



**MARITIME
CYPRUS**



Guide to
Ship Registration
And Related Matters



GUIDE TO SHIP REGISTRATION AND RELATED MATTERS

Limassol, 2018



**SHIPPING DEPUTY MINISTRY
TO THE PRESIDENT**
REPUBLIC OF CYPRUS





Why Cyprus

A maritime nation committed to a safe, secure and sustainable maritime industry

35° Navigating 33° Excellence

- A sovereign flag of progress and quality.
- The 3rd largest fleet in the EU.
- Classified in the 'White List' of the Paris and Tokyo MoUs on Port State Control.
- Business friendly common law jurisdiction.
- Comprehensive and favourable Tonnage Tax System, approved by the European Union.
- More than 60 Double Tax Avoidance Treaties.
- More than 25 Bilateral Agreements on Merchant Shipping.
- Competitive ship registration costs and fees.
- No nationality restrictions for seafarers.
- Top quality public services to the shipping industry 24/7.
- Customer-oriented approach.
- Value for money professional services of excellent quality.
- Web services for the registration of seafarers and recognition of Certificates of Competency.
- Maritime offices in Piraeus, London, Hamburg, Rotterdam, New York City and Brussels.
- Strong involvement in international shipping fora (IMO, ILO) and EU. Member of the IMO Council since 1987.

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Preface

The purpose of this Guide is to provide concise high-level information on matters relating to the registration of ships and the related transactions in the Register of Cyprus Ships.

Further detailed information is provided on the web site of the Shipping Deputy Ministry to the President (hereinafter "the Deputy Ministry").
www.shipping.gov.cy



Why the Cyprus flag?

- **Political security:**
 - A sovereign flag member of the European Union.
 - European Union diplomatic protection afforded to Cyprus ships.
- **Legislative framework:**
 - Party to all international maritime conventions on safety, security, pollution prevention, maritime labour and health and safety giving full and complete effect to their provisions.
 - Bilateral agreements on merchant shipping signed with 27 states, through which Cyprus ships receive either national or most favoured nation treatment in the ports of other states.

“A sovereign flag of quality and progress!”

- Comprehensive and pioneering national legislation for the protection of Cyprus ships from piracy and other unlawful acts including a legal framework allowing and regulating the use of private armed security personnel in high-risk areas.
- **Service:**
 - A commitment for providing quality services, a competitive business and taxation environment whilst ensuring efficient shipping and the highest possible standards in safety, security and environmental protection.
 - Maritime offices strategically located around the globe, offering services to Cyprus ships and to seafarers (Piraeus, London, New York, Hamburg, Rotterdam and Brussels).
 - A quality flag listed in the “White List” of the Paris and Tokyo MoUs on Port State Control resulting in fewer inspections of the ships and less delays at the ports of both MoUs.
 - A network of local inspectors of Cyprus ships, covering important ports worldwide in order to ensure efficient and effective control of Cyprus ships and to avoid detentions by port state control.
 - Efficient, qualitative and reliable provision of 24 hour service by the Deputy Ministry.
 - Extensive experience stemming from strong involvement in the work of international organizations (IMO and ILO) and of the European Union on shipping and maritime affairs.
 - No nationality restrictions on seafarers.
- **Economic benefits:**
 - Favourable tonnage tax scheme approved by the European Union.
 - No tax on income derived from the operation of qualifying ship(s).
 - No tax on dividends paid to shareholders out of profits made from the operation or from the sale of qualifying ship(s).
 - No tax on interest earned on working capital of a qualifying ship.
 - No tax on the income or profit made from the sale of a qualifying ship.
 - No tax on the salary or other benefits of the master, the officers and crew members of a qualifying Cyprus ship.
 - Competitive ship registration costs and fees.
 - No estate duty on the inheritance of shares in a ship-owning company.
 - Full protection for financiers and mortgagees.
 - Double tax avoidance agreements with more than 60 states.



1. Maritime Centre

Cyprus has over the years become one of the largest and widely known shipping centres in the world, comprising both ship owning and ship management companies. Several of the ship management companies which operate on the island rank amongst the largest of their kind in the world and it is estimated that they manage about 20% of the world's third party managed fleet.

The Register of Cyprus Ships, which was established in 1963, ranks amongst the top registries in the world with a merchant fleet exceeding 23 million gross tonnage and 3rd in the European Union with a percentage of about 11% of the total fleet of the European Union member states.

2. Maritime Administration

Responsibility for the development of maritime activities lies with the Shipping Deputy Ministry to the President of the Republic of Cyprus, previously the Department of Merchant Shipping.

The Department of Merchant was established and started functioning as a distinct entity in the Ministry of Communications and Works (which was renamed the Ministry of Transport, Communications and Works) in 1977. As of 1st March 2018 the Department of Merchant Shipping was transformed and renamed into the Shipping Deputy Ministry to the President and in essence carries out the flag, port and coastal state functions of the Republic of Cyprus.

The Deputy Ministry is responsible for the development of maritime activities, which include:

- registration of ships,
- development, administration and enforcement of the merchant shipping legislation,
- inspection and control of ships,
- enforcement of international, European Union and national maritime legislation,
- seafarers-related matters including registration, training and certification of seafarers and
- taxation of ship owning, ship chartering and ship management companies.

The maritime offices of the Deputy Ministry in Piraeus, London, New York, Hamburg, Rotterdam and Brussels provide on the spot a wide range of services to Cyprus ships, seafarers and to ship-owners, managers and operators.



“Business friendly common law jurisdiction.”

The third main merchant shipping statute is the *Merchant Shipping (Fees and Taxing Provisions) Law of 2010*, which addresses all issues of taxation and sets out the payable fees and taxes.

In addition to the European Union regulations relating to shipping, which apply to Cyprus ships, Cyprus has transposed into its national laws the European Union directives which govern various matters relating to safety, security and the prevention of pollution from ships.

Cyprus has also adopted the latest international conventions and protocols on maritime safety and security, prevention of pollution from ships, maritime labour, training, certification and watchkeeping of seafarers, limitation of ship-owners' civil liability and for the facilitation of maritime traffic. This includes in their amended form, inter alia, the 1974 SOLAS Convention and its 1978/1988 Protocols, MARPOL (Annexes I to VI) and its 1978 and 1997 Protocols, the 1966 Load Lines Convention and its 1988 Protocol, the 2000 AFS Convention, the 1972 COLREGs Convention, the 1969 Tonnage Convention, the 1992 CLC and 1992 Fund Conventions, the 1976 LLMC Convention and its 1996 Protocol, the 2001 Bunkers Convention, the 1988 SUA Convention and its Protocol, the 1978 STCW Convention, the 1965 FAL Convention, the 1979 SAR Convention, the 1972 CSC Convention, the MLC 2006 and the 2007 Wreck Removal Convention.

An index of the Cyprus maritime legislation and an unofficial English language translation of most of the national laws is available on the Deputy Ministry's web site.

3. Legislative framework (Overview)

The administration of the Register of Cyprus Ships and the registration of Cyprus ships and other related registry transactions is governed by the *Merchant Shipping (Registration of Ships, Sales and Mortgages) Law of 1963*, as amended.

Matters relating to maritime labour, working and living conditions and health and safety at work on board Cyprus ships are governed by the *Merchant Shipping (Masters and Seamen) Law of 1963, as amended* and the *Maritime Labour Convention 2006 (Ratification) and for Matters Connected Therewith Law of 2012*, as amended.



“The 3rd largest fleet in the EU.”

Applications for the registration of ships and for the related transactions in the Register of Cyprus Ships or in the Special Book of Parallel Registration must be submitted to the Registrar of Cyprus Ships.

Under the Advocates Laws of Cyprus only lawyers registered as practising advocates in Cyprus are entitled to draft the necessary documents for the incorporation of Cyprus companies as well as to carry out all registry transactions.

Consequently, the first step to be taken by persons interested in registering a ship under the Cyprus flag is to engage the services of a local registered advocate. For further information visit the Cyprus Bar Association web site (www.cyprusbarassociation.org).

The registration of ships and the related transactions are effected by the Registrar of Cyprus Ships (the Registrar) who is stationed at the head office of the Deputy Ministry in Limassol. However, the provisional registration of ships and other transactions (other than the permanent and the bareboat charter registration) may be effected abroad by a consular officer of the Republic of Cyprus (consular officer) stationed at any one of the Diplomatic or Consular Missions of the Republic of Cyprus upon instructions issued by the Registrar. In such cases, the transactions are recorded by the Registrar in the Register as from the date and time they have been effected by the consular officer.

The office addresses, contact details and working hours of the Diplomatic and Consular Missions and of the Honorary Consular Officers of the Republic of Cyprus can be found on the web site of the Ministry of Foreign Affairs (www.mfa.gov.cy).

The legislation requires the payment of the prescribed fees and taxes prior to the registration of a ship or other transaction in the Register of Cyprus Ships or in the Special Book of Parallel Registration.

4. Registration of ships

4.1 Types of registration

There are three types of ship registration in Cyprus: provisional, permanent and bareboat charter registration (parallel).

4.2 Overview

All matters relating to the registration of ships and the related transactions in the Register of Cyprus Ships or in the Special Book of Parallel Registration are governed by the *Merchant Shipping (Registration of Ships, Sales and Mortgages) Law of 1963, as amended*.

In addition, in connection with the registration of ships, the provisions of the *Government Policy on the Registration of Ships under the Cyprus flag*, which is established pursuant to the provisions of the aforesaid laws, also apply.

4.3 Conditions of ownership

A ship may only be registered in the Register of Cyprus Ships if:

- (1) more than fifty per cent (50%) of the shares of the ship are owned:
 - by Cypriot citizens, or
 - by citizens of other member states¹ who in the instance of not being permanent residents of the Republic of Cyprus will have appointed an authorised representative in the Republic of Cyprus, or

¹ member state means a member state of the European Union or other contracting party to the European Economic Area Agreement.

- (2) the total (100%) of the shares of the ship are owned by one or more corporations, which have been established and operate:
- in accordance with the laws of the Republic of Cyprus and have their registered office in the Republic, or
 - in accordance with the laws of any other member state and have their registered office, central administration or principal place of business within the European Economic Area and which will have either appointed an authorised representative in Cyprus or ensured that the management of the ship is entrusted in full to a Cypriot or a Community ship management company having its place of business in Cyprus, or
 - outside Cyprus or outside any other member state but controlled by Cypriot citizens or citizens of member states and have either appointed an authorised representative in Cyprus or ensured that the management of the ship is entrusted in full to a Cypriot or a Community ship management company having its place of business in Cyprus.

The corporation is deemed to be controlled by Cypriots or citizens of any other member states when more than 50% of its shares are owned by Cypriots or citizens of any other member states or when the majority of the directors of the corporation are Cypriot citizens or citizens of any other member state.

An authorised representative may be a Cypriot citizen or a citizen of any other member state, who is resident in Cyprus or a partnership/corporation/branch established in accordance with the laws of Cyprus which has its place of business in the Republic of Cyprus.

The common practice of those wishing to register their ships under the Cyprus flag is to incorporate a company in Cyprus, which will either acquire the ship in its name, or bareboat charter the ship.

4.4 Government Policy on the Registration of Ships under the Cyprus flag

The *Government Policy on the Registration of Ships under the Cyprus flag* is available on the web site of the Deputy Ministry and states the additional requirements or conditions for the registration of ships which are deemed necessary for the achievement of safe, secure and efficient shipping on clean oceans and for the purpose of safeguarding the interests of the Cyprus ships and of their owners, bareboat charterers, managers and operators.

The Registrar will not consider applications for the registration in the Register of Cyprus Ships or in the Special Book of Parallel Registration of ships which:

- (1) at the time of the application for their registration, are banned on port state control grounds by a state member of any one of the Memoranda of Understanding on port state control, from entering the ports of the states party to that memorandum or which have been banned by a state from entering its ports;
- (2) have been detained on port state control grounds on 3 or more occasions during the 2 years period prior to the date of application for registration by States of the Paris or the Tokyo or the Mediterranean MoUs on Port State Control or by the United States Coast Guard; and
- (3) have been constructed for exclusive use on inland navigation or which are to be used exclusively on inland navigation (e.g. in internal waters, rivers, inland waterways, canals, natural or artificial lakes, water reservoirs or dams).

The age limits and conditions on ship registration are summarized in the table below:

Type of ship	Maximum age limit	Related conditions	
		Entry inspection required	Additional inspection required
Cargo ships and Cargo High Speed Craft	Yes ≤ 25 years	Yes if ≥ 15 years	No
Passenger ships and Passenger High Speed Craft engaged on international or short international voyages	No	Yes if ≥ 30 years	Yes if 2 years ≤ Age ≤ 10 years Biennial if Age > 10 years Annual
Passenger ships and Passenger High Speed Craft engaged on domestic voyages within the territory of a State, other than Cyprus	No	Yes if ≥ 25 years	Yes if 2 years ≤ Age ≤ 10 years Biennial if Age > 10 years Annual
Passenger ships and Passenger High Speed Craft engaged on domestic voyages within the territory of Cyprus	No	Yes if ≥ 20 years	No In order to operate they are required to be inspected and certified annually
Fishing vessels	Yes ≤ 25 years	Yes if ≥ 20 years	No
Floating Production Storage Offloading Units; Floating Storage Offloading Vessels and Mobile Offshore Drilling Units	Yes ≤ 25 years	Yes if ≥ 15 years	No
Ships of types other than those listed above	Yes ≤ 35 years	Yes if ≥ 20 years	Yes if the ship is carrying industrial or special purpose personnel and 2 years ≤ Age ≤ 10 years Biennial Age > 10 years Annual

"Age" means the age of the ship which is calculated by deducting the year in which the keel of the ship was laid from the year in which the application for its registration was filed. In case a ship has undergone major conversion or reconstruction, the year in which the major conversion or reconstruction began may be taken into account (in lieu of the year in which its keel was laid) for the calculation of the age of the ship.

"Cargo ship" means a ship which has been constructed or adapted for the purpose of carrying cargo in any form.

"Passenger ship" means a ship which has been constructed or adapted for the purpose of carrying fare-paying passengers.

The entry inspection and the additional inspections are carried out by the surveyors of the Deputy Ministry at the expense of the registered owner or registered bareboat charterer, as the case may be. The entry inspection of a ship should be carried out no later than 3 months from the date of the provisional, or the parallel-in registration or within 1 month from the date of permanent registration if effected directly.

In relation to fishing vessels, the Registrar will not consider applications for their registration unless they are accompanied by an official communication from the Director of the Department of Fisheries and Marine Research of the Ministry of Agriculture, Rural Development and Environment, informing the Registrar that the registration of the fishing vessel in question is allowed.

4.5 Language and submission of supporting documentation

The legislation provides that all documents which refer to Cyprus ships (including documents required for their registration) are admissible provided that they are drawn up in an official language of the Republic of Cyprus or in a language comprehensible to the competent officers of the Deputy Ministry. In practice, most of the documents are admissible in the English language. Such provision makes the registration process faster and saves on translation expenses.

As a rule, the supporting documentation relating to the registration of ships and to other transactions in the Register of Cyprus Ships or in the Special Book of Parallel Registration should be submitted to the Registrar. However, some of the required documentation (except documentation for the permanent and parallel registration) may be submitted abroad to anyone of the Diplomatic and Consular Missions of Cyprus. In such cases, the Registrar issues instructions to the relevant consular officers to accept said documentation and to proceed with the transaction required.

4.6 Management and operation of a Cyprus ship

The following are only relevant in connection with Cyprus ships that are required to comply with the requirements of SOLAS chapters IX and XI-2 and the ISM and ISPS Codes, as well as, STCW regulation I/14 and the STCW Code.

An organisation or a person, which assumes the operation of Cyprus ship from its registered owner, (the "company"), is required to comply with the requirements of SOLAS chapters IX and the ISM Code, SOLAS chapter XI-2 and the ISPS Codes, STCW regulation I/14 and the STCW Code, as well as, the requirements imposed on such companies by the national laws of Cyprus.

The name and the particulars of the company are notified only in relation to the requirements of SOLAS chapter IX and the ISM Code. The company notified for the purposes of SOLAS chapter IX and the ISM Code is automatically considered as the one assuming the responsibilities imposed by SOLAS chapter XI-2 and the ISPS Codes, STCW regulation I/14 and the STCW Code and the national laws of Cyprus.

The required Interim Document of Compliance (Interim DoC) and Document of Compliance (DoC) may be issued to such companies by one of the Recognized Organizations (RO) (Classification Societies) or by another SOLAS Contracting Government or by the Deputy Ministry and must be valid for the type of ship which corresponds to the type of the Cyprus ship in question.

The application for the registration of a ship must be accompanied by the relating information for the ISM and ISPS Codes. This may be done by completing and submitting the relevant forms which are available on the Deputy Ministry's web site.

In case the company which is assuming the operation of a Cyprus ship does not hold a valid Interim DoC or DoC issued by, at the request of, or on behalf of Cyprus, the Deputy Ministry will issue instructions to the RO or will request the SOLAS Contracting Government, which has been nominated by the company for the issue of such certificates. In addition, the Deputy Ministry will issue instructions to the RO or will request the SOLAS Contracting Government, which has been nominated by the company for the issue to the ship of the required Interim Safety Management Certificate (Interim SMC) and subsequently of the Safety Management Certificate (SMC).

The instructions to the RO for the issue of Interim SMC and SMC may be sent in advance of the registration of a ship and become effective upon its registration.

Based on the standing arrangements between Cyprus and the ROs the issue of instructions for the issue to a Cyprus ship of an Interim International Ship Security Certificate (Interim ISSC) and subsequently of the International Ship Security Certificate (ISSC), is not required.

The current practice allows for the Interim DoC and the DoC to be issued by an RO or another SOLAS Contracting Government and the Interim SMC and the SMC to be issued to a Cyprus ship by the same or another RO or by the same entity.

Further information on the specific requirements of Cyprus in relation to the requirements of SOLAS chapters IX and XI-2 and of the ISM and ISPS Code are provided on the Deputy Ministry's web site.

4.7 Minimum Safe Manning Document

The application for the registration of a ship should be accompanied by an application for the issue of a Minimum Safe Manning Document, in case the ship is required by SOLAS chapter V/14 and the *Merchant Shipping (Safe Manning, Hours of Work and Watchkeeping) Law of 2000*, as amended, to hold such document. This may be done by completing and submitting the relevant form which is available on the Deputy Ministry's web site.

4.8 Certificate of Insurance or other Financial Security in Respect of Civil Liability

Ships having a gross tonnage of 300 and over are required to have insurance in place that covers maritime claims subject to limitation under the provisions of the 1976 LLMC Convention and its 1996 Protocol, namely the insurance cover required under *Directive 2009/20/EC of the European Parliament and of the Council of 23 April 2009 on the insurance of shipowners for maritime claims* and to have on board evidence to this effect.

Ships having a gross tonnage of 300 and over are required to hold a *Certificate of Insurance or other Financial Security in Respect of Liability for the Removal of Wrecks (Wreck Removal)*.

Ships having a gross tonnage of 1,000 and over and carrying for use on board bunker oil are required to hold a *Certificate of Insurance or other Financial Security in Respect of Civil Liability for Bunker Oil Pollution Damage (Bunkers)*.

Ships carrying 2,000 metric tonnes and over of oil are required to hold a *Certificate of Insurance or other Financial Security in Respect of Civil Liability for Oil Pollution Damage (CLC)*.

Ships carrying passengers and required to comply with the requirements of *Regulation (EC) No. 392/2009 of the European Parliament and of the Council of 23 April 2009 on the liability of carriers of passengers by sea in the event of accidents* are required to hold a *Certificate of Insurance or other Financial Security in Respect of Liability for the Death of and Personal Injury to Passengers (PLR)*.

The application for the registration of such a ship must, where applicable, be accompanied by an application for the issue of any of the aforesaid certificates. This may be done by using the model applications which are available to this end on the Deputy Ministry's web site.

Further information on P&I Clubs whose Blue Cards are accepted by the Government of the Republic of Cyprus for the issuance of the aforesaid certificates are provided on the Deputy Ministry's web site.

4.9 Declaration of Maritime Labour Compliance – Part I

Ships having a gross tonnage of 500 and over, which are required to comply with the requirements of the Regulations and Part A of the Code forming part of the Maritime Labour Convention, 2006, are required to be issued with a Declaration of Maritime Labour Compliance - Part I (DMLC) .

Based on the standing arrangements between Cyprus and the recognized Classification Societies the issue of instructions for the issue to a Cyprus ship of DMLC-Part II, Interim MLC and subsequently MLC is not required.

4.10 Classification Societies

Cyprus ships which are required to comply with the provisions of the international maritime conventions to which Cyprus is a party must be classed with one of the Classification Societies that the Government of the Republic of Cyprus has recognized and authorized to act on its behalf. These are ABS, BV, CCS, CRS, DNV GL AS, KR,IRCLASS, LR, ClassNK, PRS, RINA and RS.

Further guidance on the information and data which the ship's Classification Society has to provide to the Registrar in relation to the registration of a ship are provided on the Deputy Ministry's web site.

The statutory certificates of a Cyprus ship in accordance with the requirements of the international maritime conventions are issued by the recognized Classification Society with which the ship is classed. However, the Interim SMC and the SMC, the Interim ISSC and the ISSC, the DMLC-Part II, the Interim MLC and the MLC can be issued by any one of the recognized Classification Societies.

4.11 Radio traffic accounting authorities

Cyprus ships must be covered by one of the radio traffic accounting authorities which the Government of the Republic of Cyprus recognises. These are listed on the Deputy Ministry's web site.

The ship's radio traffic accounting authority has to provide to the Registrar, in relation to the registration of a ship, a confirmation that its registered owner has made with it arrangement for the payment of all maritime radio communications made by the ship.

All maritime radio communications accounts must be paid by an accounting authority and payments made directly through land earth stations or international service providers are not allowed.

4.12 Point of Service Activation

The preferred Point of Service Activation (PSA), for the purpose of activation/ deactivation for maritime mobile earth stations, must be nominated. The ones recognized by the Government of the Republic of Cyprus are listed on the Deputy Ministry's web site.



5. Provisional registration

5.1 Administrative procedures

The legislation, allows for the provisional registration of a ship and most owners usually opt to have their ships provisionally registered first. This will allow them time (up to 9 months including a three months extension) during which they will be able to complete the administrative formalities relating to any previous flag state and/or state of registry and those relating to the permanent registration of the ship in Cyprus.

A ship may be provisionally registered either in Limassol by the Registrar or abroad at any Diplomatic or Consular Mission by a consular officer.

At the time of the provisional registration the ship must be at a port or anchorage where she can be surveyed and certified on behalf of Cyprus. The presence of the ship at the port or place where the provisional registration will be effected is not necessary.

5.2 Application and required documents for provisional registration

The application requesting the provisional registration of a ship must be made by a local registered advocate acting on behalf of the physical person(s) or legal entity in whose name the ship will be registered and should be addressed to the Registrar of Cyprus Ships.

In practice, the Registrar will also accept the submission of applications for registration of ships on behalf of legal entities (companies) under formation, so that the incorporation of the company and registration of the ship can progress simultaneously. However, the company must be duly incorporated prior to the registration of the ship.

In case the interested party contemplates to complete the provisional registration abroad the application should indicate the Diplomatic or Consular Mission where this will take place.

The documents required for the provisional registration of a ship can be found on the Deputy Ministry's web site under the heading "Documents for Provisional and Permanent Registration".

5.3 Completion of provisional registration

If the ship falls within the ambit of the age criteria of the *Government Policy for the Registration of Ships under the Cyprus flag*, the Registrar will inform the registered owner of the conditions under which the registration has been permitted, as well as, of those which have to be fulfilled prior to the permanent registration of the ship and thereafter.

If the provisional registration will take place abroad at a Diplomatic or Consular Mission, some of the required documents can be deposited with the consular officer who will carry out the provisional registration or at a different Diplomatic or Consular Mission, if required. These primarily relate to documents, which are handed over by the seller to the buyer or issued by the previous flag state and/or state of registry. However, in such cases, the Registrar can only issue such instructions to the consular officer(s) who will be involved, after the minimal of the required documents have been submitted to the Registrar and found to be in order.

Provided the required documents have been submitted and found to be in order, the Registrar or the consular officer will proceed with the provisional registration of the ship and will issue to the ship the Provisional Certificate of Cyprus Registry which is valid for six months from the date of its issue and its provisional radio license. In addition, they will inform the Classification Society with which the ship is classed that the ship has been provisionally registered and thus it can proceed with the survey and certification of the ship.

As indicated elsewhere under the relevant section, instructions for the issue of Interim SMC and SMC can and are sent in advance of the registration of a ship and become effective upon the ship's registration. In addition, based

on the standing arrangements between Cyprus and the recognized Classification Societies the issue of instructions for the issue of Interim ISSC and subsequently ISSC, of DMLC-Part II, Interim MLC and subsequently MLC is not required.

The Deputy Ministry (or any one of the maritime offices of the Deputy Ministry overseas) will also proceed with the issuance of the following:

- (1) Minimum Safe Manning Document;
- (2) Registration Certificate of Mobile Maritime Radio Station (Radio Licence)
- (3) Certificate(s) of Insurance or other Financial Security in Respect of Civil Liability, as the case may be;
- (4) Declaration of Maritime Labour Compliance - Part I; and
- (5) Continuous Synopsis Record.

The registered owner and the company assuming the operation of the ship must ensure that the ship does not leave the port or anchorage where she is lying unless and until she has been duly surveyed and certificated by the Classification Society with which the ship is classed and the other Classification Societies which may be involved on behalf of Cyprus.

5.4 Extension of provisional registration

The legislation allows for a 3-month extension of the period of the ship's provisional registration, provided the Provisional Certificate of Cyprus Registry of the ship has not expired.

The application requesting the extension of the provisional must be made by the local registered advocate acting on behalf of the registered owner to the Registrar of Cyprus Ships.

In case the interested party contemplates to present abroad the ship's Provisional Certificate of Cyprus Registry for extension of its period of validity, the application should indicate the Diplomatic or Consular Mission where this will take place. In such a case, the Registrar will issue instructions to the relevant consular officer.

The presence of the ship at a port or anchorage at the time or at the port or place where, the extension of the period of validity of its Provisional Certificate of Cyprus Registry will be effected is not necessary.

Following approval of the requested extension, the ship's Provisional Certificate of Cyprus Registry should be presented to the Registrar or to a consular officer for the extension of its validity. However, in case this is not practically possible, the Registrar or a consular officer can issue a certificate associated with the ship's Provisional Certificate of Cyprus Registry attesting the extension of its validity. Such certificate shall be placed on board the soonest possible and be kept together with the ship's Provisional Certificate of Cyprus Registry.



6. Permanent registration

6.1 Time frame

The permanent registration of a provisionally registered ship must be effected prior to the expiry of the ship's Provisional Certificate of Cyprus Registry.

6.2 Application and required documents for permanent registration

The application requesting the permanent registration must be submitted by the local registered advocate acting on behalf of the registered owner to the Registrar of Cyprus Ships.

The presence of the ship at a port or anchorage at the time of its permanent registration is not necessary.

The documents required for the permanent registration of a ship can be found on the Deputy Ministry's web site under the heading "Documents for Provisional and Permanent Registration".

6.3 Measurement of the ship's tonnages and ship's carving and marking

The gross and net tonnage of a Cyprus ship having a length, as defined in the 1969 Tonnage Convention, of:

- (1) 24 metres and over is measured in accordance with the 1969 Tonnage Convention and is required to be issued with an International Tonnage Certificate (1969),
- (2) less than 24 metres is measured in accordance with the *Measurement of Tonnage of Ships Smaller Than Twenty Four Metres in Length Regulations of 1993* and is required to be issued with a Cyprus Tonnage Certificate.

All Cyprus ships are required to be surveyed and issued with a Certificate of Survey stating their main particulars and their gross and net tonnages, which are subsequently recorded in the Register.

The Certificate of Survey and the International Tonnage Certificate (1969) or the Cyprus Tonnage Certificate may be prepared by the recognized Classification Societies with which the ship is classed or by the Deputy Ministry.

The original of the Certificate of Survey and a certified copy of the International Tonnage Certificate (1969) or the Cyprus Tonnage Certificate must be submitted to the Registrar for the issue of the Ship's Carving and Marking Note.

Cyprus ships are required to be marked with the name of the ship, its port of registry, its official number and its net tonnage. The correct marking of the ship can be verified and attested by a surveyor of one of the recognized Classification Societies or a surveyor of the Deputy Ministry.

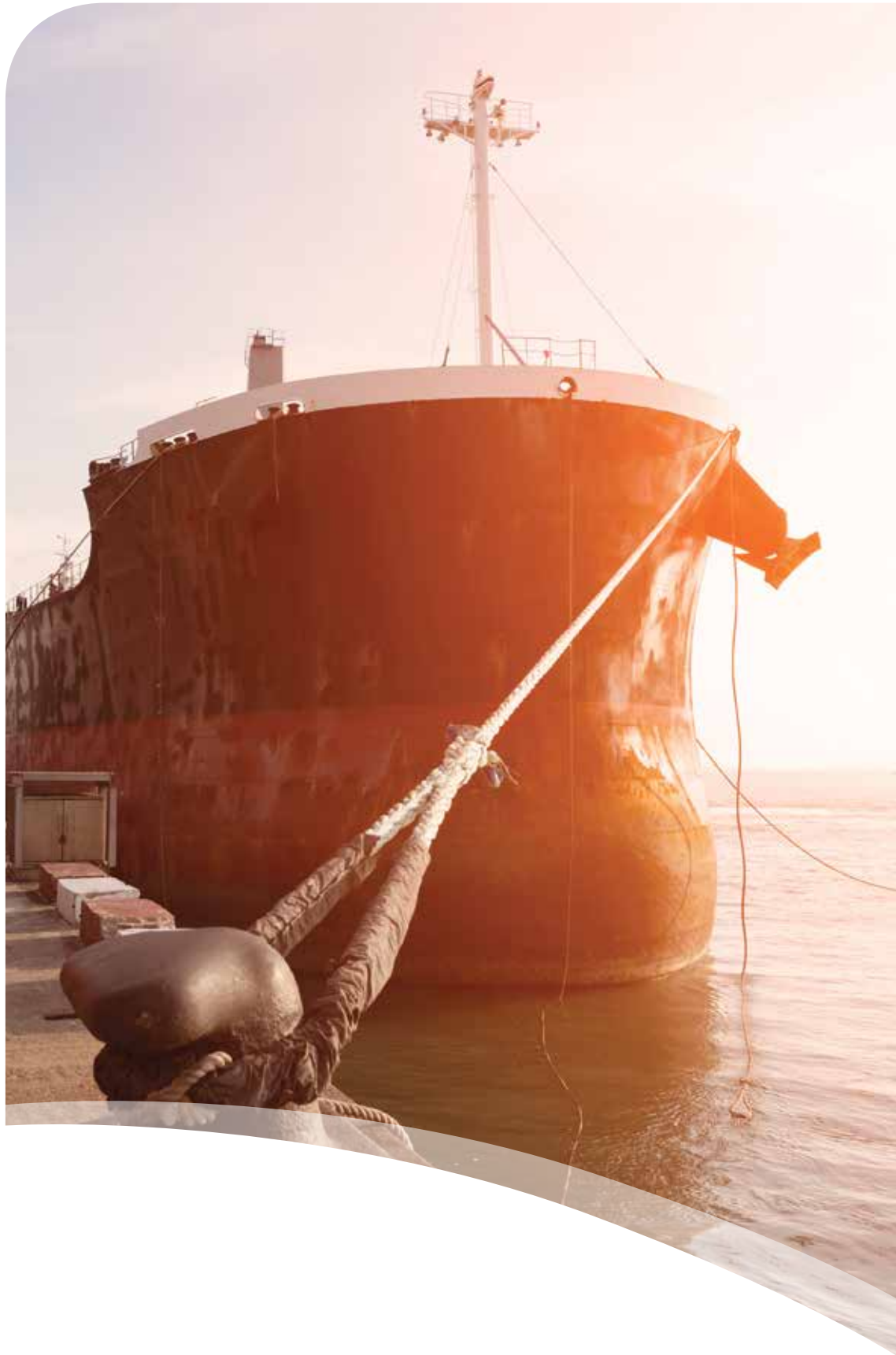
The duly verified Ship's Carving and Marking Note must be submitted to the Registrar for the permanent registration of the ship.

The official number of Cyprus ships having a gross tonnage of 100 and over is the same as the ship's identification number in accordance with the IMO Assembly resolution A.600(15) on the IMO ship identification number scheme (i.e. the IMO number) and must be marked as required by SOLAS regulation XI-1/3.

The official number of Cyprus ships having a gross tonnage less than 100 is a 6 digit number allotted by the Registrar.

6.4 Entry inspection

The registered owner and/or the company assuming the operation of a ship, whose registration has been permitted under the Government Policy for the Registration of Ships under the Cyprus flag subject to an entry inspection, must make arrangements with the Deputy Ministry for the entry inspection of the ship within the timeframes specified in the aforesaid policy.



6.5 Completion of permanent registration

If the ship falls within the ambit of the Government Policy for the Registration of Ships under the Cyprus flag, the conditions under which the registration has been permitted, as well as, those which have to be fulfilled prior to the permanent registration of the ship have to be complied with.

Provided the required documents have been submitted and found to be in order, the Registrar will proceed with the permanent registration of the ship and will issue to the ship the ship's Certificate of Cyprus Registry which is valid indefinitely from the date of its issue. However, in case a new Certificate of Cyprus Registry is issued the previous one automatically ceases to be valid as from the date of issue of the new certificate.

In addition, the Registrar will inform the Classification Society with which the ship is classed and the radio traffic accounting authority that the ship has been permanently registered.



7. Bareboat charter registration (Parallel registration)

7.1 Types of registration

The legislation provides for the two types of the internationally accepted bareboat charter registration. These are the registration of the bareboat charter of a foreign ship in the Special Book of Parallel Registration (commonly referred to as “Parallel-in registration”) and the registration of the bareboat charter of a Cyprus ship in a foreign register (commonly referred to as “Parallel-out registration”).

The bareboat registration of foreign and Cyprus ships under the Cyprus regime may be effected with more than 20 states whose legislation is compatible with the Cyprus legislation.

7.2 Parallel-in registration

7.2.1 Introduction

The bareboat charterer must be either a physical person or a legal entity that qualifies for the parallel-in registration of a foreign ship in its name. The qualification requirements are the same as those for the registration of the ownership of a ship in the Register of Cyprus ships.

The bareboat charterer of the foreign ship must be a legal entity or a physical person who qualifies to own a Cyprus ship and the provisions of the Government Policy for the Registration of Ships under the Cyprus flag apply.

The legislation of the state of registry of the foreign ship must allow its bareboat charter registration. The permission or consent of the authorities of the state where the ownership of the foreign ship is registered is required. In addition, the consent of the mortgagees is also required.

7.2.2 Status of a ship during parallel-in registration

The deletion of the ship from the registry of the state where its ownership is registered is not required. However, its right to fly the flag of the State of registry and to have its nationality is suspended and the foreign registry remains operative only with respect to the ownership and encumbrance’s status of the ship.

The period of parallel-in registration is usually two years and is renewable. During that period, the ship flies the Cyprus flag, has the Cypriot nationality and is subject to the flag state jurisdiction and to the laws of Cyprus. In addition, the port of registry marked on the stern of the ship must be Limassol and not that of the foreign registry.

7.2.3 Application and documentation

The relevant application must be made by a local registered advocate acting on behalf of the bareboat charterer and should be addressed to the Registrar of Cyprus Ships.

The parallel-in registration can only be effected by the Registrar of Cyprus Ships upon submission of the relevant documents.

The documents required for the parallel-in registration of a foreign ship can be found on the Deputy Ministry’s web site under the heading “Documents for Parallel-in Registration”.

7.2.4 Completion of parallel-in registration

If the ship falls within the ambit of the Government Policy for the Registration of Ships under the Cyprus flag, the conditions under which the registration has been permitted have to be complied with.

Provided the required documents have been submitted and found to be in order, the Registrar will proceed with the parallel-in registration of the ship and will issue to the ship the ship’s Certificate of Parallel Registration, which is valid for the period for which the bareboat registration has been requested. This period should not exceed 2 years.

In addition, the Registrar will inform the Classification Society with which the ship is classed and the radio traffic accounting authority that the ship has been parallel-in registered and is thus entitled to fly the Cyprus flag.

7.2.5 Measurement of the ship's tonnages

For the parallel-in registration, the measurement of the tonnage of the ship is not required. The required Certificate of Survey and the International Tonnage Certificate (1969) or the Cyprus Tonnage Certificate, as the case may be, are issued on the basis of the corresponding documents of the foreign registry. The issuance and verification of a Ship's Carving and Marking Note is also not required.

7.2.6 Name of the ship

Ships registered parallel-in may keep the name they held under the foreign registry, but this name must not be the same as the name of a ship already registered in the Register of Cyprus Ships or the Special Book of Parallel Registration.

Ships registered parallel-in may change their name under the same conditions as those applicable to Cyprus ships registered provisionally or permanently. In such cases, the relevant application must be made by a local registered advocate acting on behalf of the registered bareboat charterer with the written consent of the registered owner of the ship and of the mortgagees and should be addressed to the Registrar of Cyprus Ships.

After the approval of the change of the name of the ship, the master of the ship must confirm that the ship has been marked with its new name. Following this, the Registrar will record the change of the name of the ship in the Special Book of Parallel Registration and will notify the authorities of the state where its ownership is registered. In addition, the Registrar will endorse the new name of the ship on its Special Certificate of Cyprus Registry or issue a new certificate. Alternatively, the endorsement of the new name of the ship may be effected by a consular officer following instructions issued by Registrar.

7.2.7 Extension of parallel-in registration

The period of parallel-in registration is usually 2 years and is renewable. The extension of the status of the parallel-in registration is allowed, as long as, the requirements of the legislation and of the Government Policy on the Registration of Ships under the Cyprus flag are complied with.

If the extension of the parallel-in registration is effected prior to the expiry of the previous period, the parallel-in registration of the ship continues to be governed by the Government Policy on the Registration of Ships under the Cyprus flag that was applicable at the time of the initial parallel-in registration. During the extension of the parallel-in registration, the age of the ship is not taken into consideration again in the context of the age criteria stipulated in the aforesaid policy.

7.2.8 Termination of parallel-in registration

The termination of the status of the parallel-in registration of a foreign ship and its deletion from the Special Book of Parallel Registration is effected when:

- the foreign registry revokes its permission or consent for the parallel-in registration of the ship in Cyprus;
- the bareboat charter of the ship is terminated or the mortgagees revoke their consent;
- the period for which the parallel-in registration of the ship was approved expires; and
- there exists any reason for deletion of the ship from the Special Book of Parallel Registration as in cases of Cyprus ships provisionally or permanently registered in the Register of Cyprus Ships.

Upon termination of the parallel-in registration, the ship shall immediately cease to fly the Cyprus flag, will no longer be entitled to have the Cypriot nationality and shall no longer be subject to the flag state jurisdiction and to the laws of Cyprus. In addition, the ship shall no longer be marked to show Limassol as its port of registry.

7.3 Parallel-out registration

7.3.1 Introduction

The bareboat charterer of a Cyprus ship must be a legal entity or a physical person who qualifies to register the bareboat charter in another state, under the laws of that state.

The legislation of the state where the bareboat charter of a Cyprus ship is to be registered must allow its bareboat charter registration. The permission or consent of the authorities of the state where the bareboat charter of a Cyprus ship is to be registered is required. In addition, the permission or consent of the Registrar is also required and issued provided the relevant documentation is submitted with the Registrar, including the consent of the mortgagees.

7.3.2 Status of a ship during parallel-out registration

The deletion of the ship from the Register of Cyprus Ships where its ownership and mortgages are registered is neither required nor allowed. However, its right to fly the Cyprus flag and to have the Cypriot nationality is suspended.

The period of parallel-out registration may be up to 3 years and is renewable. During that period, the Cyprus ship flies the flag of the other state, acquires its nationality and is subject to the jurisdiction and to the laws of the other state. In addition, the port of registry marked on the stern of the ship must be the port designated by the other state.

7.3.3 Application and documentation

The relevant application must be made by a local registered advocate acting on behalf of the registered owner of the Cyprus ship and should be addressed to the Registrar of Cyprus Ships.

The parallel-out registration can only be effected by the Registrar of Cyprus Ships upon submission of the relevant documents.

The documents required for the parallel-out registration of a Cyprus ship can be found on the Deputy Ministry's web site under the heading "Documents for Parallel-out Registration".

7.3.4 Completion of parallel-out registration

Provided the required documents have been submitted and found to be in order, the Registrar will record in the Register of Cyprus Ships that the ship has been registered in parallel with another state, together with the name of the state and the period for which the parallel-out registration has been permitted. This period should not exceed 3 years, however it may be extended.

In addition, the Registrar will inform the Classification Society with which the ship is classed and the relevant radio traffic accounting authority that the ship has been parallel-out registered and has thus ceased to fly the Cyprus flag.

The Provisional Certificate of Cyprus Registry or the Certificate of Cyprus Registry, as the case may be, together with the other statutory certificates issued by, or on behalf, of the Government of the Republic of Cyprus must be returned to the Registrar.

In addition, Cyprus ships provisionally registered which have been allowed to effect a parallel-out registration must complete the process of their permanent registration.

If the Cyprus ship falls within the ambit of the *Government Policy on the Registration of ships under the Cyprus flag*, the obligation to comply with conditions under which the registration has been permitted is suspended for the period of parallel-out registration.

7.3.5 Extension of parallel-out registration

The period of parallel-out registration is usually for a period of up to 3 years and is renewable. The extension of the status of the parallel-out registration is allowed, as long as, the requirements of the legislation and of the *Government Policy on the Registration of Ships under the Cyprus flag* are complied with.

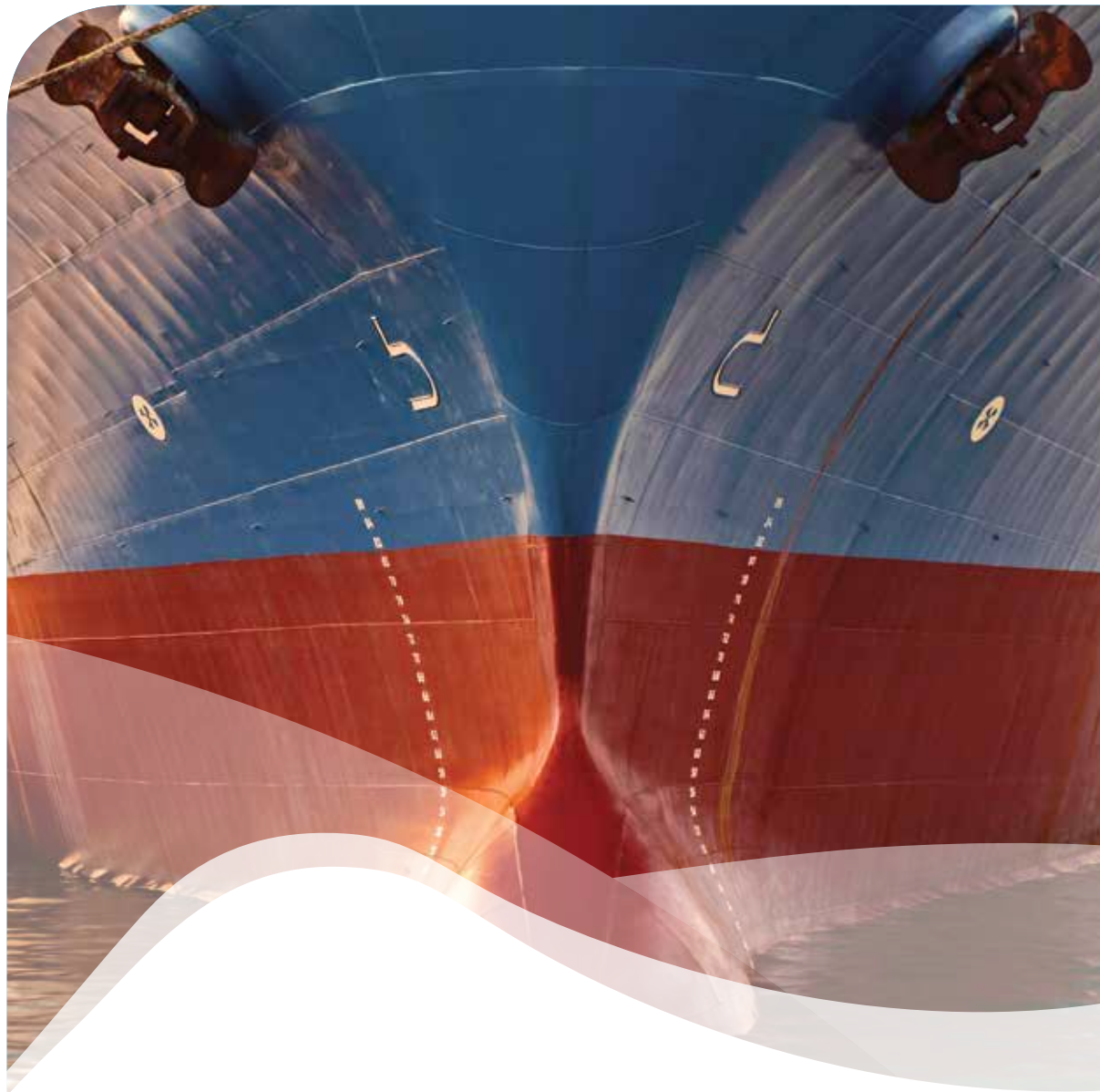
7.3.6 Termination of parallel-out registration

The termination of the status of the parallel-out registration of a Cyprus ship and its recording in the Register is effected when:

- the Registrar revokes its permission or consent for the parallel-out registration of the ship in a foreign registry;
- the foreign registry revokes its permission or consent for the parallel-in registration of the ship in its registry;
- the bareboat charter of the ship is terminated or the mortgagees revoke their consent;
- the period for which the parallel-out registration of the ship was approved expires; and
- there exists any reason for deletion of the ship from the Register.

Upon termination of the parallel-out registration, the ship shall immediately cease to fly the flag of the other state, will no longer be entitled to have its nationality and shall no longer be subject to the flag state jurisdiction and to the laws of the other state. In addition, the ship shall no longer be marked to show as its port of registry the port designated by the other state.

Upon termination of the parallel-out registration, the ship resumes its right to fly the Cyprus flag. The conditions (if any) imposed in accordance with the *Government Policy on the Registration of Ships under the Cyprus flag*, applicable at the time of the ship's initial registration must be satisfied. During the termination of the parallel-out, the age of the ship is not taken into consideration again in the context of the age criteria stipulated in the aforesaid policy.



8. Other Registry Transactions

8.1 Introduction

Transfers and transmissions of ownership, the registrations, transfers, transmissions and discharges of mortgages and the change of the ship's name and the alteration of its particulars must be recorded in the Register of Cyprus Ships.

The relevant application, in each case, must be made by a local registered advocate acting on behalf of the interested party and should be addressed to the Registrar of Cyprus Ships.

The relevant documents may be deposited with the Registrar or abroad with a consular officer following instructions issued by the Registrar.

The relevant transaction may be effected by the Registrar or abroad by a consular officer following instructions issued by the Registrar. Transactions effected abroad are recorded in the Register as from the date and time they have been effected by the consular officer.

8.2 Change of ship's name

When the change of name is approved, a period of 3 days must lapse from the date of application before the new name can be marked on the ship and the ship's documents be endorsed to this end. It should be noted that no two ships registered under the Cyprus flag may have either the same or closely similar names.

8.3 Deletion of the ship

A ship must be deleted from the Register as soon as its ownership is transferred to a person (legal or natural) not qualified to own a Cyprus ship.

A Cyprus ship may also be deleted from the Register on application of the owner of the ship in order for the same to be registered in a foreign registry.

A closed Transcript of Registry is issued by the Registrar and a Deletion Certificate is issued by a consular officer as soon as the registered mortgages and other encumbrances are discharged and all pending matters are settled. Notwithstanding the issue of the Deletion Certificate, in all such cases of deletion, a closed Transcript of Registry issued by the Registrar must be obtained.

8.4 Mortgages-related matters

Once a ship has been registered in the Register, either provisionally or permanently, a mortgage can be created thereby securing a loan or other financial obligations on conditions agreed to by the parties. The creation of a mortgage on a foreign ship which is allowed to fly the Cyprus flag under the registration of a bareboat charter in Cyprus is not allowed.

A mortgage once created must be deposited with the Registrar or with a consular officer following instructions of the Registrar. Whether deposited with the Registrar or with a consular officer, the mortgage is recorded in the Register as from the date and time of its deposit and remains an encumbrance on the ship until discharged by the mortgagees.

If the ownership of the ship on which a mortgage was created is registered in the name of a company which has been incorporated under the laws of Cyprus, the mortgage will also have to be registered with the Registrar of Companies within a maximum period of 42 days after its creation. The mortgagee's security is thus protected in the case of liquidation of the company in question.

Transfers and transmissions of a mortgage may be effected by completing the statutory form of transfer or transmission and submitting it to the Registrar or to a consular officer following instructions of the Registrar.

In order to discharge a mortgage, a memorandum of discharge will need to be duly executed by the mortgagee. It will then have to be attested and delivered to the Registrar or a consular officer following instructions of the Registrar.



“Competitive registration costs and fees.”

Fees, taxes, charges or other financial obligations due can be paid, at any time, to any one of the collecting officers, in Cyprus at the Deputy Ministry or elsewhere and abroad at Diplomatic or Consular Missions. This can be done by presenting to the collecting officer the relevant notice or invoice issued by the Deputy Ministry. For the convenience of the interested parties, those wishing to make payments abroad should advise the Deputy Ministry where they wish to make the relevant payment and, in turn, the Deputy Ministry will inform accordingly the Diplomatic or Consular Mission.

9.2 Registration fees

(1) The fees for recording the registration of a ship other than a passenger ship are calculated as follows:

Gross tonnage	Euro
For each gross tonnage unit up to 5.000	0,170860
For each additional gross tonnage unit between 5.001 and 10.000	0,136688
For each additional gross tonnage unit over 10.000	0,068344

The minimum fee is Euro 213,58 and the maximum fee is Euro 5.125,80

(2) The fees for recording the registration of a passenger ship are calculated as follows:

Gross tonnage	Euro
For each gross tonnage unit	0,256290

The minimum fee is Euro 427,15

9.3 Cyprus Registry Maintenance Annual Fee

An annual fee of Euro 300,00 is payable on the registration of the ship and annually for subsequent years by the 31st March of each year.

9.4 Fees for the recording, transfer, transmission or discharge of mortgages

(1) The fees for the recording or the transfer of a mortgage are calculated as follows:

Gross tonnage	Euro
For each gross tonnage unit up to 10.000	0,034172
For each additional gross tonnage unit over 10.000	0,017086

The minimum fee is Euro 51,26

(2) The fees for recording of the transmission of a mortgage is Euro 85,43

(3) No fee is payable for the recording of the discharge of a mortgage.

9. Fees and taxes

9.1 Introduction

The Merchant Shipping (Fees and Taxing Provisions) Law of 2010 addresses all issues of taxation and sets out the payable taxes, fees and charges.

The First Schedule of the repealed *Merchant Shipping (Fees and Taxing Provisions) Laws of 1992 to 2007*, which is still in force until its full repeal and replacement, sets out the fees and taxes for various other services and for the issue of certain certificates.

The legislation requires the payment of the prescribed fees and taxes prior to the registration of ships and for the related transactions in the Register of Cyprus Ships or in the Special Book of Parallel Registration.



9.5 Fees for the transfer or transmission and for the deletion of ships

(1) The fees for recording the transfer or transmission of a ship are calculated as follows:

Gross tonnage	Euro
For each gross tonnage unit up to 10.000	0,034172
For each additional gross tonnage unit over 10.000	0,017086

The minimum fee is Euro 51,26

(2) No fee is payable for the recording of the deletion of a ship.

9.6 Other fees and charges

For the:	Euro
Examination of an application for the registration of a ship	34,17
Examination of an application for change of the ship's name	34,17
Approval and change of the ship's name	136,69
Issuance of or issuance of a replacement of, a certificate of registration	17,09
Issuance of Ship's carving and marking note	17,09
Issuance of Transcript of registry	25,63
Issuance of initial Radio station licence	20,00
Issuance of renewal of Radio station licence	20,00
Issuance of consent for bareboat registration	17,09
Issuance of Continuous Synopsis Record	34,17
Issuance of Minimum Safe Manning Document	42,72
Issuance of a 1992 Civil Liability Convention Certificate	60,00
Issuance of a 2001 Bunkers Convention Certificate	60,00
Issuance of a 2007 Wreck Removal Convention Certificate	60,00
Issuance of a Passenger Liability Regulation (EC) No. 392/2009 Certificate	60,00
Exemption or Special Arrangement	170,86



“Comprehensive and favourable Tonnage Tax System, approved by the EU”.

The tonnage tax is payable on the registration of the ship and annually for subsequent years by the 31st March of each year.

A qualifying ship is any seagoing ship certificated under the applicable international or national rules and regulations. However, certain types of ships, such as the ones mentioned below, are not considered to be qualifying ships:

- Fishing and fish factory vessels;
- Vessels used primarily for sport or recreation;
- Inland Waterway navigation vessels;
- Harbour, estuary and river ferries and tug boats;
- Fixed Offshore Installations (not used for maritime transport);
- Non-ocean going tug boats;
- Non self-propelled Floating Cranes; and
- Floating Hotels, Restaurants and Casinos.

A qualifying shipping activity is any commercial activity that constitutes maritime transport. The definition of maritime transport includes the traditional carriage of goods and passengers, by sea, outside the territorial sea of the Republic of Cyprus, including, under certain conditions, towage, dredging and cable-laying activities, as well as, ancillary activities to maritime transport.

The tonnage tax payable in relation to a Cyprus qualifying ship carrying out a qualifying shipping activity which is laid up or inoperative for a period of at least 3 consecutive months may be reduced by 75% under certain conditions.

The owner of a Cyprus ship which cannot be considered as a qualifying ship and the owner of a ship which is not carrying activities which can be considered a qualifying shipping activity is required to pay income tax under the provisions of the income tax laws in force.

The Guide to the Cyprus Tonnage Tax System issued by the Deputy Ministry as well as the Deputy Ministry’s web site provide further details on the Cyprus Tonnage Tax System.

10. Tonnage tax

The owner of a qualifying Cyprus ship carrying out a qualifying shipping activity is required to pay tonnage tax annually and is exempted from the payment of income tax under the provisions of the Income Tax Laws in force. The annual tonnage tax is calculated on the basis of ship’s net tonnage as follows:

Net tonnage	Euro
For each 100 net tonnage units up to 1.000	36,50
For each additional 100 net tonnage units between 1.001 and 10.000	31,03
For each additional 100 net tonnage units between 10.001 and 25.000	20,08
For each additional 100 net tonnage units between 25.001 and 40.000	12,78
For each additional 100 net tonnage units over 40.000	7,30



11. Payable fees and taxes (Synopsis)

As a synopsis the following fees and taxes are payable:

	Examination of the application for registration	Registration fees	Cyprus Registry Maintenance Annual Fee	Annual Tonnage tax	Provisional Certificate of Cyprus Registry	Certificate of Cyprus Registry	Special Certificate of Cyprus Registry	Initial Radio station licence	Renewal of Radio station licence	Ship's Carving and Marking Note	Other required certificates and documents	Charges which are in arrears	Consent for bareboat registration
Fees, taxes and charges payable for													
Provisional registration	X	X	X	X ¹	X			X		X	X		
Extension of the period of the provisional registration for 3 months		X ²		X ³								X	
Permanent registration in case the period of provisional registration has not expired				X		X						X	
Permanent registration in case the period of provisional registration has expired	X	X	X ⁴	X ⁴		X		X		X	X	X	
Permanent registration in case of direct permanent registration	X	X	X	X ⁵		X		X		X	X		
Each year			X	X ⁶					X				
Bareboat charter registration of a foreign ship	X	X ⁷	X ⁸	X ⁸			X	X	X ⁸		X		X
Bareboat charter registration of a Cyprus ship in a foreign registry if the ship is already permanently registered	X		X ⁸	X ⁸									X
Bareboat charter registration of a Cyprus ship in a foreign registry if the ship is to be registered first and then bareboat charter registered	X	X	X ⁸	X ⁸	X	X				X			X

X¹: For six months.

X²: One half of the registration fees.

X³: For three months.

X⁴: For the period from the expiration of provisional registration up to the end of the calendar year.

X⁵: For the period up to the end of the calendar year.

X⁶: For one calendar year.

X⁷: The prescribed fees increased by 20%.

X⁸: For the entire period of bareboat charter registration in advance.



12. Maritime Labour, Training, Certification and Registration of Seafarers

12.1 Legislative framework

Matters relating to maritime labour, working and living conditions and health and safety at work on board Cyprus ships are governed by the *Merchant Shipping (Masters and Seamen) Law of 1963*, as amended and the *Maritime Labour Convention 2006 (Ratification) and for Matters Connected Therewith Law of 2012*, as amended.

Training and certification of seafarers are governed by the STCW,78 as amended Convention and the *Merchant Shipping (Issue and Recognition of Certificates and Maritime Training) Law of 2008*, as amended.

The registration of seafarers is governed by the *Merchant Shipping (Registration of Seafarers and Seafarers' Register) Law of 2000*, as amended.

The applicable legislation, the related circulars and other important information are available on the Deputy Ministry's web site.

12.2 Nationality of crew

The shipboard personnel of Cyprus ships may be of any nationality provided they are holders of the required valid certificates which must be issued or recognised by the Government of the Republic of Cyprus.

12.3 Manning and employment of seafarers

In order to facilitate the manning of Cyprus ships, the Government of the Republic of Cyprus has signed a number of bilateral agreements in the field of merchant shipping with labour supplying countries. These provide that the terms of employment of seafarers are those approved by the competent authorities and/or seafarers' unions of the country of the seafarer. Any disputes regarding these are to be resolved exclusively by the competent courts or authorities of either Cyprus or of the country of the seafarer.

A list of the countries with which Cyprus has signed such agreements can be found in Appendix 2 and is available on the Deputy Ministry's web site.

12.4 Certificates of Competency for Officers and Ratings' Certificates

Officers and ratings serving on board Cyprus ships are not required to hold certificates issued by the Government of the Republic of Cyprus provided they hold valid and recognized by the Government of the Republic of Cyprus certificates for the post they hold on board.

Applications for the Cyprus Seafarers Identification and Sea Service Record Book (SISRB) and Cyprus endorsement attesting the recognition (EAR) of non-Cyprus certificates of competency issued by countries whose certificates of competency are recognised by the Republic of Cyprus, must be submitted electronically through the on-line Electronic Seafarer's Application System (e-SAS).

A list of states whose certificates of competency are presently recognised by Cyprus is found in Appendix 1. This list is updated regularly, thus kindly visit the DMS website for the latest list.

12.5 Endorsement attesting the recognition

Officers serving on board Cyprus ships are required to hold, in addition to their non-Cyprus certificate of competency, a Cyprus endorsement attesting the recognition of their certificates in accordance with the 1978 STCW Convention as amended.

12.6 Employment of cadets

Passenger ships, high-speed passenger ships, cargo ships and high-speed cargo ships engaged on international voyages, including short international voyages, are required to engage for sea training cadets who are permanent residents of the Republic of Cyprus, if requested by the Deputy Ministry.

12.7 Seafarer's Identification and Sea-Service Record Book

All seafarers serving on board Cyprus ships must hold a Seafarer's Identification and Sea Service Record Book which is issued by the Deputy Ministry.

12.8 Fees

For the issue of:	Euro
Seafarer's Identification and Sea Service Record Book	51,26
Endorsement attesting the recognition	34,17
Other STCW related certificates	51,26

12.9 Taxation of seafarers

No income tax is charged, levied or collected upon the salary or other benefits from the employment of the master, the officers and other crew members of a Cyprus ship which is a qualifying ship which is engaged in a qualifying shipping activity. Information in relation to what is a qualifying ship and what is a qualifying shipping activity are provided on the Deputy Ministry's website under the section headed "The Cyprus Tonnage Tax System".



13. International relations

13.1 Double taxation avoidance agreements

Cyprus has concluded a number of agreements whose main purpose is the avoidance of double taxation of income earned in any of the countries concerned.

The agreements also include provisions relating to "non-discrimination", "mutual agreement procedures" and "exchange of information".

A list of the states with which Cyprus has concluded double tax avoidance agreements is available on the web site of the Ministry of Finance (www.mof.gov.cy) under the heading "Double Taxation Agreements".

Appendices

APPENDIX 1

Certificates of Competency Recognised by the Government of the Republic of Cyprus

13.2 Merchant shipping agreements

Cyprus has concluded a number of Bilateral Agreements on Merchant Shipping the aim of which is to promote friendly relations between Cyprus and other states, explore areas of cooperation related to shipping which could benefit the economic development of both countries and facilitate seaborne trade and employment of seafarers.

Some of the agreements provide that the port fees and charges which are levied on a ship of the one party calling at a port of the other party must be those levied on the ships of that party when calling at its port (national treatment).

The states with which Cyprus has signed such agreements are listed in Appendix 2 and are regularly updated on the Deputy Ministry's web site.

13.3 Freight tax exemptions

In some countries Cyprus ships enjoy freight tax exemptions and some of the double taxation avoidance treaties cater for such exemptions.

- Algeria
- Argentina
- Australia
- Bangladesh
- Belgium
- Brazil
- Bulgaria
- Canada
- Cape Verde
- Chile
- China
- Croatia
- Cuba
- Czech Republic
- Denmark
- Egypt
- Estonia
- Ethiopia*
- Finland
- France
- Georgia
- Germany
- Ghana
- Greece
- Hong Kong
- Hungary
- Iceland
- India
- Indonesia
- Iran
- Ireland
- Israel
- Italy
- Jamaica
- Japan*
- Latvia
- Lithuania
- Malaysia
- Malta
- Mexico
- Morocco
- Myanmar
- Netherlands
- New Zealand
- Nigeria*
- Norway
- Pakistan
- Peru
- Philippines
- Poland
- Portugal
- Republic of Korea
- Republic of Montenegro
- Republic of Serbia
- Romania
- Russian Federation
- Singapore
- Slovakia
- Slovenia
- South Africa
- Spain
- Sri Lanka
- Sweden
- Turkey
- Ukraine
- United Kingdom
- United States
- Uruguay
- Vietnam

*Countries which are in the process of being assessed by the European Commission.

APPENDIX 2

Bilateral Agreements on Merchant Shipping between the Government of the Republic of Cyprus and Governments of other States:

- Algeria
- Bulgaria
- China
- Cuba
- Egypt
- Georgia
- India
- Iran
- Israel
- Italy
- Jordan
- Korea
- Latvia
- Lithuania
- Malta
- Mauritius
- Philippines
- Poland
- Romania
- Russian Federation
- Sri Lanka
- Syria
- Ukraine

Agreements with Antigua & Barbuda, Greece, Pakistan and Serbia have been signed and will enter into force after completion of the necessary internal procedures of the contracting parties.

Agreements with Estonia, Germany, Hungary, Lebanon, Libya, Slovenia, South Africa and Thailand have been initialled and their signature is pending.



SHIPPING DEPUTY MINISTRY TO THE PRESIDENT

Republic Of Cyprus

P.O.BOX 56193, 3305 Limassol, Cyprus

Tel.: +357 25848100 | Fax: +357 25848200

Email: maritimeadmin@dms.gov.cy

Website: www.shipping.gov.cy

OVERSEAS MARITIME OFFICES

GREECE

Maritime Office,
Embassy of the Republic of Cyprus in
Greece

96 Iroon Polytechniou Ave., 6th Floor,
GR 185-36 Piraeus, GREECE

Tel.: + 30 210 4536371/2

Fax: + 30 210 4536373

e-mail: dmspiraeus@dms.gov.cy

UNITED KINGDOM

Maritime Office,
Cyprus High Commission
13 St. James's Square,
London, SW1Y 4LB, UNITED KINGDOM
Tel.: + 44 207 321 4100/150/151/154
Fax: + 44 207 321 4171

e-mail: dmslondon@dms.gov.cy

GERMANY

Consulate General of the Republic of
Cyprus

Rothenbaumchaussee 3, 2nd Floor,
D - 20148 Hamburg, GERMANY

Tel.: + 49 40 410 7497

Fax: + 49 40 410 7246

e-mail: cyconsulate-hamburg@t-online.de

THE NETHERLANDS

Consulate of the Republic of Cyprus
Weena 248 (Tower C, 11th Floor)

NL - 3012 NJ Rotterdam,
THE NETHERLANDS

Tel.: + 31 10 404 7901

Fax: + 31 10 404 7899

e-mail: dmsrotterdam@dms.gov.cy

BELGIUM

Permanent Representation of the
Republic of Cyprus to the European Union
Avenue de Cortenberg 61

B - 1000 Brussels, BELGIUM

Tel.: + 32 2 739 5111/ 5184

Fax: + 32 2 735 4552

e-mail: mstephanides@dms.gov.cy

UNITED STATES OF AMERICA

Maritime Office,
Consulate General of the Republic of
Cyprus

13 East 40th Street, New York
N.Y. 10016, USA

Tel.: + 1 212 686 6016 (ext. 42)

Fax: + 1 212 447 1988

e-mail: tenusa@aol.com