

The shadow fleet and maritime risk

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The price cap and the embargoes on Russian oil have given rise to a fleet of tankers that transport Russian oil outside the reach of Western services. The vessels of this "shadow fleet" are often old, owned through companies in jurisdictions with little transparency, insured by insurers outside the International Group of P&I Clubs, and operated with practices designed to conceal the origin of their cargoes: the disabling of the automatic identification systems that track their positions, ship-to-ship transfers at sea and frequent changes of name and flag. The European Union has designated an increasing number of these vessels, adding 41 in its twenty-first package of July 2026, and prohibits their access to its ports and services.¹

For a trader in Zug, the shadow fleet is a source of risk even if the trader does not deal in Russian oil. A cargo of oil products bought from a refinery in a third country may have been produced from Russian crude, transported on a shadow fleet vessel or blended with Russian products. A vessel chartered for a legitimate cargo may have a history of sanctioned voyages that exposes the charterer to scrutiny. The practitioner must therefore ensure that the trader's due diligence covers the vessels and the origin of the goods, using the maritime intelligence services that track vessel movements and ownership. The practitioner must also ensure that the trader's contracts give it the right to refuse vessels and cargoes that present sanctions risks.

1 Notes

1. Douana, "Das 21. EU-Sanktionspaket": 41 vessels added to the "shadow fleet" list; expanded restrictions on ship-to-ship transfers; sanctions against several Russian and Belarusian refineries. ↩

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