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WCPFC FISHING VESSEL CHARTER ARRANGEMENTS SCHEME

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Paper prepared by the Secretariat

Introduction

1. The second meeting of the Western and Central Pacific Fisheries Commission (Comm2) in December 2005 adopted measures for bigeye and yellowfin tuna conservation which included the provision that:

For the purposes of these measures, vessels operated under charter, lease or other similar mechanisms by developing islands States and participating territories, as an integral part of their domestic fleet, shall be considered to be vessels of the host island state or territory. Such charter, lease or other similar mechanism shall be conducted in a manner so as not to invite IUU vessels. *The Commission shall develop a Charter Arrangements Scheme, which will include notification provisions, at its third Session in 2006.*

2. To assist the Commission develop the Charter Arrangements Scheme envisaged by the 2005 Decision, TCC2 will be required to make recommendations to the Third Meeting of the Commission (Comm3) in December 2006. This paper has been prepared by the Secretariat to assist TCC2 in its deliberations. The paper, which is based on a document previously produced by Mr Les Clarke for the Pacific Islands Forum Fisheries Agency (FFA) in 2005, outlines some of the key issues that need to be considered in the development of the WCPFC Fishing Vessel Charter Arrangements Scheme (Scheme). The paper also summarises the experiences of other regional fisheries management organizations (RFMO) in this regard. A draft Scheme has been developed (**Attachment 1**) to facilitate discussion at TCC2 on this issue.

Background to charter arrangements in the WCPFC Region

3. The term “charter” means the hiring or leasing of a vessel. In fisheries the term “charter” is most commonly applied in two ways:

- (a) to describe a vessel used for hire for recreational fishing; and
- (b) when a commercial vessel is operated under the control of a party other than the owner.

4. In RFMOs, the term “charter” is generally applied to a vessel that is operating under the control of a person or business of a country other than its flag State.

5. Charter vessels have played a significant role in the development of domestic tuna fleets by various WCPFC Members, Cooperating Non-Members and Participating Territories (CCMs) particularly developing island State members. The use of charter vessels has enabled such States to support the development of nationally owned fisheries business by allowing boat owners to increase fleet size with less risk than investing directly in additional vessels. Charter vessels have also provided opportunities for entry into the tuna fishery by nationals, particularly from developing island States, who often have limited resources to support large-scale direct participation in the tuna fishery. Additionally, charter vessels have often assisted governments and corporations to secure fish supplies for onshore processing operations.

6. Many developing island State CCMs have at some point used charter vessels for domestic fisheries development, in ways specifically provided for in national legislation that distinguishes between locally-based foreign vessels and foreign access vessels. Sometimes these arrangements are considered to be transitional as part of a strategy to develop a national fleet. In other cases, they are considered as long-term arrangements reflecting the relative economic efficiency of national and foreign vessels. In the longer term, charter vessels may be used by some CCMs to harvest their share of any allocations by the Commission that may not be economically taken by their existing domestic fleet, such as high seas allocations.

Issues to be considered in developing a charter arrangements scheme

7. Three key issues were discussed in relation to charters during the PrepCon and Commission meetings, including:

- a. the need to satisfy the economic needs of some CCMs who rely on charters for the sustainable development of their tuna fisheries;
- b. concerns that the unregulated use of charters may lead to an increase or transfer in fishing effort that undermines the effectiveness of Commission measures; and
- c. the need to ensure that charters do not become a loophole leading to IUU fishing in the Convention Area.

Charter vessels and fisheries development

8. Charter vessels can present an economically efficient means for developing States to develop their fisheries. Some CCMs consider that the Scheme should not make it more difficult for them to find vessels for charter and joint venture operations for legitimate domestic development. There is also a concern that any Scheme does not limit CCMs from chartering vessels to harvest their national allocations beyond their existing fishing capacity, to be able to benefit from possible high seas allocations.

Undermining of Conservation and Management Measures

9. The Scheme must avoid the creation of loopholes through which charter arrangements could be used to undermine Commission conservation and management measures (such as the measures on bigeye, yellowfin and albacore tuna). In 2005, the Commission recognised the special circumstances of developing States within the fishery and granted specific exemptions to the conservation and management measures applying to bigeye, yellowfin and southern albacore tuna:

- a. in the bigeye/yellowfin measure for small island state CCM in the Convention Area seeking to develop their own domestic fisheries; and

b. in the southern albacore measure for small island developing state CCM in the Convention Area for whom South Pacific albacore is an important component of the domestic tuna fishery in waters under their national jurisdiction, and who may wish to pursue a responsible level of development of their fisheries for South Pacific albacore.

10. It may be argued that these exemptions leave open the possibility that some boat owners operating under existing arrangements where there is excess capacity may see an opportunity to transfer that excess capacity to small island developing State members of the Commission. Although the 2005 bigeye/yellowfin Measure limits vessel transfers between CCMs at sustainable levels and provides a limit on the capacity for expansion of fleets by re-flagging of vessels, it may be argued that there is a risk that some CCM may unreasonably expand their domestic fisheries for bigeye and yellowfin or their fisheries for South Pacific albacore.

11. In developing the Scheme, consideration would also need to be given to the adoption by the Commission in 2005 of recommendations from the Scientific Committee on the supply of catch and effort data to the Commission:

“Flag states or entities shall be responsible for providing to the Commission scientific data covering vessels they have flagged, except for vessels operating under joint venture or charter arrangements with another state such that the vessels operate, for all intents and purposes, as local vessels of the other state, in which case the other state shall be responsible for the provision of data to the Commission.”

IUU fishing concerns

12. Globally, concerns have been expressed that the use of charters may provide loopholes for increased IUU fishing. There are three particular concerns in this regard:

- a. it can be very difficult to establish the genuine identity of who is ultimately controlling the charter vessel (beneficial owner);
- b. confusion can arise over responsibility for control of the charter vessel on the high seas; and
- c. boat owners may exploit the transfer of responsibility for vessels from their flag State to another State in order to avoid compliance with conservation and management measures.

13. To address the above concerns, the International Plan of Action to Prevent, Deter and Eliminate Illegal, Unreported and Unregulated Fishing (IPOA-IUU) requires:

All States involved in a chartering arrangement, including flag States and other States that accept such an arrangement, should, within the limits of their respective jurisdictions, take measures to ensure that chartered vessels do not engage in IUU fishing.¹

14. Further detail on the IPOA provision and proposals for its implementation are provided in Section 4.1.1 of No 9 of the FAO Series of Technical Guidelines for Responsible Fisheries on Implementation of the IPOA-IUU² (**Attachment 2**). The report notes four possible responses including:

- a. requiring that chartered vessels take on the nationality of the State in which it has been chartered to fish;

¹ IPOA-IUU paragraph 37

² See Appendix 2.

- b. not allowing chartered vessels to fish on the high seas;
- c. making both States involved responsible for controlling the high seas fishing conducted pursuant to a charter arrangement; and,
- d. providing for boarding and inspection of chartered vessels on the high seas through regional arrangements of the sort provided for in Articles 21 and 22 of the 1995 UN Fish Stocks Agreement.

15. The FAO Guidelines for Responsible Fisheries on Implementation of the IPOA-IUU further notes:

that RFMOs may have a role to play in ensuring that chartering arrangements for stocks under their purview do not lead to IUU fishing. Among other things, agreed rules for chartering arrangements can ensure that vessels do not engage in “flag hopping” to gain access to more than one member’s quota. Chartering rules can also provide for the orderly development of fisheries by developing States, while also allowing the RFMO to allocate access to fishery resources in a fair and transparent manner.³

16. It should be noted that the Commission’s Vessel Record and Authorisation process already limits potential charter vessels to those from CCMs.

Charter arrangements in other RFMOs

17. It appears that only two RFMOs, ICCAT and NAFO, have addressed issues related to chartering of vessels by their members. The most common issues addressed by these two organizations are:

- a. inclusion of data on charters in vessel register data;
- b. bans on the chartering of vessels on IUU lists; and,
- c. responsibilities for compliance with RFMO measures, including determination of responsibility for provision of data on fishing by chartered vessels.

18. Of particular relevance is the ICCAT Chartering Arrangement (**Attachment 3**). The relevant features of the ICCAT Arrangement are summarized below:

- a. The Arrangement does not apply to bareboat charters, which are arrangements where the charterer takes full control of the vessel, including the right to appoint the master and crew;
- b. Charters are considered predominantly as an “initial step” in development;
- c. Vessels may only be chartered from Contracting Parties, Cooperating Non-Contracting Parties or “other responsible Non-Contracting Parties, Entities or Fishing Entities, which explicitly agree to apply ICCAT conservation and management measures and enforce them on their vessels”;
- d. The chartering State and the flag State are both required to “ensure compliance by chartered vessels with relevant conservation and management measures established by ICCAT”;
- e. Catches under the chartering arrangement are counted to the chartering party;
- f. Catches have to be recorded by the flag State and the chartering State and be reported by the chartering State;

³ Section 8.3.7 of the

- g. Observer coverage of 10 per cent is required on chartered vessels;
- h. A vessel cannot operate under more than one charter arrangement at a time;
- i. Catches have to be unloaded in the ports of the chartering party or under its supervision unless otherwise provided for in the chartering arrangement;
- j. The chartering company must be legally established in the chartering State;
- k. Charters are required to be notified to ICCAT by the chartering State;
- l. The flag State has to consent to the chartering arrangement; and
- m. The ICCAT Secretariat has to advise ICCAT members of charters operating under the Arrangement.

19. The objectives of the NAFO chartering arrangements appear to be quite different to the likely objectives of the Scheme. The NAFO charter arrangements are very specifically targeted at enabling a Contracting Party to meet a temporary shortfall in its capacity to harvest its quotas, and do not appear to account for domestic fleet development by developing States. The NAFO rules limit chartering to only one (1) vessel per flag State/chartering State, have a maximum duration of six (6) months and with consent required of the flag State.

20. The ICCAT and NAFO arrangements make both the flag State and the chartering State responsible for compliance with conservation and management measures adopted by the respective organizations. Additionally, the arrangements apply on the high seas. Further, the IATTC, CCAMLR, IOTC and NAFO all prohibit chartering of vessels that have previously been identified as being involved in IUU fishing, or listed on their respective IUU vessel lists.

DRAFT WCPFC FISHING VESSEL CHARTER ARRANGEMENTS SCHEME

1. The provisions of this Scheme shall apply to vessels participating in fisheries managed under the Convention On The Conservation and Management of Highly Migratory Fish Stocks in the Western and Central Pacific Ocean (Convention) that fly the flag of one Commission Member, or Cooperating non-Member or Participating Territory (CCMs), and are operated under charter, lease or other similar mechanisms by another CCM/ (the chartering State) as an integral part of its domestic fleet.
2. Vessels operating under charter arrangements shall be considered as an integral part of the chartering State's domestic fleet if:
 - a. they are licensed to fish in waters under the jurisdiction of the chartering State; and
 - b. they are normally unloaded in the ports of the chartering State or a neighbouring CCM; and
 - c. the entity chartering the vessel is legally established in the chartering State. CCMs that do not have a system of national company registration or control measures shall establish an alternative arrangement for securing control over the charterer.

Explanatory Note on Paragraphs 1 and 2.

Paragraphs 1 and 2 reflect WCPFC Conservation and Management Measure-2005-01:

“5. For the purposes of these measures, vessels operated under charter, lease or other similar mechanisms by developing islands States and participating territories, as an integral part of their domestic fleet, shall be considered to be vessels of the host island state or territory. Such charter, lease or other similar mechanism shall be conducted in a manner so as not to invite IUU vessels. The Commission shall develop a Charter Arrangements Scheme, which will include notification provisions, at its third Session in 2006”

3. Each chartering State shall submit to the Executive Director by 1 July 2007 and thereafter annually on 1 July each year, the following information with respect to each chartered vessel:
 - a. name of the fishing vessel, port of registry and WCPFC Identification Number (WIN);
 - b. name and address of owner(s);
 - c. name and address of the charterer;
 - d. fishing method; and,
 - e. the duration of the charter arrangement
4. After 1 July 2007, each chartering State shall notify the Executive Director, within 15 days, or in any case within 72 hours before commencement of fishing activities under a charter arrangement of:
 - a. any additional chartered vessels along with the information set forth in paragraph 3;
 - b. any change in the information referred to in paragraph 3 with respect to any chartered vessel; and,
 - c. termination of any charter arrangement

5. For the purpose of the conservation and management measures adopted by the Commission, the catch and effort of vessels operated under such chartering arrangements and notified to the Executive Director in accordance with paragraphs 3 and 4 shall be attributed to the chartering State.

Alternative Formulation:

5. For the purpose of conservation and management measures adopted by the Commission:-
- a. the catch and effort of vessels in waters under the national jurisdiction of the chartering State which are operated under such chartering arrangements and notified to the Executive Director in accordance with paragraphs 3 and 4 of the Arrangement shall be attributed to the chartering State.
 - b. the catch and effort of vessels on the high seas by chartered vessels which are operated under such chartering arrangements and notified to the Executive Director in accordance with paragraphs 3 and 4 of this Arrangement, shall be attributed to the flag State. The flag State and the chartering State may enter into an alternative agreement or arrangement as to catch distribution. Any such alternative agreement or arrangement shall be provided to the Commission.
6. Both the flag State and the chartering State shall ensure compliance by chartered vessels with the relevant conservation and management measures adopted by the Commission in accordance with their rights, obligations and jurisdiction under international law.

Alternative Formulation

- 6(a) Both the flag State and the chartering State shall ensure compliance by chartered vessels with the Convention and with relevant conservation and management measures adopted by the Commission in accordance with their rights, obligations and jurisdiction under international law.
- 6(b) Notwithstanding sub-paragraph (a) of paragraph 6, the flag State is responsible for exercising flag State responsibility for all chartered vessels carrying its flag with respect to fishing activities by such vessels on the high seas within the Convention Area.

Explanatory Note on Paragraphs 6 and 6(a) and (b)).

Paragraph 6, 6(a) and 6(b) are addressing the complex issue of the respective rights and obligations of the chartering State and the flag State of the chartered vessel in zones under national jurisdiction and on the high seas. Under international law, the flag State can exercise jurisdiction and control over its vessels on the high seas and in waters under the jurisdiction of other States. The chartering State can also exercise jurisdiction over the chartered vessel in waters under its national jurisdiction by virtue of its sovereignty and sovereign rights. The issue which Paragraph 6 is attempting to reflect is the appropriate wording to capture the respective rights and obligations of the flag State and the chartering State.

It should be noted that and the wording "in accordance with their rights, obligations and jurisdiction under international law" in Paragraph 6 is also the precise wording in the ICCAT Scheme to address this issue (**Attachment 3**). Further, the FAO text (**Attachment 2**) and the NAFO Scheme (**Attachment 4**) recognize a role for the chartering State in exercising some control over chartered vessels on the high seas.

7. The chartering State shall be responsible for providing scientific data on chartered vessels to the Commission in accordance with the decision of the Commission at its 2nd meeting to adopt the recommendations of the Scientific Committee on provision of scientific data.

Explanatory Note on Paragraph 7

Paragraph 7 is based on the 2005 recommendations from the Scientific Committee on the supply of catch and effort data to the Commission:

“Flag States or entities shall be responsible for providing to the Commission scientific data covering vessels they have flagged, *except for vessels operating under joint venture or charter arrangements with another state such that the vessels operate, for all intents and purposes, as local vessels of the other state, in which case the other state shall be responsible for the provision of data to the Commission.*”

8. A vessel may not be chartered by more than one CCM at the same time.

9. Chartered vessels shall:

(a) carry on board an appropriate licence or authorisation issued by the chartering State for fishing within the national jurisdiction of the chartering State.

(b) also carry on board an appropriate license or authorization issued by the flag State to cover any fishing activities by the vessel on the high seas within the Convention Area.

10. Each year the Executive Director shall present a summary of all the chartering arrangements in place in the Convention Area to the Commission.

Extracts from Implementation of the International Plan of Action to Prevent, Deter and Eliminate Illegal, Unreported and Unregulated Fishing. FAO Technical Guidelines for Responsible Fisheries. No. 9.

4.1.1 Chartering arrangements

Some IUU fishers seek to evade controls by abusing the arrangements for the chartering of fishing vessels. The IPOA-IUU calls on all States involved in a chartering arrangement to take steps, within the limits of their respective jurisdiction, to ensure that chartered vessels do not engage in IUU fishing.

If chartering arrangements are not carefully designed and enforced, the identity of those individuals or corporations that have the ultimate interest in the vessel may not be apparent. For example, a vessel may be owned by someone from State A, be registered in State B and be chartered to fish in waters under the jurisdiction of State C. The relationships between the owner, the charterer and flag State are often unclear to the coastal State.

To address this problem, States should require all chartering arrangements to be fully transparent. For example, the Regional Register of Foreign Fishing Vessels administered by the South Pacific Forum Fisheries Agency (FFA) requires foreign fishing vessels to submit an application to the Director for Registration. The applicant vessels must include the name(s) of any charterer in addition to other required information (names of applicants, radio call sign, State of registration, and flag State registration number, previous vessel name(s), name(s) of the vessel owner, operator, vessel master captain and fishing master).

RFMOs have a role to play in ensuring that chartering arrangements for stocks under their purview are transparent. For example, NAFO has recently adopted rules to regulate chartering arrangements for quotas and shrimp fishing days. Those rules impose relatively tight controls on chartering arrangements and require full transparency. In the context of developing new allocation criteria, ICCAT members have also made a commitment to create rules to regulate chartering operations for stocks under its purview.

Another problem may arise when a vessel registered in State A is chartered by nationals in State B to fish in waters under the jurisdiction of State B as well as on the high seas. Responsibility for controlling the high seas fishing activity may not be clear - does it rest with State A (the flag State) or with State B? While the vessel operates in waters under the jurisdiction of State B, that State would have responsibility as a coastal State over the vessel's fishing activities. But when the vessel ventures onto the high seas, the flag State (State A) might generally be thought to have responsibility over the fishing activities. State B may have no authority to board or inspect the vessel on the high seas or have other practical means to control its high seas fishing activities. Yet State A may have no way to know when the vessel is fishing on the high seas.

One possible solution to the above situation is to require that chartered vessels take on the nationality of State B - that is, have State B become the flag State - for the duration of the charter arrangement. This would give State B responsibility for the fishing activities of the vessel in both areas where it has been chartered to fish - in waters under the jurisdiction of State B as well as on the high seas. Another approach would be for State B not to allow chartered vessels to fish on the high seas at all.

A third possibility is to make both State A and B responsible for controlling the high seas fishing conducted pursuant to a charter arrangement. The charter arrangement could, for example, provide express authority for State B (as well as State A) to board and inspect the vessel on the

high seas and require reporting of catch data to both States. Along these lines, the NAFO chartering rules provide that:

- i. The Contracting Party whose vessel will harvest a quota or use shrimp fishing days under the charter arrangement "is responsible for ensuring that the vessel complies with the requirements of the NAFO Conservation and Enforcement Measures. This does not nullify the obligations of the Contracting Party to which the quota and shrimp fishing days have been allocated [originally].

- ii. The Contracting Party whose vessel will harvest a quota or use shrimp fishing days under the charter arrangement must report the resulting catches and incidental catches both to the Contracting Party involved and to the NAFO Executive Secretary. The report of such catches must be separated from other catch reporting.

A final possibility is to provide for boarding and inspection of chartered vessels on the high seas through regional arrangements of the sort provided for in articles 21 and 22 of the 1995 UN Fish Stocks Agreement.

In any case, just as States should generally not permit vessels with a history of IUU fishing to register in their territories, States and RFMOs should generally not allow chartering arrangements to be made for such vessels.

RECOMMENDATION BY ICCAT ON VESSEL CHARTERING
(Entered into force: June 3, 2003)

RECOGNIZING that, under the ICCAT Convention, Contracting Parties shall cooperate in maintaining the populations of tuna and tuna-like fish at levels that will permit the maximum sustainable catch;

RECALLING that, according to Article 92 of the United Nations Convention on the Law of the Sea, of 10 December 1982, ships shall sail under the flag of one State only and shall be subject to its exclusive jurisdiction on the high seas except as otherwise provided in relevant international instruments,

ACKNOWLEDGING the needs and interests of all States to develop their fishing fleets so as to enable them to fully utilize the fishing opportunities available to them under relevant ICCAT recommendations;

MINDFUL that the practice of charter arrangements, whereby fishing vessels do not change their flag, might seriously undermine the effectiveness of conservation and management measures established by ICCAT unless properly regulated;

REALIZING that there is a need for ICCAT to regulate charter arrangements with due regard to all relevant factors;

THE INTERNATIONAL COMMISSION FOR THE CONSERVATION OF ATLANTIC TUNAS (ICCAT) RECOMMENDS THAT:

The chartering of fishing vessels, other than bareboat chartering, shall observe the following provisions:

1. Charter arrangements may be allowed, predominantly as an initial step in the fishery development of the chartering nation. The period of the chartering arrangement shall be consistent with the development schedule of the chartering nation.
2. Chartering nations shall be Contracting Parties to the ICCAT Convention.
3. Fishing vessels to be chartered shall be registered to responsible Contracting Parties, Cooperating non-Contracting Parties, Entities or Fishing Entities or by other responsible non-Contracting Parties, Entities or Fishing Entities, which explicitly agree to apply ICCAT conservation and management measures and enforce them on their vessels. All flag Contracting Parties or Cooperating non-Contracting Parties, Entities or Fishing Entities concerned shall effectively exercise their duty to control their fishing vessels to ensure compliance with ICCAT conservation and management measures.
4. Both the chartering Contracting Party and the flag Contracting Parties or Cooperating non-Contracting Parties, Entities or Fishing Entities shall ensure compliance by chartered vessels with relevant conservation and management measures established by ICCAT, in accordance with their rights, obligations and jurisdiction under international law.
5. Catches taken pursuant to the chartering arrangement of vessels that operate under these provisions shall be counted against the quota or fishing possibilities of the chartering Contracting Party.
6. All catches taken under the chartering arrangement shall be recorded by both the flag Contracting Parties or Cooperating non-Contracting Parties, Entities or Fishing Entities and the

chartering Contracting Party separately from catches taken by other vessels. The chartering Contracting Party shall report to ICCAT catches and other information required by SCRS.

7. Vessel Monitoring Systems (VMS) and, as appropriate, tools for differentiation of fishing areas, such as fish tags or marks, shall be used, according to the relevant ICCAT measures, for effective fishery management.

8. There shall be observers on board at least 10% of the chartered vessels, or during 10% of the fishing time of the chartered vessels.

9. The chartered vessels shall have a fishing license issued by the chartering nation, and shall not be on the ICCAT IUU list as established by the Recommendation by ICCAT to Establish a List of Vessels Presumed to Have Carried Out Illegal, Unreported and Unregulated Fishing Activities in the ICCAT Convention Area [02-23].

10. When operating under charter arrangements, the chartered vessels shall not, to the extent possible, be authorized to use the quota or entitlement of the flag Contracting Parties or Cooperating non-Contracting Parties, Entities or Fishing Entities. In no case, shall the vessel be authorized to fish under more than one chartering arrangement at the same time.

11. Unless specifically provided in the chartering arrangement, and consistent with relevant domestic law and regulation, the catches of the chartered vessels shall be unloaded exclusively in the Ports of the chartering Contracting Party or under its direct supervision in order to assure that the activities of the chartered vessels do not undermine ICCAT conservation and management measures. The chartering company must be legally established in the chartering Contracting Party.

12. Any transshipment at sea shall be consistent with the 1997 Recommendation by ICCAT on Transshipments and Vessel Sightings [97-11]. Any transshipment at sea shall also be previously and duly authorized by the chartering nation and shall occur only under the supervision of an observer on board.

13(a). At the time the chartering arrangement is made, the chartering Contracting Party shall provide the following information to the Executive Secretary:

- i. the name (in both native and Latin alphabets) and registration of the chartered vessel;
- ii. the name and address of the owner(s) of the vessel;
- iii. the description of the vessel, including the length, type of vessel and the type of fishing method(s);
- iv. species of fish covered by the charter and quota allocated to the chartering Party;
- v. the duration of the chartering arrangement;
- vi. the consent of the flag Contracting Party or Cooperating non-Contracting Party, Entity or Fishing Entity; and
- vii. the measures adopted to implement these provisions.

(b) At the time the chartering arrangement is made, the flag Contracting Party or Cooperating non-Contracting Party, Entity or Fishing Entity shall provide the following information to the Executive Secretary:

- i. its consent to the chartering arrangement;
- ii. the measures adopted to implement these provisions; and

- iii. its agreement to comply with ICCAT conservation and management measures.
- (c) Both the chartering Contracting Party and the flag Contracting Party or Cooperating non-Contracting Party, Entity or Fishing Entity shall inform the Executive Secretary of the termination of the charter;
- (d) The Executive Secretary of ICCAT shall circulate all the information without delay to all Contracting Parties.
14. The chartering Contracting Party shall report to the Executive Secretary of ICCAT by July 31 each year, and for the previous calendar year, the particulars of charter arrangements made and carried out under this recommendation, including information of catches taken and fishing effort deployed by the chartered vessels, in a manner consistent with confidentiality requirements.
15. Each year the Executive Secretary of ICCAT shall present a summary of all the chartering arrangements to the Commission which, at its annual meeting, shall review compliance with this recommendation.
16. Without prejudice to the annual review provided for in paragraph 15, the Commission, at its annual meeting in 2006, shall review and, as appropriate, revise this recommendation.

NAFO Chartering Scheme
(Article 15 of Chapter II of the NAFO Conservation and Enforcement Measures)

1. A Contracting Party may utilise partly or wholly quota and fishing days allocated to that Party under [Annex I](#) by way of a chartering arrangement with a fishing vessel flying the flag of another Contracting Party and notified in accordance with [Article 16](#). Such chartering arrangement must be subject to the consent of the flag State Contracting Party.
2. The chartering Contracting Party shall limit such chartering arrangements to one fishing vessel per flag state of the chartering Contracting Party per year and for a limited duration not exceeding 6 months.
3. For the purpose of this Article the chartering Contracting Party means the Contracting Party to which the quota and fishing days have been allocated pursuant to [Annex 1](#). The flag state Contracting Party means the Contracting Party in which the chartered vessel is registered.
4. Chartering arrangements involving vessels identified as having been involved in IUU fishing activities pursuant to [Chapter VI](#) shall not be permitted.
5. The relevant flag State Contracting Party is responsible for ensuring that the vessel complies with the requirements of these Conservation and Enforcement Measures. This does not nullify the obligations under [Chapter I](#) of the chartering Contracting Party to which the quota and fishing days have been allocated originally.
6. When operating under chartering arrangements, the chartered vessels shall not be authorised at the same time to utilize the quota or fishing days of the flag state Contracting Party. The vessel shall not be authorised to fish under more than one chartering arrangement at the same time. Any transshipment at sea shall be previously authorised by the chartering flag state Contracting Party and shall be carried out under the supervision of an observer on board.
7. Chartering Contracting Parties intending to have recourse to such chartering arrangements shall notify prior to commencement of the chartering arrangement the following information to the Executive Secretary:
 - a. name and registration of the chartered vessel and the relevant flag Contracting Party;
 - b. previous name(s) and flag state(s) of the vessel, if any;
 - c. the name and address of the owner(s) and operators of the vessel;
 - d. a copy of the chartering and the fishing licence issued by the chartering Contracting Party;
 - e. the fishing possibilities concerned;
 - f. the date as from which the vessel is authorised to commence fishing on these fishing possibilities; and
 - g. the duration of the chartering arrangement.
8. The relevant flag State Contracting Party shall notify in writing its consent to the Executive Secretary.
9. The Executive Secretary shall verify upon receipt of all required documentation that the chartering arrangements fulfill the conditions referred to in paragraphs 2 and 4. The Executive Secretary shall then circulate this documentation without delay to Contracting Parties, indicating the date at which the chartering arrangement becomes effective.

10. Both the chartering Contracting Party and the flag State Contracting Party shall inform the Executive Secretary of the termination of the chartering arrangement and the beginning and ending of fishing operations under it.

11. All catches and by-catches from notified chartering arrangements shall be recorded by the relevant chartering and flag State Contracting Party separate from other national catch data recorded pursuant to Article 20. They shall be reported to the Contracting Party to which the fishing possibilities have been allocated and to the Executive Secretary, separately from other national catch data pursuant to Article 21. The Executive Secretary shall add these catches to the catch statistics of the Contracting Party to which the fishing possibilities were originally allocated.

12. The chartering Contracting Party shall report to the Executive Secretary by 1 July each year, and for the previous calendar year, all relevant information concerning the implementation of chartering arrangements notified under this Article, including information on catches taken and fishing effort deployed by the chartered vessel.

13. The Executive Secretary shall by 15 August each year submit a report to the Fisheries Commission providing an overview of chartering arrangements and their compliance with the provisions of this Article. The Fisheries Commission shall, on the basis of this report, review compliance with the provisions of this Article at each Annual Meeting.