

GUIDANCE NOTE 06/2020 (Rev 1.0)

FLAG STATE PERFORMANCE (2019)

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: -
- Port State Control (PSC) performance
 - Most common PSC deficiencies for Merchant ships in the fleet
 - Most common deficiencies from Flag State inspections of 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 \(2019\)](#)
- Seafarer Complaints / Welfare issues – [Summary Report \(2019\)](#)

The Cayman Islands Shipping Registry

Flag State Performance 2019 – Results of Inspections

1. Introduction

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

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 report to review the following aspects of performance across the Cayman Islands Shipping Registry (CISR) fleet: -

- Port State Control (PSC) performance
- Most common PSC deficiencies for Merchant ships in the fleet
- Most common deficiencies from Flag State inspections of yachts

It should be noted that the results of fully delegated inspections and surveys of merchant ships by Recognised Organizations (Class Societies) on behalf of CISR have not been reported for 2019 but the intention is to obtain and report the statistics in the future.

The most common PSC deficiencies for yachts in the fleet have not been reported as these are very limited in number and the vessels are subject to a detailed annual examination by the CISR; as such we have chosen to report the Flag State inspection results only.

As of 31 December 2019, the CISR fleet was approximately 6M GT and over 2000 units. The fleet comprised primarily of Yachts and 160 Merchant Ships. Out of these yachts approximately 450 large yachts are certified as compliant with the Red Ensign Group (REG) Yacht Code, on a mandatory basis (i.e. for commercial use) or on voluntary basis; these are hereafter referred to as 'coded' yachts.

The REG Yacht Code consists of two parts:

- Part A applicable to yachts which are 24 metres and over in load line length, are in commercial use for sport or pleasure, do not carry cargo and do not carry more than 12 passengers.
- Part B applicable to pleasure yachts of any size, in private use or engaged in trade, which carry more than 12 but not more than 36 passengers and which do not carry cargo.

2. Port State Control Performance (All Ships)

With the support and shared quality values of our shipowners, ship managers and crew, CISR has achieved White List, Low Risk status in all the major MoUs on Port State Control, including the USCG Qualship 21 programme, and is ranked as a top performing Flag under the International Chamber of Shipping for the 8th consecutive year. Over the years CISR flag-in procedures and criteria have been developed, and 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.

In the latest Paris MoU Performance List (2019) Cayman Registry is ranked no.12 in the ‘white list’ of 41 Flag States. Notably, in the last 3 years a Red Ensign Group (REG) flag has held the top position; 2017 – Cayman Registry, 2018 – Isle of Man and 2019 - UK MCA.

In the latest Tokyo MoU Performance List (2019) Cayman Registry is ranked no.15 in the ‘white list’ of 40 Flag States.

3. International Chamber of Shipping - Flag State Performance Table

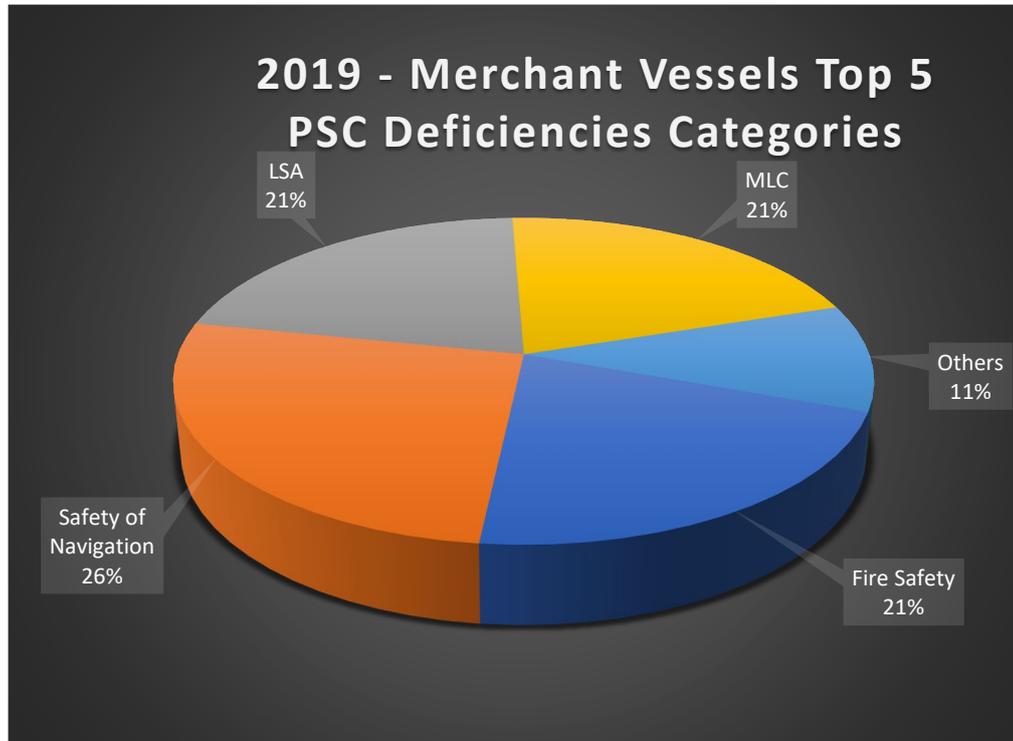
As per the latest [Flag State Performance Table \(2018/19\)](#) Cayman Registry has ‘positive performance indicators’ in all the monitored areas: PSC, Ratification of major international maritime treaties, the use of Recognised Organisations in compliance with the IMO RO Code, Age of fleet, Reporting 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.

	Port State Control						Ratification of Conventions						A.739	Age	Reports	IMO			
	Paris MOU White List	Not on Paris MOU Black List	Tokyo MOU White List	Not on Tokyo MOU Black List	USCG Qualship 21	USCG Target List (safety)	SOLAS 74 (and 88 Protocol)	MARPOL including Annexes I - II	MARPOL Annexes III - VI	LL 66 (and 88 Protocol)	STOW 78	ILO MLC	CLO/FUND 92	Recognized Organizations	Low Average Age (Ship Numbers)	On latest STCW 95 'white list'	Completed full ILO Reports	IMO Meetings Attendance	IMO Audit Scheme
- Cayman Islands *	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■

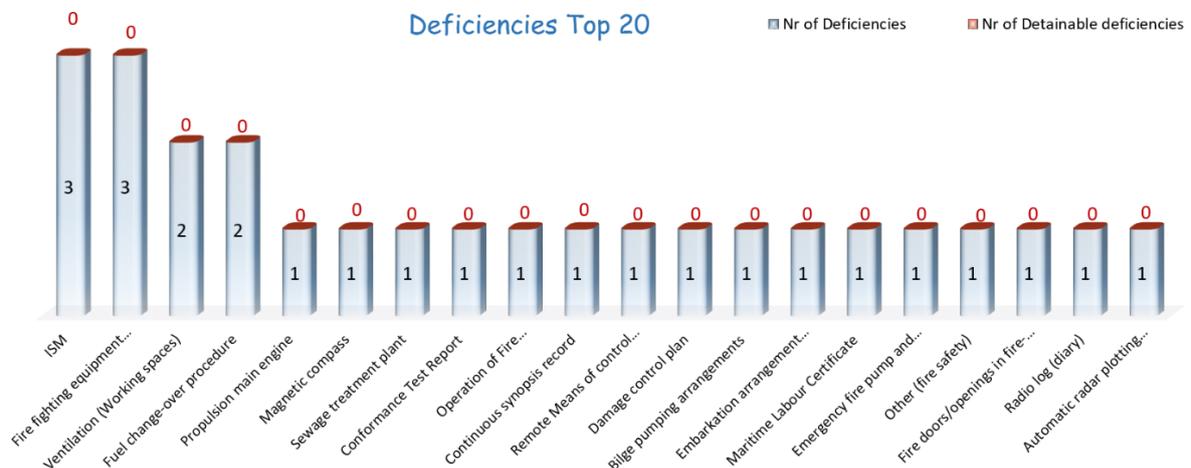
4. Most Common PSC Deficiencies (Merchant Ships)

The most common PSC deficiencies for CISR flagged merchant ships are in following areas: - *Safety of Navigation, Life-saving Appliances, Maritime Labour Convention and Fire Safety.*

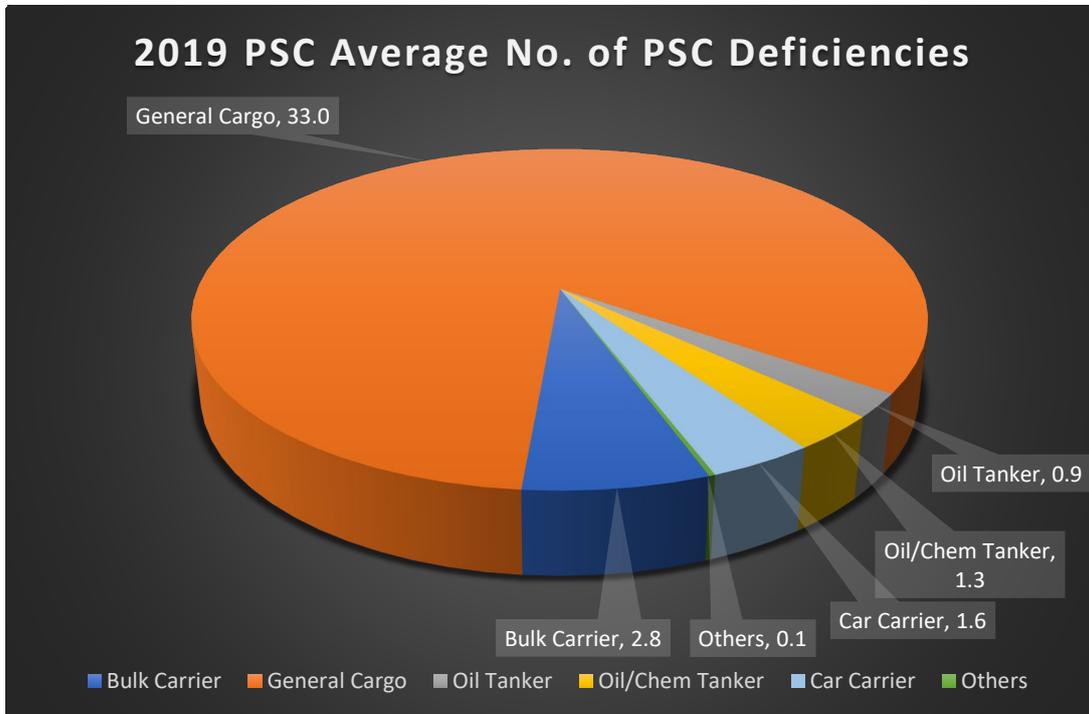


It is of interest to the CISR to compare the categories of deficiencies against the main PSC MoU annual reports for all flags to identify whether our fleet is disproportionately non-performing in a particular category. However, due to relatively small number of CISR registered merchant ships and deficiencies raised it is perhaps unhelpful to read too much into statistics.

By way of example, the Paris MoU PSC database filtered for 2019 reports the following as the top 20 deficiencies for CISR registered merchant ships. The highest number of deficiencies were recorded under 'ISM' or 'Fire Fighting Equipment' but were only 3 in number.



Furthermore, one non-performing General Cargo ship was subject to 2 PSC detentions in 2019 and the number of deficiencies raised was enough to distort our statistics; as normally we would expect Bulk Carriers to be the highest risk. The non-performing General Cargo ship has since left the CISR.



A process that the CISR has found more effective for our fleet is that if 5 or more deficiencies are raised during a PSC inspection the Company is required to undertake a detailed root cause analysis and present a corrective action plan (CAP) for acceptance.

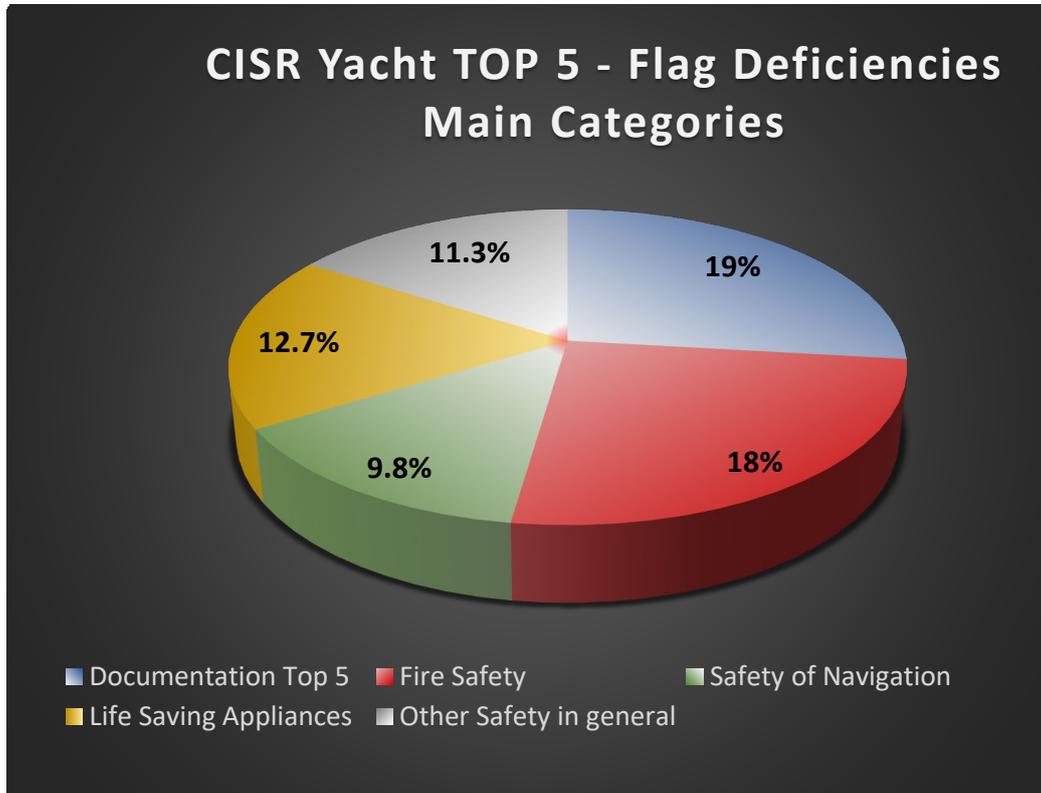
Should the CAP prove not to be effective in eliminating PSC deficiencies the vessel’s risk ranking is increased and additional flag state inspections will be required until the low risk ranking is restored. Furthermore, deficiencies by Company per vessel, are closely monitored in order to spot a developing trend; again a root cause analysis may be requested or an additional Company DOC audit carried out.

The CISR strive to maintain an average fleet age of 12 years in order to help safeguard our PSC ranking; as such so we generally collaborate with Owner’s who have a fleet renewal programme.

5. Most Common Flag State Inspection Deficiencies (Coded Yachts)

The CISR do not delegate Yacht Code surveys, except in exceptional circumstances. As such we have direct oversight of the deficiency categories.

Documentation and Fire Safety are significantly more than the other top 5 deficiencies, which also includes Life Saving Appliances, Safety of Navigation and Other Safety in General.



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

#	Certificates & Documentation (Ship and Crew)	%T5
1	Other (certificates)	11.9
2	Stability Information Booklet	2.6
3	Logbooks/compulsory entries	1.9
4	Manning specified by the minimum safe manning doc	1.8
5	Crew Certificate Endorsement by Flag State	0.9
		19.0

#	Fire Safety	%T5
1	Other (fire safety)	5.9
2	Fire-fighting equipment, appliances & Control Plan	4.0
3	Fixed fire extinguishing installation	3.1
4	Personal equipment	2.8
5	Fire pumps and its pipes	2.2
		18.0

#	Safety of Navigation	%T5
1	Magnetic compass & Correction Log	3.6
2	Bridge Navigational Watch Alarm System (BNWAS)	1.7
3	Lights, shapes, sound-signals	1.6
4	Other (navigation)	1.6
5	LRIT	1.4
		9.8

#	Life Saving Appliances	%T5
1	Launching arrangements for rescue boats	4.6
2	Rescue boats	2.9
3	Other (lifesaving)	2.2
4	Lifebuoys incl. provision and disposition	1.6
5	Inflatable liferafts	1.4
		12.7

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 Captain's to focus on in 2020.

6. CISR Concentrated Inspection Campaign Items 2020

The following items will receive special attention during Flag State inspections in 2020: -

- *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