

Merchant Marine Circular

Panama Maritime Authority
General Directorate of Merchant Marine
Control and Compliance Department

MERCHANT MARINE CIRCULAR MMC-360

- To:** Master, Ship-owners, Operators, Company Security Officers, Ship Security Officers and Recognized Security Organizations (RSO's) of Panamanian Flagged Vessel.
- Subject:** Ships that assist North Korea will be captured and processed
- Reference:**
- a. Law No. 57 of August 6, 2008
 - b. Resolution 2397 adopted by United Nations Security Council (UNSC), on December 22, 2017
 - c. Resolution 2375 adopted by United Nations Security Council (UNSC), on September 11, 2017
 - d. Resolution 2371 adopted by United Nations Security Council (UNSC), on August 5, 2017

1. PURPOSE

- 1.1** The purpose of this Circular is to warn ship owners and operators, captains, and crew members that North Korea is actively evading the sanction measures imposed by the United Nations Security Council (UNSC) using a variety of deceptive practices.

2. SCOPE

- 2.1** The Panama Maritime Authority, in order to faithfully fulfill the obligations undertaken by the Republic of Panama in accordance with the principles set forth in the Charter of the United Nations, fully complies with all the Resolutions issued by the said Organization; therefore, any ship that engages in activities prohibited by the UN sanctions regime will be subject to sanctions allowed by law.

- 3.** UN Security Council resolutions (UNSCRs) 2371, 2375 and 2397 on North Korea, prohibit the import and export of almost all products to and from North Korea, and Resolution UNSCR 2375 prohibits ship-to-ship transfers (STS) to and from North Korean flag vessels of any cargo that is supplied, sold or transferred to or from the DPRK (Democratic People's Republic of Korea). Panama-flagged vessels are prohibited from loading cargo in North Korea, and are also forbidden to transport cargo to and from North Korea, as well as they are also prohibited from carrying out any STS transfers of any cargo with North Korean vessels.

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4. Ships are discouraged from unloading any cargo in North Korea, and can only do so in circumstances approved by the UN. The Panama Maritime Authority requests that each ship owner, ship captain, ship operator and charter agent with interests over Panamanian-flagged vessels, echoes this message to all the interested parties, including the crew on board their vessel.
5. The Panama Maritime Authority wishes to warn that North Korean vessels are altering the ship identification information, even painting the place where the North Korean flag goes, the name of the vessel, the IMO number and the port of origin (home port), by modifying the IMO numbers (for instance, changing 3s to 8s), and by engaging in other deceptive practices, such as presenting a false foreign flag. Therefore, the Panama Maritime Authority encourages owners, operators, captains and crew members of all the vessels registered under the Panamanian flag to apply, under strict measures, the due diligence in order to verify the identity of the final beneficiary, the effective control and/or the intended use of any cargo before any transaction.
6. The Operative Paragraph 6 of the UNSCR Resolution 2371 directs the United Nations Committee 1718 to designate an entry ban to any port in the world to any vessel that has participated in activities that are prohibited by the UNSCR in North Korea. So far, the UN has designated eight vessels for this prohibition, including the ship Billions No. 18, registered in the Panamanian Ship Registry, which carried out a ship-to-ship transfer with a DPRK flagged ship. Any ship that is found to be participating in activities prohibited by the UN, including those registered in Panama may be added to the UN list. The UN list can be found online at <https://www.un.org/sc/suborg/en/sanctions/1718/materials/list-of-designated-vessels>.
7. A ship that shuts down its Automatic Identification System (AIS) is a common indicator of illicit activity. From the moment any vessel shuts down the AIS, it be subject to an immediate and prompt investigation by the Panama Maritime Authority. The international community is attentive to this indicative behavior.
8. Owners, operators and captains who, even unknowingly, conduct business that help North Korea may be subject to sanctions. Similarly, any ship owner, operator or captain of a ship that deliberately attempts to evade sanctions and assist North Korea will be subject to sanctions.
9. Panama wishes to promote legitimate trade and at the same time notify all operating captains, operators, ship owners and crew members that the North Korean registry is



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actively evading UN sanctions, in order to ensure that no vessel conducts businesses to help North Korea.

10. Any captain, operator, ship owner and crew member of a Panamanian-flagged vessel that is asked to participate in illegal activities related to North Korea, should contact legaldgmm@amp.gob.pa

October, 2023 - Change in the Reference section, inclusion of purpose and scope. Update of the e-mail in section 10.

February, 2018

Inquiries concerning the subject of this Merchant Marine Circular or any other request should be forward to:

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