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# GMS eyes tanker prize after green light for sanctioned ship scrapping

Anil Sharma calls for sanctioned shipowners to hand over a slice of sale proceeds in exchange for US recycling licences

Anil Sharma, founder and CEO of GMS. Photo: Capital Link

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Published 28 May 2026, 03:34

Owners of sanctioned tankers should hand over a slice of any sale proceeds as the price for securing a US licence to recycle their vessel, said the founder of cash buyer GMS.

Anil Sharma told TradeWinds that he had started talks with US authorities to secure sanctions waivers for some of the hundreds of tankers that are destined for the beaches of South Asia.

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Sanctioned but approved: Sharma's dark fleet container ships get ready for the recycling beach

GMS spent seven months negotiating with the US for the right to buy four container ships linked to a sanctioned Iranian trading network. The agreement was seen as a test case and the company is now turning its attention to the bigger prize of end-of-life tankers.

The problem has been looming since Western countries started sanctioning hundreds of ships hauling Iranian, Russian and Venezuelan oil and effectively barring them from global financial networks.

It has led to an ageing decrepit fleet that poses environmental risks but no easy route to safe recycling because of fears of penalties from the major sanctioning powers, the US, European Union and UK.

The US has recognised the problem but wants to prevent shipowners from making money from sales for scrapping after reaping bumper profits from elevated freight rates for shadow fleet ships.

Sharma said a potential solution was for a percentage of the sale price to be taken by authorities with other proceeds going to pay crew, bunkering, insurance and flag state costs.

The reward for following the rules and transparency in the financial flows could be the opportunity to lift the burden of sanctions, he said.

“I do believe that the sanctioned entity should feel some punitive damages,” said Sharma.

Without a system in place, sanctioned vessels have been sold and broken up in India without the oversight to ensure labour and environmental standards are upheld.

Sharma said anecdotal evidence suggested that alternative currencies, including crypto, were being used to finance the deals as a shortcut to safe recycling.

GMS spends two months ensuring that a VLCC is free of explosive gases before it is broken up — a step Sharma suspects is not being followed when shadow fleet ships are recycled.

The company has identified 31 sanctioned ships that have been broken up at Indian yards since late December 2023.

Two tankers being recycled at Leela Ship Recycling in Alang. Photo: Nayeem Noor/GMS

Yet, the US has only provided licences for the four container ships. Delays continue because of the nervousness of banks to get involved and the ships are yet to reach the yards.

The 6,350-teu Bigli (built 2005) and 6,969-teu Timon (built 2009) and the 5,900-teu sister ships Yogi and Rantanplan (both built 2006) were designated by the US in July 2025 while operating within a shipping network run by Hossein Shamkhani.

Shamkhani, whose father — a key figure in Iran's security and nuclear efforts and former secretary of the Supreme National Security Council — died in a US-Israeli airstrike in February, personally oversaw Marvise SMC DMCC, according to the US, the ship manager that controlled the four ships and faced US sanctions.

But the single-ship companies that owned the vessels were not sanctioned, making it easier for GMS to secure a licence, said Sharma.

"If both the seller and the ships are sanctioned, it is a much steeper hill to climb

— maybe even a cliff," he said. "So how do we get over that?"

Sharma said that large shadow fleet owners closely linked to states were unlikely to agree to conditions of sale and transparency of money flows from any deal.

But he said that he was speaking to owners with only a few sanctioned ships to discuss ways forward.

"The whole idea is to bring people out of the shadows and to say: 'Listen, there may be this option available'," Sharma said.

More than 1,800 ships are sanctioned that have an average age of 21 years, compared to 14 for the mainstream fleet, according to Clarksons Research.

They include nearly 1,000 tankers amounting to 17% of oil tanker fleet capacity.

The profile means that several hundred sanctioned tankers will be candidates for recycling in the next year, requiring rapid action from authorities.

Sharma said that the Office of Foreign Assets Control needed to understand that sanctions "don't eliminate the trade — you just eliminate the rules".

"I'm trying to advise the government that in this race the bad guys are winning by them doing nothing."