

## Panama establishes legal framework to revoke registration and licenses of vessels on international sanctions lists

The **Panama Maritime Authority (PMA)** has introduced a legal mechanism enabling the immediate revocation of registration and navigation licenses for vessels in the national merchant fleet that appear on international sanctions lists. Additionally, any other navigation documents issued by the **PMA** will also be invalidated.

On October 18, 2024, Executive Decree No. 512 was published in the Official Gazette, outlining the cancellation of vessels or registered owners listed in the following:

- Sanctions Lists issued by the U.S. Department of the Treasury's Office of Foreign Assets Control (OFAC).
- The United Nations Security Council's Lists of Individuals and Entities Associated with Terrorism and Its Financing, as well as Vessels Designated by the Security Council Committees.
- European Union Sanctions – EU Consolidated Financial Sanctions List.
- United Kingdom Sanctions – Consolidated List of Financial Sanctions Targets in the UK.

The Directorate General of Merchant Marine (DGMM) will submit a report to the **PMA** Administrator, recommending the cancellation of the vessel's registration. Upon review, the Administrator will authorize the DGMM to proceed with the cancellation through a formal resolution.

If the vessel has any active mortgages registered with the Directorate General of Public Registry, those will remain intact to ensure creditors can enforce their rights. Meanwhile, financial institutions (banks) will be informed of the vessel's status.

Organizations recognized by or under the jurisdiction of the Republic of Panama are prohibited from offering classification or certification services to vessels undergoing or subject to cancellation.

It's important to note that Executive Decree 512 does not replace other existing regulations concerning vessel cancellation under the Panama Ship Registry. The PMA remains dedicated to protecting national interests by acting swiftly and efficiently to minimize the risks posed by vessels included on sanctions lists.