

Ship Recycler GMS Applies For U.S. Licence To Scrap Seized Venezuela-Linked Tankers

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Dubai-based ship recycler Global Maritime Services (GMS) has applied for a U.S. licence to buy and dismantle vessels seized by American authorities for their links to Venezuelan oil trading, according to the company.

This follows the recent seizure of seven vessels in international waters by the U.S. military and Coast Guard.

The ships were either carrying Venezuelan oil or had done so in the past. These actions are part of Washington's campaign against Venezuela's oil trade, which led to the capture of President Nicolas Maduro by U.S. forces on January 3.

The seized vessels belong to the so-called shadow fleet, a group of ageing tankers that often operate without recognised insurance or valid safety certification.

Maritime experts say such vessels pose a high risk of oil spills while they remain at sea.

GMS founder and chief executive Anil Sharma has stated that these ships present a serious safety concern and cannot be recycled without U.S. government approval because they are sanctioned.

The company has applied for a licence and is seeking faster processing. GMS has also held discussions with the U.S. State Department in recent weeks.

The U.S. Treasury Department does not comment on individual licence applications. However, a Treasury spokesperson said the government remains committed to responsible solutions to protect maritime safety and remove designated vessels from the water.

The scrap value of these vessels can reach tens of millions of dollars, depending on their size and type.

Sources cited by Reuters said the U.S. government has filed court warrants to seize dozens more tankers linked to the Venezuelan oil trade.

Shipping industry sources added that holding seized vessels requires continued support from U.S. agencies, including the Coast Guard, increasing costs and using up resources.

According to GMS analysis, 16 sanctioned tankers were recycled in 2025 at yards willing to accept them, compared with one tanker in 2024 and one in 2023.

These vessels were dismantled using non-U.S. dollar transactions. Industry officials said such activity would have breached U.S. restrictions and may have exposed those involved to sanctions penalties.

GMS, which is incorporated in the United States, purchases ships for recycling and sells them to ship-breaking yards, mainly in India and Bangladesh, which host the world's largest ship recycling industries.

The company has previously recycled sanctioned vessels with U.S. approval.

In 2019, GMS bought the North Korean-flagged bulk carrier Wise Honest from the U.S. government at a public auction after it was seized for sanctions violations. The vessel had been seized by Indonesia in 2018 and later handed over to Washington.

Data from maritime intelligence firm Lloyd's List Intelligence shows that 1,423 tankers are involved in transporting sanctioned oil from Russia, Iran and Venezuela.

Of these, 921 vessels are subject to sanctions imposed by the United States, the United Kingdom or the European Union.

Reference: Reuters