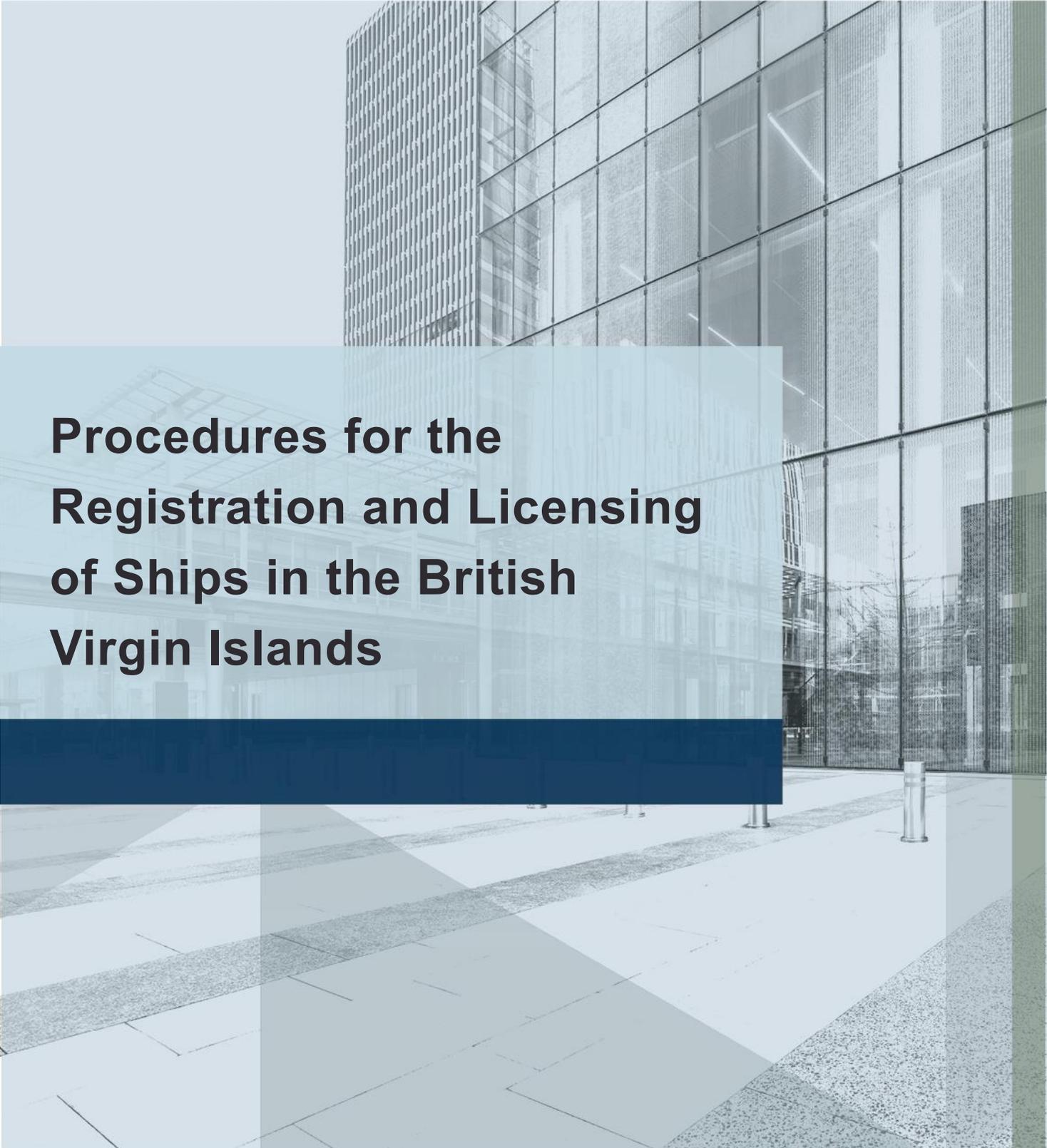


CONYERS

A photograph of a modern glass skyscraper with a grid-like facade, viewed from a low angle. The building is partially obscured by a semi-transparent blue overlay containing text. The foreground shows a paved plaza with a pattern of light and dark tiles.

Procedures for the Registration and Licensing of Ships in the British Virgin Islands

Preface

This publication has been prepared for the assistance of those who are considering the procedures for the registering and licensing of ships in the British Virgin Islands (“BVI”). It deals in broad terms with the requirements of BVI law. It is not intended to be exhaustive but merely to provide brief details and information which we hope will be of use to our clients. We recommend that our clients and prospective clients seek legal advice on BVI law in respect of their specific proposals before taking steps to implement them.

Before proceeding with the licensing and registration of a ship in the BVI, persons are advised to consult their tax, legal and other professional advisers in their respective jurisdictions.

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1. INTRODUCTION

The British Virgin Islands are a red ensign group category 1 flag open to cargo ships of unlimited tonnage and to yachts of up to 3000 G.T.

The registration and licensing of ships in the British Virgin Islands is handled by the Virgin Islands Shipping Registry (the "Registry"). Any citizen or body corporate of the United Kingdom, its Crown Dependencies and Overseas Territories, or of a member state of the European Union or European Economic Area, or a national of or body corporate incorporated in a member state of the Caribbean Community or the Organisation of Eastern Caribbean States or a citizen, body corporate or foreign company incorporated, established or registered in a recognised jurisdiction qualifies to register a ship in this jurisdiction. The usual practice is to incorporate a British Virgin Islands business company to act as the owner.

"Recognised jurisdiction" means a country included in Schedule 2 to the Anti-Money Laundering and Terrorist Financing Code of Practice, 2008.

2. REGISTRATION

In order to avoid duplication of names on the Register of Ships, the application must be preceded by the submission of a name approval form. The registration process commences with the submission to the Registry of an application to register a ship.

A Certificate of Survey containing descriptive particulars of the vessel to be registered must be issued by a surveyor who is recognized by one of the approved classification societies and must be submitted directly to the Registrar of Ships (the "Registrar"). The approved classification societies for the purposes of survey/inspection/certification for registration details, tonnage and requirements of SOLAS, MARPOL and Codes of Practice are: Lloyds Register of Shipping, Bureau Veritas, Det Norske Veritas, Germanischer Lloyd, American Bureau of Shipping and Registro Italiano Naval. In addition, the Royal Yachting Association (U.K.) and the Yacht Brokers, Designers and Surveyors Association (U.K.) are authorised to carry out pre-registration survey/certification of vessels under 24 metres in overall length.

The application must also be accompanied by satisfactory evidence of title. Proof of ownership of the vessel may be presented in the form of a builder's certificate, a bill of sale or transfer, or a declaration by the owner. If the vessel is owned by a body corporate, the applicant must furnish the Registrar with a valid Certificate of Incorporation and evidence of good standing of the company. Bodies corporate or persons not resident in the British Virgin Islands are required to appoint a representative in the British Virgin Islands. The local representative will act as the contact person between the Registry and the owner of the vessel being registered.

When all of the appropriate documents have been submitted to the Registry and the documents are found to be in order, the Registry will allocate an official number to the vessel and issue a Carving and Marking Note. When the Carving and Marking Note is returned to the Registrar after carving and marking, along with the prescribed fees, the Registrar will issue a Certificate of Registration. That certificate establishes the vessel's nationality and is recognised internationally. The certificate will not be proof of ownership nor does it show whether a mortgage, lien or encumbrance has been registered against the vessel.

If a manager is to be appointed, an application to the Registry on a separate form (available on request) is necessary. The Registrar must be informed of any changes of the name and address of a representative person and/or a manager.

3. REGISTRATION FEES

Registration fees are based on a table issued by the Registry of British Ships, Southampton, UK. No tonnage tax is payable. The vessel, once registered, is to be licensed annually.¹

4. PROFESSIONAL FEES

Our professional charges for handling an application for registration would be based on the time spent and the complexity of the work involved in preparing the application and obtaining the necessary documentation. We would also be able to provide a local representative person where required.

An Application for Ship Radio Licence and Marine Telecommunications Operating Licence (B) (Radio Telephone) is also available.² All licences expire on 31 December and, as such, the initial registration fees are charged at 50% for applications received in the second half of the year. Applications for these licences are submitted to the Telecommunications Unit, Government of the British Virgin Islands.

This publication should not be construed as legal advice and is not intended to be relied upon in relation to any specific matter. It deals in broad terms only and is intended merely to provide a brief overview and give general information.

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¹ A list of current registration and annual license fees is available upon request.

² The current radio licence fees are available upon request.