



SHIP SAFETY BULLETIN

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Subject:

OIL PRICE CAP (OPC) COMPLIANCE AND ENFORCEMENT

Scope

This bulletin is for people and entities involved in the trade of Russian oil and oil products.

Purpose

This bulletin explains:

- the oil price cap conditions implemented by the Price Cap Coalition
- how to identify vessels that are evading or breaching the oil price cap

The oil price cap is part of a suite of sanctions related to Russia and its war against Ukraine.

Background

The oil price cap on Russian crude oil was introduced in December 2022 by the Price Cap Coalition, a group made up of the G7, the European Union, Australia and New Zealand. The price cap was extended to include petroleum products in February 2023. The price cap's goals are to:

- constrain Russian revenues that could otherwise be used to fund Russia's war against Ukraine;
- maintain global oil flows, and;
- protect energy security.

What you need to know

The services affected by the price cap include: trading/commodities brokering, financing, shipping, insurance, flagging, and customs brokering. The table below explains the most common ways that vessels evade the oil price cap, and methods you can use to help identify them and reduce their impact. [Get more information on the Oil Price Cap.](#)

Keywords:

1. Oil Price Cap
2. Compliance
3. Enforcement

Questions concerning this Bulletin should be addressed to:

AMSR

Transport Canada
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330 Sparks Street, 25th Floor
Ottawa, Ontario K1A 0N5

Contact us at: MarineLiability-ResponsabiliteMaritime@tc.gc.ca or 1-855-859-3123 (Toll Free).

If you suspect that a vessel is violating the price cap, please contact the RCMP: sanctions@rcmp-grc.gc.ca.

Table 1: Types of evasion methods and how to identify them

Evasion method	Description	How to identify
Falsified documents and statements	Using false documents to disguise the true price paid for Russian oil and oil products, and hide a vessel’s origins, goods, destination, and the legitimacy of the vessel itself.	<p>Research the customers and supply chain partners you deal with. Risk assess documents that appear incomplete, inconsistent or contradictory to previously shared or publicly available information. If you find information that suggests the price of the oil exceeds the price cap, refuse service and notify authorities.</p> <p>You must get a statement (attestation) from your partners each time you lift or load Russian oil or oil products.</p> <p>If you have an itemised cost list, you must share it if asked.</p>
Opaque shipping and costs	Manipulating costs that could hide oil being bought above the price cap.	<p>Research the customers and supply chain partners you deal with. If you find information that suggests the price of the oil exceeds the price cap, refuse service and notify authorities.</p> <p>You must get a statement (attestation) from your partners each time you lift or load Russian oil or oil products.</p> <p>If you have an itemised cost list, you must share it if asked.</p>
Third country supply chain intermediaries and complex and	Using shell companies, and complex ownership structures to hide the vessel’s true owner.	Employ due diligence for ships that have undergone numerous administrative changes, that conceal beneficial ownership or

<p>irregular corporate structures</p>		<p>are otherwise engaged in unusually opaque practices.</p>
<p>Flagging</p>	<p>False flag: a vessel uses a country's flag after it's been deregistered or claims a flag without permission.</p> <p>Flag hopping: changing flags multiple times to hide a vessel's origin.</p>	<p>Use marine notices to inform registrants and vessel owners that misleading conduct could lead to their registration being revoked.</p> <p>Share information on oil price cap evasion with other flagging registries and relevant authorities.</p> <p>Consult resources like the International Chamber of Shipping Flag State Performance Table.</p>
<p>Shadow fleet</p>	<p>Older vessels that are anonymously owned and/or have complex corporate structures that are used for deceptive shipping practices.</p> <p>Vessels can also have unknown, untested, sporadic, or fake insurance, which means they may not be able to pay the costs of any accidents that occur.</p>	<p>Research the vessels that fit the shadow fleet description or that don't have insurance from a legitimate insurance provider. If you find information that suggests the price of the oil exceeds the price cap or a potential illicit or unsafe maritime oil trade, notify authorities.</p> <p>Require vessels to have continuous and appropriate maritime insurance coverage for their entire trip. This coverage should be from legitimate insurance providers and should cover their liabilities, especially related to oil pollution.</p> <p>Consult the International Maritime Organization resolution "A.1192(33) Urging Member States and all relevant stakeholders to promote actions to prevent illegal operations in the maritime sector by the 'dark fleet' or 'shadow fleet'."</p>

		<p>Ensure counterparties receive classification from the International Association of Classification Societies member societies to make sure the vessels are fit for their intended service.</p>
<p>Voyage irregularities</p>	<p>Disguising final destination, origin of cargo or recipients by using indirect routing, unscheduled detours, transits or transshipment of cargo through third countries for illegitimate reasons.</p> <p>Long, repeated or unexplained gaps in the Automatic Identification System (AIS).</p> <p>Ship-to-ship (STS) transfers without procedural obligations under international law, being done at night and in areas known for illegal behaviour, and together with other evasion practices.</p>	<p>Monitor vessels that engage in irregular voyages for illegitimate or unknown reasons. You may want to further investigate vessels that can't account for their AIS history.</p> <p>Encouraged to scrutinise routes and destinations unlike normal businesses practices for unknown reasons.</p> <p>Be aware of locations known for STS transfers associated with deceptive or evasive activity.</p> <p>Use contractual language to tell clients that disabling or manipulating their AIS could lead to service being cancelled, and promote the continuous broadcasting of AIS.</p>