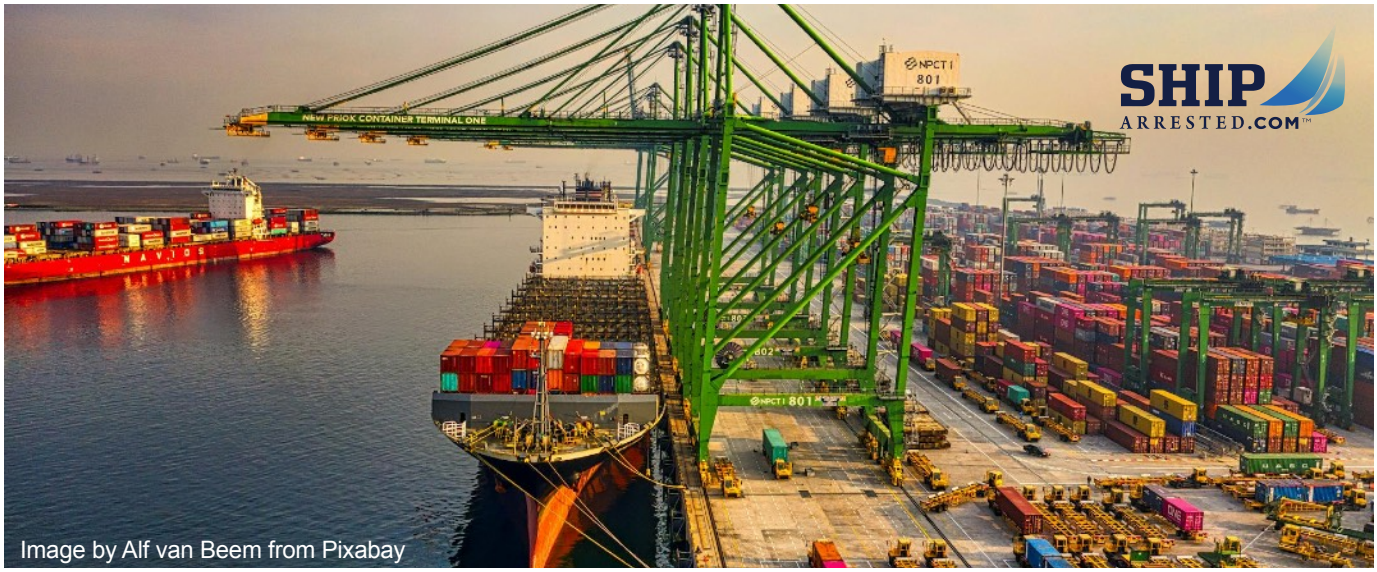
THE ARREST news

Issued by the industry network devoted to ship arrests, www.shiparrested.com

Issue 52. Edited by the Shiparrested.com Editorial Comm. info@shiparrested.com

April 2026



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In this issue of *The Arrest News:*

Maritime Enforcement at the Edge of Geopolitics: The Southern Caribbean as a Quiet Pressure Point by Cherie Gopie, M Hamel Smith (Trinidad & Tobago)

Geopolitical tension at sea is often measured in naval deployments, diplomatic statements, and sanctions announcements. Less visible, but no less consequential are the ways in which such tension reshapes civil maritime enforcement risk. For shipowners, charterers, insurers, and their advisers, it is frequently the law of arrest, detention, and security that provides the first tangible indication that the operational environment has shifted.

The Southern Caribbean has increasingly emerged as one such pressure point. Recent developments involving the United States and Venezuela have drawn attention to these waters, not only from a security perspective but also from a commercial and regulatory standpoint. While public focus tends to rest on state activity, the practical consequences are often felt in ports, courts, and arrest proceedings across the region.

From Geopolitics to Private Law Consequences

Naval operations and civil maritime enforcement operate in separate legal spheres. Arrest proceedings remain grounded in the enforcement of civil claims between commercial parties, subject to established

procedural safeguards. Nevertheless, geopolitical developments can influence the broader commercial and regulatory context in which enforcement decisions are taken. Heightened regional tension typically brings with it increased scrutiny of vessel movements, ownership structures, and contractual relationships. In regions proximate to sanctioned or politically sensitive states, this scrutiny may manifest through closer attention to port calls, cargo documentation, beneficial ownership, and the nature of services provided to offshore or energy-related operations.

For maritime practitioners, this translates into a more complex enforcement environment, one in which disputes arising from otherwise ordinary commercial relationships may acquire additional sensitivity when vessels call at strategically exposed jurisdictions.

The Southern Caribbean Context

The Southern Caribbean occupies a unique position in this regard. The region sits at the intersection of major shipping routes, offshore energy activity, and cross-border commercial operations. Trinidad and Tobago, in particular, lies immediately adjacent to Venezuela and plays a central role in servicing regional energy and supply chains.

Despite its relatively small territorial footprint, Trinidad and Tobago is regularly engaged with vessels operating under multiple flags, layered ownership structures, and contracts extending well beyond the Caribbean. As a result, disputes arising elsewhere may crystallise locally, where vessels are physically present and subject to arrest.

This geographic reality means that Trinidad and Tobago is not merely a transit jurisdiction, but one in which civil enforcement mechanisms are increasingly engaged at moments of heightened regional sensitivity.

Admiralty Jurisdiction as a Stabilising Force

In such environments, the quality of the local admiralty framework becomes critical. Trinidad and Tobago's admiralty jurisdiction is exercised by the High Court pursuant to a well-developed statutory and procedural regime, principally Part 74 of the Civil Proceedings Rules, which provides a comprehensive framework for proceedings in rem and in personam. The jurisdiction recognises a broad range of maritime claims, including claims arising from contracts of carriage and hire, offshore services, supply of goods and services to ships, damage, personal injury, salvage, towage, pilotage, crew wages, and the enforcement of maritime liens. Arrest may be effected irrespective of flag, and sister ship arrest is available where the relevant beneficial ownership requirements are satisfied.

In practice, arrest can be effected swiftly once instructions and supporting material are in order, reflecting a judicial awareness of the commercial realities of shipping operations. The courts are accustomed to dealing with complex ownership structures, including bareboat and time-chartered vessels, and to resolving jurisdictional questions arising from cross-border disputes.

Predictability, Security, and Release

For vessel interests operating in strategically sensitive regions, predictability in arrest and release procedures is a critical consideration. Trinidad and Tobago's courts approach applications for release on a pragmatic, case-specific basis, requiring security sufficient to cover the claim, interest, and costs, and exercising judicial oversight as to adequacy and reliability. Commercially recognised forms of security, including bank guarantees and P&I Club letters of undertaking, may be accepted where appropriate, allowing vessels to be released without disproportionate delay. Once acceptable security is in place, release can occur promptly, mitigating the risk of prolonged detention and unnecessary disruption to maritime commerce.

This procedural predictability operates as a stabilising force in a region where geopolitical uncertainty may otherwise complicate operational decision-making.

Enforcement Risk in a Heightened Scrutiny Environment

In periods of increased geopolitical attention, arrest risk often extends beyond the obvious categories of unpaid hire or supply claims. In the Southern Caribbean, enforcement actions may arise from:

- offshore services and energy-related contracts,
- disputes involving regional supply vessels,
- claims intersecting with sanctions or compliance concerns,
- or proceedings connected to litigation or arbitration in other jurisdictions.

Even where a vessel or owner is not directly implicated in political developments, association through counterparties, routes, or operational history may increase exposure. In such cases, arrest becomes not merely a mechanism of debt recovery, but a focal point for broader compliance and risk considerations.

Predictability, Security, and Commercial Balance

A recurring concern for vessel interests operating in strategically sensitive regions is the risk of prolonged detention. This approach balances the legitimate interests of claimants with the need to avoid disproportionate disruption to maritime commerce. In an environment where geopolitical uncertainty may already weigh heavily on operational decision-making, such predictability is a significant commercial asset.

Implications for Arrest Practitioners

The experience of the Southern Caribbean underscores a broader point for maritime lawyers: enforcement risk is increasingly shaped by context as much as by contract. Jurisdictions that combine strategic geography with mature admiralty frameworks may assume outsized importance during periods of geopolitical tension.

In such jurisdictions, while many practitioners may be familiar with the procedural mechanics of arrest, effective risk management often turns on advisers with the depth of training and experience to navigate the strategic nuances of enforcement, security, and release.

Conclusion

As maritime activity continues to intersect with geopolitical developments, civil enforcement mechanisms such as ship arrest remain one of the most immediate points at which these forces converge. The Southern Caribbean, and Trinidad and Tobago in particular, illustrates how smaller jurisdictions can occupy a pivotal position in this landscape.

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From Hormuz to Gibraltar: Why Conflict-Driven Shipping Stress May End in More Ship Arrests by Christian Hernandez, Isolas (Gibraltar)

As a lawyer who practises in ship arrest and admiralty matters, I look at the current crisis involving Iran, the disruption to the Strait of Hormuz and soaring oil prices through a slightly different lens from most commentators. Important though the geopolitical and military dimensions plainly are, my immediate instinct is to consider the commercial consequences for shipowners, operators, charterers, suppliers, lenders and insurers. In shipping, geopolitical shock rarely stays geopolitical for long. It very quickly turns into cash-flow strain, delayed payments, contested liabilities and, in some cases, urgent applications to arrest ships.

That is particularly true where the shock affects energy flows. The present conflict has severely

disrupted traffic through the Strait of Hormuz, a waterway through which roughly a fifth of global oil and LNG normally passes, while Brent crude has moved above $100 a barrel. Refined fuel markets have also tightened, with diesel and bunker costs coming under particular pressure, and major operators such as Maersk have responded by introducing emergency bunker surcharges.

History teaches that sea power is often as much about threat as about actual destruction. One of the enduring lessons of naval warfare is that a credible threat to a chokepoint can have market consequences out of all proportion to the number of ships actually attacked. That is one of the clearest features of the present situation. Even where capability is uncertain or uneven, the mere prospect of drones, missiles, mines, rising war-risk premiums and the absence of secure escort arrangements is enough to force owners, charterers and underwriters to reprice risk immediately.

From the perspective of a ship arrest lawyer, this is relevant because these added costs do not fall evenly across the market. Stronger operators may absorb them. Weaker or more thinly capitalised players may not. When bunker costs rise sharply, war-risk insurance becomes materially more expensive, schedules are disrupted and freight economics deteriorate, the legal fallout tends to appear in familiar forms, unpaid bunkers, unpaid port charges, unpaid hire, unpaid necessaries, crew claims, disputes with mortgagees and increasing pressure from creditors who no longer trust promises of payment tomorrow. In a stressed market, ship arrest ceases to be a technical procedural device and becomes what it has always really been, one of the most effective ways of obtaining security when the risk of non-payment is no longer theoretical.

All of this brings Gibraltar firmly into the picture. Gibraltar's location at the gateway to the Mediterranean has always given it strategic maritime importance, but in times of shipping stress that geography becomes commercially and legally significant. The Port of Gibraltar is the largest bunkering port in the Mediterranean, and it sits on one of the busiest maritime corridors in the world, with more than 100,000 vessels transiting the Strait of Gibraltar annually. It is exactly the sort of jurisdiction in which the consequences of upstream disruption in the Gulf may begin to show themselves through defaults, claims and security actions against vessels calling to bunker, change crew or await orders.

In my view, Gibraltar has very real advantages as a ship arrest jurisdiction. One of its principal strengths is speed. If full instructions and supporting documents are available and the writ and affidavit are in order, an arrest can in practice be effected within hours. The Admiralty Marshal is available 24 hours a day, 365 days a year, so in urgent cases an arrest can be carried out at any time. That is no small advantage in a port where vessel calls are often short and commercially driven. Gibraltar is also commercially pragmatic from the owner's perspective: once satisfactory security is provided, often by way of a P&I Club letter of undertaking or a first-class bank guarantee, release can usually be obtained very quickly.

Another practical advantage is that admiralty matters in Gibraltar are treated with priority by the Supreme Court. In a volatile market, creditors do not just want theoretical rights, they want a forum in which those rights can be exercised swiftly and effectively. Equally, owners and clubs want to know that if security is offered, release can be arranged without unnecessary delay. Gibraltar's arrest jurisdiction works because it recognises both sides of that commercial reality.

None of this is to suggest that every shipping company calling at Gibraltar is about to default, or that every period of market stress will produce a wave of arrests. But if the present Iran crisis continues to keep oil prices elevated, insurance costs high and trading conditions unstable, I would expect an increase in payment pressure across parts of the shipping market.

And where payment pressure rises, ship arrests tend to follow. For maritime creditors, lenders, bunker suppliers and others exposed to shipping counterparties, Gibraltar may prove to be one of the most effective points in the Mediterranean at which to convert concern into security.

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Bunker Claims and Ship Arrest in Italy: The Controversial Role of Article 3(4) of the 1952 Arrest Convention

by Alberto Batini, BTG Legal (Italy)

Unpaid bunker invoices remain one of the most frequent causes of ship arrests worldwide. In principle, bunker claims clearly qualify as maritime claims under the International Convention Relating to the Arrest of Sea-Going Ships 1952, which Italy has ratified and incorporated into its legal system.

However, in Italy the effectiveness of bunker claims as a basis for arrest may depend on the interpretation of one key provision of the Convention: Article 3(4).

This provision becomes particularly relevant in modern shipping practice, where bunkers are often ordered not by the shipowner but by the charterer.

The limitation contained in Article 3(4)

Article 3 of the Convention regulates which ship may be arrested in connection with a maritime claim. Paragraph 4 establishes an important limitation intended to protect shipowners.

In essence, where the maritime claim is directed against a charterer rather than the owner, the arrest may only affect:

- the ship in respect of which the claim arose if the charterer is also its owner; or
- another ship owned by the charterer.

The underlying rationale is straightforward: a vessel owned by a third party should not be arrested for debts incurred by someone else.

While the principle is clear, its application becomes problematic in the bunker sector, where it is extremely common for bunkers to be ordered by time charterers or operators even though the fuel is supplied directly to the vessel.

The restrictive approach of part of the Italian case law

A significant number of Italian court decisions have interpreted Article 3(4) in a rather strict manner.

Under this approach, if the bunker supply contract is concluded with the charterer and not with the shipowner, the supplier may be prevented from arresting the vessel owned by a third party. The reasoning is that the maritime claim exists only against the charterer, and therefore the Convention does not allow the arrest of the owner's vessel.

This interpretation can create serious practical difficulties for bunker suppliers. In many cases:

- the contractual debtor is the time charterer;
- the supplier has no contractual relationship with the registered owner;
- the charterer may have no attachable assets or vessels.

As a result, a strictly literal reading of Article 3(4) may leave suppliers with limited enforcement options.

A case-by-case approach in practice

Despite this restrictive trend, the outcome of arrest applications in Italy often depends heavily on the factual and documentary context of each case.

Courts frequently look beyond the mere identity of the contractual counterparty and examine whether the supply of bunkers was somehow authorised, approved or accepted by parties acting on behalf of the shipowner.

Relevant evidence may include:

- communications involving the master of the vessel;
- instructions or operational coordination by the ship's managers;
- bunker delivery receipts signed on board without reservations;
- operational exchanges between the supplier and the vessel.

Where such elements are present, the situation may no longer appear as a purely charterer-driven transaction.

The role of the master and the operational sphere of the vessel

An important element in this analysis is the role of the master of the vessel.

Under general maritime law principles, the master traditionally acts as the representative of the shipowner for matters relating to the operation and management of the vessel. The acceptance of bunkers on board, the supervision of the bunkering operation and the signing of bunker delivery receipts may therefore have legal significance beyond mere operational formalities.

From this perspective, bunker supplies can be seen as transactions carried out within the operational sphere of the ship itself, rather than purely contractual arrangements between the supplier and the charterer.

This argument reinforces the idea that the maritime claim arises in connection with the vessel, even when the commercial order is placed by the charterer.

Agency and implied authority

The situation can also be analysed through the lens of agency principles.

In many charterparty structures, the charterer is responsible for arranging and paying for bunkers. However, this operational responsibility does not necessarily mean that the charterer acts exclusively in its own interest.

In practice, the charterer may be seen as exercising a form of operational authority delegated by the owner, particularly where the charterparty allocates to the charterer the task of procuring bunkers necessary for the vessel's navigation.

In such circumstances, the charterer ordering bunkers may arguably be acting within the operational framework of the vessel and, to a certain extent, also on behalf of the shipowner.

This perspective suggests that the bunker supply should not always be viewed as a purely personal obligation of the charterer, but rather as an operational transaction linked to the management and use of the vessel.

Implied ratification by the owner

Another concept that may become relevant is ratification.

Even if the bunker order is initially placed by the charterer, the conduct of the owner's side may amount to an implicit approval of the transaction. This may occur, for example, where:

- the master authorises the bunkering operation;
- the vessel receives and uses the bunkers without objection;

- the shipowner or its managers are aware of the supply and do not raise objections;
- no clear no-lien notice is communicated to the suppliers

Such elements may support the argument that the supply was accepted within the operational framework of the vessel, thereby reinforcing the connection between the maritime claim and the ship itself.

Delegation of operational functions to the charterer

From a broader perspective, modern chartering structures frequently involve a functional delegation of operational responsibilities to the charterer.

Time charterparties commonly require the charterer to procure bunkers and arrange bunkering operations. This operational allocation may be interpreted as a form of implicit delegation by the owner, allowing the charterer to act within a defined sphere relating to the vessel's commercial operation.

Where such delegation exists, it may be argued that the charterer ordering bunkers does so not purely in its own capacity but in the exercise of responsibilities connected with the operation of the vessel itself.

This line of reasoning may help bridge the gap between the strict wording of Article 3(4) and the commercial reality of modern shipping practice.

Conclusion

The interpretation of Article 3(4) of the International Convention Relating to the Arrest of Sea-Going Ships 1952 remains a key issue for bunker-related ship arrests in Italy.

While part of the Italian case law adopts a restrictive approach that may limit the arrest of vessels where the contractual debtor is a charterer, the practical outcome often depends on the specific facts of each case.

Evidence of operational involvement by the master, the ship's managers, or the owner's organisation – together with principles of agency, implied authority, and ratification – may play a decisive role in establishing a sufficient connection between the maritime claim and the vessel.

For bunker suppliers and maritime practitioners, the lesson is clear: in arrest proceedings, the quality of the documentation and the ability to demonstrate the operational link between the bunker supply and the ship may prove just as important as the formal structure of the bunker contract.

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What Next? A follow-on Analysis of U.S. Tanker Seizures by Benjamin M Robinson, Esq., Chalos & Co, PC

This article is a follow-on to our earlier analysis, "US Seizure of MT SKIPPER: How Lawful Was It?", published in the last issue of the *The Arrest News*. Our initial article examined the legal framework underlying the U.S. boarding and seizure of MT SKIPPER based on the information available at the time. Since that publication, the United States has carried out at least six additional seizures of foreign tankers on similar grounds. This article extends the earlier analysis to address those subsequent seizures, the additional legal issues they raise, and—as of the time of writing—what is known about the disposition of the seized vessels and their cargoes, including the legal framework that may govern how the proceeds of those cargoes are ultimately distributed.

By way of background: on December 10, 2025, U.S. Coast Guard and FBI personnel boarded and seized the oil tanker MT SKIPPER in waters off the coast of Venezuela, marking one of the most significant maritime enforcement actions against 'shadow fleet' vessels in recent years. The vessel was originally designated by OFAC under the name ADISA in November 2022, and is alleged to be part of an evasive oil trade that ultimately funded the Islamic Revolutionary Guard Corps-Qods Force and Hezbollah. At the time of seizure, SKIPPER had loaded approximately 1.8 million barrels of Venezuelan heavy crude and was digitally manipulating its tracking signals to falsely indicate it was sailing off the coast of Guyana while also falsely flying the Guyana flag. The seizure raised foundational questions about the scope of U.S. maritime authority and the legal basis for seizing vessels and cargo on the high seas—questions this article continues to explore in light of the seizures that followed.

Can the U.S. Board a Non-U.S. Vessel Outside of Its Territorial Seas?

It was legally essential that the boarding of SKIPPER and all of these seizures that followed was led by a U.S. Coast Guard Maritime Security Response Team (MSRT). The Coast Guard's boarding authority statute, 14 U.S.C. § 522, is unique in U.S. law. It authorizes the Coast Guard to “make inquiries, examinations, inspections, searches, seizures, and arrests upon the high seas and waters over which the United States has jurisdiction, for the prevention, detection, and suppression of violations of laws of the United States.” As a result of the high-seas language, the authority extends well beyond the twelve-nautical-mile territorial sea, reaching into international waters. The statute grants Coast Guard boarding officers the power to board any vessel "subject to the jurisdiction, or to the operation of any law, of the United States" and to use "all necessary force to compel compliance." Unlike land-based law enforcement officers who generally require a warrant, Coast Guard personnel can board and inspect vessels without warrant or suspicion.

The scope of this authority is not unlimited, however. Under international law, particularly the UN Convention on the Law of the Sea (UNCLOS), vessels on the high seas are generally subject to the exclusive jurisdiction of their flag state—the country where they are registered. As a result, states generally cannot unilaterally board and enforce domestic law against foreign-flagged vessels outside their own coastal waters unless UNCLOS provides an exception for doing so.

False Flags

The key to the legal framework for the SKIPPER boarding was the vessel's registry status. According to reports, the SKIPPER was falsely flying the Guyana flag and was therefore a stateless vessel. Guyana had notified the International Maritime Organization that it de-listed the ship following advocacy group listings and U.S. sanctions. “Stateless” designation was crucial to the Coast Guard’s authority to board. "The flag of a nation gives occupants of that vessel protection of a sort by the law of the flag nation." United States v. Hurtado, 89 F. 4th 881, 893 (11th Cir. 2023). The inverse is equally true: a vessel with no flag—a stateless vessel—is vulnerable. When a vessel falsely claims registry under a flag it does not legitimately hold, or refuses to show any flag at all, states have the "right of visit," allowing their officials to stop and inspect the ship on the high seas.

The boarding and seizure of MT MARINERA (IMO 9230880, formerly BELLA 1) on January 7, 2026, presented a variant on the false flag rationale. MARINERA's boarding on the high seas between Iceland and the U.K. occurred after a pursuit from the Caribbean. Initially, the master of the vessel failed to cooperate with the boarding, itself a U.S. maritime crime known as "Failure to Heave-to" under 18 U.S.C. § 2237.

At the start of the pursuit, the vessel bore the name BELLA 1 and was falsely flying the flag of Guyana—Guyana denied that it was part of its registry. On Christmas Eve, the vessel was granted "temporary permission" to fly the Russian flag and was included in its ship registry. The U.S. treated this re-flagging as evasive and invalid and, as a result, the vessel remained stateless from the perspective of the U.S. administration.

This situation sits in tension with two adjacent UNCLOS Articles, 91 and 92. On the one hand, Article 91 grants flag states the authority to set the requirements for ships of their registries. On the other hand, Article 92 prohibits ships from alternating between flags for "convenience" and states that a ship "may not change its flag during a voyage" unless it represents a "real" change in registry. Ultimately, Russia's reaction was limited to a statement by its Foreign Ministry condemning the boarding.

Friendly Flags: Consent Boardings

Even when a vessel has a valid claim of nationality and therefore properly flies the flag of its nation, the flag state may waive its claim of jurisdiction or consent to the boarding. This was the key to the seizure of MT CENTURIES ten (10) days after the SKIPPER seizure, on December 20, 2025. CENTURIES is a Panamanian-flagged VLCC, underway in the Caribbean Sea and laden at the time with approximately 1.83 million barrels of Venezuelan crude. AIS manipulation gave rise to suspicion of illegal activity.

Decades-old precedents allow a flag state to not only authorize the United States "to board, inspect, search, seize and escort the vessel to the United States, but also to prosecute the persons aboard the vessel." The United States and Panama have a long-standing agreement in place to facilitate such consent boardings—the Salas-Becker Agreement. Based on the suspicious manipulation of CENTURIES' AIS information, Panama authorized the United States to conduct a consent boarding of the vessel.

Seizure and Forfeiture

While boarding authority establishes one element of lawfulness, the ability to seize a vessel and its cargo requires further authority. The seizure of SKIPPER was authorized in a warrant issued pursuant to 18 U.S.C. §§ 981, 982, 2332b(g)(5), and 2339B(a)(1), which authorize the seizure of "all assets, foreign or domestic, of any individual, entity, or organization engaged in planning or perpetrating any Federal crime of terrorism against the United States, citizens or residents of the United States, or their property." By framing the vessel and its cargo as assets supporting terrorism, the government established a legal basis for forfeiture under federal law.

The seizure of CENTURIES, in contrast to SKIPPER and MARINERA, did not occur pursuant to a warrant. Following the initial boarding of CENTURIES, no official statement indicated that the vessel was seized under a warrant for forfeiture. In light of this, and the absence of an alleged terrorist connection, CENTURIES may have been seized as evidence, rather than forfeiture—a legally significant distinction with consequences for how the vessel and cargo may ultimately be disposed of. MT SOPHIA was also seized as stateless, sanctioned tanker, flying a Panamanian flag. Its release three (3) weeks later to Venezuelan authorities suggests that proceeding without a warrant may present obstacles to subsequent forfeiture; at a minimum it serves as a time-tested quality control mechanism.

Our earlier article pointed out that the primary sanctions statute, the International Emergency Economic Powers Act (IEEPA) does not contain a generally applicable seizure and forfeiture provision like those under which the SKIPPER warrant was issued. Thus while blocking a vessel freezes property in place and prohibits transactions related to it, it does not result in a change in title like a forfeiture.

The absence of direct forfeiture authority in IEEPA itself should not be seen as a license to trade in violation of U.S. sanctions, however. Other IEEPA

provisions may fill the gap. IEEPA grants the President authority to regulate property "subject to the jurisdiction of the United States," and OFAC has consistently interpreted this to include property anywhere in the world that is in the possession or control of a U.S. person. These grounds for jurisdiction would appear to apply when a sanctioned vessel comes under the control of the U.S. government in a law enforcement boarding—OFAC regulations state that blocked vessels entering U.S. jurisdiction must themselves be "physically blocked." IEEPA also contains criminal enforcement provisions, and other general criminal statutes may make property subject to forfeiture for violations, including 18 U.S.C. § 982.

Following the Proceeds

News reports have suggested that the cargo of the MT SKIPPER, once discharged, may be sold with proceeds directed to funds benefiting U.S. victims of state-sponsored terrorism. This raises the question of which legal framework governs such a disposition—and the answer is not TRIA or IEEPA, but a distinct statute: the Justice for United States Victims of State Sponsored Terrorism Act (USVSST Act), codified at 34 U.S.C. § 20144, enacted as part of the Consolidated Appropriations Act of 2016.

The USVSST Act itself does not authorize forfeiture. It is a disbursement mechanism, not a seizure mechanism. It directs the net proceeds of forfeitures —already authorized and carried out under pre-existing statutes such as 18 U.S.C. §§ 981 and 982 cited in the SKIPPER seizure warrant—into the U.S. Victims of State Sponsored Terrorism Fund, which in turn distributes payments to persons with judgments against designated state sponsors of terrorism, like Iran. Under the statute, 100% of net proceeds from criminal forfeitures and 75% of net proceeds from civil forfeitures flow to the Fund where the underlying violation has a connection to a state sponsor of terrorism.

USVSST approach has been used in a series of prior Iranian oil seizure cases. The 2020 seizures of cargo from the Bella, Bering, Pandi, and Luna, for example, involved no military or Coast Guard boarding at all. Instead, U.S. authorities leveraged sanctions pressure—threatening ship owners, insurers, and captains with designations—to compel voluntary cooperation and ship-to-ship cargo transfers. The Suez Rajan (2023) followed a similar model: a prolonged standoff resolved ultimately through a criminal plea by the operating company and eventual commercial compliance, not a law enforcement boarding.

The earlier cases used judicial process and commercial coercion to achieve forfeiture of cargoes that were already within reach of U.S. legal process through sanctions leverage. The at-sea boarding model deployed against SKIPPER, MARINERA, and CENTURIES in 2025–2026 is a legally novel approach to the initial seizure. The current seizures appear to be converging with past practice on the forfeiture and proceeds mechanisms applied. In view of the similarities, the details of the past oil forfeitures helps to understand how the current round of seizures may conclude:

M/T Achilleas (2021): A civil forfeiture complaint filed in the U.S. District Court for the District of Columbia alleged that all oil aboard the Liberian-flagged M/T Achilleas was subject to forfeiture based on terrorism forfeiture laws. The DOJ explicitly stated that funds successfully forfeited with a connection to a state sponsor of terrorism may in whole or in part be directed to the USVSST Fund. The petroleum was sold for approximately $111 million.

M/T Arina and M/T Nostos: In a related action, petroleum onboard these two vessels was sold for approximately $51 million, again with the USVSST Fund referenced as the intended recipient of forfeited proceeds.

M/T Suez Rajan (2023) — Case No. 1:23-cv-00882-CJN (D.D.C.): The first-ever criminal resolution

involving a company that facilitated the illicit transport of Iranian oil. Suez Rajan Limited pleaded guilty to conspiring to violate IEEPA (Criminal Case No. 23-CR-00088) and received a corporate fine of nearly $2.5 million. The sanctioned crude oil was offloaded in Houston after a prolonged standoff and sold for approximately $74.7 million in net proceeds. The Suez Rajan itself was not forfeited—after offloading, the vessel quietly departed under a new identity, the St. Nikolas.

M/T Abyss (2024): A civil forfeiture complaint was unsealed alleging that more than 500,000 barrels of Iranian fuel oil valued at over $25 million, previously onboard the Abyss, was forfeitable as property of the IRGC. The DOJ complaint contained the now-standard boilerplate language noting that funds successfully forfeited with a connection to a state sponsor of terrorism may in whole or in part be directed to the USVSST Fund.

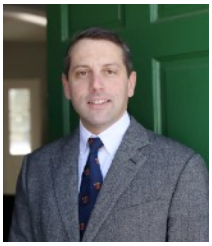
$47 Million in Iranian Oil Proceeds (April 2025): A civil forfeiture complaint was filed seeking $47 million in proceeds from the sale of approximately one million barrels of Iranian petroleum product. The DOJ again noted that funds successfully forfeited with a connection to a state sponsor of terrorism may be directed to the USVSST Fund. Since its establishment, the USVSST Fund has paid out over $10 billion to eligible victims.

It should be noted that while the DOJ's forfeiture complaint against the SKIPPER contains the same IRGC and terrorism financing allegations that have triggered USVSST Fund distributions in prior cases, publicly available filings in the SKIPPER proceedings do not yet contain the explicit USVSST Fund boilerplate language present in earlier complaints. Whether the SKIPPER proceeds will ultimately flow to the Fund remains to be confirmed by official statement or court filing. Given the consistent pattern established across these prior cases, however, that outcome would be consistent with both the statutory framework and DOJ practice.

Conclusion

The downstream disposition of seized cargoes through forfeiture proceedings that may direct proceeds to the USVSST Fund will shed light on the authorities and legal theories underpinning the seizures. The release of other vessels, like SOPHIA, also provides clues to the conditions where forfeiture is, and is not, viable. Finally, significant questions remain unclear with respect to what liability, if any, the United States itself might assume in taking custody of actively trading vessels. The situation of MARINERA (BELLA 1)— sitting at anchor off the Scottish coast for months, its crew dispersed, its captain in U.S. custody facing prosecution, and no forfeiture complaint yet filed—demonstrates the issue. The costs of maintaining custody of an uncrewed vessel in a foreign anchorage, together with potential exposure for crew maintenance and support, port fees, and bunker costs, presents obvious questions.

With the past as a guide, it is tempting to see the seizure of the vessels as more an incident to the seizure of the cargo than the vessels themselves. Yet BELLA 1 had no oil cargo on board during its transatlantic pursuit by the Coast Guard. Ultimately, the December and January tanker seizures likely represent something new in this respect. These seizures may prove novel not only in the legal theories applied to conduct the high-seas boarding and seizure, but equally for the international policy statements that they communicated.



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Bahamas Flag Performance & Global Shipping Confidence in 2026

by ParrisWhittaker

Bahamas Flag Posts Exceptional Port State Control Results - What This Means for Shipowners and Maritime Claims

For the global maritime community, performance metrics matter - especially when selecting flag States and enforcement jurisdictions. In 2025, the Bahamian flag delivered one of its strongest safety performances on record, reinforcing confidence in this leading registry and its wider impact on shipping, enforcement, and maritime legal strategy.

According to recent data published by the Bahamas Maritime Authority, Bahamian-flagged vessels recorded just a single detention during United States port state control inspections in 2025 - a result that ties the *joint-lowest* detention rate ever achieved by the registry. Over approximately 2,863 inspections, the Bahamian fleet's performance translated into a remarkably low detention ratio, well below the benchmark applied by the U.S. Coast Guard.

Why This Matters to the Maritime Sector

For international shipowners, P&I clubs, insurers, and maritime lawyers, such performance indicators are more than statistics - they influence commercial decisions, risk profiles, and enforcement planning:

- **Regulatory Reliability:** Low detention rates signal strong compliance with international safety and environmental standards, reducing operational disruptions.
- **Flag State Reputation:** A registry that consistently demonstrates quality oversight can enhance vessel attractiveness to charterers and financiers.
- **Enforcement Considerations:** For maritime claimants considering arrest or security applications in jurisdictions with high-performing flags, confidence in compliance and registry robustness is a strategic factor.

Bahamas in the Spotlight

The Bahamas has long been one of the world's most significant ship registries, prized for its legal system grounded in common law and its pragmatic commercial outlook. As traffic and trade continue through the Caribbean basin, this recent positive performance will likely reinforce the Bahamas' position as a preferred flag for diverse vessel types.

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Inherent Vice or Covered Damage to the Cargo? by Yoav Harris and Domiana Abboud, Harris & Co. Maritime Law Office (Israel)

The following is a voyage through the legal issues surrounding cigarettes sent to Baghdad, Panamanian hats sent to London, and Colombian coffee beans arriving at Bremen. The article will explore the tension between inherent vice and covered risks in cargo damage claims, including the maritime lien for “damage to cargo.”

Cigarettes to Baghdad (1923): E.D. Sassoon & Co. v. Yorkshire Insurance Co.

Upon arrival in Baghdad, surveyors opened 70 cases containing 3.5 million cigarettes shipped from Glasgow. Although the outer cases appeared intact, the internal tin linings were rusted on both sides, and every cigarette was mildewed. Messrs. E.D. Sasson & Co. were lucky or thoughtful enough to have their cargo insured by Messes. Yorkshire Insurance Company, established about 100 years before in 1824. Wording of the contract included an oddly worded paragraph which read as follows, "and touching the adventure and the perils the said company are liable unto" and exceptionally included damages by fresh water, mould or mildew as covered perils. As Lord Justice Scrutton, seated those days in the court of appeal explained, “it turned out that there are kinds of vegetable spores floating about in the atmosphere which, if they get into tobacco and find suitable dampness and suitable heat will grow and produce the appearance known as mould and mildew, which is really a small microscopic plant growing in a suitable soil”. Lord Justice Scrutton also phrased Yorkshire Insurance defense in the following two remarks: "Oh, but we have only insured mould and mildew which is a casualty, not mildew and mould which are, so to speak, ordinary wear and tear of cigarettes going to Bagdad"; and secondly, "if there is damage by mildew and mould it is due to the inherent vice of the cigarettes insured, and we do no insure against inherent vice". This insurer was in fact aiming at the rule that is now present today in Clause 4 of the Institute Cargo Clauses (A), which excludes inherent vice and ordinary wear and tear, "it [the insurance] covers a risk, not a certainty" and "it cannot properly apply to a case where the loss or injury must inevitably take place in the ordinary course of things" (latter cited by the court from Paterson v. Harris which dealt with a claim for sea water damage to a cable).

Testimony before the court from a gentleman connected with a firm that exported large quantities of cigarettes (50 million a year) confirmed that when the cigarettes are dried to a moisture content not exceeding 14% (as was done in the process of manufacturing the subject cigarettes) and packed as the subject cigarettes were packed too, they arrive at their destination with no injury at all. This testimony in favor of E.D Sasson and findings of rust on both sides of the tin lining, suggesting external condensation had penetrated and triggered mould growth, convinced the Court of Appeal to uphold the finding that the damage was a covered risk, not inherent vice. Yorkshire Insurance was ordered to pay £2,791 8s. 8d.

Panamanian Hats to London (1932): Whiting v. New Zealand Insurance Company Ltd

A similar mould claim arose in Whiting v. New Zealand Insurance Company Ltd (King’s Bench Division, 14–16 November 1932). The case involved 3,800 dozen Panamanian hats, manufactured in Formosa and shipped from Japan to London. On two of the consignments carried aboard the steamships, Suwa Maru and Raiputana, a significant number of hats (893 dozen) arrived mouldy. The marine insurance policies provided warehouse-to-warehouse cover and included the risk of fresh water damage. The assured, Mr. Whiting, argued that the damage was caused by fresh water during transit, particularly while the cases were on the quay before they were carried to the ship, or in the (carrying) lighter. The insurer contended that the damage resulted from inherent vice, as the material of the hats (wood fibres coated with cellulose) formed an excellent medium for mould growth. The Court acknowledged that the hats’ material provided a good

ground on which mould might grow, but held that mould would not develop unless there was some external cause to make it grow. The fact that many other shipments over a long period arrived sound undermined the suggestion of a manufacturing defect. Evidence of rust on the nail holes and around the bands (obtained from the court's guidance to put the cases under a microscope) indicated that the cases had been wetted externally, allowing moisture to penetrate and encourage fungal growth. The Court emphasised that “moist atmosphere is not an accident or peril that is covered; it is more or less a natural test or incident which the goods have to suffer.” But, since the damage was caused by external wetting rather than inherent vice alone, Mr. Whiting was entitled to recover under the policy.

Colombian Coffee Beans to Bremen (Volcafe Ltd v. Compañía Sud Americana de Vapores SA, UK Supreme Court, 2018)

About 100 years later in December 2018, the English Supreme Court delivered an important judgment in Volcafe Ltd v. Compañía Sud Americana de Vapores SA concerning condensation damage to bagged Colombian green coffee beans. The cargo was shipped from Colombia in early 2015 in 20 unventilated 20-foot containers on LCL/FCL terms. After transshipment in Panama, the beans were discharged at Rotterdam and Hamburg before arriving at their final destination in Bremen. Coffee is a highly hygroscopic cargo that readily absorbs, stores, and emits moisture. When carried from a warm to a cooler climate in unventilated containers, condensation commonly forms on the container walls and roof. Standard industry practice to prevent this was to line the containers with Kraft paper — either two layers of 80 gsm or one layer of at least 125 gsm. The carrier used only one layer of Kraft paper but failed to prove that it met the required thickness of 125 gsm. Although the cargo owner had chosen the cheaper unventilated containers, by issuing the bills of lading on LCL/FCL terms, the carrier was contractually responsible for preparing the containers for carriage and properly stowing the bags. At first instance the claim was dismissed, but the Supreme Court allowed the cargo owner’s appeal. The Supreme Court held that the carrier bore the burden of proving either that it had taken reasonable care and the damage occurred nevertheless, or that the damage would have happened anyway due to the cargo’s inherent propensities even if all reasonable steps had been taken. The carrier failed to discharge this burden and was also found in breach of its duty under Article III Rule 2 of the Hague-Visby Rules to “properly and carefully load, handle, stow, carry, keep, care for, and discharge the goods.” As a result, the carrier could not rely on the inherent vice exception in Article IV Rule 2(m).

Relevance to Carriers and Maritime Liens

The question of "inherent vice" is relevant not only between insured and insurers but also between carriers and cargo interests. Under Article IV Rule 2 of the Hague-Visby Rules, the carrier is exempt from liability for inherent defect, quality or vice of the goods and insufficiency of packing. As Sir Norman Hill- representing British shipowners during the Hague Conference (1924) famously noted, “This clause, Article IV, is the shipowner's clause”. In Israeli law, claims for damage to cargo are recognised as maritime liens under the Brussels Convention 1926 (incorporated in the Israeli Shipping Act 1960) or the Admiralty Court Act 1861. When deciding on the matter of a cargo claim in civil appeal 264/67 Migdal Insurance vs. American Export Lines (1967), the Israeli Supreme Court likened a cargo owner to “the patient who comes within the hospital cannot complain at exit that he goes out of the hospital carrying the same illness he had when he entered; he is entitled to an explanation only if during his stay at the hospital he contracted more illnesses which did not exist at entry.”

Conclusion

As moisture, condensation, and climate changes will continue to affect cargos and owners’ liability, matters of evidence as to cause of damage and burden of proof must always be carefully addressed. Whether the

damage stems from inherent vice or a covered peril often depends on proper documentation, packing standards, and the presence of an external cause. These issues remain as relevant today as they were nearly a century ago.

Cases cited:

E.D. Sasson & Co. Ltd v Yorkshire Insurance Company, UK Court of Appeal, 18 June 1923

Whiting v. New Zealand Insurance Company Ltd, King's Bench Division, 14–16 November 1932

Volcafe Ltd and Others v Compania Sud Americana de Vapores [2018] UKSC 61

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