

To: Directorate-General for Maritime Affairs and Fisheries
European Commission
1049 Brussels

Sent by email to: MARE-ACCES-DOCUMENTS@ec.europa.eu

Brussels, 30 November 2020

Subject: Access to BALTREIDS company beneficial owners information

Dear Madam, Sir,

In accordance with Article 2 of Regulation 1049/2001, Article 3 of Regulation 1367/2006, and Article 42 of the Charter of Fundamental Rights, CFFA-CAPE, Oceana, and ClientEarth would like to request access to the following documents containing information recorded in the electronic Union fishing authorisation database in line with article 39 of the Regulation 2017/2403 on the sustainable management of external fishing fleets:

- The fishing authorisations granted to the KAPITAN MORGUN (LVA000005026) and the FISHING SUCCESS (LVA000005014);
- Documents containing the name, city, country of residence of the owner of the KAPITAN MORGUN (LVA000005026);
- Documents containing the name, city, country of residence of the owner of the FISHING SUCCESS (LVA000005014);
- Documents containing the name, city, country of residence of the owner and of the five main beneficial owners, as well as the nature and extent of the beneficial interest held, of the Latvian company Baltreids.

To the extent that any of the requested documents or parts thereof may be covered by one of the exceptions in Article 4(2) or (3) of Regulation 1049/2001, there is an overriding public interest in disclosure for the following reasons.

We have received information from our Mauritanian partners about two vessels belonging to the Latvian company Baltreids, flagged in Latvia, the KAPITAN MORGUN (LVA000005026) and the FISHING SUCCESS (LVA000005014).¹ These vessels are fishing small pelagics under the current Mauritania Sustainable Fisheries Partnership Agreement (SFPA) protocol. However, these vessels allegedly do not respect the fishing zones established under the SFPA, coming to fish very close to the coast,² which is illegal. Moreover, according to a European scientist who has been following their activities in West Africa for years, these

¹ See information from Baltreids website: <http://www.baltreids.lv/en/fleet/>

² An article from a Mauritanian news agency includes this information. See « Les éléments de La garde côte agissent avec brutalité avec les navires de la flotte nationale et ferment les yeux sur les violations des chalutiers étrangers ... reportage photos », Alwiam agence d'informations, 23 September 2020. Available at: <https://alwiam.info/fr/ar/8955>

two vessels also systematically refuse to take scientific observers on board. It would appear that this refusal is linked to the habit of these boats to make incursions into the coastal zone.

The Baltreids company has also been recently cited in a Canadian media investigation, that pointed to the involvement of this company in suspicious transactions with Russian money, and money laundering through shell companies set up by businessmen of Russian origin in Latvia and Canada.³ In addition, according to the European fleet register, the KAPITAN MORGUN was imported from Georgia and allowed to obtain the Latvian flag on 14 February 2020. There have been recent concerns about the compliance record of Georgia as a flag state.⁴

In this context, the public has a right to know the name, city, country of residence of the owner and of the five main beneficial owners of the vessels and the company concerned. This information should have been collected by the European Commission, under the SMEFF Regulation.

In addition, the Member State has the obligation under article 39 of the Regulation EC 1005/2008 to take all appropriate measures, in accordance with national and Community law, in order to identify nationals supporting or engaged in IUU fishing and to take appropriate action, subject to and in accordance with their applicable laws and regulations with regard to nationals identified as supporting or engaged in IUU fishing. According to the ITLOS advisory opinion⁵ “[t]he flag State [or, mutatis mutandis, the international organization] is under the ‘due diligence obligation’ to take all necessary measures to ensure compliance and to prevent IUU fishing by fishing vessels flying its flag.” Consequently, for the types of fishing in relation to which it has exclusive competence, the EU must have the means to control vessels flying the flags of Member States. The Commission, as the executive branch of the EU, is the entity empowered to exercise such control.

We note that publicising information on beneficial owner is a central issue relating to global efforts to address corruption and money laundering – all drivers of unsustainable fishing. This is confirmed by the fifth EU Anti-Money Laundering Directive, which provides that EU Member States must make the registers of beneficial owners of companies publicly accessible.

Yours faithfully,

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³ See “Crimea’s oceanic fishing industry becomes instrument of money laundering by Russian entities – media”, Interfax, Ukraine news agency, 30 September 2020. Available at: <https://en.interfax.com.ua/news/general/691647.html>

⁴ EJF, “OFF THE HOOK - how flags of convenience let illegal fishing go unpunished”, 2020. Available at: https://ejf.org/resources/downloads/EJF_Bericht_FoC_Billigflaggen_2020.pdf

⁵ See paragraph 172 of the case. ITLOS, “Request for an Advisory Opinion Submitted by the SRFC (Case No. 21)”. Available at: <https://www.itlos.org/cases/list-of-cases/case-no-21/>