

Risk Assessment and Verification of Catch Certificates under the EU IUU Regulation

EU IUU COALITION POSITION PAPER

1. Background

The EU member states receive around 275,000 catch certificates (CCs) annually, for the import of some 3.5 million tonnes¹ of fishery products under the EU IUU Regulation. Several of the largest importing member states – such as Germany, Spain and France – receive between 40,000 and 60,000 CCs each year, equating to between 110 and 165 CCs per day.

The EU IUU Regulation's catch certification (CC) scheme aims to ensure that products deriving from IUU fishing activities are prevented from entering the EU market. To this end, the Regulation empowers member state authorities to carry out all verifications they consider necessary to ensure that the provisions of the Regulation are correctly applied². Verifications may include, in particular:

- examining the products to be imported;
- verifying declaration data and the existence, and authenticity, of documents;
- examining the accounts of operators and other records; and
- inspecting fishing vessels, means of transport and storage facilities³.



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In verifying consignments for import, member states may also request the assistance of third country authorities (e.g. of the flag State) to confirm legal origin and provide proof of compliance⁴.

In view of the scale and volume of fisheries imports into the EU each year, maximising efficiency in the verification of consignments is paramount. To facilitate the detection of IUU products, the Regulation requires member states to focus rigorous and stringent verifications on imports most at risk of being products of IUU fishing. According to the Regulation, "risk" is to be identified on the basis of nationally defined or EU-level criteria⁵. The 15 EU-level risk criteria that authorities may use in targeting verifications are set out in Article 31 of the Implementing Regulation to the IUU Regulation (see **Annex I**)⁶. Criteria defined at the national level must be notified to the Commission and updated as required⁷.

In addition to the risk-based verification of CCs, the IUU Regulation specifies a number of situations in which verifications *shall* be carried out in every case⁸:

- where fraud is suspected in relation to the CC;
- where there is reason to suspect non-compliance by the fishing vessel with applicable laws, regulations or conservation and management measures (CMMs);
- where fishing vessels, companies or other operators have been reported in connection with presumed IUU fishing;
- where a flag State or re-exporting country is subject to RFMO trade measures; or
- where there is doubt as to compliance of fishing vessels or fishery products from certain third countries with applicable laws, regulations or CMMs and an alert notice has been published by the European Commission to this effect⁹.

¹ Eurostat. Estimate of imported products subject to EU IUU Regulation calculated based on methodology set out in MRAG (2014): http://ec.europa.eu/fisheries/documentation/studies/iuu-regulation-application/doc/final-report_en.pdf

² Art. 17(1) of the IUU Regulation.

³ Art. 17(2) of the IUU Regulation.

⁴ Art. 17(6) of the IUU Regulation.

⁵ Art. 17(3) of the IUU Regulation.

⁶ Commission Regulation (EC) No 1010/2009 of 22 October 2009 laying down detailed rules for the implementation of Council Regulation (EC) No 1005/2008 (OJ L 280, 27.10.2009).

⁷ Art. 17(3) of the Regulation.

⁸ Art. 17(4) of the Regulation.

⁹ Pursuant to Art. 23(1) of the IUU Regulation.

2. Purpose of this position paper

The Environmental Justice Foundation, Oceana, The Pew Charitable Trusts and WWF (“the coalition”) are working together to secure the harmonised and effective implementation of the EU Regulation to end illegal, unreported and unregulated (IUU) fishing.

An assessment of information reported by member states under the IUU Regulation for 2012/2013¹⁰ indicates that import controls implemented across the EU may not be sufficiently rigorous to detect linkages to IUU fishing and to prevent non-compliant imports from entering the EU market¹¹. Unfortunately, however, the poor quality of information provided in some member state reports, and a lack of standardised reporting, prevent a comprehensive assessment of import controls across the EU, including procedures for checking and verifying CCs, the specific risk criteria used and how criteria are applied to direct enforcement effort. In order to more accurately assess the level and effectiveness of IUU Regulation implementation, the biennial reporting format provided by the Commission and the standards of reporting required of member states need to be improved considerably. This would bring much-needed transparency to the reporting process.

In spite of these issues, this analysis revealed significant variability in national methodologies for assessing IUU risk associated with fisheries imports and the circumstances in which CCs are verified to establish legal origin. Member states also implement varying approaches to CC verifications, with the Regulation providing limited guidance on this process and proof of compliance required. Key issues and challenges identified include the following:

Risk analysis

- It would appear that a number of the major importing member states currently apply only basic/minimal risk criteria to direct their verifications, which would seem insufficient to identify even those CCs requiring mandatory verification under the Regulation¹². At the same time, other member states have developed comprehensive risk analysis procedures, encompassing at least the criteria set out in Article 31 of the Implementing Regulation and, in some cases, automating the application of certain criteria (within a national IT system) to allow for more efficient detection of high-risk consignments.
- Where member states are failing to apply robust risk criteria to identify high-risk CCs for verification, it is likely that limited resources for CC scheme implementation are not being directed efficiently towards the assessment of priority consignments.

- The majority of fisheries imports enter the EU in shipping containers, presenting particular challenges in terms of inspections, verifications and allocation of enforcement effort¹³. Effective risk analysis is therefore crucial to identify container consignments requiring detailed scrutiny and to assist in targeting limited resources.
- Some member states have rejected very few consignments in spite of relatively high-risk trade flows (see, for example, **Table 1**). Other member states have rejected consignments primarily for procedural or documentary irregularities, as opposed to detected cases of IUU fishing. Where IUU fishing risk associated with consignments is high, this may indicate an over-reliance on routine documentary checks, and inadequate targeting of enforcement effort based on application of risk criteria.

Verification

- Member states apply differing standards of scrutiny and rigour in their CC checks and verifications¹⁴, for example:
 - o Some member states, such as Germany, carry out manual checks of only a proportion of total CCs received, in contrast to 100% documentary checks in other member states such as Spain and the UK.
 - o Procedures for checking CCs vary considerably, with some member states checking only a few fields of each CC, in contrast to comprehensive checks carried out by other member states.
 - o It would seem that some member states are not effectively identifying consignments for verification, whether through routine checks of CCs or application of risk criteria, resulting in an insufficient number of verification requests sent to third countries.
 - o There is a lack of clarity surrounding member state procedures for verifications, including the type of evidence requested from third countries as adequate proof of compliance. It is therefore unclear whether high-risk or problematic consignments are being subjected to adequate scrutiny in all member states and rejected in cases where adequate proof of compliance cannot be provided.
- In general, the proportion of CCs subjected to formal verification requests with third countries appears low compared to IUU fishing risk associated with imports (e.g. % imports from yellow-carded countries – see, for example, **Table 1**). Some member states are failing to afford a higher risk (and therefore more detailed scrutiny) to yellow-carded countries, in spite of failures identified by the European Commission with respect to fulfilment of flag, coastal, port and/or market State obligations.

¹⁰ Obtained through an access to information request.

¹¹ See also European Parliament (2013). Compliance of imports of fishery and aquaculture products with EU legislation.

¹² Per the minimum requirement in Art. 17(4) of the IUU Regulation.

¹³ Due to high traffic volumes at container ports, the prevalence of mixed cargo, and the arrival of many smaller quantities of fish dispersed across multiple containers. In addition, high numbers of CCs may accompany a single shipment, or a single product batch may contain fish from multiple CCs.

¹⁴ For the purposes of this paper, a verification is defined as any further investigation or analysis of information provided in a CC, that goes beyond a routine (documentary) check as defined in Table A below.

An overview of key statistics and procedures applied in the top six importing member states¹⁵ for the risk-based verification of CCs is provided in **Table 1**.

At the same time, member states have reported success in detecting IUU fishing through the Regulation's CC scheme and in blocking imports of non-compliant products to the EU. Experience to date has highlighted the following:

- Requesting VMS data, logbook information and licences from third countries via formal verification requests increases the likelihood of detecting IUU fishing¹⁶.
- Increased scrutiny is warranted where yellow-carded countries are involved as a flag, coastal or processing State due to serious deficiencies in fisheries management, monitoring, control and surveillance (MCS) and traceability. Details of these shortcomings are set out in the European Commission's carding decisions published in the EU's Official Journal.
- Intelligence from reliable sources should be shared via the EU's system of Mutual Assistance and incorporated into risk assessments. Likewise, where an IUU fishing risk has been confirmed by a member state through the verification process, e.g. through contact with a third country, this should be shared via the Mutual Assistance system to inform risk analysis. During the period 2012/2013, a significant number of rejected consignments resulted from external intelligence and risks shared via Mutual Assistance requests.

It is only through uniform, harmonised, risk-based implementation that illegal products can be fully excluded from the EU market, as unscrupulous operators will always seek alternative points of entry with less stringent controls.

The issues and challenges described above are compounded by the lack of a central, EU-wide database of CC information to assist in the monitoring and detection of irregularities. Modernisation of the CC scheme through introduction of an electronic database, which incorporates a robust risk analysis tool, would contribute significantly to increasing efficiency and standardising procedures across member states. The European Commission has committed to delivering such an IT system in 2016¹⁷. This is an urgent priority, if high-risk consignments are to be scrutinised effectively, and IUU fish denied entry to the EU market. The coalition's recommendations for the EU-wide system are set out in a related paper, *Modernisation of the EU IUU Regulation Catch Certificate System*¹⁸.

In view of the need to harmonise procedures across the EU and to maximise efficiency in the assessment of CCs in the face of complex trade flows and limited resources, the aims of the current position paper are two-fold:

- (i) To provide recommendations to the **member states** on:
 - the key documentary checks that should be carried out for all CCs received,
 - how risk analysis should be applied in the identification of high-risk CCs, and
 - what constitutes an effective verification of high-risk CCs.
- (ii) To provide recommendations to the **European Commission** on how a risk analysis tool should be incorporated into an EU-wide IT system and, specifically, what information should be stored in the electronic database for automated cross-checks against CC information.

These recommendations are proposed with a view to achieving, by mid-2017, the following outcomes:

- (i) Harmonisation of member state procedures for risk analysis, CC checks and verifications (to the greatest possible extent to the procedures described within this paper) resulting in:
 - an increased likelihood of detecting IUU consignments,
 - a united EU barrier to the import of IUU products and reduced opportunities for abuse of weaker points of entry,
 - the more effective apportioning of enforcement resources within member states,
 - greater equity in the distribution of compliance burdens across member states, and
 - increased transparency.
- (ii) An increase in the number of formal verification requests sent to third countries across the EU, and proportionate to:
 - the number of CCs received by a given member state, and
 - the IUU fishing risk associated with imports/trade flows.

¹⁵ Based on volume of fishery products imported from outside of the EU Economic Area.

¹⁶ Spanish Single Liaison Office (SLO), pers. comm. to the coalition, December 2015.

¹⁷ <http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:52015DC0480>

¹⁸ <http://www.iuuwatch.eu/wp-content/uploads/2016/07/Modernisation-FINAL.pdf>

TABLE 1: Overview of member state approaches to the risk-based verification of CCs and key statistics (based on information contained in member state reports submitted under the Regulation for 2012/13, unless stated otherwise)

| Country | Number of import CCs received | Number of import CCs received | Number of import CCs received | Rejected consignments | Imports from carded countries ⁱ | Risk criteria applied |
|-------------|-------------------------------|-------------------------------|-------------------------------|-----------------------|--|--|
| Germany | 120,000 | 120 | 0.100 | 10 ⁱⁱ | 10.5% ⁱⁱⁱ | Basic risk criteria. Higher risk applied to indirect importations (mainly container imports concerning products that have been transshipped). ^{iv} |
| Spain | 94,718 | 1031 | 1.088 | 44 | 4% | Detailed risk criteria, some of which are automated via the national database. Considers risk associated with importers, exporters, vessels, countries, species, etc. Higher risk applied to yellow-carded countries. Risks are weighted and combined to give an overall risk score. |
| France | 83,818 ^v | 66 | 0.079 | Not reported | 6% ^{vi} | Risk-based approach applied but details not provided in reports. |
| Italy | 57,172 | 2 | 0.003 | 0 | 20% ^{vii} | CCs analysed via Customs risk assessment, but details not provided in reports. |
| UK | 21,695 | 246 | 1.134 | 16 | 19% | Risk criteria developed (countries, vessels, species, operators, documents, trade flows); however, at present, these are not systematically applied to CCs. Instead, 100% of CCs are checked and the UK SLO requests that port health authorities escalate issues for formal verification on an ad hoc basis, e.g. in response to Mutual Assistance requests or intelligence reports ^{viii} . |
| Netherlands | 16,788 | 44 | 0.262 | 50 | 25% | Risk model under development within national database and partially implemented. Considers risk associated with importers, exporters, vessels, countries, species, etc. Higher risk applied to yellow-carded countries. Risks are weighted and combined to give an overall risk |

Notes:
ⁱ Includes countries that had received a card (warning) from the Commission, or were subsequently issued with a card due to insufficient action to combat IUU fishing. Based on flag State information in member state reports, except where indicated otherwise.
ⁱⁱ Between January 2010 and February 2015 (source: <http://dipbt.bundestag.de/dip21/btd/18/040/1804034.pdf>).
ⁱⁱⁱ Estimate based on Customs data reported in Eurostat. Germany did not report data on flag States of origin of imports in its report for 2012/13 (or for the previous reporting period). Note that Eurostat provides import data by exporting state and not by flag State of the fishing vessel. The exporting state may be the flag State, or a different third country through which the products have been transported (e.g. for processing).
^{iv} Source: <http://dip21.bundestag.de/dip21/btd/18/069/1806948.pdf>
^v France did not provide exact numbers of import CCs received in its 2012/13 report, but has provided estimates based on Customs import declarations.
^{vi} Based on information on country of origin contained in Customs import declarations. It is unclear whether country of origin refers to the flag State in all cases.
^{vii} Estimate. Italy did not provide a breakdown of flag States for 10% of CCs received in 2012/13.
^{viii} UK SLO, pers. comm. to coalition, December 2015.
^{ix} Dutch SLO, pers. comm. to coalition, March 2016.

3. Three-step approach to the risk-based verification of CCs

This section sets out a recommended three-stage approach to the risk-based verification of CCs (see Figure 1 for overview):

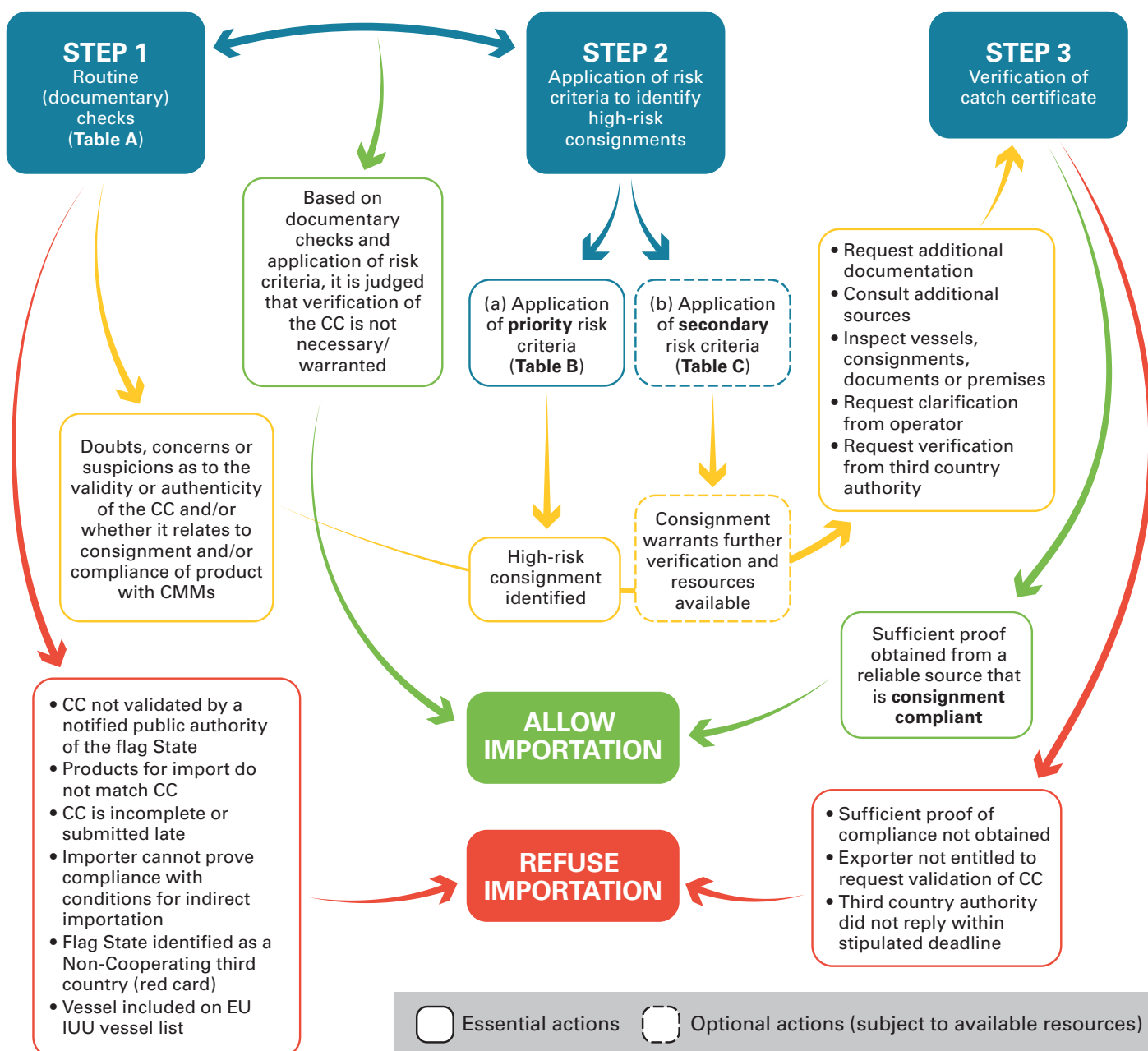
1. routine (documentary) checks
2. application of risk criteria
3. verification.

The approach has been defined based on relevant provisions of the IUU Regulation and Implementing Regulation; best practices gathered from member state systems for the risk-based verification of CCs; and

lessons learnt during the first six years of implementation of the Regulation. Information was primarily obtained from member state reports submitted under the Regulation for the periods 2010/11 and 2012/13, as well as through discussions with competent authorities in selected member states.

The documentary checks and risk criteria outlined in this paper should, in our view, represent the minimum standards applied to all CCs in order to identify consignments for verification. In setting out a series of minimum standards, we aim to inform discussions on the harmonisation of CC procedures across the EU. We consider that bringing all member states up to the same minimum level of implementation is crucial if the Regulation's CC scheme is to fulfil its objectives.

Figure 1: Overview of minimum scenarios for which verification of catch certificates is recommended (three-step process)



STEP 1: Routine (documentary) checks

Note: In practice, Steps 1 and 2 may occur in parallel; however, they are separated here for clarity.

We recommend that for **all import CCs** received under the Regulation, the routine (documentary) checks described in **Table A** be carried out by all member states. We recognise that several member states are already undertaking such checks and we call on those member states to promote harmonisation of CC checks to this standard across the EU.

Table A sets out those documentary checks that we consider to be most valuable in detecting potential irregularities and IUU fishing issues. Although irregularities are most commonly detected through more detailed verifications, it is possible to detect instances of fraud through basic checks of key information provided in CCs. Where these checks give rise to doubts as to the authenticity or validity of the CC or whether it relates to the consignment being imported, more detailed analysis will be required (see **Figure 1** for how this links to **Step 3**). For the purposes of this paper, any subsequent analyses triggered by these routine checks are termed “verifications” and considered further in **Step 3**.

Table A includes several recommendations for how the future EU-wide database could increase efficiency in the checking of CCs and free up resources for more complex verifications. In particular, we recommend that the EU database allows for:

- **automated detection** of chronological irregularities in the CC (dates of capture, licence validity, transshipment, export and validation), gaps in information (i.e. empty fields), incomplete supporting documentation (i.e. processing statement, health certificate), discrepancies between different fields of the CC, discrepancies between CC data and accompanying documents, delayed submission of documentation and prior use of the CC in any member state;
- **automated cross-checks** of CC information with lists of authorised establishments for imports of certain animal products into the EU (direct landings only), validating authorities notified by flag States to the Commission under the Regulation, Community IUU Vessels, and red-carded countries;
- **the “counting down” of weights in CCs** to ensure the total is not exceeded (i.e. where multiple processing statements are accompanied by copies of the original CC).

We also recommend that the database be linked to the EU’s Specimen Management System, to facilitate cross-checks with model CCs and seals communicated by flag States.

Where the importation involves processed products, we recommend that conversion factors be consulted routinely to determine whether the weight of processed product is consistent with the weight of catch used in processing, as indicated in the processing statement. In particular, we recommend that the species-specific live weight conversion factors currently applying to the EU fishing fleet¹⁹, and any factors officially adopted by those RFMOs to which the EU is a Contracting Party, be included in the EU-wide database to assist officials in carrying out documentary checks for processed products. For those species or products not included in the above, additional live weight conversion factors may be consulted in the FAO’s Coordinating Working Party on Fishery Statistics (CWP) Handbook of Fishery Statistical Standards²⁰.

Where a processing statement is not required for the product concerned (e.g. for catches processed in the flag State of the fishing vessel²¹), conversion factors will need to be applied to check that the landed weight specified in the CC (weight of product to be exported)²² is consistent with the live weight in the CC as estimated by the operator or master of the fishing vessel (if provided). The application of conversion factors is especially important for species under quota management, in order to attest the veracity of the live weight estimate provided in the CC, or to calculate an estimate of live weight (for comparison with applicable quotas), where not provided in the CC.

STEP 2: Risk analysis

We consider the risk criteria set out in **Table B** to represent the minimum necessary for effective implementation of the Regulation. We therefore recommend that they be applied to all CCs received by member states, in order to identify the highest risk consignments for further verification. Those member states that are already applying the criteria set out in **Table B** are invited to promote harmonisation of risk criteria to this standard across the EU.

Where any of the **Table B** risk criteria are fulfilled, we consider that the CC should always be subjected to verification (**Step 3**). This does not, however, preclude authorities from carrying out random or supplementary verifications, should resources permit²³.

The criteria in **Table B** fall within the following broad categories:

- **countries** associated with known IUU fishing issues, or exerting inadequate control over fishing activities;
- **vessels** (including vessel owners, beneficial owners or legal entities connected to the vessel) having engaged in, or being suspected of, past or ongoing IUU fishing activities;

¹⁹ http://ec.europa.eu/fisheries/cfp/control/conversion_factors/index_en.htm

²⁰ <http://www.fao.org/fishery/cwp/handbook/1/en>

²¹ http://ec.europa.eu/fisheries/cfp/illegal_fishing/info/domestic_processed_products_en.pdf

²² http://ec.europa.eu/fisheries/cfp/illegal_fishing/info/weight_in_catch_certificate_en.pdf

²³ http://ec.europa.eu/fisheries/cfp/illegal_fishing/info/weight_in_catch_certificate_part2_en.pdf

²³ As provided for under Art.17(5) of the Regulation.

- **species, fisheries or products** with known IUU fishing risks, or subject to RFMO management or CITES²⁴ trade controls;
- **trade anomalies**, such as the appearance of new trade partners, species or products in trade;
- **operators** (i.e. importers, exporters) with previous records of non-compliance, or linked to ongoing IUU fishing activities;
- **documentary issues** such as a history of fraudulent CCs, errors, reuse, rejections or cancellations, evidence of irregularities in flag State validation of CCs, or inconsistencies between information in CCs and other documents.

In addition, a number of secondary risk criteria are set out in **Table C**. It is recommended that, resources permitting, member states base additional verifications on these criteria. The criteria may be applied on a case-by-case basis, at random to a proportion of total CCs, or in specifically defined scenarios. They may lead to verifications where:

- any one of the criteria is fulfilled for a single CC,
- multiple criteria are fulfilled for a single CC, or
- criteria are fulfilled over time when applied to consecutive applications (e.g. for a specific trade flow).

Whether a verification will be prompted by the criteria in **Table C** will require member states to make decisions on a case-by-case basis, depending on the specific facts of the situation and based on previous experience. Although of secondary importance to the criteria in **Table B**, the factors in **Table C** may serve to highlight suspicious activity, especially when considered as part of a “multi-criteria” approach. They should therefore be borne in mind and applied wherever resources allow.

In **Table B** we suggest a number of ways in which the future EU-wide database could increase the efficiency of risk analysis. In particular, **we recommend that the EU-wide database:**

- **includes key information that is regularly updated by the Commission** such as details of countries, vessels, operators and species/fisheries/products identified as problematic in Community Alerts, Mutual Assistance requests and INTERPOL Purple Notices, as well as lists of yellow-carded countries, countries subject to RFMO trade measures and CITES-listed species; and
- **performs automatic cross-checks of key information held in the system with data in CCs, and generates alerts where risk factors are present** (this will require that CC data entered into the system be standardised through the use of restricted fields/drop-down menus, wherever possible).

With regard to RFMO-managed fisheries, we recommend that:

- **updated information on RFMO CMMs** (e.g. quotas allocated to flag States, controls on transshipment,

temporal/spatial closures, gear bans, species bans, etc.) and licences be included in the database to assist authorities in carrying out manual cross-checks with information in CCs (and, wherever possible, consideration be given to how such checks could be automated); and

- **lists of RFMO Members and Cooperating Non-Members, and vessels authorised to fish within the Convention area, be included in the database and automatically cross-checked with information in CCs.**

The role of EU-wide alerts and requests for assistance in harmonising risk analysis

As indicated in **Table B**, EU-wide alerts and Mutual Assistance requests are key sources of information that can assist officials in assessing IUU risk associated with a consignment. In practice, alerts from the European Commission serve to centralise the risk assessment process by identifying situations that should be subjected to increased scrutiny by member states.

In order to improve efficiency and standardisation of risk analysis, **we urge the Commission and member states to exchange information proactively via the systems of Community Alerts and/or Mutual Assistance in all cases of well-founded doubt as to the compliance of countries, vessels, operators and/or products with the Regulation**. This may be appropriate, for example, following CC verifications, inspections of products, investigations into alleged IUU fishing activities and receipt of intelligence from reliable sources such as NGOs, industry or INTERPOL.

We recommend that the Commission and member states consult external sources of information (such as intelligence reports/analyses by NGOs, industry and INTERPOL) to supplement their risk assessments, with a view to exchanging alerts in particular on the following:

- **flag, coastal or processing States identified as an IUU fishing risk, or flag States exhibiting deficiencies in their control systems;**
- **vessel owners, beneficial owners or legal entities connected to vessels subject to prosecution or formal investigation by a public authority, or identified as an IUU fishing risk;**
- **fisheries or products identified as at risk of IUU fishing; and**
- **exporters or importers (whether a company or individual) subject to prosecution or formal investigation by a public authority, or identified as engaged in activities constituting an IUU fishing risk.**

²⁴ Convention on International Trade in Endangered Species of Wild Fauna and Flora.

DEFINING “LOW RISK”

An effective risk-based approach to the verification of CCs should identify low-risk scenarios for which reduced checks/scrutiny would apply, with the aim of easing administrative burden and incentivising compliance by operators.

The IUU Regulation provides the basis for such an approach, through the authorisation framework for Approved Economic Operators (APEO). However, to date, this system has been under-used due primarily to a lack of perceived benefits of obtaining APEO status. **We urge member states and the European Commission to develop and improve on the APEO system, and encourage more operators to enter the scheme. In addition, with the “trusted trader” approach likely soon to be implemented in the US, we strongly recommend ongoing dialogue between the Commission and other jurisdictions in order to ensure standardisation of these approaches in future.**

In the interests of standardising procedures across member states, it is recommended that any further “low-risk” scenarios be agreed by the member states, in consultation with the Commission, to ensure a common approach. For such scenarios, member states may consider it unnecessary to apply the full range of documentary checks and risk criteria outlined in **Steps 1 and 2** of this paper. For example, where “batches” of CCs are received for the same low-risk trade flow, authorities may decide to apply full checks/criteria to a sample of CCs only, and a reduced set of checks/criteria to the remaining CCs in the batch. Reduced checks may be limited to ensuring that the CC relates to the consignment, that the competent authority has validated the CC, and that the importer has signed the declaration.

SIMPLIFIED CATCH CERTIFICATES

The use of simplified CCs for products originating from small-scale fishing vessels is recognised as a possible loophole in the Regulation, potentially allowing for non-compliant products to be imported under reduced information requirements/controls. A number of member states have reported increasing use of simplified CCs by some third countries and it is unclear whether the criteria for their use are being fulfilled*.

In light of increasing concerns, we recommend that member states monitor the use of simplified CCs and carry out additional verifications with third countries, and other investigations, should suspicions or doubts arise.

*For example, at least one member state has reported difficulties in assessing whether there are sufficient reasons for adoption of the simplified CC format by operators.

STEP 3: Verification of CCs

The aim of the verification process is to secure sufficient proof from an appropriate/reliable source that the consignment is compliant. “Verification” is defined here as any further investigation or analysis of information provided in a CC that goes beyond the routine (documentary) checks set out in **Step 1** (see **Table A**).

We recommend that member states carry out verifications in circumstances where, based on the outcomes of **Steps 1 and 2**:

- (a) there are doubts/concerns/suspicions arising from routine (documentary) checks AND/OR
- (b) high-risk consignments have been identified based on the application of risk criteria.

The type of verification and proof of compliance required will vary depending on the issue(s) identified in **Steps 1 and 2** and should be determined on a case-by-case basis. Examples of possible actions include:

- consulting additional documentation, for example, fishing or transshipment licences, health certificates, vessel data sheets, invoices, bills of lading or transport documents;
- checking additional information sources, for example, consulting RFMO recommendations, periods of licences, and trade/catch data in Eurostat, UN Comtrade, national Customs records and FAO FishStat;
- physical checks to match the product to that declared on the CC;
- inspections of vessels, consignments, documents or premises of operators;
- requesting clarification directly from the operator, for example, where it is unclear how the product weight has been calculated for composite products; and
- requesting verification from a third country authority to confirm the validity of the CC, and to obtain additional information such as VMS and logbook data, fishing licences and certificates of registration.

Suggested actions prompted by the issues identified in **Steps 1 and 2** are set out in **Tables A and B** below.

Requests to third country authorities may include more basic requests as well as formal verifications under Article 17(6) of the Regulation:

- **Basic requests** may be appropriate in the case of missing information or inaccuracies in the CC, such as incorrect weight or missing species. In such cases, a letter of correction or attestation may be requested from the flag State competent authority or competent authority in the processing State, as appropriate. Alternatively, a statement may be provided by the operator and stamped by the competent authority.
- **Formal verifications** are appropriate in the event of significant concerns regarding the CC or consignment and should be carried out in accordance with Article 17(6) of the Regulation. Formal requests to a third country authority may be necessary in, for example, the following circumstances (see **Steps 1 and 2** for further scenarios):

- o in the case of concerns regarding the authenticity of the CC, for instance, where the seals or signatories are inconsistent with the specimens provided;
- o the species is under a management or recovery plan, and should not have been caught in the area stated;
- o the date of capture is after the date of validation or expiration of the fishing licence;
- o the date of capture took place when the flag State was not approved.

It is recommended that VMS and logbook data be requested as part of every formal verification.

The verification process gathers valuable information that can assist future assessments of CCs and increase efficiency. We therefore recommend that intelligence or other information generated during verifications be fed back into risk analyses to enhance targeting of potential IUU fish and assist in detection of trends. In particular, verified IUU fishing risks should be communicated by the Commission and/or member states via the Community Alert/Mutual Assistance systems and the specific details (e.g. country, vessel, operator, product) should be integrated into the central database for the purposes of risk analysis (see **Step 2** and **box below**).

Following a request for assistance to a third country authority, products should be refused entry to the EU where²⁵:

- the exporter was not entitled to request validation of the CC;
- there is reason to believe that the products do not comply with the IUU Regulation, including relevant CMMs;
- in the case of a formal verification request, the third country authority did not reply within the stipulated deadline of 15 days (with the possibility of a 15-day extension).

Member state reporting on CC verifications

In their biennial reports under the Regulation, member states are requested to provide information on the number of CCs that have been verified during the reporting period. However, due to the lack of an EU-wide definition of the term “verification,” member states have in the past reported information on any of the following:

- (i) basic documentary checks carried out (often on all CCs);
- (ii) detailed analyses or investigations undertaken;
- (iii) verification requests sent to third country authorities.

As a result of this lack of consistency in responses, it is currently not possible to compare the depth and quality of verifications carried out by member states, or to determine whether these are sufficient to comply with the Regulation. We therefore recommend that the reporting format be revised to clarify the definition of a verification for reporting purposes and to require member states to provide further details of the types of verifications carried out, the number/proportion of consignments concerned, and how they were selected for further verification.

²⁵ As required under Art. 18(2) of the Regulation.

TABLE A: Recommended routine (documentary) checks to be carried out for all CCs (Step 1) and suggested verification actions (Step 3)

| Information | Questions | Response ⁱ | Suitable for auto-mation? ⁱⁱ | Recommendations for future EU database | Verification action required ⁱ |
|--------------------------------|---|--|---|---|---|
| General | <ul style="list-style-type: none"> Was the CC submitted within the required timeframe? Does the CC indicate all required information? For an indirect importation, have the following been submitted: (i) original or copy CC(s); and (ii) appropriate documented evidence or a processing statement, as required?ⁱⁱⁱ | No (all cases) Reject consignment ^{iv} | ✓ | System automatically detects and alerts authority of the following: <ul style="list-style-type: none"> CC not submitted within timeframe CC incomplete lack of documentary evidence or processing statement. | See Step 1 ^{iv} |
| | <ul style="list-style-type: none"> Has the CC already been fully used in the EU and is not accompanied by a re-export CC? | Yes. Go to Step 3. | ✓ | System automatically detects and alerts authority of the following: <ul style="list-style-type: none"> CC with same number already imported into EU CC weight fully utilised associated re-export CC from this or other member states. | Yes. Check if re-export CC issued and/or request re-export CC from importer. |
| | <ul style="list-style-type: none"> Does CC conform to the general or simplified format under the Regulation OR to the model communicated to the EC by the country in question? | No. Go to Step 3. | ✗ | System links to the EU's Specimen Management System, allowing for the efficient consultation of model CCs communicated by flag States to the EC. | No. Request verification from third country authority |
| 1. Validating Authority | <ul style="list-style-type: none"> Has the Validating Authority (Section 1 of CC) been notified to and accepted by the EC for the flag State concerned (Section 2 of CC)? | No. Reject consignment ^{iv} | ✓ | System builds in a function to automatically detect whether the validating authority corresponds to the authority in the flag State notification. | See Step 1 ^{iv} |
| 2. Vessel | <ul style="list-style-type: none"> Is the vessel included on the DG SANTE list of establishments from which imports are permitted of certain animal products (direct landings only)? | No. Go to Step 3. | ✓ | System builds in a function to automatically detect whether the vessel is included in the DG SANTE list of authorised establishments. | No. Request verification from third country authority. |
| | <ul style="list-style-type: none"> Is the vessel included in the Community IUU vessel list? | Yes. Reject consignment ^{iv} | ✓ | List of IUU vessels should be included in central database and cross-checked automatically with the vessel name (and vessel number, if provided) in CCs. | See Step 1 ^{iv} |
| 3. Country | <ul style="list-style-type: none"> Has the flag State been identified as a Non-Co-operating (red-carded) country by the EC? | Yes. Reject consignment ^{iv} | ✓ | List of red-carded countries should be included in central database and cross-checked automatically with country information in CCs. | See Step 1 ^{iv} |
| 4. Fishing licence | <ul style="list-style-type: none"> Is the date of capture (in Section 3 of CC) prior to the date of expiration of the fishing licence (in Section 2 of CC)? | No. Go to Step 3. | ✓ | System is able to automatically detect irregularities in the chronological order of dates in Sections 3 and 2 of CC. | No. Request fishing licence and request verification from third country authority. |
| 5. Products | <ul style="list-style-type: none"> Does the species and product description (Section 3 of CC) correspond to the product Combined Nomenclature (CN) code (Section 11 of CC)? | No. Go to Step 3. | ✓ (partial) | System is able to automatically check whether species corresponds to product CN code. | No. Request clarification from operator. In case of doubt, request verification from third country authority. |
| | <ul style="list-style-type: none"> Are the products intended for importation the same as those mentioned in the CC?^v | No. Reject consignment ^{iv} | ✓ (partial) | System is able to cross-check product CN code in health certificate and CC ^v . | See Step 1 ^{iv} |
| | <ul style="list-style-type: none"> Is the landed (export) weight consistent with the live weight stated in the CC (if provided), for the product type concerned (Section 3 of CC)?^{vi} | No. Go to Step 3. | ✗ | System includes a list of conversion factors to assist officials in determining whether the landed (export) weight is consistent with the live weight, if provided by the operator/master of the fishing vessel. | No. Request clarification from operator. In case of doubt, request verification from third country authority. |

Table continued on next page

TABLE A: Recommended routine (documentary) checks to be carried out for all CCs (Step 1) and suggested verification actions (Step 3)

| Information | Questions | Response ⁱ | Suitable for automation? ⁱⁱ | Recommendations for future EU database | Verification action required ⁱ |
|---|---|-------------------------------------|--|--|---|
| 6. Transshipment, export and validation | <ul style="list-style-type: none"> Is the date of capture (in Section 3 of CC) prior to the date of transshipment (if relevant), export and validation (Sections 7, 8 and 9 of CC)? | No. Go to Step 3. | ✓ | System is able to automatically detect irregularities in the chronological order of dates in Sections 3, 7, 8 and 9 of the CC. | No. Request transshipment licence (if relevant) and request verification from third country authority. |
| 7. Flag State authority | <ul style="list-style-type: none"> Does the seal of the Validating Authority (Section 9 of CC) correspond to the model communicated to the EC by the country in question? | No. Go to Step 3. | ✗ | System links to the EU's Specimen Management System, allowing for efficient consultation of model seals communicated by flag States to the EC. | No. Request verification from third country authority |
| Where a CC is accompanied by a processing statement: | | | | | |
| 8. Processing statement | <ul style="list-style-type: none"> Does the product CN code and description(s) in the processing statement correspond to the product CN code and description(s) in the CC(s) provided? | No. Go to Step 3. | ✓ (partial) | System is able to cross-check product CN code in CC and processing statement | No. Request clarification from operator. In case of doubt, request verification from third country authority. |
| | <ul style="list-style-type: none"> Do the CC and vessel name(s)/number(s), date(s) of validation and weight(s) in the processing statement correspond to those in the CC(s)? | No. Go to Step 3. | ✓ | System automatically detects discrepancies between the CC numbers, vessel names/numbers, dates of validation and landed weights in the CC and processing statement. | No. Request clarification from operator. In case of doubt, request verification from third country authority. |
| | <ul style="list-style-type: none"> Does the quantity of unprocessed product in the processing statement exceed the total landed (exported) weight as stated in the CC (in combination with other processing statements citing the same CC number)? | Yes. Go to Step 3. | ✓ | System automatically counts down unprocessed weights specified in multiple processing statements (citing same CC number) against weight in original CC | Yes. Request verification from third country authority. |
| | <ul style="list-style-type: none"> Is the quantity of processed product in the processing statement consistent with the quantity of unprocessed catch in the processing statement? | No. Go to Step 3. | ✗ | System includes a list of conversion factors to assist officials in determining whether the weight of processed product is consistent with the quantity of the catch used in processing. | No. Request clarification from operator. In case of doubt, request verification from third country authority. |

Notes:

ⁱ Note that the responses (Yes/No) also include cases of doubt.

ⁱⁱ Automation refers to the possibility of automating cross-checks between: (i) different fields of the CC; (ii) information in the CC and accompanying documents; and (iii) the contents of the CC and external information held in the database. This requires standardisation of CC information entered in the database, which may not be possible for all fields of the CC.

ⁱⁱⁱ See Articles 14(1)(b)(i) and (ii) of the Regulation for details of "documented evidence" to be provided. For species subject to RFMO catch documentation schemes (CDS), documents for the indirect importation of fishery products may be replaced by the re-export certificate of that CDS (Articles 14(1) and (2) of the Regulation).

^{iv} Art. 18(1) of the Regulation provides that a member state authority may refuse an import without requesting additional evidence or sending a request for assistance to the flag State where any of the specified circumstances apply. This includes CCs validated by a flag State identified by the Commission as Non-Cooperating under Art. 31 of the Regulation and catches originating from vessels listed in the EU IUU vessel list.

^v This may also involve a physical check of the consignment to ensure the product for import is the same as specified in the CC.

^{vi} This check will be necessary in the case of products for which no processing statement is required (e.g. for catches processed in the flag State of the fishing vessel): http://ec.europa.eu/fisheries/cfp/illegal_fishing/info/domestic_processed_products_en.pdf

STEP 2 : RISK ANALYSIS

STEP 3: CC VERIFICATION

TABLE B: Minimum criteria to be applied to all CCs to identify high-risk consignments (Step 2) and suggested verification actions (Step 3)

| Criteria | Questions | Response | Suitable for automation? ⁱ | Recommendations for future EU database | Verification action required ⁱⁱ |
|---|--|-------------------------------------|---------------------------------------|--|---|
| COUNTRY | | | | | |
| 1. Country associated with known IUU fishing issues, including evidence of deficiencies in the flag State control system | Has the flag, coastal ⁱⁱⁱ or processing State been issued with an official warning (yellow card) by the EC? | Yes. Go to Step 3. | ✓ | List of yellow-carded countries should be included in central database and cross-checked automatically with information in CCs. | Yes. Request verification from third country authority. |
| | Has the flag, coastal ⁱⁱⁱ or processing State been identified in the following: • Mutual Assistance request • Community Alert • INTERPOL Purple Notice? | Yes. Go to Step 3. | ✓ | Country information from Community Alerts, Mutual Assistance requests and INTERPOL notices should be included in the central database and cross-checked automatically with information in CCs. | Yes. Request verification from third country authority. |
| | Is the flag, transit or processing State subject to RFMO trade measures? ^{iv} | Yes. Go to Step 3. | ✓ | Information on countries subject to RFMO trade measures should be included in the central database for automated cross-checks with CC information. | Yes. Request verification from third country authority. |
| VESSEL | | | | | |
| 2. Vessel has engaged in or is suspected of IUU fishing (past/current) | Has the vessel ^v (including as a result of activities carried out by the vessel owner, beneficial owner or legal entity connected to the vessel) been identified in the following: • Mutual Assistance request • Community Alert • INTERPOL Purple Notice? | Yes. Go to Step 3. | ✓ | Vessel information from Community Alerts, Mutual Assistance requests and INTERPOL notices should be included in the central database and cross-checked automatically with information in CCs. | Yes. Request verification from third country authority. |
| | Has the EC obtained sufficient information to presume that the vessel may be engaged in IUU fishing, warranting an official enquiry with the flag State? ^{vi} | Yes. Go to Step 3. | ✓ | List of vessels identified by the EC as presumed to be engaged in IUU fishing, warranting an official enquiry with the flag State, should be included in the central database for automated cross-checks with information in the CC. | Yes. Request verification from third country authority. |

Table continued on next page

TABLE B: Minimum criteria to be applied to all CCs to identify high-risk consignments (Step 2) and suggested verification actions (Step 3)

| Criteria | Questions | Response | Suitable for automation? ⁱ | Recommendations for future EU database | Verification action required ⁱⁱ | |
|---|--|--|---------------------------------------|---|---|--|
| SPECIES, FISHERY OR PRODUCT | | | | | | |
| 3. Species, fishery or product is associated with known IUU fishing issues | Has the species, fishery or product been identified in the following: • Mutual Assistance request • Community Alert • INTERPOL Purple Notice? | Yes. Go to Step 3. | ✓ (partial) | Species, fishery or product information from Community Alerts, Mutual Assistance requests and INTERPOL notices should be included in the central database to facilitate checks with information in CCs (species, catch area ⁱⁱⁱ , product CN code/description). Species information may be appropriate for automated cross-checks. | Yes. Request verification from third country authority. | |
| | 4. Fishing activities subject to RFMO management | Is the flag State an RFMO Member, or Cooperating Non-Member? | No. Go to Step 3. | ✓ | List of RFMO Members and Cooperating Non-Members should be included in central database for automated cross-checks. | No. Request verification from third country authority. |
| | | Were the fishing activities in compliance with applicable RFMO CMMs (including controls on transshipment, temporal/spatial closures, gear bans, species bans)? | No. Go to Step 3. | ✓ (partial) | Information on RFMO CMMs should be integrated into central database to facilitate manual checks. Where possible, checks should be automated, e.g. CC indicates transshipment at sea in spite of ban. | No. Request fishing licence, vessel data sheet and transshipment licence from operator. In case of doubt, request verification from third country authority. |
| | | Is the vessel included in the register of vessels authorised to fish in the Convention area? | No. Go to Step 3. | ✓ | RFMO lists of authorised vessels should be included in central database for automated cross-checks. | No. Request vessel data sheet from operator and verification from third country authority. |
| | | Was the fishing/transshipment activity carried out in accordance with provisions of relevant licences? | No. Go to Step 3. | ✗ | Information on licences should be integrated into central database to facilitate manual checks. | No. Request licences from operator and verification from third country authority. |
| | | Is the catch specified on the CC within the flag State quota allocated by the RFMO (when combined with other catches from the same flag State within the same quota period)? | No. Go to Step 3. | ✗ | Information on current RFMO quotas allocated to flag States should be included in the central database to facilitate manual checks. The automated tracking of imported (CC) weights against these quotas should also be considered. | No. Request verification from third country authority. |

Table continued on next page

STEP 2 : RISK ANALYSIS

STEP 3: CC VERIFICATION

TABLE B: Minimum criteria to be applied to all CCs to identify high-risk consignments (Step 2) and suggested verification actions (Step 3)

| Criteria | Questions | Response | Suitable for automation? ⁱ | Recommendations for future EU database | Verification action required ⁱ |
|--|--|-------------------------------------|---------------------------------------|--|---|
| 5. Species is subject to CITES controls | Is the species listed in the Appendices to CITES? | Yes. Go to Step 3. | ✓ | Consolidated list of CITES-listed species should be included in the central database and cross-checked automatically with species information in CCs. | Yes. Request verification from third country authority. |
| TRADE | | | | | |
| 6. Trade anomalies | Does the import involve a new trade partner (flag or processing State)? | Yes. Go to Step 3. | ✓ | Central database should be capable of automatically checking for the appearance of a new flag or processing State exporting to a given EU member state (based on historical CC data contained in the database). | Yes. Consult import data in Eurostat and/or catch data in FAO FishStat, if needed, for further data on trade trends. Request verification from third country authority. |
| | Does the import involve a new species or fishery product? | Yes. Go to Step 3. | ✓ (partial) | Central database should be capable of automatically checking for the appearance of a new species in trade (based on historical CC data contained in the database). | Yes. Consult import data in Eurostat and/or catch data in FAO FishStat, if needed, for further data on trade trends. Request verification from third country authority. |
| OPERATOR | | | | | |
| 7. Previous non-compliance of exporter/ importer, or involvement in activities constituting potential risk of IUU fishing | Has the exporter or importer (whether a company or individual) been identified in the following: <ul style="list-style-type: none"> • Mutual Assistance request • Community Alert • INTERPOL Purple Notice? | Yes. Go to Step 3. | ✓ | Exporter/importer information from Community Alerts, Mutual Assistance requests and INTERPOL notices should be included in the central database and cross-checked automatically with exporter/importer information in CCs. | Yes. Request verification from third country authority. |

Table continued on next page

TABLE B: Minimum criteria to be applied to all CCs to identify high-risk consignments (Step 2) and suggested verification actions (Step 3)

| Criteria | Questions | Response | Suitable for automation? ⁱ | Recommendations for future EU database | Verification action required ⁱ |
|--|---|-------------------------------------|---------------------------------------|--|---|
| DOCUMENTARY ISSUES | | | | | |
| 8. History of fraudulent CCs/health certificates, errors, reuse, rejections, cancellations | Have there been any problems with previous CC applications involving the same exporter or importer? | Yes. Go to Step 3. | ✓ | Problems with previous applications (i.e. fraud, documentary errors, CCs reused, rejected or cancelled) should be recorded in the central database and linked to subsequent applications. | Yes. Request verification from third country authority. |
| 9. Information on possible irregularities in validation of CCs by flag State | Have irregularities in the validation of CCs by the flag State been identified in: <ul style="list-style-type: none"> • Mutual Assistance requests • Community Alerts? (e.g. lost, stolen or forged stamps or validating seal from competent authority) | Yes. Go to Step 3. | ✓ | Flag States identified in Community Alerts and Mutual Assistance requests should be included in the central database and cross-checked automatically with flag State information in CCs. | Yes. Request verification from third country authority. |
| 10. Inconsistencies between catch data declared by operator and information contained in other documents available to competent authority | Are there inconsistencies in catch data (species, product codes, weights) recorded on the CC and data in other available documents (e.g. including processing statements, health certificates, transport documents and invoices)? | Yes. Go to Step 3. | ✗ | Central database should provide for the storage of supplementary documents associated with a CC to facilitate manual cross-checks of key catch data (species, product codes and weights). Where possible, the central database should allow for the automated cross-checking of key catch data across documents for inconsistencies. | Yes. Request verification from third country authority. Minor discrepancies may be clarified with the operator. |

Notes:

ⁱ Automation refers to the possibility of: (i) including information in the central EU database and providing for automated cross-checks between that information and the contents of a CC, or (ii) providing for automated cross-checks between historical CC data in the database and the contents of a CC, or (iii) providing for automated cross-checks between information in the CC and accompanying documents.

ⁱⁱ Note that the responses (Yes/No) also include cases of doubt.

ⁱⁱⁱ There is currently no specific field of the CC requiring information to be provided on the coastal State in whose waters the fishing activity took place. Therefore, to effectively identify the coastal State for the purposes of risk analysis, we recommend that the field of the CC entitled "Catch area" be completed with a code for the coastal State's EEZ, where applicable for the catches concerned. We also recommend standardisation of data entry for this field in the case of RFMO and high seas catches – see related paper *Modernisation of the EU IUU Regulation Catch Certificate System* at p.5.

^{iv} Where a flag or re-exporting State has been reported to an RFMO and, as a result, is subject to RFMO trade measures, relevant CCs must be subjected to verification (per Art. 17(4)(d) of the Regulation). As an example for ICCAT: <https://www.iccat.int/en/RecsRegsresults.asp?cajaYear=checkbox&cajaKey=checkbox&cajaType=checkbox&selectGroup=SANC&cajaAct=checkbox&selectidioma=all&textidioma=&Submit=Search>. Note that while Art. 17(4)(d) of the Regulation refers to a re-exporting State, the terms transit and processing State are used in **Table B** for clarity.

^v Including the receptor vessel in the case of transshipments.

^{vi} In accordance with Art. 26(1) of the Regulation. Art. 26(4) requires the EC to circulate information on fishing vessels presumed to be engaged in IUU fishing to all member states

STEP 2 : RISK ANALYSIS

TABLE C: Secondary risk criteria to identify CCs for additional verification (where resources permit) (Step 2)

| Criteria | Questions | Response | Suitable for automation? ¹ | Recommendations |
|--|--|--|---------------------------------------|---|
| COUNTRY | | | | |
| 1. Transparency and access to information to assess compliance | Does the country provide direct access to basic compliance information for the purposes of verifying the authenticity/ validity of CCs, e.g. a transparent vessel licensing and registration system, and transparent CMMs? | No. Consider verifying CC (see Step 3). | ✗ | Lack of transparency/ access to information should be brought to the attention of the EC and, where appropriate, should be considered in the identification of Non-Cooperating third countries. |
| VESSEL | | | | |
| 2. Vessel recently changed name, flag, registration number | Has the vessel recently changed its name, flag or registration number? | Yes. Consider verifying CC (see Step 3). | ✗ | Previous applications from the same vessel (name, IMO number) should be linked in the database to allow authorities to view recent changes. The possibility of linking the database to the IMO database and future Global Record of Fishing Vessels should be explored. |
| 3. Vessel suspected of not implementing applicable VMS standards | Has the vessel been identified as failing to implement applicable VMS standards in investigations or intelligence analyses by a reliable source (e.g. NGO, industry)? | Yes. Consider verifying CC (see Step 3). | ✗ | |
| 4. Transshipment at sea detected | According to information provided on the CC, has transshipment at sea taken place? | Yes. Consider verifying CC (see Step 3). | ✓ | Central database should automatically detect transshipment information provided in CC and generate an alert. |
| SPECIES | | | | |
| 5. Species characteristics increase risk of IUU fishing | Is the species of high commercial value or included in the IUCN Red list (threatened categories)? | Yes. Consider verifying CC (see Step 3). | ✗ | |
| TRADE | | | | |
| 6. Trade patterns inconsistent with known fishing activities of flag State, or with fishing-related activities of third countries | Are trade patterns inconsistent with knowledge of flag State fishing activities (species, volumes, fleet), or of fishing-related activities of third countries (processing industry, trade), and/or of exports? | Yes. Consider verifying CC (see Step 3). | ✗ | Member state should undertake routine strategic analyses of CC data held in the central database to identify unusual trade patterns. Central database should include the functionality to allow for such analyses. |
| 7. Significant and sudden increase in trade volume, or change in trade flows | Does the import involve a significant and sudden increase in trade volume for a particular species or product, or change in trade flows? | Yes. Consider verifying CC (see Step 3). | ✗ | Database should include functionality for MS/the EC to carry out analyses of trade data to detect significant and sudden increases in trade volumes or changes in trade flows. MS and the EC are recommended to carry out such analyses routinely once the database is established. |
| 8. Inconsistencies between catch and trade datasets | Have inconsistencies been identified between catch (production) and trade (export, import) datasets, e.g. Eurostat, FAO FishStat, national Customs records, UN Comtrade? | Yes. Consider verifying CC (see Step 3). | ✗ | Database should include functionality for MS/the EC to carry out comparative analyses of CC data held in the database and external catch/trade datasets. MS/the EC are recommended to carry out such analyses routinely once the database is established. |
| OPERATOR | | | | |
| 9. Participation of a recently established/unknown importer or exporter | Are the exporter or importer known to authorities or have they submitted previous CC applications? | No. Consider verifying CC (see Step 3). | ✓ | Central database should automatically detect first CC application submitted by an operator and generate an alert. |

Notes:
¹ Automation refers to the possibility of: (i) including information in the central EU database and providing for automated cross-checks between that information and the contents of a CC, or (ii) providing for automated cross-checks between historical CC data in the database and the contents of a CC, or (iii) providing for automated cross-checks between information in the CC and accompanying documents.

4. Recommendations

The sections above have provided a number of recommendations for the risk-based verification of catch certificates under the EU IUU Regulation. For ease of reference, these are summarised in **Tables 2 and 3** below, along with additional recommendations aimed at further improving the harmonisation and efficiency of procedures, and their effectiveness at blocking the import of IUU products into the EU.

In terms of priority tasks for the European Commission and member states:

- **The Commission** must ensure that the central database of CCs incorporates the information and functionality to assist member states in the robust risk-based assessment of CCs and that it becomes fully operational as soon as possible. This should include the provision of key “risk” information within the database and, where possible, the automated cross-checking of risk information with CC data (see **Table 3** for details). To ensure the standardisation of processes, the Commission should issue guidance to member states on what constitutes an effective risk analysis and CC verification, and should provide guidance and capacity building to member states on how to use the database to assist in their assessments.

- **Member states** must demonstrate the political will and allocate sufficient resources to implement the risk-based verification of CCs, in accordance with Regulation requirements. In order to improve the harmonisation of procedures across the EU, member states are recommended to apply the minimum standards outlined in this document and to make use of the central CC database in their analyses, once established by the Commission.

This paper has also highlighted the importance of proactive sharing of intelligence and information on cases of verified or suspected IUU fishing by the Commission and member states, which should be fed back into EU-wide risk analysis through the central database. Further information is provided in the **box on page 7**.



TABLE 2: Recommendations to member states and the European Commission with regard to the harmonisation of approaches to the risk-based verification of CCs

| To the member states: | |
|------------------------------------|--|
| 1. Risk analysis | <ul style="list-style-type: none"> Follow the three-step approach to the risk-based verification of CCs outlined in this position paper. Make use of automated risk assessment functions and information stored in the EU-wide database, once established, for the purposes of risk analyses. Monitor the use of simplified CCs and subject these to more detailed scrutiny where suspicions or doubts arise. In consultation with the EC, consider whether it is appropriate to define a set of low-risk scenarios for which reduced checks might be appropriate. In consultation with the EC, develop and improve on the APEO system and encourage more operators to enter the scheme. Carry out routine strategic analyses of historical CC data in the database to detect trade anomalies, and comparative analyses of historical CC data with external catch/trade datasets. |
| 2. Verification of CCs | <ul style="list-style-type: none"> Take all available steps to establish dialogue with relevant third country authorities in the case of significant concerns regarding the compliance of consignments with the Regulation. Request VMS and logbook data as part of every formal verification with a third country. Ensure that enforcement officials have adequate powers of entry and inspection under national legislation to carry out controls of vessels, products, premises and documents (including inspection of company records) as part of their verifications. Reject consignments where satisfactory proof of compliance with the Regulation is not received within the statutory time period. |
| 3. Information exchange | <ul style="list-style-type: none"> Make use of the system of Mutual Assistance established under the Regulation to share intelligence and information on IUU fishing risks and verified cases of IUU fishing with other member state authorities and the European Commission. Inform the Commission where basic compliance information for a third country is not available for the purposes of verifying the authenticity/validity of a CC. |
| 4. Allocation of resources | <ul style="list-style-type: none"> Allocate adequate financial and human resources to implement minimum standards for the risk-based verification of CCs. |
| To the European Commission: | |
| 1. Risk analysis | <ul style="list-style-type: none"> Provide guidance to the member states aimed at harmonising approaches to the risk-based identification of high-risk consignments. This should include guidance on the use of the central database for the purposes of risk assessments. Make use of the Community Alert/Mutual Assistance systems to communicate IUU fishing risks (countries, vessels, operators and species/fisheries/products) proactively to member states to facilitate standardisation of risk assessments. Engage with member states to define a set of low-risk scenarios for which reduced checks might be appropriate. Work with member states to develop and improve on the APEO system, and encourage more operators to enter the scheme. Establish dialogue with other jurisdictions, such as the USA, that have implemented or plan to implement similar approaches, in order to ensure these are consistent. Carry out routine strategic analyses of historical CC data in the database to detect trade anomalies, and comparative analyses of historical CC data with external catch/trade datasets. |
| 2. Verification of CCs | <ul style="list-style-type: none"> Provide guidance to the member states aimed at harmonising approaches to the verification of CCs. This should include guidance on the standard of proof of compliance required and the circumstances in which a member state should submit a formal verification request to a third country authority. |
| 3. Reporting and compliance | <ul style="list-style-type: none"> Improve the biennial reporting format to ensure detailed and standardised responses by member states, which are of sufficient quality to allow for the comprehensive assessment of IUU Regulation implementation – particularly procedures for CC checks, verifications and risk analysis. This should include, for example, clarifying the definition of a verification and updating the reporting format to require further details of: <ul style="list-style-type: none"> the types of verifications carried out by member state authorities, the number/proportion of consignments concerned, and how consignments were selected for further verification. Take appropriate action against member states for failing to implement effective risk-based verification of CCs and rejection of consignments in accordance with the Regulation’s provisions. |
| 4. Allocation of resources | <ul style="list-style-type: none"> Allocate adequate financial and human resources to establish and maintain the central database of CCs, including the regular updating of lists of key information for risk analyses, cross-checks and verifications. |

TABLE 3: Recommendations to the European Commission with regard to the central EU database

| Recommendation | Database requirements |
|--|--|
| <p>Ensure the database is designed in such a way as to improve the efficiency of routine checks and verifications</p> | <ul style="list-style-type: none"> • Automated detection of chronological irregularities and information gaps in CCs, incomplete supporting documentation, discrepancies between different fields of the CC, discrepancies between CC data and accompanying documents, delayed submission of documentation and prior use of a CC in any member state. • Automated cross-checks with the DG SANTE list of authorised establishments and lists of flag State notifications under the IUU Regulation, Community IUU Vessels and red-carded countries¹. • Counting down of unprocessed weights in multiple processing statements against the weight in the original CC. • Linking to the Specimen Management System (model CCs, seals and signatories). • Inclusion of a list of species-specific conversion factors for converting processed to live weight for major fisheries products². • Inclusion of updated contact details (including valid and permanent emails) for third country authorities for the purposes of verification requests. |
| <p>Provide functionality within the database to assist member states in their risk analyses, including the storage of key “risk” information for automated cross-checks</p> | <ul style="list-style-type: none"> • Performance of automated cross-checks of CC data with the following updated lists of information: <ul style="list-style-type: none"> • countries, vessels³, operators and species identified in Community Alerts, Mutual Assistance requests and INTERPOL Purple Notices, • yellow-carded countries, • countries subject to RFMO trade measures, • vessels identified by the Commission as presumed to be engaged in IUU fishing, • RFMO Members and Cooperating Non-Members, • vessels authorised to fish in RFMO Convention areas, and • species listed in the CITES Appendices. • Inclusion of updated information on RFMO CMMs (e.g. quotas allocated to flag States, controls on transshipment, temporal/spatial closures, gear bans, species bans) and details of RFMO vessel licences for automated or manual cross-checks. • Alerting of officials to transshipments at sea • Automatic detection of trade anomalies, i.e. new trade partners (flag or processing State), products or species. • Provision of functionality for member states and the Commission to carry out strategic analyses of trade data to detect significant and sudden increases in trade volumes or changes in trade flows and to detect inconsistencies between CC data and external catch/trade datasets. • Alerting of officials to problems with previous CC applications (e.g. fraud, documentary errors, reuse of CCs, rejections, cancellations) and the first CC application submitted by an operator. • Storage of supplementary documents (processing statements, health certificates, transport documents and invoices) for manual and automated cross-checks. • Provision to allow officials to view recent changes in vessel names, flags and registration numbers. • Possible linking to IMO database and future Global Record of Fishing Vessels (to be explored). |

Notes
¹ Countries identified as Non-Cooperating by the Commission in accordance with Art. 31 of the Regulation.
² Live weight conversion factors currently applying to the EU fishing fleet (http://ec.europa.eu/fisheries/cfp/control/conversion_factors/index_en.htm) and any factors officially adopted by those RFMOs to which the EU is a Contracting Party.
³ This includes vessels identified as a result of the activities of the vessel owner, beneficial owner or legal entity connected to the vessel.

Annex I

Community criteria for Article 17 verifications (Art. 31, Reg 1010/2009)

Community criteria for verifications

- Importation, exportation or trade in fishery products obtained from species of high commercial value.
- Introduction of new kinds of fishery products or discovery of new trade patterns.
- Inconsistencies between the trade patterns and the known fishing activities of a flag State, in particular in respect of species, volumes or characteristics of its fishing fleet.
- Inconsistencies between the trade patterns and the known fishing-related activities of a third country in particular in respect of the characteristics of its processing industry or its trade in fishery products.
- Trade pattern not justified in terms of economic criteria.
- Involvement of a newly established operator.
- Significant and sudden increase in trade volume for a certain species.
- Submission of copies of CCs accompanying processing statements according to Annex IV of Regulation (EC) No 1005/2008, for instance when the catch has been split during production.
- Prior notification, required under Art. 6 of Regulation (EC) No 1005/2008, not transmitted at the proper time or information incomplete.
- Inconsistencies between catch data declared by the operator and other information available to the competent authority.
- Vessel or vessel owner suspected of being or having been involved in IUU fishing activities.
- Vessel having recently changed name, flag or registration number.
- Flag State not notified according to Art. 20 of Regulation (EC) No 1005/2008 or information available on possible irregularities in the validation of CCs by a given flag State (e.g. stamps or validation seal from a competent authority lost, stolen or forged).
- Presumed deficiencies in the control system of a flag State.
- Operators who have already been involved in illegal activities constituting a potential risk in respect of IUU fishing.

The Environmental Justice Foundation (EJF), Oceana, The Pew Charitable Trusts and WWF are working together to secure the harmonised and effective implementation of the EU Regulation to end illegal, unreported and unregulated (IUU) fishing. For more information on improvements to the EU catch certificate scheme, go to www.iuuwatch.eu/catch-certificate-scheme.

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