

Panama purges and deregisters 107 ships from its fleet due to sanctions

The **Panama Maritime Authority (PMA)** has officially deregistered 107 Panamanian-flagged vessels listed under international sanctions, with an additional 18 currently undergoing the deregistration process.

This action is in accordance with Executive Decree No. 512 of October 18, 2024, which grants the PMA the authority to unilaterally cancel the registration of vessels, as well as registered individuals and shipowners, that appear on international sanctions lists.

The deregistered vessels had been identified for compliance concerns or were listed on sanctions list issued by OFAC, the European Union, and the United Kingdom.

Historically, the deregistration of vessels involved in illicit activities was carried out under the General Merchant Marine Law (Law No. 57), specifically Article 49, which outlined the criteria for such procedures. However, the lengthy processing times — approximately three months — impacted the international perception of the Panamanian flag.

To expedite this process and prevent sanctioned vessels from continuing operations, the Panamanian Government enacted Executive Decree No. 512, enabling the immediate deregistration of ships whose owners or vessels appear on the international sanctions lists specified in the decree.

This measure ensures that no vessel or shipowner linked to illicit activities operates under the Panamanian flag, while still respecting the registration of maritime mortgages and the legal rights of the parties involved.

To prevent high-risk vessels from entering the Panamanian Registry, the pre-registration analysis process has been strengthened. This enhanced process now considers not only the vessel's technical criteria but also the background and operational history of its owner and operator.

Additionally, risk matrices have been implemented, along with upgrades to technological platforms, to identify vessels potentially connected to illicit activities. These initiatives reinforce Panama's commitment to international security and environmental protection standards.

Currently, the Directorate General of Merchant Marine is reviewing national legislation to further strengthen the Panamanian Merchant Marine and ensure rigorous oversight in line with international conventions. These regulatory

adjustments will enhance fleet performance and guarantee compliance with safety standards.

Through these measures, Panama reaffirms its commitment to transparency, security, and the fight against the misuse of its flag for illicit activities, solidifying its position as a leader in the global maritime industry.