

GUIDANCE NOTE 10/2020 (Rev 2)

APPLICATION OF REGULATIONS TO DORMANT YACHT NEWBUILD PROJECTS

To: YACHT DESIGNERS, BUILDERS AND OWNERS.

1. BACKGROUND

- 1.1 Regulatory applicability may rely on a vessel's keel laid date or a similar stage of construction to establish when a vessel should be considered new or existing, built, or constructed.
- 1.2 The keel laying certificate for Cayman Islands' vessels is issued by our approved Recognized Organizations (ROs) (i.e. Classification Societies); the criteria to be met to establish the keel laying date or a similar stage of construction are well defined.
- 1.3 Simply placing an undefined structural member in a shipyard without a shipbuilding plan and leaving 'dormant' until a buyer for a project is found, is not in-keeping with the spirit of advancing crew welfare, safety and environmental standards.
- 1.4 Attention is brought to the following: -

USCG CV-WI-015(2) 'Determinations for a Vessel's Keel Laid Date or Similar Stage of Construction for U.S. Flag Vessels'; and

IMO MSC-MEPC.5/Circ.8 'Unified Interpretation of the Application or Regulations Governed by the Building Contract Date, the Keel laying date and the delivery date for the requirements of the SOLAS and MARPOL Conventions'.

Both publications include text to safeguard against builders from laying keels for the sole purpose of avoiding compliance with regulation amendments when there is no building contract or shipyard plan to progress a speculative project towards completion.

2. DORMANT PROJECTS

- 2.1 For projects that have remained dormant after keel laying, with a significant delay with respect to the building contract or shipbuilding plan, CISR and the RO will on a 'case-by-case' basis evaluate whether to accept the original keel laying date for the application of the regulations, subject to the builder outlining in a detailed report the reasons why it is appropriate that the keel laying date of a dormant project should be accepted. This

report should include a complete history of the hull and its construction and ownership going back to “keel laying”.

- 2.2 Factors to be taken into consideration will be the opinion of the RO, the time elapsed, whether the builder and/or buyer has changed, the stage of design engineering and construction, the stage of plan appraisal and survey work by the RO and Flag, whether it is a 'sister ship', procurement of equipment with long lead times (i.e. main and auxiliary engines) and how practical it is to incorporate the latest requirements.
- 2.3 In all cases the builder is to ensure that any new potential buyer is (or will be in the case of a project being built on speculation) made fully aware of which items are not meeting the requirements of the latest safety, crew welfare and environmental standards before contract signing; evidence of the same is to be provided to CISR.
- 2.4 It should be noted that regardless of the building contract signing date or keel laying date some regulations are also governed by the delivery date (i.e. MARPOL regulations on energy efficiency, SOLAS regulations on protection against noise). Furthermore, some regulations are applied retrospectively.
- 2.5 From 01.01.2023, in respect to MARPOL VI compliance, we will not recognise RO keel laying certificates for keels laid before 01.01.2021 unless the engines were installed before the project became dormant.