

The Cayman Islands Shipping Registry (CISR)

Flag State Performance Annual Summary Report 2024

1. Introduction

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

Annual reports on accidents and incidents, seafarer complaints and other welfare issues reported to the Maritime Authority of the Cayman Islands (MACI) are published on our website www.cishipping.com.

The purpose of this annual report is to review the following: -

- Overall Flag State performance
- Overall Port State performance of the CISR fleet
- Deficiencies from inspections of CISR merchant ships
- Deficiencies from inspections of CISR yachts

As of 31 December 2024, the CISR fleet was approximately 4.5 million GT and approximately 2,500 units, made up of the following: -

Yachts	2,309
Merchant Vessels	100
Merchant Vessels - bareboat out	41
Domestic Vessels	84

566 large yachts are certified as compliant with the Red Ensign Group (REG) Yacht Code, on a mandatory basis for commercial use, or on voluntary basis (both full and partial compliance), or are certified as compliant with the Cayman Islands Caribbean Cruising Area (CCA) Code; these are hereafter referred to as 'Code yachts'.

Most statutory audits, surveys, and inspections of merchant ships in the CISR fleet are fully delegated to Recognized Organizations (ROs) when the vessels meet our eligibility criteria and maintain their 'low risk' status. This enhanced delegation arrangement is supplemented by dynamic risk ranking from PSC performance, periodic Flag State general inspections and ISM Company audits. In addition, as part of our RO monitoring programme, Classification Society records are reviewed.

CISR carry out annual Yacht Code surveys on all Code yachts; only in exceptional circumstances are they delegated to ROs.



2. IMO III Code Audit

In 2021 the International Maritime Organization (IMO) audited the UK and the wider Red Ensign Group (REG) against the IMO Instruments Implementation (III) Code. The audit revealed just two findings, when the average tends to be in double figures, and best practice in several areas. The REG clearly demonstrated that we take our international obligations very seriously.

2. International Chamber of Shipping (ICS) - Flag State Performance Table

As per the latest <u>ICS Flag State Performance 2023/2024 Report</u> CISR has 'positive performance indicators' in all the monitored areas: PSC, Ratification of major international maritime treaties, the use of Recognised Organisations in compliance with the IMO RO Code, Age of fleet, Reporting Requirements, Attendance at IMO meetings and IMO Member State Audit. As an indicator, the table positively identifies flags that are in compliance with International Labour Organisation (ILO) reporting obligations, as well as flags confirmed by the IMO to have communicated information demonstrating that full and complete effect is given to the relevant provisions of the STCW Convention.



3. Port State Control (PSC) Performance - General

With the support and shared quality values of our shipowners, managers and crew, CISR has achieved 'Whitelist' and 'Low Risk' status in all the major MoUs on Port State Control, including the USCG QUALSHIP 21 programme. Over the years CISR flag-in procedures and criteria have been developed, and will be further amended as necessary, to mitigate the risk of registering ships which might negatively impact on our PSC ranking but more importantly to safeguard against unfair treatment of seafarers, and non-compliance with the highest environmental and safety standards.

It should be remembered that detentions not only increase the MoU's risk ranking of the Flag State, but it also increases the MoU's risk ranking of the ISM Company such that other vessels in their fleet will be at a higher risk of a PSC inspection.

Whenever a vessel is detained, or a single PSC inspection raises more than 5 deficiencies, or when more than 8 deficiencies are raised from all PSC inspections in a 12-month period, the Company is required to undertake a detailed root cause analysis and present a corrective action plan (CAP) for acceptance. Should the CAP prove not to be effective in eliminating



deficiencies (raised by PSC, Flag State or the RO) the vessel's risk ranking is increased and additional flag state inspections will be required until a low risk status is restored.

CISR's quality objectives use the same PSC regions (i.e, Paris, Tokyo and US) as the ICS Flag State Performance as an indicator.

For these key PSC regions, the detention results over the last 3-year period are as follows: -

	Detentions	Paris MoU	Tokyo MoU	USCG
2022	Merchant Vessels	0	0	0
	Commercial Yachts	3	0	0
	Pleasure Yachts	0	0	1
2023	Merchant Vessels	0	1	0
	Commercial Yachts	0	0	0
	Pleasure Yachts	0	0	1
2024	Merchant Vessels	0	0	0
	Commercial Yachts	0	0	0
	Pleasure Yachts	0	0	0

<u>2024 – Flag State Performance Predictions</u>

Our predictions regarding 2024 PSC Performance rankings are the maintenance of our 'white-listed' status in both Paris and Tokyo MoUs, and our continued inclusion in USCG QUALSHIP 21 programme. Our position in Paris MoU is likely to increase from 16th to 6th and in the Tokyo MoU our position is likely to increase from 17th to 13th.



4. 2024 Shipping Notices, Guidance Notices and Safety Flyers

Shipping Notices

The following shipping notices were issued:

- The STCW Convention and the Issue of Endorsements Attesting to the Recognition of a Certificate of Competency CISN 01/2024
- Instructions to Recognized Organisation and their Surveyors CISN 02/2024

The following shipping notices were revised:

- IMO Conventions: Guidance and Instruction on Arrangements "To the Satisfaction of the Administration" CISN 02/2020 Rev.2

Guidance Notices

The following guidance notices were issued: -

- Flag State Performance (2023) CIGN 01/2024
- Operation of Ships and Equipment in Cold Climates and Low Temperatures <u>CIGN</u>
 02/2024
- The Merchant Shipping Act, 2024 <u>CIGN 03/2004</u>
- Iridium GMDSS: Recognized Mobile Satellite Service CIGN 04/2024
- Employment Contracts for Seafarers on Pleasure Vessels CIGN 05/2024
- PSC Concentrated Inspection Campaigns 2024 (Crew Wages and Seafarer Employment Agreements) CIGN 06/2024
- GPS Week Number Rollover for JRC Equipment CIGN 07/2024
- 2022 Amendments to the MLC CIGN 08/2024

The following guidance notices were revised:

- Recognition of Ship's Cook on Cayman Islands Vessels CIGN 02/2018 Rev 3.1
- Measurement & Registration of Pleasure Yachts under 24m CIGN 08/2019 Rev. 2

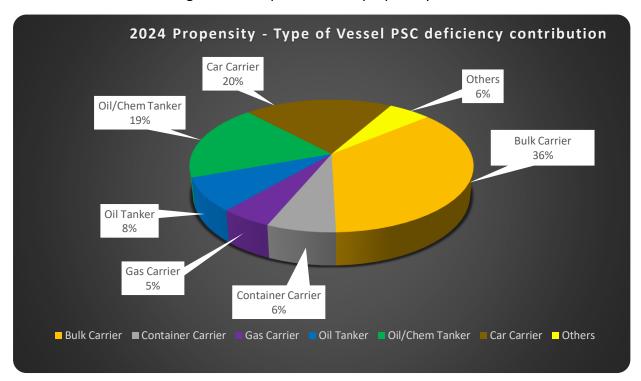
Safety Flyers

No Safey Flyers were issued in 2024.

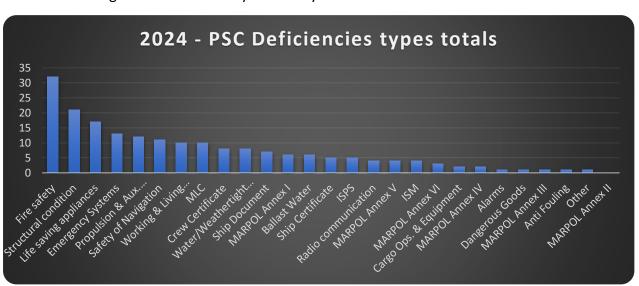


5. PSC Performance 2024 - Merchant Ships

Bulk Carriers remain the highest risk ships in terms of propensity to attract deficiencies.

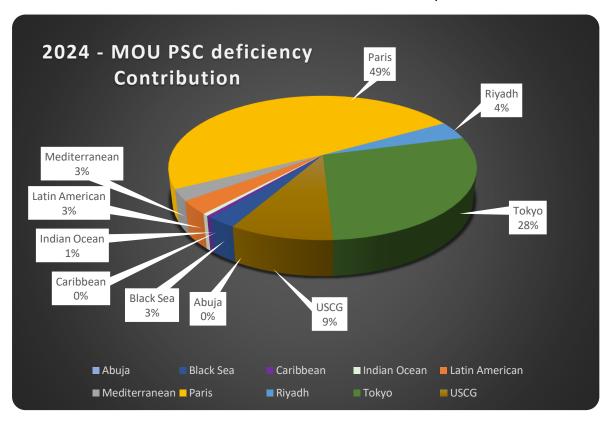


Across all PSC regions the statistics by deficiency area are as below:

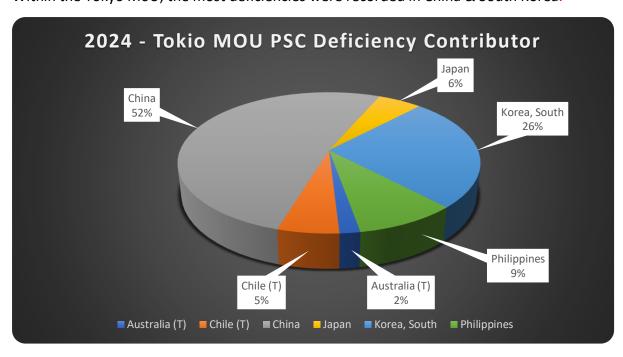




The main contributors of PSC deficiencies were the Paris and Tokyo MoU's.

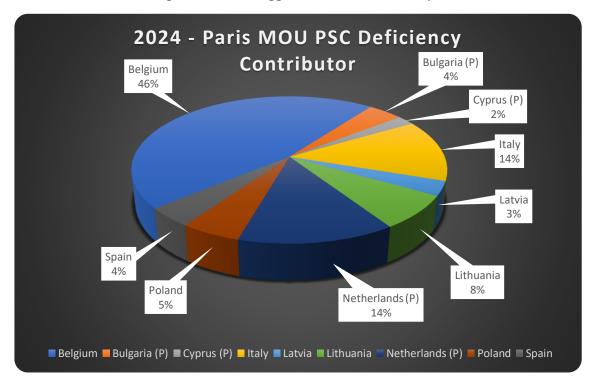


Within the Tokyo MoU, the most deficiencies were recorded in China & South Korea.



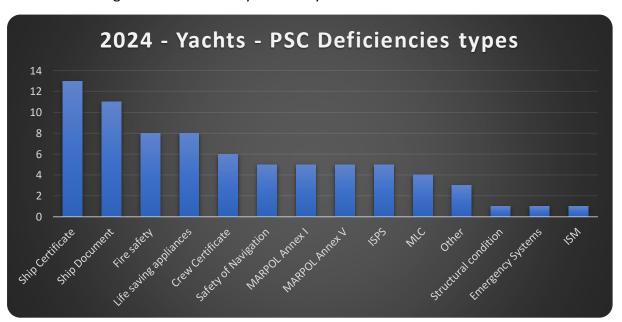


Within the Paris MoU, Belgium was the biggest contributor country.



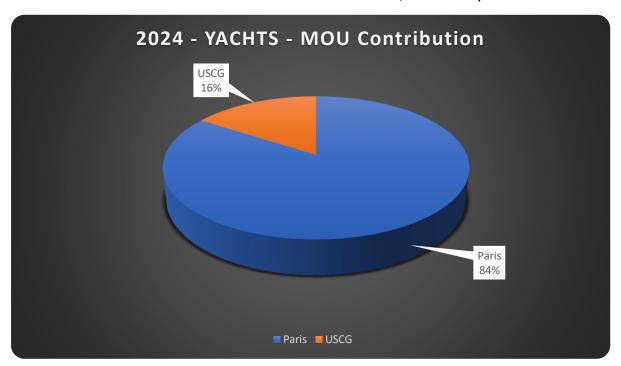
6. PSC Performance 2024 - Yachts

Across all PSC regions the statistics by deficiency area are as below:

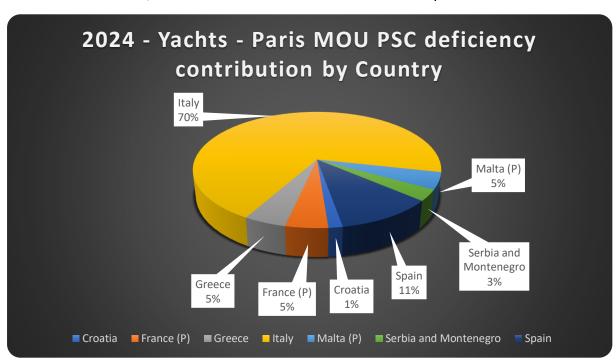




The main contributor of PSC deficiencies was the Paris MoU, followed by USCG.

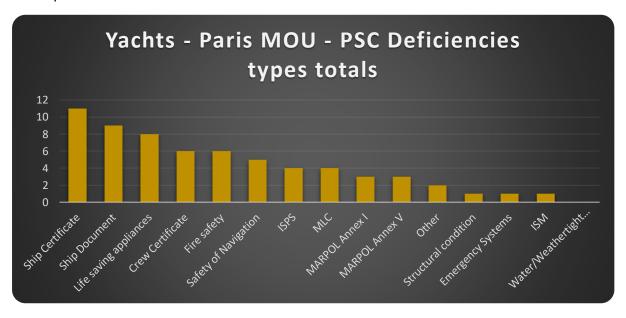


Within the Paris MoU, the most deficiencies were recorded in Italy.





The top 15 deficiencies for the Paris MoU were as follows: -



7. Flag State Inspections 2024 - Coded Yachts

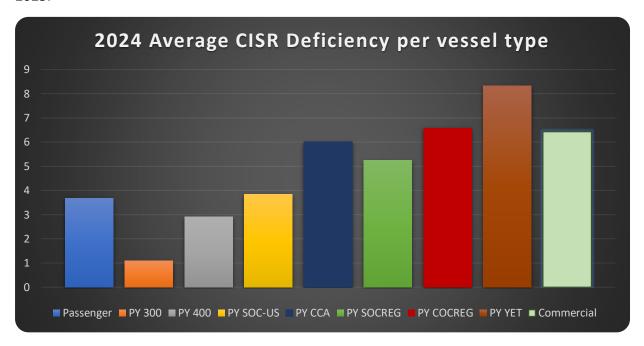
The top 5 deficiencies were Ship Certification, Life Saving Appliances, Safety of Navigation and Ship Documentation.



In previous years the highest average number of deficiencies per vessel type, weight by the number of yachts, was found on pleasure yacht (private use) being certified to the USCG requirements (PY SOC-US). These yachts are typically <500GT, have no shore-side technical support and have the highest turnover of Masters. However, in 2023 we began to provide addditional support through some pre-season remote ship certificate and documentation checks, as these categories typically rank in the top 2 of PSC MoU deficiency tables. The

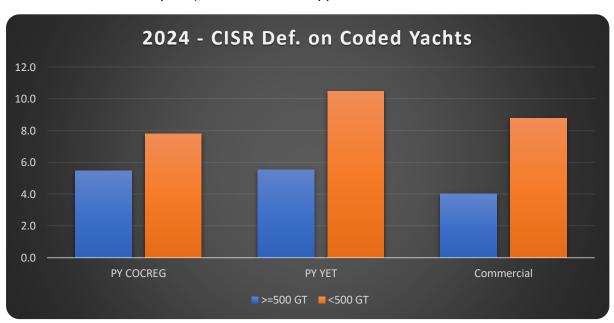


situation in 2024 is much improved but we will continue to provide the additional support in 2025.



PY 300: Pleasure Yacht <300GT, PY 400: Pleasure Yacht <400GT, PY SOC-US: Pleasure Yacht with Statement of Compliance with USCG requirements for private use, PY CCA: Pleasure Yacht Caribbean Cruising Area Code, PY – SOCREG: Statement of Compliance with REG Yacht Code.

As one would expect, the below graph clearly shows that yachts with ISM management (typically >500GT) perform better at surveys than yachts without. Therefore, in 2023 we also began to provide additional support for yachts <500GT operating commercially in EU waters, with a particular focus on vessel's arriving in Italy. Due the program's success (i.e. no detentions in the last 2 years), this additional support will continue in 2025.





8. Flag State Enforcement 2024

CISR has taken the following enforcement action in 2024: -

- Detention of 3 pleasure yachts (in private use) for sailing with invalid statutory certification
- Detention of 1 pleasure yacht (in private use) for unsatisfactory crew living and working conditions
- Detention of 1 commercial yacht for non-payment of crew wages.
- Warning letters issued to the Masters of two Pleasure Yachts (in private use) for sailing with invalid certificates
- Warning letter issued to the Master of a pleasure yacht (in private use) for neglect of duty and non-compliance with COLREGs.
- Warning letter issued to the Owner of a pleasure yacht that was found to be chartering illegally.

One commercial yacht that was detained twice by CISR in 2023 was selected to have its registration terminated in 2024 but voluntarily deleted.

9. Investigations 2024

There were no very serious marine casualties that required investigation under the IMO Casualty Investigation Code.

At CISR's discretion, 3 investigations into the following incidents were completed: -

- The flooding of a large yacht's tender garage, resulting in the vessel being beached.
- A Cayman flagged large yacht colliding with another large yacht with no fatalities.
- A tender to a Cayman flagged large yacht colliding with a dinghy resulting in one fatality.

Furthermore, we initiated an investigation into the grounding of a Cayman flagged vessel resulting in serious personal injuries, which is ongoing.

The findings were used to inform regulatory development work and enforcement action.



10. CISR Concentrated Inspection Campaign (CIC) Items 2025

For 2025 the Paris and Tokyo MoUs will carry out a CIC on Ballast Water Management and as such CISR surveyors will be checking Ballast Water Record Books entries for all ships. Updating supporting guidance (<u>BWM.2/Circ.80/Rev.1 – 2024 Guidance on water ballast water record-keeping and reporting</u>) has been issued.

Additionally, we will focus on the following for Yachts: -

- Seafarer Employment Agreements (commercial vessels) or Contracts of Employment (private yachts)
- Awareness/knowledge of CISNs and CIGNs
- Sewage discharge at sea and in port

Previous Years

The previous CICs covered the following items:

2024

- All Ships 'Crew Wages and Seafarer Employment Agreements under MLC'
- Yachts 'Safety Management Systems on yachts less than 500GT risk assessments'
- Yachts Pilot boarding arrangements

2023

- All Ships - Fire Safety

2022

- All Ships Hours of Work and rest
- All Ships ECDIS (operational aspects)
- *All Ships* Fuel oil sampling points

2021

- Merchant Ships Medical stores (provision and training)
- Yachts Risk assessment of water sport activities
- Yachts Adequacy of sill heights for shell openings whilst at anchor

2020

- All Ships- Preparation for compliance with EU Ship Recycling Regulations which come into effect 31Dec2020 (CIGN 02/2019 refers)
- All Ships Preparation for Cyber Risk Management requirements which come into effect on 1st Jan2021 (CIGN 07/2019 refers)
- Yachts The adequacy of boarding arrangements with respect to protection of personnel when not certificated to the ISO standard
- Yachts Effective reduced height of guardrails/bulwarks risk assessment for any such areas
- Yachts Li-ion battery and Li-ion powered toys storage and fire-fighting procedures.