



MINISTRY OF WORKS AND INFRASTRUCTURE (Maritime Services Division)

SHIPPING NOTICE

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PROLIFERATION FINANCING RISKS, CONTROLS, RED FLAGS AND TYPOLOGIES IN THE MARITIME SECTOR

This Notice is to advise Shipowners, Ship Managers, Ship Operators, Masters, Shipping Agents, Port and Terminal Operators, Logistics Providers, Freight Forwarders, Insurers, Customs Brokers, Cargo Interests, Marine Service Providers, and other Maritime Industry Stakeholders.

SUMMARY

The Maritime Services Division (MSD) of the Ministry of Works and Infrastructure hereby issues this Shipping Notice to advise maritime industry stakeholders of the risks associated with Proliferation Financing (PF) in the maritime sector.

PF may be concealed within legitimate shipping, logistics, port, cargo and trade-related activity through complex routing, documentation manipulation, opaque ownership structures, unusual vessel activity and layered financial transactions.

Maritime stakeholders are urged to remain vigilant, apply risk-based controls, conduct appropriate due diligence, monitor vessel and trade activity, maintain records, train relevant staff, and report suspicious activity promptly to the Financial Intelligence Unit (FIU), where appropriate.

1. Introduction

The Maritime Services Division is the Authority for the safety and security of shipping, safety of navigation, and protection of the marine environment from ship-generated pollution.

In carrying out its maritime safety, security and regulatory functions, the MSD recognises that the maritime sector may be exposed to PF risks through the movement of goods, use of vessels, port operations, logistics services, shipping documentation, trade routes, cargo handling, insurance arrangements and related financial transactions.

This Shipping Notice is issued to raise awareness among maritime stakeholders and to support a coordinated national approach to identifying, assessing, mitigating and reporting suspected PF-related activity.

2. What is Proliferation Financing?

Proliferation Financing refers to the provision of funds, financial services or economic resources, directly or indirectly, for the manufacture, acquisition, possession, development, transport, transfer or use of nuclear, chemical or biological weapons and their delivery systems, contrary to national laws, international obligations or United Nations Security Council Resolutions.

In the maritime context, PF risks may be hidden within otherwise legitimate trade and shipping activity, including vessel movements, cargo declarations, transshipment arrangements, ship-to-ship transfers, beneficial ownership structures and payment arrangements.

3. Why PF Matters to the Maritime Sector

PF presents a serious threat to international peace and security. It may also expose maritime businesses and service providers to sanctions breaches, regulatory action, reputational harm and other enforcement consequences.

Maritime stakeholders should be aware that ordinary shipping, logistics, port, freight forwarding, insurance and cargo services may be misused to:

- move dual-use goods or sensitive materials;
- conceal the true origin, destination or end-user of cargo;
- obscure sanctioned parties, vessels, beneficial owners or charterers;
- facilitate suspicious ship-to-ship transfers or complex routing;
- disguise payments linked to suspicious trade activity.

4. Common Abbreviations

Abbreviation	Meaning
AIS	Automatic Identification System
CDD	Customer Due Diligence — knowing who you are doing business with and the purpose of the activity
EDD	Enhanced Due Diligence — stronger checks where higher risk is identified
FIU	Financial Intelligence Unit
MSD	Maritime Services Division
PF	Proliferation Financing
PSC	Port State Control
STS	Ship-to-Ship Transfer
UBO	Ultimate Beneficial Owner
UNSCR	United Nations Security Council Resolution
WMD	Weapons of Mass Destruction

5. Key PF Risk Areas

Maritime stakeholders should assess their exposure to PF risk having regard to the nature, scale and complexity of their operations. Particular attention should be given to the following risk areas:

5.1 Dual-Use Goods

Dual-use goods are items with legitimate civilian uses but possible WMD-related applications. These may include laboratory chemicals and precursors, electronics, industrial machinery and components, navigation equipment, metals and alloys.

5.2 Complex Trade Transactions

PF risk may arise where intermediaries, transshipment routes, altered documents or unusual service providers are used to disguise the final destination, end-user, cargo origin or beneficial owner.

5.3 Sanctions Exposure

Vessels, cargo owners, charterers, consignees, counterparties, beneficial owners, ports, routes or jurisdictions linked to sanctions or high-risk activity may present elevated PF risk.

5.4 Lack of Transparency

Obscured beneficial ownership, unclear business purpose, incomplete counterparty information, or reluctance to provide end-use or end-user details may indicate higher risk.

5.5 Financial Opacity

Layered payments, unrelated third-party payers, non-transparent payment methods, or payments inconsistent with the shipment or service provided may indicate attempts to conceal the source, purpose or beneficiary of funds.

6. Practical Examples of PF Risk in Maritime Operations

Maritime stakeholders should exercise caution where any of the following circumstances arise:

- industrial chemicals are declared for agricultural or commercial use, but the end-user is linked to a sanctioned entity;
- a vessel disables AIS, manipulates its identity or has unexplained AIS gaps before proceeding to port;
- cargo is routed through multiple jurisdictions with inconsistent documentation to obscure its origin or final destination;
- a recently incorporated company with layered ownership charters a vessel for sensitive cargo with limited commercial rationale;
- payment for cargo, vessel services or shipping activity is made by an unrelated third party in a separate jurisdiction.

7. Common PF Typologies in the Maritime Sector

PF-related activity may involve:

- AIS manipulation, spoofing or unexplained AIS gaps;
- ship-to-ship transfers used to obscure cargo origin, destination or the identity of the parties involved;
- false, forged, inconsistent or incomplete bills of lading, invoices, customs declarations or end-user information;
- shell or front companies acting as apparent importers, exporters, charterers or cargo owners while concealing the true controller or beneficiary;
- transshipment through multiple jurisdictions to disguise origin, end-user or final destination;
- split, layered or third-party payments routed through unrelated persons or jurisdictions;
- procurement or movement of dual-use goods under false end-use or end-user declarations.

8. PF Red Flags for Maritime Stakeholders

Stakeholders should treat the following as potential warning signs:

- irregular vessel movements or unexplained AIS gaps;
- inconsistent cargo documentation, bills of lading, invoices, customs declarations or end-user information;
- frequent changes in vessel name, flag, ownership, management or identity;
- opaque counterparties or unwillingness to disclose beneficial ownership;
- unusual routing involving high-risk jurisdictions or transshipment hubs;
- ship-to-ship transfers with unclear commercial justification;
- vague cargo descriptions or cargo information that does not match the stated business purpose;
- payments made by third parties with no clear link to the transaction;
- recently incorporated or dormant companies involved in sensitive trade;
- reluctance to provide information on end-use, end-user, destination or beneficial ownership.

Where several red flags appear together, stakeholders should pause the transaction, escalate the matter internally, verify the parties and documents, and consider whether reporting is required.

9. Risk-Based Controls Expected of Maritime Stakeholders

Maritime stakeholders are encouraged to implement proportionate, risk-based controls, including the following:

9.1 Customer Due Diligence

Identify and verify customers, beneficial owners, business purpose, cargo profile, end-use and end-user. Enhanced Due Diligence should be applied where higher risk is identified.

9.2 Sanctions Screening

Screen customers, vessels, vessel owners, operators, managers, charterers, cargo owners, consignees, beneficial owners and relevant jurisdictions before and during maritime activity.

9.3 Vessel and Trade Monitoring

Review vessel movement, AIS behavior, port calls, routing, STS activity and inconsistencies between documentation and actual vessel operations.

9.4 Documentation Review

Check bills of lading, cargo declarations, invoices, end-user information, Harmonized System descriptions and other shipping documents for anomalies.

9.5 Internal Controls and Training

Maintain internal policies, escalation procedures, record-keeping systems, management oversight and staff training on PF risks, typologies, red flags and reporting obligations.

9.6 Technology and Coordination

Use screening tools, digital systems, vessel tracking, trade monitoring and information sharing with competent authorities, where appropriate.

10. PF Risk Assessment

Stakeholders should document and periodically update their PF risk assessments. Such assessments should consider, at minimum:

- the type of cargo handled;
- geographic exposure;
- counterparty risk;
- ownership and control structures;
- financial transaction patterns;
- vessel activity and routing;
- exposure to dual-use goods or sensitive sectors.

The findings of the risk assessment should inform the stakeholder's internal controls, due diligence measures, monitoring procedures and escalation processes.

11. Role of the Maritime Services Division

The MSD plays a frontline role in safeguarding Trinidad and Tobago's maritime domain through monitoring, verification and inter-agency coordination.

This includes:

- pre-arrival screening of vessels;
- Port State Control inspections;
- oversight of ship registration and ownership;
- use of digital systems to support transparency and coordination;
- information sharing with competent authorities;
- cooperation with relevant agencies in verification, investigation and enforcement matters.

12. Reporting Suspicious Activity

Where suspicious PF-related activity is identified, stakeholders should:

- escalate the matter internally through compliance or senior management channels;
- preserve relevant documents, communications, vessel records, cargo records and transaction information;
- report suspicious activity promptly to the Financial Intelligence Unit;
- cooperate with the MSD and other competent authorities in verification, investigation and enforcement matters.

Stakeholders should ensure that suspicious activity is handled in accordance with applicable laws, sanctions obligations, internal compliance procedures and lawful instructions from competent authorities.

13. Legal and Regulatory Context

Relevant legislation and obligations include, but are not limited to:

- the Shipping Act, 1987;
- the Harbours Act, 1880;
- the Archipelagic Waters and Exclusive Economic Zone Act, 1986;
- The Economic Sanctions Act, 1994;
- United Nations Security Council Resolutions;
- applicable sanctions obligations and other relevant national legal requirements.

14. Conclusion

The MSD reminds all maritime stakeholders that Proliferation Financing risk is not confined to the financial sector. Shipping, logistics, port services, freight forwarding, insurance, cargo handling and related maritime activities may all be misused to facilitate PF.

Stakeholders are therefore encouraged to remain vigilant, conduct appropriate due diligence, screen relevant parties and vessels, monitor transactions and vessel activity, maintain proper records, train staff, and report suspicious activity promptly.

Compliance with risk-based PF controls is in the interest of national security, international maritime security, lawful trade, and the integrity of Trinidad and Tobago's maritime domain.

For more information and requests for authorizations, please contact:

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