

Explanatory Memorandum to Tynwald Members

Issued by the Department for Enterprise

To the President of Tynwald and the Hon Council and Keys in Tynwald assembled

1. Title of measure

Merchant Shipping (Fees) Regulations 2022 (SD2022/0014).

2. Changes in policy

None.

3. Effects of the measure

The Merchant Shipping (Fees) Regulations 2022 ("the Regulations") prescribe the fees charged for services provided by the Ship Registry with effect from 1 April 2022.

The Regulations apply an inflationary increase of 2% to all existing fees (rounded up/down to the nearest £1 or £5), clarify fees for remote surveys and introduce a new "green" discount from the annual registration fee for cargo ships, commercial yachts and passenger ships.

The new "green" discount of 15% from the annual registration fee is available to operators of cargo ships, commercial yachts or passenger ships which have invested in biofuel, alternative fuel, wind or shore-side energy technology and can provide evidence of one of more of the following –

- using biofuel or biofuel blends as the primary source of fuel for a period of not less than 120 days during the 12 months preceding the 1 April;
- its ability to use alternative fuel - liquefied natural gas (LNG), liquefied petroleum gas (LPG), methanol, ammonia, hydrogen, hydrogen enriched fuel, fuel cells, or battery systems;
- its ability to use wind assisted propulsion or wind energy for power generation; or
- its ability to use shore-side energy to provide continuous electrical power to its equipment while it loads or unloads its cargo at berth with its main and auxiliary engines turned off (cold ironing).

The general principal applied to remote surveys is to charge the same fee as for a "boots on deck" survey. However, in most instances it has only been necessary to remove phrases such as "the fee to attend" from the Regulations in order to clarify the specified fee applies to a survey conducted either remotely or in person.

Other relatively minor amendments and clarifications to fees are also made including new fees for pleasure vessels maintaining large commercial yacht code compliance, streamlining company International Safety Management audit fees and specifying fees for interim verifications of commercial yachts.

The Regulations revoke and replace the existing Merchant Shipping (Fees) Regulations 2020.

4. Reasons for the measure

The Ship Registry recovers costs and generates income by charging fees for services provided to its registered vessels. As an international Ship Register, the majority of its customers are off-island operators of merchant vessels, pleasure vessels and commercial yachts.

The Regulations apply an inflationary increase of 2% to all existing fees, as options to increase fees significantly in 2022 are not considered possible given the global competitive environment.

In addition to being competitive on fees, to be attractive to shipowners the Ship Registry must also develop new products and differentiate itself on service delivery.

New discounts from the annual registration fees for "green" ships are therefore introduced as part of the Ship Registry's continued desire to differentiate itself and be a progressive flag of quality from an environmental perspective. The incentive is aimed at supporting ship owners which chose to invest in "green" technology and attract newer more environmentally friendly ships to the Isle of Man flag.

The COVID 19 pandemic has also seen an acceleration in the use of remote survey technology by the Ship Registry. As the existing fees Regulations were not written with remote surveys in mind they have been reviewed and specific fees added for remote surveys where necessary. Whilst not appropriate for all types of ship surveys, remote surveys are expected to continue as part of the overall package of services provided by the Ship Registry.

5. Resource implications

None.

6. Tynwald procedure

In accordance with Section 17(2) of the Merchant Shipping (Miscellaneous Provisions) Act 1996, these Regulations require the approval of Tynwald.

7. Change in fees

The schedule sets out the changes to the fees made by the Regulations.

Section 1 - Cargo ships

All existing fees are increased by 2% rounded up/down to the nearest £1 or £5. Where the description of a fee is also shown in red text it is a new fee.

1.1 Cargo ships annual registration fee

Cargo ships pay an annual registration fee based on tonnage which is increased by 2% with a new discount of up to 15% available for ships which meet prescribed "green" criteria.

Cargo ship by gross tonnage	Existing annual registration fee	New annual registration fee
Up to 3,000gt	£3,950	£4,030
3,001 to 10,000gt	£4,515	£4,605
10,001 to 50,000gt	£5,080	£5,180
50,001 to 100,000gt	£5,645	£5,760
100,001gt and over	£6,210	£6,335

1.2 Cargo Ship pre-registration survey, initial general inspection and additional inspection fee

Cargo ship pre-registration survey, initial general inspection and additional inspection fee	Existing fee	New Fee
Surveyor travel (including cost of visas) and the transfer of the surveyor from the port to the ship or the ship to port.	Charged at cost	Charged at cost
Work undertaken in a port or shipyard in the Island	£103 per hour	£105 per hour
Work undertaken anywhere other than a port or shipyard in the Island.	£3,490	£3,560
Remote pre-registration survey, remote initial general inspection or remote additional inspection	N/A	£3,560
Waiting day fee	£545	£555

1.3 Demised out cargo ship – annual registration fee

The demised out annual registration fee is increased by 2% as follows -

- a ship which is technically managed from the Island from £1,047 to £1,068,
- a ship which is not technically managed from the Island from £2,095 to £2,135.

1.4 Mandatory General Inspection – transfer and agents fees

Agents fees and any fees incurred in the transfer of a surveyor from a port to a ship or the ship to port when the ship is not alongside (for example by helicopter transfer or by rib) are charged at cost.

Section 2 – Commercial Yachts

2.1 Commercial yachts – annual registration fee

The annual registration fee for a commercial yacht is increased by 2% as follows -

- a yacht which is technically managed from the Island from £1,047 to **£1,068**,
- a yacht which is not technically managed from the Island from £2,095 to **£2,135**.

The annual registration fee is subject to a new “green” discount of up to 15% for yachts which meet prescribed “green” criteria.

2.2 Commercial Yacht Fees Scheme

The monthly fee is increased by 2% from £230 to **£235**.

2.3 Commercial Yacht Waiting Day Fee

The waiting day fee is increased by 2% from £545 to **£555** per day.

2.4 Fixed fees for new build or major conversions of commercial yachts

Fixed fee for commercial yacht under 500gt	Existing fee	New fee
Work undertaken in a port or shipyard in UK, CI or ROI	£7,545	£7,695
Work undertaken in the European zone	£10,565	£10,775
Work undertaken in the Middle Eastern and Africa zone	£11,845	£12,080
Work undertaken in the Americas zone	£13,665	£13,940
Work undertaken in the Asian zone	£17,090	£17,430
Work undertaken in the Australasian zone	£20,510	£20,920

Fixed fee for a commercial yacht 500gt or over	Existing fee	New fee
Work undertaken in a port or shipyard in UK, CI or ROI	£9,780	£9,975
Work undertaken in the European zone	£12,820	£13,075
Work undertaken in the Middle Eastern and Africa zone	£14,130	£14,410
Work undertaken in the Americas zone	£15,960	£16,280
Work undertaken in the Asian zone	£19,360	£19,745
Work undertaken in the Australasian zone	£22,815	£23,270

2.5 Commercial Yacht other inspections, verifications and surveys

Commercial yacht other inspections, verifications and surveys	Existing fee	New Fee
Surveyor travel (including cost of visas) and the transfer of the surveyor from the port to the ship or the ship to port.	Charged at cost	Charged at cost
Work undertaken in a port in the Island	£103 per hour	£105 per hour
Work undertaken anywhere other than a port or shipyard in the Island	£3,490	£3,560
Remote other inspection, remote verification or remote survey	N/A	£3,560

2.6 Commercial Yacht Interim ISPS, ISM and MLC verifications

Specific new fees for interim ISPS, ISM or MLC verifications are added to cover the occasional circumstance where these verifications are carried out on their own rather than at the same time as other major inspections.

Commercial yacht interim ISPS Code, interim ISM Code or interim MLC verification	Existing Fee	New Fee
Surveyor travel (including cost of visas) and the transfer of the surveyor from the port to the ship or the ship to port	N/A	Charged at cost
Interim ISPS Code, interim ISM Code or interim MLC verification	N/A	£3,560
Remote Interim ISPS, remote interim ISM or remote interim MLC verification	N/A	£105 per hour

2.7 Commercial Yacht Certificates, manuals, plans and other documents

Commercial yacht – certificates, manuals, plans and other documents	Existing Fee	New Fee
5 year safety management certificate	£615	£625
5 year ship security certificate	£615	£625
5 year safe manning certificate	£615	£625
5 year MLC certificate (including DMLC)	£615	£625
Certificate of compliance for a large charter yacht	£615	£625
High speed craft safety certificate	£615	£625
Any other 5 year statutory certificate	£615	£625
Certificate with less than 5 years validity (fee per year of validity)	£126	£130
DMLC, amendment of DMLC and/or re-issue of DMLC	£310	£315
Assessment and issue of a temporary dispensation	£245	£250
Assessment and extension of any certificate	£245	£250
Assessment and issue of any waiver or letter of comfort	£245	£250
Amendment and/or re-issue of certificate (except DMLC)	£105	£107
Assessment and issue of an exemption, equivalent or alternative arrangement	£615	£625
Assessment and approval of any ship security plan	£440	£450
Assessment and approval of any manual or plan (except ship security plan)	£245	£250
Re-approval of any manual or plan	£111	£113

Section 3 – Passenger Ships

3.1 Passenger ships annual registration fee

The annual registration fee for a passenger ship is increased by 2% as follows -

- a ship which is technically managed from the Island from £1,047 to **£1,068**,
- a ship which is not technically managed from the Island from £2,095 to **£2,135**.

The annual registration fee is subject to a new “green” discount of up to 15% for ships which meet prescribed “green” criteria.

3.2 Fixed fee for new build passenger ships

The fixed fee for new build passenger ships is increased by 2% from £10,000 to **£10,200**.

3.2 Passenger ship verifications, surveys, audits, inspections new build yard visits or pre-registration surveys

Passenger ship surveys, audits, inspections, new build yard visits or pre-registration surveys	Existing Fee	New Fee
Surveyor travel and subsistence (including visas) and the transfer of the surveyor from the port to the ship or the ship to port	Charged at cost	Charged at cost
Work undertaken in a port in the Island (per working day)	£755	£770
Work undertaken anywhere in the world outside of the Island (per working day)	£1,420	£1,450
Travel day or waiting day	£545	£555

3.4 Passenger ship certificates, manuals, plans and other documents

Passenger ship certificates, manuals, plans and other documents	Existing fee	New Fee
5 year safety management certificate	£615	£625
5 year ship security certificate	£615	£625
5 year safe manning certificate	£615	£625
5 year MLC certificate (including DMLC)	£615	£625
High speed craft safety certificate	£615	£625
Any other 5 year statutory certificate	£615	£625
Certificate with less than 5 years validity (fee per year of validity)	£126	£130
Passenger ship safety certificate	£370	£375
DMLC, amendment of DMLC and/or re-issue of DMLC	£310	£315
Assessment and issue of a temporary dispensation	£245	£250
Assessment and extension of any certificate	£245	£250
Assessment and issue of any waiver or letter of comfort	£245	£250
Assessment and issue of an exemption, equivalent or alternative arrangement in exercise of any power to grant an exemption, equivalent or alternative arrangement from any statutory provision	£615	£625

Passenger ship – certificates, manuals, plans and other documents continued	Existing fee	New Fee
Amendment and/or re-issue of a certificate listed above, except for a DMLC	£105	£107
Assessment and approval of any ship security plan	£440	£450
Assessment and approval of any manual or plan (other than a ship security plan)	£245	£250
Re-approval of any manual or plan	£111	£113

Section 4 – Fishing Vessels

4.1 Fishing vessel surveys and inspections

Survey and inspection fees apply to fishing vessels which are 15 metres and over in length. Fishing vessels under 15 metres in length only pay survey fees prior to registration or if an additional survey or inspection is required because the vessel fails to comply with the IOM Code of Practice for the Safety of Small Fishing Vessels.

Fishing vessel surveys and inspections	Existing fee	New fee
Work undertaken in the Island	£47 per hour	£48 per hour
Work undertaken in the United Kingdom, Channel Islands, Republic of Ireland or the European zone	£94 per hour	£96 per hour
Work undertaken in any other country	£130 per hour	£133 per hour
Travel day or waiting day outside of the Island	£545 per day	£555 per day
Surveyor travel and subsistence outside of Island	Charged at cost	Charged at cost

Section 5 – Pleasure Vessels

5.1 Pleasure vessel annual registration fee

Pleasure vessels pay an annual registration fee based on tonnage which is increased by 2%.

Pleasure Vessel Annual Registration Fee	Existing fee	New fee
12 metres and under	£255	£260
Over 12 metres to under 24	£515	£525
24 metres and over	£1,025	£1,045

5.2 Pleasure Vessel maintaining large commercial yacht code compliance

A pleasure vessel which voluntarily maintains large commercial yacht code compliance pays the same fees as a commercial yacht except for its annual registration fee which is paid as per above table for pleasure vessels.

Section 6 – Company fees

6.1 Company audits, certificate fees and MLC recruitment and placement service inspections

Specific fees for remote audits of companies have been added and the fees for work undertaken in European zone to the Australasian zone have been consolidated into a single fee of £2,990.

Company audit, certificate fees and recruitment and placement service inspections	Existing Fee	New fee
All surveyor travel (including cost of visas)	Charged at cost	Charged at cost
Remote audit of a Company based in the Island	N/A	£750
Remote audit of a Company based anywhere other than the Island	N/A	£2,050
Work undertaken in the Island	£735	£750
Work undertaken in the United Kingdom, Channel Islands or Republic of Ireland	£2,010	£2,050
Work undertaken anywhere other than the Island, UK, Channel Islands or ROI	N/A	£2,990
Work undertaken in the European zone	£2,930	N/A
Work undertaken in the Middle Eastern and Africa zone	£3,190	N/A
Work undertaken in the Americas zone	£3,875	N/A
Work undertaken in the Asian zone	£4,210	N/A
Work undertaken in the Australasian zone	£4,430	N/A
MLC Title 1.4 private seafarer recruitment and placement services inspection	£96 per hour	£105 per hour
5 year MLC Title 1.4 certificate of compliance for private seafarer recruitment and placement services	£310	£315
5 year Company ISM document of compliance	£615	£625

Section 7 – Liability Certificates

7.1 Bunkers, Wreck and CLC Certificates

Liability certificates	Existing fee	New fee
Certificate of financial insurance or other financial security (CLC, Bunkers etc) for civil liability for oil pollution damage for a Manx ship	£125	£128
Wreck removal insurance certificate for a Manx ship	£125	£128
Certificate of financial insurance or other financial security (CLC, Bunkers etc) for civil liability for oil pollution damage for a ship not registered in the Island	£255	£260
Wreck removal insurance certificate for a ship not registered in the Island	£255	£260

Section 8 – Seafarer’s Certificates and documents

Seafarers’ certificates and documents	Existing fee	New fee
Endorsement recognising a non-UK certificate of competency (including issue of a CRA) if application is made online	£205	£210
Express processing of an endorsement recognising a non-UK certificate of competency (including express issue of a CRA)	£32	£33
Replacement or amendment to an endorsement recognising a non-UK certificate of competency (due to application error)	£64	£65
Discharge book	£79	N/A
British seaman’s card	£52	£53
Record of Sea Service	£51	£52

Section 9 – Registry fees

In the table below the existing registry fees are shown struck through with the new fee shown below in red +2%.

Registry	Fees			
	Cargo ship, commercial yacht, passenger ship	Pleasure vessel	Small ship	Fishing vessel
First simple registration including a certificate of registry or re-registration from simple to full registry	N/A	N/A	N/A	£58 £59
Granting permission for a Manx ship to register in a compatible registry other than in the Island (demise out registration)	£605 £615	N/A	N/A	N/A
Transfer of ownership by bill of sale or transmission	£245 £250	£220 £225	£37 £38	£58 £59
Register of mortgage	£245 £250	£220 £225	N/A	£58 £59
Transfer of mortgage	£245 £250	£220 £225	N/A	£58 £59
Discharge of mortgage	£245 £250	£220 £225	N/A	£58 £59
Recording/noting mortgage of intent	£42 £43	£42 £43	N/A	£42 £43
Vessel leaving the Register including closure documentation	£365 £370	£64 £65	£42 £43	£42 £43

Registry fees continued	Cargo ship, commercial yacht, passenger ship	Pleasure vessel	Small ship	Fishing vessel
Change to the registered particulars	£37 £38	£37 £38	£37 £38	£37 £38
Issue of first full certificate of registry (including CSR if applicable)	N/A	£170 £173	£37 £38	£94 £96
Transfer of Registry	£765 £780	£170 £173	N/A	N/A
Issue of updated CSR and new certificate of registry, including change of particulars in Register	£245 £250	N/A	N/A	N/A
Change to the registered particulars and new certificate of registry including renewal of demise in registration on Part IV of the Register	£94 £96	£94 £96	£37 £38	£37 £38
Replacement or duplicate certificate of registry or a certified copy of the certificate of registry	£94 £96	£94 £96	£37 £38	£37 £38
Issue of a transcript of the particulars recorded in the Register	£42 £43	£42 £43	£42 £43	£42 £43
Certified copy of a document	£42 £43	£42 £43	£42 £43	£42 £43
Letter from the Department (upon request)	£42 £43	£42 £43	£42 £43	£42 £43
Inspection of the particulars recorded on the Register	£22 £23	£22 £23	£22 £23	£22 £23