



Indian Register of Shipping executive chairman, Arun Sharma, wants sanctioned ships to retain IACS class (source: Indian Register of Shipping)

Declassing sanctioned ships makes the sea less safe

06 Oct 2026by Edwin Lampert

The head of the classification society that has removed more sanctioned tonnage from class than almost any other wants regulators to let sanctioned ships stay in class

Indian Register of Shipping's (IRS) executive chairman, Arun Sharma, said that declassing a sanctioned vessel does not stop it trading; it moves the ship to a non-IACS society or a weaker flag and removes the only technical oversight it had. "It means you are letting loose a couple of unsafe ships at sea," he said, "and that is more dangerous."

The argument carries weight because of who is making it. IRS has declassed 235 vessels since 2023, mainly tankers with some gas carriers, and since early 2023 has refused any ship subject to US, EU or UK sanctions, according to figures Mr Sharma gave Reuters in June. He put the tonnage released at around ten million tonnes in Hamburg, against 13 million in the earlier interview. The 13 million tonne figure is measured in gross tonnage and is the correct figure for the vessels declassed by IRS. The difference may reflect gross rather than deadweight tonnage and remains unresolved.

The policy, and its limit

IRS's sanctions policy is two years old and was vetted by a London sanctions lawyer who also advises P&I clubs, Mr Sharma said. The society takes no sanctioned ships. Where a ship already in class is sanctioned, the owner or manager writes to the sanctioning regulator; if a justification comes back, IRS declasses. If nothing comes back, IRS sends reminders and, on legal advice, may seek a meeting with the regulator. The lawyer's report from London was that regulators face a two-to-three-year backlog of such applications.

The legal context makes this plain: the G7 price-cap mechanism explicitly exempts classification, alongside medical assistance, emergency response and pilotage, as essential to safety of life and environmental protection. That exemption appears in the subsequent US waivers for Russia and Iran. IRS nonetheless applies its own due diligence.

Mr Sharma's frustration is with what happens next. Class examines a ship at entry for compliance and for sanctioned ownership. Once classed, the ship obtains insurance and P&I. "After I have classed him in port A and he goes to port B to load a Russian cargo for port C, what am I going to do with it?" Class, he argued, is not responsible for cargo, and the responsibility for the vessel's safety after declassing sits with nobody. He has made the case twice before in interviews. "I think it ended at that," he said.

Caroline Bezengi

The example was on everyone's mind. The Suezmax *Caroline Bezengi*, built in 2001 and sanctioned by the EU, UK, Canada and Switzerland, reported an explosion on 8 June while carrying close to a million barrels of Russian crude from Novorossiysk towards India. Its crew abandoned ship; it grounded off Oman's Hallaniyat Islands on 21 June and has been leaking since late June into a marine protected area, with a slick Oman's government put at almost 400 square kilometres in August and Greenpeace estimated at more than 1,300. The ship sailed under what European authorities describe as a false Cameroonian flag, was among 39 vessels Cameroon delisted in June, and has registered ownership and management in entities Reuters could not reach.

Mr Sharma's reading is that a classed ship with valid P&I and a blue card leaves the owner and the coastal state protected; a ship outside IACS class does not. "The regulators, once they sanction, it appears their job is over." His proposal is that a sanctioned ship be permitted to hold class with an IACS society and a white or grey flag, with full examination. Whether any regulator would accept that a sanctioned trade should be made safer rather than harder is the question he cannot answer, and he said governments do not give him the time to ask it.

IACS and the new detention rules

Mr Sharma chaired IACS in 2019 to 2020 and remains active in its council. He raised a second regulatory grievance: the Paris and Tokyo MoUs' revised approach to counting detentions against recognised organisations. Previously only RO-related deficiencies were attributed to the class society; under the new approach, he said, all detentions count. His example: a manager who stops paying crew six months after a survey produces a detention that has nothing to do with the RO. IACS is taking it up, and if the regulators do not move, he expects IACS to continue excluding non-RO deficiencies for internal benchmarking. On this week's concentrated inspection campaign on cargo securing, his advice was old-fashioned: inspect the common targets before arrival, and tell the inspector what is not working before he finds it.

India, nuclear and meritocracy

On Indian shipbuilding, Mr Sharma echoed the government line delivered at SMM's opening: top 10 within a few years, top five by 2047, with the bottlenecks addressed through concessional land, tax holidays, joint ventures with foreign yards and a 40 per cent credit note for ships recycled in India against newbuilding there. IRS runs a skilling centre for welding, piping and marine electrical trades. He conceded the ecosystem (engines, generators, steering gear, boilers) is the harder part.

On fuels he was sceptical of firm timelines, citing ammonia toxicity, competition with fertiliser demand and the energy cost of greening any of the candidates. IRS began looking at nuclear two years ago; he expects it to overtake the alternatives within three to four years, starting with floating nuclear power plants in ports under single jurisdiction and small modular reactors for smaller ships. He is not yet working with Russian suppliers. That will have to wait "as and when things are more open". He however shares the view of at least one other major classification society: no nuclear, no net zero.

Internally, IRS has created a chief operating officer post, separated internal audit with two staff reporting to him as management representative, and begun what he called a move from entitlement to meritocracy after gaps surfaced in EMSA and IACS audits. He expects resistance and said the board is with him. Sixty per cent of IRS's international book is now foreign-owned, up from about 40 per cent a decade ago.

The unresolved question

Mr Sharma's position is coherent: class exists for safety and pollution prevention, and stripping it from a ship that keeps trading serves neither. The counter-argument, which regulators have not had to make in public, is that class is one of the frictions that make sanctioned trade expensive and that its removal is the point. The next spill from a declassed shadow-fleet tanker will decide which argument shipping's governments are prepared to defend