Press Release

The **Panama Maritime Authority (PMA)** announces that, following an internal investigation, it will automatically cancel the registration of any vessel found to be involved in illegal activities or that changes its flag to evade sanctions. This clarification comes in response to the recent inclusion of seven Panamanian-flagged vessels on the Office of Foreign Assets Control (OFAC) list.

Panama has adopted a series of strategies to reduce the inclusion of vessels on sanction lists, including:

- The monitoring and control section was transferred to a protection department that is more aligned with its functions. The Monitoring and Control Section was moved from the Department of Navigation and Maritime Safety to the Maritime Ship Protection Department, given the close relationship with international sanctions activities and merchant fleet surveillance.
- In September 2024, the "Panama Flag Precheck Process" was published, a circular that establishes prerequisites for flagging and allows for due diligence on the ship, the owner, and its operator.
- Panama signed the Registry Information Sharing Compact (RISC) agreement to prevent a ship from moving from one registry to another to commit illegal activities or evade imposed sanctions.

The **PMA's** General Directorate of Merchant Marine is evaluating additional strategic measures that would allow the swift removal of vessels with proven links to activities that go against national interests, international instruments, or the shipping industry in general.

There are legal mechanisms used to cancel the registration of vessels included on sanction lists, as described in Article 49 of the General Law 57 of the Merchant Marine, which outlines the causes for automatic cancellations, such as the use of a ship for smuggling, illegal trade, and piracy, among other crimes.

The Panamanian Ship Registry will not negotiate with those seeking to use it improperly and will apply the established legal mechanisms to act according to due process and legal security.