

## **SHIPPING NOTICE**



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## **SHIPPING NOTICE 01/2018**

### **NOTICE OF FEES AND CHARGES FOR VESSELS WHICH ARE:**

- 1) COMMERCIAL AND PLEASURE, YACHTS, TENDERS AND SUBMERSIBLES BUT EXCLUDING 2 & 3 BELOW;**
  
- 2) LOCALLY-OWNED, OPERATED AND HOME PORTED IN THE CAYMAN ISLANDS; and**
  
- 3) MERCHANT VESSELS**

**This Notice replaces and supersedes Notice 01/2015 (Rev 6) with effect from 1 March 2018 and will remain in force, subject to any amendment, until replaced.**

**To: OWNERS, MANAGERS, CHARTERERS AND MASTERS OF ALL CAYMAN ISLANDS VESSELS AND SERVICE PROVIDERS PROVIDING SERVICES TO THESE VESSELS**

## Contents

VESSELS LOCALLY OWNED, OPERATED AND HOME PORTED IN THE CAYMAN ISLANDS.....	3
SECTION 1 – SERVICES FOR WHICH FIXED FEES ARE CHARGED .....	3
Part A – VESSEL AND MORTGAGE REGISTRATION AND RELATED SERVICES	3
SECTION 2 – HOURLY RATES FOR CHARGEABLE TIME & COURIER FEES .....	7
1. APPLICATION .....	8
2. DEFINITIONS .....	8
3. LEVEL OF FEES AND CHARGES .....	9
4. PAYMENT OF ANNUAL TONNAGE FEE AND CASUALTY INVESTIGATION FUND FEE .....	10
5. FEES AND CHARGES BASED ON AMOUNT OF WORK INVOLVED .....	10
6. FEES AND CHARGES TO BE PAID IN ADVANCE .....	11
7. ADDITIONAL CHARGES FOR EXCESSIVE WORK .....	11
8. PROVISION OF SERVICES BY A RECOGNIZED ORGANIZATION.....	12
9. PROVISION OF SERVICE BY AUTHORISED PERSON OTHER THAN A RECOGNISED ORGANISATION OR AN OFFICER OF THE AUTHORITY .....	12
10. VARIATION OF FEES AND CHARGES.....	12
11. CERTIFICATES AND DOCUMENTS MAY BE WITHHELD IF PAYMENT OF FEES NOT MADE.....	12
12. SURCHARGES FOR LATE PAYMENT .....	12
13. MISCELLANEOUS FEES AND CHARGES .....	13
14. UTILISATION OF FIXED FEES AND FIXED FEE AGREEMENTS IN LIEU OF HOURLY RATES .....	13
15. BILLING METHODS AND PAYMENT .....	13
16. COSTS OF CASUALTY AND OTHER INQUIRIES AND INVESTIGATIONS.....	13

**VESSELS LOCALLY OWNED, OPERATED AND HOME PORTED IN THE CAYMAN ISLANDS**  
**SECTION 1 – SERVICES FOR WHICH FIXED FEES ARE CHARGED**  
**Part A – VESSEL AND MORTGAGE REGISTRATION AND RELATED SERVICES**

Service / Activity	Yachts	Local	Merchant
A.1. Vessel Registration	Fee US\$	Fee US\$	Fee US\$
1) Registration, Transfer, Transmission or Deletion of vessels:			
Yachts up to 400 GT	700	n/a	n/a
Yachts over 400 GT	1,150	n/a	n/a
All Merchant Vessels	n/a	n/a	1,750
All Local Vessels	n/a	350	n/a
2) Optional initial 3-Year Term Registration for pleasure vessels with a length (TL) under 24 m. Includes initial registration fee and prepaid annual tonnage fee for 3 years.	1,700	n/a	n/a
Renewal for further 3 years	1,200	n/a	n/a
3) Registration of Transfer or Transmission of Ownership of a vessel	900	450	800
4) Transfer of Port of Registration for a vessel between Cayman Islands Ports	700	350	n/a
5) Registration of a Ship Under Construction	600	300	600
6) Registration of alterations and changes in particulars to a vessel/registered owner (per change)	450	225	450
7) Authorisation of a "Declaration of Lifeboats and Tenders attached to a vessel", where applied for other than at the time of initial registration of the parent vessel	200	100	200
8) Change of vessel type: (Pleasure Yacht, Commercial Vessel, Yacht Engaged in Trade, etc)	550	225	n/a
9) Processing and approval for reservation of a name for a vessel (valid for 12 months)	600	600	600

Service / Activity	Yachts	Local	Merchant
	Fee US\$	Fee US\$	Fee US\$
10) Out of Hours Service Surcharge (in addition to the normal applicable fee) per hour or part thereof	-	-	-
11) Over-the Counter Service Surcharge (in addition to the normal applicable fee)	100% of normal fee	100% of normal fee	100% of normal fee
12) Survey for tonnage measurement and issue of appropriate Tonnage Certificate under the Tonnage Regulations for vessels under 24 meters in length	450	225	n/a
<b>A.2. Mortgage Registration</b>			
13) Registration/Discharge/Transmission/Transfer of a mortgage	600	300	600
14) Recording of a Priority Notice regarding a mortgage	400	200	400
15) Change in mortgage particulars (per change)	450	225	450
<b>A.3. Annual Tonnage Fee (ATF), Casualty Investigation Fund and Annual Flag State Compliance Fee</b>			
16) a) Annual Tonnage Fee Type 1			
Minimum Annual Fee (for vessels up to 400 GT)	500	150	n/a
For the first 1,000 GT	700	300	1,100
Each gross tonnage unit over 1,000 GT	0.200	0.100	0.075
For merchant vessels over 36,000 GT (max. fee)	n/a	n/a	3,725
17) b) Annual Tonnage Fee Type 2			
Minimum Annual Fee	n/a	n/a	3,700
For the first 1,000 GT	n/a	n/a	3,700
Each gross tonnage unit over 1,000 GT	n/a	n/a	0.075
For merchant vessels over 37,500 GT	n/a	n/a	6,325

Service / Activity	Yachts	Local	Merchant
	Fee US\$	Fee US\$	Fee US\$
18) Casualty Investigation Fund			
Yachts up to 400 GT	30	12	n/a
Yachts over 400 GT	45	18	n/a
All Merchant Vessels	n/a	30	75
19) Annual Flag State Compliance Fee			
Yachts up to 400 GT	7,200	n/a	n/a
Yachts over 400 GT	10,500	n/a	n/a
All Merchant Vessels	n/a	n/a	2,600
<b>A.4. Issuance of Transcripts, Inspection of the Register, Re-processing of documents and Change of Particulars</b>			
20) Issuance of a Transcript or Certificate of Registry or certified copies thereof	300	300	300
21) Issuance of a Transcript of Register (Online application)	200	200	200
22) Inspection of Register Book, Re-processing a document, Change of Local Representative (per transaction)	200	200	200
<b>B.1 Crew Compliance and Safe Manning</b>			
1) Assessment of application for and initial issuance of a Minimum Safe Manning Document (MSMD)	700	700	700
2) Assessment of application to vary and re-issue an existing MSMD or the renewal of a MSMD upon its expiration, as appropriate	350	350	350
3) Issuance of, and/or assessment of application for, an Endorsement or License recognising a Certificate as valid for service on a Cayman Islands vessel (50% for cancellations/re-issuances)	320	320	320
4) Processing of an application for a Seaman's Discharge Book or other seafarer's document (50% for cancellations/re-issuances)	110	110	110
5) Verification of sea service from a seafarer who has served on a Cayman Islands vessel	110	110	110

**Shipping Notice No. 01/2018**  
*Notice of Fees and Charges*

<b>Service / Activity</b>	<b>Yachts</b>	<b>Local</b>	<b>Merchant</b>
<b>B.2 Supply of vessel books Etc.</b>	<b>Fee US\$</b>	<b>Fee US\$</b>	<b>Fee US\$</b>
6) Vessel Log and Record Books	50	50	50
7) Cayman Islands Merchant Shipping Legislation	Varies by Instrument	Varies by Instrument	Varies by Instrument
<b>B.3 Miscellaneous Charges</b>			
8) Communication and/or faxing of documents (per transaction)	50	50	50
9) Sending documents by courier			
Where cost is paid by the Authority	Cost + 10%	Cost + 10%	Cost + 10%
Otherwise	25 Service fee	25 Service fee	25 Service fee

<sup>2</sup> "length" means "TL" as defined in Paragraph 2.

## SECTION 2 – HOURLY RATES FOR CHARGEABLE TIME & COURIER FEES

The hourly rate for chargeable time shall be:

<b>Hourly Rate</b>	<b>Yachts</b>	<b>Local</b>	<b>Merchant</b>
	<b>Fee US\$</b>	<b>Fee US\$</b>	<b>Fee US\$</b>
Professional Surveyor Rate (PSR)	245	245	245
Consultative Rate (COR)	305	305	305

Sending documents by Courier:

<b>Sent From</b>	<b>Sent To</b>	<b>US\$</b>
George Town & USA	SA, Canada and Caribbean	60
	United Kingdom	65
	Rest of World	75
All other offices-	Within country of origin	60
	Rest of World	65

*(Note: For guidance only, an exchange rate of US\$1.00 = CI\$0.82 is normally applied when converting between US\$ and CI\$ amounts. This exchange rate is subject to change without notice.*

Where fees are charged on a time expended basis, the hourly rate applied shall be that appropriate to the level at which the work is necessarily carried out, as determined by the Chief Executive Officer, and more than one hourly rate may apply for any service or related activity.

All travel undertaken by the authority will incur a daily allowance rate of US\$122.

## **1. APPLICATION**

- 1.1. Notice is hereby given that the fees and charges to be applied by the Maritime Authority of the Cayman Islands (the Authority) with respect to the services provided or undertaken by the Authority are as set out in this Notice and, subject to subparagraphs 1.2, will remain in effect until amended, or superseded by a further Notice.
- 1.2. Whilst every effort will be made to provide at least 30 days notice of any changes to the levels of fees and charges as set out in this Notice, the Authority reserves the right, in its discretion, to vary fees without notice either generally or in a particular case.
- 1.3. Concurrent with this Notice, the Merchant Shipping (Fees) Regulations 2014 apply with respect to-
  - Registration of vessels;
  - Registration under an Interim Certificate of Registry;
  - Registration of a Ship Under Construction; and
  - Registration of transfer or transmission of Ownership of a vessel.

In accordance with regulation 5 of those Regulations, these Fees are included in the Schedule to this Notice, Part A, section A.1, Items (1) to (4) inclusive.

## **2. DEFINITIONS**

In this Notice-

“Annual Flag State Compliance Fee or AFSCF (Merchant)” means an annual fee for merchant vessels covering the issuing of vessel related dispensations, exemptions, statutory certificates and plan approval of relevant documents. It also includes one general inspection of the vessel in a 5-year period.

“Annual Flag State Compliance Fee or AFSCF (Yacht)” means an annual fee for pleasure and commercial yachts covering the statutory surveys/audits/inspections and the issuing of vessel related dispensations, exemptions, statutory certificates and plan approval of relevant documents (excluding additional audits/inspections due to change of management companies).

“annual tonnage fee” means an annual payment, calculated on the gross tonnage of the vessel as set out in the Schedule to the Notice;

“annual tonnage fee type 2” means an annual tonnage fee that includes the same level of services as included in the AFSCF.

“authorised person” means an appropriately qualified and experienced surveyor or inspector authorised by the Chief Executive Officer to undertake surveys or inspections and similar work on behalf of the Authority;

“Authority” means the Maritime Authority of the Cayman Islands established under section 3 of the Maritime Authority Law, (2008 Revision);

“casualty” or “maritime casualty” means-



- in relation to a submersible craft, casualty as defined in section 212 of the Merchant Shipping Law (2011 Revision);
- in relation to wreck and salvage, maritime casualty as defined in section 273 of the Merchant Shipping Law (2011 Revision); and
- in relation to any other incident involving a vessel, person or boat or damage caused by a vessel, casualty as defined in section 430 of the Merchant Shipping Law (2011 Revision);

“chargeable time” means the total time expended by one or more officials of the Authority in providing a service which has either been requested, or is required under Cayman Islands Law.

“Chief Executive Officer” means the Chief Executive Officer of the Authority appointed under section 9 of Maritime Authority Law (2008 Revision);

“Classification Society” means a body engaged in the survey and classification of vessels with respect to their design and structural standards;

“fees” means the fees set out in the Schedule and includes chargeable time;

“Fees Regulations” means the Merchant Shipping (Fees) Regulations 2014 and any amendments thereto or replacements thereof.

“gross tonnage” means the gross tonnage or gross tons as shown on the vessel’s tonnage certificate; save that, for the purpose of this Notice-

- where a vessel claims a lower gross tonnage with respect to the application of safety requirements to that vessel, such lower gross tonnage shall not be used for calculating the fees payable; and
- where a vessel is assigned only one tonnage, that tonnage shall be taken as its gross tonnage for calculating fees payable;

“LL” means “Length” as defined in the International Convention on Load Lines, 1966, as amended;

“out of pocket expenses” includes any cost incurred in providing a service other than chargeable time or a set fee;

“Recognized Organization” means a body authorised by or on behalf of the Authority to undertake surveys and related work and to issue statutory certificates on behalf of the Cayman Islands Government and includes any of the Classification Societies for the time being so authorised for this purpose;

“services” means the services contained in the Schedule and any other similar service requested, or required under Cayman Islands Law; and

“TL” means “Length” as defined in the International Convention on Tonnage Measurement of Ships, 1969, as amended.

### **3. LEVEL OF FEES AND CHARGES**

3.1. The fees and charges payable for the services specified in the Schedule to this Notice shall be the fees specified in relation thereto in the Schedule.

3.2. The fees apply with respect to any of the services in the Schedule which are provided

by or on behalf of the Authority with respect to-

- Cayman Islands vessels or their owners or operators;
  - seafarers serving or intending to serve on board a Cayman Islands vessels; and
  - any other vessels, or its owner or operator, or any other seafarer, where a service has been provided by request or has been rendered pursuant to Cayman Islands law.
- 3.3. The fees are payable by the Vessel ownership to whom the service was provided, or on his behalf by some other person, at the discretion of the Authority.
- 3.4. Where a service been applied for or requested and-
- the service is cancelled or withdrawn by the applicant after work by the Authority has commenced in processing the application for the service; or
  - the service cannot be progressed within a period of two months or more from the date on which the application was received by the Authority by reason of insufficient documentation or information having been submitted by the applicant,
  - the Authority may cancel the application and terminate any further work with respect to the service and any fee or other payment shall not be refundable, save that the Authority may, in its discretion, waive some or all of the fee or payment.
- 3.5. Where fees in relation to a service referred to in subparagraph 3.4 (a) or (b) have not been paid in advance, the person or persons to whom the service has or was to have been provided shall be liable for payment of fees and expenses commensurate with the level of work undertaken and costs involved, as determined by the Authority.

#### **4. PAYMENT OF ANNUAL TONNAGE FEE AND CASUALTY INVESTIGATION FUND FEE**

- 4.1. Subject to subparagraph 4.2, the owner of every Cayman Islands vessel shall, on or before the 31st day of January in each year, pay to the Authority the annual tonnage fee and casualty investigation fund fees as set out in the Schedule, as payment in advance of the tonnage fee and casualty investigation fund fee due for that year.
- 4.2. Where a vessel is first registered in the Cayman Islands in any month other than January, the amount of annual tonnage fee due to the end of December in the year of first registration, determined in accordance with section A.3 of Part 2 of the Schedule, shall be paid upon the vessel being registered, and thereafter the annual tonnage fee shall be paid in accordance with subparagraph 4.1. Casualty investigation fund fees will not become applicable until the 01 January following registration.
- 4.3. Annual Tonnage Fees relating to yachts and local vessels are not prorated and non-refundable.
- 4.4. Annual Tonnage Fees relating to merchant vessels are prorated at 50% for registration after 1 July and non-refundable.

#### **5. FEES AND CHARGES BASED ON AMOUNT OF WORK INVOLVED**

- 5.1. Where a fee is determined by the amount of work involved, the amount to be charged shall be calculated by taking into account the amount of time spent, both in office and out of office, on the service, or other relevant activity, including, where applicable-
- travelling time between the office and the location of or a localised base for a

- vessel or shore establishment involved, subject to a maximum charge of sixteen hours for any one visit;
- the cost of return transport between the office and the location of the vessel or shore establishment involved and any costs incidental thereto;
  - the cost of local travel between a localised base and the vessel or shore establishment involved;
  - the cost of accommodation and subsistence for the persons undertaking the work; and
  - any additional costs incurred in relation to the work involved, including reasonable out of pocket expenses.
- 5.2. Time shall be charged to the nearest quarter of an hour and at the appropriate hourly rate set out in Section 3 of the Schedule.
- 5.3. Where a service not specified in the Schedule is provided by the Authority, either on request or in accordance with Cayman Islands Law, the fees and other charges for such a service may be charged at the appropriate hourly rate and in accordance with the provisions of this paragraph. This may include, at the Authority's discretion, time spent on verbal, written or electronic communication or exchanges, either in relation to some other service being provided or as a stand alone service.

## **6. FEES AND CHARGES TO BE PAID IN ADVANCE**

- 6.1. Subject to subparagraph 6.2, payment of fees and charges are to be made in advance of the survey being conducted or other service being provided where the amount is pre-determinable.
- 6.2. Where it is not possible to pre-determine the precise amount payable, then a deposit, the amount of which is to be assessed by the Chief Executive Officer or designate, shall be made in advance of the survey or other service being commenced, pending the final determination of the total amount payable.
- 6.3. Monies held on deposit shall be refundable less all accrued charges.

Owners, Managers, Operators and masters of vessels, and other persons or entities requesting or requiring any of the services in the Schedule, or otherwise, are urged to ensure that application for such services are made with as much notice as possible and should ensure that the application is supported by the appropriate fee, or estimation thereof made in accordance with subparagraph 6.2. Insufficient notice and absence of payment of the appropriate fee in advance may result in delays in providing the service applied for.

- 6.4. The Chief Executive Officer or designate may, in appropriate circumstances, waive the requirement for fees and charges or a deposit against fees and charges, to be paid in advance.

## **7. ADDITIONAL CHARGES FOR EXCESSIVE WORK**

- 7.1. Subject to subparagraph 7.4, in the case of a service provided by or on behalf of the Authority for which a fixed fee is payable, an additional charge may be levied where the chargeable time expended becomes excessive.
- 7.2. For the purpose of this paragraph, where the chargeable time actually spent in

conducting a survey or providing a service, multiplied by the appropriate hourly rate or rates, exceeds 125% of the applicable fixed fee, then the time expended shall be deemed to be excessive.

7.3. The additional charge which may be levied is to be calculated by-

- Obtaining the overall increased cost by multiplying the total number of hours spent in providing the service by the appropriate hourly rate as set out in
- section 3, bearing in mind that the total time may need to be apportioned among different rates; and
- Subtracting from the amount obtained in (a) the original fixed cost plus 25%.

7.4 The Chief Executive Officer may, at his discretion, waive the additional charge for excessive work depending on the facts and circumstances of the case.

## **8. PROVISION OF SERVICES BY A RECOGNIZED ORGANIZATION**

8.1. Where a Recognised Organisation has been authorised to provide a service to a vessel or person on behalf of the Authority and the Recognised Organisation applies its own fees for such service, then fees payable in accordance with this Notice for that service shall not apply, except with respect to additional work carried out by the Authority in respect of the service provided by the Recognised Organisation.

## **9. PROVISION OF SERVICE BY AUTHORISED PERSON OTHER THAN A RECOGNISED ORGANISATION OR AN OFFICER OF THE AUTHORITY**

9.1. Where an authorised person provides a service to a vessel or person on behalf of the Authority and the fees specified in this Notice apply with respect to such service, the fees payable to the Authority may, at the discretion of the Chief Executive Officer or designate, be reduced to a level consistent with associated work carried out by the Authority in respect of the service provided by the authorised person.

## **10. VARIATION OF FEES AND CHARGES**

10.1. The Chief Executive Officer may, with the authorisation of the Authority, vary from time to time the level of fees and charges to be applied with respect to a service or group of services, or in respect of a particular vessel or group of vessels, and such variation may be applied for an indefinite or specified period, and on such conditions as may be stipulated by the Chief Executive Officer.

10.2. Pursuant to subparagraph 10.1, the Chief Executive Officer may also apply a variation in or alternative means of calculating and applying fees and charges if the circumstances of the case so warrant.

## **11. CERTIFICATES AND DOCUMENTS MAY BE WITHHELD IF PAYMENT OF FEES NOT MADE**

11.1. Where a fee which is payable to the Authority remains unpaid, any Certificate, Endorsement or other document relating to the service for which payment is due may be withheld, and the provision of further services by the Authority to the person or entity concerned may be suspended, until payment has been made.

## **12. SURCHARGES FOR LATE PAYMENT**

12.1. Where fees and charges due to the Authority remain unpaid beyond the due date the following late payment penalties shall apply-

- a 2% surcharge on fees, other than tonnage fees, will be applied for each period of 30 days or part thereof for amounts due and not paid within 30 days of the due date;
- a 5% surcharge on the tonnage fees outstanding will be applied for each period of 30 days or part thereof for amounts due and not paid within 30 days of the due date.

12.2. For the purposes of this paragraph the due date shall be-

- in the case of annual tonnage fee, the 31st January of the year for and in which the fee is payable, except where initial payment of the fee falls due on some other specified due date; and
- for all other fees and charges, the date of issue of the invoice.

### **13. MISCELLANEOUS FEES AND CHARGES**

13.1. The Chief Executive Officer may fix the charges for publications and other material, whether specified in the Schedule or not.

### **14. UTILISATION OF FIXED FEES AND FIXED FEE AGREEMENTS IN LIEU OF HOURLY RATES**

14.1. Notwithstanding the hourly rates applicable to services in Part B of the Schedule, the Chief Executive Officer, with the authorisation of the Authority, may apply a set fee for a service or related activity, including but not limited to, a fixed fee agreement with respect to new building or major conversion work and related plan approvals, inspections, surveys and statutory certification for the vessel.

14.2. In determining the amount payable with respect to fixed fee agreements for new buildings or major conversion work, the appropriate hourly rate will be applied considering the amount and type of work involved and the time frame over which the work is expected to extend.

### **15. BILLING METHODS AND PAYMENT**

15.1. Subject to paragraphs 8 and 9, all fees and charges are payable to the Authority.

15.2. The fees and charges in this Notice are quoted in US Dollars (US\$).

15.3. Invoices will be billed in United States Dollars (US\$). This does not preclude alternative arrangements from being established, on a case by case basis by the Authority.

15.4. These arrangements will remain in force until further notice. Payments may still be made in CI\$ to the full amount due, but such payments must be made in CI\$ such that the funds can be paid directly into a CI\$ account without attracting any charges.

### **16. COSTS OF CASUALTY AND OTHER INQUIRIES AND INVESTIGATIONS**

16.1. Costs and expenses incurred by the Authority in respect of – an inquiry or related activity with respect to a casualty, including;

- judicial and administrative proceedings; and
- Improvement and Prohibition Notices.

are recoverable as charges from the parties who are the subjects of the inquiry, related activity, inspection, proceeding or Notice, as the case may be.

- 16.2. The costs and expenses referred to in subparagraph 16.1, which are additional to the cost of any legal services involved, shall be calculated in accordance with the provisions contained in paragraph 5.
- 16.3. The cost of conducting investigations into Serious Maritime Casualties will be met through contributions to a Casualty Investigation Fund, as detailed in Part A.1 (13) of Section 1 of the Schedule to this Notice.