

**REPUBLIC OF PALAU**

**MARITIME REGULATIONS**

**REPUBLIC OF PALAU**  
**MARITIME REGULATIONS**

**Table of Contents**

Chapter 1 General .....	1
1.1 Establishment and Promulgation of Regulations .....	1
1.2 Interpretation .....	1
1.3 Appointment of Ship Registry Administrator .....	1
1.4 Responsibilities and Authorities of the Ship Registry Administrator .....	1
1.5 Marine Notices .....	3
1.6 Records Relating to Vessels & Seafarers .....	3
Chapter 2 Registration, Documentation, and Identification of Vessels .....	5
2.1 Home Port .....	5
2.2 Vessel eligible to be documented or re-documented .....	5
2.3 Registration Fees .....	6
2.4 Annual Tonnage Fees .....	6
2.5 Oath and Declaration of Ownership .....	6
2.6 Forms of Documents .....	7
2.7 Numbering of Registry Certificates .....	7
2.8 Conditions Precedent to Issuance of Provisional Certificate of Registry .....	7
2.9 Conditions Precedent to Issuance of Permanent Certificate of Registry .....	8
2.10 Sale of Vessel without Change of Registry .....	9
2.11 Transfer to Foreign Registry .....	9
2.12 Closure of Registry .....	10
2.13 Validity of Certificate of Registry .....	10
2.14 New Document .....	10
2.15 Builder’s Certificate .....	11
2.16 Names, Numbers, and Marks on Vessels .....	11
2.17 Numbering of Vessels .....	12
2.18 Change in Name of Vessel .....	12
2.19 Inspection of Documents .....	12
2.20 Fees: Collection, Penalties, and Liens .....	12
2.21 Jurisdiction and Control as the Flag State .....	13
2.22 Recording of Bareboat Charter Party for Bareboat Charter Registration .....	13

2.23 Undertaking of Bareboat Charterer .....	15
2.24 Bareboat Charter: Certificate of Registry .....	15
2.25 Recognition and Recordation of Notice of Foreign Ship Mortgage .....	16
2.26 Bareboat Charter Registration in Foreign State .....	16
2.27 Consent of Mortgagee.....	17
2.28 Right to Fly the Flag of the Republic of Palau Withdrawn.....	17
2.29 Certificate of Temporary Closure of Registry .....	17
Chapter 3 Preferred Mortgages & Maritime Liens.....	18
3.1 Recording & Contents.....	18
3.2 Preferred Mortgage.....	18
3.3 Termination of Mortgagee’s Interest .....	20
3.4 Ship mortgage: Conditions Precedent.....	21
3.5 Bill of Sale: Recording .....	21
3.6 Mortgage: Recording.....	21
3.7 Allocation of Mortgage Indebtedness .....	22
3.8 Advances and Repayments.....	22
3.9 Units of Account .....	24
3.10 Lien of Preferred Mortgage .....	25
3.11 Interest on Preferred Mortgage .....	25
3.12 Priority; Disclosure of Liens; and Penalty .....	25
3.13 Certified Copies; and Exhibition .....	26
3.14 Discharge of Mortgage .....	26
3.15 Foreclosure and Default; Jurisdiction and Procedures.....	26
3.16 Preferred Status.....	27
3.17 Foreclosure; Priority of Preferred Mortgage Lien; and Exemption.....	27
3.18 Necessities; Lien; and Enforcement .....	27
3.19 Necessities; and Waiver of Lien.....	28
Chapter 4 Radio .....	29
4.1 Ship Radio Station License.....	29
4.2 Inmarsat Mobile Earth Stations & Point of Service Activation.....	29
4.3 Radio Accounting Authority .....	29
4.4 Long Range Identification and Tracking of Vessel.....	29
4.5 Maintenance of GMDSS Radio Equipment.....	30
4.6 Radio Operator .....	30

Chapter 5 Safety, Pollution Prevention and Liability, Tonnage Measurement, and Inspection of Vessel .....	32
5.1 Implementation and Compliance .....	32
5.2 List of Conventions .....	32
5.3 Responsibility.....	32
5.4 Regulations for Preventing Collisions .....	32
5.5 Safety of Life at Sea .....	33
5.6 Load Lines .....	36
5.7 Safety Requirements for Passenger Yachts Carrying 13 to 36 passengers .....	38
5.8 Safety Requirements for Large Commercial Yachts .....	39
5.9 Safety Requirements for Private Yachts and Small Commercial Yachts.....	40
5.10 Safety Requirements for Commercial Fishing Vessels .....	40
5.11 Prevention of Pollution from Vessels .....	40
5.12 Control of Harmful Anti-Fouling Systems .....	69
5.13 Civil Liability for Oil Pollution Damage .....	70
5.14 Civil Liability for Bunker Oil Pollution Damage.....	70
5.15 Tonnage Measurement .....	71
5.16 Safety Inspection .....	72
5.17 Standards of Seaworthiness .....	73
5.18 Penalty for Non-Compliance .....	74
5.19 Lien on Vessel Due to Penalty .....	75
Chapter 6 Marine Investigations .....	75
6.1 Definitions .....	75
6.2 Reporting Requirements .....	77
6.3 Marine Investigations.....	78
6.3 Investigation Reports.....	80
6.4 Payment for the Investigation.....	82
Chapter 7 Seafarers and the Maritime Labour Convention .....	83
7.1 Definition .....	83
7.2 Application of Maritime Labour Convention 2006.....	83
7.3 Minimum Age .....	83
7.4 Medical Certificate .....	84
7.5 Training and Qualifications.....	86
7.6 Recruitment and Placement.....	86
7.7 Seafarers' Employment Agreements.....	87

7.8 Seafarers’ Wages .....	90
7.9 Hours of Work and Hours of Rest.....	91
7.10 Entitlement to Leave .....	92
7.11 Repatriation.....	93
7.12 Seafarer Compensation for the Vessel’s Loss or Foundering.....	96
7.13 Manning Levels.....	97
7.14 Accommodations and Recreational Facilities.....	100
7.15 Food and Catering .....	100
7.16 Medical Care on Board Vessel and Ashore.....	100
7.17 Shipowners’ Liability.....	103
7.18 Health and Safety Protection and Accident Prevention.....	105
7.19 Access to shore-based welfare facilities.....	109
7.20 Social Security.....	109
7.21 Copy of MLC 2006 to be on Board.....	110
7.22 Authorization of Recognized Organization.....	110
7.23 Maritime Labour Certificate and Declaration of Maritime Labour Compliance .....	111
7.24 Inspection and Enforcement .....	114
7.25 On-board Complaint Procedures.....	116
7.26 Employment of Properly Trained Palauan Citizens .....	117
7.27 Shipping Articles .....	117

## **Chapter 1 General**

### **1.1 Establishment and Promulgation of Regulations**

In relation to Section 603 of Title 7 of the Palau National Code, these Regulations are established and promulgated with the approval of the President, by the Minister. If there is any inconsistency between the provisions in these Regulations and the provisions in the Act, the provisions in the Act shall, in relation to vessels documented under these Regulations, prevail and apply in place of the provisions in these Regulations, to the extent of the inconsistency.

### **1.2 Interpretation**

- (a) “Act” means Title 7 of the Palau National Code, which was amended to establish an Open Ship Registry in the Republic of Palau, and for other related purposes
- (b) “Administrator” or “Ship Registry Administrator” means the Ship Registry Administrator appointed under Regulation 1.3 below. It can also mean the Office of the Ship Registry Administrator. Words of the masculine gender used in these Regulations for referring to the Administrator or any other person shall include the feminine and the neuter, and words of the neuter gender may refer to any gender. Words in the singular number include the plural, and the plural includes the singular.
- (c) “Minister” means the Minister who is appointed by the President to administer the Act.
- (d) “Owner” means the owner of the vessel or another organization or person that has assumed the responsibility for the operation of the vessel, e.g. manager, agent, bareboat charterer
- (e) “Prescribed Fee” means the fee specified in the Schedule to these Regulations
- (f) “Ship” and “Vessel” have the same meaning and are used interchangeably in these Regulations.

### **1.3 Appointment of Ship Registry Administrator**

Under Section 604 & 605 of the Act, the Minister, with the approval of the President, may appoint a Ship Registry Administrator to administer the Palau Open Ship Registry created under the Act.

### **1.4 Responsibilities and Authorities of the Ship Registry Administrator**

Under Section 604 & 605 of the Act, the Minister, with the approval of the President, shall assign and delegate the following responsibilities and authorities to the Ship Registry Administrator:

- (a) the authority, power and function to administer all matters pertaining to vessels registered under these Regulations;
- (b) the power to appoint commissioners, deputy commissioner(s), registrar(s), deputy registrar(s) and special agents to act on behalf of the Republic of Palau in connection with the registration and documentation of vessels, and the recordation of instruments in relation thereto;
- (c) the power to administer oaths, take acknowledgments and make proofs of due execution required under the applicable law either in or outside the Republic of Palau;
- (d) the power to suspend or to revoke any licenses, certificates, permits or documents issued under the applicable law enacted by the Republic of Palau;
- (e) the power to appoint authorized providers of Point of Service Activation (PSA) for all Inmarsat maritime mobile stations established on vessels registered under the laws of the Republic of Palau;
- (f) in relation to Section 607 of the Act, the power to issue all such licenses, certificates, or other documents for officers and personnel on vessels of the Republic engaged in foreign trade that are subject to the International Convention on Standards of Training, Certificate and Watchkeeping, 1978, as amended (STCW), necessary or proper for carrying out the purposes of the applicable law, and any Rule or Regulation promulgated in furtherance of any international convention, code or agreement to which the Republic of Palau is or may become a Party;
- (g) the power to accredit training colleges and/or courses for STCW and training courses for officers and vessel's personnel and seafarers on vessels of the Republic of Palau;
- (h) the power to issue ship's radio station licenses;
- (i) the power, as the designated authorities under the applicable law and international convention, to perform legalization and apostille of documents executed for use in foreign countries; and
- (j) in connection with International Maritime Organization (IMO) representation including, without limitation, appointment of person nominated by the Ship Registry Administrator as the Alternative Permanent Representative at the IMO, the power to implement procedures and tariffs, further

merchant marine law amendments and selection of vendors such as classification societies as well as appointments of Radio Accounting Authority (RAA), equipment service companies, Long-Range Identification and Tracking (LRIT) data centres, and LRIT Application Service Providers (ASP). All LRIT matters will be administered by the Ship Registry Administrator and or a designated company for international waters only.

## **1.5 Marine Notices**

Marine Notices, when properly promulgated by the Ship Registry Administrator, shall have the force and effect of Regulations.

## **1.6 Records Relating to Vessels & Seafarers**

### **a) Register**

In relation to Section 606 of the Act, the Ship Registry Administrator shall establish and maintain a Register wherein there shall be recorded or filed in properly allocated and accessible form, all documents of the following nature:

- 1) bills of sale, builders' certificates and other instruments of conveyance of vessels;
- 2) mortgages of vessels;
- 3) assignments of mortgages of vessels;
- 4) certificates of permanent and provisional registry;
- 5) licences and certificates of Masters, officers and the crew of the vessel; and
- 6) all other documents relating vessels that the Ship Registry Administrator deems to be entitled to recordation.

### **b) Number of copies required**

- 1) Registration of Mortgages, Discharge of Mortgages, and Assignments of Mortgages shall be submitted in the original and 2 copies.
- 2) Bill of Sale, Builders' Certificates and other instruments of conveyance of vessels shall be submitted in the original and 1 copy for permanent registration.



- 3) Power of Attorney or other evidence of authorization shall be submitted in the original or 1 certified (notarized or apostilled) copy plus 1 copy
- 4) 1 copy of any instrument transferring title to a vessel is required for provisional registration.
- 5) 1 copy of a Seafarer's license or certificate is required for any crew related application

## **Chapter 2 Registration, Documentation, and Identification of Vessels**

### **2.1 Home Port**

In relation to Section 701 of the Act, the home port of every vessel documented under these Regulations shall be Malakal Harbour, and the name of the home port shall be shown on the Certificate of Registry as well as on the stern of the vessel.

### **2.2 Vessel eligible to be documented or re-documented**

- a) In relation to Section 702 of the Act, vessels of the following classes, owned by a Qualified Person, wherever built, are eligible to be documented or re-documented under the Act:
  - 1) Any vessel engaged in foreign trade;
  - 2) Any commercial fishing vessel;
  - 3) Any commercial yacht; and
  - 4) Any private yacht
- b) The definition of Qualified Person under these Regulations, is the same as defined under the Act, which is:
  - 1) a natural person, whether or not a citizen of Palau; or
  - 2) a corporation in good standing under the laws of the jurisdiction in which it is incorporated
- c) The foregoing vessels will not be eligible for initial documentation or re-documentation if, such vessels are over 20 years of age, computed from completion of first construction, unless such vessels are inspected, prior to initial documentation or re-documentation, by a Surveyor or Inspector that is authorized by the Ship Registry Administrator, and reported as seaworthy.
- d) At his discretion, the Ship Registry Administrator may also waive the 20 years age restriction, and document or re-document a vessel where:
  - 1) the vessel meets all other applicable requirements for registration; and
  - 2) it has been satisfactorily demonstrated that there is a genuine need for such waiver.

- e) A vessel engaged solely in domestic commerce shall not be documented under the provisions of these Regulations.

### **2.3 Registration Fees**

- a) In relation to Section 704 of the Act, the Owner of a vessel shall pay the Prescribed Fee as per Schedule 1.
- b) The Ship Registry Administrator, after consultation with the Minister, may by notice amend the Prescribed Fee.

### **2.4 Annual Tonnage Fees**

- a) In relation to Section 705 of the Act, the Owner of a vessel shall pay the prescribed fee as per Schedule 1.
- b) The Ship Registry Administrator, after consultation with the Minister, may by notice amend the Prescribed Fee.
- c) If the Owner fails to pay the annual tonnage fee as provided under sub-regulation (a), the Ship Registry Administrator may suspend or revoke the registry of the vessel with respect to which such tax has not been paid.
- d) An unpaid tonnage fee and any other charges including penalties owing under these Regulations, shall constitute a maritime lien on the vessel and such lien shall have priority over all others save those for wages and salvage.

### **2.5 Oath and Declaration of Ownership**

- a) In relation to Section 708 of the Act and in order to document a vessel, the Owner shall take an oath declaring the ownership of the vessel in the prescribed form as per Schedule 2.
- b) The oath shall be taken before a notary public or an officer authorized to administer oaths by the laws of the place where the oath is administered.
- c) An agent or attorney who purchases any vessel shall take oath as to the ownership of the vessel and he is the agent or attorney for the Owner and in such capacity has made such purchase in good faith.

- d) If the document of a vessel such as the Certificate of Registry has been lost or destroyed, a request for replacement shall be submitted in the prescribed form as per Schedule 2 and taken under oath.

## **2.6 Forms of Documents**

- a) In relation to Section 709 of the Act, the Ship Registry Administrator shall prescribe and furnish forms of Provisional and Permanent Certificate of Registry or any other vessel and seafarer documents. The prescribed forms of these certificates can be found in Schedule 3.
- b) The Ship Registry Administrator may prescribe endorsements that may be made on vessel and seafarer documents from time to time with or without issuance of a new document or surrender of the old document.

## **2.7 Numbering of Registry Certificates**

In relation to Section 710 of the Act, the Ship Registry Administrator shall sequentially number the Certificates of Registry issued by him or her, beginning anew at the commencement of each year, and shall be recorded in a Register kept for that purpose. The Ship Registry Administrator shall also retain permanent copies of all such documents issued by or surrendered to him.

## **2.8 Conditions Precedent to Issuance of Provisional Certificate of Registry**

- a) In relation to Sections 711 and 712 of the Act, upon receipt of an application in the prescribed form as per Schedule 2 for the issuance of a Provisional Certificate of Registry under these Regulations, accompanied by the oath required hereunder, the Ship Registry Administrator may issue a Provisional Certificate of Registry for the vessel provided that the Owner of the vessel furnishes satisfactory proof of the following:
  - 1) the ownership of the vessel;
  - 2) that the vessel is eligible for provisional registration;
  - 3) that the issuing government of any outstanding foreign marine document for the vessel has consented to its surrender; or that the outstanding foreign marine document has been cancelled; or that no further consent is required from the Government of its former registry;
  - 4) that the vessel is in seaworthy condition;

- 5) that the Owner has paid required registration and tonnage fees;
  - 6) that the markings of the name, home port, and draft as per these Regulations have either actually been made or that the Owner has issued orders to the Master of the vessel to have said markings made upon receipt of the Provisional Certificate of Registry on board the vessel;
  - 7) A copy of the current Continuous Synopsis Record (CSR) Document, if applicable, certified by the flag administration from which the vessel is being transferred along with an Amendment Form and a new Index of Amendments.
- b) If the Owner of the vessel to which the Provisional Certificate of Registry has been issued does not, within 6 months after issuance of the Provisional Certificate of Registry, furnish satisfactory proof to the Ship Registry Administrator showing that the vessel's outstanding foreign marine document has actually been surrendered or cancelled, and that the markings required under these Regulations have actually been made, then the Ship Registry Administrator may suspend or revoke the registry of the vessel.
  - c) For good cause shown, the Ship Registry Administrator may issue new Provisional Certificate(s) of Registry for a period not exceeding 2 years from the date when the vessel was first documented.

## **2.9 Conditions Precedent to Issuance of Permanent Certificate of Registry**

- a) In relation to Section 707 of the Act, upon receipt of a written application for the issuance of a Permanent Certificate of Registry under these Regulations, the Ship Registry Administrator may issue a Permanent Certificate of Registry for the vessel provided that the Owner of the vessel furnishes satisfactory proof of the following:
  - 1) the ownership of the vessel;
  - 2) that the vessel is eligible for permanent registration;
  - 3) that the issuing government of any outstanding foreign marine document for the vessel has consented to its surrender; or that the outstanding foreign marine document has been cancelled; or that no further consent is required from the Government of its former registry;
  - 4) that the vessel is in seaworthy condition;

- 5) that the Owner has paid required registration and tonnage fees;
  - 6) that the markings of the name, home port, and draft as per these Regulations have actually been made;
  - 7) that a Certificate of Tonnage Measurement as required under these Regulations has been issued
- b) There shall be no Permanent Certificate of Registry issued to a vessel until all applicable provisions of these Regulations have been complied with.

## **2.10 Sale of Vessel without Change of Registry**

- a) In relation to Section 715 of the Act, whenever a vessel registered under these Regulations is sold or transferred in whole or in part but without change of the country of registration, a new Certificate of Registry and Continuous Synopsis Record (CSR) Document (if applicable) shall be obtained if the provisions of these Regulations relating to the documentation of vessels and subparagraphs b), c), d) and e) below have been complied with.
- b) The ownership of registered vessel shall be transferred by a Bill of Sale as per the prescribed form in Schedule 2.
- c) The signature on the Bill of Sale shall be authenticated by a notary public or by an officer authorized by the Ship Registry Administrator.
- d) The written consent of the mortgagee for the change of ownership shall be required if there is a recorded preferred mortgage on the vessel, which has not been discharged.
- e) The new Owner to submit an Amendment Form and a new Index of Amendments relating to the current Continuous Synopsis Record (CSR) of the vessel, if applicable.

## **2.11 Transfer to Foreign Registry**

In relation to Section 716 of the Act, the Owner of a vessel registered under these Regulations that desire to transfer the vessel to a foreign registry may do so, provided that there are no unfulfilled obligations related to the vessel.

## 2.12 Closure of Registry

- a) In relation to Sections 717, 718 and 719 of the Act, the Owner may submit an application for the closure of the registry in the prescribed form as per Schedule 2, including a request for the transfer of the vessel's Continuous Synopsis Record (CSR) file (if applicable), specifying the reason for the closure, and if a transfer to foreign registry is contemplated, the name of the country to whose registry transfer is desired.
- b) The Ship Registry Administrator may issue a Certificate of Closure of Registry and Continuous Synopsis Record (CSR) Document (if applicable) in the prescribed forms as per Schedule 3 for the vessel, provided that there are no unfulfilled obligations related to the vessel.
- c) The written consent of the mortgagee for the closure of registry shall be required if there is a recorded preferred mortgage on the vessel, which has not been discharged.

## 2.13 Validity of Certificate of Registry

In relation to Section 718 of the Act, other than the expiry date stated on the Certificate of Registry, its continued validity shall be contingent upon:

- a) the good standing of the Owner,
- b) the payment of all applicable fees and fines when due, and
- c) the completion of periodic safety inspections, if applicable, verifying compliance with the relevant requirements of these Regulations and any rules or regulations promulgated by the Ship Registry Administrator.

## 2.14 New Document

- a) In relation to Section 720 of the Act, whenever a vessel registered under these Regulations is transferred wholly or partly without change of flag, or is altered in form or burden by being lengthened or built upon, or from one denomination to another, by the mode or method of rigging or fitting, the vessel shall be required to be documented anew.
- b) The Ship Registry Administrator may issue a new Certificate of Registry if the relevant requirements of these Regulations have been complied with.

- c) Any vessel required under these Regulations to be documented anew, which is not so documented, shall not be deemed a vessel registered under the Flag of Republic of Palau.

## **2.15 Builder's Certificate**

In relation to Section 721 of the Act, in order to register under these Regulations for the first time a vessel newly built and previously undocumented under any flag, the builder, by whom or under whose direction the vessel has been built, shall certify as follows:

- a) that the vessel was built by him or under his direction;
- b) the place where the vessel was built;
- c) the date the keel was laid;
- d) the date the vessel was delivered;
- e) the person for whom the vessel was built;
- f) the principal dimensions of the vessel;
- g) the tonnages; and
- h) such other circumstances as are usually descriptive of the identity of a vessel.

## **2.16 Names, Numbers, and Marks on Vessels**

In relation to Section 722 of the Act, every vessel registered under these Regulations shall be marked permanently and conspicuously as follows:

- a) its name shall be marked on each of its bows, and its name and the name of its port of registry shall be marked on its stern, on a dark background in white or yellow letters or on a light background in black letters, such letters to be not less than six inches in height;
- b) its IMO No. (if applicable) either on the stern or on either side of the hull, amidships port and starboard, above the deepest assigned load line or either side of the superstructure, port and starboard or on the front of the superstructure; and



- c) a scale of decimetres, or of metres and decimetres, denoting its draught of water shall be marked on each side of its stem and of its stern post:
- 1) in figures at two-decimeter intervals, if the scale is in decimetres;
  - 2) in figures at each meter interval and at intervening two-decimeter intervals, if the scale is in metres and decimetres; and
  - 3) the capital letter "M" being placed after each meter figure, the top figure of the scale showing both the meter and (except where it marks a full meter interval) the decimeter figure; the lower line of figures, or figures and letters (as the case may be), coinciding with the draft line denoted thereby, the figures and letters being not less than one decimeter in length and being marked by being cut in and painted white or yellow on a dark background, or in such other way as the Ship Registry Administrator may approve.

### **2.17 Numbering of Vessels**

In relation to Section 723 of the Act, upon the initial registration of a vessel under these Regulations, the Ship Registry Administrator shall assign an official number to the vessel.

### **2.18 Change in Name of Vessel**

In relation to Section 724 of the Act, the Ship Registry Administrator may change the name of vessel registered under these Regulations, on application by the Owner in the prescribed form as per Schedule 2, and subject to the written consent of the mortgagee if there is a recorded preferred mortgage on the vessel.

### **2.19 Inspection of Documents**

In relation to Section 725 of the Act, any officer designated by the Ship Registry Administrator, may at all times inspect the Certificate of Registry and tonnage tax receipt of a vessel registered under these Regulations.

### **2.20 Fees: Collection, Penalties, and Liens**

- a) In relation to Section 729 of the Act, the prescribed tonnage fee as per Schedule 1 imposed on a vessel registered under these Regulations shall be due and payable upon initial registration and thereafter on the anniversary of the date of its registration.

- b) There shall be no rebate or proration of a tonnage fee and the entire annual tonnage fee shall be due in respect of a vessel that remains registered under these Regulations for any portion of the year. Any and all annual fees shall be paid in advance by the anniversary date in respect of which such fees are due. A penalty at the prescribed rate as per Schedule 1 shall be imposed for late payment of such fees. If payment is delayed beyond 60 days in respect of which such fees are due, the Certificate of Registry may be suspended and confiscated until all outstanding fees and penalties are paid, or in the alternative, the Certificate of Registry may be cancelled by the Ship Registry Administrator.
- c) The Ship Registry Administrator is authorized to issue official receipts for the payment of fees and any penalties relating thereto.
- d) All unpaid fees, penalties and other charges arising under these Regulations shall constitute a maritime lien on the vessel and such lien shall have priority over all others save those for wages and salvage.
- e) No Certificate of Registry shall be issued or returned to the Owner or Master of a vessel by the Ship Registry Administrator until such proof is furnished that all applicable fees have been paid.

## **2.21 Jurisdiction and Control as the Flag State**

In relation to Section 730 of the Act, from the time of issuance of a Certificate of Registry under these Regulations until its expiration, termination, revocation or cancellation, whichever first occurs, the vessel shall be granted and shall enjoy the right to fly the Flag of the Republic of Palau exclusively, unless its Certificate of Registry is specifically endorsed so as to withdraw that right. At all times during the period that a vessel has the right to fly the Flag of the Republic of Palau, the vessel shall be subject to the exclusive jurisdiction and control of the Republic of Palau as the Flag State, in accordance with the applicable international agreements, conventions and treaties and with the provisions of the Act and these Regulations.

## **2.22 Recording of Bareboat Charter Party for Bareboat Charter Registration**

- a) In relation to Section 735 of the Act, a Qualified Person desiring to obtain the provisional registration under these Regulations of a vessel that such Qualified Person possesses by bareboat charter, and which in all respects other than ownership, complies with the requirements of these Regulations, may submit an application in the prescribed form as per Schedule 2 together with the original or

certified true copy of the charter party to be duly recorded in the Register. At a minimum, the charter party must disclose:

- 1) the name of the vessel;
  - 2) the names of the bareboat charterer, the Owner of the vessel, and the holders of any registered mortgages, hypothecations or similar charges;
  - 3) the time and date of recording of the charter party
  - 4) the period of duration of the charter party; and
  - 5) the foreign State of registration of the vessel.
- b) The following documents must be filed with the Ship Registry Administrator:
- 1) an official certificate from the foreign State of registration setting forth the ownership of the vessel and any recorded encumbrances;
  - 2) the written consents of the vessel's Owner and of the mortgagee(s), if any, to the provisional registration of the vessel under these Regulations;
  - 3) satisfactory evidence that the foreign State of registration will withdraw from the vessel the right to fly the flag of that State while the vessel is subject to the bareboat charter recorded under this sub-chapter;
  - 4) satisfactory evidence that the vessel is in seaworthy condition;
  - 5) proof that the bareboat charterer has paid required registration and tonnage fees;
  - 6) proof that the markings of the name, home port, and draft as per these Regulations have either actually been made or that the bareboat charterer has issued orders to the Master of the vessel to have said markings made upon receipt of the Provisional Certificate of Registry on board the vessel.
  - 7) A copy of the current Continuous Synopsis Record (CSR) Document, if applicable, certified by the flag administration from which the vessel is being transferred along with an Amendment Form and a new Index of Amendments

- c) Any subsequent amendments or addenda to the charter party recorded under this sub-chapter shall be submitted for recording within thirty (30) calendar days of execution.

## **2.23 Undertaking of Bareboat Charterer**

In relation to Section 736 of the Act, the bareboat charterer shall execute under oath or affirmation an undertaking in the prescribed form as per Schedule 2 that, while the vessel is granted the right to fly the Flag of the Republic of Palau, the vessel will not fly any other flag nor show any home port other than Malakal Harbour.

## **2.24 Bareboat Charter: Certificate of Registry**

- a) In relation to Section 737 of the Act, when the charter party has been recorded and an application for registration of the vessel has been executed and filed by the bareboat charterer together with all necessary documents and payment of all applicable fees, the Ship Registry Administrator shall issue to the vessel a Provisional Certificate of Registry, valid for a period not exceeding 6 months or until the date of termination of the bareboat charter, whichever first occurs.
- b) The Ship Registry Administrator may issue a Permanent Certificate of Registry if there is satisfactory evidence that the foreign State of registration has been temporarily suspended or withdrawn from the vessel the right to fly the flag of that State and that the markings required under these Regulations have actually been made. The validity of the Permanent Certificate of Registry issued under this sub-chapter will not bear an expiration date later than or remains valid beyond the date of termination of the bareboat charter.
- c) If the bareboat charterer of the vessel to which the Provisional Certificate of Registry has been issued does not, within 6 months after issuance of the Provisional Certificate of Registry, furnish satisfactory proof to the Ship Registry Administrator showing that the vessel's right to fly the flag of the foreign State of registration has been withdrawn or temporarily suspended, and that the markings required under these Regulations have actually been made, then the Ship Registry Administrator may suspend or revoke the registry of the vessel.
- d) For good cause shown, the Ship Registry Administrator may issue new Provisional Certificate(s) of Registry for a period not exceeding 2 years from the date when the vessel was first documented. However, in no case may a Provisional Certificate of Registry reissued under this sub-chapter bear an expiration date later than or remains valid beyond the date of termination of the bareboat charter.

- e) The bareboat charterer may apply to the Ship Registry Administrator for an extension to the bareboat charter registration if the charter party has been similarly extended and that the foreign State of registration has extended the withdrawal or temporary closure of the vessel's right to fly the flag of that State. All necessary documents will need to be filed with the Ship Registry Administrator and payment of all applicable fees made before the Ship Registry Administrator reissues a new Certificate of Registry, which will not bear an expiration date later than or remains valid beyond the date of termination of the bareboat charter extension.

## **2.25 Recognition and Recordation of Notice of Foreign Ship Mortgage**

- a) In relation to Section 739 of the Act, without prejudice to the continuing foreign legal status of a ship mortgage, hypothecation or similar charge made and registered in accordance with the laws of a foreign State, a notice may be recorded with the Ship Registry Administrator that such mortgage exists.
- b) No notice in respect of a ship mortgage, hypothecation or similar charge, or any other instrument related thereto shall be accepted for recording under this sub-chapter unless it has first been duly and validly executed and registered in the foreign State of registration of the vessel. If there is more than one such mortgage, hypothecation or similar charge, then notices in respect of all such instruments may be recorded under the provisions of this sub-chapter in the same order as they are registered in the foreign State of registration.
- c) If notice in respect of a foreign mortgage, hypothecation or similar charge, has been recorded pursuant to this sub-chapter, then any subsequent mortgage, hypothecation or similar charge and any other instrument related thereto which is subsequently registered in accordance with the laws of the foreign State of registration of the vessel shall also be recorded forthwith in accordance with the provisions of these Regulations.

## **2.26 Bareboat Charter Registration in Foreign State**

In relation to Section 740 of the Act, no vessel registered under these Regulations may obtain a valid bareboat charter registration in a foreign State unless the Owner first applies for and receives from the Ship Registry Administrator a Certificate of Permission in the prescribed form as per Schedule 3, and pays all the applicable fees as per Schedule 1 to obtain such registration.

## **2.27 Consent of Mortgagee**

In relation to Section 741 of the Act, in the event the vessel is subject to one or more Preferred Ship Mortgages, the written consent of each mortgagee for the foreign bareboat charter registration shall be duly filed prior to issuance of a Certificate of Permission.

## **2.28 Right to Fly the Flag of the Republic of Palau Withdrawn**

- a) In relation to Section 742 of the Act, the Certificate of Permission for bareboat charter registration in a foreign State shall declare that the right to fly the Flag of the Republic of Palau and to show the home port of Malakal Harbour is withdrawn while the vessel is subject to the bareboat charter identified in the certificate. The certificate shall also state that the Republic of Palau recognizes the named foreign State as the competent authority to exercise exclusive jurisdiction and control over the vessel in accordance with the applicable international agreements, conventions and treaties.
- b) Notwithstanding that the right to fly the Flag of the Republic of Palau shall have been withdrawn during the period of bareboat charter registration in the foreign State, in the event that the vessel remains subject to one or more Preferred Ship Mortgages recorded under these Regulations, such mortgage shall, unless satisfied, released or discharged of record, remain in full force and effect and be governed solely and exclusively by the laws of the Republic of Palau.

## **2.29 Certificate of Temporary Closure of Registry**

- a) In relation to Section 743 of the Act, once a Certificate of Permission for bareboat charter registration in a foreign State has been issued, the Owner of the vessel shall surrender its current Certificate of Registry, and a Certificate of Temporary Closure of Registry shall be issued to the vessel, boldly endorsed to show that the right to fly the Flag of the Republic of Palau has been withdrawn. The validity of this certificate issued under this sub-chapter will not bear an expiration date later than or remains valid beyond the date of termination of the bareboat charter.
- b) Prior to the expiration of the Certificate of Temporary Closure of Registry, the Owner may apply to the Ship Registry Administrator for an extension to the temporary closure of registry if the charter party has been similarly extended. All necessary documents including the written consent(s) of the mortgagee(s), if any will need to be filed with the Ship Registry Administrator and payment of all applicable fees made before the Ship Registry Administrator reissues a new Certificate of Temporary Closure of Registry, which will not bear an expiration date later than or remains valid beyond the date of termination of the bareboat charter extension.

## Chapter 3 Preferred Mortgages & Maritime Liens

### 3.1 Recording & Contents

- a) In relation to Section 901 of the Act, a hypothecation, mortgage or assignment of mortgage of any vessel registered under these Regulations shall not be valid in respect of such vessel until the instrument evidencing such transaction is recorded in the Register under these Regulations.
- b) Each Special Agent of the Ship Registry Administrator, wherever located, shall have full authority to record such instrument or instruments.
- c) The Ship Registry Administrator, or its duly authorized Special Agent elsewhere, shall record such instruments in the order of their reception in appropriate indexes to be kept for that purpose, showing:
  - 1) the name of the vessel;
  - 2) the names of the parties;
  - 3) the time and date of reception of the instrument affected;
  - 4) the interest in the vessel transferred or affected; and
  - 5) the amount or amounts of the direct or contingent obligations that are or may become secured by the mortgage

### 3.2 Preferred Mortgage

- a) In relation to Section 902 of the Act, a valid mortgage, whenever made, which at the time it is made includes the whole of any vessel, shall have a preferred status in respect of such vessel as of the date of its recordation if the mortgage is recorded as provided herein. The preferred status of a mortgage under these Regulations shall not be prejudiced or impaired by reason of the fact that such instrument secures the payment, pledge or assignment of monies or rights, due or to become due, such as, but not limited to, guarantee fees, insurance options, charter hire, freight revenues or any other fees, costs or charges, direct or contingent, incidental to the sale, purchase or operation of a vessel of the Republic of Palau; or the applicability of or compliance with any provision of these

Regulations; or by reason of the fact that no advance of monies is or has been made at the time of its recordation.

- b) Notwithstanding the provisions of the first sentence of paragraph a) of this sub-chapter, a valid mortgage whenever made which:
- 1) includes the whole of any vessel;
  - 2) is recorded as provided herein, and
  - 3) is granted in continuation of a prior recorded mortgage, hypothecation or similar charge on such vessel, whether granted under the laws of the Republic of Palau or the laws of another nation under which the vessel was documented at the time such prior mortgage was recorded;

shall have preferred status in respect of such vessel as of the date of recordation of such prior mortgage. For purposes of this paragraph b) of this sub-chapter, a mortgage “granted in continuation of a prior recorded mortgage, hypothecation or similar charge” shall mean a mortgage on a Republic of Palau vessel where:

- (i) The vessel covered by such mortgage is a vessel covered by the prior mortgage, hypothecation or similar charge;
- (ii) The obligations secured by such mortgage are obligations secured by the prior mortgage, hypothecation or similar charge;
- (iii) Such mortgage is granted by the current vessel Owner whether or not the Owner is the vessel Owner which granted the prior mortgage, hypothecation or similar charge to secure obligations secured by the prior mortgage, hypothecation or similar charge; and
- (iv) For a vessel entering the Register of the Republic, such mortgage is recorded during the period defined in paragraph c) of this sub-chapter.

Nothing in this paragraph b) of this sub-chapter shall be construed to pre-empt any non-statutory law which, taking into account the foregoing or other circumstances, would recognize the preferred status of a mortgage on a vessel of the Republic of Palau prior to the date of recording thereof.



- c) For a vessel entering the register of the Republic of Palau, the preferred status of a mortgage, hypothecation or similar charge on such vessel recognized hereunder shall continue for a period of thirty (30) days following registration of the vessel if the information with respect to such mortgage is furnished to the Ship Registry Administrator in connection with the registration of the vessel under the laws of the Republic of Palau. Such preferred status shall not be adversely affected by the deletion or release of the mortgage as a matter of record from the vessel's prior register in connection with, or as a condition to, deletion of the vessel from that register.
  
- d) In the interpretation and application of this sub-chapter, a certified Extract of the Preferred Mortgage recorded with the Ship Registry Administrator in the prescribed form as per Schedule 3, a Certificate of Ownership and Encumbrance in the prescribed form as per Schedule 3 issued by the Ship Registry Administrator or, in the case of a mortgage, hypothecation or similar charge recorded in another nation, similar documentation, including a transcript of registry, certified or issued by the appropriate governmental agency in such nation, shall be accepted as evidence of the granting and recordation of a mortgage, hypothecation or similar charge, including the date of recordation thereof.

### **3.3 Termination of Mortgagee's Interest**

- a) In relation to Section 903 of the Act, the interest of a mortgagee in a vessel registered under these Regulations shall not be terminated by a forfeiture of the vessel for a violation of any law of the Republic of Palau, unless the mortgagee authorized, consented, or conspired to affect the illegal act, failure, or omission which constituted such violation.
  
- b) The registration of a vessel of the Republic of Palau which is the subject of a Preferred Mortgage may not be canceled from the Register for so long as the indebtedness secured by the Preferred Mortgage remains unsatisfied or the Mortgage is not otherwise discharged; provided however, that the Ship Registry Administrator may, not less than sixty (60) days following the mailing of notice to all mortgagees of record at their last known mailing addresses of the Administrator's intent to do so, strike a vessel from the Registry and Flag of the Republic of Palau as a result of receipt by it of evidence satisfactory to it that the vessel has been lost, destroyed, or transferred to another registry following sale by order of an Admiralty Court in a civil action *in rem*; such administrative action by the Administrator shall not impair or affect the lien or status of any Preferred Mortgage recorded under these Regulation, nor shall it terminate the interest of a mortgagee in such a vessel.

### **3.4 Ship mortgage: Conditions Precedent**

In relation to Section 904 of the Act, a mortgage shall not be recordable unless it states the interest of the mortgagor in the vessel, and the interest so mortgaged. A mortgage or instrument of release or discharge thereof shall not be recorded unless it bears an apostille issued by a competent authority of a State Party to the Hague Convention of 5 October 1961, as amended, or has been acknowledged or is submitted with such other proof of due execution as may be required by these Regulation.

### **3.5 Bill of Sale: Recording**

In relation to Section 905 of the Act, the Ship Registry Administrator or its duly authorized Special Agent elsewhere may accept for recording any bill of sale or other conveyance of a vessel or a facsimile thereof, the original of which has been received by the Ship Registry Administrator or any Special Agent, which recites the interest of the seller in the vessel and the interests sold or conveyed, provided it has previously been acknowledged or is submitted with such other proof of due execution as may be required by these Regulation, and provided further that any bill of sale of a vessel already documented under the laws of Republic of Palau must have attached thereto a true copy of its latest Certificate of Registry.

### **3.6 Mortgage: Recording**

- a) In relation to Section 906 of the Act, the Ship Registry Administrator, or its duly authorized Special Agent elsewhere, may accept for recording any mortgage on a vessel, whenever made, which recites the interest of the mortgagor in the vessel and the interest so mortgaged, provided it bears the Hague Convention apostille or has been acknowledged or is submitted with such other proof of due execution as may be required by these Regulation, and provided further that written proof is furnished to it of the amounts and dates of any documents or evidence of debts in support thereof. The mortgage or related instrument submitted must be accompanied by an application for the recording of mortgage in the prescribed form as per Schedule 2 and the payment of the relevant fees as per Schedule 1.
  
- b) The Ship Registry Administrator or its duly authorized Special Agent elsewhere shall record a mortgage or related instrument submitted to it in proper form, and shall thereupon, issue a certified Extract of the Preferred Mortgage recorded with the Ship Registry Administrator in the prescribed form as per Schedule 3, as evidence of recordation of a Preferred Ship Mortgage under these Regulations.

- c) A Certificate of Ownership and Encumbrance, in the prescribed form as per Schedule 3, shall upon timely request be issued by the Ship Registry Administrator or its duly authorized Special Agent elsewhere, setting forth all recorded mortgages, encumbrances and related instruments with respect to a vessel registered under these Regulations as of the time and date of its issuance.

### **3.7 Allocation of Mortgage Indebtedness**

- a) In relation to Section 907 of the Act, a mortgage which complies with the conditions enumerated in these Regulations is designated as a Preferred Mortgage.
- b) If a Preferred Mortgage includes more than one vessel or property that is not a vessel, the mortgage may provide for the separate discharge of each vessel and all property that is not a vessel by the payment of a part of the mortgage indebtedness.
- c) If a vessel covered by a Preferred Mortgage under these Regulations, that includes more than one vessel, or property that is not a vessel, is to be sold on the order of an Admiralty Court in a civil action *in rem* and the mortgage does not provide for separate discharge as provided in these Regulations, the said Preferred Mortgage shall constitute a lien on that vessel in the full amount of the outstanding mortgage indebtedness; and an allocation of mortgage indebtedness for purposes of separate discharge may not be made by such Court among the vessel and other property covered by the mortgage.

### **3.8 Advances and Repayments**

- a) Advance or other value given pursuant to commitment:
  - 1) In relation to Section 908 of the Act, a Preferred Mortgage may secure future advances including contingent obligations and shall not be extinguished or lose its priority because all previously outstanding obligations secured thereby have been fully repaid or otherwise performed, provided that an advance or other value is to be given at a later time pursuant to commitment existing at the time the Mortgage is recorded. For the purpose of this paragraph a) of this sub-chapter, an advance or other value is given “pursuant to commitment” if the mortgagee or other person entitled to the benefit of the security of the mortgage has bound himself to give it, whether or not a subsequent event of default or other event not within his control has relieved or may relieve him from his obligation.

- 2) When a Preferred Mortgage secures an obligation in respect of which one or more advances or repayments may be made from time to time in the future and the maximum amount outstanding under the obligation at any one time is limited to a certain amount, the amount to be recorded with respect to such obligation may be either:
    - (i) such maximum amount that may be outstanding at any one time, or
    - (ii) the aggregate of all possible advances that may be made.
  - 3) A Preferred Mortgage made pursuant to commitment shall clearly indicate whether the amount is the maximum amount that may be outstanding at any one time or is the aggregate of all possible advances.
- b) Advances or other value given pursuant to agreement:
- 1) Notwithstanding any other provision of these Regulations, a Preferred Mortgage may secure an agreed-upon maximum amount representing all debts or obligations arising or that may arise between the debtor and the creditor within a specified period. Such maximum amount may exceed the value of the vessel or vessels, which may themselves represent only a part of all of the assets that are subject to the Preferred Mortgage. Only that indebtedness incurred on or prior to the maturity date or date of termination of a Preferred mortgage made “pursuant to agreement” shall retain its status and ranking as a preferred maritime lien under these Regulations. The indebtedness secured thereby shall include all expenses and interest associated with such indebtedness prior to maturity. A Preferred Mortgage made “pursuant to agreement” under this paragraph b) of this sub-chapter shall not be required to represent a commitment to lend on the part of the mortgagee, but shall secure all debts or obligations arising or that may arise between the parties as a result of transactions the nature of which are subject to the provisions of the mortgage deed, whether present or future, actual or contingent, and shall set forth in addition to other terms and conditions the maximum amount and the maturity date, or a statement of the date of termination if it is other than the maturity date thereof.
  - 2) Nothing contained in this paragraph b) of this sub-chapter shall be construed to impair the lien status, recordability, validity or enforceability with respect to a vessel registered under these Regulations of a Preferred Mortgage granted by its Owner that:
    - (i) secures obligations, in whole or in part, arising out of specific successive business contracts or other transactions, whether or not such contracts or transactions are related to or arise

from the construction, purchase, sale or chartering of a vessel registered under these Regulations, or

- (ii) secures all debts or obligations owed or to be owed there under, so long as the aggregate amount of such debts or obligations does not exceed at any one time the stated maximum amount of the Mortgage.
- c) The preferred status of a mortgage made “pursuant to agreement” in accordance with this paragraph b) of this sub-chapter, which may be secured by property that is not a vessel, or more than one vessel, shall not be impaired by reason of the fact that the mortgage does not provide for separate discharge thereof.

### **3.9 Units of Account**

- a) In relation to Section 909 of the Act, the obligations secured by a Preferred Mortgage may be expressed in any unit or units of account to which the parties may agree, including but not limited to currency currently used by the Republic of Palau, currency or currencies of any foreign State or States, or in equivalents of any other unit or units of account established by intergovernmental organizations
- b) If a Preferred Mortgage secures an obligation in one or more specified units of account and there is an option to have a unit of account altered from time to time, the principal amount of the mortgage to be recorded shall be denominated in one or more of the said specified units of account. The recordation may include as additional words “or an equivalent amount in any alternate unit of account,” or similar language, and if such additional words are recorded, no change in the recorded amount shall be required to reflect the fact that the obligation or any portion thereof is subsequently denominated in a different unit or units of account, unless the parties otherwise agree.
- c) When a Preferred Mortgage secures an obligation in respect of which there is an option to have the obligation amount denominated from time to time in alternate units of account but which continues to be payable in, or by reference to, a specified unit of account:
  - 1) the amount of the obligation to be recorded shall be expressed in the specified unit of account; and
  - 2) notwithstanding any exercise of the option, no change in the recorded amount shall be required.

- d) A Preferred Mortgage as described in paragraphs (b) or (c) of this sub-chapter may additionally secure any loss up to a specified amount arising out of fluctuations between a specified unit of account and any alternate unit of account in which the obligation amount may be denominated from time to time, and such specified amount shall also be recorded.

### **3.10 Lien of Preferred Mortgage**

In relation to Section 910 of the Act, a Preferred Mortgage shall constitute a maritime lien upon the mortgaged vessel in the amount of the outstanding mortgage indebtedness secured by such vessel. The lien of a Preferred Mortgage shall not be in any way impaired or affected because the vessel's document following recording of the mortgage has expired, or has been restrictively endorsed, suspended, revoked or canceled.

### **3.11 Interest on Preferred Mortgage**

In relation to Section 911 of the Act, any other provision of law or regulation to the contrary notwithstanding, a Preferred Mortgage may secure such interest, including interest on interest, on an obligation secured by the mortgage as the parties may agree, which interest may be at fixed rates, variable rates, rates based upon formulas, or by adding margins to the mortgagee's cost from time to time of funding an obligation secured by the mortgage, or by any other method to which the parties may agree.

### **3.12 Priority; Disclosure of Liens; and Penalty**

- a) In relation to Section 912 of the Act, the mortgagor, before executing a Preferred Mortgage, shall disclose to the mortgagee in writing the existence of any maritime lien, prior mortgage, or other obligation or liability upon the vessel to be mortgaged which is known to the mortgagor.
- b) After the execution of such Mortgage and before the mortgagee has had a reasonable time in which to record it, the mortgagor, without the consent of the mortgagee, shall not incur any contractual obligation creating a lien upon the vessel, other than liens for wages of stevedores when employed directly by the Owner, operator, Master, ship's husband, or agent of the vessel, for wages of the crew of the vessel, for general average or for salvage, including contract salvage, tonnage fees and other charges of the Ship Registry Administrator in respect of the vessel.
- c) Whoever, being a mortgagor or the president or principal officer of a corporate mortgagor, willfully and knowingly violates this sub-chapter with intent to hinder, delay or defraud any existing or future creditor of the mortgagor or any lien or of the mortgaged vessel, shall be guilty of a felony and shall

be imprisoned for a period of not more than 2 years, or fined not more than Two Thousand Dollars (US\$2,000) or both. The mortgage indebtedness shall thereupon become immediately due and payable at the election of the mortgagee.

### **3.13 Certified Copies; and Exhibition**

In relation to Section 913 of the Act, anyone may submit an application in the prescribed form as per Schedule 2 and pay the relevant fees as per Schedule 1 for a certified copy of the Extract(s) of the Preferred Mortgage(s) if there is a mortgage of the vessel recorded with the Ship Registry Administrator. There is no requirement for the mortgagor of a vessel registered under these Regulations to exhibit any certified copy of the Extract of the Preferred Mortgage on board the vessel.

### **3.14 Discharge of Mortgage**

In relation to Section 914 of the Act, the mortgagor, upon a complete discharge of the mortgage indebtedness, shall forthwith file a certificate of such discharge in the prescribed form as per Schedule 2 together with the relevant fees as per Schedule 1, and duly executed by the mortgagee, his successors or assigns, with the Ship Registry Administrator, which shall thereupon record the certificate. The mortgagor may similarly file a certificate of partial discharge, which shall be similarly recorded.

### **3.15 Foreclosure and Default; Jurisdiction and Procedures**

- a) In relation to Section 915 of the Act, the lien of a Preferred Mortgage may be enforced in the Republic of Palau by a suit *in rem* in the Supreme Court of the Republic, sitting in Admiralty, upon default of any term or condition. In addition to any notice by publication, actual notice of the commencement of suit shall be given by the libellant, in such manner as the Court directs, to the Master, other ranking officer, or caretaker of the vessel, and to any person who has recorded a notice of claim of an undischarged lien upon the vessel, unless after search by the libellant satisfactory to the Court such person is not found within the Republic of Palau. Failure to give such notice shall not constitute a jurisdictional defect, but the libellant shall be liable to such person for damages in the amount of his interest in the vessel terminated by the suit.
  
- b) The lien of a Preferred Mortgage may also be enforced by a suit *in rem* in Admiralty or otherwise in any foreign country in which the vessel shall be found, pursuant to the procedure of said country for the enforcement of ship mortgages constituting maritime liens on vessels documented under the laws of said country.

- c) Notwithstanding anything in this chapter, the mortgagee may, in addition to all other remedies granted by this Chapter, bring suit *in personam* against the mortgagor, maker, co-maker, or guarantor in any court of competent jurisdiction for the amount of the outstanding mortgage indebtedness or for any deficiency in the full payment thereof.
  
- d) The enforcement by suit *in rem* in Admiralty of the rights of the mortgagee with respect to a vessel or vessels covered by a Preferred Mortgage shall not be precluded or impaired, notwithstanding the enforcement of any rights that the mortgagee may have under the said mortgage to property that is not a vessel.

### **3.16 Preferred Status**

In relation to Section 916 of the Act, as used in this Chapter, the term “Preferred Mortgage” shall include, in addition to a Preferred Mortgage made pursuant to the provisions of this Chapter, any mortgage, hypothecation or similar charge created as security upon any documented foreign vessel if such mortgage, hypothecation or similar charge has been duly and validly executed and registered in accordance with the laws of the nation where the vessel’s ownership is documented; and the term “Preferred Mortgage lien” shall also include the lien of such mortgage, hypothecation or similar charge.

### **3.17 Foreclosure; Priority of Preferred Mortgage Lien; and Exemption**

In relation to Section 917 of the Act, upon the sale of any vessel in a suit *in rem* in the Supreme Court of the Republic of Palau, sitting in Admiralty for the enforcement of a Preferred Mortgage lien, all preexisting claims in the vessel, including any possessory common law lien, shall terminate and shall thereafter attach in like amount and in accordance with their respective priorities to the proceeds of sale; except that the Preferred Mortgage lien shall have priority over all claims against the vessel, except maritime liens for damages arising out of tort, maritime liens arising under sub-chapter 2.20 of these Regulations, maritime liens for crew’s wages, for general average, and for salvage (including contract salvage) and expenses and fees allowed and costs awarded by the Court.

### **3.18 Necessities; Lien; and Enforcement**

- a) In relation to Section 918 of the Act, whoever furnishes repairs, supplies, towage, use of dry dock or marine railway, or other necessities, to any foreign or domestic vessel upon the order of the Owner or person authorized by the Owner, shall have a maritime lien on the vessel.



- b) The managing Owner, vessel's husband, Master, or any person to whom the management of the vessel at the port of supply is entrusted, including any such appointed by a charterer, Owner *pro hac vice* or agreed purchaser in possession, shall be presumed to have authority from the Owner to procure such necessities; but a person tortuously or unlawfully in possession or charge of the vessel shall not have authority to bind it.
  
- c) This sub-chapter shall not confer a lien when the furnisher knew, or by exercise of reasonable diligence could have ascertained, that because of the terms of a charter party, agreement for sale of the vessel, or for any other reason, the person ordering necessities was without authority to bind the vessel therefore.

### **3.19 Necessities; and Waiver of Lien**

In relation to Section 919 of the Act, this Chapter shall not prevent the furnisher of repairs, supplies, towage, use of dry dock or marine railway or other necessities, or the mortgagee, from waiving his right to a lien or in the case of a Preferred Mortgage lien to the preferred status of such lien, at any time by agreement or otherwise.

## **Chapter 4 Radio**

### **4.1 Ship Radio Station License**

a) Application for License

In relation to Section 620 of the Act, the Owner of a vessel that has on board a radio transmitting apparatus, and or other maritime mobile radio stations must apply to the Ship Registry Administrator for the issuance of a Ship Radio Station License. Application must be submitted in the prescribed form as per Schedule 2 together with the applicable fees as per Schedule 1.

b) Validity and Renewal

Upon receipt of the application, the Ship Registry Administrator shall issue a license in the prescribed form as per Schedule 3 valid for 1 year and subject to annual renewals.

### **4.2 Inmarsat Mobile Earth Stations & Point of Service Activation**

In relation to Section 620 of the Act, all Inmarsat Mobile Earth Stations (MES) on board a vessel shall be reported to and activated, deactivated or have their systems data modified by a Point of Service Activation (PSA) providers that are authorized by the Ship Registry Administrator.

### **4.3 Radio Accounting Authority**

The Owner of a vessel that uses radio telephone, telex, and maritime mobile-satellite services to communicate with the international subscriber networks shall have a service contract with a Radio Accounting Authority (RAA) that is authorized by the Ship Registry Administrator.

### **4.4 Long Range Identification and Tracking of Vessel**

a) Mandatory

All vessels registered under these Regulations and subject to SOLAS regulation V/19-1, shall be required to transmit Long Range Identification and Tracking (LRIT) information and to comply as per the requirements stated in the SOLAS regulations.

b) Exemptions and Equivalentents Given

Exemptions and equivalentents may be given to certain types of vessels and also to vessels operating only in Global Maritime Distress and Safety System (GMDSS) Sea Area A1 and fitted with an Automatic Identification System (AIS) as per SOLAS regulation V/19.

c) Testing of LRIT Equipment

Vessels fitted with LRIT equipment shall be tested by an Application Service Providers (ASP) that is authorized by the Ship Registry Administrator. Upon successful testing of the LRIT equipment, the Owner shall submit the test report to the Ship Registry Administrator together with the relevant fees as per Schedule 1 and the Administrator will issue a LRIT Certificate (Conformance Test Report) in the prescribed form as per Schedule 3.

d) LRIT Data Center and Transmission of LRIT Information

The LRIT equipment of the vessel shall be set to automatically transmit the vessel's LRIT information at the minimum of 6-hour intervals to the LRIT Data Center authorized by the Ship Registry Administrator. The Owner of a vessel that is undergoing repairs, modifications or conversions in dry dock or is lay up for a long period of time, may request for either a reduction in the frequency of transmission to one transmission every 24-hour period, or a temporary halt in the transmission of such information.

#### **4.5 Maintenance of GMDSS Radio Equipment**

All vessels fitted with GMDSS radio equipment shall be required to have either maintenance ashore or at sea to ensure availability of such equipment as per SOLAS regulation IV/15. Where the ship Owner has opted for the GMDSS radio equipment to be maintained through a Shore-Based Maintenance (SBM) Agreement, the company providing the SBM services has to be authorized by the Ship Registry Administrator.

#### **4.6 Radio Operator**

a) Valid Operator Certificate

All vessels fitted with GMDSS radio equipment shall only be operated by an operator holding a valid certificate, in the proper class or category, which is issued by a maritime administration that is in the IMO STCW White List.

b) Application for Endorsement of Operator Certificate

The Owner, manager or its agent shall submit an application in the prescribed form as per Schedule 2 together with the relevant fees as per Schedule 1 for the endorsement of such GMDSS operator certificate as per STCW Section A-I/2.

c) Processing Certificate of Endorsement

Upon receipt of the application, a copy of the GMDSS operator certificate and other supporting documents, and fees, the Ship Registry Administrator shall issue a Processing Certificate of Endorsement valid for 3 months as per STCW Regulation I/10 in the prescribed form as per Schedule 3.

d) Certificate of Endorsement

Upon verification of the authenticity of the GMDSS operator certificate, the Ship Registry Administrator shall issue a Certificate of Endorsement (COE) as per STCW Section A-I/2 in the prescribed form as per Schedule 3. The validity of the COE issued will not bear an expiration date later than or remains valid beyond the validity of the GMDSS operator certificate.

## **Chapter 5 Safety, Pollution Prevention and Liability, Tonnage Measurement, and Inspection of Vessel**

### **5.1 Implementation and Compliance**

In relation to Section 644 of the Act, the international conventions, treaties and agreements to which the Republic of Palau is a party, shall be complied with by all vessels of the Republic of Palau engaged in foreign trade and, to the extent determined applicable, to all fishing vessels and yachts. The international conventions, treaties and agreements, as such may be amended, shall have effect in Palau as if specifically enacted by statute and fully set forth herein.

### **5.2 List of Conventions**

The Ship Registry Administrator periodically publishes and updates through Marine Notices to the attention of owners and Masters the applicable international treaties, conventions, protocols, codes, regulations and agreements, which have come into force and to which the Republic of Palau is a party.

### **5.3 Responsibility**

It shall be the responsibility of Owners and Master to ensure that their vessels are in compliance with the requirements of all the applicable international treaties, conventions, protocols, codes, regulations and agreements, which have come into force and to which the Republic of Palau is a party.

### **5.4 Regulations for Preventing Collisions**

In relation to Section 640 of the Act, all vessels shall comply with the requirements of the Convention on the International Regulations for Preventing Collisions at Sea 1972 (COLREGS), as amended, which encompasses the mandatory observation of all traffic separation schemes, the fitting and provision of navigation lights and shapes and their positioning; sound signalling appliances; additional signals for fishing vessels when operating in close proximity, and international distress signals.

## 5.5 Safety of Life at Sea

### a) Mandatory

All vessels that are subject to the regulations of the International Convention for the Safety of Life at Sea (SOLAS), as amended, shall comply with the requirements of the SOLAS Convention.

### b) Exceptions, Exemptions and Equivalents Given

#### 1) Exceptions

The SOLAS regulations, unless expressly provided otherwise, do not apply to:

- (i) cargo vessels of less than 500 tons gross tonnage;
- (ii) vessels without mechanical means of propulsion;
- (iii) wooden vessels of primitive build;
- (iv) pleasure yachts not engaged in trade; and
- (v) fishing vessels

#### 2) Exemptions May Be Given for:

##### (i) Single Delivery Voyage

Vessel is engaged in a single delivery voyage without cargo or passenger

##### (ii) Not More than 20 miles from Nearest Land

Vessel does not proceed more than 20 miles from the nearest land and the Ship Registry Administrator determines that the sheltered nature and conditions of the voyage are such as to render the application of such requirements unreasonable or unnecessary.

##### (iii) Novel features

The Ship Registry Administrator may exempt any vessel which embodies features of a novel kind from any of the provisions of the Convention the application of which might seriously impede research into the development of such features and their incorporation in vessels engaged on international voyages. Any such vessel shall, however, comply with safety requirements, which, in the opinion of the Administrator, are adequate for the service for

which it is intended and are such as to ensure the overall safety of the vessel and which are acceptable to the Governments of the States to be visited by the vessel.

(iv) Justifiable reasons other than the above

3) Request for

All requests for exemptions from the specific requirements of the SOLAS regulations must be submitted by the Owner or managing operator of a vessel to Ship Registry Administrator with supporting documents such as a suitable technical case prepared by the Owner or builder.

4) Full, Partial or Conditional Exemptions Given

The Ship Registry Administrator may grant full, partial or conditional exemptions to individual vessel from the requirements of Load Line regulations provided that with such exemptions, there is no effect on the safety of the vessel concerned.

5) Equivalents May Be Accepted

As stated in Chapter I (General Provisions) Regulation 5, of SOLAS, the Ship Registry Administrator may accept an equivalent to a particular fitting, material, apparatus, or any particular provision required by SOLAS regulations if satisfied that such equivalent is at least as effective as that required by the regulations. An Owner or managing operator of a vessel may submit a request to Ship Registry Administrator for the acceptance of an equivalent.

c) Safety Equipment Regulations

A SOLAS Convention Cargo Ship Safety Equipment Certificate is mandatory for all cargo vessels of 500 gross tons or more on international voyage. For vessels of less than 500 gross tons, a Non-SOLAS Convention Safety Certificate will be issued based on the requirements established by the Ship Registry Administrator and promulgated by Marine Notice.

d) Safety Radio Regulations

A SOLAS Convention Cargo Ship Safety Radio Certificate is mandatory for all cargo vessels of 300 gross tons or more on international voyage. For vessels of less than 300 gross tons, a Non-SOLAS Convention Radiotelephony Certificate will be issued based on the requirements established by the Ship Registry Administrator and promulgated by Marine Notice.

e) Safety Construction Regulations

A SOLAS Convention Cargo Ship Safety Construction Certificate is mandatory for all cargo vessels of 500 gross tons or more on international voyage. For vessels of less than 500 gross tons, a Non-SOLAS Convention Safety Construction Certificate will be issued based on the requirements established by the Ship Registry Administrator and promulgated by Marine Notice.

f) Passenger Ship Safety Regulations

A SOLAS Convention Passenger Ship Safety Certificate is mandatory for all vessels which carry more than 12 passengers on international voyage. Vessels that carry 12 passengers or less are not defined as passenger vessels under the SOLAS Convention and hence the SOLAS regulations on Passenger Ship Safety are not applicable. An Owner of a vessel carrying 13 to 36 passengers, which is used for pleasure and leisure purposes and not as commercial cruise, excursion or to ferry passenger (including passenger/cargo vessels) may apply for compliance with Republic of Palau Passenger Yacht Code instead of SOLAS Passenger Ship Safety Regulations.

g) International Safety Management Code

The International Safety Management Code (ISM Code) shall be applicable to passenger vessels; cargo vessels and mobile offshore drilling units of 500 gross tonnage and upwards. Compliance with the ISM Code shall be closely monitored and enforced by the Ship Registry Administrator, its appointed Safety Inspectors, and authorized Recognized Organizations. Vessels operated by companies that fail to maintain compliance with the ISM Code shall be considered in violation of the SOLAS Convention and the Ship Registry Administrator may suspend or revoke the registry of the vessel.

h) International Ship and Port Facility Security Code

The International Ship and Port Facility Security Code (ISPS Code) shall be applicable to passenger vessels; cargo vessels and mobile offshore drilling units of 500 gross tonnage and upwards. Companies and vessels shall comply with the relevant requirements of SOLAS Chapter XI-2 and of part A of the ISPS Code, taking into account the guidance given in part B of the ISPS Code. Compliance with the ISPS Code shall be closely monitored and enforced by the Ship Registry Administrator, its appointed Safety Inspectors, and authorized Recognized Security Organizations. Vessels operated by companies that fail to maintain compliance with the ISPS Code shall be considered in violation of the SOLAS Convention and the Ship Registry Administrator may suspend or revoke the registry of the vessel.



i) Other SOLAS Certificates and Documents

Depending on the type of vessel, size in terms of gross tons, and the cargoes it is carrying, there will be other mandatory SOLAS certificates and documents that a vessel will be required to have on board. The Ship Registry Administrator periodically publishes and updates through Marine Notices the “List of Certificates and Documents required on Board”. An Owner may also seek the advice of the authorized Recognized Organization that is surveying their vessel regarding the certificates and documents that must be on board their vessels but it shall always be the responsibility of Owners and Master to ensure that such certificates and documents are kept on board their vessels.

## 5.6 Load Lines

a) Mandatory

Existing vessels of 150 gross tons or more and new vessels of 24 metres (79 feet) or more in length shall comply with the requirements of the International Convention on Load Lines (Load Line), 1966, as amended. The definitions of existing vessel and new vessel are in accordance to Article 2 of the Load Line Convention.

b) Exceptions, Exemptions and Equivalentents Given

1) Exceptions

The Load Line Convention shall not apply to:

- (i) new vessels of less than 24 metres (79 feet) in length;
- (ii) existing vessels of less than 150 tons gross;
- (iii) pleasure yachts not engaged in trade; and
- (iv) fishing vessels.

2) Exemptions May Be Given for:

- (i) Single Delivery Voyage  
Vessel is engaged in a single delivery voyage without cargo or passenger
- (ii) Short International Voyages

Vessels when engaged on international voyages between the near neighbouring ports of two or more States may be exempted by the Ship Registry Administrator from the provisions of the Convention, so long as they shall remain engaged on such voyages, and if the Ship Registry Administrator is satisfied that the sheltered nature or conditions of such voyages between such ports make it unreasonable or impracticable to apply the provisions of the Convention to vessels engaged on such voyages.

(iii) Novel features

The Ship Registry Administrator may exempt any vessel which embodies features of a novel kind from any of the provisions of the Convention the application of which might seriously impede research into the development of such features and their incorporation in vessels engaged on international voyages. Any such vessel shall, however, comply with safety requirements, which, in the opinion of the Administrator, are adequate for the service for which it is intended and are such as to ensure the overall safety of the vessel and which are acceptable to the Governments of the States to be visited by the vessel.

(iv) Justifiable reasons other than the above

3) Request for Exemption

All requests for exemptions from the specific requirements of the Load Line regulations must be submitted by the Owner or managing operator of a vessel to Ship Registry Administrator with supporting documents such as a suitable technical case prepared by the Owner or builder.

4) Full, Partial or Conditional Exemptions Given

The Ship Registry Administrator may grant full, partial or conditional exemptions to individual vessel from the requirements of Load Line regulations provided that with such exemptions, there is no effect on the safety of the vessel concerned.

5) Equivalents May Be Accepted

As outlined in Article 8 of Load Line, the Ship Registry Administrator may accept any fitting, material, appliance or apparatus to be fitted, or any other provision to be made in a vessel, other than that required by the Convention, if it is satisfied by trial thereof or otherwise that such fitting, material, appliance or apparatus, or provision, is at least as effective as that required by the Convention.

c) Stability and Loading Information

As stated in Chapter II (Conditions of Assignment of Freeboard) Regulation 10, of Load Line Convention, the Master of every vessel shall be supplied with information to arrange for the loading and ballasting of his vessel in such a way as to avoid the creation of any unacceptable stresses in the vessel's structure, provided that this requirement need not apply to any particular length, design or class of vessel where the Ship Registry Administrator considers it to be unnecessary. Information shall be provided to the Master in a form that is approved by the Ship Registry Administrator or its authorized Recognised Organization. Stability information and loading information related to vessel strength such as a Stability Booklet shall be carried on board at all times together with evidence that the information has been approved by the Ship Registry Administrator or its authorized Recognised Organization.

d) Load Line Certificates and Freeboard Assignments

As per paragraph A of sub-chapter 5.6 above, an International Load Line Certificate (ILLC) is mandatory for existing vessels of 150 gross tons or more and new vessels of 24 metres (79 feet) in length or more in length. The ILLC is to be issued by an authorized Recognized Organization based on the approved Freeboard Assignment. More than one ILLC and approved freeboard assignment for the vessel may be permitted but only one may be used at any one time.

e) Entries to be made into Vessel's Deck Log-Book

Besides making certain entries into the Vessel's Deck Log-Book as per SOLAS regulations, the Master of the vessel shall also enter into the log-book prior to vessel's departure from her loading port the following:

- 1) A statement of the load line marks applicable to the voyage;
- 2) A statement of the position of the load line marks, port and starboard, at the time of departure from such port; and
- 3) The drafts of the vessel, forward and aft, at the time of departure from such port.

## **5.7 Safety Requirements for Passenger Yachts Carrying 13 to 36 passengers**

A vessel carrying 13 to 36 passengers, which is used for pleasure and leisure purposes and not as commercial cruise, excursion or to ferry passenger (including passenger/cargo vessels) may comply with the requirements of the Republic of Palau Passenger Yacht Code established by the Ship Registry Administrator

and promulgated by Marine Notice instead of SOLAS Passenger Ship Safety Regulations. Following safety-related documents will be mandatory:

- a) Load Line Convention International Load Line Certificate
- b) Stability Booklet
- c) Passenger Ship Safety Certificate (Passenger Yacht Safety Certificate)
- d) Safety Management Certificate
- e) International Ship Security Certificate
- f) Minimum Safe Manning Certificate

### **5.8 Safety Requirements for Large Commercial Yachts**

Large commercial yachts of 24 metres (79 feet) or more in length and carrying 12 passengers or less and without cargo shall comply with the requirements of the Republic of Palau Large Commercial Yacht Code established by the Ship Registry Administrator and promulgated by Marine Notice. Following safety-related documents will be mandatory:

- a) Load Line Convention International Load Line Certificate
- b) Stability Booklet
- c) Non-SOLAS Convention Radiotelephony Certificate for vessels below 300 Gross Tons or SOLAS Convention Safety Radio Certificate for vessels 300 Gross Tons and above
- d) Non-SOLAS Convention Safety Construction Certificate and Non-SOLAS Convention Safety Equipment Certificate for vessels below 500 Gross tons or SOLAS Convention Cargo Ship Safety Construction Certificate and SOLAS Convention Cargo Ship Safety Equipment Certificate for vessels 500 Gross tons and above
- e) Safety Management Certificate for vessels 500 Gross tons and above
- f) International Ship Security Certificate for vessels 500 Gross tons and above
- g) Minimum Safe Manning Certificate

## 5.9 Safety Requirements for Private Yachts and Small Commercial Yachts

Private yachts and small commercial yachts of less than 24 metres (79 feet), carrying 12 passengers or less and without cargo shall comply with the requirements of the Republic of Palau Code for Private and Small Commercial Yacht established by the Ship Registry Administrator and promulgated by Marine Notice. Following safety-related documents will be mandatory:

- a) Non-SOLAS Convention Radiotelephony Certificate for vessels below 300 Gross Tons
  
- b) Non-SOLAS Convention Safety Construction Certificate and Non-SOLAS Convention Safety Equipment Certificate for vessels below 500 Gross tons

## 5.10 Safety Requirements for Commercial Fishing Vessels

Commercial fishing vessels shall comply with the requirements of the Republic of Palau Code for Commercial Fishing Vessel established by the Ship Registry Administrator and promulgated by Marine Notice. The issuance of Fishing Vessel Safety Certificate will be mandatory.

## 5.11 Prevention of Pollution from Vessels

### I. Mandatory

All vessels that are subject to the regulations of the International Convention for the Prevention of Pollution from Ships, 1973/78 Annexes I, II, III, IV, V, and VI (MARPOL), as amended, shall comply with the requirements of the MARPOL Convention.

### II. Annex I of MARPOL - Prevention of Pollution by Oil

#### 1) Application

The requirements of MARPOL Annex I and any amendments thereto in force, shall apply to all vessels, unless expressly provided otherwise in the Annex. In vessels other than oil tankers fitted with cargo spaces which are constructed and utilized to carry oil in bulk of an aggregate capacity of 200 cubic metres to less than 1000 cubic metres, certain requirements of Annex I for oil tankers shall also apply to the construction and operation of those spaces in accordance to Chapter I (General) Regulation 2 of Annex I.

#### 2) Exceptions, Exemptions and Waivers, and Equivalentents

- (i) Exceptions

Requirements for the discharge of oil into the sea shall not apply as stated in Regulation 4 of MARPOL Annex I and any amendments thereto in force, for the purpose of securing the safety of a vessel or saving life at sea; or the discharge into the sea of oil or oily mixture resulting from damage to a vessel or its equipment provided that all reasonable precautions have been taken after the occurrence of the damage or discovery of the discharge for the purpose of preventing or minimizing the discharge; and the discharge into the sea of substances containing oil, approved by the Ship Registry Administrator, when being used for the purpose of combating specific pollution incidents in order to minimize the damage from pollution. Any such discharge shall be subject to the approval of any Government in whose jurisdiction it is contemplated the discharge will occur. Other than the circumstances and conditions stated in Regulation 4, it shall be unlawful at any time for any vessel to discharge into the sea any oil or oily mixture otherwise than as permitted by Annex I.

(ii) Exemptions and Waivers

- (1) Any vessel whose constructional features are such as to render the application of any of the provisions of chapters 3 and 4 of MARPOL Annex I and any amendments thereto in force, relating to construction and equipment unreasonable or impracticable may be exempted by the Ship Registry Administrator from such provisions, provided that the construction and equipment of that vessel provides equivalent protection against pollution by oil, having regard to the service for which it is intended.
- (2) The Ship Registry Administrator may waive certain requirements of MARPOL Annex I, for any oil tanker which engages exclusively on voyages both of 72 hours or less in duration and within 50 nautical miles from the nearest land, provided that the oil tanker is engaged exclusively in trades between ports or terminals within a State Party to the MARPOL Convention. Any such waiver shall be subject to the requirement that the oil tanker shall retain on board all oily mixtures for subsequent discharge to reception facilities and to the determination by the Ship Registry Administrator that facilities available to receive such oily mixtures are adequate.
- (3) The Administration may waive certain requirements of MARPOL Annex I for oil tankers other than those referred to in (2) in cases where:

- (.1) the tanker is an oil tanker delivered on or before 1 June 1982, of 40,000 tonnes deadweight or above, solely engaged in specific trades, and the conditions specified in certain regulation of Annex I are complied with; or
  - (.2) the tanker is engaged exclusively in one or more of the following categories of voyages:
    - (.1) voyages within special areas; or
    - (.2) voyages within 50 nautical miles from the nearest land outside special areas where the tanker is engaged in:
      - (.1) trades between ports or terminals of a State Party to the present Convention; or
      - (.2) restricted voyages as determined by the Ship Registry Administrator, and of 72 hours or less in duration;
- provided that all of the following conditions are complied with:
- (.3) all oily mixtures are retained on board for subsequent discharge to reception facilities;
  - (.4) for voyages specified in paragraph 3.2.2 of Sub-chapter 5.7 b) 2 (ii) above, the Ship Registry Administrator has determined that adequate reception facilities are available to receive such oily mixtures in those oil loading ports or terminals the tanker calls at;
  - (.5) the International Oil Pollution Prevention Certificate, when required, is endorsed to the effect that the vessel is exclusively engaged in one or more of the categories of voyages specified in paragraphs 3.2.1 and 3.2.2.2 of Sub-chapter 5.7 b) 2 (ii) above ; and
  - (.6) the quantity, time and port of discharge are recorded in the Oil Record Book.

(iii) Request for Exemptions and Waivers

All requests for exemptions from the specific requirements of the MARPOL Annex I regulations must be submitted by the Owner or managing operator of a vessel to Ship Registry Administrator with supporting documents such as a suitable technical case prepared by the Owner or builder.

(iv) Full, Partial or Conditional Exemptions Given

The Ship Registry Administrator may grant full, partial or conditional exemptions to individual vessel from the requirements of MARPOL Annex I regulations provided that with such exemptions, the vessel provides equivalent protection against pollution by oil, having regard to the service for which it is intended.

(v) Equivalents May Be Accepted

As stated in Chapter I (General) Regulation 5, of MARPOL Annex I and any amendments thereto in force, the Ship Registry Administrator may allow any fitting, material, appliance or apparatus to be fitted in a vessel as an alternative to that required by Annex I if such fitting, material, appliance or apparatus is at least as effective as that required by Annex I.

3) Oil Pollution Certificate

A MARPOL Annex I Convention International Oil Pollution Prevention Certificate is mandatory for any oil tanker of 150 gross tons and above and any other vessels of 400 gross tons and above which are engaged in voyages to ports or offshore terminals under the jurisdiction of other Parties to the Convention.

4) Oil Record Book

As per the requirements under MARPOL Annex I and any amendments thereto in force, every oil tanker of 150 gross tons and above and every vessel of 400 gross tons and above other than an oil tanker shall be provided with an Oil Record Book Part I (Machinery Space Operations) and every oil tanker of 150 gross tons and above shall be provided with an Oil Record Book Part II (Cargo/Ballast Operations). The Oil Record Book shall be in the Form specified in Annex I and any amendments thereto in force.

5) Shipboard Oil Pollution Emergency Plan



As per the requirements under MARPOL Annex I and any amendments thereto in force, every oil tanker of 150 gross tons and above and every vessel other than an oil tanker of 400 gross tons and above shall carry on board a Shipboard Oil Pollution Emergency Plan approved by the Ship Registry Administrator. Such a plan shall be prepared based on guidelines developed by the IMO and written in the working language of the Master and officers. The plan shall consist at least of:

- (i) the procedure to be followed by the Master or other persons having charge of the vessel to report an oil pollution incident, as required in the MARPOL Convention, based on the guidelines developed by the IMO;
- (ii) the list of authorities or persons to be contacted in the event of an oil pollution incident;
- (iii) a detailed description of the action to be taken immediately by persons on board to reduce or control the discharge of oil following the incident; and
- (iv) the procedures and point of contact on the vessel for co-ordinating shipboard action with national and local authorities in combating the pollution.

In the case of vessels to which requirements of Annex II of the MARPOL Convention also apply; such a plan may be combined with the Shipboard Marine Pollution Emergency Plan for noxious liquid substances required under Annex II of the Convention. In this case, the title of such a plan shall be "Shipboard Marine Pollution Emergency Plan".

### III. Annex II of MARPOL - Control of Pollution by Noxious Liquid Substances in Bulk

#### 1) Application

The requirements of MARPOL Annex II and any amendments thereto in force, shall apply to all vessels certified to carry Noxious Liquid Substances (NLS) in bulk. Where a cargo subject to the provisions of Annex I of the MARPOL Convention, as amended is carried in a cargo space of an NLS tanker, the appropriate requirements of Annex I shall also apply.

#### 2) Exceptions, Exemptions, and Equivalents

##### (i) Exceptions

The discharge requirements of MARPOL Annex II shall not apply to the discharge into the sea of Noxious Liquid Substances or mixtures containing such substances when such a discharge is necessary for the purpose of securing the safety of a vessel or saving life at sea; or results from damage to a vessel or its equipment provided that all reasonable precautions have

been taken after the occurrence of the damage or discovery of the discharge for the purpose of preventing or minimizing the discharge; and is approved by the Ship Registry Administrator, when being used for the purpose of combating specific pollution incidents in order to minimize the damage from pollution. Any such discharge shall be subject to the approval of any Government in whose jurisdiction it is contemplated the discharge will occur.

(ii) Exemptions

- (1) Where an amendment to MARPOL Annex II and the International Code for the Construction and Equipment of Ships Carrying Dangerous Chemicals in Bulk (IBC) Code involves changes to the structure or equipment and fittings due to the upgrading of the requirements for the carriage of certain substances, the Ship Registry Administrator may modify or delay for a specified period the application of such an amendment to vessels constructed before the date of entry into force of that amendment, if the immediate application of such an amendment is considered unreasonable or impracticable. Such relaxation shall be determined with respect to each substance;
- (2) The Ship Registry Administrator may exempt vessels from the carriage requirements for vessels certified to carry individually identified vegetable oils identified by the IBC Code, provided the vessel complies with the conditions as stated in Regulation 4 of MARPOL Annex II and any amendments thereto in force.
- (3) The Ship Registry Administrator may allow certain exemptions of MARPOL Annex II to a vessel constructed before 1 July 1986 which is engaged in restricted voyages between:
  - (.1) ports or terminals within a State Party to the MARPOL Convention; or
  - (.2) ports or terminals of States Parties to the MARPOL Convention if the vessel complies with the conditions as stated in Regulation 4 of the Annex II and any amendments thereto in force.
- (4) For a vessel whose constructional and operational features are such that ballasting of cargo tanks is not required and cargo tank washing is only required for repair or dry-docking, the Ship Registry Administrator may allow certain exemptions of MARPOL Annex II provided that all of the following conditions are complied with:

- (.1) the design, construction and equipment of the vessel are approved by the Ship Registry Administrator, having regard to the service for which it is intended;
- (.2) any effluent from tank washings which may be carried out before a repair or dry-docking is discharged to a reception facility, the adequacy of which is ascertained by the Ship Registry Administrator; and
- (.3) the vessel complies with the other conditions as stated in Regulation 4 of the MARPOL Annex II and any amendments thereto in force.

(iii) Request for Exemptions and Waivers

All requests for exemptions from the specific requirements of the MARPOL Annex II regulations must be submitted by the Owner or managing operator of a vessel to Ship Registry Administrator with supporting documents such as a suitable technical case prepared by the Owner or builder.

(iv) Full, Partial or Conditional Exemptions Given

The Ship Registry Administrator may grant full, partial or conditional exemptions to individual vessel from the requirements of MARPOL Annex II regulations provided that with such exemptions, the vessel provides equivalent protection against pollution by Noxious Liquid Substances, having regard to the service for which it is intended.

(v) Equivalents May Be Accepted

- (1) The Ship Registry Administrator may allow any fitting, material, appliance or apparatus to be fitted in a vessel as an alternative to that required by MARPOL Annex II if such fitting, material, appliance or apparatus is at least as effective as that required by Annex II.
- (2) The construction and equipment of liquefied gas carriers certified to carry Noxious Liquid Substances listed in the applicable Gas Carrier Code, shall be deemed to be equivalent to the construction and equipment requirements contained in MARPOL Annex II, provided that the gas carrier meets all following conditions:

- (.1) hold a Certificate of Fitness in accordance with the appropriate Gas Carrier Code for vessels certified to carry liquefied gases in bulk;
- (.2) hold an International Pollution Prevention Certificate for the Carriage of Noxious Liquid Substances in Bulk, in which it is certified that the gas carrier may carry only those Noxious Liquid Substances identified and listed in the appropriate Gas Carrier Code;
- (.3) be provided with segregated ballast arrangements;
- (.4) be provided with pumping and piping arrangements, which, to the satisfaction of the Ship Registry Administrator, ensure that the quantity of cargo residue remaining in the tank and its associated piping after unloading does not exceed the applicable quantity of residue as required by Annex II; and
- (.5) be provided with a Procedures and Arrangements Manual, approved by the Ship Registry Administrator, ensuring that no operational mixing of cargo residues and water will occur and that no cargo residues will remain in the tank after applying the ventilation procedures prescribed in the Manual.

### 3) Certificates under MARPOL Annex II

- (i) International Certificate of Fitness for the Carriage of Dangerous Chemicals in Bulk  
An International Certificate of Fitness for the Carriage of Dangerous Chemicals in Bulk is mandatory for any Chemical Tankers built on or after 1 July 1986 carrying Noxious Liquid Substances in Bulk as stated in Annex II and any amendments thereto in force.
- (ii) Certificate of Fitness for the Carriage of Dangerous Chemicals in Bulk  
A Certificate of Fitness for the Carriage of Dangerous Chemicals in Bulk is mandatory for any Chemical Tankers built before 1 July 1986 carrying Noxious Liquid Substances in Bulk as stated in Annex II and any amendments thereto in force.
- (iii) International Pollution Prevention Certificate for the Carriage of Noxious Liquid Substances in Bulk

An International Pollution Prevention Certificate for the Carriage of Noxious Liquid Substances in Bulk is mandatory for Oil Tankers, Gas Carriers, Container Vessels and other Cargo Vessels carrying Noxious Liquid Substances in Bulk as stated in MARPOL Annex II and any amendments thereto in force.

(iv) Certificate of Fitness for Offshore Support Vessels

A Certificate of Fitness for Offshore Support Vessels is mandatory for Offshore Support Vessels carrying limited Amounts of Noxious Liquid Substances in Bulk as stated in MARPOL Annex II and any amendments thereto in force.

4) Cargo Record Book

(i) As per the requirements under MARPOL Annex II and any amendments thereto in force, every vessel to which Annex II applies shall be provided with a Cargo Record Book in the Form specified in Annex II and any amendments thereto in force.

(ii) After completion of any operation specified in the Annex, the operation shall be promptly recorded in the Cargo Record Book.

(iii) In the event of an accidental discharge of a noxious liquid substance or a mixture containing such a substance or a discharge under the provisions of MARPOL Annex II, an entry shall be made in the Cargo Record Book stating the circumstances of, and the reason for, the discharge.

(iv) Each entry shall be signed by the officer or officers in charge of the operation concerned and each page shall be signed by the Master of the vessel.

(v) The Cargo Record Book shall be kept in such a place as to be readily available for inspection and, except in the case of unmanned vessels under tow, shall be kept on board the vessel. It shall be retained for a period of three years after the last entry has been made.

(vi) The competent authority of the Government of a Party to the MARPOL Convention may inspect the Cargo Record Book on board while the vessel is in its port, and may make a copy of any entry in that book and may require the Master of the vessel to certify that the copy is a true copy of such entry. Any copy so made which has been certified by the Master of the

vessel as a true copy of an entry in the vessel's Cargo Record Book shall be made admissible in any judicial proceedings as evidence of the facts stated in the entry. The inspection of a Cargo Record Book and the taking of a certified copy by the competent authority under this paragraph shall be performed as expeditiously as possible without causing the vessel to be unduly delayed.

5) Shipboard Marine Pollution Emergency Plan

As per the requirements under MARPOL Annex II and any amendments thereto in force, every vessel of 150 gross tons and above certified to carry Noxious Liquid Substances in bulk shall carry on board a Shipboard Marine Pollution Emergency Plan for Noxious Liquid Substances approved by the Ship Registry Administrator. Such a plan shall be prepared based on guidelines developed by the IMO and written in the working language of the Master and officers. The plan shall consist at least of:

- (i) the procedure to be followed by the Master or other persons having charge of the vessel to report a Noxious Liquid Substances pollution incident, as required in as required in the MARPOL Convention, based on the guidelines developed by the IMO;
- (ii) the list of authorities or persons to be contacted in the event of a Noxious Liquid Substances pollution incident;
- (iii) a detailed description of the action to be taken immediately by persons on board to reduce or control the discharge of Noxious Liquid Substances following the incident; and
- (iv) the procedures and point of contact on the vessel for co-coordinating shipboard action with national and local authorities in combating the pollution.

In the case of vessels to which requirements of Annex I of the MARPOL Convention also apply; such a plan may be combined with the Shipboard Oil Pollution Emergency Plan required under Annex I of the Convention. In this case, the title of such a plan shall be "Shipboard Marine Pollution Emergency Plan".

6) Procedures and Arrangements Manual

As per the requirements under MARPOL Annex II and any amendments thereto in force, every vessel certified to carry substances of Category X, Y or Z shall have on board a Procedures and Arrangements Manual approved by the Ship Registry Administrator. The Manual shall have a standard format in compliance with Annex II. The main purpose of the Manual is to identify for the

vessel's officers the physical arrangements and all the operational procedures with respect to cargo handling, tank cleaning, slops handling and cargo tank ballasting and deballasting which must be followed in order to comply with the requirements of Annex II.

IV. Annex III of MARPOL - Prevention of Pollution by Harmful Substances Carried by Sea in Packaged Form

1) Application

The requirements of MARPOL Annex III and any amendments thereto in force, shall apply to all vessels carrying harmful substances in packaged form. "Harmful Substances" are those substances which are identified as marine pollutants in the International Maritime Dangerous Goods Code (IMDG Code) and "Packaged Form" is defined as the forms of containment specified for harmful substances in the IMDG Code. The carriage of harmful substances is prohibited, except in accordance with the provisions of Annex III. Empty packagings which have been used previously for the carriage of harmful substances shall themselves be treated as harmful substances unless adequate precautions have been taken to ensure that they contain no residue that is harmful to the marine environment. The requirements of Annex III do not apply to vessels' stores and equipment.

2) Exceptions

Jettisoning of harmful substances carried in packaged form shall be prohibited, except where necessary for the purpose of securing the safety of the vessel or saving life at sea. Subject to the provisions of the MARPOL Convention, appropriate measures based on the physical, chemical and biological properties of harmful substances shall be taken to regulate the washing of leakages overboard, provided that compliance with such measures would not impair the safety of the ship and persons on board.

3) Documentation

- (i) In all documents relating to the carriage of harmful substances by sea where such substances are named, the correct technical name of each such substance shall be used (trade names alone shall not be used) and the substance further identified by the addition of the words "MARINE POLLUTANT".

- (ii) The shipping documents supplied by the shipper shall include, or be accompanied by, a signed certificate or declaration that the shipment offered for carriage is properly packaged and marked, labeled or placarded as appropriate and in proper condition for carriage to minimize the hazard to the marine environment.
- (iii) Each vessel carrying harmful substances shall have a special list or manifest setting forth the harmful substances on board and the location thereof. A detailed stowage plan which sets out the location of the harmful substances on board, may be used in place of such special list or manifest. Copies of such documents shall also be retained on shore by the Owner of the vessel or his representative until the harmful substances are unloaded. A copy of one of these documents shall be made available before departure to the person or organization designated by the port State authority.
- (iv) When the vessel carries a special list or manifest or a detailed stowage plan, required for the carriage of dangerous goods by the International Convention for the Safety of Life at Sea, 1974, as amended, the documents required by MARPOL Annex III may be combined with those for dangerous goods. Where documents are combined, a clear distinction shall be made between dangerous goods and harmful substances covered by Annex III. Jettisoning of harmful substances carried in packaged form shall be prohibited, except where necessary for the purpose of securing the safety of the vessel or saving life at sea. Subject to the provisions of the MARPOL Convention, appropriate measures based on the physical, chemical and biological properties of harmful substances shall be taken to regulate the washing of leakages overboard, provided that compliance with such measures would not impair the safety of the vessel and persons on board.

V. Annex IV of MARPOL - Prevention of Pollution by Sewage

1) Application

The requirements of MARPOL Annex IV and any amendments thereto in force, shall apply to every vessel of 400 gross tons and above, and every vessel of less than 400 gross tons certified to carry more than 15 persons.

2) Exceptions

Regulation 11 of MARPOL Annex IV and any amendments thereto in force, shall not apply to the discharge of sewage from a vessel necessary for the purpose of securing the safety of a vessel and those on board or saving life at sea; or the discharge of sewage resulting from damage to a vessel or



its equipment if all reasonable precautions have been taken before and after the occurrence of the damage, for the purpose of preventing or minimizing the discharge.

### 3) Discharge of Sewage

Subject to the provisions of Regulation 3 of MARPOL Annex IV and any amendments thereto in force, the discharge of sewage into the sea is prohibited, except when:

- (i) as per Regulation 9 of MARPOL Annex IV and any amendments thereto in force, the vessel is discharging comminuted and disinfected sewage using a system approved by the Ship Registry Administrator in accordance with Annex IV at a distance of more than 3 nautical miles from the nearest land, or sewage which is not comminuted or disinfected at a distance of more than 12 nautical miles from the nearest land, provided that in any case, the sewage that has been stored in holding tanks shall not be discharged instantaneously but at a moderate rate when the vessel is en route and proceeding at not less than 4 knots; the rate of discharge shall be approved by the Ship Registry Administrator based upon standards developed by IMO; or
- (ii) as per Regulation 9 of MARPOL Annex IV and any amendments thereto in force, the vessel has in operation an approved sewage treatment plant which has been certified by the Ship Registry Administrator to meet the operational requirements referred to in Annex IV, and
  - (1) the test results of the plant are laid down in the vessel's International Sewage Pollution Prevention Certificate; and
  - (2) additionally, the effluent shall not produce visible floating solids nor cause discoloration of the surrounding water.

When the sewage is mixed with wastes or waste water covered by other Annexes of MARPOL 73/78, the requirements of those Annexes shall be complied with in addition to the requirements of Annex IV.

### 4) Holding Tank

As per Regulation 9 of MARPOL Annex IV and any amendments thereto in force, an alternative to discharging the sewage is to use a holding tank of the capacity to the satisfaction of the Ship Registry Administrator for the retention of all sewage, having regard to the operation of the ship, the number of persons on board and other relevant factors. The holding tank shall be constructed to the

satisfaction of the Ship Registry Administrator and shall have a means to indicate visually the amount of its contents

5) Standard Discharge Connections

The discharge connections provided onboard for sewage should be as per the Standard set out in Regulation 10 of MARPOL Annex IV and any amendments thereto in force.

6) Sewage Pollution Prevention Certificate

A MARPOL Annex IV Convention International Sewage Pollution Prevention Certificate is mandatory for any vessel of 400 gross tons and above or carrying more than 15 Persons. In addition, for vessel of 400 gross tons and above or carrying more than 15 Persons, and fitted with a sewage holding tank for untreated sewage, the vessel must have on board the "Result of calculation of moderate rate of discharge" that has been approved by the Ship Registry Administrator or its authorized Recognized Organization.

VI. Annex V of MARPOL - Prevention of Pollution by Garbage

1) Application

The requirements of MARPOL Annex V and any amendments thereto in force, shall apply to every vessel unless expressly provided otherwise in the Annex.

2) Exceptions

The requirements of MARPOL Annex V and any amendments thereto in force, shall not apply to:

- (i) the disposal of garbage from a vessel necessary for the purpose of securing the safety of a vessel and those on board or saving life at sea; or
- (ii) the escape of garbage resulting from damage to a vessel or its equipment provided all reasonable precautions have been taken before and after the occurrence of the damage, for the purpose of preventing or minimizing the escape; or
- (iii) the accidental loss of synthetic fishing nets, provided that all reasonable precautions have been taken to prevent such loss.

3) Placards

Every vessel of 12 metres or more in length overall shall display placards which notify the crew and passengers of the disposal requirements of Regulations 3 and 5 of MARPOL Annex V and any amendments thereto in force, as applicable.

4) Garbage Management Plans and Garbage Record-Keeping

- (i) Every vessel of 400 tons gross tonnage and above, and every vessel which is certified to carry 15 persons or more, shall carry a Garbage Management Plan which the crew shall follow. This Plan shall provide written procedures for collecting, storing, processing and disposing of garbage, including the use of the equipment on board. It shall also designate the person in charge of carrying out the plan. Such a plan shall be in accordance with the guidelines developed by the IMO.
  
- (ii) Every vessel of 400 tons gross tonnage and above and every vessel which is certified to carry 15 persons or more engaged in voyages to ports or offshore terminals under the jurisdiction of other Parties to the Convention and every fixed and floating platform engaged in exploration and exploitation of the sea-bed, shall be provided with a Garbage Record Book. The Garbage Record Book shall be in the Form specified in Annex V and any amendments thereto in force;
  - (1) Each discharge operation, or completed incineration, shall be recorded in the Garbage Record Book and signed for on the date of the incineration or discharge by the officer in charge. Each completed page of the Garbage Record Book shall be signed by the Master of the vessel;
  
  - (2) the entry for each incineration or discharge shall include date and time, position of the vessel, description of the garbage and the estimated amount incinerated or discharged;
  
  - (3) the Garbage Record Book shall be kept on board the vessel and in such a place as to be available for inspection in a reasonable time. This document shall be preserved for a period of two years after the last entry is made on the record;
  
  - (4) in the event of discharge, escape or accidental loss referred to in Regulation 6 of MARPOL Annex V and any amendments thereto in force, an entry shall be made in the Garbage Record Book of the circumstances of, and the reasons for, the loss.

- (iii) The Ship Registry Administrator may waive the requirements for Garbage Record Books for:
  - (1) any vessel engaged on voyages of 1 hour or less in duration which is certified to carry 15 persons or more; or
  - (2) fixed or floating platforms while engaged in exploration and exploitation of the seabed.
  
- (iv) The competent authority of the Government of a Party to the Convention may inspect the Garbage Record Book on board any vessel to which the MARPOL Annex V and any amendments thereto in force, applies while the vessel is in its ports or offshore terminals and may make a copy of any entry in that book, and may require the Master of the vessel to certify that the copy is a true copy of such an entry. Any copy so made, which has been certified by the Master of the vessel as true copy of an entry in the vessel's Garbage Record Book, shall be admissible in any judicial proceedings as evidence of the facts stated in the entry. The inspection of a Garbage Record Book and the taking of a certified copy by the competent authority under this paragraph shall be performed as expeditiously as possible without causing the vessel to be unduly delayed.

VII. Annex VI of MARPOL - Prevention of Air Pollution

1) Application

The requirements of MARPOL Annex VI and any amendments thereto in force, shall apply to every vessel unless expressly provided otherwise in the Annex.

2) Exceptions & Equivalents

(i) Exceptions

The requirements of MARPOL Annex VI and any amendments thereto in force, shall not apply to:

- (1) any emission necessary for the purpose of securing the safety of a vessel or saving life at sea; or
- (2) any emission resulting from damage to a vessel or its equipment:

(.1) provided that all reasonable precautions have been taken after the occurrence of the damage or discovery of the emission for the purpose of preventing or minimizing the emission; and

(.2) except if the Owner or the Master acted either with intent to cause damage, or recklessly and with knowledge that damage would probably result.

(.3) Trials for Ship Emission Reduction and Control Technology Research

The Ship Registry Administrator may, in co-operation with other Administrations as appropriate, issue an exemption from specific provisions of Annex VI for a ship to conduct trials for the development of ship emission reduction and control technologies and engine design programs. Such an exemption shall only be provided if the applications of specific provisions of Annex VI or the revised NOx Technical Code 2008 could impede research into the development of such technologies or programs. A permit for such an exemption shall only be provided to the minimum number of ships necessary and be subject to the following provisions:

(.1) for marine diesel engines with a per cylinder displacement up to 30 liters, the duration of the sea trial shall not exceed 18 months. If additional time is required, the Ship Registry Administrator or co-operating Administrations may permit a renewal for one additional 18-month period; or

(.2) for marine diesel engines with a per cylinder displacement at or above 30 liters, the duration of the ship trial shall not exceed 5 years and shall require a progress review by the Ship Registry Administrator or co-operating Administrations at each intermediate survey. A permit may be withdrawn based on this review if the testing has not adhered to the conditions of the permit or if it is determined that the technology or program is not likely to produce effective results in the reduction and control of ship emissions. If the Ship Registry Administrator or co-operating Administrations determine that additional time is required to conduct a test of a

particular technology or program, a permit may be renewed for an additional time period not to exceed five years.

(.4) Emissions from Sea-bed Mineral Activities

Emissions directly arising from the exploration, exploitation and associated offshore processing of sea-bed mineral resources are, consistent with Article 2(3)(b)(ii) of the MARPOL Convention and any amendments thereto in force, exempt from the provisions of Annex VI. Such emissions include the following:

- (.1) emissions resulting from the incineration of substances that are solely and directly the result of exploration, exploitation and associated offshore processing of sea-bed mineral resources, including but not limited to the flaring of hydrocarbons and the burning of cuttings, muds, and/or stimulation fluids during well completion and testing operations, and flaring arising from upset conditions;
- (.2) the release of gases and volatile compounds entrained in drilling fluids and cuttings;
- (.3) emissions associated solely and directly with the treatment, handling, or storage of sea-bed minerals; and
- (.4) emissions from marine diesel engines that are solely dedicated to the exploration, exploitation and associated offshore processing of sea-bed mineral resources.

The requirements of Regulation 18 of Annex VI and any amendments thereto in force shall not apply to the use of hydrocarbons that are produced and subsequently used on site as fuel, when approved by the Ship Registry Administrator.

(ii) Equivalent

The Ship Registry Administrator may allow any fitting, material, appliance or apparatus to be fitted in a vessel or other procedures, alternative fuel oils, or compliance methods used as an alternative to that required by MARPOL Annex VI and any amendments thereto in force if such fitting, material, appliance or apparatus or other procedures, alternative fuel oils, or compliance methods are at least as effective in terms of emissions reductions as that required by Annex VI, including any of the standards set forth in regulations 13 and 14.

3) Air Pollution Prevention Certificate

A MARPOL Convention Annex VI International Air Pollution Prevention Certificate (IAPP) is mandatory for any vessel of 400 gross tons and above engaged in voyages to ports or offshore terminals under the jurisdiction of other Parties; and platforms and drilling rigs engaged in voyages to waters under the sovereignty or jurisdiction of other Parties.

4) Ozone-depleting Substances and Record Book

i) Regulation 12 of MARPOL Annex VI and any amendments thereto in force does not apply to permanently sealed equipment where there are no refrigerant charging connections or potentially removable components containing ozone-depleting substances.

ii) Subject to the provisions of Regulation 3 of MARPOL Annex VI and any amendments thereto in force, any deliberate emissions of ozone-depleting substances shall be prohibited. Deliberate emissions include emissions occurring in the course of maintaining, servicing, repairing or disposing of systems or equipment, except that deliberate emissions do not include minimal releases associated with the recapture or recycling of an ozone-depleting substance.

iii) Installations

(1) Installations that contain ozone-depleting substances, other than hydrochlorofluorocarbons, shall be prohibited:

(.1) on vessels constructed on or after 19 May 2005; or

(.2) in the case of vessels constructed before 19 May 2005, which have a contractual delivery date of the equipment to the vessel on or after 19 May 2005 or, in the absence of a contractual delivery date, the actual delivery of the equipment to the vessel on or after 19 May 2005.

- (2) Installations which contain hydro-chlorofluorocarbons shall be prohibited:
  - (.1) on vessels constructed on or after 1 January 2020; or
  - (.2) in the case of vessels constructed before 1 January 2020, which have a contractual delivery date of the equipment to the vessel on or after 1 January 2020 or, in the absence of a contractual delivery date, the actual delivery of the equipment to the vessel on or after 1 January 2020.
- iv) The substances referred to in Regulation 12 of MARPOL Annex VI and any amendments thereto in force, and equipment containing such substances, shall be delivered to appropriate reception facilities when removed from vessels.
- v) Each vessel shall maintain a list of equipment containing ozone-depleting substances.
- vi) Each vessel that has rechargeable systems that contain ozone-depleting substances shall maintain an Ozone-depleting Substances Record Book, which may form part of an existing log-book or electronic recording system as approved by the Ship Registry Administrator.
- vii) Entries in the Ozone-depleting Substances Record Book shall be recorded in terms of mass (kg) of substance and shall be completed without delay on each occasion, in respect of the following:
  - (1) recharge, full or partial, of equipment containing ozone-depleting substances;
  - (2) repair or maintenance of equipment containing ozone-depleting substances;
  - (3) discharge of ozone-depleting substances to the atmosphere:
    - (.1) deliberate; and
    - (.2) non-deliberate;
  - (4) discharge of ozone-depleting substances to land-based reception facilities; and
  - (5) supply of ozone-depleting substances to the ship.



- 5) Nitrogen Oxides
  - i) Application
    - (1) Regulation 13 of MARPOL Annex VI and any amendments thereto in force, shall apply to:
      - (.1) each marine diesel engine with a power output of more than 130 kW installed on a vessel;
      - (.2) each marine diesel engine with a power output of more than 130 kW that undergoes a major conversion on or after 1 January 2000 except when demonstrated to the satisfaction of the Ship Registry Administrator that such engine is an identical replacement to the engine that it is replacing and is otherwise not covered under paragraph 5 i) (1) above; and
      - (.3) Each diesel engine with a power output of more than 5000 kW and a per cylinder displacement at or above 90 litres which is installed on a ship constructed on or after 1 January 1990 but prior to 1 January 2000.
    - (2) Regulation 13 of MARPOL Annex VI and any amendments thereto in force, does not apply to:
      - (.1) a marine diesel engine intended to be used solely for emergencies, or solely to power any device or equipment intended to be used solely for emergencies on the vessel on which it is installed, or a marine diesel engine installed in lifeboats intended to be used solely for emergencies; and
      - (.2) a marine diesel engine installed on a vessel registered under the Palau flag and solely engaged in voyages within the waters of Palau.
    - (3) the Ship Registry Administrator may provide an exclusion from the application of Regulation 13 of MARPOL Annex VI and any amendments thereto in force, for any marine diesel engine that is installed on vessel constructed, or for any marine diesel engine that undergoes a major conversion, before 19 May 2005, provided that the vessel on which the engine is installed is solely engaged in voyages to ports or offshore terminals within Palau.

ii) Major Conversion

- (1) Under Regulation 13 of MARPOL Annex VI and any amendments thereto in force, major conversion means a modification on or after 1 January 2000 of a marine diesel engine that has not already been certified to the standards set forth in Regulation 13 of the Annex where:
  - (.1) the engine is replaced by a marine diesel engine or an additional marine diesel engine is installed, or
  - (.2) any substantial modification, as defined in the revised NOx Technical Code 2008, is made to the engine, or
  - (.3) the maximum continuous rating of the engine is increased by more than 10% compared to the maximum continuous rating of the original certification of the engine.
- (2) For a major conversion involving the replacement of a marine diesel engine with a non-identical marine diesel engine or the installation of an additional marine diesel engine, the standards in Regulation 13 of MARPOL Annex VI in force at the time of the replacement or addition of the engine shall apply. On or after 1 January 2016, in the case of replacement engines only, if it is not possible for such a replacement engine to meet the standards set forth in Tier III of Regulation 13, then that replacement engine shall meet the standards set forth in Tier II of Regulation 13 and according to the IMO Guidelines developed for such replacement.
- (3) A marine diesel engine referred to in paragraph 5 ii) (1.2) or 5 ii) (1.3) above shall meet the following standards:
  - (.1) for vessels constructed prior to 1 January 2000, the standards set forth in Tier I of Regulation 13 of MARPOL Annex VI and any amendments thereto in force, shall apply; and
  - (.2) for vessels constructed on or after 1 January 2000, the standards in force at the time the vessel was constructed shall apply.

- iii) Tier I
- Subject to Regulation 3 of MARPOL Annex VI and any amendments thereto in force, the operation of a marine diesel engine that is installed on a vessel constructed on or after 1 January 2000 and prior to 1 January 2011 is prohibited, except when the emission of nitrogen oxides from the engine is within the limits stated in Tier I of Regulation 13 of Annex VI.
- iv) Tier II
- Subject to Regulation 3 of MARPOL Annex VI and any amendments thereto in force, the operation of a marine diesel engine that is installed on a vessel constructed on or after 1 January 2011 is prohibited, except when the emission of nitrogen oxides from the engine is within the limits stated in Tier II of Regulation 13 of Annex VI.
- v) Tier III
- (1) Subject to Regulation 3 of MARPOL Annex VI and any amendments thereto in force, the operation of a marine diesel engine that is installed on a vessel constructed on or after 1 January 2016:
- (.1) is prohibited except when the emission of nitrogen oxides from the engine is within the limits stated in Tier III of Regulation 13 of Annex VI when the vessel is operating in an Emission Control Area designated in Regulation 13; and
- (.3) is subject to the standards set forth in Tier II of Regulation 13 when the vessel is operating outside of an Emission Control Area designated in Regulation 13.
- (2) Tier III limits will not apply to engines installed on a vessel with a length of less than 24 metres when it is designed and used solely for recreational purposes, or an engine installed on a ship with a combined nameplate diesel engine propulsion power of less than 750 kW if it is demonstrated that the vessel cannot comply with the standards set forth in Tier III of Regulation 13 because of design or construction limitations of the ship.

- (vi) Emission Control Area
- Emission control areas are areas designated by IMO under Regulation 13 of MARPOL Annex VI and any amendments thereto in force.
- (vii) Marine Diesel Engines Installed on a Ship Constructed Prior to 1 January 2000
- (1) A marine diesel engine with a power output of more than 5,000 kW and a per cylinder displacement at or above 90 litres installed on a ship constructed on or after 1 January 1990 but prior to 1 January 2000 shall comply with the emission limits set forth in Tier 1 of MARPOL Annex VI Regulation 13 and any amendments thereto in force, provided that an Approved Method for that engine has been certified by the Ship Registry Administrator or its authorized Recognized Organization. Compliance shall be demonstrated through one of the following:
- (.1) installation of the certified Approved Method, as confirmed by a survey using the verification procedure specified in the Approved Method file, including appropriate notation on the vessel's International Air Pollution Prevention Certificate of the presence of the Approved Method; or
- (.2) certification of the engine confirming that it operates within the limits set forth in Tier I, Tier II or Tier III of Regulation 13 of Annex VI and an appropriate notation of the engine certification on the ship's International Air Pollution Prevention Certificate.
- (2) Paragraph 5 vii) (1) shall apply no later than the first renewal survey that occurs 12 months or more after approval of a method applicable. If an Owner of a vessel on which an Approved Method is to be installed can demonstrate to the satisfaction of the Ship Registry Administrator that the Approved Method was not commercially available despite best efforts to obtain it, then that Approved Method shall be installed on the vessel no later than the next annual survey of that vessel which falls after the approved method is commercially available.
- (3) With regard to a vessel with a marine diesel engine of power output of more than 5,000 kW and a per cylinder displacement at or above 90 litres installed on a vessel constructed on or after 1 January 1990 but prior to 1 January 2000, the International

Air Pollution Prevention Certificate shall, for a marine diesel engine to which the above paragraph 5 vii) (1) applies, indicate that either an Approved Method has been applied pursuant to paragraph 5 vii) (1.1) above or the engine has been certified pursuant to paragraph 5 vii) (1.2) above or that an Approved Method does not yet exist or is not yet commercially available as described in paragraph 5 vii) (2) of this regulation.

(4) Subject to Regulation 3 of MARPOL Annex VI and any amendments thereto in force, the operation of a marine diesel engine described in paragraph 5 vii) (1) above is prohibited, except when the emission of nitrogen oxides from the engine is within the limits stated in Tier I of Regulation 13 of Annex VI.

(5) Certification of an Approved Method shall be in accordance with Chapter 7 of the revised NOx Technical Code 2008 and shall include verification:

(.1) by the designer of the base marine diesel engine to which the Approved Method applies that the calculated effect of the Approved Method will not decrease engine rating by more than 1.0%, increase fuel consumption by more than 2.0% as measured according to the appropriate test cycle set forth in the revised NOx Technical Code 2008, or adversely affect engine durability or reliability; and

(.2) that the cost of the Approved Method is not excessive, which is determined by a comparison of the amount of NOx reduced by the Approved Method to achieve the standard set forth in Regulation 13 of MARPOL Annex VI and any amendments thereto in force, and the cost of purchasing and installing such Approved Method.

(viii) Certification

(1) The revised NOx Technical Code 2008 shall be applied in the certification, testing, and measurement procedures for the standards set forth in Regulation 13 of MARPOL Annex VI and any amendments thereto in force.

(2) The procedures for determining NOx emissions set out in the revised NOx Technical Code 2008 are intended to be representative of the normal operation of the engine. Defeat

devices and irrational emission control strategies undermine this intention and shall not be allowed. Regulation 13 of MARPOL Annex VI and any amendments thereto in force, shall not prevent the use of auxiliary control devices that are used to protect the engine and/or its ancillary equipment against operating conditions that could result in damage or failure or that are used to facilitate the starting of the engine.

(ix) Engine International Air Pollution Prevention

Each marine diesel engine with a power output of more than 130 kW, which is designed and intended for installation on a vessel shall be subject to:

- (1) a pre-certification survey which shall be such as to ensure that the engine, as designed and equipped, complies with the NO<sub>x</sub> emission limits contained in Regulation 13 of MARPOL Annex VI and any amendments thereto in force. If this survey confirms compliance, the Ship Registry Administrator or its authorized Recognized Organization shall issue an Engine International Air Pollution Prevention (EIAPP) Certificate.
  
- (2) an initial certification survey which shall be conducted on board a vessel after the engine is installed but before it is placed in service. This survey shall be such as to ensure that the engine, as installed on board the vessel, including any modifications and/or adjustments since the pre-certification, if applicable, complies with the NO<sub>x</sub> emission limits contained in Regulation 13 of MARPOL Annex VI and any amendments thereto in force. This survey, as part of the vessel's initial survey, may lead to either the issuance of a vessel's initial International Air Pollution Prevention (IAPP) Certificate or an amendment of a vessel's valid IAPP Certificate reflecting the installation of a new engine.

(x) Technical File

Every marine diesel engine installed on board a vessel shall be provided with a technical file. The technical file shall be prepared by the applicant for engine certification and approved by the Ship Registry Administrator, and is required to accompany an engine throughout its life on board ships. The technical file shall at a minimum, contain the following information:

- (1) identification of those components, settings and operating values of the engine that influences its NO<sub>x</sub> emissions including any NO<sub>x</sub> reducing device or system;

- (2) identification of the full range of allowable adjustments or alternatives for the components of the engine;
- (3) full record of the relevant engine's performance, including the engine's rated speed and rated power;
- (4) a system of onboard NOx verification procedures to verify compliance with the NOx emission limits during onboard verification surveys in accordance with Chapter 6 of the NOx Technical Code 2008;
- (5) a copy of the relevant parent engine test data, as given in Section 2 of Appendix 5 of the NOx Technical Code 2008;
- (6) if applicable, the designation and restrictions for an engine that is an engine within an engine family or engine group;
- (7) specifications of those spare parts/components that, when used in the engine, according to those specifications, will result in continued compliance of the engine with the applicable NOx emission limit; and
- (8) the EIAPP Certificate, as applicable.

(xi) Record Book of Engine Parameters

Where the engine parameter check method in accordance with paragraph 6.2 of the NOx Technical Code 2008 is used to verify compliance with the Code, if any adjustments or modifications are made to an engine after its pre-certification, a full record of such adjustments or modifications shall be recorded in the engine's Record Book of Engine Parameters.

6) Sulphur Oxides and Particulate Matter

i) General Requirements

The sulphur content of any fuel oil used on board vessels shall not exceed the limits stated in Regulation 14.1 of MARPOL Annex VI and any amendments thereto in force.

ii) Requirements within emission control areas

- (1) Emission control areas are areas designated by IMO under Regulation 14.3 of MARPOL Annex VI and any amendments thereto in force. While ships are operating within an emission control area, the sulphur content of fuel oil used on board ships shall not exceed the limits stated in Regulation 14.4 of Annex VI and any amendments thereto in force.
  
- (2) Those vessels using separate fuel oils to comply with Regulation 14.4 and entering or leaving an emission control area shall carry a written procedure showing how the fuel oil change-over is to be done, allowing sufficient time for the fuel oil service system to be fully flushed of all fuel oils exceeding the applicable sulphur content specified in Regulation 14.4 prior to entry into an emission control area.
  
- (3) The volume of low sulphur fuel oils in each tank as well as the date, time, and position of the ship when any fuel-oil-change-over operation is completed prior to the entry into an emission control area or commenced after exit from such an area, shall be recorded in a Record Book of Fuel Oil Changeover Operations. This Record Book may form part of an existing log book as specified in Regulation 14.6 of Annex VI, as amended.

7) Volatile Organic Compounds

- (1) According to the IMO, if the emissions of Volatile Organic Compounds (VOCs) from a tanker are to be regulated in a port or ports or a terminal or terminals under the jurisdiction of another Party to the MARPOL Convention, they shall be regulated in accordance with the provisions of Regulation 15 of Annex VI, as amended.
  
- (2) All tankers which are subject to vapour emission control in accordance with the requirements of Regulation 15 of Annex VI, as amended shall be provided with an approved vapour collection system, and shall use such system during the loading of such cargoes. The vapour collecting system shall comply with IMO Guidelines.
  
- (3) Crude oil tankers above 400 gross tons shall implement and keep on board a VOC management plan. The plan has to be approved by the Ship Registry Administrator or its authorized Recognized Organization. The plan has to be ship specific, and is to take into account Guidelines developed by IMO and shall as a minimum contain the following:
  - (.1) Provide written procedures for minimizing VOC emissions during the loading and sea passage;



(.2) Give consideration to the additional VOC generated during Crude Oil Washing;

(.3) Identify a person responsible for implementing the plan.

(4) Regulation 15 of Annex VI, as amended shall also apply to gas carriers only if the types of loading and containment systems allow safe retention of non-methane VOCs on board or their safe return ashore.

#### 8) Shipboard Incineration

(1) Incineration of Annex I, II and III cargo residues, of PCB's (Polychlorinated biphenyls), of garbage containing more than traces of heavy metals and of refined petroleum products containing halogen compounds is always prohibited.

(2) For all the vessels to which Regulation 16 of Annex VI, as amended will be applicable, incineration of exhaust gas cleaning systems residues will also be always prohibited.

(3) On board incineration outside an incinerator is prohibited except that sewage sludge and sludge oil from oil separators may be incinerated in the main or auxiliary power plants and boilers when the vessel is not in ports, harbours and estuaries.

(4) All incinerators installed on a vessel constructed on or after 1 January 2000 or incinerator that is installed on board a vessel on or after 1 January 2000 shall be type approved in accordance with the relevant IMO MEPC resolution, giving the IMO standard specification for shipboard incinerators. For such incinerators a manufacturer's operating manual is required.

#### 9) Fuel Oil Quality and Bunker Delivery Note

Fuel oil for combustion purposes delivered to and used on board vessels to which MARPOL Annex VI applies shall meet the requirements stated in Regulation 18 of Annex VI and any amendments thereto in force. Details of fuel oil for combustion purposes delivered to and used on board shall be recorded by means of a Bunker Delivery Note which shall contain at least the information specified in Annex VI, as amended. The Bunker Delivery Note shall be kept on board the ship in such a place as to be readily available for inspection at all reasonable times. It shall be retained for a period of three years after the fuel oil has been delivered on board.

## 5.12 Control of Harmful Anti-Fouling Systems

### a) Mandatory

The requirements of International Convention on the Control of Harmful Anti-Fouling Systems on Ships (Anti-Fouling) and any amendments thereto in force, shall apply to every vessel unless expressly provided otherwise in the Convention.

### b) Harmful Anti-Fouling Systems

Anti-Fouling Systems that are harmful to the environment shall be prohibited or controlled and will be listed in Annex 1, as amended to the Convention.

### c) Organotin Compounds in Anti-Fouling Systems

(1) All vessels shall not apply or re-apply such compounds which act as biocides in anti-fouling systems

(2) All vessel (except fixed and floating platforms, FSUs, and FPSOs that have been constructed prior to 1 January 2003 and that have not been in dry-dock on or after 1 January 2003):

(.1) shall not bear such compounds on their hulls or external parts or surfaces; or

(.2) shall bear a coating that forms a barrier to such compounds leaching from the underlying non-compliant anti-fouling systems.

### d) Anti-Fouling System Certificate

Vessels of above 400 gross tonnage and above engaged in international voyages (excluding fixed or floating platforms, FSUs and FPSOs) will be required to undergo an initial survey based on the requirements of the Anti-Fouling Convention by a Recognized Organization authorized by the Ship Registry Administrator before the vessel is put into service or before the International Anti-Fouling System Certificate is issued for the first time; and a survey when the anti-fouling systems are changed or replaced.

### e) Declaration on Anti-Fouling System

Vessels of 24 metres or more in length but less than 400 gross tonnage engaged in international voyages (excluding fixed or floating platforms, FSUs and FPSOs) will have to carry a Declaration on Anti-Fouling Systems signed by the Owner or authorized agent. The Declaration will have to be accompanied by appropriate documentation such as a paint receipt or contractor's invoice.

### 5.13 Civil Liability for Oil Pollution Damage

a) Application

In relation to Section 1201 of the Act, the International Convention on Civil Liability for Oil Pollution Damage (CLC) applies to all seagoing vessels actually carrying oil in bulk as cargo, but only vessels carrying more than 2,000 tons of oil are required to maintain insurance in respect of oil pollution damage.

b) Certificate of Insurance

In relation to Section 1205 of the Act, upon receipt of an application in the prescribed form as per Schedule 2 together with the proof of financial responsibility in the form of the insurance policy (Blue Card), the Ship Administrator may issue a Certificate of Insurance, in the prescribed form as per Schedule 3, attesting that insurance or other financial security is in force as required under the CLC Convention.

c) Recognized Underwriters

Blue Cards issued by any one of the International Group (IG) of Protection and Indemnity (P & I) Clubs will be accepted for the application of the Certificate of Insurance. Blue Cards issued by Non IG P & I Clubs or Mutuals or Fixed Premium Underwriters will not be accepted unless such an underwriter has submitted an application in the prescribed form as per Schedule 2 to the Ship Registry Administrator for recognition.

### 5.14 Civil Liability for Bunker Oil Pollution Damage

a) Application

The International Convention on Civil Liability for Bunker Oil Pollution Damage (Bunker) requires vessels of above 1,000 gross tons to carry on board the Bunker Convention Certificate, which is intended to attest that insurance or other financial security to cover liability for pollution damage is in place.

b) Bunker Convention Certificate

Upon receipt of an application in the prescribed form as per Schedule 2 together with the proof of financial responsibility in the form of the insurance policy (Blue Card), the Ship Administrator may issue a Bunker Convention Certificate, in the prescribed form as per Schedule 3, attesting that insurance or other financial security is in force as required under the Bunker Convention.

c) Recognized Underwriters

Blue Cards issued by any one of the International Group (IG) of Protection and Indemnity (P & I) Clubs will be accepted for the application of the Bunker Convention Certificate. Blue Cards issued by Non IG P & I Clubs or Mutuals or Fixed Premium Underwriters will not be accepted unless such an underwriter has submitted an application in the prescribed form as per Schedule 2 to the Ship Registry Administrator for recognition.

## 5.15 Tonnage Measurement

a) Application of Tonnage Measurement Convention

The International Convention on Tonnage Measurement of Ships, 1969 (Tonnage) came into force internationally on 18 July 1982, and as per Article 3 of the Convention, it shall apply to:

- (1) new vessel, which means a vessel the keel of which is laid, or which is at a similar stage of construction, on or after 18 July 1982;
- (2) existing vessel, which means a vessel which is not a new vessel, which undergo alterations or modifications which the Administration deems to be a substantial variation in their existing gross tonnage;
- (3) existing vessel if the Owner so requests; and
- (4) commercial yachts and fishing vessels 24 metres (79 feet) or more in length; and
- (5) all existing vessels, as of 18 July 1994 (12 years after the date on which the Convention came into force); except that such vessels, apart from those mentioned in (2), (3) and (4) of this paragraph, shall retain their then existing tonnages for the purpose of the application to them of relevant requirements under other existing International Conventions.

b) Exception

Tonnage Convention shall not apply to vessels of less than 24 metres (79 feet) in length.

c) Tonnage Certificate

In relation to Section 732 of the Act, an International Tonnage Certificate (1969) shall be issued to every vessel, the gross and net tonnages of which have been determined in accordance with the

present Convention. Such certificate shall be issued by the Ship Registry Administrator or its authorized Recognized Organization.

d) Alterations

The Owner or Master of a vessel or person authorized to act on his behalf shall submit an application in the prescribed form as per Schedule 2 to the Ship Registry Administrator of any alteration or modification of the vessel which could affect the vessel's measurement, tonnage or load line prior to putting the vessel back in service and within 30 days from the completion of such alterations or modifications.

e) Dual Tonnages

In accordance with the provisions of the Tonnage Convention as amended, dual tonnage measurements for vessels shall no longer be allowed. Nevertheless, for the purposes of determining the need for smaller tonnage vessel to comply with the SOLAS Convention regulations, Tonnage Certificates may be endorsed by the issuing authorized Recognized Organization with the tonnage measurement under the pre-Tonnage Convention if less than 500 gross tons. Only the tonnage measurement of the vessel under the Tonnage Convention shall be used for determining compliance with the ISPS Code and not the tonnage measurement under the pre-Tonnage Convention.

## 5.16 Safety Inspection

a) Safety Inspection – Annual and Ad Hoc

(1) Annual Inspection

In relation to Section 630 of the Act, all vessels registered under these Regulations shall be required to undergo safety inspection on an annual basis. A Window Period of plus and minus 3 months from the due date of inspection will be given for the inspection to be carried out. Failure to carry out the inspection within the Window Period may result in suspension or revocation of the vessel's registry unless there is a valid reason given by the Owner to the Ship Registry Administrator.

(2) Ad Hoc Inspection

Besides the annual inspection, safety inspection may also be carried out on an ad hoc basis if the Ship Registry Administrator is concerned about the safety of the vessel under any circumstances

and has the right to call for an immediate inspection to be carried out or at the vessel's next port of call if it is out at sea.

b) Annual Inspection Tax

In relation to Section 632 of the Act, the Owner of the vessel undergoing safety inspection shall bear all costs associated with the inspection, including the Annual Inspection Tax, which is prescribed as per Schedule 1 and payable to the Ship Registry Administrator upon initial registration and subsequent annual renewals.

## 5.17 Standards of Seaworthiness

a) Evidence of Seaworthiness

In relation to Section 728 of the Act, the Ship Registry Administrator shall accept valid documents that are:

- (1) required by the SOLAS, Load Line, MARPOL, Anti-Fouling, Tonnage and any other international conventions that are in force and related to seaworthiness or regulations promulgated by the Ship Registry Administrator;
- (2) applicable to the vessel; and
- (3) issued by the Recognized Organizations authorized by the Ship Registry Administrator as evidence of seaworthiness of a vessel.

b) Recognized Organizations

The following Recognized Organizations are appointed and authorized by the Ship Registry Administrator to carry out inspection and survey, and to issue documents that are required by international conventions or regulations promulgated by the Ship Registry Administrator, on its behalf:

- (1) American Bureau of Shipping (ABS)
- (2) Bureau Veritas (BV)
- (3) China Classification Society (CCS)

- (4) Croatian Register of Shipping (CRS)
  - (5) Det Norske Veritas (DNV)
  - (6) Germanischer Lloyd (GL)
  - (7) Indian Register of Shipping (IRClass)
  - (8) Korean Register of Shipping (KRS)
  - (9) Lloyd's Register (LR)
  - (10) Nippon Kaiji Kyokai (ClassNK)
  - (11) Polish Register of Shipping (PRS)
  - (12) Registro Italiano Navale (RINA)
  - (13) Russian Maritime Register of Shipping (RS)
- c) Other Authorized Recognized Organizations, Surveyors, and Inspectors
- Recognized Organizations other than those identified paragraph 5.16 b), Surveyors, and Safety Inspectors may be authorized by the Ship Registry Administrator to perform:
- (1) survey and inspection of vessels including yachts and fishing vessels, and to issue documents that are required by international conventions or regulations promulgated by the Ship Registry Administrator, on its behalf; or
  - (2) oversight functions on behalf of the Ship Registry Administrator as deemed necessary to meet its responsibilities related to compliance and enforcement of international conventions.

### **5.18 Penalty for Non-Compliance**

In the event of failure to comply with any of the Regulations under this Chapter, the Ship Registry Administrator may suspend or revoke a vessel's Certificate of Registry and/or impose a monetary penalty up to US\$50,000 on the Owner, and/or set such other conditions as may be necessary to bring about compliance with these Regulations, and any international convention, code or agreement to which the Republic of Palau is or may become a Party in the future.

### 5.19 Lien on Vessel Due to Penalty

Any penalty assessed in relation to paragraph 5.17 above shall constitute a maritime lien upon the vessel, and until such lien has been satisfied or executed, the Certificate of Registry of the vessel shall be liable to suspension and port clearance of such vessel shall be withheld.

## Chapter 6 Marine Investigations

### 6.1 Definitions

a) Less Serious Casualty

A Less Serious Casualty (as defined in IMO MSC-MEPC.3/Circ.3) means a casualty to a vessel which do not qualify as “very serious casualty” or “serious casualty” and for the purpose of recording useful information.

b) Marine Casualty

A Marine Casualty shall mean any casualty or accident involving any vessel registered under the Flag of Republic of Palau or any vessel operating in the navigable waters of the Republic of Palau. Marine Casualty includes:

- (1) loss of life or major injury to any person on board;
- (2) the actual or presumed loss or abandonment of a vessel;
- (3) collision or grounding, disablement of a vessel;
- (4) material damage caused by or to the vessel;
- (5) failure of gear and equipment and any other damage which might affect or impair the seaworthiness of the vessel;
- (6) all casualties involving life-saving appliances whether or not there are injuries or loss of life or whether used for drills or emergencies; and
- (7) severe damage to the environment brought about by a vessel or vessels.



c) Marine Incident

A Marine Incident shall mean an event or sequence of events, other than a Marine Casualty, which has happened directly in connection with the operations of a vessel, that endangered or if not corrected would endanger the safety of the vessel and its occupants, or any other person, or the environment. Marine Incident includes hazardous occurrences and near misses but does not include deliberate act with the intention to cause harm to the safety of the vessel and its occupants or the environment or other Occurrence.

d) Marine Situation

A Marine Situation is an event that is not classified as a Marine Casualty or Marine Incident, but requires a marine investigation to be carried out. It includes an Offense Against the Internal Order of the Vessel, or any act, or failure to act that is contrary to the Act or Maritime Regulations including any Rules and Regulations made by law and those covered under any international conventions and agreements which the Republic of Palau is a Party or may become a Party in the future. This would include an act or intended act of armed robbery, piracy, hijacking, terrorism, barratry or revolt.

e) Offense Against the Internal Order of the Vessel

An Offense Against the Internal Order of the Vessel means any of the offenses specified in Section 845 of the Act.

f) Serious Casualty

A Serious Casualty (as defined in IMO MSC-MEPC.3/Circ.3) means a casualty to a vessel which do not qualify as "very serious casualty" and which involve a fire, explosion, collision, grounding, contact, heavy weather damage, ice damage, hull cracking, or suspected hull defect, etc., resulting in:

- (1) immobilization of main engines, extensive accommodation damage, severe structural damage, such as penetration of the hull under water, etc., rendering the vessel unfit to proceed, or
- (2) pollution (regardless of quantity); and/or
- (3) a breakdown necessitating towage or shore assistance.

g) Severe Pollution

Severe Pollution (as defined in IMO MEPC 37/22) means a case of pollution which, as evaluated by the coastal State(s) affected or the flag Administration, as appropriate, produces a major deleterious

effect upon the environment, or which would have produced such an effect without preventive action.

h) Very Serious Casualty

A Very Serious Casualty (as defined in IMO MSC-MEPC.3/Circ.3) means a casualty to a vessel which involve total loss of the ship, loss of life, or severe pollution.

## 6.2 Reporting Requirements

a) Initial Notification

The Owner, charterer, managing operator or agent of a vessel registered under these Regulations shall notify the Ship Registry Administrator at the earliest possible time when they have come to know of a Marine Casualty, Marine Incident or Marine Situation involving the vessel. The mode of notification should be by the fastest possible, including email, fax or telephone.

b) Report of Marine Casualty, Marine Incident or Marine Situation

(1) After the initial notification as stated in paragraph 6.26 a) above, the Owner shall forward a copy of the Report of Marine Casualty, Marine Incident or Marine Situation in the form prescribed in Schedule 2 that has been completed and signed by the Master or the next officer in command of the vessel or the Owner. A Report of Marine Casualty, Marine Incident or Marine Situation shall be submitted whenever there is:

- (.1) loss of life or major injury to any person causing the person to remain incapacitated for a period in excess of 72 hours;
- (.2) the actual or presumed loss or abandonment of a vessel;
- (.3) collision or grounding, disablement of vessel
- (.4) material damage to any property, which includes damage to the vessel and/or to fixed or floating objects in excess of US\$100,000;
- (.5) failure of gear and equipment and any other damage which might affect or impair the seaworthiness of the vessel;

- (.6) all casualties involving life-saving appliances whether or not there are injuries or loss of life or whether used for drills or emergencies;
- (.7) spillage of 50 tonnes or more of oil or harmful substances;
- (.8) hazardous occurrences and near misses may be provided if there are important lessons to be learned;
- (.9) an act or intended act of armed robbery, piracy, hijacking, or terrorism; and
- (.10) An Offense Against the Internal Order of the Vessel as defined in paragraph 6.1d) above.

(2) Where there is a failure to execute and file a report as required, the Master and Owner shall each be liable to a fine of US\$1,000 and US\$5,000 respectively upon notice from the Ship Registry Administrator.

### 6.3 Marine Investigations

a) Investigation of Marine Casualty

(1) Very Serious Marine Casualty

In relation to Section 1309 of the Act, the Ship Registry Administrator shall conduct a full investigation of a Marine Casualty classified as a Very Serious Marine Casualty.

(2) Serious Marine Casualty

For a Serious Marine Casualty, the Ship Registry Administrator shall conduct an office-based investigation by correspondence and telephone to seek further details on the accident and may proceed to conduct a full investigation if there are important lessons to be learned.

(3) Less Serious Casualty

For a Less Serious Casualty, the Owner's or Officers' own investigation will be sufficient. However, the Ship Registry Administrator may conduct an office-based investigation by correspondence and telephone to seek further details on the accident and may proceed to conduct a full investigation if there are important lessons to be learned.

b) Investigation of Marine Incident

Although hazardous occurrences and near misses do not need to be reported by the Owner, but the Ship Registry Administrator encourages Owners and Masters to report them as important lessons can usually be learned from such incidents, which are just as relevant as those arising from accidents.

c) Investigation of Marine Situation

The Ship Registry Administrator may conduct an investigation depending on the seriousness of the Marine Situation.

d) Duties of the Ship Registry Administrator

(1) The Ship Registry Administrator upon receipt of a Report of Marine Casualty, Marine Incident or Marine Situation, may carry out an investigation to determine the possible cause(s) or contributing cause(s) and whether there has been any act of misconduct, negligence or violation of law or regulation, so that appropriate action can be taken.

(2) Investigations shall be carried out in accordance with rules established by the Ship Registry Administrator and promulgated by Marine Notice.

(3) The Ship Registry Administrator may appoint an independent investigator(s) and bestow him the authority as may be required to carry out the investigation. The independent investigator shall have the working knowledge and experience in the subject areas pertaining to the investigation.

(4) The Ship Registry Administrator may also enter into memorandum of undertaking with other member States of IMO for cooperation and assistance between the parties in respect of marine investigation into a marine casualty or incident.

e) Duties of Owners

(1) It is the responsibility and duty of the Owner to conduct an own investigation or assist an investigation if conducted by the Ship Registry Administrator in all cases of Marine Casualties, Marine Incidents and Marine Situations. This is also in accordance to the ISM Code, which states that the Safety Management System (if applicable) should include procedures ensuring that non-conformities, accidents and hazardous situations are reported to the Owner, investigated and analysed with the objective of improving safety and pollution prevention and that the Owner

should establish procedures for the implementation of corrective action, including measures intended to prevent recurrence.

(2) Failure on the part of the Owner to assist in the investigation or attempt to inhibit any marine investigation may result in the following:

(.1) suspension or revocation of the Certificate of Registry of the vessel directly involved or to any other vessel under the same Ownership; and / or

(.2) liability to be fined up to US\$50,000

f) Duties of Shipboard Personnel

(1) It is the duty of shipboard personnel to assist in an investigation conducted by the Ship Registry Administrator or person(s) authorized by him to carry out the investigation.

(2) Failure on the part of the shipboard personnel to assist in the investigation or attempt to inhibit any marine investigation may result in the following:

(.1) suspension or revocation of any Seafarer Licence or other certification held;

(.2) liability to be fined up to US\$5,000

g) Voyage Records

The persons in charge of any vessel involved in a Marine Casualty shall retain for 2 years, or otherwise instructed by the Ship Registry Administrator, the complete records of the voyage during which the casualty occurred, as well as any other material, including the Voyage Data Recorder (VDR) information and other automatically recorded data, which might reasonably be of assistance in investigating and determining the cause and scope of the Marine Casualty.

### 6.3 Investigation Reports

a) Preliminary Report

When the proceedings of any investigation under this Chapter have been concluded, there shall be a preliminary report produced by either the investigator(s), who can either be an independent party or a senior staff from the office of the Ship Registry Administrator. This report would include preliminary findings, conclusions, and any recommendations for appropriate action. The Ship

Registry Administrator may also forward this preliminary report to Interested Parties at his discretion.

b) Final Report

The Ship Registry Administrator may:

- (1) Adopt the preliminary report as the final report and carry out its recommendations, if any; or
- (2) Return the preliminary report to the investigator for further investigation or revision as appropriate.

c) Submission to IMO

(1) The Ship Registry Administrator shall submit a final full investigation report to IMO for:

- (.1) every "Very Serious Marine Casualty" of a vessel registered under these Regulations or, if conducting an investigation of a "Very Serious Marine Casualty as a "Substantially Interested State", as defined in IMO's "Code of the International Standards and Recommended Practices for a Safety Investigation into a Marine Casualty or Marine Incident" and in accordance with IMO Resolution MSC 255 (84).
- (.2) other Marine Casualties and Marine incidents where there are important lessons to be learned and which may prevent or mitigate the severity of such Marine Casualties or Marine Incidents in the future.

(2) The Ship Registry Administrator shall submit the following to IMO:

- (.1) information as per Annexes 1, 2 and 3 of the attached reporting format in MSC-MEPC.3/Circ.3 for "Very Serious Marine Casualty" and "Serious Marine Casualty".
- (.2) information as per Annex 10 of the attached reporting format in MSC-MEPC.3/Circ.3 for all casualties involving lifesaving appliances whether or not there are injuries or loss of life or whether used for drills or emergencies.

- (3) Should the Ship Registry Administrator, during the course of an investigation, be hindered due to the withholding of information, which may frustrate, delay or prevent the submission of a full investigation report to the IMO as required, nothing contained in these Regulations shall stop the Ship Registry Administrator from submitting an interim report of causal factors as they may appear along with recommendations based upon the information available to satisfy this obligation.

#### **6.4 Payment for the Investigation**

The Owner of a vessel boarded for the purpose of an investigation under these Regulations shall pay for all incidental costs and fees chargeable to the Ship Registry Administrator.

## **Chapter 7 Seafarers and the Maritime Labor Convention**

### **7.1 Definition**

A Seafarer shall mean any person who is employed or engaged or works in any capacity on board a ship and includes any member of the deck, engine and catering crew but shall exclude for example harbour pilot, port worker, guest entertainer, ship inspector, superintendent, repair technician etc. The Ship Registry Administrator will use the criteria provided in the resolution concerning information on occupational groups (No. VII) adopted by the International Labour Conference at its 94th (Maritime) Session to determine whether a person is or is not a Seafarer.

### **7.2 Application of Maritime Labor Convention 2006**

- a) International Labor Organization's (ILO) Maritime Labor Convention 2006 (MLC 2006) will come into force 12 months after the date in which there have been registered ratifications by at least 30 Members with a total share in the world gross tonnage of ships of 33 percent.
- b) The Convention applies to all vessels, irrespective of tonnage, regardless of whether publicly or privately owned, and ordinarily engaged in commercial activities. The Ship Registry Administrator considers "commercial activity" to be any endeavor undertaken for the primary purpose of generating revenue which includes, but is not limited to, activities such as commerce/trade, chartering (more than 183 days per calendar year for yachts) and those related to offshore exploration and production of oil and gas etc.
- c) The Convention does not apply to registered vessels engaged in fishing or in similar pursuits, ships of traditional build (such as dhows and junks), or vessels which navigate exclusively in inland waters, waters within or closely adjacent to sheltered waters, or areas where port regulations apply.

### **7.3 Minimum Age**

- a) Prohibition



In relation to Section 826 of the Act, the employment, engagement or work on board a vessel of any person under the age of 16 shall be prohibited.

b) Night Work

Night work of a Seafarer under the age of 18 shall be prohibited. For the purpose of these Regulations, “night” shall be defined as the period starting at 2000 hrs and ending at 0600 hrs.

c) Night Work Exception

An exception to strict compliance with the night work restriction may be made by the Ship Registry Administrator when:

(1) the effective training of the Seafarer concerned, in accordance with established programmes and schedules, would be impaired; or

(2) the specific nature of the duty or a recognized training programme requires that the Seafarer covered by the exception perform duties at night and the Ship Registry Administrator determines, after consultation with the ship owners' and seafarers' organizations concerned, that the work will not be detrimental to their health or well-being.

d) Hazardous work

The employment, engagement or work of a Seafarer under the age of 18 shall be prohibited where the work is likely to jeopardize their health or safety. The types of such work shall be determined by Ship Registry Administrator, after consultation with the ship owners' and seafarers' organizations concerned, and promulgated by Marine Notice.

## 7.4 Medical Certificate

a) Valid Medical Certificate Required

In relation to Section 825 of the Act, the Ship Registry Administrator shall require that, prior to beginning work on a vessel; a Seafarer holds a valid medical certificate attesting that he or she is medically fit to perform the duties they are to carry out at sea.

b) Accepted Medical Certificate

A medical certificate issued in accordance with the requirements of International Convention on Standards of Training, Certification and Watchkeeping for Seafarers, 1978, as amended (STCW) shall be accepted by the Ship Registry Administrator, for the purpose that such medical certificate genuinely reflect the Seafarer's state of health, in light of the duties he or she is to perform. A

medical certificate meeting the substance of those requirements, in the case of Seafarers not covered by STCW, shall similarly be accepted.

c) Medical Certificate to be issued by a Qualified Practitioner with Full Professional Independence

The medical certificate shall be issued by a duly qualified medical practitioner or, in the case of a certificate solely concerning eyesight, by a person recognized by the Ship Registry Administrator as qualified to issue such a certificate. Practitioners must enjoy full professional independence in exercising their medical judgement in undertaking medical examination procedures.

d) Opportunity to have a Further Examination

A Seafarer that have been refused a certificate or have had a limitation imposed on his ability to work, in particular with respect to time, field of work or trading area, shall be given the opportunity to have a further examination by another independent medical practitioner or by an independent medical referee.

e) Medical Certificate to State the Fitness of Seafarer

Each medical certificate shall state in particular that:

(1) the hearing and sight of the Seafarer concerned, and the colour vision in the case of a Seafarer to be employed in capacities where fitness for the work to be performed is liable to be affected by defective colour vision, are all satisfactory; and

(2) the Seafarer concerned is not suffering from any medical condition likely to be aggravated by service at sea or to render the Seafarer unfit for such service or to endanger the health of other persons on board.

f) Validity of Medical Certificate

Unless a shorter period is required by reason of the specific duties to be performed by the Seafarer concerned or is required under STCW:

(1) a medical certificate shall be valid for a maximum period of two years unless the Seafarer is under the age of 18, in which case the maximum period of validity shall be one year;

(2) a certification of colour vision shall be valid for a maximum period of six years.

g) Permission to Work Without Valid Medical Certificate

In urgent cases the Ship Registry Administrator may permit a Seafarer to work without a valid medical certificate until the next port of call where the Seafarer can obtain a medical certificate from a qualified medical practitioner, provided that:

(1) the period of such permission does not exceed three months; and

(2) the Seafarer concerned is in possession of an expired medical certificate of recent date.

h) Medical Certificate Expired During Voyage

If the period of validity of a medical certificate expires in the course of a voyage, the certificate shall continue in force until the next port of call where the Seafarer can obtain a medical certificate from a qualified medical practitioner, provided that the period shall not exceed three months.

i) Medical Certificate to be in English

The medical certificate for a Seafarer working on a vessel ordinarily engaged on international voyages must as a minimum be provided in English.

## 7.5 Training and Qualifications

a) Not Allowed to Work Unless Trained or Certified Competent

In relation to Section 825 of the Act, a Seafarer shall not work on a vessel unless he is trained or certified as competent or otherwise qualified to perform his duties.

b) Successful Completion of Personal Safety Training

A Seafarer shall not be permitted to work on a vessel unless he has successfully completed training for personal safety on board the vessel.

c) Training and Certification in Accordance with STCW

Training and certification in accordance with the STCW shall be considered as meeting the requirements of paragraphs 7.5 a) and b) above.

## 7.6 Recruitment and Placement

a) Private Seafarer Recruitment and Placement Service

An Owner shall only use a Private Seafarer Recruitment and Placement Service that is licensed or certified or regulated as stated in Standard A1.4 paragraph 2 of the MLC 2006.

b) Recruitment and Placement Services Based in Countries which MLC 2006 does not apply

The employment of a Seafarer by an Owner through the use of recruitment and placement services based in countries or territories which MLC 2006 does not apply shall be prohibited unless it can be demonstrated by the Owner, as far as practicable, that those services meet the requirements of MLC 2006.

c) No Fee or Other Charges for Seafarer Recruitment or Placement

An Owner shall check that no fees or other charges for Seafarer recruitment or placement are borne directly or indirectly, in whole or in part, by the Seafarer, other than the cost of the Seafarer obtaining a national statutory medical certificate, the national seafarer's book and a passport or other similar personal travel documents, not including, however, the cost of visas, which shall be borne by the Owner.

## 7.7 Seafarers' Employment Agreements

a) Agreement to be signed by Seafarer and Owner

In relation to Section 853 of the Act, a Seafarer working on a vessel that is registered under these Regulations shall have a Seafarer's Employment Agreement (SEA) signed by both the Seafarer and the Owner or an Owner's representative (or other evidence of contractual or similar arrangements) providing them with decent working and living conditions on board the vessel as required by MLC 2006.

b) Seafarer to be Given Opportunity to Examine

A Seafarer signing a SEA shall be given an opportunity to examine and seek advice on the agreement before signing, as well as such other facilities as are necessary to ensure that they have freely entered into an agreement with a sufficient understanding of their rights and responsibilities.

c) Two Sets of Originals to be Signed

The Owner and Seafarer concerned shall each have a signed original of the SEA.

d) SEA to be Readily Accessible for Review

Measures shall be taken to ensure that clear information as to the conditions of his employment can be easily obtained on board by a Seafarer, including the vessel's Master, and that such information, including a copy of the SEA, is also accessible for review by Maritime Labor Inspectors authorized by the Ship Registry Administration and authorized officers in ports that the vessel visits.

e) Seafarer's Identification and Record Book

(1) In relation to Section 825 of the Act, each person employed on board a vessel registered under these Regulations, other those persons such as certain hotel staff personnel on passenger vessels who are not assigned or required to perform vessel safety or pollution related shipboard duties, shall be given a Seafarer's Identification and Record Book issued by the Ship Registry Administrator in accordance with the ILO's Convention No. 108, containing a record of his employment on board the vessel.

(2) The Seafarer's Identification and Record Book shall not contain any statement as to the quality of the Seafarer's work or as to his wages. It shall include the following particulars and information:

- (.1) Name of Seafarer
- (.2) Citizenship
- (.3) Rank or Rating
- (.4) License or Certificate Number
- (.5) Place of Engagement
- (.6) Date of Engagement
- (.7) Place of Discharge
- (.8) Date of Discharge
- (.9) Total Service (Months and Days)
- (.10) Name of Vessel
- (.11) Official Number
- (.12) Port of Registry
- (.13) Gross Tonnage
- (.14) Propulsion Power
- (.15) Nature of Voyage

(.16) Remarks

(3) An Owner, his representative or the Seafarer shall submit an application for the Seafarer's Identification and Record Book in the prescribed form as per Schedule 2. As a pre-requisite, an applicant for the Seafarer's Identification and Record Book must have basic training in accordance with the requirements of the SCTW and requirements as established by the Ship Registry Administrator, promulgated by Marine Notice.

(4) The initial and subsequent issues of a Seafarer's Identification and Record Book shall be valid for a period of five years from the date of issue.

f) Collective Bargaining Agreement

Where a Collective Bargaining Agreement (CBA) forms all or part of the SEA, the CBA must be on board the ship with relevant provisions in English.

g) Particulars of SEA

An SEA shall in all cases contain the following particulars:

(1) the Seafarer's full name, date of birth or age, and birthplace;

(2) the Owner's name and address;

(3) the place where and date when the SEA is entered into;

(4) the capacity in which the Seafarer is to be employed;

(5) the amount of the Seafarer's wages or, where applicable, the formula used for calculating them;

(6) the amount of paid annual leave or, where applicable, the formula used for calculating it;

(7) the termination of the agreement and the conditions thereof, including:

(.1) if the agreement has been made for an indefinite period, the conditions entitling either party to terminate it, as well as the required notice period, which shall not be less for the Owner than for the Seafarer;

(.2) if the agreement has been made for a definite period, the date fixed for its expiry;  
and

- (.3) if the agreement has been made for a voyage, the port of destination and the time which has to expire after arrival before the Seafarer should be discharged;
  - (8) the health and social security protection benefits to be provided to the Seafarer by the Owner;
  - (9) the Seafarer's entitlement to repatriation; and
  - (10) reference to the collective bargaining agreement, if applicable.
- h) Minimum Notice Period for Early Termination
- (1) A Seafarer and an Owner shall provide for minimum notice periods for the early termination of a SEA. The duration of these minimum periods shall be determined after consultation with the ship owners' and seafarers' organizations concerned, but shall not be shorter than 7 days.
  - (2) Any Seafarer may request termination of the SEA on shorter notice than is required by the SEA or without notice on grounds of injury, illness, compassionate or other urgent reasons. Such termination shall be executed without penalty to the Seafarer.

## 7.8 Seafarers' Wages

- a) Payment of Wages No Greater than Monthly Intervals  
In relation to Section 827 of the Act, a Seafarer shall be paid at no greater than monthly intervals and in full for his work in accordance with his SEA.
- b) Seafarer to be Given a Monthly Account of Wages and Payment  
A Seafarer shall be given an account each month indicating his monthly wage and any authorized deductions such as allotments and other payments and the rate of exchange used where such allotments and payments have been made in a currency or at a rate different from the one agreed to.
- c) Transmitting All or Part of Earnings to Family or dependents or Legal Beneficiaries  
In relation to Section 831 of the Act, the Owner shall take measures to provide a Seafarer with a means to transmit all or part of his earnings to his family or dependents or legal beneficiaries.
- d) Charge for the Service to Transmit Must be Reasonable

Any charge for the service to transmit the Seafarer earnings shall be of reasonable amount, and the rate of currency exchange, unless provided otherwise, shall be at the prevailing market rate or the official published rate and not unfavorable to the Seafarer.

## 7.9 Hours of Work and Hours of Rest

### a) Terms Used

(1) "hours of work" means the time during which Seafarers are required to do work on account of the vessel.

(2) "hours of rest" means the time outside hours of work; and this term does not include short breaks.

### b) Normal Hours of Work in Port and At Sea

In relation to Section 842 of the Act, the normal hours of work in port and at sea shall be 8 per day

### c) Minimum Hours of Rest

In relation to Section 842 of the Act, the Owner shall, within the following limits, fix a minimum number of hours of rest which shall be provided in a given period of time. The Owner shall take account of the danger posed by the fatigue of Seafarers, especially those whose duties involve navigational safety and the safe and secure operation of the ship. The minimum hours of rest shall not be less than:

(1) 10 hours in any 24-hour period; and

(2) 77 hours in any 7-day period.

### d) Division of Hours of Rest

Hours of rest may be divided into no more than two periods, one of which shall be at least six hours in length, and the interval between consecutive periods of rest shall not exceed 14 hours.

### e) Minimizing Disturbance of Rest Period

Musters, fire-fighting and lifeboat drills, and drills prescribed by these Regulations and by international instruments, shall be conducted in a manner that minimizes the disturbance of rest periods and does not induce fatigue.



f) Compensatory Rest Period

When a Seafarer is on call, such as when a machinery space is unattended, the Seafarer shall have an adequate compensatory rest period if the normal period of rest is disturbed by call-outs to work.

g) Table with Shipboard Working Arrangements

A table with the shipboard working arrangements prepared in the working language or languages of the vessel and in English, and in accordance with the standardized format established by the Ship Registry Administrator, shall be posted in an easily accessible place, and which shall contain for every position at least:

(1) the schedule of service at sea and service in port; and

(2) the minimum hours of rest required by these Regulations or applicable collective agreements.

h) Records of Rest

The records of Seafarers' daily hours of rest shall be maintained to allow monitoring of compliance with these Regulations. The records shall be in a standardized format established by the Ship Registry Administrator and in the working language or languages of the vessel and in English. The Seafarer shall receive a copy of the records pertaining to him which shall be endorsed by the Master, or a person authorized by the Master, and by the Seafarer.

i) Right of the Master

Nothing in this sub-chapter 7.9 shall be deemed to impair the right of the Master of a vessel to require a Seafarer to perform any hours of work necessary for the immediate safety of the vessel, persons on board or cargo, or for the purpose of giving assistance to other ships or persons in distress at sea. Accordingly, the Master may suspend the schedule of hours of rest and require a Seafarer to perform any hours of work necessary until the normal situation has been restored. As soon as practicable after the normal situation has been restored, the Master shall ensure that any Seafarer who has performed work in a scheduled rest period is provided with an adequate period of rest.

## 7.10 Entitlement to Leave

a) Minimum Number of Days of Leave Entitled Per Month of Employment

In relation to Section 833 of the Act and subject to any collective agreement if applicable, the annual leave for the Seafarer with pay entitlement shall be calculated on the basis of a minimum of 2.5 calendar days per month of employment. Justified absences from work shall not be considered as annual leave.

b) Forgo Minimum Annual Leave with Pay Not Allowed

Any agreement between the Owner and the Seafarer to forgo the minimum annual leave with pay prescribed in paragraph a) of sub-chapter 7.10 above shall be prohibited, unless authorized by the Ship Registry Administrator.

## 7.11 Repatriation

a) Right to Repatriation

In relation to Section 843 of the Act, a Seafarer shall be entitled to repatriation at no cost to himself under the following circumstances:

- (1) if the SEA expires while he is abroad;
- (2) when the SEA is terminated:
  - (.1) by the Owner; or
  - (.2) by the Seafarer for justified reasons; and also
- (3) when the Seafarer is no longer able to carry out his duties under the SEA or cannot be expected to carry them out in the specific circumstances.
- (4) The following are cases covered by paragraphs 2.2 and 3 of sub-chapter 7.11 a) above where the Seafarer should be entitled to repatriation:
  - (.1) in the event of illness or injury or other medical condition which requires his repatriation when found medically fit to travel;
  - (.2) in the event of shipwreck;

- (.3) in the event of the Owner not being able to continue to fulfill his legal or contractual obligations as an employer of the Seafarer by reason of insolvency, sale of ship, change of ship's registration or any other similar reason;
- (.4) in the event of a vessel being bound for a war zone, as defined by the SEA and CBA (if applicable), to which the Seafarer does not consent to go; and
- (.5) in the event of termination or interruption of employment in accordance with an industrial award or collective agreement, or termination of employment for any other similar reason.

b) Maximum Duration of Service On Board

The maximum duration of service period on board a vessel following which a Seafarer is entitled to repatriation shall be less than 12 months. The minimum duration shall be subject to the SEA and CBA (if applicable).

c) Repatriation Entitlements

At a minimum, the repatriation entitlements of the Seafarer which are to be borne at Owner's cost shall include:

(1) Passage to one of the following destinations selected by the Seafarer:

- (.1) the place at which the Seafarer agreed to enter into the engagement;
- (.2) the place stipulated by collective agreement;
- (.3) the Seafarer's country of residence; or
- (.4) such other place as may be mutually agreed at the time of engagement;

(2) Repatriation by the most expeditious mode, which shall normally be considered air transport;

(3) Accommodations and food from the moment the Seafarer leaves the vessel until he reaches the repatriation destination;

- (4) Pay and allowances from the moment the Seafarer leaves the ship until he reaches the repatriation destination, if provided for by collective agreements;
- (5) Transportation of 30 kg of the Seafarer's personal luggage to the repatriation destination; and
- (6) Medical treatment, when necessary, until the Seafarer is medically fit to travel to the repatriation destination.

d) Additional Provisions

- (1) Time spent awaiting repatriation and repatriation travel time shall not be deducted from paid leave accrued by the Seafarer.
- (2) The costs of repatriation shall be paid until the Seafarer concerned is landed at a destination prescribed in paragraph c (1) above, or provided with suitable employment on board a vessel proceeding to one of those destinations.
- (3) If, after a young Seafarer under the age of 18 has served on a vessel for at least four months during his first foreign-going voyage, and it becomes apparent that he is unsuited to life at sea, he should be given the opportunity of being repatriated at no expense to himself from the first suitable port of call in which there are consular services of the Republic of the Palau, or the State of nationality or residence of the young Seafarer. Notification of any such repatriation, with the reasons therefore, should be provided to the Ship Registry Administrator.
- (4) In relation to Section 852 of the Act, an abandoned Seafarer shall retain his right to repatriation.

e) No Advance Payment or Recovery of Cost of Repatriation

An Owner is strictly prohibited from requiring that a Seafarer make an advance payment towards the cost of repatriation at the beginning of his employment, and also from recovering the cost of repatriation from the Seafarer's wages or other entitlements except where the Seafarer has been found, in accordance with these Regulations or other measures or applicable CBA, to be in serious default of the Seafarer's employment obligations.

f) Loss of Right of Repatriation

A Seafarer shall forfeit his right of repatriation in case of:

- (1) Entering into a new agreement with the same Owner after his discharge;
- (2) Entering into a new agreement with another Owner within one week after his discharge;
- (3) Criminal offenses under Sections 847, 849, and 850 of the Act;
- (4) Unjustifiable repudiation of the Shipping Articles; or
- (5) Failure of the Seafarer to request repatriation within one week from the time that he is in condition to be repatriated.

g) Copy of Act and Regulations to be On Board and Accessible to Seafarers

A copy of the Act and these Regulations, which include provisions on repatriation shall be on board the vessel and make available to all Seafarers.

h) Liability Insurance

Each Owner is required to maintain at all times satisfactory third party liability insurance which covers, among other things, all reasonable costs incurred in meeting the Owner's Seafarer Repatriation obligations under Section 843 of the Act and sub-chapter 7.11 of these Regulations

## **7.12 Seafarer Compensation for the Vessel's Loss or Foundering**

a) Compensation in the Case of Unemployment

Owners shall provide for adequate compensation to each Seafarer in the case of unemployment arising from the vessel's loss or foundering, which shall not be less than 15 days basic wage or the basic wages until the expiration of the period for which the Seafarer was engaged, whichever shall be the least; provided the Seafarer is not employed as a Seafarer during this period or has not refused substantially equivalent seagoing employment. However the SEA or any applicable CBA may provide for more favorable terms than those provided for above.

b) Compensation for Injury and Loss

Owners shall provide adequate compensation to the Seafarer for injury and loss arising from the vessel's loss or foundering.

c) Liability Insurance

Each Owner is required to maintain at all times satisfactory third party liability insurance which covers, among other things, all reasonable costs incurred in meeting the Owner's Compensation obligations to the Seafarer for Unemployment and/or Injury and/or Loss under sub-chapter 7.12 of these Regulations.

## 7.13 Manning Levels

### a) Manning Requirements for Vessels Registered

All vessels registered under these Regulations shall have a sufficient number of Seafarers on board to ensure that vessels are operated safely, efficiently and with due regard to security. Every vessel shall be manned by a crew that is adequate, in terms of size and qualifications, to ensure the safety and security of the vessel and its personnel, under all operating conditions, in accordance with the Minimum Safe Manning Certificate in the prescribed form as per Schedule 3 issued by the Ship Registry Administrator, or a person who is authorized to act for and on behalf of the Ship Registry Administrator. When determining, approving or revising manning levels, the need to avoid or minimize excessive hours of work shall be taken into account to ensure sufficient rest and to limit fatigue. In keeping with these principles in applicable international instruments, the following shall be maintained:

#### (1) Required Minimum Number of Deck Officers

- (.1) No vessel registered under the provisions of these Regulations shall be navigated unless she has on board and in her service a duly certificated and licensed Master.
- (.2) On a vessel engaged on an international voyage but in a non-navigational status, there may be on board and in her service, in lieu of the prescribed duly certificated and licensed Master, an Officer in Charge holding a Certificate of Competency (COC) for officer in charge of a navigational watch issued by a party to the STCW that is recognized by the Ship Registry Administrator.
- (.3) The numbers of Mates and Navigational Watch Officers required, and the grades in which they shall be duly certificated and license, shall be prescribed for each vessel by the Ship Registry Administrator, or a person who is authorized to act for and on behalf of the Ship Registry Administrator.

(2) Required Minimum Number of Engineer Officers

- (.1) No vessel engaged in commerce propelled by machinery of 750 kilowatts or greater shall be navigated unless she has on board and in her service a duly certificated and licensed Chief Engineer Officer.
- (.2) On a vessel engaged on an international voyage but in a non-navigational status, there may be on board and in her service, in lieu of the prescribed duly certificated and licensed Chief Engineer Officer, an Officer in Charge holding a Certificate of Competency (COC) for officer in charge of an engineering watch issued by a party to the STCW that is recognized by the Ship Registry Administrator.
- (.3) The numbers of engineering watch officers in a manned engine-room and designated duty engineers in a periodically unmanned engine-room required, and the grades in which they shall be duly certificated, shall be prescribed for each vessel by the Ship Registry Administrator.

(3) Required Minimum Number of Ratings

The Ship Registry Administrator, or a person who is authorized to act for and on behalf of the Ship Registry Administrator, may prescribe for any vessel a required minimum number of certificated ratings forming part of a navigational watch and certificated ratings forming part of a watch in a manned engine-room or designated to perform duties in a periodically unmanned engine-room as well as other ratings for the vessel's safe navigation and operation.

(4) Required Minimum Number of Certified Crew for Passenger Ships

Every passenger vessel shall have on board:

- (.1) an assigned number of certified survival craft crewmen for each lifeboat, or other survival craft carried;
- (.2) an assigned number of persons certified in crowd management training to assist passengers in an emergency;
- (.3) an assigned number of persons certified in safety training for personnel providing direct service to passengers in passenger spaces; and

(.4) an assigned number of persons certified in crisis management and human behavior training.

(5) Minimum Safe Manning Certificate

The Ship Registry Administrator, or a person who is authorized to act for and on behalf of the Ship Registry Administrator, shall issue to each vessel a Minimum Safe Manning Certificate setting forth the required minimum numbers of officers, crew and other persons, in specified grades, ratings and functions, which have been prescribed for the safe navigation and operation of that vessel and the protection of the crew and passengers on board. This Certificate shall be readily available for inspection with a copy conspicuously posted.

(6) Responsibilities of Owner – STCW and ISM Code

The Owner responsible for employing Seafarers for service on board Palauan flagged vessels shall ensure that:

(.1) The Owner shall provide written instructions to the Master, setting forth the policies and the procedures to be followed to ensure that all Seafarers who are newly employed on board the ship are given a reasonable opportunity to become familiar with the shipboard equipment, operating procedures and other arrangements needed for the proper performance of their duties, before being assigned to those duties. Such policies and procedures shall include:

(.1) allocation of a reasonable period of time during which each newly employed Seafarer will have an opportunity to become acquainted with:

(.1) the specific equipment the Seafarer will be using or operating;

(.2) ship-specific watch keeping, safety, environmental protection, security and emergency procedures and arrangements the Seafarer needs to know to perform the assigned duties properly; and

(.2) designation of a knowledgeable crew member who will be responsible for ensuring that an opportunity is provided to each newly employed Seafarer to receive essential information in a language the Seafarer understands.

(.3) Documentation and data relevant to all Seafarers employed on board the vessel are maintained and readily accessible and include, without being limited to,



documentation and data on their experience, training, medical fitness and competency in assigned duties.

- (.4) A Seafarer who is engaged as a vessel's Cook is 18 years of age or older, trained, qualified and found competent for that position.

#### **7.14 Accommodations and Recreational Facilities**

- a) In relation to Section 863 of the Act, an Owner shall meet, provide and maintain minimum Standards for safe and decent living accommodations and recreational facilities for the Seafarers, who are working and/or living on board a vessel registered under these Regulations.
- b) The Standards appropriate for the living accommodations and recreational facilities for the Seafarers shall be prescribed by the Ship Registry Administrator and promulgated by Marine Notice.

#### **7.15 Food and Catering**

- a) An Owner shall meet, provide and maintain minimum Standards for food and catering including water for the Seafarers, who are working and/or living on board a vessel registered under these Regulations.
- b) Seafarers living on board a vessel shall be provided with food free of charge during the period of engagement.
- c) A Seafarer employed as the vessel's Cook with responsibility for preparing food must be trained and qualified for the position and must not be less than 18 years old.
- d) The Master of the vessel or a person designated by him shall carry out frequent and documented inspections of food, water and catering facilities.
- e) The Standards appropriate for food and catering including water for the Seafarers shall be prescribed by the Ship Registry Administrator and promulgated by Marine Notice.

#### **7.16 Medical Care on Board Vessel and Ashore**

- a) Owner's Responsibilities

An Owner shall ensure that the health protection and medical care, including essential dental care, provided for Seafarers working on board a vessel registered under these Regulations include measures which:

- (1) apply to any general provisions on occupational health protection and medical care relevant to their duties, as well as of special provisions specific to work on board the vessel;
- (2) give health protection and medical care as comparable as possible to that which is generally available to workers ashore, including prompt access to the necessary medicines, medical equipment and facilities for diagnosis and treatment and to medical information and expertise;
- (3) give Seafarers the right to visit a qualified medical doctor or dentist without delay in ports of call, where practicable;
- (4) are to the extent consistent with the Act and practice, medical care and health protection services while a Seafarer is on board a vessel or landed in a foreign port are provided free of charge to Seafarers;
- (5) are not limited to treatment of sick or injured Seafarers but include measures of a preventive character; and
- (6) provide for the use of a standard medical report form, the contents of which shall be kept confidential and shall only be used to facilitate the treatment of Seafarers.

b) Hospital

A vessel carrying 15 or more Seafarers engaged in an international voyage of more than 3 days duration shall be provided a separate hospital accommodation to be used exclusively for medical purposes and that will, in all weathers, be easy of access, provide comfortable housing for the occupants and be conducive to their receiving prompt and proper attention. Vessels engaged in coastal trade and capable of reaching qualified medical care and medical facilities within 8 hours may be exempted from this requirement.

c) Medical Doctor.

A vessel carrying 100 or more persons and ordinarily engaged on international voyages of more than 3 days' duration shall carry a qualified medical doctor who is responsible for providing medical care.

d) Standard of Competence for Medical First Aid/Medical Care.

A vessel which do not carry a medical doctor shall be required to have 1 Seafarer on board who is in charge of medical care and administering medicine as part of their regular duties and 1 Seafarer on board competent to provide medical first aid. A single individual may serve in both capacities, provided he is certified for the two competencies. Seafarers designated to provide medical first aid or designated to take charge of medical care shall have satisfactorily completed training in medical first aid or medical care respectively that meets the requirements specified in the applicable sections of the STCW, as amended, and as established by the Ship Registry Administrator, and shall undergo, at approximately five-year intervals, refresher courses to enable them to maintain and increase their knowledge and skills and to keep up-to-date with new developments.

e) Medicine Chest, Medical Equipment and Medical Guide

(1) A vessel registered under these Regulations shall carry and maintain an adequate medicine chest bearing in mind the number of persons aboard and the nature and duration of the voyage. In the determination of the contents of the chest, consideration shall be given to the minimum acceptable recommendations of the ILO, the World Health Organization (WHO) or as established by the Ship Registry Administrator for the vessel type. The medicine chest and its contents, as well as the medical equipment and medical guide carried on board, shall be properly maintained and inspected at regular intervals, not exceeding 12 months, by responsible persons who shall insure that the labeling, expiry dates and conditions of storage of all medicines and directions for their use are checked and all equipment functioning as required.

(2) All required medicine chests must contain the most recent medical guide sufficiently detailed to assist persons other than a vessel's doctor in administering to the ordinary needs of sick or injured persons on board and without supplementary medical advice by radio or radiotelephone.

(3) The most recent editions of the International Medical Guide for Ships and the Medical First Aid Guide for Use in Accidents Involving Dangerous Goods shall be carried on board vessels.

(4) Where a cargo which is classified dangerous has not been included in the most recent edition of the Medical First Aid Guide for Use in Accidents Involving Dangerous Goods, the necessary information on the nature of the substances, the risks involved, the necessary personal protective devices, the relevant medical procedures and specific antidotes shall be made available to the Seafarers. Such specific antidotes and personal protective devices shall be on

board whenever dangerous goods are carried. This information shall be integrated with the vessel's policies and programs on occupational safety and health.

f) Medical Advice

(1) A vessel shall carry a complete and up-to-date list of radio stations through which medical advice can be obtained and, if equipped with a system of satellite communication, carry an up-to-date and complete list of coast stations through which medical advice can be obtained.

(2) The Master, and such other officers as the Master may designate at his discretion, shall be instructed in the use of the vessel's medical guide and the medical section of the most recent edition of the International Code of Signals so as to enable them to make full use of all available medical advice by radio or radiotelephone and in the providing of information to assist a doctor in giving such advice.

## 7.17 Ship owners' Liability

a) Material Assistance and Support

In relation to Sections 836, 837 and 838 of the Act, Seafarers have a right to material assistance and support from the Owner with respect to the financial consequences of sickness, injury or death occurring while they are serving under a SEA or arising from their employment under such agreement.

b) Expenses for Medical Care

Owners are liable to defray the expense of medical care, including medical treatment and the supply of the necessary medicines and therapeutic appliances, and board and lodging away from home until the sick or injured seafarer has recovered, or until the sickness or incapacity has been declared of a permanent character.

c) Safeguarding the Property of Seafarers

Owners or their representatives shall take measures for safeguarding property left on board by sick, injured or deceased seafarers and for returning it to them or to their next of kin.

d) Financial Security

An Owner is to provide financial security to assure compensation in the event of the death or long-term disability of Seafarers due to an occupational injury, illness or hazard, as set out in the SEA or collective agreement. This financial security can be by any one or a combination of the following:

- (1) a guarantee from a Protection & Indemnity Club approved by the Ship Registry Administrator, whereby the Club guarantees payment of the compensation hereunder; or
- (2) a life insurance policy from an insurance company approved by the Ship Registry Administrator; or
- (3) participation in an approved national or international scheme.

e) Commencement of Obligation

An Owner's obligation to provide the benefit of compensation in the event of the death or long-term disability of Seafarers due to an occupational injury, illness or hazard, as set out in the SEA or collective agreement shall arise at the earlier of the times indicated below:

- (1) upon signing on the Articles; or
- (2) when the Seafarer, at the request of the Owner and prior to signing on the Articles, commences travel to join his assigned vessel. For the purpose of this Regulation, the Seafarer shall be deemed to be employed or engaged on board the assigned vessel from the commencement of his travel.

f) Termination of Obligation.

An Owner's obligation to provide the benefit of compensation in the event of the death or long-term disability of Seafarers due to an occupational injury, illness or hazard, as set out in the SEA or collective agreement shall terminate at the later of the times indicated below:

- (1) upon signing off the Articles; or
- (2) when the seafarer has returned from his assigned vessel to his place of residence or declared destination. For the purpose of this Regulation, the Seafarer shall be deemed to be employed or engaged on board the assigned vessel until he has reached his place of residence or declared destination.

g) Suspension of Obligation.

An Owner's obligation to provide the benefit of compensation in the event of the death or long-term disability of Seafarers due to an occupational injury, illness or hazard, as set out in the SEA or collective agreement shall be suspended:

- (1) upon and during the period of a desertion as defined in the Act; or
- (2) during any unauthorized and unreasonable delays by the Seafarer when traveling to his assigned vessel or from his assigned vessel to his residence or declared destination, or during any unauthorized and unreasonable deviations from the prescribed or customary travel routes.

h) Beneficiaries

- (1) The compensation mentioned above shall be paid to the Seafarer's designated beneficiary or beneficiaries, or in the absence of such designated beneficiary or beneficiaries, to his estate or to his personal legal representative.
- (2) The designated beneficiary or beneficiaries shall either be entered in an appropriate space in the columnar entries of the Articles of Agreement or on a separate form to be provided by the Owner.

## **7.18 Health and Safety Protection and Accident Prevention**

a) Occupational Safety and Health Policies and Program

An Owner shall adopt, effectively implement and promote occupational safety and health policies and program on a vessel that is registered under these Regulations, including risk evaluation as well as training and instruction of Seafarers.

b) Reasonable Precautions in Prevention

An Owner shall take reasonable precautions to prevent occupational accidents, injuries and diseases on board the vessel, including measures to reduce and prevent the risk of exposure to harmful levels of noise and vibration and other ambient factors and chemicals as well as the risk of injury or disease that may arise from the use of equipment and machinery on board the vessel.

c) Guidelines and Codes of Practice for Occupational Safety and Health Policies and Program

An Owner shall adopt, effectively implement and promote an occupational safety and health program taking into account the ILO code of practice entitled "Accident prevention on board ship at sea and in port", the MSC-MEPC.2/Circ.3 entitled "Guidelines on the basic elements of a shipboard occupational health and safety program", the IMO Resolution A.884(21) entitled "Code for the investigation of marine casualties & incidents" or other international standards and guidelines and codes of practice for the following, but not limited to:

- (1) hazard identification and risk evaluation taking account of appropriate statistical information from the Owner's fleet and general accident and casualty statistics provided by the Ship Registry Administrator;
- (2) initial vessel orientation or familiarization, covering Owner's safety policy, emergency procedures, access and egress, fire protection, job hazards, and information on hazardous materials before beginning work;
- (3) periodic health and safety training and instruction of Seafarers, including bringing to their attention information concerning particular hazards, which may include audiovisual material, display of posters, articles and periodicals;
- (4) periodic safety inspections at least once every 3 months or more frequently if there have been substantial changes in the conditions of work;
- (5) reporting and correcting hazardous conditions and unsafe practices;
- (6) investigation and reporting of on-board occupational accidents and injuries while ensuring the protection of Seafarers' personal data;
- (7) prevention of occupational accidents, injuries and diseases on board vessel, and for continuous improvement in occupational safety and health protection, involving Seafarers' representatives and all other persons concerned in their implementation, taking account of preventive measures, including engineering and design control, substitution of processes and procedures and procedures for collective and individual tasks, and the use of personal protective equipment;
- (8) fire-prevention and fire-fighting;
- (9) handling anchors, chains and mooring lines;
- (10) the effects of drugs and alcohol abuse and dependency;
- (11) responding to accidents and emergencies;

(12) loading & unloading equipment;

(13) working on deck, below deck and in machinery spaces;

(14) work involving electrical equipment, working at heights /over the side of the vessel & in enclosed spaces;

(15) safe access to vessel;

(16) safe movement about the vessel;

(17) dangerous cargo & ballast;

(18) HIV/AIDS protection and prevention; and

(19) potentially hazardous work for young Seafarers under the age of 18 years undertaken only under appropriate supervision and instruction.

d) Hazardous Work for Young Seafarers under the Age of 18 years

An Owner shall determine the types of work which are potentially hazardous and likely to jeopardize the health and safety of young Seafarers under the age of 18 years. In making this determination, the owner should consider, in particular, work involving but not limited to:

(1) the lifting, moving or carrying of heavy loads or objects;

(2) entry into boilers, tanks and cofferdams;

(3) exposure to harmful noise and vibration levels;

(4) operating hoisting and other power machinery and tools, or acting as signalers to operators of such equipment;

(5) handling mooring or tow lines or anchoring equipment;

(6) rigging;



- (7) work aloft or on deck in heavy weather;
- (8) night watch duties;
- (9) servicing of electrical equipment;
- (10) exposure to potentially harmful materials, or harmful physical agents such as dangerous or toxic substances and ionizing radiations;
- (11) the cleaning of catering machinery; and
- (12) the handling or taking charge of vessel's boats.

e) Safety Committee

- (1) Each vessel with five or more Seafarers shall establish a Safety Committee, which shall hold a Safety Committee Meeting at least once every month.
- (2) The Safety Committee will ensure that there is Record Keeping documenting the effectiveness of the health & safety program for as long as necessary in light of their intended use.
- (3) The Owner shall ensure that the issues raised by the safety committee and safety inspections are addressed in a timely manner.

f) Duties and Responsibilities under the Occupational Safety and Health Policies and Program

The Occupational Safety and Health Policies and Program mentioned in paragraph c) above shall also specify:

- (1) The duties & responsibilities of the Owner to comply with the occupational safety and health policies and program;
- (2) The duties & responsibilities of the Master to comply with the occupational safety and health policies and program;
- (3) The duties & responsibilities of the Master or a person designated by the Master, or both, to take specific responsibility for the implementation of and compliance with the ship's occupational safety and health policies and program;

- (4) The duties & responsibilities of the Seafarers to comply with the occupational safety and health policies and program; and
- (5) The authority of the appointed or elected safety representative to participate in meetings of the safety committee, to have access to all parts of the ship, to participate in investigation of accidents, incidents and near-misses, to have access to all necessary documentation, including investigation reports, past reports of safety committee meetings.

### **7.19 Access to shore-based welfare facilities**

An Owner or his representative shall allow a Seafarer to be granted shore leave, taking into account of the operational requirements of the Seafarer's position, to access shore-based welfare facilities.

### **7.20 Social Security**

a) The Minimum Requirements of Social Security Protection

Countries and territories that are party to MLC 2006, shall ensure the implementation of the Convention requirements relating to social security protection for Seafarers that are nationals or are resident or are otherwise domiciled in its territory. MLC 2006 Regulation 4.5 requires that social security protection include at least three of the following branches:

- (1) medical care;
- (2) sickness benefit;
- (3) unemployment benefit;
- (4) old-age benefit;
- (5) employment injury benefit;
- (6) family benefit;
- (7) maternity benefit;
- (8) invalidity benefit and
- (9) survivors' benefit.

The above benefits complement the protection provided for under MLC 2006 Regulation 4.1 (Medical care on board ship and ashore) and Regulation 4.2 (Ship owners' liability) and under other titles of the Convention.

b) Owner's Responsible to Ensure Seafarers Have Social Security Protection

An Owner that employs Seafarers on board his vessel, that are from a country or territory that is not a party to MLC 2006, must ensure the Seafarers are provided with the health and social security protection benefits required under MLC 2006 Regulation 4.5, as stated in paragraph a of sub-chapter 7.20 above.

c) Various Arrangements Possible for Social Security Protection

MLC 2006 provides for arrangements to be developed through bilateral and multilateral agreements or contribution-based systems, and through private insurance schemes or in CBA's or in a combination of these.

d) SEA or Applicable CBA to Identify Social Security Protection

The SEA or applicable CBA shall identify how the various branches of social security protection will be provided to the Seafarers as well as any other relevant information at the disposal of the Owner, such as statutory deductions from the Seafarers' wages and Owner's contributions which may be made in accordance with the requirements of identified authorized bodies pursuant to relevant national social security schemes.

e) Contributions to Social Security to be Properly Recorded

Where the SEA or applicable CBA provides for any of the branches of social security through a mandatory contributory system, such contributions shall be made as required and properly recorded.

## **7.21 Copy of MLC 2006 to be on Board**

Upon the ratification of MLC 2006 by the Republic of Palau and its entry into force, the Owner of a vessel registered under these Regulations shall ensure that a copy of MLC 2006 is on board and made available to all Seafarers.

## **7.22 Authorization of Recognized Organization**

Upon the ratification of MLC 2006 by the Republic of Palau and its entry into force,

- a) the Recognized Organizations that are stated in sub-chapter 5.17 b) shall be authorized by the Ship Registry Administrator to carry out inspections or to issue the Maritime Labor Certificates or to do both; and
- b) Recognized Organizations other than those identified paragraph 5.16 b), Surveyors, and Inspectors may be authorized by the Ship Registry Administrator to perform inspections or to issue the Maritime Labor Certificates or to do both.

### **7.23 Maritime Labor Certificate and Declaration of Maritime Labor Compliance**

- a) Maritime Labor Certificate

Upon the ratification of MLC 2006 by the Republic of Palau and its entry into force, a vessel registered under these Regulations and

- (1) of 500 gross tons or over;
- (2) to which the MLC 2006 applies; and
- (3) engaged in international voyages or operating from a port, or between ports, in another country;

shall be subject to mandatory inspection for compliance with the 14 areas specified in Appendix A5-I of the MLC 2006 by a Recognized Organization, Surveyor or an Inspector authorized by the Ship Registry Administrator. A Maritime Labor Certificate attesting such compliance shall be issued by the Ship Registry Administrator or the Recognized Organization, Surveyor or Inspector on behalf of the Ship Registry Administrator. A Maritime Labor Certificate must have attached to it a Declaration of Maritime Labor Compliance as well as any record of inspection.

- b) Declaration of Maritime Labor Compliance

- (1) The Declaration of Maritime Labor Compliance (DMLC) is a document that outlines the national laws or provisions that give effect to the 14 areas specified in Appendix A5-I of the MLC 2006 that are subject to inspection for certification and the measures put in place by the Owner to ensure compliance with these inspection items.

- (2) The DMLC consists of two parts:

- (.1) Part I: the statement drawn up by the Ship Registry Administrator that references or describes the national laws, regulations or provisions with respect to the 14 areas

specified in Appendix A5-I of the MLC 2006 that are subject to inspection for certification. The DMLC Part I will also record any flexibility, substantial equivalencies or exemptions which may have been applied to the vessel after consultation with the relevant seafarers' organization and the Owner.

(.2) Part II: the statement drawn up by the Owner identifying the measures adopted to ensure ongoing compliance with the national requirements detailed in the DMLC Part I, and enabling continuous improvement between inspections should indicate:

(.1) when ongoing compliance shall be verified;

(.2) persons responsible for verification;

(.3) records to be taken;

(.4) procedures to be followed when non-compliance is noted; and

(.5) to ensure ongoing compliance, the DMLC Part II should also include general international requirements concerning advances in technology and scientific findings concerning workplace design.

(3) The DMLC Part II shall be certified compliant by the authorized Recognized Organization, Surveyor or Inspector on behalf of the Ship Registry Administrator prior to issuance of the Maritime Labor Certificate to the Owner.

c) Interim Maritime Labor Certificate

(1) An Interim Maritime Labor Certificate may be issued:

(.1) to new vessels on delivery;

(.2) when a vessel changes flag; or

(.3) when an Owner assumes responsibility for the operation of a vessel which is new to that Owner.

(2) An Interim Maritime Labor Certificate may only be issued following verification that:

- (.1) the vessel has been inspected, as far as reasonable and practicable, for 14 areas specified in Appendix A5-I of the MLC 2006;
- (.2) the Owner has demonstrated to the Recognized Organization, Surveyor or an Inspector authorized by the Ship Registry Administrator that the vessel has adequate procedures to comply with the MLC 2006;
- (.3) the Master is familiar with the MLC 2006 and the responsibilities for implementation;  
and
- (.4) relevant information has been submitted to the Recognized Organization, Surveyor or an Inspector authorized by the Ship Registry Administrator to produce a DMLC.

(3) A DMLC need not be issued for the period of validity of the Interim Maritime Labor Certificate.

d) Vessels Which Do Not Need to be Issued with Maritime Labor Certificate

All vessels to which the MLC 2006 applies, but which are not required to be certified (under 500 gross tons, not engaged in international voyages, or not operating from a port, or between ports, in another country), shall still be subject to full inspection against the same requirements as for certified vessels. Such vessels shall comply with the national laws and provisions specified in the DMLC Part I, and shall be subject to inspection verifying that this requirement is met. Owners of such vessels may request voluntary certification subject to the satisfactory completion of all requirements necessary for certification.

e) Voluntary Compliance

Any other vessel to which the MLC 2006 does not apply, may request voluntary certification subject to the satisfactory completion of all requirements necessary for certification.

f) Certificate Validity

(1) Maritime Labor Certificate

A Maritime Labor Certificate shall remain valid for a period of 5 years, and shall be subject to an intermediate inspection between the second and third year of validity.

(2) Interim Maritime Labor Certificate

An Interim Maritime Labor Certificate may be issued for a period not to exceed 6 months. An inspection in accordance with the 14 areas specified in Appendix A5-I of the MLC 2006 shall be carried out prior to expiry of the Interim Maritime Labor Certificate to enable issuance of the Maritime Labor Certificate. No further Interim Maritime Labor Certificate may be issued following this initial 6 months.

g) Invalid Maritime Labor Certificate

A Maritime Labor Certificate or Interim Maritime Labor Certificate shall cease to be valid in any of the following cases:

- (1) the relevant inspections are not completed within the specified time periods;
- (2) the Maritime Labor Certificate is not endorsed by the Recognized Organization, Surveyor or an Inspector authorized by the Ship Registry Administrator;
- (3) when a vessel changes flag;
- (4) when an Owner ceases to assume the responsibility for the operation of a vessel; and
- (5) when substantial changes have been made to the structure or equipment covered in Title 3 (Accommodation, Recreational Facilities, Food and Catering) of the MLC 2006.

In the case referred to in paragraphs g (3), (4) or (5) above, a new certificate shall only be issued when the Recognized Organization, Surveyor or an Inspector authorized by the Ship Registry Administrator that is issuing the new certificate is fully satisfied that the vessel is in compliance with the requirements of A5.1.3 of MLC 2006.

## **7.24 Inspection and Enforcement**

a) Deficiencies and Withdrawal of Maritime Labor Certificate

- (1) The Recognized Organization, Surveyor or an Inspector authorized by the Ship Registry Administrator shall require the rectification of deficiencies in Seafarers' working and living conditions that have been identified as the result of an inspection and shall carry out inspections in this regard at the request of a port State. Where there are grounds to believe that deficiencies constitute a serious breach of the MLC 2006 (including Seafarers' rights), or represent a significant danger to Seafarers' safety, health or security, an inspector shall, with the

authorization of the Ship Registry Administrator, prohibit a vessel from leaving port until necessary corrective actions are taken.

- (2) A Maritime Labor Certificate or Interim Maritime Labor Certificate shall be withdrawn by the Ship Registry Administrator, Recognized Organization, Surveyor or an Inspector authorized by the Ship Registry Administrator if there is evidence that a vessel does not comply with the requirements of the MLC 2006 and that the required corrective action has not been taken. When considering the withdrawal of a Maritime Labor Certificate, the seriousness and frequency of the deficiencies shall be considered.
- (3) Where there is no clear breach of the requirements that endangers the safety, health or security of the Seafarers and where there is no prior history of similar breaches, a Recognized Organization, Surveyor or an Inspector authorized by the Ship Registry Administrator shall have the discretion to give advice instead of instituting or recommending withdrawal of the Maritime Labor Certificate.
- (4) If the Ship Registry Administrator receives a complaint that is not manifestly unfounded or obtains evidence that a vessel that flies its flag does not conform to the requirements of the MLC 2006 or that there are serious deficiencies in the implementation of measures set out in the DMLC, the Ship Registry Administrator shall undertake to investigate the matter and ensure that action is taken to remedy the deficiencies found.

b) Inspection Reports and Records

(1) Inspection Reports

The Inspector (Recognized Organization, Surveyor or an Inspector authorized by the Ship Registry Administrator) shall submit a report of each inspection to the Ship Registry Administrator. The Inspector shall supply one copy of the report in English, and, if necessary, one in the working language of the vessel to the Master of the vessel. The Master shall post a copy set on the vessel's notice board.

(2) Inspection Records

A record of inspections shall be kept by the Master with any significant deficiencies found during the inspection noted and their date of remedy recorded. This record, if not in English, shall be accompanied by an English-language translation and appended to the DMLC so that it is available to Seafarers, Inspectors (Recognized Organization, Surveyor or an Inspector authorized



by the Ship Registry Administrator), authorized officers in port States and Owners' and Seafarers' representatives.

(3) Annual Report

The Ship Registry Administrator shall maintain records of inspections and shall publish an annual report on inspection activities within a reasonable time, not exceeding six (6) months after the end of the year.

c) Investigation Report

In the case of an investigation pursuant to a major incident, a Recognized Organization, Surveyor or an Inspector authorized by the Ship Registry Administrator shall submit a report to the Ship Registry Administrator as soon as practicable, but not later than one month following the conclusion of the investigation.

d) Confidentiality

All Inspectors shall treat as confidential the source of any grievance or complaint alleging a danger or deficiency in relation to Seafarers' working and living conditions or a violation of laws and regulations and give no intimation to the Owner, the Owner's representative or the operator of the vessel that an inspection was made as a consequence of such a grievance or complaint.

## 7.25 On-board Complaint Procedures

- a) Each Owner shall provide for on-board procedures for the fair, effective and expeditious handling of Seafarer complaints alleging breaches of the requirements of the MLC 2006, including Seafarers' rights.
- b) A Seafarers shall be provided, together with a copy of his SEA, a copy of the on board complaint procedures applicable to the vessel. The Ship Registry Administrator shall prescribe by Marine Notice provisions for development of the on board complaint procedure.
- c) Any victimization of a Seafarer for filing a complaint is strictly prohibited. Victimization is understood to mean any adverse action taken or threatened by any person with respect to a Seafarer for lodging a complaint which is not manifestly vexatious or maliciously made.
- d) Utilization of on board compliant procedures shall not prejudice a Seafarer's right to seek redress through conciliation and mediation, arbitration or legal means.

## 7.26 Employment of Properly Trained Palauan Citizens

In relation to Section 805 of the Act, an Owner of a vessel registered under these Regulations is encouraged to employ qualified and properly trained Palauan Citizens as Seafarers to work on board the vessel, if they are available.

## 7.27 Shipping Articles

### a) Official Form Required

In relation to Section 820 of the Act, Shipping Articles, also known as Articles of Agreement or Crew Articles, shall be in the English language. The Ship Registry Administrator shall prescribe by Marine Notice the form for the Articles of Agreement. No other form shall be used in lieu of the official form except that a foreign language version may be appended thereto or otherwise made a part thereof; provided, however, that on any vessel the initial form of Shipping Articles prescribed therein shall be required only upon expiration of the Articles currently in effect or within 1 year from the effective date of this Regulation, whichever is later.

### b) Definitions.

For the purposes of this regulation only, the following definitions shall apply:

- (1) Seafarer means any and all members of the crew and officers other than the Master and pilots, employed or engaged in any capacity on board any vessel, unless specified otherwise.
- (2) Crew means collectively those other than officers and Master, serving in any capacity on board a vessel.
- (3) Hotel Staff means those persons on board providing services to passengers and who are not regularly assigned to perform shipboard safety and pollution prevention related duties and not part of the vessel's crew as defined above. Accordingly, any of the hotel staff is not required to sign Shipping Articles; however, they may be parties to other contractual arrangements.

### c) Time of Signing-on Articles.

Every Seafarer joining a vessel to commence employment on board shall sign the Shipping Articles prior to the vessel's departure from the port at which the seafarer so joined the vessel. The Master

shall officiate at the signing-on of each seafarer and shall sign his name to the Shipping Articles in attestation of his having so acted. Any seafarer signing such Shipping Articles must be given an opportunity to examine and seek advice on the agreement before signing as well as such other facilities as are necessary to ensure that he has freely entered into an agreement with a sufficient understanding of his rights and responsibilities. The Owner and Seafarer concerned must each have a copy of the Shipping Articles.

d) Signing-Off of Articles Not a Waiver.

The signing-off of Shipping Articles by a Seafarer at the time of his discharge from employment on board shall not constitute a waiver on his part of any claims he may have against the Owner, the vessel or its Master at that time.