

Isle of Man Ship Registry

Serving the international maritime industry for over 30 years



**2017 CHANGE
DEVELOPMENT CONSULTATION**

A Need For Change

CLIENT FEEDBACK > CHANGE

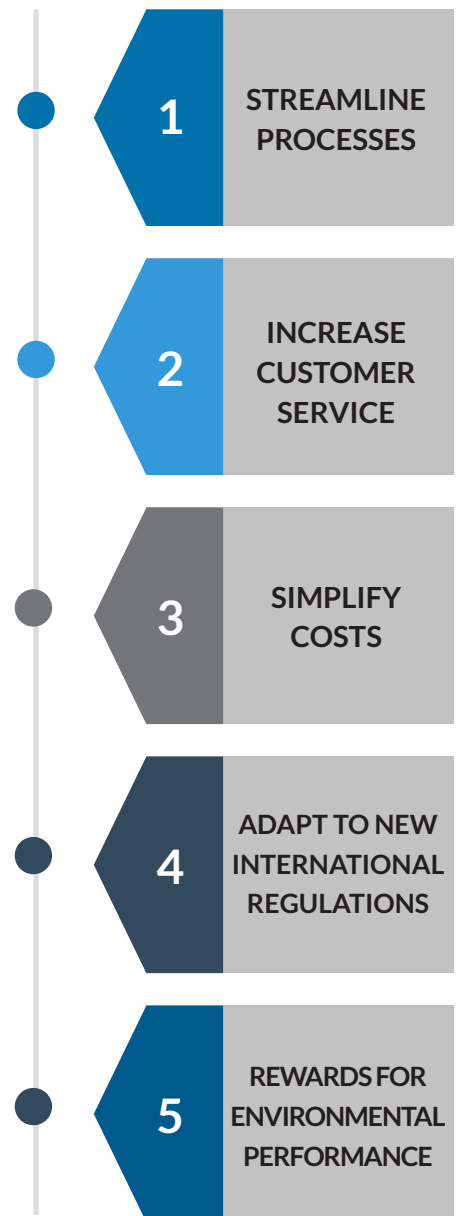
Following a thorough internal review, the Isle of Man Ship Registry plans to introduce a number of changes across its Registry structure. Based on client feedback the review was intended to identify areas where we could streamline processes, increase customer service, lower costs for our customers, adapt to new international regulatory requirements and reward customers for investment in more environmentally friendly technology.

This document forms part of the consultation process and will introduce our proposals for change. The document sets out the rationale for these changes and aims to inform you as clients and stakeholders of the full nature of our proposals. I believe the proposed changes will improve our service levels and simplify our fee structures resulting in an improved overall experience for our clients.

If you are affected by these changes and would like to respond there are details at the end of this document explaining how to give your feedback. I look forward to hearing your thoughts on the future development of the Isle of Man Ship Registry and assure you we will continue to place client needs at the very centre of everything we do.

Kind Regards,

Dick Welsh



Why Change?

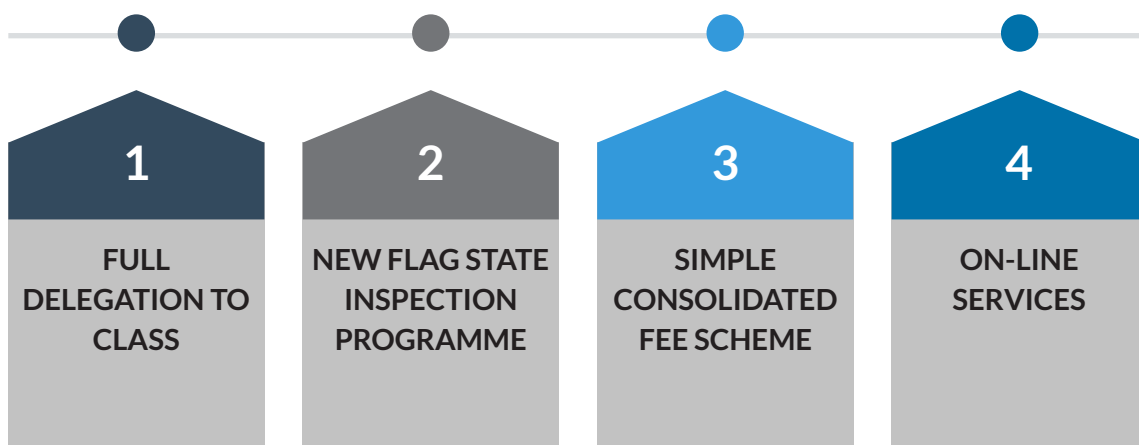


The Isle of Man Ship Registry is changing in order to bring the registry in line with current and predicted client expectations by changing its operating model and fees structure. This will provide full delegation of statutory surveys and inspections to Class as well as providing a new programme of Flag State Inspections, which is essential to satisfy the new IMO Instruments Implementation Code (III Code).

At the same time the Ship Registry will take the opportunity to simplify its fees to provide a more competitive and predictable fee structure. This will place the registry in a more competitive position whilst improving the service levels for which it is renowned.

When?

The Isle of Man Ship Registry aims to bring the changes into effect on 1 April 2017.



What is Changing?

1. Full Delegation to Class

- ▶ ISM; ISPS and MLC inspections and certification will be delegated to Class. This will be the final elements in the move to full delegation of statutory surveys and certification to Class.
- ▶ This is the standard model for most Flag States and is often requested by owners and operators.
- ▶ Class will be the single point of contact for all statutory work.
- ▶ Owners and operators will now be able to renegotiate block fee agreements with Class to include ISM; ISPS; and MLC work.

2. New Flag State Inspection Programme

- ▶ A program of Flag State Inspections of ships, using the Isle of Man's own survey teams.
- ▶ Flag State Inspections will be carried out twice in a 5 year cycle.
- ▶ The Inspection will focus on the condition, operation and emergency preparedness of the vessel and its crew.
- ▶ Each inspection will provide a valuable third party inspection of the vessel and a comprehensive report providing feedback to the operators.
- ▶ The Flag State Inspections will not be limited to statutory 'windows' in time. This will provide greater flexibility for operators planning for flag state inspections. Inspection will be arranged by operators at a time and port for optimum convenience.
- ▶ The Isle of Man will retain the services of external surveyors in key locations to make this even more accessible.

3. Consolidated Fees Scheme

- ▶ A new fee scheme will offer something fresh; providing owners with simple and easy comparisons against the world's leading Flag States and demonstrate true value for money.
- ▶ It will be as simple as it can be and facilitate ease of budgeting for ship owners and managers by fixing set fees payable at the start of April each year.
- ▶ The two current fee options of Standard Fees Scheme and Alternative Fees schemes for surveys will no longer remain.
- ▶ They will be replaced by a simple one-off fee which will spread the cost of registry and surveys with a simple annual payment. Included in this fee will be the surveyor's flight and travel costs for which there will be no extra charge, wherever the inspection is carried out in the world.
- ▶ Additional costs for services such as new registrations, registry fees, seafarers' documents, pre-registry surveys and Port State Control detention follow-up inspections will remain and will apply as and when they are ordered by clients.

New proposals

A single consolidated annual fee covering fees previously charged separately for registration and survey. The fee will be set at **£4,500 per annum**.

New Single Annual Fee
£4500

How does this compare with the current fee structure for Isle of Man registered ships?

Ship on a Normal Fee Scheme

Annual Registry Fee	£1625
Statutory Certificate fees ¹	£472
Survey Fees ²	£2800
TOTAL ANNUAL COSTS	£4896

Ship on an Alternative Fee Scheme (AFS)

Annual Registry Fee	£1625
Statutory Certificate fees	£0
Survey Fees	£2520
TOTAL ANNUAL COSTS	£4145

The above fees currently provide for 2 visits in 5 years to the ship for ISM/ISPS and ILO MLC inspections, where Normal fees are charged on a pay per survey basis whilst AFS is a block-fee arrangement covering survey and certificate costs.

Green Award Incentives



Fees can be further reduced by the green ship incentives (-10%) which will still apply for qualifying vessels.

For example a vessel qualifying for the environmental green scheme incentives will pay only £4,050 per annum, a reduction of £450 on the normal fee of £4,500.

¹ Based upon the costs of SMC, ISSC, MLC, and Safe Manning Document - each at £590 for 5 years

² £2800 is an average cost for surveys taken from data of charges from across the registered fleet in 2015 where costs of survey visits range from £5,000GBP to £10,000GBP dependent upon location of port where survey took place.

What is included?

Annual registry fees

Safe Manning Document

Casualty Investigation Costs

2 visits to the ship in 5 years for Flag State inspections by an Isle of Man surveyor

Temporary dispensation letters, exemptions, survey reports

What is not included?

Initial registration and pre-registry survey fees

Transcripts of register

Changes to registered particulars and documentation provided, e.g registry documents, CSRs etc.

Certificates of liability: CLCs, Bunker Certificates, Nairobi Wreck Certificates etc.

Seamen's documentation and STCW Endorsements

Stationary: official log books, oil record books etc.

Additional survey visits for Port State control follow-up where a ship has been detained.

How does this compare with other flags?

Tonnage Tax / Fees - annual fees based on the net registered tonnage of the ship.

International Representation/ Casualty Investigation fees - a fee which is levied to cover the Flag State's obligations in terms of International representation at IMO and also covers casualty investigations

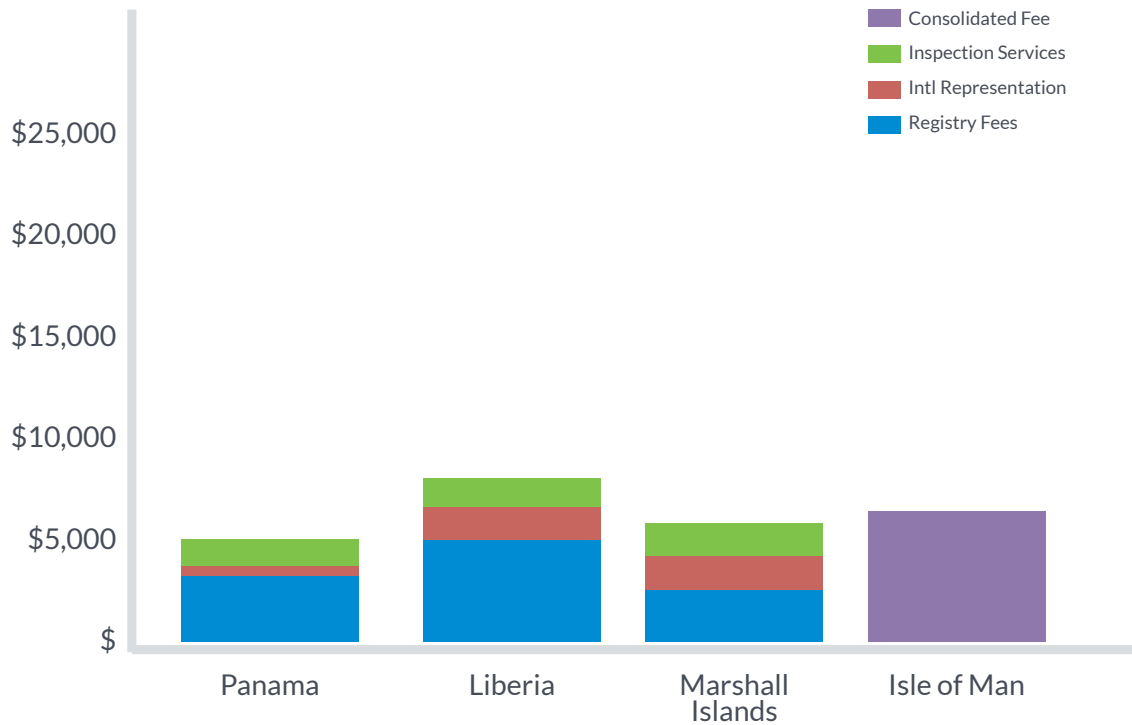
Inspection Fees - Fees levied to cover the cost of Annual Flag State Inspections



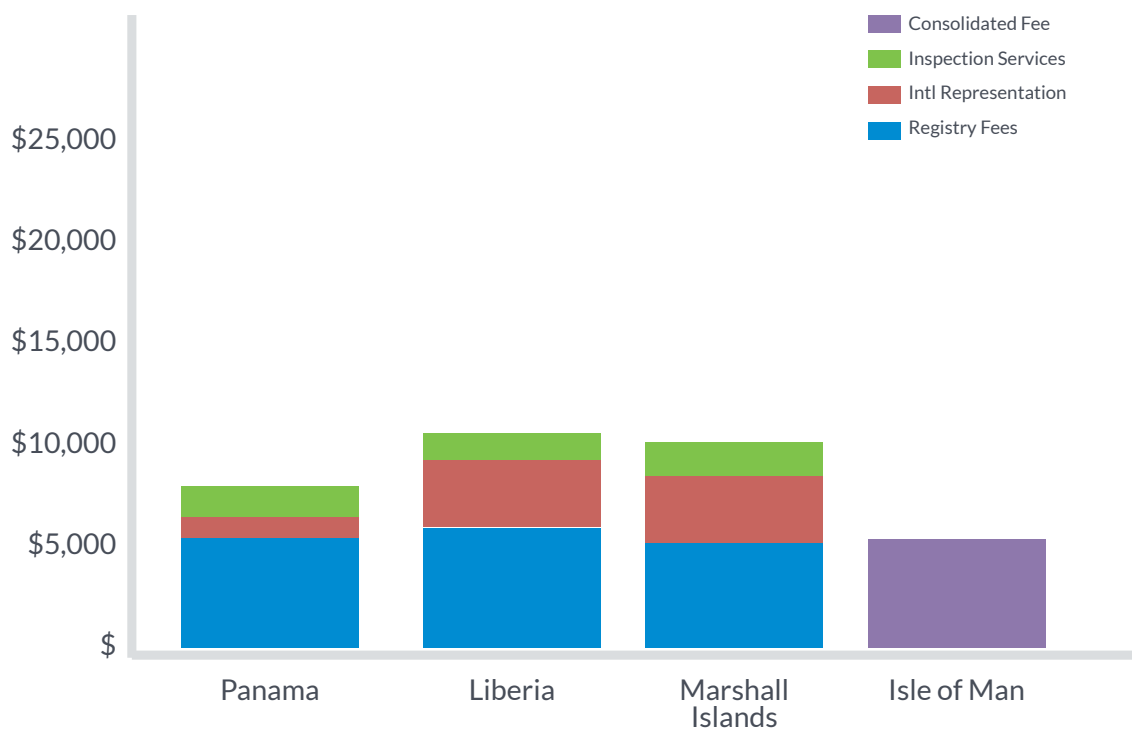
The Isle of Man proposals have none of the above individual fees. The fees proposed for the Isle of Man will be a single consolidated fee covering all of the above.

A comparison of these costs can be seen below for four different ship sizes in US Dollars.
(using a conversion rate of GBP£1 = USD\$1.29).

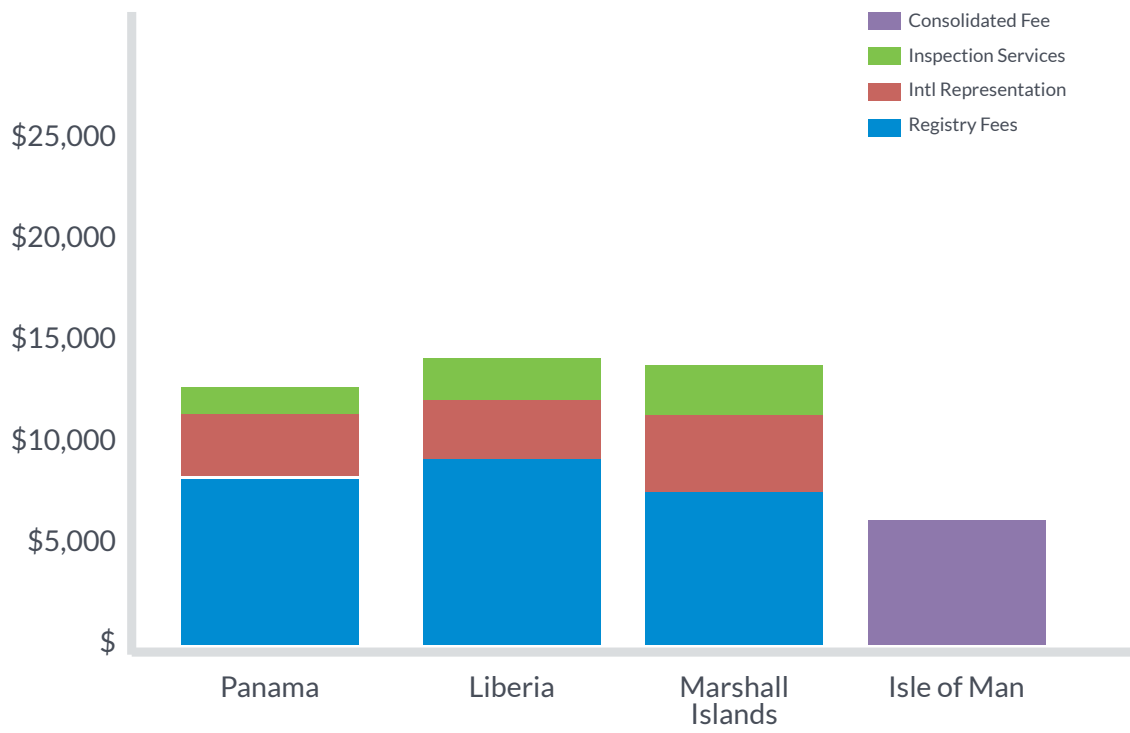
Handymax - Annual Fees



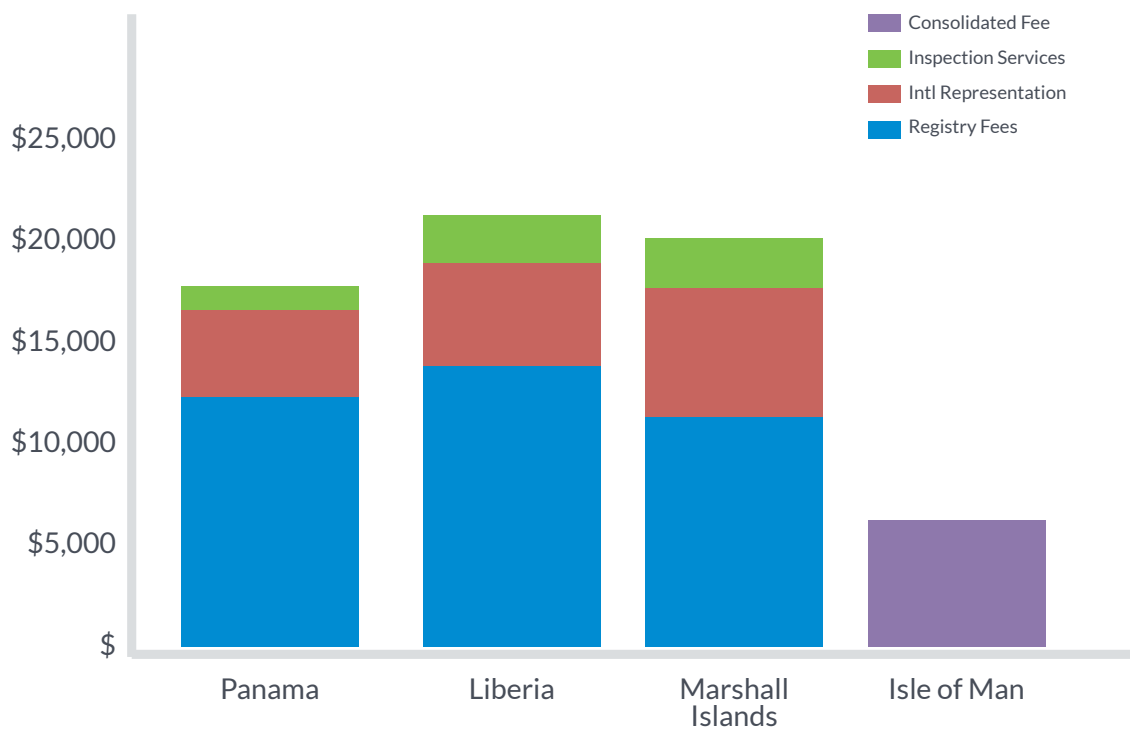
Panamax - Annual Fees



Capesize - Annual Fees



VLCC - Annual Fees

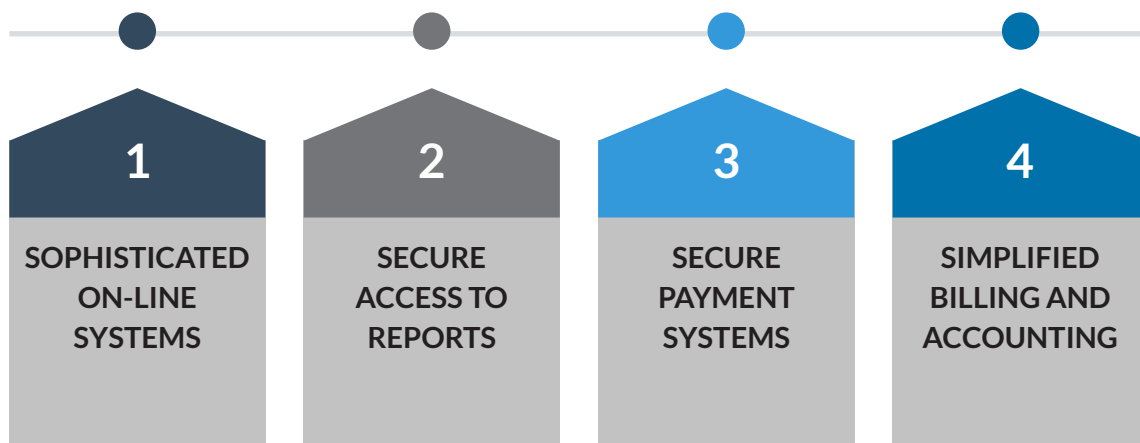


On-Line Services

The Ship Registry has invested time and resource into developing sophisticated on-line systems. Based on the success of its on-line platform for STCW endorsements, the Ship Registry will expand its on-line services significantly over the coming months. It will further expand its STCW system to provide printing of endorsements by the applicant, once approved in the system.

Other services will include secure access to reports and certificates, for companies to view the performance rating and data held on their ships.

Secure payments systems access for clients to make payments and review your account status. This will simplify the billing and recovery of Ship Registry fees and allow clients to see exactly what they have paid and what is still due. It will provide greater accuracy and accountability.



What next?

This document is for consultation purposes. The Isle of Man Ship Registry recognises that our mode of operation may have changed over the years, as new international initiatives entered into force, but we have always adapted and brought our clients with us to develop and improve our services. Now is no different. We know we have to make changes and we want to know what our clients think before we make those changes.



Your feedback is crucial to us.

Email your comments, ideas and feedback to: shipping@gov.im