

Consultation

Merchant Shipping (Fees) Regulations 2017

The purpose of this paper is to consult on the proposed changes to the fees which are charged by the Ship Registry. The proposals in this consultation will form the basis for new Merchant Shipping (Fees) Regulations 2017 which will revoke and replace the existing Merchant Shipping (Fees) Regulations 2015.

The paper contains 8 sections organised by ship type and other services as follows -

- Section 1 Summary of new survey regime and impact on fees
- Section 2 Cargo ships
- Section 3 Commercial yachts
- Section 4 Passenger ships
- Section 5 Fishing vessels
- Section 6 Pleasure vessels
- Section 7 Registry fees
- Section 8 Other fees

Where fees have been increased, the new fee is shown alongside the existing fee for ease of comparison.

Subject to approval by Tynwald, the revised fees will come into effect from 1st April 2017.

If you would like to make any comments on the proposed changes to the fees please send them (preferably by email) to David Morter by close of play Wednesday 14 December 2016.

David Morter – Deputy Director <u>david.morter@gov.im</u>

Isle of Man Ship Registry Department of Economic Development St Georges Court, Upper Church Street Douglas Isle of Man IM1 1EX Tel: + (44) 1624 688500 Fax + (44) 1624 688501

Consultation Closing Date: 14 December 2016

Section 1 – Summary of new survey regime and impact on fees

1.1 Introduction

In early September 2016, the Ship Registry sent out its consultation document titled '2017 Change Development Consultation', outlining the proposed changes to the survey and certification regime currently operated by the Ship Registry.

On the basis of responses received, we have made some changes to the proposals and are now in a position to consult in detail on the manner in which fees will be charged for services provided. Sections 2 to 8 of this consultation paper outline the proposed changes to the fees and should be read in conjunction with the summary of the new survey regime which is set out below.

The changes to the survey regime do not apply to commercial yachts, passenger ships, vessels demised out, pleasure yachts, small ships or fishing vessels; you should go directly to the relevant fees section to see any changes to fees that may affect you.

1.2 New survey regime

The Ship Registry has historically carried out various statutory surveys and audits on-board ships and prior to the introduction of ISM, it carried out the majority of annual, renewal and intermediate surveys required for compliance with the various international Conventions. Over the years, the Ship Registry has delegated this work Convention by Convention to Recognised Organisations (Class). Recently the Ship Registry has only retained audits, verifications and inspections required by ISM/ISPS and MLC using its own surveyors. The Ship Registry now intends to delegate ISM/ISPS and MLC to Class and these are the final three pieces in the jigsaw which will see full delegation. It must be stressed that the Ship Registry is delegating the day to day shipboard work but not the responsibility for these important Conventions and it will still be involved in day to day decisions and assistance.

The Ship Registry also has had a statutory duty to complete at least one General Inspection (GI) of a ship in a 5 year period; this GI has normally been completed whenever an Isle of Man surveyor visits a vessel to carry out an audit or inspection.

To fully honour its obligations to IMO's International Instruments Implementation Code (IIIC) the Ship Registry proposes to make changes to both the survey and certification regime and the fees Regulations, with these changes coming into effect on 01 April 2017.

These changes can be summarised as follows:

- A new fee will replace the current annual registration fee and survey charges for merchant ships with a simple annual charge. The current alternative fee scheme will close;
- The Ship Registry will delegate to its Recognised Organisations (Class) the shipboard audits, verification and inspections required by ISM, ISPS and MLC;

- All vessels registered on or after 01 April 2017 will be required to complete an Initial General Inspection (IGI) by an Isle of Man surveyor, either at registration or within 6 months of registration;
- After the IGI, each vessel will be required to have 2 GI's by an Isle of Man surveyor carried out in the next 5 year period, with an absolute maximum of 36 months between each inspection, the date of the IGI setting the 5 yearly cycle timings for the inspections. There will be no charge for these GI inspections;
- To assist some ship operators transitioning to audits and verifications by Class, existing vessels on the register at 01 April 2017 may elect to continue to be provided with ISM/ISPS/MLC verifications and certification by the Ship Registry until 01 April 2020, at which point all vessels must transition to the new regime. This was introduced in response to feedback from the initial consultation;
- Vessels which elect to remain within the ISM/ISPS/MLC provision will also have their company ISM DOC audits completed at the same periodicity as now;
- To maintain contact and relationships between the Ship Registry senior team and clients' senior management, a new programme of client liaison visits will implemented, for which there will be no charge.

What does this mean?

Existing vessels in the new survey regime on 01 April 2017 will be required to have a GI before the expiry of a period of 36 months from the last ISM/ISPS/MLC inspection date and a second within 5 years of that date. A vessel which has completed an ISM audit (of any description) on 12 November 2014 must have 2 GI's before 12 November 2019 and must have completed 1 of these by the 12 November 2017.

The Isle of Man Ship Registry will be delegating to Class:

- Shipboard ISM Audits;
- Shipboard ISPS verifications;
- Shipboard MLC inspections;
- Office ISM Audits.

The Isle of Man Ship Registry will not be delegating the following to Class:

- The assessment and issue of any exemption certificates;
- The assessment and issue of equivalent or alternative arrangements;
- The assessment and issue of any temporary dispensation letter;
- The assessment and issue of any permitted waivers;

- The agreement to the extension of any certification;
- Approvals of, amendments to and re-approval of Ship Security Plans;
- Approvals of, amendments to, re-approval of, and issue of a Declaration of Maritime Labour Compliance (Part II);
- Provision of technical advice to operators.

1.3 Impact on fees

From the 1st April 2017 operators will be required to pay a single annual registration fee with increments based on the vessel's tonnage. The tonnage steps were introduced as a more equitable solution in response to feedback received from the original consultation document titled '2017 Change Development Consultation' sent out in September 2016. The original consultation proposed a single fee of £4,500 irrespective of tonnage.

Cargo ship by gross tonnage	Annual registration fee
Up to 3,000gt	£3,500
3,001 to 10,000gt	£4,000
10,001 to 50,000gt	£4,500
50,001 to 100,000gt	£5,000
100,001gt and over	£5,500

The new fees are shown in the following table -

For a ship which registers after the 1st April of any year, the annual registration fee is payable on a pro-rata basis calculated on a daily rate from the date of registration up to and including the next 31st March.

Operators will not be required to pay any other fee for technical services provided by the Ship Registry; this will include, but is not limited to the following services–

- The assessment and issue of any exemption certificates;
- The assessment and issue of equivalent or alternative arrangements;
- The assessment and issue of any temporary dispensation letter;
- The assessment and issue of any permitted waivers;
- The agreement to the extension of any certification;
- Approvals of, amendments to and re-approval of Ship Security Plans;

- Approvals of, amendments to, re-approval of, and issue of a Declaration of Maritime Labour Compliance (Part II);
- Assessment and issue of Safe Manning Documents;
- Provision of technical advice to operators;
- Shipboard ISM Audits and the issue of certification (where vessels elect to retain ISM in a transition period up to 2020);
- Shipboard ISPS verifications and the issue of certification (where vessels elect to retain ISPS in a transition period up to 2020); and
- Shipboard MLC inspections and the issue of a MLC certificate (where vessels elect to retain MLC in a transition period up to 2020).

Operators will be required to pay a fee for -

- The IGI and the cost of the Surveyor's flights to attend for the IGI;
- A fee where a Ship Registry surveyor has attended the vessel for additional inspections (outside the statutory GI requirements) arising from poor performance, port state control follow up etc.;
- Office ISM DOC audits and issue of certification (where vessels elect to retain ISM in a transition period up to 2020);
- The issue of any liability certification (Oil, Bunkers or Wreck);
- The issue of Seafarers certificates and documents;
- Stationary Office publications (oil record books etc.);
- Any Registry Fee listed in section 7 of this paper.

1.4 Alternative Fees Scheme

The Alternative Fees Scheme will close on 31 March 2017; all vessels that have accrued funds and have an outstanding balance towards a future service provision will be refunded that balance.

1.5 Consultation

The following sections identify in detail the proposed changes that will come into effect on 1st April 2017. We would be grateful for any comments by Wednesday 14 December 2016.

Section 2 – Cargo Ships

For the purposes of this paper a cargo ship is any ship other than a commercial yacht, passenger ship, small ship, pleasure vessel or fishing vessel.

2.1 Cargo ships - annual registration fee

- An annual registration fee based on tonnage is payable by all cargo ships (except demise out) which are on the register on the 1st April of each year.
- For a ship which registers after the 1st April the annual registration fee is payable on a pro-rata basis calculated on a daily rate from the date of registration up to and including the next 31st March.
- A discount of 10% is applied to the annual registration fee for any ship which on the 1st April exceeds the MARPOL Annex VI EEDI reduction factors specified in Schedule 1 to this paper.
- The fleet discount is no longer applied to the annual registration fee; the discount is now applied to the fee for the first full certificate of registry.
- The discount for any ship technically managed from the Island is no longer applied.

Cargo ship by gross tonnage	Annual registration fee
Up to 3,000gt	£3,500
3,001 to 10,000gt	£4,000
10,001 to 50,000gt	£4,500
50,001 to 100,000gt	£5,000
100,001gt and over	£5,500

• The annual registration fee is non-refundable.

2.2 Demise out cargo ships - annual registration fee

- An annual registration fee of £2,000 is payable by a demised out cargo ship which is on the register on the 1st April of each year.
- For a ship which registers after the 1st April the annual registration fee is not charged until the next 1st April.
- A discount of 50% is applied to the annual registration fee for any ship which is technically managed from the Island.
- The annual registration fee is non-refundable.

2.3 Cargo ship initial general inspection and additional inspection fee

- Initial general inspections are charged based on geographical location and are increased as shown in the table. This table replaces the table in Schedule 6 of the current Merchant Shipping (Fees) Regulations 2015 for pre-registration surveys, initial audits, additional audits, verifications or inspections of a cargo ship.
- Additional inspections outside the statutory GI requirements due to poor performance, port state control follow up etc. are charged based on geographical location and are increased as shown in the table.
- Surveyor travel for initial general inspection and additional inspection are charged at cost, including cost of visa's and transfer of surveyor from port to ship or ship to port.
- A waiting day fee of £520 is payable for each day after 1 day where a surveyor has travelled to the location of the ship and is kept waiting to conduct the inspection.

Cargo ship initial general inspection and additional inspections	Fee
Work undertaken in a port in the Island for vessels under 500GRT	£92 £90 per hour
Work undertaken in a port in the Island for vessels 500GRT or over	£960 £940
Work undertaken in a port or shipyard in the United Kingdom, Channel Islands or Republic of Ireland	£2450 £2400
Work undertaken in the European zone	£2800 £2720
Work undertaken in the Middle Eastern and Africa zone	£3050 £2930
Work undertaken in the Americas zone	£3700 £3560
Work undertaken in the Asian zone	£4025 £3870
Work undertaken in the Australasian zone	£4250 £4080

Section 3 - Commercial Yachts

3.1 Commercial yacht - annual registration fee

- An annual registration fee of £2,000 is payable by a commercial yacht which is on the register on the 1st April of each year.
- For a yacht which registers after the 1st April the annual registration fee is not charged until the next 1st April.
- A discount of 50% is applied to the annual registration fee for any ship which is technically managed from the Island.
- A discount of 10% is applied to any ship which on 1st April exceeds the MARPOL Annex VI EEDI reduction factors specified in Schedule 1 this paper.
- A fleet discount is no longer applied to the annual registration fee; the discount is now applied to the fee for the first full certificate of registry.
- The annual registration fee is non-refundable.

Summary of changes

- The annual registration fee is increased from £1625 to £2000.
- A fleet discount is no longer applied to the annual registration fee; the discount is now applied to the fee for the first full certificate of registry.

3.2 Commercial Yacht Fees Scheme

• A monthly fee of £220 is payable by a yacht on the Commercial Yacht Fees Scheme.

Summary of changes

• The monthly fee is increased from £210 to £220.

3.3 Fixed fees for new build or major conversion commercial yachts

• The fixed fees for a new build or major conversion commercial yachts are increased as shown in the tables.

Commercial yachts under 500 GRT	Fixed fee
Work undertaken in a port or shipyard in the United Kingdom, Channel Islands or Republic of Ireland	£7,210 £7,070
Work undertaken in the European zone	£10,100 £9,800
Work undertaken in the Middle Eastern and Africa zone	£11,320 £10,890
Work undertaken in the Americas zone	£13,060 £12,560
Work undertaken in the Asian zone	£16,330 £15,700
Work undertaken in the Australasian zone	£19,600 £18,850

Commercial yachts 500 GRT or over	Fixed Fee
Work undertaken in a port or shipyard in the United Kingdom, Channel Islands or Republic of Ireland	£9,350 £9,170
Work undertaken in the European zone	£12,250 £11,890
Work undertaken in the Middle Eastern and Africa zone	£13,500 £12,980
Work undertaken in the Americas zone	£15,250 £14,660
Work undertaken in the Asian zone	£18,500 £17,800
Work undertaken in the Australasian zone	£21,800 £20,940

3.4 Commercial yacht – pre –registration surveys and additional inspections

- Pre-registration surveys and any additional inspections are charged based on location and are increased as shown in the table.
- An additional inspection is any inspection that is not included as part of the Commercial Yacht Fees Scheme.
- Surveyor travel is charged at cost, including cost of visas and transfer of surveyor from port to yacht or yacht to port.
- A waiting day fee of £520 is payable for each day after 1 day where a surveyor has travelled to the location of the yacht and is kept waiting to conduct the inspection.

Commercial yacht pre-registration survey and additional inspections	Fee
Work undertaken in a port in the Island	£960 £940
Work undertaken in a port or shipyard in the United Kingdom, Channel Islands or Republic of Ireland	£2450 £2400
Work undertaken in the European zone	£2800 £2720
Work undertaken in the Middle Eastern and Africa zone	£3050 £2930
Work undertaken in the Americas zone	£3700 £3560
Work undertaken in the Asian zone	£4025 £3870
Work undertaken in the Australasian zone	£4250 £4080

3.5 Commercial yacht manuals and plans – assessment and approval

Manuals and plans	Fee
Assessment and approval of any ship security plan	£420
Assessment and approval of any manual or plan (other than ship security plan)	£235
Re-approval of any manual or plan	£105

• The fees for the assessment and approval of manuals and plans are unchanged.

3.6 Commercial yacht certificate fees

• The certificate fees for a commercial yacht are unchanged.

Document	Fee
5 year Safety Management Certificate	£590
5 year Ship Security Certificate	£590
5 year Safe Manning Certificate	£590
5 year MLC Certificate (including DMLC)	£590
Certificate of Compliance for a Large Charter Yacht	£590
Assessment and issue of an exemption certificate	£590
Any other 5 year Statutory Certificate	£590
Certificates with less than 5 years' validity	£120 per year of validity
DMLC	£295
Amendment and/or re-issue of DMLC	£295
Assessment and issue of a temporary dispensation	£235
Assessment and extension of any certificate	£235
Assessment and issue of any waiver or letter of comfort	£235
Assessment and issue of an equivalent or alternative arrangement in exercise of any power to grant an equivalent or alternative arrangement from any statutory provision	£590
Amendment and/or re-issue of a certificate listed above, except for a DMLC	£100

Section 4 – Passenger ships

4.1 Passenger ship - annual registration fee

- An annual registration fee of £2,000 is payable by a passenger ship which is on the register on the 1st April of each year.
- For a ship which registers after the 1st April the annual registration fee is not charged until the next 1st April.
- A discount of 50% is applied to the annual registration fee for any ship which is technically managed from the Island.
- A discount of 10% is applied to any ship which on 1st April exceeds the MARPOL Annex VI EEDI reduction factors specified in Schedule 1 to this paper.
- The fleet discount is no longer applied to the annual registration fee; the discount is now applied to the fee for the first full certificate of registry.
- The annual registration fee is non-refundable.

Summary of changes

- The annual registration fee is increased from £1625 to £2000.
- The fleet discount for a company with multiple vessels on the register is no longer applied to the annual registration fee.

4.2 Passenger ship surveys, audits or inspections

- The fees for a passenger ship survey, audit or inspection are unchanged.
- Surveyor travel is charged at cost, including cost of visa's and transfer of surveyor from port to ship or ship to port.
- A waiting day fee of £520 is payable for each day after 1 day where a surveyor has travelled to the location of the ship and is kept waiting to conduct the inspection.

Passenger ship surveys, audits or inspections	Fee
Work undertaken in a port in the Island	£720 per day
Work undertaken anywhere in the world outside of the Island	£1360 per day

4.3 Passenger ship manuals and plans – assessment and approval

• The fees for the assessment and approval of manuals and plans are unchanged.

Manuals and plans	Fee
Assessment and approval of any ship security plan	£420
Assessment and approval of any manual or plan (other than ship security plan)	£235
Re-approval of any manual or plan	£105

4.4 Passenger ship – certificate fees

• The certificate fees for passenger ships are unchanged.

Document	Fee
5 year Safety Management Certificate	£590
5 year Ship Security Certificate	£590
5 year Safe Manning Certificate	£590
5 year MLC Certificate (including DMLC)	£590
High Speed Craft Safety Certificate	£590
Assessment and issue of an exemption certificate	£590
Any other 5 year Statutory Certificate	£590
Certificates with less than 5 years' validity (fee per year of validity)	£120
Passenger ship safety certificate	£355
DMLC	£295
Amendment and/or re-issue of DMLC	£295
Assessment and issue of a temporary dispensation	£235
Assessment and extension of any certificate	£235
Assessment and issue of any waiver or letter of comfort	£235
Assessment and issue of an equivalent or alternative arrangement in exercise of any power to grant an equivalent or alternative arrangement from any statutory provision	£590
Amendment and/or re-issue of a certificate listed above, except for a DMLC	£100

Section 5 – Fishing vessels

5.1 Fishing vessel surveys and inspections

- The radio survey will be charged at cost.
- All other fees are unchanged.
- The fees apply to fishing vessels 15m and over.
- The fees only apply to fishing vessels under 15m if there is any work carried out prior to registration or as a result of deficiencies.

Fishing vessel surveys and inspections	Fee
Radio survey	Charged at cost £108
Work undertaken in the Island	£45 per hour
Work undertaken in the United Kingdom, Channel Islands, Republic of Ireland or the European zone	£90 per hour
Work undertaken in any other country	£125 per hour
Surveyor travel and subsistence outside of the Island	Charged at cost
Travel day or waiting day outside of the Island	£520 per day

Section 6 – Pleasure vessels

6.1 Annual registration fee – pleasure vessels

- An annual registration fee of £122 is payable by a pleasure vessel which is on the register on the 1st April of each year. The annual registration fee is unchanged.
- For a ship which registers after the 1st April the annual registration fee is not charged until the next 1st April.
- The annual registration fee is non-refundable.

Section 7 – Registry Fees

7.1 Registry fees

- The fee for the first full certificate of registry is increased from £730 to £1,000.
- A discount of 25% is applied to the fee for the first full certificate of registry for any ship which on the 1st April exceeds the MARPOL Annex VI EEDI reduction factors specified in Schedule 1 to this paper.
- A new fleet discount is applied to the fee for the first full certificate of registry for a company with multiple vessels on the Register at the time of registration of the vessel in accordance with the scale in the table below. This replaces the fleet discount which is currently applied to the annual registration fee.
- All other registry fees as shown on pages 16 and 17 (except for the annual registration fee which is set out by ship type earlier in this paper) are unchanged.

Fleet discount - first full certificate of registry			
Number of vessels registered	Discount		
0 - 9	0%		
10 - 14	5%		
15 - 24	10%		
25 - 34	15%		
35 - 49	20%		
50 and above	25%		

Registry Fees

Registry	Fees			
	Cargo ships, commercial yachts, & passenger ships	Pleasure vessels	Small ships	Fishing vessels
First simple registration including a certificate of registry or re-registration from simple to full registry Granting permission for a Manx ship to register in a compatible registry other than in the Island (demise out registration)	N/A	N/A	N/A	£55
	£580	N/A	N/A	N/A
Transfer of ownership by bill of sale or transmission	£235	£210	£35	£55
Register of mortgage	£235	£210	N/A	£55
Transfer of mortgage	£235	£210	N/A	£55
Discharge of mortgage	£235	£210	N/A	£55
Recording/noting mortgage of intent	£40	£40	N/A	£40
Vessel leaving the Register including closure documentation	£350	£60	£40	£40
Change to the registered particulars	£35			
Issue of first full certificate of registry including CSR (if appropriate) Transfer of Registry	£1,000 £730	£160	£35	£90
Issue of an updated CSR and new	£730	£160	N/A	N/A
certificate of registry, including change of particulars in register	£235	N/A	N/A	N/A
Change to the registered particulars and new certificate of registry including renewal of demise in registration on Part IV of the Register	£90	£90	£35	£35

Registry	Fees			
	Cargo ships, commercial yachts, & passenger ships	Pleasure vessels	Small ships	Fishing vessels
Replacement or duplicate certificate of registry or a certified copy of the certificate of registry	£90	£90	£35	£35
Issue of a transcript of the particulars recorded in the Register	£40			
Certified copy of a document	£40			
Letter from the Department (upon request)	£40			
Inspection of the particulars recorded in the Register	£20			

Section 8 – Other fees

8.1 Company audits, certificate fees and MLC recruitment and placement service inspections

- The fees for a company audit, certificate fees, MLC recruitment and placement service inspection are increased as shown in the table.
- Surveyor travel is charged at cost, including cost of visa's and transfer of surveyor from port to ship or ship to port.

Company audits	Fee
Work undertaken in the Island	£700 £680
Work undertaken in the United Kingdom, Channel Islands or Republic of Ireland	£1,920 £1880
Work undertaken in the European zone	£2,800 £2720
Work undertaken in the Middle Eastern and Africa zone	£3,050 £2930
Work undertaken in the Americas zone	£3,700 £3560
Work undertaken in the Asian zone	£4,025 £3870
Work undertaken in the Australasian zone	£4,230 £4080
Inspection of recruitment and placement services for compliance with MLC Title 1.4	£92 per hour £90 per hour
5 year MLC Title 1.4 Recruitment and Placement Compliance Certificate	£295
5 year Company ISM document of compliance	£590

8.2 Liability certificates

• The fees for liability certificates are unchanged.

Certificate	Fee	
Certificate of financial insurance or other financial security (CLC or Bunkers) for civil liability for oil pollution damage for Manx registered vessels	£90	
Certificate of financial insurance or other financial security (CLC or Bunkers) for civil liability for oil pollution damage for a non-Isle of Man registered vessel	£130	
Wreck Removal Insurance Certificate for Manx registered vessels	£90	
Wreck Removal Insurance Certificate for a non-Isle of Man registered vessel	£130	

8.3 Seafarers certificates and documents

- The fees for a discharge book, British seaman's card and AB certificate of competency are unchanged.
- Fees for an endorsement recognising a non-UK certificate of competency if application is not made online are increased from £170 to £200.

Seafarers' certificates and documents	Fee
Endorsement recognising a non-UK certificate of competency (including issue of CRA) if application is made online	£170
Endorsement recognising a non-UK certificate of competency (including issue of CRA) if application is not made online	£200
Express processing of an endorsement recognising a non-UK certificate of competency (including express issue of a CRA)	£30
Replacement or amendment to (due to application error) endorsement recognising a non-UK certificate of competency	£60
Discharge book	£75
British seaman's card	£50
AB certificate of competency	£23

Schedule 1

Ship	Size	01/04/2015 to 31/03/2020	01/04/2020 to 31/03/2025	After 01/04/2025
Bulk Carrier	20,000 DWT and above	20	30	>32
	10,000 - 20,000 DWT	0-20*	0-30*	>0-32*
Gas Tanker	10,000 DWT and above	20	30	>32
	2,000 – 10,000 DWT	0-20*	0-30*	>0-32*
Tanker	20,000 DWT and above	20	30	>32
	4,000 – 20,000 DWT	0-20*	0-30*	>0-32*
Container Ship	15,000 DWT and above	20	30	>32
	10,000 – 15,000 DWT	0-20*	0-30*	>0-32*
General Cargo Ship	15,000 DWT and above	20	30	>32
	3,000 – 15,000 DWT	0-20*	0-30*	>0-32*
Refrigerated Cargo Carrier	5,000 DWT and above	20	30	>32
_	3,000 – 5,000 DWT	0-20*	0-30*	>0-32*
Combination Carrier	20,000 DWT and above	20	30	>32
	4,000 – 20,000 DWT	0-20*	0-30*	>0-32*

MARPOL ANNEX VI - EEDI REDUCTION FACTORS

* The reduction factor is to be linearly interpolated between the two values dependent upon ship size. The lower value of the reduction factor is to be applied to the smaller ship size.