

CONVENTION ON INTERNATIONAL TRADE IN ENDANGERED SPECIES
OF WILD FAUNA AND FLORA



Sixty-ninth meeting of the Standing Committee
Geneva (Switzerland), 27 November – 1 December 2017

Species specific matters

HUMPHEAD WRASSE (*CHEILINUS UNDULATUS*):
REPORT OF THE SECRETARIAT

1. This document has been prepared by the Secretariat.
2. At its 17th meeting (CoP17, Johannesburg, 2016), the Conference of the Parties adopted the following Decisions on *Humphead wrasse* (*Cheilinus undulatus*):

Directed to Parties

16.139 (Rev.CoP17)

To implement effectively the Appendix-II listing of the humphead wrasse, Parties should:

- a) *use existing documents listed in paragraph 13 of document CoP16 Doc. 62 (Rev.1) in their implementation of the Appendix-II listing of the humphead wrasse; and*
- b) *investigate reported violations of the Convention and of related national laws in relation to trade in the humphead wrasse, and take appropriate enforcement actions in accordance with their national legislation; and*

In addition, range States and importing Parties should strengthen bilateral and regional cooperation, including intelligence exchange and enforcement actions.

Directed to the Standing Committee

15.87 (Rev. CoP17)

The Standing Committee shall:

- a) *review the actions taken by relevant Parties to implement the Appendix-II listing of the humphead wrasse;*
- b) *consider whether it is necessary to ask range States and importing States to provide further information on their actions taken to ensure the effective implementation of the Convention regarding trade in this species;*
- c) *develop, as appropriate, recommendations for improving the regulation of international trade in the humphead wrasse, and the enforcement of controls, to ensure the effectiveness of the Appendix-II listing of the species; and*
- d) *report its conclusions and recommendations for any appropriate follow-up actions at the 18th meeting of the Conference of the Parties.*

Directed to the IUCN

16.140 (Rev. CoP17)

The International Union for Conservation of Nature (IUCN) Groupers and Wrasses Specialist Group continue its support to Parties in achieving sustainable fishing of the humphead wrasse and in making non-detriment findings in compliance with CITES.

Directed to the Secretariat

17.201 *Subject to external funds, the Secretariat shall collaborate with the Food and Agriculture Organization of the United Nations (FAO) in undertaking an FAO project to support Indonesia in achieving sustainable management of, and trade in humphead wrasse, and shall cooperate with FAO to report on the progress and outcomes of this project to the Standing Committee.*

17.202 *The Secretariat shall report on the implementation of the decisions on humphead wrasse (Cheilinus undulatus) at the 69th or 70th meeting of the Standing Committee.*

Background

3. As reported at the 66th meeting of the Standing Committee (SC66, Geneva, January 2016; see document [SC66 Doc. 49](#)) and at CoP17 (see document [CoP17 Doc. 54](#)) the Secretariat had:
 - a) issued [Notification to the Parties No. 2015/042](#), seeking updated information from range States and importing States on trade in humphead wrasse prior to SC66, and summarized the two replies in document [SC66 Doc. 49](#); and
 - b) concluded a Small-Scale Funding Agreement (SSFA) with IUCN to support key range States in achieving sustainable fishing of humphead wrasse by providing guidance on the making of non-detriment findings (NDF) for trade in the species, including the following activities:
 - i) convene a workshop on management of humphead wrasse fisheries in Indonesia, with a view to provide information and training for the making of NDFs, and for establishing sustainable export quotas;
 - ii) conduct research on alleged violations of the Convention concerning trade in humphead wrasse; and
 - iii) present to relevant range States and the CITES community the results of six years of research on the trade in, and conservation status of, the species, and assessing the outcomes of management measures.

The outputs of the SSFA with IUCN could unfortunately not be made available for consideration at SC66.

4. The workshop foreseen under the SSFA took place in December 2015 in Jakarta, Indonesia. The meeting report can be found in [CoP17 Inf. 43](#) and focuses on the implementation of CITES provisions in Indonesia, as the biggest exporter of humphead wrasse, and on trade from Indonesia to Hong Kong SAR of China and mainland China.
5. Under the same SSFA, IUCN in collaboration with TRAFFIC conducted research on humphead wrasse trade into and through Hong Kong SAR of China, which resulted in the report found in [CoP17 Inf. 44](#). The report contains information that may be pertinent to Parties in the context of Decision 16.139 (Rev CoP17), in particular inconsistencies in trade records and possible cases of illegal trade, as well as recommendations.

Activities in support of Decisions 16.139 (Rev.CoP17), 16.140 (Rev.CoP17) and 15.87 (Rev. CoP17) since CoP17

6. In the context of its implementation of Decision 17.202, the Secretariat asked IUCN in September 2017 for updated information on the implementation of Decision 16.140 (Rev. CoP17). IUCN kindly provided the information contained in the Annex to this document, which contains updates on the management of humphead wrasse in Indonesia (corresponding to paragraph 4 above), and updates on the humphead wrasse trade into and through Hong Kong SAR of China since the publication of the joint IUCN-TRAFFIC

study in 2016 (corresponding to paragraph 5 above), which includes further information that may be pertinent to Parties in the context of Decision 16.139 (Rev. CoP17).

Implementation of Decision 17.201

7. Pursuant to Decision 17.201, the Food and Agriculture Organisation of the United Nations (FAO), in collaboration with the IUCN Groupers and Wrasses Specialist Group and the CITES Secretariat, developed a multi-year project to support Indonesia in achieving sustainable management of the species, including research needed to ensure the sustainability of the “ranching” production method practiced in the Anambas and Natuna Islands, but no external funding for these activities could be secured to date. The Secretariat notes that, in order for this Decision to be implemented in a timely manner for reporting at CoP18, such funding would need to become available as soon as possible.

Recommendations

- 8 The Standing Committee is invited to:
 - a) review the information contained in this document, the reports referred to in paragraphs 4 and 5 and the update provided by IUCN in the Annex of this document;
 - b) convene an in-session working group to consider the conclusions and recommendations contained in these documents, and if they can form the basis for the Standing Committee’s recommendations for improving the regulation of international trade in the humphead wrasse, and the enforcement of controls, to ensure the effectiveness of the Appendix-II listing of the species, for reporting to CoP18; and
 - c) consider if it is necessary to ask range States and importing States to provide further information on their actions taken to ensure the effective implementation of the Convention regarding trade in this species, in particular on their implementation of Decision 16.139, paragraph b).

Humphead Wrasse (HHW), *Cheilinus undulatus*

1. **Decision 16.139: to implement effectively the Appendix-II listing of the HHW (directed to Parties) based on existing documents (para 13, CoP16 Doc 62 (Rev. 1) and to investigate violations of the Convention and of related national laws and take appropriate enforcement action.**
2. **Decision 16.140 The IUCN Groupers & Wrasses Specialist Group continue its support to Parties in achieving sustainable fishing of the humphead wrasse in making non-detriment findings in compliance with CITES (directed to IUCN).**

Ongoing work on this species in relation to its CITES App II listing is being conducted by the IUCN GWSG, including in collaboration with the AFCD of the Hong Kong government and with LIPI (Oceanography research section) of the Indonesian government. Hong Kong and Indonesia are the major players in the international trade in this species. The following is a summary of work, findings and recommendations.

1. Hong Kong/mainland China

- While many hundreds of HHW continue to enter Hong Kong illegally (i.e without the necessary CITES permits), **there has been a significant and noteworthy reduction (about two thirds) in the number of illegal HHW** observed on retail sale in Hong Kong since early 2016 shortly after a report revealing this issue was released and covered in the press (Wu and Sadovy de Mitcheson 2016*). **Illegal trade is known to continue, however**, because approximately 3 times the number of HHW are estimated to be on retail sale than legally imported in the time frame (January to August 2017-see Figure 1).

*<http://www.traffic.org/home/2016/3/17/new-study-highlights-scale-of-illegal-and-unreported-humphea.html>

- **The reduction in HHW on retail sale has very likely been directly linked to increased enforcement action by AFCD**, including increased inspections of seafood markets and licensed premises that possess humphead wrasse (under Hong Kong law and in addition to CITES requirements, those places selling HHW must have a valid Possession Licence). In 2016 and 2017 (up to end of August), a total of 224 premises were inspected. Humphead wrasse not covered by the necessary 'Licence to Possess' were seized and many prosecutions made: in 2016 and up to August 2017, 10 cases were successfully prosecuted (28 HHW seized) with convictions of fines ranging from HK\$700 to \$35,000; other cases are pending. Misuse of this permit accounts for significant laundering and tighter controls on its granting are important (TVB Pearl documentary "Wildlife Woes" 27.3.17).
- **The issue of laundering and illegal imports into Hong Kong (and reexport to mainland China) is the major problem faced in the city.** Given relatively low numbers of fish in trade, a marking scheme of some kind (or other means of identification) is clearly needed for each fish that enters to trace it over time (many companies maintain low numbers of fish in tanks over time and constantly replace sold individuals without reporting sales; they claim that they are the same fish but studies have revealed that this is clearly not the case (Sadovy de Mitcheson unpublished data and shown on TVB Pearl documentary "Wildlife Woes" 27.3.17; Fig. 1).

A method is now being applied that uses the individually distinct face markings to identify specific fish and helps to identify laundering, among other methods being applied (see Appendix).

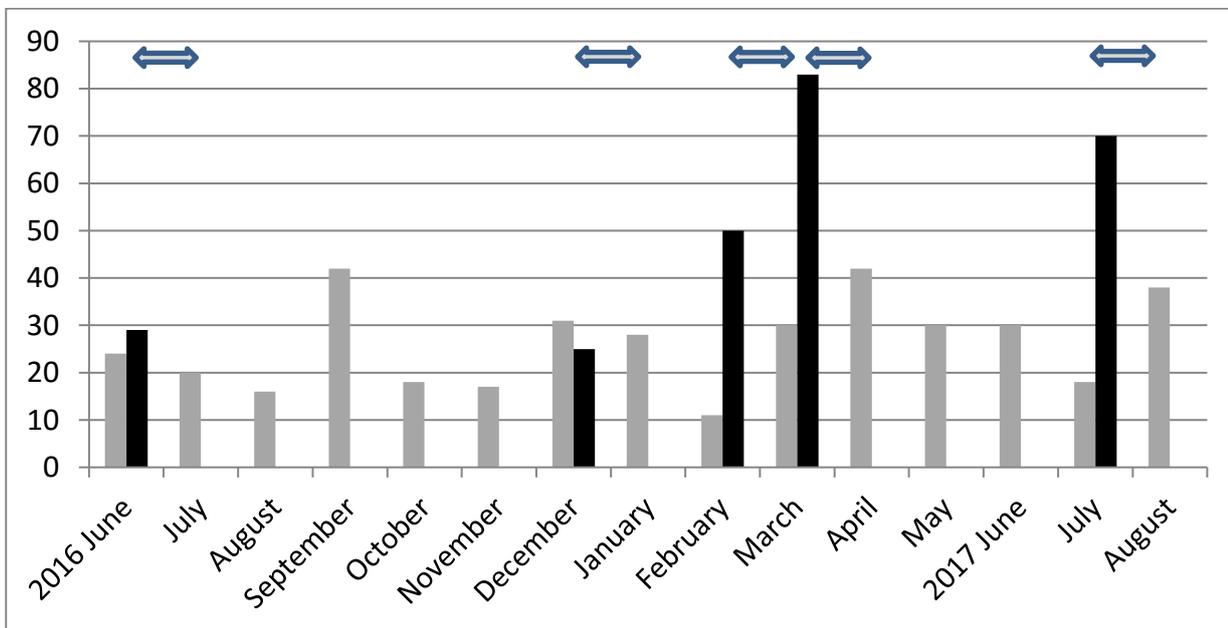
- While illegal entry is by both air and sea, ongoing concerns are expressed in relation to Hong Kong-licensed live carrier vessels over the lack of control and oversight by the Marine Department, Customs or AFCD. Substantial loopholes in the relevant legislation for fish carriers (some of which import into and out of HHW to Hong Kong) are largely to blame for lack of oversight.

An important recent advance towards better oversight was a notification by AFCD and Customs to these vessels that they must, by law, be reporting live fish imports to Customs. However, **because the live fish vessels are exempted from reporting entry and exit to Hong Kong (through Marine Department Director's exemption: CAP 548 MERCHANT SHIPPING (LOCAL VESSELS)**

ORDINANCE Section 69 Director's general power of exemption), **Hong Kong Customs is hard-pressed to enforce reporting because it does not know when vessels are arriving; this could be easily reversed and is not a justifiable exemption.** Not one HHW was reported by Hong Kong live carrier vessels in several years despite reports from Indonesia traders and despite 11 Hong Kong live carrier vessels being currently active in the live fish trade in Indonesia.

- **There is no evidence of any actions by Parties for improved monitoring of live fish air cargo to detect improve detection of HHW mixed in with other live fish**, despite recent reports by a major former exporter that this is a common and ongoing practice out of major Indonesian airports and despite ongoing presence of many HHW without no CITES permits in Hong Kong and mainland China. Moreover, it appears to be easy for a Hong Kong business to order in a HHW from overseas at short notice and without permit (ongoing trade research 2016-7 on Hong Kong trade activities).
- **There is now an international market for chilled and frozen HHW** which were not highly considered by consumers in the past but are now gaining higher prices as they become more accepted by the market. There are no controls from the non-live form of this species despite known exports (from Malaysia for example) (Wu and Sadovy de Mitcheson 2016).
- **There appears to be no record of re-exports of HHW out of Hong Kong into mainland China (China) or of imports into China.** This despite multiple and frequent sightings of the species in China including in markets and in the tanks and on the menus of top end hotels in China. A recent survey of several islands of the South China Sea, where formerly this species occurred, shows these to be devoid of most reef fishes, including HHW, so these must predominantly be imported into China.

FIGURE 1: Legal imports by month (June 2016 to August 2017) of HHW (i.e. with CITES permits) – black bars – and number of HHW seen in the three major retail sectors in Hong Kong (Tuen Mun, Lei Yue Mun, Sai Kung) – grey bars. Horizontal arrows show approximate maximum periods that fish remain in retail tanks from several independent studies (average is one week; maximum is 3 weeks). Total legal imports=257; counts of fish once per month in retail outlets=395. If turnaround time is on average 2 weeks (usually much less), double this for total of 790 fish over the 15 month time period. This is continuation of the study reported in Wu and Sadovy de Mitcheson 2016.



2. Indonesia

- **A workshop was held in Jakarta with Indonesian government staff (December 2015) covering HHW in relation to IUU, conservation planning and NDF for HHW in Indonesia** **. In relation to NDF two components were covered; (1) results of completed underwater visual census surveys used to support development of NDF and evaluate outcomes of management, and (2) NDF options for Anambas/Natuna Islands, a major source of (illegally) exported HHW. Outside guests were invited from FAO, IUCN and the CITES Secretariat as well as HHW traders from Anambas/Natuna.

** <http://www.biosch.hku.hk/ecology/staffhp/ys/Napoleon-Fish-Jakarta-Workshop-NDF-&-IUU-December2015.pdf>

- **The results of 7 years of results of repeat underwater visual census (UVC) surveys at 6 reference sites used to develop the NDF (FAO technical document) and to evaluate the outcomes of management were presented.** The data unequivocally show that in areas where fishing pressure continues to be high, densities are extremely low for the species (i.e < 0.5 fish per hectare), and decreasing, with very few adults remaining (Komodo, Maratua) (Sadovy de Mitcheson Y. and Suharti, S, unpublished data; publication in prep). Where fishing pressure was low or zero (e.g. Banda and Bunaken) adults were encountered. Where fishing pressure had stopped between repeat surveys (West Papua) there were signs of recovery within 4 years suggesting that management brings positive change within a relatively short period of time. This latter story was featured in a documentary: http://podcast.rthk.hk/podcast/item_epi.php?pid=649&lang=en-US&id=40642.
- **The situation of HHW exports from the Anambas/Natuna islands was reviewed and approaches to develop NDF considered.** From this area in western Indonesia all exports are illegal. However, the production situation is not typical for Indonesia in that exports of HHW appear to occur after extended grow-out periods (up to 5 years) of post-larval fish caught around the islands just after settlement; as such there is some potential for this to be a productive and sustainable activity and earn good income for this impoverished region. **However, it needs to be managed as there is significant opportunity for overfishing and laundering (catching too many post-larvae and bringing fish in from outside the islands).** A UVC plus interviews suggested that the local population is very depleted relative to former levels. To assess the potential for sustainable fishing and population recovery and advise on NDF options FAO (Dr. Friedman) sought funding, but was not successful.

The Indonesian government is seeking means to **(a) allow fish currently being held in cages ('stockpile') to be legally exported by awarding a special (one-off?) quota.** From a conservation and management perspective this could allow fish between 1 and 3 kg to be exported (as under National Law-see the National Plan of Action for HHW: Rencana Aksi Nasional (RAN) Konservasi Ikan Napoleon, *Cheilinus undulatus*, Periode 1 2016-2010. Pp. 58) while releasing larger fish although this should be done experimentally and carefully because of unknown survivorship likely after years in captivity. **(b) The development of an NDF for the post-larval grow-out operations is being discussed by LIPI and has potential to make this a good case study for sustainable ranching.** However, information is needed on natural mortality levels and those in captivity to ensure a sustainable offtake of post-larvae and that this will not be detrimental to the population. Moreover, the fishery and operations, including exports, need to be properly managed and the potential for laundering addressed.

- **The NPOA for HHW needs to be implemented.**

Key Recommendations

Hong Kong illegal trade and vessel oversight: (a) Illegal trade could be further reduced by tightening the Possession Licence system and regularly marking or otherwise identifying fish entering the city. (b) Hong Kong live fish carriers need oversight and the exemption or their reporting entry and exit could easily be removed: it is not justified and greatly hampers oversight by Customs. (c) More frequent inspection of mixed fish shipments imported by air should be attempted.

China: There appear to be no records of imports into China of HHW despite many individuals seen on sale. Very few HHW appear to occur in Chinese waters due to overfishing so most must be imported. A report is needed from the national CITES authority to clarify this matter.

Indonesia: (a) Anambas/Natuna Is. trade needs to be based a science-based NDF and sufficient monitoring and control oversight to ensure biological sustainability and the meeting of conservation goals for HHW. It needs to be determined how 'ranching' impacts the species and what levels can be sustained considering levels of natural and grow-out mortality. How can Anambas grow-out fish be distinguished from other HHW? If this cannot be achieved and fishing and exports are uncontrolled then a review of significant trade might be needed. (b) The current 'stockpile' of fish in cages needs to be resolved. (c) Reduce fishing pressure in areas where fish are declining e.g. Komodo and Maratua.

Fresh/chilled/frozen HHW: Attention is needed to implementing CITES App II for dead HHW. Exports may be occurring outside of quotas.

APPENDIX

- (1) The distinctive and individually unique facial markings of the HHW have been used to identify individual fish (like 'fingerprints') to prevent possible laundering of illegal fish.
- (2) The most updated biology information on aquarium husbandry of HHW has been employed to scrutinize the applications for possession of HHW.
- (3) A strategic inspection scheme has been developed according to the unique trade pattern of HHW and an understanding of origins and traders. Only a few locations in Hong Kong are permitted to receive imported HHW.

