as little as \$600 a month despite working on average 12 hours a day, and were subjected to physical and verbal abuse. The workers, who speak Indonesian, said they had to sign documents in Korean and English to acknowledge payments. One plaintiff said that during the peak season, he and others were compelled to work 20-hour shifts, sleeping only four hours at night.	Media	2014	
	Dong Won 522		Media	2014	
	Dong Won 530		Media	2014	
	Dong Won 701		Media	2014	
Dalian Ocean Fishing Co. Ltd.	Long Xing 629	Two crew members reported swollen bodies, chest pain and shortness of breath. Another crew member experienced same illness and captain refused to take the crew to hospital	RFMO	2020	
	Long Xing 635	Fishermen experienced several types of forced labour as typified by the ILO, including but not limited to deception, retention of identify documents, withholding of wages, abusive living and working conditions and excessive overtime.	NGO–Greenpeace	2019 and 2020	
	Long Xing 802	Sailors reported to have suffered with poor quality of water, with captain refusing to allow them access to appropriate medical care after reporting breathing problems and swelling.	NGO–EJF	2020	
	Tian Yu 8	Indonesian crew reported serious forced labour abuses such as physical violence and 18 hour working days as well as rampant illegal fishing.	NGO–EJF	2020	

Company name	Vessel Name	Details offence	Forced labour offence source	Date offence	Flag at time of offence
	Lu Qing Yuan 276	Vessel arrived in Montevideo port. Vessel suspected of forced labour.	Media	2019	
Qingdao Haoyang Ocean Fishery Co. Ltd.	Lu Qing Yuan Yu 286	Abandonment / Repatriation–Salaries	ITF	2020	
	Lu Qing Yuan Yu 287	Abandonment / Repatriation–Salaries	ITF	2020	
O Yang Fisheries Co. Ltd.	Oyang 75	Alleged abuse, inhumane punishment, sexual harassment, contract abuse, underpayment, non-payment of wages. On June 20 2011, the entire Indonesian crew (32) walked off the Oyang 75 when it berthed in Port Lyttleton, Christchurch (New Zealand) after fishing at sea for only five weeks, on its first outing in New Zealand waters, yet already the crew had had enough of the abuses they had suffered by Korean officers within that short time period. They were often forced to work continuously for two days, harvesting and processing with only 3 hours for sleep, resulting in tiredness therefore mistakes therefore more beatings. Sexual abuse by officers was also reported.	Media	2011	
	Oyang 70	Human trafficking, non hygienic conditions, physical abuse.	Media	2010	
	Oyang 77	In March 2018, the New Zealand Supreme Court ruled that crew members were owed unpaid wages and entitled to a claim for relief. Previously, in December 2011, New Zealand’s Ministry of Fisheries charged the vessel captain with various fisheries-related offenses, including the illegal dumping of fish and the underreporting of catch.	Media	2014	