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Washington takes another swipe at the IMO in launching flag investigation

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May 22, 2025

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The Federal Maritime Commission (FMC) is conducting a nonadjudicatory investigation to examine whether the vessel flagging laws, regulations, or practices of certain foreign governments create unfavourable shipping conditions in the foreign trade of the US.

The FMC said it is concerned about the conditions created by the wide and uneven range of foreign vessel flagging laws, regulations, and practices warning how many nations have engaged in a “race to the bottom” – a situation where countries compete by lowering standards and easing compliance requirements to gain a potential competitive edge.

“By offering to register and flag vessels with little or no oversight or regulation, countries may compete against one another to gain revenue from the associated fees and to minimize the expenses associated with inspecting vessels and ensuring compliance with appropriate maintenance and safety requirements,” the FMC said.

The American regulatory body claimed the International Maritime Organization (IMO) has not brought about meaningful change nor deterrence to what it said is a growing global problem.

“Patchwork policies and uneven compliance have proven ineffective in ensuring the reliability and efficiency of ocean shipping,” the FMC stated, in the latest American broadside aimed at the IMO, following the [US decision not to attend April’s Marine Environment Protection Committee meeting](#) at IMO headquarters.

“As the IMO lacks the authority to enforce vessel registry standards or penalize non-compliant nations, its efforts are unlikely to serve as an effective deterrent or bring about meaningful change to curb abuses. A comprehensive and enforceable approach is needed,” the FMC stated, going on to discuss flags of convenience, open registries, fraudulent registries and the shadow fleet.

The investigation will commence with a 90-day public comment period.