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## **Legal Aspects of the Shadow Fleet: The Visibility of the Invisible**

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### **ABSTRACT**

Roughly one in five oil tankers worldwide now runs dark: false flags, disabled trackers, shell company ownership, all built to move sanctioned Russian, Iranian, and Venezuelan oil past Western sanctions. This paper maps the legal gaps that let the shadow fleet operate. UNCLOS says nothing about disabled tracking or false flags when it defines "non-innocent passage," and flag-of-convenience states like Panama collect registration fees with no real incentive to police the ships flying their colours. When vessels do get caught, sham single-ship ownership means there's often no one left to actually hold accountable. Finland, Belgium, and the US have each seized shadow fleet vessels on different legal theories, and none of them agree. India, now a major buyer of this oil and host to entities running it, can't stay on the sidelines of that argument much longer.

### **INTRODUCTION**

Recent controversies over oil have once again exposed how the world economy depends on it. The infrastructure for moving this oil is as important as the oil itself. Chokepoints like the Strait of Hormuz get attention because they are visible. What flows through them, including fleets that are designed to be invisible, gets far less attention. Governments deploy navies for the safety of these chokepoints, yet the ships passing through, some carrying sanctioned oil under false identities, escape critical attention. What's rarely discussed is the legal framework, or the absence of it, governing this hidden fleet. For instance, over 1300 vessels, roughly one in every 5 oil tankers worldwide, are currently operating under false flags, disabled trackers, and shell company ownership to move sanctioned oil.<sup>1</sup> "Shadow fleet" is now a major factor affecting

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<sup>1</sup> ShipFinex, *Shadow Tanker Fleet 2026: Size, Ships & Sanctions Explained*, <https://www.shipfinex.com/blog/shadow-tanker-fleet> (last visited July 13, 2026).

oil prices, the insurance market and Indian trade exposure, as India becomes one of the biggest importers. Despite its scale and relevance, this term remains unknown territory to a lot of people. This article aims to close that gap. The existence of the shadow fleet is not enough; understanding it matters more, as it is what answers the legal questions it raises. With India becoming one of the largest global buyers of Russian crude since 2022, it has become a necessity to understand this industry better. This article explains what a shadow fleet is and what legal questions it raises.

## DEFINING THE SHADOW FLEET

Since 2022, a new pattern of sanctions has emerged, with Western sanctions affecting the price of Russian oil. Also, the same is true with the USA's sanctions on Iranian and Venezuelan oil. With this tense trade war, these countries built a fleet of tankers to hide their identity and keep exporting anyway. This fleet uses false flags, disabled AIS (automatic identification system) trackers, frequent renaming and ownership through shell companies to evade liability. The formal definition of shadow fleet, often used interchangeably with 'dark fleet', is in the IMO Assembly Resolution A.1192(33), adopted 6 December 2023.<sup>2</sup> The IMO's 2023 resolution defines the fleet as vessels engaged in illegal activities to evade sanctions, circumventing environmental regulations and insurance requirements, primarily by disabling their AIS trackers.

But this broader category of the shadow fleet is an umbrella term that encompasses dark and grey fleets. The dark fleet, most commonly known as the riskiest tier, refers to vessels that use deceptive shipping practices to move sanctioned oil. These are the most non-cooperative and at the highest risk, as they are deliberately involved in activities such as turning off AIS, manipulating GNSS<sup>3</sup>, false flagging<sup>4</sup>, and unregulated ship-to-ship transfers<sup>5</sup>. On the other

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<sup>2</sup> International Maritime Organization, *Resolution A.1192(33): Prevention and Suppression of Unsafe Practices Associated with the Dark Shipping Fleet*, adopted Dec. 6, 2023.

<sup>3</sup> GNSS refers to satellite-based positioning systems (such as GPS) used for vessel navigation; "GNSS manipulation" or "spoofing" involves falsifying a ship's broadcast location to mask its true position or route. Windward, *What Is the Dark Fleet?*, <https://windward.ai/blog/what-is-the-dark-fleet/> (last visited July 13, 2026).

<sup>4</sup> False flagging refers to a vessel broadcasting or displaying the flag of a state with which it has no genuine registration, in violation of the requirement under UNCLOS that every ship sail under one nationality with a genuine link to its flag state. United Nations Convention on the Law of the Sea art. 91, Dec. 10, 1982, 1833 U.N.T.S. 397.

<sup>5</sup> Ship-to-ship transfer refers to the direct transfer of cargo (typically oil) between two vessels at sea rather than at a port facility. Under MARPOL Annex I, such transfers involving oil tankers require an approved STS Operations Plan and 48-hour advance notification to the relevant coastal state; "unregulated" STS transfers are those conducted without this notification, often in international waters specifically to avoid oversight. International Convention for the Prevention of Pollution from Ships, Annex I, ch. 8, regs. 40–42 (as amended by IMO Res. MEPC.186(59), in force Jan. 1, 2011); SAFETY4SEA, *MARPOL Annex I: Ship To Ship (STS) Operations*, <https://safety4sea.com/marpol-annex-i-ship-to-ship-sts-operations/> (last visited July 13, 2026).

hand, the grey fleet is a newer category that emerged after the recent oil crisis. This involves vessels exhibiting a Russia-linked behaviour risk indicator but not formally sanctioned. Vessels under this exhibit behaviours like irregular routing, frequent ownership changes and structural ambiguity. The terms are often used interchangeably in public discourse, but they describe distinct layers of risk. <sup>6</sup>To have a broader look, the shadow fleet is the combined ecosystem of the grey and dark fleet, making sanctioned trade easy. The stats of such a fleet doubled in three years; by the end of 2022, it was around 600 ships (400 crude oil tankers), by December 2023, estimates ranged from 1,100 to 1,400 vessels; as of February 2026, Ukraine's government-run "War & Sanctions" tracking portal lists 1,337 ships. <sup>7</sup>

### INDIA'S STAKE IN THE SHADOW FLEET

As a result of Western sanctions in 2022, India has become one of the largest global buyers of discounted Russian crude oil. This dependency is one of the reasons why the shadow fleet is no longer foreign territory to Indian trade. And since the sanctions, the relevance of the shadow fleet has been increasing significantly. The clearest evidence of this came when an India-based commercial shipping manager was named in a sanctions action tied to Iranian oil transport by the US State Department designation in February 2026.<sup>8</sup> This action moved India's position from just a buyer of sanctioned-adjacent oil to part of the shadow fleet's operational infrastructure itself. In turn, India has also started to detain and seize these sanctioned vessels in its own waters, positioning itself as an enforcer against the very fleet it depends on. This raises a real question: under what authority is India doing this, and does the existing framework, i.e., the Merchant Shipping Act, the Admiralty Act 2017, actually provide grounds for it? <sup>9</sup>Or is India, like other countries, enforcing first and figuring out the legal basis later? Ironically, India is at a three-way junction where it is one of the biggest customers to these shadow fleets, a host to entities involved in its operation and a prominent country now trying to enforce powers against it. This triple exposure is the reason why Indian jurisprudence should be focused more on this than it currently is. The ship is deemed to stay invisible; at least the laws around it should be visible enough to be talked about.

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<sup>6</sup> Windward, *What Is the Dark Fleet?*, <https://windward.ai/blog/what-is-the-dark-fleet/> (last visited July 13, 2026).

<sup>7</sup> ShipFinex, *supra* note 1.

<sup>8</sup> U.S. Dep't of State, *Sanctions to Combat Illicit Traders of Iranian Oil and the Shadow Fleet* (Feb. 2026), <https://www.state.gov/releases/office-of-the-spokesperson/2026/02/sanctions-to-combat-illicit-traders-of-iranian-oil-and-the-shadow-fleet> (last visited July 13, 2026).

<sup>9</sup> Merchant Shipping Act, 1958, No. 44, Acts of Parliament, 1958 (India), pt. V.

## THE INNOCENT PASSAGE CLAUSE

The gap lies in how international law treats the right to pass through territorial waters. Article 17 of UNCLOS gives ships the right to pass through other states' territorial waters without needing permission.<sup>10</sup> This limit extends to 12 nautical miles from shore. Article 19 of the same lists activities that make passage “non-innocent”, among other things, weapon exercises, pollution and intelligence gathering.<sup>11</sup> This article nowhere specifies anything notable about disabled tracking and false flags. This silence is the gap. Article 24 further obligates coastal states not to hamper passage that qualifies as innocent.<sup>12</sup> In October 2025, all nations bordering the Baltic Sea and North Sea signed a joint declaration stating that a stateless or falsely-flagged vessel forfeits the right to innocent passage, a position the EU formally supported in December 2025, citing UNCLOS.<sup>13</sup> This isn't a settled law; however, it is just an argument that countries are actively testing through individual actions, not a doctrine confirmed by courts or the IMO. Even if a state succeeds in stopping the vessel, the next question follows: who is actually responsible for it?

## THE ACCOUNTABILITY QUESTION

The accountability question is the least talked about; there is no solvent, identifiable party that could actually be held responsible if a shadow fleet vessel ever gets caught. These vessels often carry fraudulent or inadequate insurance certificates, and some are not even insured. Such vessels are owned through single-vessel shell companies that are structured deliberately for such a situation, so that when something goes wrong, there's no real entity behind the ship to sue or fine. For instance, after Finland detained the Cook Islands-flagged tanker *Eagle S* over suspected sabotage of an undersea cable in December 2024, a Helsinki court dismissed this case in October 2025 for lack of jurisdiction<sup>14</sup>, ruling that authority is with the flag state or the crew's home countries, not Finland. A similar, near-identical incident followed weeks later. This is a practical aspect of the identity gap discussed earlier; even if caught, accountability remains in question.

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<sup>10</sup> United Nations Convention on the Law of the Sea art. 17 Dec. 10, 1982, 1833 U.N.T.S. 397

<sup>11</sup> United Nations Convention on the Law of the Sea art. 19 Dec. 10, 1982, 1833 U.N.T.S. 397

<sup>12</sup> United Nations Convention on the Law of the Sea art. 24, Dec. 10, 1982, 1833 U.N.T.S. 397

<sup>13</sup> *Hundreds of Shadow Fleet Ships Sail Under a False Flag. The West Is Coming for Them – But Is It Fast Enough?*, Follow the Money (Feb. 12, 2026), <https://www.ftm.eu/articles/hundreds-of-shadow-fleet-ships-sail-under-false-flag> (last visited July 13, 2026).

<sup>14</sup> *Finland Court Drops Case Against Eagle S Crew Over Baltic Cable Damage*, Yahoo News (Dec. 31, 2025), <https://www.yahoo.com/news/articles/finland-court-drops-case-against-124741047.html> (last visited July 13, 2026).

## FLAGS OF CONVENIENCE

On the other side of this story, countries like Panama, Liberia, and the Marshall Islands follow the flag of convenience<sup>15</sup>, allowing any ship, regardless of ownership or nationality, to register for a fee. In return, the vessel gains that country's legal protection and flag, but the registry has little capacity or incentive to monitor the activities of these vessels. Article 91 of UNCLOS requires a genuine link to be established between a ship and its flag state, though this is weakly enforced in practice. <sup>16</sup>International law says the flag state is responsible for regulating the vessels that fly the flag, but these countries with fee revenue have little incentive to investigate or deregister ships tied to sanctions evasion. As scrutiny on these flags of convenience states increases, the shadow fleet doesn't comply; it just moves. Recent reporting shows these vessels increasingly reflagging to newer, less-regulated registries; Gabon has been named repeatedly in 2025-26 coverage. <sup>17</sup>This implies that enforcement is always one step behind reflagging.

## ABSENCE OF SETTLED LAW

On 7 January 2026, a Russian-flagged tanker, namely *Marinera* (formerly *Bella 1*), was seized and boarded by the US Coast Guard in the North Atlantic, while a Russian submarine was escorting it. The US justified this seizure on the theory that when a vessel reflags mid-voyage, it loses its flag's protection. <sup>18</sup>This theory is, by report, the subject of active disagreement among legal scholars and protests from Russia and China. The foundation for most Western seizures is Article 110's 'right of visit' of UNCLOS<sup>19</sup>; this article permits boarding of a vessel that is reasonably suspected of being stateless or falsely flagged, though applying the same to a vessel that has a flag, a contested one, goes beyond the provisions. Not just the legal theory but the enforcement mechanism also remains unsettled, as suggested by most seizures (Germany 2024, France/Estonia 2025, Finland/France 2026), which have ended with only the

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<sup>15</sup> International Transport Workers' Federation, *Flags of Convenience*, <https://www.itfseafarers.org/en/resources/flags-convenience> (last visited July 13, 2026).

<sup>16</sup> United Nations Convention on the Law of the Sea art. 91, Dec. 10, 1982, 1833 U.N.T.S. 397.

<sup>17</sup> Windward, *Enforcement Shock Accelerates Russia's Dark Fleet Reflagging* (Feb. 18, 2026), <https://windward.ai/blog/enforcement-shock-accelerates-russias-dark-fleet-reflagging/> (last visited July 13, 2026).

<sup>18</sup> *Can the U.S. Legally Seize Foreign Vessels on the High Seas?*, GovFacts, <https://govfacts.org/policy-security/international-law/can-the-u-s-legally-seize-foreign-vessels-on-the-high-seas/> (last visited July 14, 2026).

<sup>19</sup> United Nations Convention on the Law of the Sea art. 110, Dec. 10, 1982, 1833 U.N.T.S. 397; House of Commons Library, *Seizing the Shadow Fleet*, CBP-10620, <https://commonslibrary.parliament.uk/research-briefings/cbp-10620/> (last visited July 14, 2026).

vessel and crew released, while the cargo remains intact.<sup>20</sup> Taken together, these gaps compound one another: the lack of clarity with innocent passage makes the lawful stop of vessels hard, the absence of accountable ownership makes them hard to punish when they get caught, and the flag-of-convenience with non-existent incentives does nothing for the prevention. Leaving nothing but seizures as the last resort, in the absence of any clear framework, the states act unilaterally.

### THREE DIFFERENT STATES, THREE DIFFERENT JUSTIFICATIONS

The *Marinera* seizure was not an isolated event; over the span of three months, at least three documented cases show the same pattern repeating. In December 2024, Finland detained the tanker *Eagle S* over suspected undersea cable damage, though a Helsinki court dismissed the case in October 2025, stating the absence of jurisdiction. A similar incident followed weeks later, with the detention of the *Fitburg* by Finland, using the same anchor-dragging method.<sup>21</sup> This observed pattern was becoming a new normal. Similarly, on 28 February 2026, Belgian special forces, backed by French Navy helicopters, boarded and seized the *Ethera* in the North Sea. This operation was named 'Operation Blue Intruder'.<sup>22</sup> *Ethera* was flying a false Guinea flag with a fraudulent and expired registry, expired since August 2025. It was both EU-sanctioned (since October 2025) and US-sanctioned. Belgium declared this illegal, stating that flying a false flag forfeits the right to free passage under international law. On the other hand, Russia has previously characterised such seizures as acts of piracy,<sup>23</sup> the same repeated in response to the *Ethera* case. The *Marinera* case, discussed earlier, follows this same pattern. Corresponding to the inconsistency with these legal justifications, three different states, Finland, Belgium and the US, with three different justifications: jurisdictional dismissal, false-flag forfeiture and mid-voyage reflagging theory, respectively, describe this inconsistency. Every state has its own interpretation and ways of dealing with shadow fleets. A change in state means a change in jurisprudence. As the law remains unsettled, every seizure is an argument,

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<sup>20</sup> Atlantic Council, *When Economic Warfare Meets Gunboat Diplomacy*, <https://www.atlanticcouncil.org/dispatches/when-economic-warfare-meets-gunboat-diplomacy-what-to-know-about-the-us-seizures-of-shadow-fleet-tankers/> (last visited July 14, 2026).

<sup>21</sup> *Vessel Coming from Russia Dragged Anchor Before Subsea Cable Damaged, Finnish Police Say*, Moscow Times (Jan. 4, 2026), <https://www.themoscowtimes.com/2026/01/04/vessel-coming-from-russia-dragged-anchor-before-subsea-cable-damaged-finnish-police-a91603> (last visited July 14, 2026).

<sup>22</sup> *Stateless Shadow Fleet Tanker Seized by French and Belgian Forces in North Sea*, Lloyd's List (Mar. 1, 2026), <https://www.lloydslist.com/LL1156479/Stateless-shadow-fleet-tanker-seized-by-French-and-Belgian-forces-in-North-Sea> (last visited July 15, 2026).

<sup>23</sup> Belgium, France Seize Russian 'Shadow Fleet' Tanker in the North Sea, France 24 (Mar. 1, 2026), <https://www.france24.com/en/europe/20260301-belgium-france-seize-russian-shadow-fleet-tanker-in-north-sea> (last visited July 15, 2026).

not an act of enforcement. States are drawing their own lines of justification on water until the next case arises.

## **CONCLUSION**

The existing maritime law was not designed to close the gaps that shadow vessels exploit for their operations. Major gaps include the silence on false identity under the innocent-passage doctrine, evasion of accountability through sham company ownership, and a flag-of-convenience system with no real incentives to enforce laws. These gaps are weakening even the initial steps one can take towards advancing the legal aspects of the shadow fleet. In the absence of settled law, states are asserting their own jurisdictions, with Finland, Belgium, and the US each relying on a different legal theory to justify their seizures. There is no common ground, no consensus, and inconsistency in the judicial treatment of the shadow fleet. India's position is not that of a bystander, as it is in the race of major buyers, a host to involved entities, and now an enforcer in its own waters. India should be a player at the forefront; this triple exposure is why the whole shadow fleet concept deserves more attention than it already has in Indian legal discourse. To conclude, until the law catches up, the shadow fleet will keep sailing the same way it has been, built to stay invisible in the visible world of shipping.