

GUIDANCE NOTE 02/2021

FLAG STATE PERFORMANCE (2020)

To: OWNERS, MANAGERS AND MASTERS OF CAYMAN ISLANDS SHIPS

1. BACKGROUND

- 1.1 As per the IMO Instruments Implementation Code (III Code) a Flag States is encouraged on a periodic basis to evaluate its performance.

2. FLAG STATE PERFORMANCE REPORT

- 2.1 The attached report reviews the following aspects of performance across the Cayman Islands Shipping Registry (CISR) fleet:
- Overall Flag State performance;
 - Overall Port State performance of the Cayman Islands ships;
 - Deficiencies from inspections of Cayman Islands merchant ships; and
 - Deficiencies from inspections of Cayman Islands yachts.
- 2.2 Additionally, the CISR's standing in the latest International Chamber of Shipping Flag State Performance Table is covered
- 2.3 Annual reports on accidents and incidents, seafarer complaints and other welfare issues reported to the Maritime Authority of the Cayman Islands (MACI) are published on our website www.cishipping.com.

Accidents and Incidents – [Summary Report \(2020\)](#)

Seafarer Complaints / Welfare issues – [Summary Report \(2020\)](#)

The Cayman Islands Shipping Registry

Flag State Performance 2020 – Results of Inspections

1. Introduction

As per the IMO Instruments Implementation Code (III Code) a Flag State is encouraged to evaluate its performance on a periodic basis.

Annual reports on accidents and incidents, seafarer complaints and other welfare issues reported to the Maritime Authority of the Cayman Islands (MACI) are published on our website www.cishipping.com.

The purpose of this annual report is to review the following: -

- Overall Flag State performance
- Overall Port State performance of the CISR fleet
- Deficiencies from inspections of CISR merchant ships
- Deficiencies from inspections of CISR yachts

As of 31 December 2020, the CISR fleet was approximately 6 million GT and approximately 2,300 units. The fleet comprises primarily of 2,000 yachts and 154 merchant ships. Out of these yachts approximately 500 large yachts are certified as compliant with the Red Ensign Group (REG) Yacht Code, on a mandatory basis for commercial use or on voluntary basis; these are hereafter referred to as 'coded yachts'.

Most statutory audits, surveys, and inspections of *merchant ships* in the CISR fleet are fully delegated to Recognized Organizations (ROs) when the vessels meet our eligibility criteria and maintain their 'low risk' status. This enhanced delegation arrangement is supplemented by dynamic risk ranking from PSC performance, periodic Flag State inspections of the vessels and ISM Company audits. The results of delegated work carried out by ROs have not been reported for 2020 but the intention is to obtain and report the statistics in the future.

CISR carry out annual Yacht Code surveys on all *coded yachts*; only in exceptional circumstances are they delegated to ROs.

2. International Chamber of Shipping (ICS) - Flag State Performance Table

As per the latest ICS [Flag State Performance Table \(2020/21\)](#) CISR has ‘positive performance indicators’ in all the monitored areas: PSC, Ratification of major international maritime treaties, the use of Recognised Organisations in compliance with the IMO RO Code, Age of fleet, Reporting Requirements, Attendance at IMO meetings and IMO Member State Audit.

As an indicator, the Table positively identifies flags that are in compliance with International Labour Organisation (ILO) reporting obligations, as well as flags confirmed by the IMO to have communicated information demonstrating that full and complete effect is given to the relevant provisions of the STCW Convention.



The table displays performance indicators for the Cayman Islands across various categories. Green squares indicate positive performance, while blue squares indicate that the flag state has an ICS member national shipowners association.

| Indicator | Performance |
|---------------------------------|--------------|
| Paris MOU White List | Green square |
| Not on Paris MOU Black List | Green square |
| Tokyo MOU White List | Green square |
| Not on Tokyo MOU Black List | Green square |
| USCG Qualship 21 | Green square |
| USCG Target List (safety) | Green square |
| BOLAS 74 (and B8 Protocol) | Green square |
| MARPOL including Annexes I - II | Green square |
| MARPOL Annexes II - VI | Green square |
| LL B8 (and B8 Protocol) | Green square |
| STCW 78 | Green square |
| ILO MLC | Green square |
| CLDFUND 02 | Green square |
| Recognised Organizations | Green square |
| A.739 Age | Green square |
| Low Average Age (Ship Numbers) | Green square |
| On latest STCW 95 White List | Green square |
| Completed full ILO Reports | Green square |
| IMO Meetings Attendance | Green square |
| IMO Audit Scheme | Green square |

Legend:
■ indicates that flag state has an ICS member national shipowners association
■ squares suggest positive performance indicators

– Cayman Islands *

3. Port State Control Performance - General

With the support and shared quality values of our shipowners, ship managers and crew, CISR has achieved ‘Whitelist’ and ‘Low Risk’ status in all the major MoUs on Port State Control, including the USCG Qualship 21 programme. Over the years CISR flag-in procedures and criteria have been developed, and will be further amended as necessary, to mitigate the risk of registering ships which might negatively impact on our PSC ranking but more importantly to safeguard against unfair treatment of seafarers, and non-compliance with the highest environmental and safety standards.

Whenever a vessel is detained, or a single PSC inspection raises more than 5 deficiencies, or when more than 8 deficiencies are raised from all PSC inspections in a 12-month period, the Company is required to undertake a detailed root cause analysis and present a corrective action plan (CAP) for acceptance. Should the CAP prove not to be effective in eliminating deficiencies (raised by PSC, Flag State or the RO) the vessel’s risk ranking is increased and additional flag state inspections will be required until the low risk rating is restored.

CISR’s quality objectives use the same PSC regions (i.e, Paris, Tokyo and US) as the ICS Flag State Performance as an indicator.

For these key PSC regions the detention results over the last 3-year period are as follows: -

| | Detentions | Paris MoU | Tokyo MoU | USCG |
|-------------|-------------------|------------------|------------------|-------------|
| 2018 | Merchant Vessels | 1 | 1 | 0 |
| | Commercial Yachts | 1 | 0 | 0 |
| 2019 | Merchant Vessels | 0 | 3 | 0 |
| | Commercial Yachts | 2 | 0 | 0 |
| 2020 | Merchant Vessels | 0 | 0 | 0 |
| | Commercial Yachts | 0 | 0 | 0 |

Paris MoU – Merchant Ships

In 2019, 34% of inspections resulted in a deficiency being raised at an average of 0.8 per inspection; in 2020 the figures were 34% and 1.2, respectively.

Tokyo MoU -Merchant Ships

In 2019, 53% of inspections resulted in a deficiency being raised at an average of 1.6 per inspection; in 2020 the figures were 44% and 1.2, respectively.

Paris MoU – Commercial Yachts

In 2020, 36% of inspections resulted in a deficiency being raised at an average of 0.8 per inspection but no commercial yachts were detained. This is an improvement on 2019 as when 40% of inspections resulted in a deficiency being raised at an average of 1.1 per inspection; furthermore 2 commercial yachts were detained, primarily for inoperative fire doors, fire dampers and watertight sliding doors.

Tokyo MoU – Commercial Yachts

In 2019, 100% of inspections resulted in a deficiency being raised at an average of 2.4 per inspection but no commercial yachts were detained; in 2020 no inspections were held. It should be noted that in 2019 the number of inspections was only 5, and 3 of these were carried out in Australia.

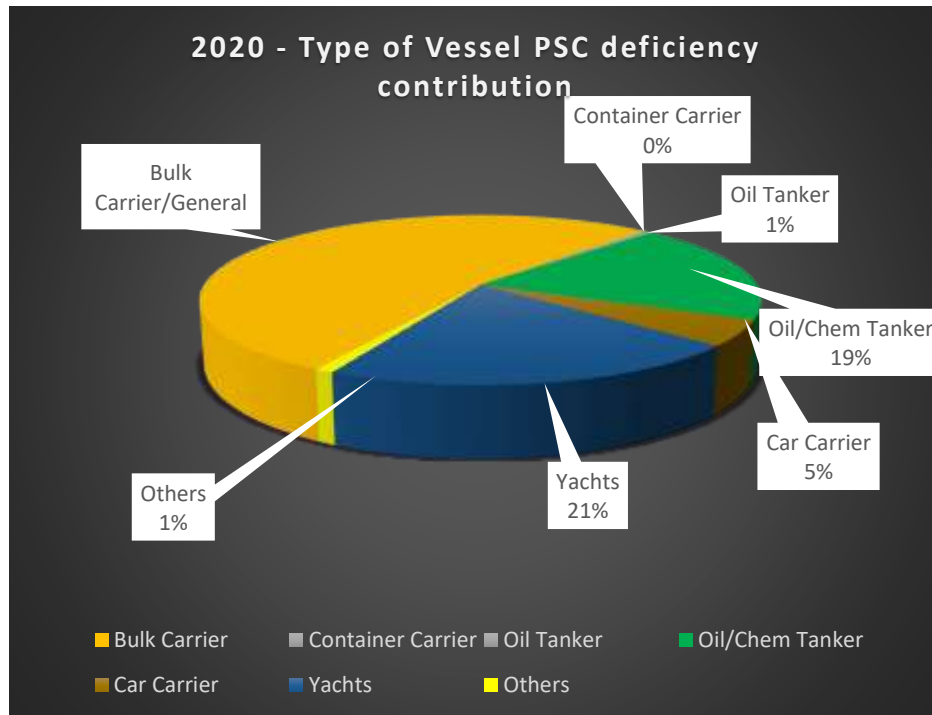
USCG – Merchant Ships

In 2019, 12% of inspections resulted in a deficiency being raised; the 2020 report is not currently available.

USCG -Commercial Yachts

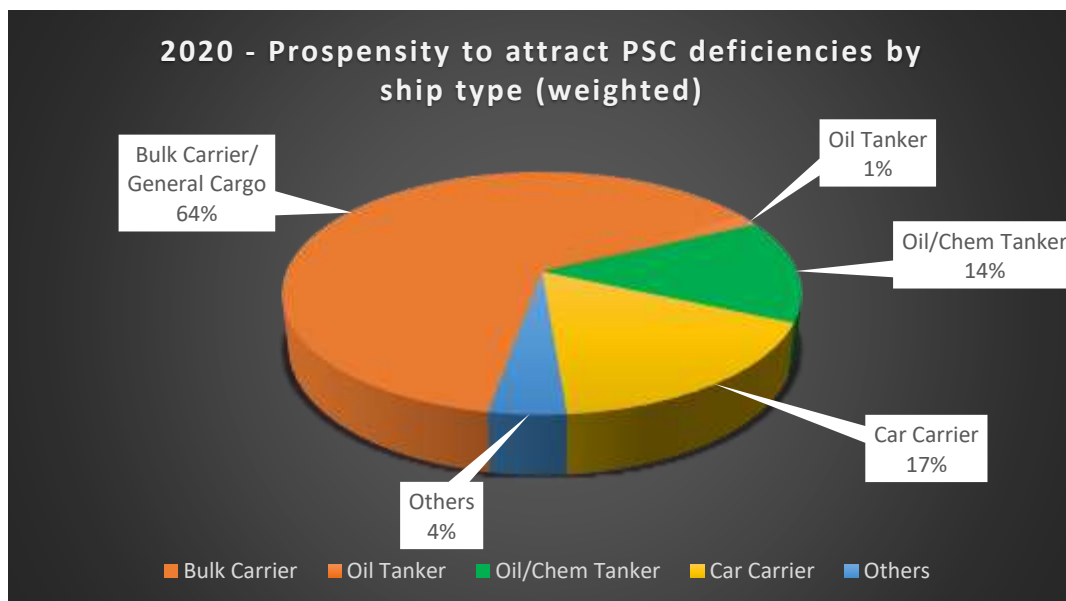
Limited data; no foreign flagged commercial yachts can engage in coastwise trade.

Across the CISR fleet the most deficiencies are attributed to Bulk Carriers and Commercial Yachts.



As mentioned in the introduction, CISR surveyors are normally attending Commercial Yachts on an annual basis and due to their propensity to attract PSC deficiencies there are no plans to fully delegate this work to our ROs.

If Commercial Yachts are removed from the data, and it is 'weighted' for the number of ships in each merchant ship sector, it is evident that that Bulk Carriers and General Cargo ships are the highest risk ships in terms of propensity to attract deficiencies.

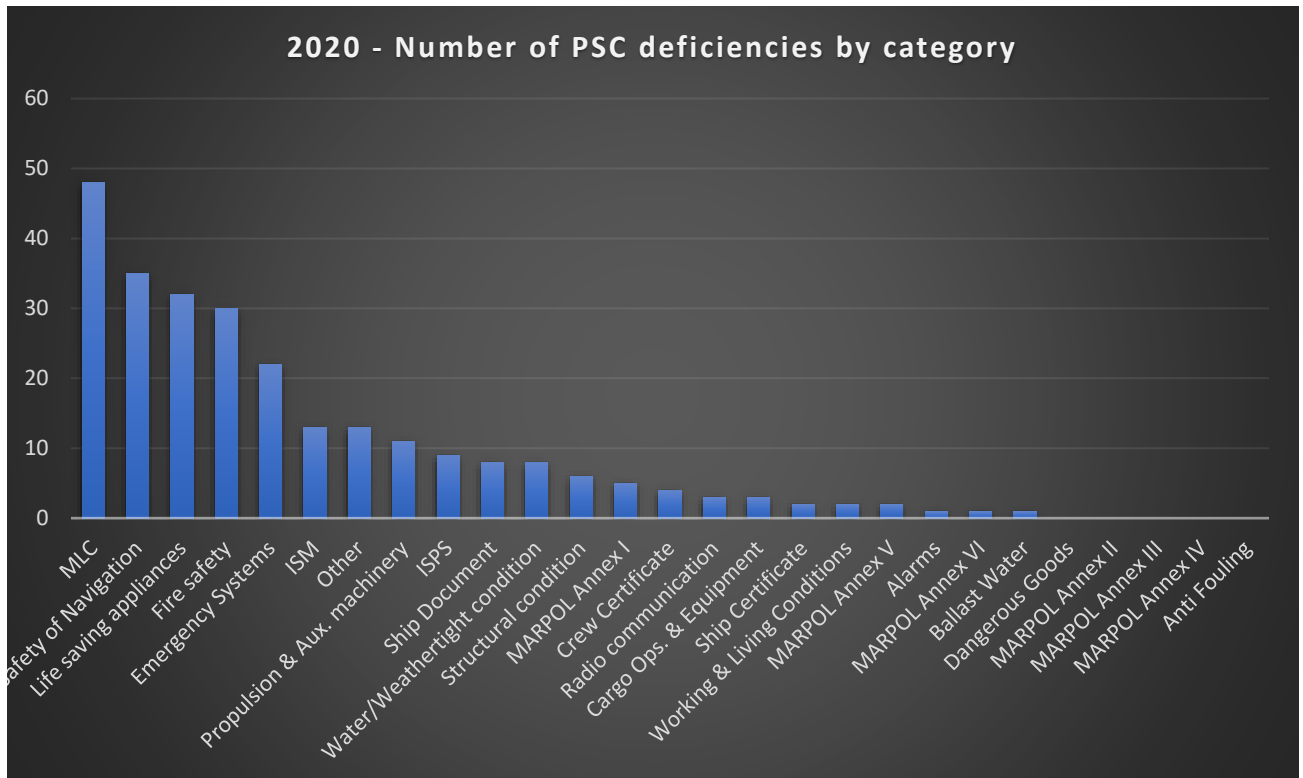


Following on from this report, further analysis will be undertaken, in collaboration with our ROs, regarding the performance of Bulk Carriers and Cargo Ships. Upon completion, CISR intend to review our monitoring and inspection programme for these ship types to ensure it is commensurate with the risks, to reduce the propensity to attract PSC deficiencies.

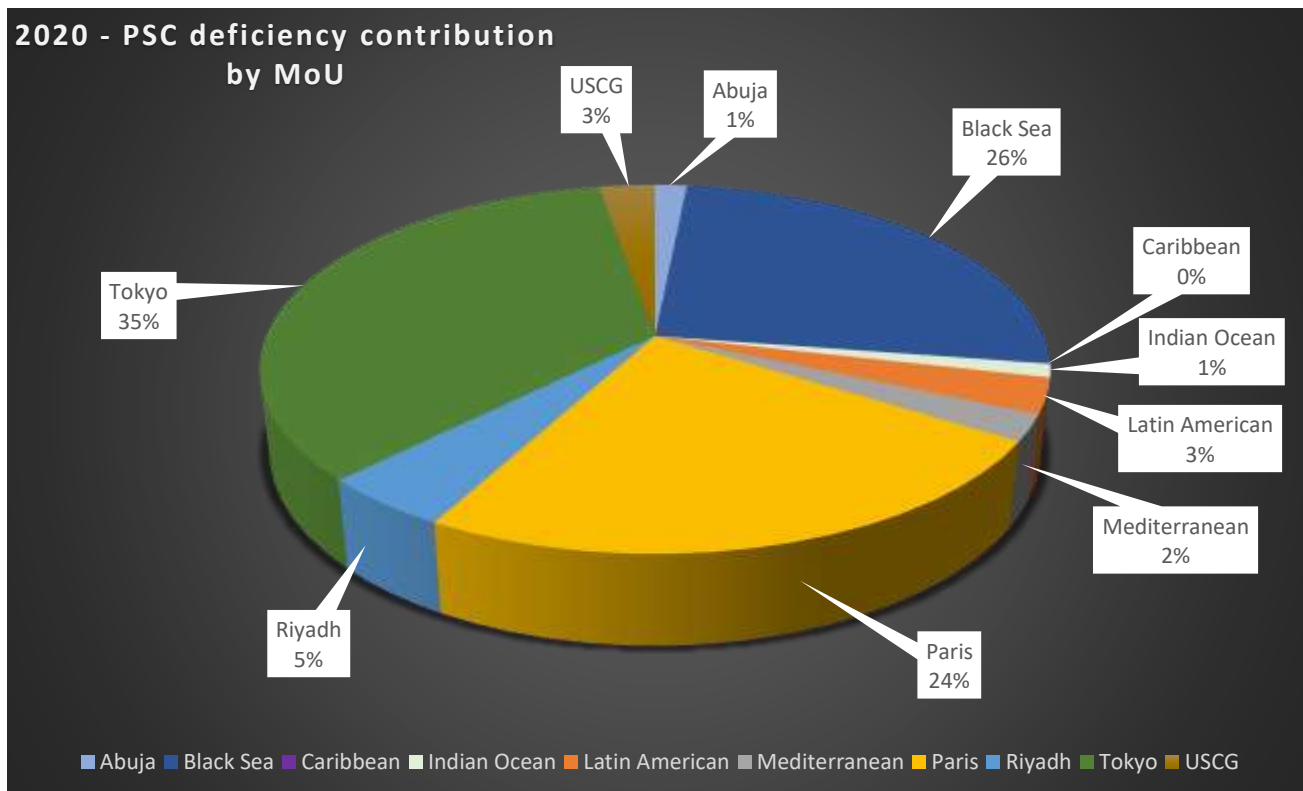
Furthermore, for Flag State general inspections of merchant ships it is our intention to publish the findings once upgrades of our reporting system are completed.

4. PSC Performance - Merchant Ships

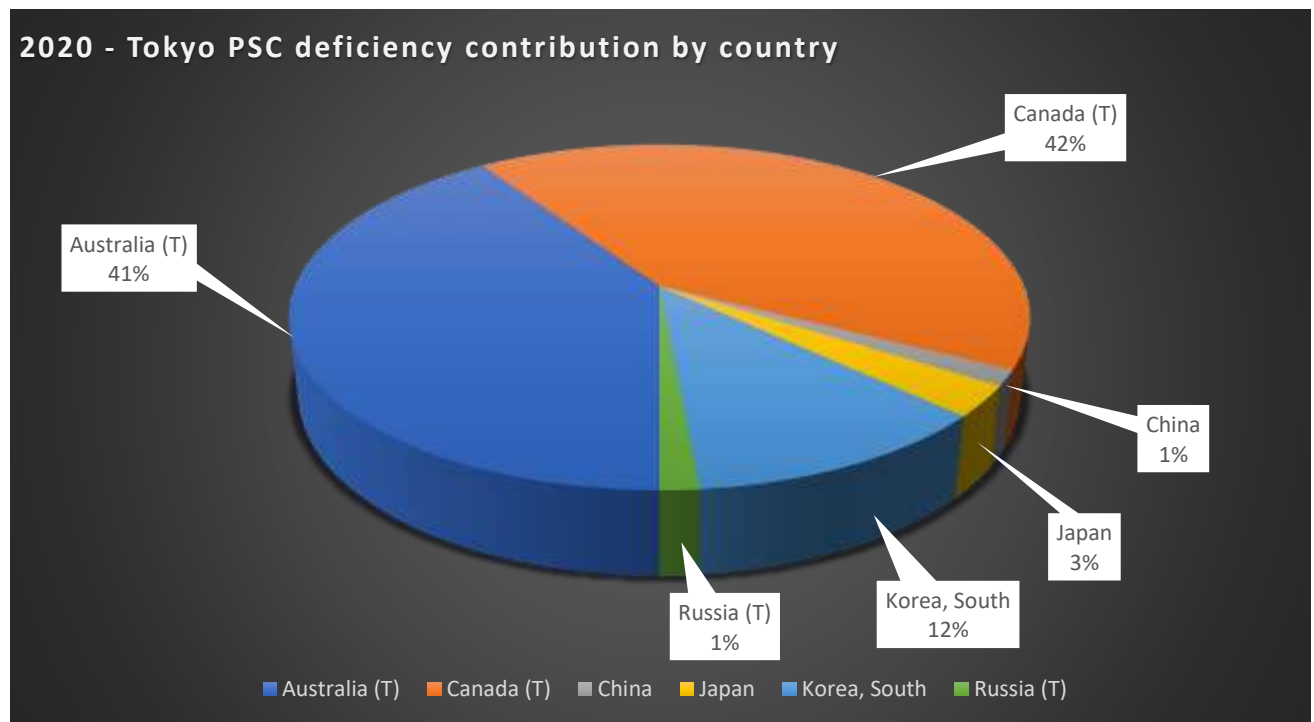
Across all PSC regions the statistics by deficiency area are as below:



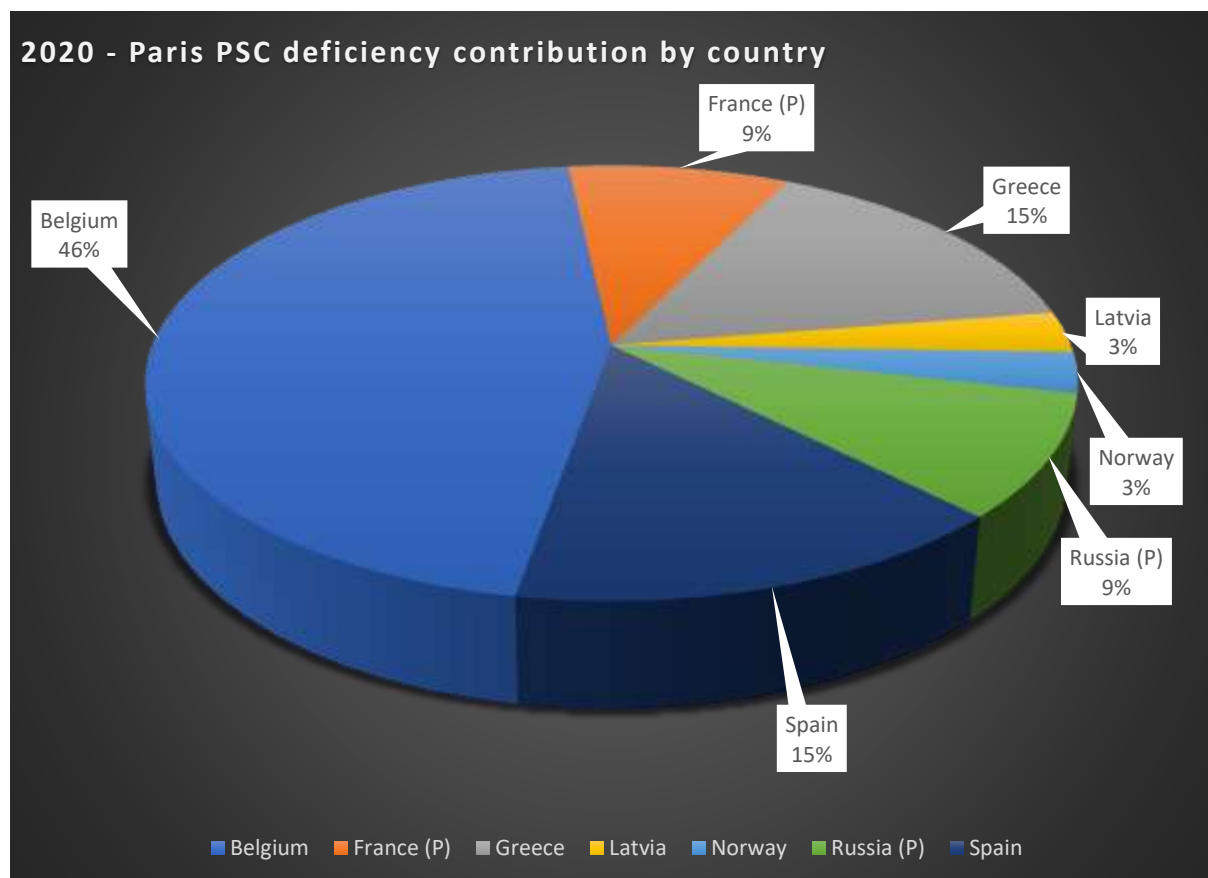
The main contributors of PSC deficiencies were the Paris and Tokyo MoUs.



Within the Tokyo MoU, the most deficiencies were recorded in Canada and Australia.

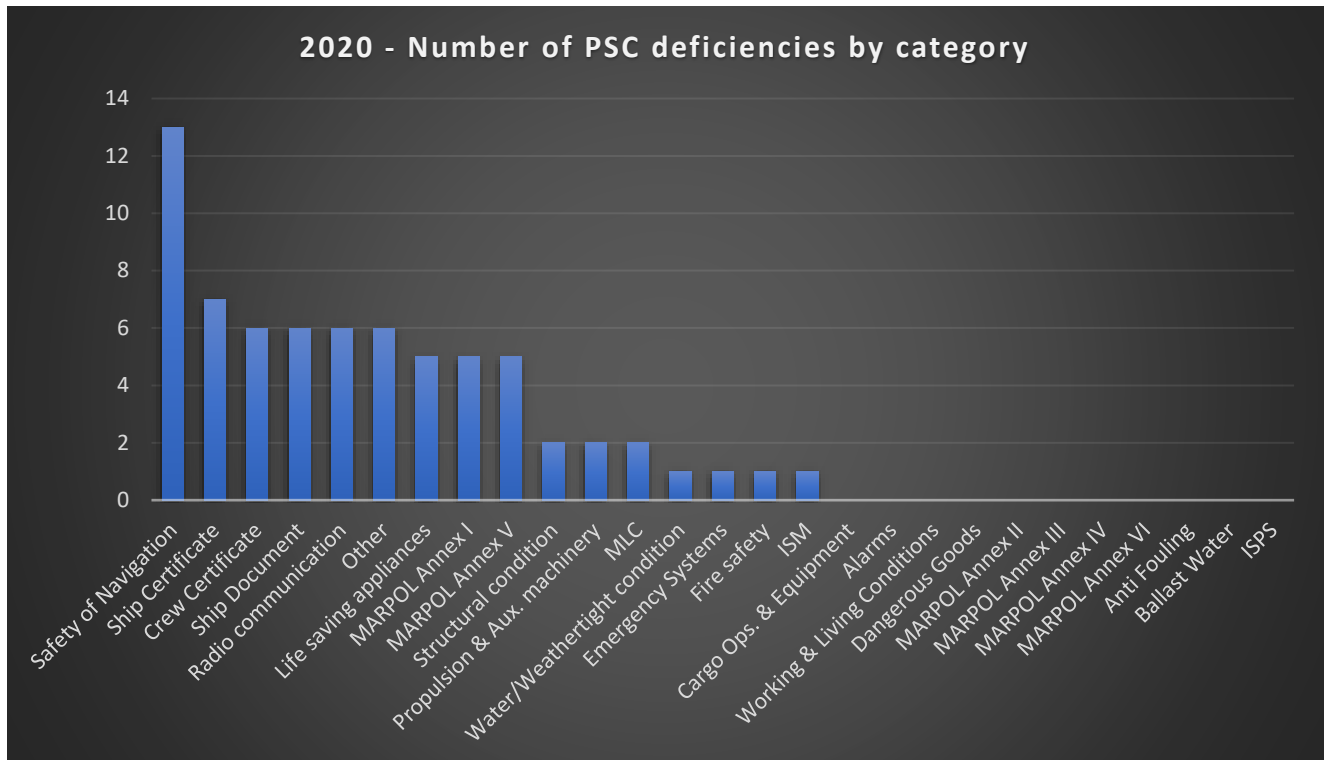


Within the Paris MoU (with Canada filtered out as also reporting to Tokyo MoU), the most deficiencies were recorded in Belgium.

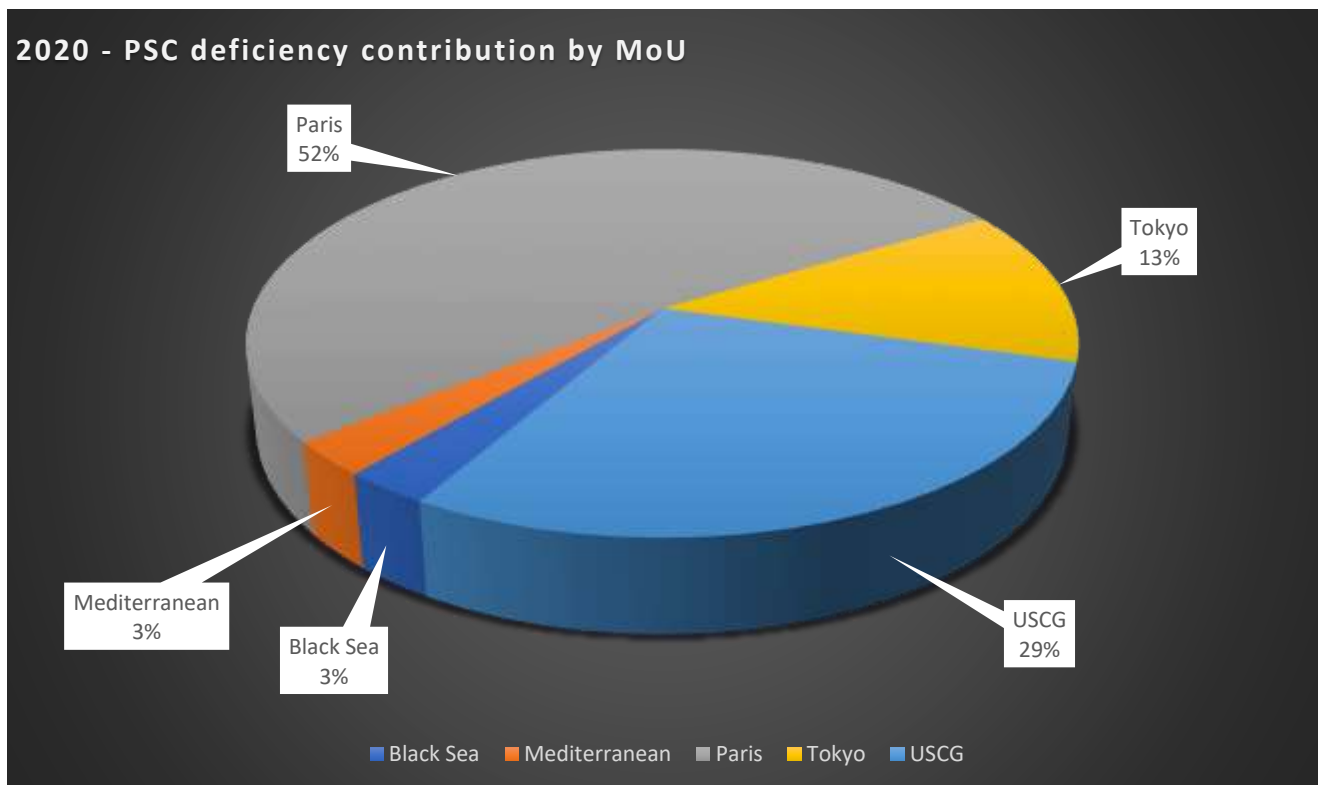


5. PSC Performance – Commercial Yachts

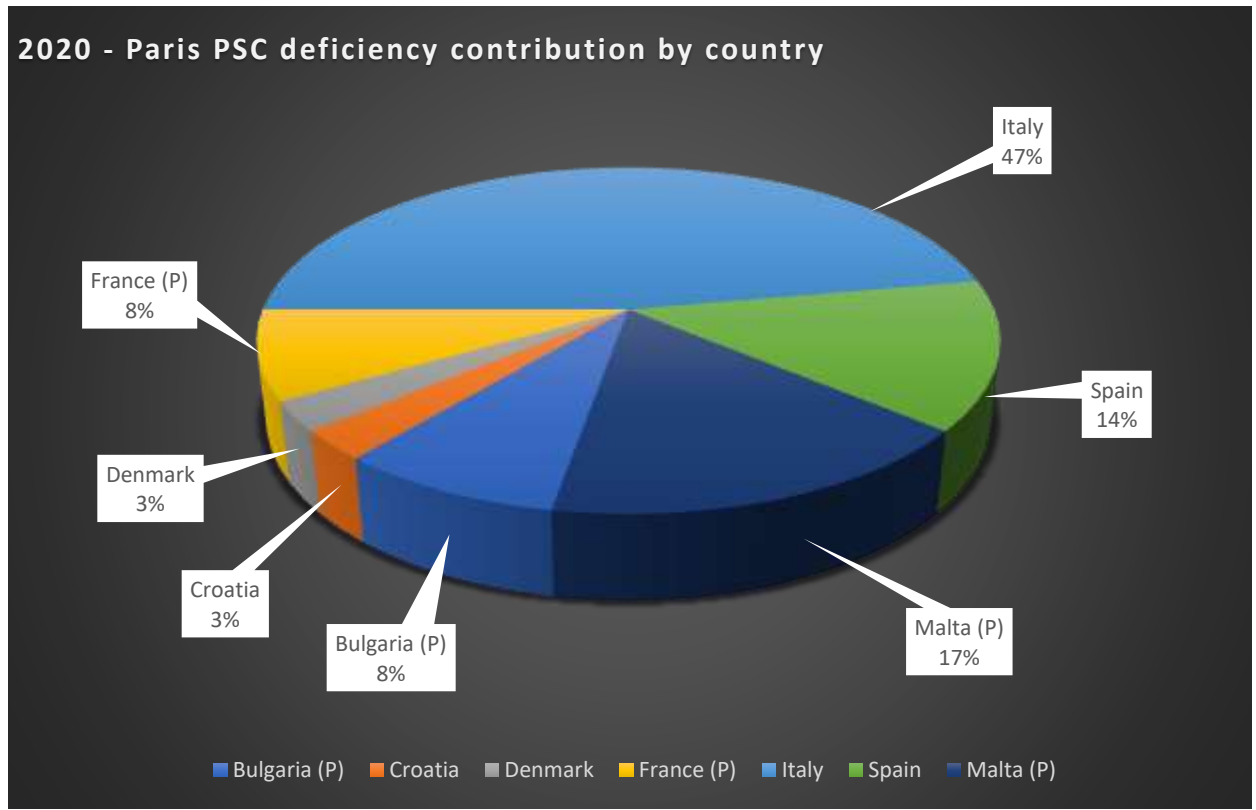
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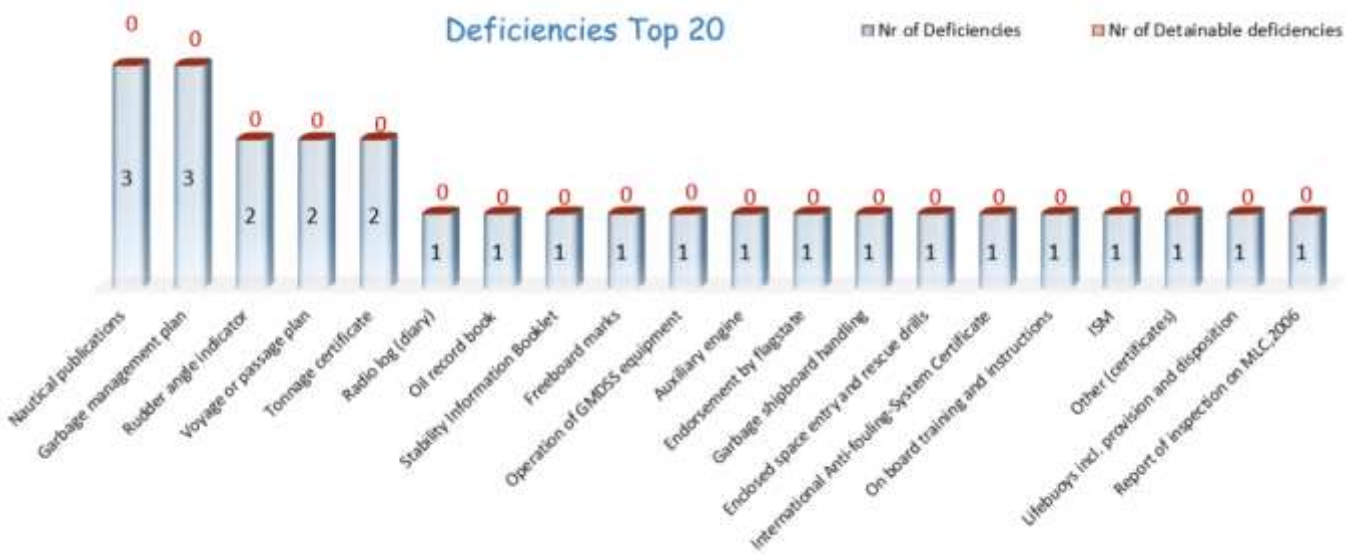
The main contributor of PSC deficiencies was the Paris MoU.



Within the Paris MoU, the most deficiencies were recorded in Italy.

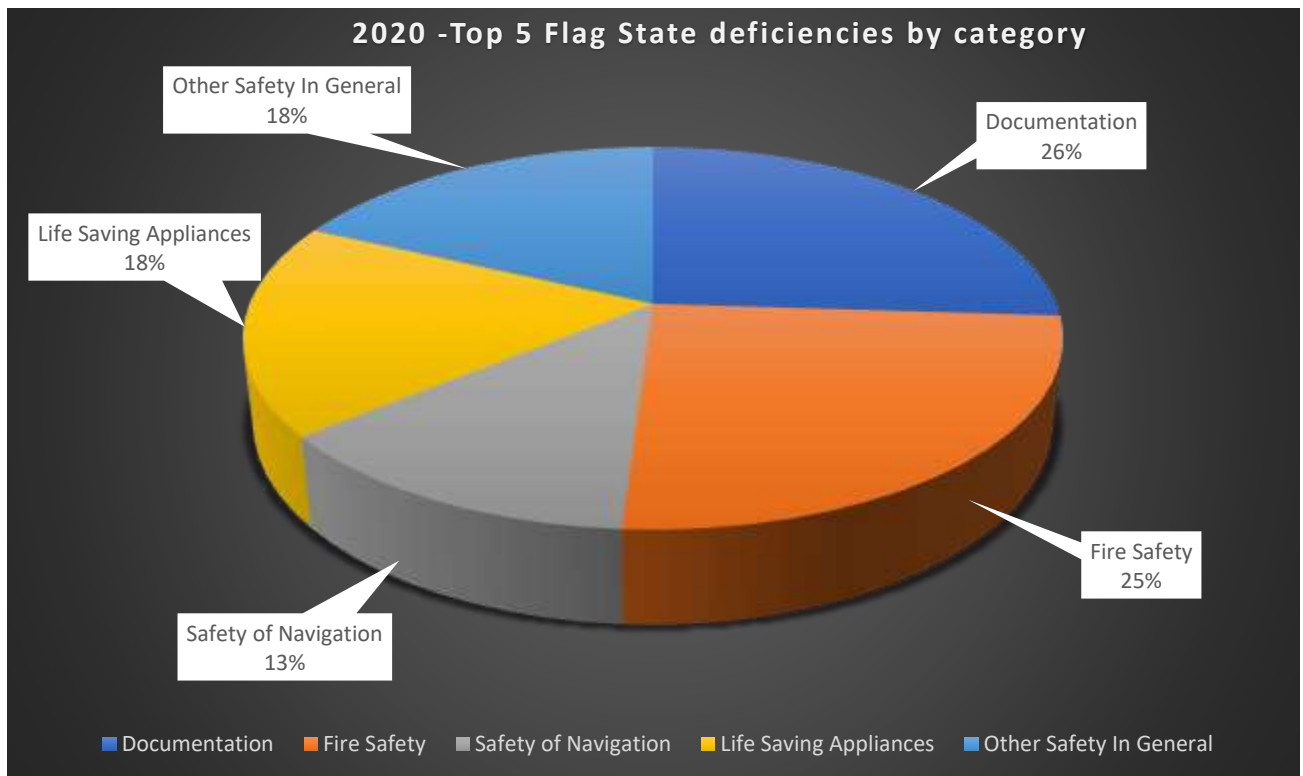


The Top 20 deficiencies for the Paris MoU were as follows: -



6. Flag State Inspections - Coded Yachts

Flag State inspections of coded yachts revealed the following statistics:



Drilling further down into the sub-categories reveals the following top five deficiencies: -

| # | Certificates & Documentation (Ship and Crew) | %T5 |
|---|---|-----|
| 1 | Other (certificates) | 32 |
| 2 | Stability Information Booklet | 11 |
| 3 | Manning specified by the minimum safe manning doc | 8 |
| 4 | Minimum Safe Manning Document | 6 |
| 5 | Logbooks/compulsory entries | 6 |
| | | 62 |

| # | Fire Safety | %T5 |
|---|---|-----|
| 1 | Other (fire safety) | 26 |
| 2 | Fixed fire extinguishing installation | 13 |
| 3 | Fire-fighting equipment and appliances | 10 |
| 4 | Fire control plan | 10 |
| 5 | Fire doors/openings in fire-resisting divisions | 6 |
| | | 65 |

| # | Safety of Navigation | %T5 |
|---|--|-----|
| 1 | Magnetic compass & Correction Log | 31 |
| 2 | Other navigation | 14 |
| 3 | Lights, shapes, sound-signals | 10 |
| 4 | Bridge Navigational Watch Alarm System (BNWAS) | 10 |
| 5 | LRIT | 10 |
| | | 75 |

| # | Life Saving Appliances | %T5 |
|---|---|-----|
| 1 | Launching arrangements for rescue boats | 25 |
| 2 | Rescue boats | 19 |
| 3 | Launching arrangements for rescue boats | 13 |
| 4 | Lifejackets incl. provision and disposition | 8 |
| 5 | Immersion suits | 7 |
| | | 72 |

The use of 'other Safety' as a main category and 'other' in a subcategory is an area we are looking to reduce through additional surveyor training and guidance. We trust that the above findings will be helpful for Yacht Managers and Captains to focus on in 2021.

7. CISR Concentrated Inspection Campaign Items 2021

The following items will receive special attention during Flag State inspections in 2021: -

- *Merchant Ships* – Medical stores (provision and training)
- *Yachts* – Risk assessment of water sport activities
- *Yachts* – Adequacy of sill heights for shell openings whilst at anchor

As a reminder, the 2020 CIC covered the following items: -

- *All ship types* - Preparation for compliance with EU Ship Recycling Regulations which come into effect 31Dec2020 (CIGN 02/2019 refers)
- *All ship types* - Preparation for Cyber Risk Management requirements which come into effect on 1st Jan2021 (CIGN 07/2019 refers)
- *Yachts* - The adequacy of boarding arrangements with respect to protection of personnel when not certificated to the ISO standard
- *Yachts* - Effective reduced height of guardrails/bulwarks – risk assessment for any such areas
- *Yachts* - Li-ion battery and Li-ion powered toys – storage and fire-fighting procedures

From survey report reviews it appears that the 2020 CIC has been very successful in identifying opportunities for improvement and we thank all parties for their collaboration.