

SHIPPING NOTICE 02/2022 (Rev 2.1)

NOTICE OF FEES AND CHARGES FOR VESSELS WHICH ARE – COMMERCIAL AND PLEASURE YACHTS, TENDERS OR SUBMERSIBLES

This Notice replaces and supersedes Notice 02/2022 (Rev 02) with effect from 01 May 2023 and will remain in force, subject to any amendment, until replaced.

To: OWNERS, MANAGERS, CHARTERERS AND MASTERS OF ALL CAYMAN ISLANDS VESSELS AND SERVICE PROVIDERS PROVIDING SERVICES TO THESE VESSELS.

1. APPLICATION

- 1.1 Notice is hereby given that the fees and charges to be applied by the Maritime Authority of the Cayman Islands (MACI) with respect to the services provided or undertaken by the MACI are as set out in this Notice and, subject to subparagraph 1.2, will remain in effect until amended, or superseded by a further Notice.
- 1.2 Whilst every effort will be made to provide at least 30 days notice of any changes to the levels of fees and charges as set out in this Notice, the MACI reserves the right, in its discretion, to vary fees without notice either generally or in a particular case.
- 1.3 Concurrent with this Notice, the Merchant Shipping (Fees) Regulations, 2014 (The Regulations) apply with respect to the –
 - 1.3.1 Registration of vessels;
 - 1.3.2 Registration under an Interim Certificate of Registry;
 - 1.3.3 Registration of a Ship Under Construction;
 - 1.3.4 Registration of transfer or transmission of Ownership of a vessel; and
 - 1.3.5 Other matters specified in the Regulations.
- 1.4 In accordance with regulation 5 of the Regulations, these Fees are included in the Schedule to this Notice, Part A, section A.1, Items (1) to (4) inclusive.

2. DEFINITIONS

2.1 In this Notice –

“Annual Flag State Compliance Fee or AFSCF (Yacht)” means an annual fee for pleasure and commercial yachts covering the statutory surveys/audits/inspections and the issuing of vessel related dispensations, exemptions, statutory certificates and plan approval of relevant documents (excluding additional audits/inspections due to change of management companies).

“annual tonnage fee” means an annual payment, calculated on the gross tonnage of the vessel as set out in the Schedule to the Notice;

“annual tonnage fee type 2” means an annual tonnage fee that includes the same level of services as included in the AFSCF.

“authorised person” means an appropriately qualified and experienced surveyor or inspector authorised by the Chief Executive Officer to undertake surveys or inspections and similar work on behalf of MACI;

“MACI” means the Maritime Authority of the Cayman Islands established under section 3 of the Maritime Authority Act, (2013 Revision);

“casualty” or “maritime casualty” means –

in relation to a submersible craft, “casualty” as defined in section 212 of the Merchant Shipping Act (2021 Revision);

in relation to wreck and salvage, “maritime casualty” as defined in section 273 of the Merchant Shipping Act (2021 Revision); and

in relation to any other incident involving a vessel, person or boat or damage caused by a vessel, “casualty” as defined in section 430 of the Merchant Shipping Act (2021 Revision), or “accident” as defined in regulation 2 of the Merchant Shipping (Marine Casualty Reporting and Investigation) Regulations, 2018;

“chargeable time” means the total time expended by one or more officials of MACI in providing a service which has either been requested, or is required under Cayman Islands Law or an International Instrument extended to the Cayman Islands by the United Kingdom.

“Chief Executive Officer” means the Chief Executive Officer of MACI appointed under section 9 of Maritime Authority Act (2013 Revision);

“Classification Society” means a body engaged in the survey and classification of vessels with respect to their design and structural standards;

“fees” means the fees set out in the Schedule and includes chargeable time;

“Fees Regulations” means the Merchant Shipping (Fees) Regulations, 2014 and any amendments thereto or replacements thereof.

“gross tonnage” means, for the purpose of this notice, the gross tonnage or gross tons as shown on the vessel’s Certificate of British Registry. For a vessel under

24m this means the gross and net tonnage as shown on the Certificate of British Registry;

“LL” means “Length” as defined in the International Convention on Load Lines, 1966, as amended;

“out of pocket expenses” include any cost incurred in providing a service other than chargeable time or a set fee;

“Recognized Organization” means a corporation or society authorised under section 419 (3) of the Merchant Shipping Act (2021 Revision).

“services” means the services contained in the Schedule and any other similar service requested, or required under Cayman Islands Law; and

“TL” means “Length” as defined in the International Convention on Tonnage Measurement of Ships, 1969, as amended.

3. LEVEL OF FEES AND CHARGES

- 3.1 The fees and charges payable for the services specified in the Schedule to this Notice shall be the fees specified in relation thereto in the Schedule.
- 3.2 The fees apply with respect to any of the services in the Schedule which are provided by or on behalf of MACI with respect to –
 - 3.2.1 Cayman Islands vessels or their owners or operators;
 - 3.2.2 Seafarers serving or intending to serve on board a Cayman Islands vessels; and
 - 3.2.3 Any other vessels, or its owner or operator, or any other seafarer, where a service has been provided by request or has been rendered pursuant to Cayman Islands law.
- 3.3 The fees are payable by the registered owner to whom the service was provided, or on their behalf by some other person, at the discretion of MACI.
- 3.4 Where a service been applied for or requested and –
 - 3.4.1 The service is cancelled or withdrawn by the applicant after work by MACI has commenced in processing the application for the service; or
 - 3.4.2 The service cannot be progressed within a period of two months or more from the date on which the application was received by MACI by reason of insufficient documentation or information having been submitted by the applicant,

MACI may cancel the application and terminate any further work with respect to the service and any fee or other payment shall not be refundable, save that MACI may, in its discretion, waive some or all of the fee or payment.
- 3.5 Where fees in relation to a service referred to in subparagraph 3.4 (a) or (b) have not been paid in advance, the person or persons to whom the service has or was to have

been provided shall be liable for payment of fees and expenses commensurate with the level of work undertaken and costs involved, as determined by MACI.

4. PAYMENT OF ANNUAL TONNAGE FEE

- 4.1 Subject to subparagraph 4.2, the owner of every Cayman Islands vessel shall, on or before the 1st day of January in each year, pay to MACI the annual tonnage fee as set out in the Schedule, as payment in advance of the tonnage fee.
- 4.2 Where a vessel is first registered in the Cayman Islands in any month other than January, the amount of annual tonnage fee due to the end of December in the year of first registration, determined in accordance with section A.3 of Part 2 of the Schedule, shall be paid upon the vessel being registered, and thereafter the annual tonnage fee shall be paid in accordance with subparagraph 4.1.
- 4.3 Annual Tonnage Fees relating to commercial and pleasure yachts, tenders and submersibles are not prorated and non- refundable.

5. FEES AND CHARGES BASED ON AMOUNT OF WORK INVOLVED

- 5.1 Where a fee is determined by the amount of work involved, the amount to be charged shall be calculated by taking into account the amount of time spent, both in office and out of office, on the service, or other relevant activity, including, where applicable –
 - 5.1.1 Travelling time between the office and the location of or a localised base for a vessel or shore establishment involved, subject to a maximum charge of sixteen hours for any one visit;
 - 5.1.2 The cost of return transport between the office and the location of the vessel or shore establishment involved and any costs incidental thereto;
 - 5.1.3 The cost of local travel between a localised base and the vessel or shore establishment involved;
 - 5.1.3 The cost of accommodation and subsistence for the persons undertaking the work; and
 - 5.1.4 Any additional costs incurred in relation to the work involved, including reasonable out of pocket expenses.
- 5.2 Time shall be charged to the nearest quarter of an hour and at the appropriate hourly rate set out in Section 3 of the Schedule.
- 5.3 Where a service not specified in the Schedule is provided by MACI, either on request or in accordance with Cayman Islands Law, the fees and other charges for such a service may be charged at the appropriate hourly rate and in accordance with the provisions of this paragraph. This may include, at MACI's discretion, time spent on verbal, written or electronic communication or exchanges, either in relation to some other service being provided or as a stand alone service.
- 5.4 The charging rates are split into three Zones

Zone 1 – For travel of less than 4 hours (Charged where a local surveyor, resident in the region can attend)

Zone 2 – For travel between 4 to 8 hours

Zone 3 – For travel or 8 hours or more.

5.5 Zone 1

This fee is generally charged where the Authority has a surveyor located within 4 hours travel time of the yacht, generally this will be one of our local surveyors. Should, however the local surveyor be unavailable to attend the vessel the Authority will endeavour to cover the onboard visit by using non-resident surveyor resource. In such cases the Authority will endeavour to carry out surveys on other vessels in the area with a view of cost sharing, this however may not be possible and the Authority reserve the right to charge based on the published rates i.e. either Zone 2 or Zone 3 whichever is more appropriate.

5.6 Zone 2

This fee will usually be applied to surveyors who will be using air travel or similar means to reach the region where the vessel is located.

5.7 Zone 3

This fee will usually apply where there are significant travel time and expenses, in all such cases the survey/audit/inspection fee will be charged at standard rate and travel office time will be charged in line with the rates specified in the fees notice and all expenses will be charged at cost.

5.8 The fees for Zone 1 & 2 include –

- Survey / Audit Time;
- Travel Time;
- Office Time;
- Flights (if applicable);
- Accommodation (if applicable); and
- Any surveyor expenses including parking, meals, tolls, or other allowances

5.9 The fixed fees do not include –

- Any waiting time in respect to the vessels arrival in the port or place of survey;
- Any follow up visits should the vessels condition not be of the required standard;
- or
- Any follow up regarding areas of non-compliance or other short fall in standards as determined by the Authority.

6. FEES AND CHARGES TO BE PAID IN ADVANCE

6.1 Subject to subparagraph 6.2, payment of fees and charges are to be made in advance of the survey being conducted or other service being provided where the amount is pre-determinable.

- 6.2 Where it is not possible to pre-determine the precise amount payable, then a deposit, the amount of which is to be assessed by the Chief Executive Officer or designate, shall be made in advance of the survey or other service being commenced, pending the final determination of the total amount payable.
- 6.3 Monies held on deposit shall be refundable less all accrued charges.
- 6.4 Owners, Managers, Operators and masters of vessels, and other persons or entities requesting or requiring any of the services in the Schedule, or otherwise, are urged to ensure that application for such services are made with as much notice as possible and should ensure that the application is supported by the appropriate fee, or estimation thereof made in accordance with subparagraph 6.2. Insufficient notice and absence of payment of the appropriate fee in advance may result in delays in providing the service applied for.
- 6.5 The Chief Executive Officer or designate may, in appropriate circumstances, waive the requirement for fees and charges or a deposit against fees and charges, to be paid in advance.

7. ADDITIONAL CHARGES FOR EXCESSIVE WORK

- 7.1 Subject to subparagraph 7.4, in the case of a service provided by or on behalf of MACI for which a fixed fee is payable, an additional charge may be levied where the chargeable time expended becomes excessive.
- 7.2 For the purpose of this paragraph, where the chargeable time actually spent in conducting a survey or providing a service, multiplied by the appropriate hourly rate or rates, exceeds 125% of the applicable fixed fee, then the time expended shall be deemed to be excessive.
- 7.3 The additional charge which may be levied is to be calculated by-
- 7.3.1 Obtaining the overall increased cost by multiplying the total number of hours spent in providing the service by the appropriate hourly rate as set out in section 3, bearing in mind that the total time may need to be apportioned among different rates; and
- 7.3.2 Subtracting from the amount obtained in (a) the original fixed cost plus 25%.
- 7.4 The Chief Executive Officer may, at his discretion, waive the additional charge for excessive work depending on the facts and circumstances of the case.

8. PROVISION OF SERVICES BY A RECOGNIZED ORGANIZATION

- 8.1 Where a Recognized Organization has been authorised to provide a service to a vessel or person on behalf of MACI and the Recognized Organization applies its own fees for such service, then fees payable in accordance with this Notice for that service shall not apply, except with respect to additional work carried out by MACI in respect of the service provided by the Recognized Organization.

9. PROVISION OF SERVICE BY AUTHORISED PERSON OTHER THAN A RECOGNISED ORGANISATION OR AN OFFICER OF MACI

- 9.1 Where an authorised person provides a service to a vessel or person on behalf of MACI and the fees specified in this Notice apply with respect to such service, the fees payable to MACI may, at the discretion of the Chief Executive Officer or designate, be reduced to a level consistent with associated work carried out by MACI in respect of the service provided by the authorised person.

10. VARIATION OF FEES AND CHARGES

- 10.1 The Chief Executive Officer may, with the authorisation of MACI, vary from time to time the level of fees and charges to be applied with respect to a service or group of services, or in respect of a particular vessel or group of vessels, and such variation may be applied for an indefinite or specified period, and on such conditions as may be stipulated by the Chief Executive Officer.
- 10.2 Pursuant to subparagraph 10.1, the Chief Executive Officer may also apply a variation in or alternative means of calculating and applying fees and charges if the circumstances of the case so warrant.

11. CERTIFICATES AND DOCUMENTS MAY BE WITHHELD IF PAYMENT OF FEES NOT MADE

- 11.1 Where a fee which is payable to MACI remains unpaid, any Certificate, Endorsement or other document relating to the service for which payment is due may be withheld, and the provision of further services by MACI to the person or entity concerned may be suspended, until payment has been made.

12. SURCHARGES FOR LATE PAYMENT

- 12.1 Where fees and charges due to MACI remain unpaid beyond the due date the following late payment penalties shall apply-
- 12.1.1 A 3% surcharge on fees will be applied for each period of 30 days or part thereof for amounts due and not paid within 30 days of the due date;
- 12.2 For the purposes of this paragraph the due date shall be –
- 12.2.1 In the case of annual tonnage fee, the 1st January of the year for and in which the fee is payable, except where initial payment of the fee falls due on some other specified due date; and
- 12.2.2 For all other fees and charges, the date of issue of the invoice.

13. MISCELLANEOUS FEES AND CHARGES

- 13.1 The Chief Executive Officer may fix the charges for publications and other material, whether specified in the Schedule or not.

14. UTILISATION OF FIXED FEES AND FIXED FEE AGREEMENTS IN LIEU OF HOURLY RATES

- 14.1 Notwithstanding the hourly rates applicable to services in Part B of the **Schedule**, the Chief Executive Officer, with the authorisation of MACI, may apply a set fee for a service or related activity, including but not limited to, a fixed fee agreement with respect to new building or major conversion work and related plan approvals, inspections, surveys and statutory certification for the vessel.
- 14.2 In determining the amount payable with respect to fixed fee agreements for new buildings or major conversion work, the appropriate hourly rate will be applied considering the amount and type of work involved and the time frame over which the work is expected to extend.

15. BILLING METHODS AND PAYMENT

- 15.1 Subject to paragraphs 8 and 9, all fees and charges are payable to MACI.
- 15.2 The fees and charges in this Notice are quoted in US Dollars (US\$).
- 15.3 Invoices will be billed in United States Dollars (US\$). This does not preclude alternative arrangements from being established, on a case by case basis, by MACI.
- 15.4 These arrangements will remain in force until further notice. Payments may still be made in CI\$ to the full amount due, but such payments must be made in CI\$ such that the funds can be paid directly into a CI\$ account without attracting any charges.

16. COSTS OF CASUALTY AND OTHER INQUIRIES AND INVESTIGATIONS

- 16.1 Costs and expenses incurred by MACI in respect of an inquiry or related activity with respect to an investigation or inquiry, including –
- 16.1.1 Judicial and administrative proceedings;
 - 16.1.2 Improvement and Prohibition Notices;
 - 16.1.3 An inquiry under section 430 of the Merchant Shipping Law (2021 Revision);
 - 16.1.4 An investigation under regulation 7 or 8 of the Merchant Shipping (Marine Casualty Reporting and Investigation) Regulations, 2018;
 - 16.1.5 An activity carried out under section 419(6) of the Merchant Shipping Law (2021 Revision); and
 - 16.1.6 An inquiry under section 434 of the Merchant Shipping Law (2021 Revision),

are recoverable as charges from the parties who are the subjects of the inquiry, related activity, inspection, proceeding or Notice, as the case may be.

- 16.2 The costs and expenses referred to in subparagraph 16.1, which are additional to the cost of any legal services involved, shall be calculated in accordance with the provisions contained in paragraph 5.
- 16.3 The cost of conducting an activity mentioned in 16.1.3 to 16.1.6 will be charged at the appropriate hourly rate shown in Section 2 of the Schedule to this Notice.

Schedule

Commercial and Pleasure Yachts, Tenders and Submersibles

SECTION 1 – Services for which Fixed Fees are charged

Part A – Vessels and Mortgage Registration and Related Services

Service / Activity	Fee US\$
A.1. Vessel Registration	
1. Registration, Transfer, Transmission or Deletion of vessels:	
of Tenders	600
of gross tonnage, up to 400 GT	1,200
of gross tonnage of 400 GT and above	1,750
2. Optional initial 3-Year Term Registration for pleasure vessels with a length (TL) under 24 m. Includes initial registration fee and prepaid annual tonnage fee for 3 years.	1,700
Renewal for further 3 years	1,500
3. Registration of Transfer or Transmission of Ownership of a vessel	1,100
4. Transfer of Port of Registration for a vessel between Cayman Islands Ports	800
5. Registration of a Ship Under Construction	600
6. Registration of alterations and changes to a vessel (per change)	600
7. Authorisation of a “Declaration of Lifeboats and Tenders attached to a vessel”, where applied for other than at the time of initial registration of the parent vessel	300
8. Change of vessel type: (Pleasure Yacht, Commercial Vessel, Yacht Engaged in Trade, etc)	750
9. Processing and approval for reservation of a name for a vessel (valid for 12 months)	600
10. Over-the Counter Service Surcharge (in addition to the normal applicable fee)	100% of normal fee
11. Survey for tonnage measurement and issue of appropriate Tonnage Certificate under the Tonnage Regulations for vessels under 24 meters in length	500
A.2. Mortgage Registration	
12. Registration/Discharge/Transmission/Transfer of a mortgage	750
13. Recording of a Priority Notice regarding a mortgage / Change in mortgage particulars (per change)	500

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Fees and Charges (Yachts, Tenders and Submersibles) (Continued)

Service / Activity	Fee US\$
A.3. Annual Tonnage Fee (ATF), and Annual Flag State Compliance Fee	
14. Annual Tonnage Fee	
Minimum Annual Fee (for vessels up to 400 GT)	550
For vessels over 400 GT and above	750
Each gross tonnage unit over 400 GT	0.25
15. Annual Flag State Compliance Fee	
for Vessels up to 400 GT	7,200
for Vessels 400 GT and above	10,500
A.4. Issuance of Transcripts, Inspection of the Register, Re-processing of documents and Change of Particulars	
16. Issuance of a Transcript or Certificate of Registry or certified copies thereof	300
17. Issuance of a Transcript of Register (Online application)	250
18. Inspection of Register Book (per vessel), Re-processing a document, Change of particulars (per transaction)	300
B.1 Crew Compliance and Safe Manning	
1. Assessment of application for and initial issuance of a Minimum Safe Manning Document (MSMD)	700
2. Assessment of application to vary and re-issue an existing MSMD or the renewal of a MSMD upon its expiration, as appropriate	350
3. Issuance of, and/or assessment of application for, an Endorsement or License recognising a Certificate as valid for service on a Cayman Islands vessel (50% for cancellations/re-issuances)	360
4. Processing of an application for a Seaman's Discharge Book or other seafarer's document (50% for cancellations/re-issuances)	130
5. Verification of sea service from a seafarer who has served on a Cayman Islands vessel	130
B.2 Supply of vessel books Etc.	
6. Cayman Islands Merchant Shipping Legislation ⁴ .	Varies by Instrument
B.3 Miscellaneous Charges	
7. Communication charges (per transaction)	60
8. Sending documents by courier	
South America, Canada, Caribbean, United Kingdom, and United States of America	65
Rest of World	70
Otherwise	25 Service fee

SECTION 2 – Hourly Rates for Chargeable Time

The hourly rate for chargeable time shall be –

Service / Activity	Fee US\$
Hourly Rate	
Professional Surveyor Rate (PSR)	275
Consultative Rate (COR)	350

(Note: For guidance only, an exchange rate of US\$1.00 = CI\$0.82 is normally applied when converting between US\$ and CI\$ amounts. This exchange rate is subject to change without notice.)

Where fees are charged on a time expended basis, the hourly rate applied shall be that appropriate to the level at which the work is necessarily carried out, as determined by the Chief Executive Officer, and more than one hourly rate may apply for any service or related activity.

All travel undertaken by the authority will incur a daily allowance rate of US\$122.