

Russia's 'shadow fleet': Bringing the threat to light

SUMMARY

Following Russia's unprovoked invasion of Ukraine, the European Union (EU), G7, and allied partners imposed extensive sanctions targeting Russia's economy, in particular the oil sector, in an effort to curb the Kremlin's revenues which finance its war effort. Key measures include an embargo on Russian seaborne oil imports and a price cap on oil and oil products that restricts profits while still allowing sales below a certain price. Enforcement mechanisms prevent Russia from chartering or insuring oil tankers unless they comply with these limits. In response, Russia has sought new markets and established a 'shadow fleet' to evade these restrictions.

The terms 'shadow fleet', 'dark fleet' and 'grey fleet' have gained prominence following the imposition of sanctions on Russian energy exports, yet their definitions remain inconsistent among experts, leading to confusion. Analysts increasingly recognise that the broader definition, encompassing all vessels lacking Western insurance and belonging to non-EU/G7+ companies, captures the diverse tactics employed by Russia to circumvent sanctions and highlights the potential risks associated with these operations.

To evade sanctions, the Russian 'shadow fleet' makes use of flags of convenience and intricate ownership and management structures while employing a variety of tactics to conceal the origins of its cargo, including: ship-to-ship transfers; automatic identification system blackouts; falsified positions; transmission of false data; and other deceptive or even illegal techniques. In addition to bolstering its war chest, Russia's 'shadow fleet', which consists of a growing number of aging and poorly maintained vessels that operate with minimal regard to the regulations, poses significant environmental, maritime safety, and security risks.

As Russia depends increasingly on its 'shadow fleet' to maintain oil exports, the EU and allied nations have implemented measures to counter these evasive tactics. These include imposing targeted sanctions on specific vessels and enhancing international collaboration to disrupt such activities.

During a plenary debate in October 2024, Members of the European Parliament called for enhanced maritime surveillance, tighter shipping controls, and expanded sanctions to address the significant environmental and safety threats posed by these vessels. Parliament is expected to vote on a resolution on this issue during its November I 2024 plenary session.



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Energy sanctions: The oil price cap

In response to Russia's unprovoked invasion of Ukraine, the EU, the United States (US) and other like-minded partners, including the G7 (EU/G7+), imposed unprecedented [sanctions](#) on entire sectors of the Russian economy, as well as on companies and individuals implicated in Russia's war of aggression against Ukraine. One key objective of these measures was to **diminish Russia's capability to finance its war effort** in part by [impacting](#) the oil and gas [sector](#), which traditionally accounts for 60 % of Russian export earnings and approximately 40 % of budget revenues.

Sanctions targeting Russian oil exports can be broadly categorised into two main groups: first, restrictions on EU purchase, import and transfer of Russian seaborne oil and certain petroleum products, which were imposed along with restrictions on technology transfers for extraction. Under the [sixth sanctions package](#), adopted in June 2022, the EU imposed an **embargo on importing seaborne crude oil from Russia**, which came into effect on 5 December 2022, and on most petroleum products, with minor exceptions, effective from 5 February 2023. Around 90 % of EU oil imports from Russia were [covered](#) by this ban.

Second, in order to limit the Kremlin's revenues while at the same time maintaining the supply of Russian oil and petroleum products to the global market (and, thus, prevent supply shocks), the EU/G7+ placed a [price cap](#) on Russian oil, effective in parallel with the bans. Under this [regime](#), transposed into EU [legislation](#) in October 2022, companies under the jurisdiction of the participating countries are forbidden from providing shipping, brokering, technical assistance or insurance services to facilitate the trade of Russian crude oil and petroleum products across the globe, unless the trade is verifiably below the price cap. The price cap was initially set at US\$60 per barrel for crude oil, and has not been changed since. As EU/G7+ companies dominate maritime insurance and shipping services, this cap effectively restricts Russia's ability to operate at prices above the limit in many global markets. The price caps took effect at the same time as the respective embargoes: in December 2022 for seaborne crude oil and in February 2023 for petroleum products.

In response to these measures, to compensate for the loss of the EU market, Russia has turned to **new buyers** – countries that have not aligned with the sanctions regimes. It has also developed multiple strategies to evade the restrictions, principally the establishment of a **shadow fleet** – vessels with ownership and insurance outside G7 and EU jurisdictions, enabling them to evade Western oversight.

Russia's shadow fleet: Size, impact and associated risks

What is a 'shadow fleet'?

The terms 'shadow fleet', 'dark fleet' and 'grey fleet' have come to the fore since the West imposed sanctions on Russia's energy exports and Russia began its attempts to circumvent them. Experts, journalists and politicians use these terms interchangeably, often offering generic or vague definitions. This makes it difficult to assess the scale of the phenomenon, and may create ambiguity and confusion when comparing different assessments.

The International Maritime Organization (IMO), in its non-binding [resolution](#) of 6 December 2023, agreed for the first time on a precise definition of the term:

'[the IMO Assembly] decides that for the purpose of this resolution, **'dark fleet' or 'shadow fleet'** mean ships that are engaged in **illegal operations** for the purposes of circumventing sanctions, evading compliance with safety or environmental regulations, avoiding insurance costs or engaging in other illegal activities, which may include:

- carrying out unsafe operations which do not adhere to international regulations and well-established and strict industry standards and best practices;
- intentionally avoiding flag State and port State control inspections;
- not maintaining adequate liability insurance or other financial security;

- intentionally avoiding commercial screenings or inspections;
- not operating under a transparent corporate governance policy that assures the welfare and safety of those on board and the protection of the marine environment; or
- intentionally taking measures to avoid ship detection such as switching off their AIS [automatic identification system] or LRIT [long-range identification and tracking system] transmissions or concealing the ship's actual identity when there is no legitimate safety or security concern sufficient to justify such action ...'

The EU and other international actors and experts have [welcomed](#) the recognition and codification of the phenomenon. However, the narrow definition of 'shadow fleet' provided by the IMO resolution, focused on demonstrated illegal practices, may be insufficient to grasp the wide spectrum of practices adopted by Russia to circumvent international sanctions, and their potential environmental and security risks.

As a *Lloyds List Intelligence* [April 2023 report](#) explains, prior to the imposition of international sanctions in response to Russia's full-scale invasion of Ukraine the term '**shadow fleet**' was primarily used to describe tankers 'going dark' by turning off their tracking transponders to conceal their true location and the destination of oil subject to US sanctions. In other words, the term 'shadow fleet' was used to refer to a 'dark fleet', in its narrowest sense. However, the same report notes that vessels no longer fit a catch-all, single category of 'dark fleet' owing to the emergence of many shades of grey in terms of legality and compliance with the regulations.

Similarly, [Windward](#) proposes a three-tiered vessel definition system. First, it defines a '**cleared fleet**' as tankers not exhibiting any suspicious conduct, and thus not falling within the 'shadow fleet' definition. Second, a '**grey fleet**' is a quasi-legal fleet that operates in parallel to the cleared fleet; this is said to be a 'completely new phenomenon evolving from the Russia war'. Windward explains that this fleet is described as 'grey' because it is difficult to determine legality and sanctions compliance in many cases owing to practices such as obscure vessel origins and ownership and flag hopping. Third, a '**dark fleet**' (or 'shadow fleet') is one that turns to deceptive and illegal practices, such as ID and location tampering or intentional disabling of automatic identification systems. Windward then suggests making a '**cleared versus risky**' assessment, where both 'grey' and 'dark' fleets fall into the 'risky' category. Other experts also include both 'grey' and 'dark' fleets in their notion of what constitutes Russia's 'shadow fleet'.

To unite these criteria, the [KSE Institute](#) (Kyiv School of Economics) proposes a **wider definition of 'shadow fleet'**, to properly evaluate their size and 'the new and significant risks they create'. Under this definition, a 'shadow fleet' comprises all vessels that **simultaneously meet two conditions**: (i) they **lack Western insurance** and rely instead on providers outside the International Group of Protection and Indemnity Clubs; and (ii) they **belong to companies from non-EU/G7 countries**.

Protection and indemnity insurance

Protection and indemnity ([P&I](#)) is an insurance policy that is mandatory for vessels, including tankers, involved in business or transportation across international seas. It covers the potentially high costs of any harm a ship may accidentally cause to people, property and the environment. Liability claims include: (i) damage from collisions; (ii) damage to property; (iii) pollution and environmental damage; (iv) removal of wrecks; (v) stowaways and repatriation; (vi) damage to fixed or floating objects; and (vii) civil liabilities imposed after damage due to pollution or oil spills.

The International Group (IG) of P&I Clubs is a sophisticated network of non-profit, mutual assurance clubs made up of and funded by shipowners. According to its [website](#), the IG covers over 90 % of world ocean-going tonnage, [thanks](#) to its high level of transparency, investment grade ratings, and a strong track record on payouts.

Inside Russia's 'shadow fleet': How does it work?

The use of 'shadow fleets' or 'dark fleets' is not a new phenomenon – countries such as [Iran](#), North Korea, Venezuela and Russia (even before its full-scale invasion of Ukraine) have resorted to it regularly in the past. However, since the imposition of the international sanctions in response to its invasion of Ukraine, Russia has taken the use of the 'shadow fleet' to another level, both in numbers and in the sophistication of mechanisms adopted.

Since March 2022, Russia has made extensive efforts to circumvent the international sanctions and, in particular, the oil price cap. The KSE report estimates that Russia has invested US\$10 billion in developing its shadow fleet, in order to continue trading Russian oil at market prices by avoiding G7/EU vessels, ports and financial and maritime services.

The Russian government has focused in particular on:

- **shifting tankers previously owned by Russian entities to new management companies.** Approximately 90 tankers of this type, previously owned by state-owned Russian company Sovcomflot, switched management to companies based in the United Arab Emirates (UAE) and elsewhere before 5 December 2022.
- **buying vessels over 15 years old from the cleared fleet** that previously held P&I insurance from the International Group (IG). Now, being beyond the 'insurance age' of 15 years, around 100 vessels constitute the Russian shadow fleet.
- **acquiring very old vessels (20+ years) from both shadow and cleared fleets.** Over 200 of these tankers would likely have been retired if not repurposed within Russia's shadow fleet. Using older ships may be a deliberate strategy, as these less valuable vessels are easier to scrap if caught up in sanctions or regulatory issues, reducing financial risks and potential penalties for ship owners.

The main strategy has involved removing mainstream (cleared) fleet vessels from service for oil price cap coalition countries. Only a small fraction of Russia's current shadow fleet consists of vessels transferred from other global shadow oil trade networks (e.g. Iran or Venezuela). There is potential for further growth of the Russian shadow fleet along the same lines.

Very few vessels involved in transporting Russian cargo operate exclusively for Russia or other jurisdictions under sanctions. Ships from Russia's shadow fleet typically work part-time or occasionally for Russian clients, often serving multiple clients and carrying cargo not under sanctions in addition to Russian oil. This complicates efforts to track and enforce sanctions, as there is significant overlap with the broader fleet. As experts from [Carnegie Politika](#) emphasise, the concept of a distinct shadow fleet dedicated solely to evading sanctions may be overstated.

Flags of convenience, ownership, insurance and management

Many shadow fleet vessels use **flags of convenience** from countries that are either less inclined or unable to enforce Western sanctions. The [top countries](#) whose flags are used by shadow tankers transporting Russian crude oil include **Cook Islands, Eswatini, Gabon, Liberia, Malta, Marshall Islands, Panama, and Russia itself**. According to [Windward investigation](#), 12 % of dark fleet vessels and 10 % of grey fleet vessels are sailing under EU Member States' flags (Malta accounts for 6.4 % and 8.8 % respectively). By flying these flags, ships can appear to be independent of Russia, making it challenging for regulatory bodies to trace the cargo back to Russian oil sources. This allows Russian oil be moved and sold in international waters with little risk of detention or sanctions enforcement.

To escape scrutiny, Russia's shadow fleet regularly shifts registrations among flag of convenience nations that do not enforce EU/G7+ sanctions. The **frequent reflagging of vessels** complicates the monitoring of Russian oil shipments. Each flag change requires enforcement agencies to re-establish tracking links, often hindering and delaying monitoring and enforcement processes.

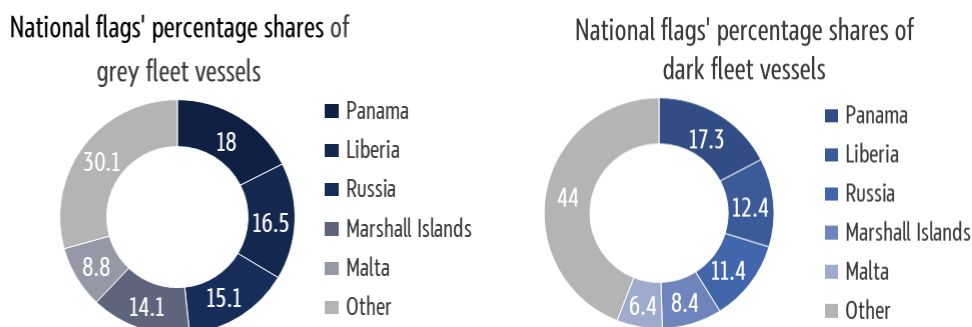
Responsibilities of flag states

Flag states are legally responsible for ensuring that vessels flying their flags comply with international regulations, including standards for safety, pollution prevention and insurance. Their primary obligations are outlined in the [IMO's Instruments Implementation Code](#). While the IMO establishes regulations, it lacks enforcement power, leaving compliance up to flag states. However, **enforcement varies widely**, with some flag states known for their wilful negligence, lax approach and [poor standards](#), creating a key vulnerability in shipping regulation. Whereas the IMO [Member State Audit Scheme](#) became a treaty obligation in 2016, in the absence of enforcement or punitive measures, it relies largely on the commitment of the member states to follow through on the recommendations.

Without access to the EU/G7+ shipping services, including insurance, **Russia's shadow fleet vessels use insurance from obscure or offshore providers** that are not part of the price cap coalition or sanctions-aligned countries, enabling continued operations despite sanctions. Consequently, these vessels lack P&I insurance from the IG, which covers oil spills, leading to heightened maritime safety and environmental risks.

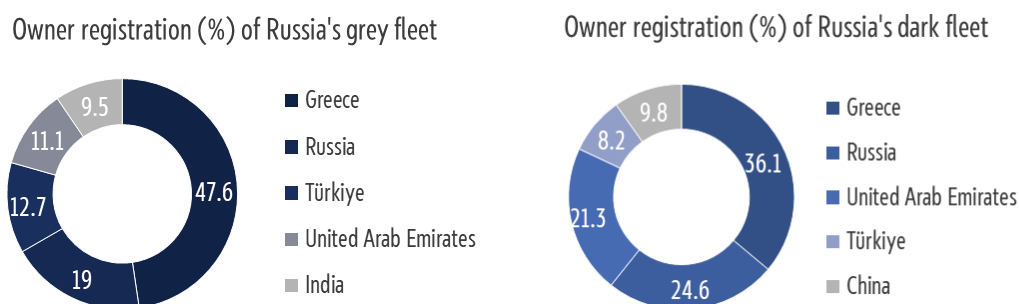
Equally, Russia's shadow fleet seems to take advantage of complex ownership structures in global shipping, often involving **multiple levels of obscure ownership and management** or/and the involvement of **shell companies**, registered in jurisdictions with lax transparency requirements. This tactic helps Russia conceal the ultimate beneficial owners of cargo or commodities, who appear to be law-abiding and not subject to sanctions.

Figures 1 and 2 – National flags' percentage shares of Russia's grey fleet (left) and dark fleet (right) vessels



Source: [Windward](#), 2024.

Figures 3 and 4 –Owner registration (%) of Russia's grey fleet (left) and dark fleet (right) vessels, by company location



Source: [Windward](#), 2024.

As for **management** of the commercial aspects of maritime operations, the KSE Institute found that in 2023, the UAE, China and India, followed by the Marshall Islands and Turkey were the main countries providing this service. Following the identification and sanctioning of management companies by the Office of Foreign Assets Control of the United States (OFAC), there was an increase in management transfer to newly created companies.

Deception tactics

The Russian shadow fleet is [reported](#) to be using a wide array of deceptive [tactics](#) to evade sanctions, including: ship-to-ship (STS) transfers; AIS (automatic identification system) blackouts; spoofing - falsifying their positions and transmitting false data, including on ownership; and other deceptive or even illegal techniques, such as changing name or even identity (IMO number).

Ship-to-ship transfers

Russia's 'shadow fleet' relies heavily on **STS transfers** - the transfer of liquid bulk cargo between two or more vessels in open waters. While common practice even within a cleared fleet, these STS transfers allow Russian-origin oil to be transferred between vessels at sea, often multiple times, before reaching its final destination, obscuring the oil's origin and helping it avoid detection. By conducting STS transfers in international waters, Russian-affiliated vessels avoid docking at ports, where inspections could reveal the oil's Russian origin or its non-compliance with the price cap. During STS transfers, **oil from Russia may be blended** with oil from other countries to obscure its origin further. STS transfers are often carried out near busy shipping [lanes](#), such as those around Malaysia, the [Mediterranean](#), the Black Sea or the Sea of Azov, complicating oversight.

Automatic identification system blackouts and spoofing

The **automatic identification system (AIS)** is a tracking system used by ships globally. It transmits data including information on a ship's identity, location, speed and destination. The IMO mandates AIS usage for all vessels over 300 gross tonnes engaged in international voyages and for all passenger ships, regardless of size, under the International Convention for the Safety of Life at Sea (SOLAS). This requirement is intended to enhance safety by making vessels visible to each other and to shore-based monitoring systems. Continuous AIS operation is the standard, and frequent or prolonged AIS blackouts are generally prohibited. Repeatedly disabling AIS to obscure a vessel's position or activities - especially during operations such as STS transfers - is considered a breach of SOLAS requirements. AIS blackouts may be legally defensible in specific circumstances, such as in piracy-prone waters, but the exemption applies only when the crew's safety is directly threatened.

Russia's shadow fleet uses both automatic identification system (**AIS**) **blackouts** and [spoofing](#), making it even harder for authorities to monitor its oil shipments and enforce the price cap. Ships in Russia's shadow fleet sometimes turn off or disable their AIS transponders, effectively 'going dark' while at sea, making vessels invisible to satellite and land-based tracking systems. Blackouts usually occur when a vessel is approaching a high-risk [activity area](#), such as near STS transfer zones, or when entering specific destinations where authorities may not scrutinise Russian-origin oil. After conducting the transfer or nearing port, vessels may re-enable their AIS to appear compliant, creating gaps in the tracking data.

Spoofing is the deliberate [broadcasting](#) of false AIS signals to disguise a vessel's true location, identity or journey. The IMO requires accurate transmission of vessel identity, position, and other data to maintain the integrity of global maritime tracking systems. If spoofing disrupts this integrity, posing safety risks to other vessels and complicating traffic management, it could lead to legal actions or penalties from port states whose operators bear responsibility for vessel screening.

Spoofing enables a Russian-affiliated vessel to appear to be in one place while actually operating in another. Alternatively, a vessel might change its name or even [IMO number](#) temporarily to resemble

a different vessel, creating further confusion. While a vessel can legally change its name, frequent and unapproved name changes without reporting to the flag state and IMO in line with certain procedures violates maritime law. Under international maritime law, a vessel is not authorised to change or alter its IMO number.

Enforcement of AIS regulations typically falls under the jurisdiction of the vessel's flag state.

While some flag states enforce these rules strictly, others may overlook AIS blackouts and spoofing, particularly in cases involving flags of convenience. Russia's shadow fleet frequently uses flags of convenience, which are registered in countries with more lenient regulatory standards, reducing the risk of penalties for AIS violations. In addition, international waters are beyond the jurisdiction of any single country, complicating enforcement. While international organisations monitor AIS activity, they have limited authority to enforce penalties, relying on cooperation from individual countries.

Port states – the authorities at ports where a vessel docks – also have powers to enforce AIS regulations. If a vessel enters a port with a history of AIS blackouts or suspected spoofing, port authorities may detain or fine the vessel, conduct investigations, or prevent it from offloading cargo. Shadow fleet vessels tend to avoid ports where sanctions and AIS regulations are strictly enforced.

Statistics: Size and volume

Russia's shadow fleet is growing, and despite the efforts to quantify it, the exact number of 'shadow' vessels and tankers remains [unknown](#). The estimated number differs significantly between different sources. For instance, S&P Global [estimates](#) that there are approximately **591 shadow fleet tankers** operating in the Russian oil trade, 271 of which operating as 'dark fleet'. Similarly, the [KSE's 2024 report](#) states that the **shadow fleet comprises around 435 vessels**, 185 of which transporting crude oil and 250 carrying oil products. Of those, the KSE Institute [identified](#) 45 crude oil tankers and 41 oil product tankers as the consistent 'core' of the shadow fleet throughout 2023 and the first half of 2024. On average, as the Centre for Research on Energy and Clean Air (CREA) [notes](#), three shadow tankers leave Russian ports daily, this represented around 800 voyages transporting Russian crude oil in the first 8 months of 2024.

According to KSE [estimates](#), over the past 2 years, the volume of Russian oil transported by shadow tankers has risen steadily, reaching **4.1 million barrels a day** in June 2024 and constituting **70 % of Russia's total seaborne exports**. This represents 89 % of crude oil and 38 % of oil product shipments. Similarly, [CREA's monthly analysis](#) for September 2024 found that **shadow tankers transported 66 % of Russian seaborne crude oil and its products**, including **86 % of crude oil and 38 % of petroleum products**. Windward [experts](#) estimate that since the start of the full-scale war, the shadow fleet has transported over 142 million barrels of Russian crude and oil products. KSE experts [estimate](#) that in the first 9 months of 2024 alone, Russia's shadow fleet allowed it to realise US\$10 per barrel more for its oil sales, generating **US\$8 billion in extra earnings**.

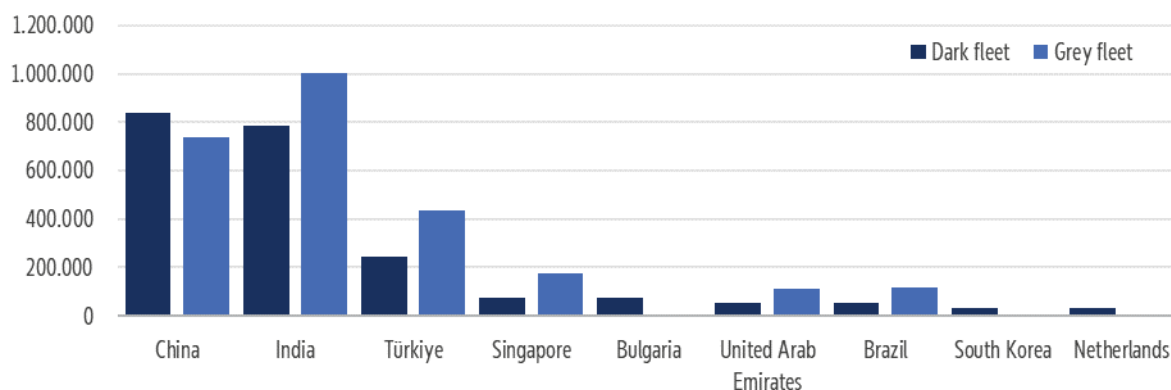
Destinations and routes

The top three countries importing Russian crude oil via the shadow fleet are **India, China and Turkey**, accounting for 95 % of Russian crude oil exports in May 2024, according to the [KSE Institute](#). Russian petroleum products transported by shadow tankers are supplied to a larger number of countries, with Turkey, China and Brazil the main buyers.

Russian shadow fleet vessels operate across the globe; however, in the first half of 2024, almost 42 % of total Russian seaborne oil was [exported](#) from **Baltic and Black Sea ports** by shadow tankers. The KSE Institute [estimates](#) that in April 2024, Russia's 'shadow fleet' transported approximately 92.4 million barrels, accounting for about 82 % of all its exports passing through the Baltic Sea. From January to August 2024, there was a 277 % [increase](#) in the number of shadow tankers passing through the Danish Straits compared with the same timeframe in 2022. During the same period, the **Dover and Gibraltar Straits** experienced a 355 % increase in shadow tankers compared with 2022, accounting for 67 % of oil transported through these straits. In parallel, the **Suez Canal** saw a remarkable 649 % increase in shadow tanker activity. In the **Korean Straits**, there was a 351 %

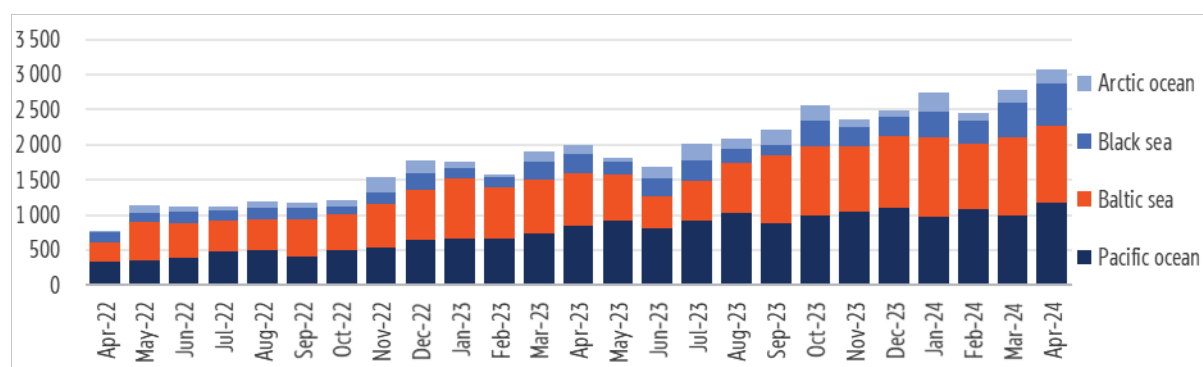
increase in volume compared with 2022, with 35 million tonnes of cargo passing through, 89 % of which was carried by shadow tankers. The Strait of Malacca saw a 151 % increase. Equally, Russia is increasing crude oil shipments across the Arctic [Northern Sea Route](#), which Moscow sees as a [crucial part](#) of its strategy to [diversify](#) exports and reduce reliance on other transit routes.

Figure 5 –Russia's grey and dark (shadow) fleet main destinations



Source: [Windward](#), 2024.

Figure 6 – Russia's seaborne crude oil shipments by shadow fleet, kbbbl(1 000 barrels)/day



Source: [KSE Institute](#), June 2024.

Environmental and maritime safety concerns

In addition to feeding its war chest, Russia's shadow fleet operations [pose](#) serious **environmental and maritime safety concerns**. As CREA [notes](#), over 72 % of shadow tankers are over 15 years old, heightening risks of malfunctions, collisions, and oil spills. [To date](#), there have already been **over 50 incidents involving Russia's shadow fleet**.

Maritime safety concerns

Russia's shadow fleet presence poses [considerable risks](#) to other ships. Its vessels engage in risky STS transfers, AIS blackouts and even spoofing – all of which create a navigational risk for other vessels operating in the same waters, increasing the likelihood of collisions, especially in congested shipping lanes. In addition, there is a heightened risk of falsified vessel registrations within the shadow fleet; notably, ships may forge or disregard mandatory surveys and inspections, often lacking the necessary regulatory certificates mandated by international maritime conventions. This further increases the risk of malfunctions and maritime accidents.

Numerous [incidents](#) involving suspected Russia's 'shadow fleet' vessels have already confirmed significant maritime safety concerns. These incidents typically involve fires, engine malfunctions, collisions, loss of steerage, and oil spills. When such accidents occur, the financial burden of managing the aftermath – whether covering environmental damages, repairing infrastructure, or

conducting rescue operations – often falls on other vessels' insurers or, in some cases, local governments. This is because the shadow fleet operates under flags of convenience, limiting their liability and complicating accountability.

As the shadow fleet expands, with ageing, minimally maintained vessels, these accidents are likely to increase in number. For countries within whose waters these incidents occur, the strain on resources for incident responses is expected to [escalate](#). Such responsibilities include emergency clean-up, environmental mitigation, and safety measures to protect nearby communities and ecosystems. This poses a recurring financial burden and also places additional pressure on local authorities who may lack the resources to handle a rise in accidents on this scale. Ultimately, the expansion of the shadow fleet and its increasing accident rate amplify risks to maritime safety and financial stability in affected regions, with potential long-term impacts on ecosystems.

Environmental concerns

The IMO sets stringent safety and environmental [standards](#) for vessel operations. Shadow fleet vessels often evade these regulations, however, by changing flag, not undergoing regular checks, and operating under jurisdictions with less oversight. This, combined with the greater age of the vessels, typically correlating with a higher likelihood of mechanical failures and accidents, poses a substantial [risk](#) to sensitive marine environments, particularly in regions like the [Baltic](#) and North Seas, where biodiversity levels are high and the consequences of pollution could be catastrophic.

The lack of adequate P&I insurance significantly heightens the risks and potential damage from oil spills. Without proper coverage, immediate emergency funds to contain spills early – minimising their impact – may be [delayed](#) or simply unavailable. Resources for long-term clean-up efforts, which can extend over years, may also be insufficient. Additionally, affected coastal communities risk receiving reduced compensation following an incident, [amplifying](#) their economic and environmental toll. Finally, the financial burden of managing the economic and environmental fallout from such disasters is likely to fall on national governments, as the opaque ownership and insurance arrangements of shadow vessels make it [virtually impossible](#) to enforce liability for accidents.

Security threats

Investigative journalists, and the head of Sweden's navy, Rear Admiral Ewa Skoog Haslum, and its armed forces chief, General Micael Bydén, have raised [concerns](#) about the [activities](#) of Russia's shadow fleet, [claiming](#) that the tankers appear to be **conducting surveillance around critical infrastructure**. According to Sweden's navy chief, Russia's shadow fleet poses both environmental and **security risks**. The Swedish Navy has [documented](#) that tankers from the Russian shadow fleet may be **gathering intelligence**, as some of them are equipped with devices typically used for intercepting communications (e.g. antennas and masts). Reports [indicate](#) that Russia's shadow fleet is actively [monitoring](#) Gotland, a strategically important island in the central Baltic Sea. This heightened interest comes as Swedish armed forces have reinstated a permanent military presence there due to concerns over Russian aggression, and NATO may also consider conducting operations in the region. In June 2024, at a meeting of the Council of the Baltic Sea States, the foreign ministers of the Baltic and Nordic countries, Germany and Poland, discussed Russia's hybrid threats in the Baltic Sea. At the [event](#), Latvia's minister of foreign affairs, Baiba Braže, [stressed](#) that 'the 'shadow fleet' in the Baltic Sea poses both security and environmental risks and is a **geopolitical threat** in general'.

How to counter Russia's shadow fleet

As Russia has relied increasingly on shadow fleet vessels to continue its oil exports, the EU, G7 and aligned countries have taken steps to counter these evasive practices. This includes targeted sanctions on individual vessels and increased international coordination to disrupt these practices.

European Union action

The EU, under successive sanctions packages, has adopted specific provisions to counter Russia's shadow fleet. As part of the [11th package](#) of sanctions, adopted in June 2023, the EU banned the entry of vessels into EU ports if they are involved in STS transfers suspected of violating the Russian oil import ban or the price cap. This prohibition also applies to vessels that manipulate or deactivate their AIS while transporting Russian crude oil and petroleum products.

Under the [12th package](#) of sanctions, adopted in December 2023, the EU agreed on measures to monitor closely the sale of tankers to third countries to prevent their use for transporting oil above the price cap. All sales of tankers by EU operators must be reported to national authorities, and any sales to Russian individuals or entities, or for use in Russia, require authorisation. These measures are intended to enhance the EU's understanding of the shadow fleet, improve vessel monitoring, and increase market transparency. Additionally, the package mandates Member States to share information with one another and the European Commission, supported by the European Maritime Safety Agency, to identify vessels engaging in deceptive practices – such as STS transfers and manipulation of the AIS – when transporting Russian oil or petroleum products. This information is expected to aid enforcement efforts by Member States.

Under the [14th package](#) of sanctions, [adopted](#) in June 2024, the EU introduced listings of vessels under sanctions in the context of Russia's war on Ukraine. These listings can arise from various activities, but the sanctions particularly target tankers linked to Russia's shadow fleet. Out of the 27 vessels listed, which face bans on port access and the provision of services, there are 17 tankers, of which 10 are specifically designated for transporting crude oil or petroleum products that either originate in Russia or are exported from Russia, while engaging in irregular and high-risk shipping practices, as outlined in IMO General Assembly resolution [A.1192\(33\)](#). These designations follow US and UK sanctions on specific vessels. Including the designations by the EU, a total of 92 shadow fleet tankers are currently subject to [sanctions](#) by one or more of these three jurisdictions.

During a discussion at the Brussels Centre for European Policy on 19 September 2024, David O'Sullivan, the EU's International Special Envoy for Sanctions Implementation, [highlighted](#) that targeting specific ships makes it more challenging for Russia's shadow fleet operations to continue smoothly. O'Sullivan also stressed that the EU is actively pursuing the tracing and sanctioning of numerous small front companies established by Russia to support its shadow oil trade. He mentioned that the US has started to impose sanctions on firms linked to specific addresses associated with these front entities – a strategy that the EU is considering adopting to enhance its own enforcement efforts.

In addition to imposing the sanctions, the EU is engaging in dialogue with the flag states: its delegations have been instructed to reach out to the countries whose flag registers are hosting and providing services to the shadow fleet. Simultaneously, the EU is in discussions with countries that may be using the services of shadow fleet vessels. In parallel, the EU is [engaging](#) at international level, including through the IMO and the International Oil Pollution Compensation Funds (IOPC Funds). The Commission and Member States worked together for the adoption of the 'dark fleet resolution' at the IMO in December 2023. This resolution defines what constitutes a 'dark fleet' for the first time and sets out recommendations for coastal and flag states.

In July 2024, the EU and its Member States joined a UK-issued [call to action](#), committing the partners to coordinated efforts to counter the fleet's operations. Simultaneously, through the Sanctions Coordinators Forum which brings together senior representatives from all EU Member States as well as international partners, the EU cooperates with like-minded partners to improve information sharing and tighten loopholes in maritime practices that allow Russia to bypass sanctions. On 23 September 2024, David O'Sullivan led the fourth Sanctions Coordinators Forum. It [focused](#) on enhancing enforcement of the oil price cap and targeting Russia's shadow fleet. A key message was the importance of sustained dialogue and coordinated action, including engagement with domestic operators, to strengthen compliance and clamp down on evasive activities within maritime sectors.

Further measures proposed by experts

While measures to close loopholes and prevent sanctions evasion are seen as a step forward towards countering Russia's shadow fleet, the problem is far from being solved. The KSE Institute experts [advocate](#) a targeted strategy focused on what they consider the weakest point of Russia's shadow fleet – its insurance coverage. They propose to **require disclosure of oil spill insurance coverage from all vessels**, including audited financial statements of the insurer and a credit rating by a reputable international rating agency (thus allowing price cap coalition authorities to establish whether a vessel's P&I insurance can be relied upon to pay out in the event of an incident).

To **enforce** these insurance requirements, the KSE suggests establishing a **multi-tiered mechanism**, combining diplomatic pressure and financial measures. First, the countries concerned (mainly G7+/EU) should exert pressure on key flag state authorities and ship classification societies to play the role that is assigned to them in the existing framework, namely to diligently verify the adequacy of oil spill insurance when providing or renewing registrations and verify the adequate maintenance of technical standards. Second, KSE experts recommend establishing financial responsibility for damages (particularly for oil spill liability) for any party involved in the operation of tankers – such as flag states, certification societies, ship owners and managers, and charterers. Going further, the KSE recommends **designating shadow fleet vessels** that lack adequate insurance, and taking enforcement actions against any parties interacting with a designated vessel or its cargo – including buyers, financial institutions, and others. Finally, according to KSE experts, in circumstances where certain vessels present an immediate threat to environmental safety or maritime traffic, coalition nations should retain the authority to physically intercept these tankers, as a last resort.

Experts from CREA [emphasise](#) the need to **enhance due diligence requirements under the current oil price cap mechanism**, including requiring proof of price-cap compliant sales contracts backed by bank-verified statements to obtain insurance and other services; and enhancing proof of origin certification for imported oil and oil products. They advocate a substantial **expansion of targeted sanctions**, designating all 'shadow fleet' vessels, their owners, operators and managers, and adding them to the EU, UK and US sanctions list. Furthermore, if vessels under sanctions continue to operate, they advise designating key persons and entities that continue to engage with such vessels as well as third-country facilities that blend or mask Russian-origin oil or oil products. They also advocate a ban on STS transfers of Russian crude oil and oil products in territorial waters and exclusive economic zones (EEZs), and on the provision of ancillary maritime and other services to such operations wherever they take place. CREA proposes requiring **proof of adequate P&I insurance cover** and raising and enforcing minimum environmental and safety requirements for all oil tankers entering territorial waters, EEZs and international straits, as well as enforcing compliance with IMO sulphur oxide fuel standards in all coastal waters. On **anti-espionage** measures, CREA experts find it important to identify shadow fleet vessels involved in surveillance/espionage activity and prevent their passage through territorial waters and international straits.

Challenges inherent in more assertive action

Preventing shadow vessels from entering territorial waters or EEZs is inherently challenging, if not impractical or impossible. While the 1994 UN Convention on the Law of the Sea (UNCLOS) [grants](#) coastal states limited rights to [protect](#) their waters from vessels violating international laws and posing pollution risks, the same convention grants vessels the **right of innocent passage**, meaning the right to navigate freely through territorial seas. As the European Commission [emphasises](#), this means that preventing shadow fleet vessels from entering territorial waters or an EEZ is challenging. Elizabeth Braw, a senior fellow at the Atlantic Council, [argues](#) that voyages must meet UNCLOS's definition of 'innocent passage', and that **ships must comply with the laws of the country they pass through**, which require the vessel to be in good condition and properly insured. However, as Braw underlines, most countries find it too risky to block 'shadow' vessels on these grounds, particularly given the lack of an internationally recognised registry for such vessels.

Nevertheless, some coastal states have been increasingly assertive in interpreting their rights, especially in the context of the increased risk of major disaster due to the shadow tankers' activity. In this context, the IMO resolution on the shadow fleet urges coastal states to oversee STS operations within their territorial seas and EEZs, ensuring compliance with required notifications. It also calls on coastal states to monitor and take appropriate actions against the shadow fleet conducting non-compliant STS operations in these areas. One [example](#) of effective [action](#) by a coastal state is Greece, whose authorities have imposed measures to curb illegal and risky oil transfers in the Laconian Gulf, addressing environmental and security risks. These actions included expanding naval exclusion zones and conducting military exercises to ensure compliance. Consequently, STS activities in the Gulf dropped significantly.

European Parliament position

On 23 October 2024, the European Parliament held a [debate](#) on EU actions against the Russian shadow fleet and on ensuring full enforcement of sanctions against Russia. Most Members **called for more assertive action to tackle the shadow fleet**: enhancing maritime surveillance; tightening shipping controls; extending designations of vessels under sanctions; reinforcing sanctions; and even denying access to EU waters, especially in the Baltic Sea, to vessels transporting cargoes under sanctions. Many underlined the **immense environmental and maritime safety threat** that the shadow fleet constitutes and called for urgent action to prevent an environmental catastrophe. In addition, several Members highlighted that the shadow fleet represents a hybrid threat, and advocated decisive action to counter it. The importance of coordination among EU Member States and of multilateral cooperation, including with NATO, was also noted. Parliament is [expected](#) to vote on a [resolution](#) on this issue during its plenary session on 14 November 2024. The Parliament is also involved in a number of relevant legislative procedures initiated during the 2019–2024 term, such as the [maritime safety package](#). This package includes legislation on [flag state inspections](#), [port state control](#), [maritime accident investigations](#), [ship-source pollution](#), and the revision of the mandate of the European Maritime Safety Agency ([EMSA](#)).

Main references

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