

THE MERCHANT SHIPPING (REGISTRATION OF SHIPS, SALES AND MORTGAGES) LAWS OF 1963 TO 2005¹

LAW No 45 OF 1963 AS AMENDED

A LAW TO PROVIDE FOR THE REGISTRATION OF SHIPS, THE TRANSFER OR TRANSMISSION AND THE MORTGAGE THEREOF AND FOR MATTERS INCIDENTAL THERETO

The House of Representatives enacts as follows:

PART I - PRELIMINARY

Short title.

45 of 1963
32 of 1965
82 of 1968
62 of 1973
102 of 1973
42 of 1979
25 of 1980
14 of 1982
57 of 1986
64 of 1987
28(I) of 1995
37(I) of 1996
138(I) of 2003
169(I) of 2004
108(I) of 2005.

1. The Merchant Shipping (Registration of Ships, Sales and Mortgages) Laws of 1963 to 2005 shall be cited together as the Merchant Shipping (Registration of Ships, Sales and Mortgages) Laws of 1963 to 2005, and shall be read as one with the Code, and the Merchant Shipping (Safety and Seamen) Law.

*Cap 292
38 of 1963.*

Interpretation.

57 and 58 Vict.
c. 60- 2 and 3
Eliz. 2 c. 18.

2 of 108(I)/2005.

2. — (1) In this Law, unless the context otherwise requires -

" the Code" means the Merchant Shipping Acts, 1894 to 1954, of the United Kingdom, to the extent of their application to the Republic and subject to the necessary modification required under its Constitution;

" Community shipmanagement company " means a corporation providing shipmanagement services , which has been established and operates in accordance with the laws of a Member State and which has its registered office, central administration or principal place of business within the European Economic Area ;

"consular officer of the Republic" means the member of the consular service of the Republic nominated by the Council of Ministers for this purpose and includes any other person nominated by the Council of Ministers to be a consular officer of the Republic for the purposes of this Law;

¹ Consolidation Note : Includes the latest amendments introduced by Law 108(I)/2005. All these Laws were published in the Greek language in the Official Gazette of the Republic of Cyprus. This is an "unofficial" consolidated translation into English prepared by the Department of Merchant Shipping ,and does not intend to replace any translation prepared by the Law Commissioner's Office.

According to Article 3 of the Constitution of the Republic of Cyprus, the official languages of the Republic of Cyprus are Greek and Turkish and therefore the present translation into English **is not the authentic version.**

	"Court" means a court of competent jurisdiction;
<i>2(a) of 169(I)/ 2004.</i>	"Cyprus ship" means a ship registered in the Register;
<i>2 of 108(I)/2005.</i>	"European Economic Area " means the geographical area within which the European Economic Area Agreement is applicable;
<i>2(b) of 169(I)/ 2004.</i>	"European Economic Area Agreement" means the European Economic Area Agreement signed in Oporto on 2 May 1992, as amended from time to time;
<i>2 of 108(I)/2005.</i>	" foreign register " means a register other than the Register ;
<i>2 of 108(I)/2005.</i>	" foreign ship " means any ship other than a Cyprus ship;
<i>2(b) of 169(I)/ 2004.</i>	"Member State" means a Member State of the European Union or other contracting party to the European Economic Area Agreement ;
	"Minister" means the Minister of Communications and Works and includes any person duly authorised by the Minister for any of the purposes of this Law;
	"qualified person" means a person who under the provisions of this Law is entitled to own a share in a Cyprus ship;
	"Registrar" means the Registrar provided by section 3;
	"Register" means the Register of ships provided by section 4;
	"Republic" means the Republic of Cyprus;
	"ship" includes every description of vessel used in navigation not propelled by oars;
<i>14 of 1960</i> <i>50 of 1962</i> <i>11 of 1963</i> <i>8 of 1969</i> <i>40 of 1970</i> <i>58 of 1972</i> <i>1 of 1980</i> <i>35 of 1982</i> <i>16 of 1983</i> <i>29 of 1983</i> <i>91 of 1983</i> <i>16 of 1984</i> <i>51 of 1984</i> <i>83 of 1984</i> <i>93 of 1984</i> <i>18 of 1985</i> <i>71 of 1985</i> <i>89 of 1985</i> <i>96 of 1986</i> <i>317 of 1987</i> <i>49 of 1988</i> <i>64 of 1990</i> <i>136 of 1991</i> <i>149 of 1991</i> <i>237 of 1991</i> <i>42(I) of 1992</i> <i>43(I) of 1992</i> <i>102(I) of 1992</i> <i>26(I) of 1993.</i>	"Sovereign Base Areas" has the meaning assigned to that expression by section 18 of the Courts of Justice Law of 1960.

(2) Expressions in this Law not otherwise defined shall, unless the context otherwise requires, have the meaning assigned to such expressions by the Code.

PART II— REGISTRAR AND OTHER OFFICERS AND REGISTER

*Registrar and
other officers.
38 of 38/73.
4 of 28/79.*

3. — (1) The Director of the Department of Ports² of the Ministry of Communications and Works shall be the Registrar for the purposes of registration of ships and the performance of such other functions as are entrusted to him under this Law or any other law in force for the time being.

(2) The Council of Ministers may appoint —

(a) any person it thinks fit to be a surveyor of ships for the purposes of this Law and of the Code, either generally or for special purposes and on special occasion ;

(b) any person as an inspector of ships for the purposes of this Law and of the Code, when it thinks fit ;

(c) such other officers to assist the Registrar in the performance of his functions, as it may think fit.

*Register.
3 of 169(I)/ 2004.*

4. — (1) The Registrar shall keep a book and/or a computerized system to be called the Register for entering therein of Cyprus ships and of any transfer or transmission or mortgage of any such ship or any share or interest therein.

(2) The Register shall be kept in the form prescribed by law and shall consist of such parts as may be prescribed.

(3) Entries in the Register shall be made in accordance with the following provisions

(a) the property in a ship shall be divided into one hundred shares;

(b) subject to the provisions of this Law with respect to joint owners or owners by transmission, not more than one hundred individuals shall be entitled to be registered at the same time as owners of any ship; but this rule shall not affect the beneficial title of any number of persons or of any corporation represented by or claiming under or through any registered owner or joint owner;

² Consolidation Note: Originally according to Law 45 of 1963 the duties of the Registrar were exercised by the Director of the Department of Ports of the Ministry of Communications and Works.

As from 31.7.1976 by virtue of section 38 of the *Cyprus Ports Authority Law (Law 38/73) and P.I. 167/76* the duties of the Registrar have been transferred to the Minister of Communications and Works.

Finally by virtue of section 38 of Law 38/73, as amended by section 4 of Law 28/79, the duties of the Registrar are exercised by the Director of the Department of Merchant Shipping of the Ministry of Communications and Works.

(c) a person shall not be entitled to be registered as owner of a fractional part of a share in a ship; but any number of persons not exceeding five may be registered as joint owners of a ship or of any share or shares therein;

(d) joint owners shall be considered as constituting one person only as regards the persons entitled to be registered, and shall not be entitled to dispose in severalty of any interest in a ship, or in any share therein in respect of which they are registered;

(e) a corporation may be registered as owner by its corporate name.

PART III — CYPRUS SHIPS

5. — (1) A ship may not be registered in the Register unless³ —

*Ships
entitled
to be
Cyprus ships.
4 of 169(I)/2004.*

(a) more than fifty percent (50%) of the shares of the ship are owned:

(i) by Cypriot citizens, or

3 (a) of 108(I)/2005.

(ii) by citizens of other Member States who, in the instance of not being permanent residents of the Republic, will have appointed and maintain, during the whole period of the registration of the ship in the Register, an authorised representative in the Republic in accordance with section 5A ; or

(b) the total (100%) of the shares of the ship are owned by one or more corporations, which have been established and operate:

(i) in accordance with the laws of the Republic and have their registered office in the Republic, or

3 (a) of 108(I)/2005.

(ii) in accordance with the laws of any other Member State and have their registered office, central administration or principal place of business within the European Economic Area and which will, during the whole period of the registration of the ship in the Register, have either appointed and maintain an authorised representative in the Republic in accordance with section 5A, or ensured that the management of the ship in respect of her safety is entrusted in full to a Cypriot shipmanagement company or a Community shipmanagement company, having its place of business in the Republic, in accordance with section 5B, or

3 (a) of 108(I)/2005.

(iii) outside the territory of the Republic and outside the territory of any other Member State, which are controlled by Cypriot citizens or natural persons who are citizens of any other Member State and who will, during the whole period of the registration of the ship in the Register, have either

³ Consolidation Note: The present requirements as to ownership provided by section 5, were introduced by section 4 of Amendment Law 169(I)/2004. These requirements apply only to ships for which an application to be registered in the Register of Cyprus ships was submitted on or after the 1st of May 2004 (date of accession of the Republic of Cyprus to the EU). Ships already registered in the Register of Cyprus Ships prior to the 1st of May 2004 are not affected by these new provisions. In this respect , section 12 of Amendment Law 169(I)/2004 provides :

“ Ships which prior to the entry into force of the present Law were deemed Cyprus ships and were registered in the Register in accordance with the provisions of the principal Law, shall as from the entry into force of the present Law, continue to be deemed Cyprus ships registered in the Register in accordance with the provisions of the Merchant Shipping (Registration of Ships , Sales and Mortgages) Laws of 1963 to 2004”;

see also Circular of the Director of the Department of Merchant Shipping No. 26/2004, dated 27.05.2004.

appointed and maintain an authorised representative in the Republic in accordance with section 5A, or ensured that the management of the ship in respect of her safety is entrusted in full to a Cypriot shipmanagement company or a Community shipmanagement company, having its place of business in the Republic, in accordance with section 5B:

Provided always that the registration of any ship in the Register may be subject to any conditions imposed under section 14B.

(2) For the purposes of subsection (1), “Cypriot citizen” means any person who acquires the status of Cypriot citizen due to birth or descent, registration or naturalization, in accordance with the provisions of the Civil Registry Law.

*141 (l) of 2002
65 (l) of 2003
76(l) of 2003.*

3 (b) of 108(I)/2005.

(3) For the purposes of paragraph (b) of subsection (1), the expression “corporations which have been established and operate in accordance with the laws of the Republic and have their registered office in the Republic” also includes partnerships.

3 (b) of 108(I)/2005.

(4) For the purposes of subparagraph (iii) of paragraph (b) of subsection (1), the term “controlled” means -

(a) more than fifty per cent (50%) of the shares of the corporation or corporations, are owned by Cypriot citizens or citizens of any other Member State, or

(b) the majority of the Directors of the corporation or corporations, are Cypriot citizens or citizens of any other Member State.

*Authorised
representative.
5 of 169(I)/ 2004.*

5A. — (1) For the purposes of section 5, an authorised representative may be —

4 (a) of 108(I)/2005.

(a) a Cypriot citizen or a citizen of any other Member State who is resident in the Republic within the meaning of the Income Tax Laws of 2002 to 2004⁴, or

*118(I) of 2002
230(I) of 2002
162(I) of 2003
195(I) of 2004.*

*4 (b) of 108(I)/2005.
Cap.116
77 of 1977.*

(b) a partnership which has been established and is registered in accordance with the provisions of the Partnerships and Business Names Law, having its place of business in the Republic and which employs permanent staff in the Republic, or

*Cap. 113
9 of 1968
76 of 1977
17 of 1979
105 of 1985*

(c) a corporation which has been established and is registered in accordance with the provisions of the Companies Law, having its place of business in the Republic and which employs permanent staff in the Republic, or

⁴ Consolidation Note: Under section 2 of the *Income Tax Laws of 2002-2004*, the expression “resident in the Republic” is defined, in the case of a natural person, as an individual who stays in the Republic for a period or periods exceeding in aggregate 183 days in the year of assessment. The presence of an individual in the Republic for part of a day is counted as one day.

198 of 1986
19 of 1990
46 (I) of 1992
96 (I) of 1992
41 (I) of 1994
15 (I) of 1995
21(I) of 1997
82(I) of 1999
149 (I) of 1999
2 (I) of 2000
135 (I) of 2000
151 (I) of 2000
76 (I) of 2001
70 (I) of 2003
167 (I) of 2003.

- (d) a branch which has been established and is registered in accordance with the provisions of the Companies Law, having its place of business in the Republic.
- (2) The requirement of the appointment of an authorised representative applies in so far as natural persons or corporations under section 5, remain registered as owners of a Cyprus ship or a share therein.
- (3) (a) The name/business name, address and other details of the authorised representative are notified in writing to the Registrar and are filed in the Register.
- (b) Every change of any of the details of the authorised representative is notified in writing as soon as possible to the Registrar and is filed in the Register.
- (4) Any document which is required to be served on a person, who in accordance with the provisions of section 5, must have appointed and must maintain during the whole period of the ship's registration in the Register an authorised representative, is deemed to have been duly served on that person if —
- (a) it is delivered to any authorised representative at the material time, in accordance with this section, or
 - (b) it is left or is sent by post to the address which is notified or, as the case may be, which was last notified to the Registrar, in accordance with subsection (3) in relation to that person.
- (5) For the purposes of this section, the term “documents” includes writs, notices, orders and anything else which is required to be served by any legal, judicial or administrative procedure in accordance with the Laws of the Republic.
- (6) The authorised representative is not responsible for the acts or omissions of the person by whom he has been appointed.
- (7) The Registrar will carry out, at least once a year, an inspection to ascertain compliance with the provisions of the present section and the authorised representative is obliged to provide the Registrar with any information requested for this purpose in connection with the ship.
- (8) Any person who contravenes the provisions of subsections (2), (3) and (7) shall be guilty of an offence and, in case of conviction, shall be liable to imprisonment not exceeding two years or to a fine not exceeding one thousand five hundred pounds or to both such sentences.

Shipmanagement.
6 of 169(I)/ 2004.

Official Gazette
Suppl. III (I):
31.12.1997.

5B. — (1) For the purposes of section 5, “management of the ship in respect of her safety” means the management of the ship by the shipmanagement company to which the relevant Document of Compliance (DOC) is issued to and which is referred to in the Safety Management Certificate of the ship (SMC), in accordance with the provisions of the International Safety Management Code for the Safety of Ships and Prevention of Pollution (ISM Code) of the International Maritime Organization, which was adopted by the decision of the Council of Ministers dated 20 November 1997.

(2) (a) The requirement of the management of the ship in respect of her safety from the territory of the Republic, as provided by section 5, is fulfilled when it is entrusted in full to a Cypriot shipmanagement company or a Community shipmanagement company, which keeps an office in the Republic and is staffed with a sufficient in number and qualifications personnel.

(b) The determination of the minimum number and the qualifications of the personnel required for the purpose of this section shall be regulated by Regulations issued by the Council of Ministers and published in the Official Gazette of the Republic.

(3) The entrusting of the management of the ship to a Cypriot shipmanagement company or a Community shipmanagement company, in accordance with the provisions of this section, is proved by the shipmanagement agreement which is concluded between the shipowner or the bareboat charterer of a Cyprus ship registered in parallel in a foreign register, and the company.

(4) The Registrar will carry out, at least once a year, an inspection to ascertain compliance with the provisions of the present section and the shipmanagement company is obliged to provide the Registrar with any information requested for this purpose in connection with the ship.

(5) Any person who contravenes the provisions of the present section shall be guilty of an offence and, in case of conviction, shall be liable to imprisonment not exceeding two years or to a fine not exceeding one thousand and five hundred pounds (£1.500) or to both such sentences.

*Acquisition of
Cyprus
nationality
by ships.
5 of 108(I)/2005.*

6. — (1) Subject to the provisions of subsection (2), ships acquire the Cyprus character (nationality) upon their registration in the Registry:

Provided that, ships under construction may be registered in the Register and, in such case, there shall be entered in the Register all available particulars.

(2) The following ships are not registered under this Law:

(α) ships having an overall length less than thirteen (13) metres, employed solely in navigation on the coast of the Republic or of the Sovereign Base Areas;

(b) ships not having a whole or fixed deck and employed solely in fishing, lightering or trading coastwise on the shore of the Republic or of the Sovereign Base Areas or within such a radius therefrom as may be prescribed.

(3) A ship shall not be recognised as a Cyprus ship if-

(a) the same has not been registered under this Law; or

(b) the same has been deleted in accordance with the provisions of section 54A.

*Power of the
Minister to
revoke the
character of a
Cyprus ship.
2 of 42/79.*

6A. Notwithstanding the provisions of this Law or of any other law for the time being in force, the Minister shall have additional power, whenever there are reasonable grounds which satisfy him that —

(a) a Cyprus ship is used in a manner which may arouse contempt or cause discredit or weaken the faith in the Cyprus character of the ship or the Cyprus flag;

2 of 37(I)/96.

(b) the owner or the master of a Cyprus ship or any person being in charge of any Cyprus ship —

2 of 37(I)/96.

(i) directly or indirectly, contravenes or omits to comply with the obligations imposed by this Law or any international treaties which are in force in the Republic, provided the contravention or the omission is repetitive or seriously affects the seaworthiness or the functional use of the ship or the working and living conditions of the seamen who are working on board;

(ii) uses or permits or allows the Cyprus ship to be used in operations inconsistent with the interests of the Republic or the public interest in general ;

2 of 138(I)/2003.

(iii) directly or indirectly contravenes or omits to comply with any provision of the legislation of the Republic which governs the activities of certain ship types or with the conditions for the issue of a licence for the carrying out of such activities ;

3 of 14/82.

(c) the owner or the master of a Cyprus ship or any person being in charge of any Cyprus ship does not comply with any condition for the registration of that ship imposed by the Minister under section 14B;

to order, in accordance with the prescribed procedure, the revocation of the Cyprus character (nationality) of the ship and the deletion thereof from the Register:

3 of 14/82.

Provided that the deletion of the said ship from the Register, as above provided, does not affect the liability to pay taxes, fees and fines, the forfeitures and punishments

for offences committed on board or by persons belonging thereto, provided that they relate to the period before the deletion of the ship from the Register.

2 of 37(I)/96.

Further provided that for the purposes of the present section, the seaworthiness of a ship is seriously affected, when by reason of the defective condition of its hull, equipment or its machinery, or by reason of a deficient manning either in terms of number or quality, or of overloading or improper loading, the ship is unfit for use in navigation and endangers human life, having regard to the nature of the voyages for which she is intended.

PART IV — PROCEDURE ON REGISTRATION

*Survey and
measurement
of ship.*

2 of 102/73
3 of 28(I)/95.
8 of 169(I)/2004.

7. Every ship shall before registration be surveyed by a surveyor of ships and her tonnage determined in accordance with the provisions of Part XII of this Law, and the surveyor shall grant a certificate of survey specifying the ship's tonnage and build, and such other particulars descriptive of the identity of the ship as may for the time being be required by the Minister, and such certificate shall be delivered to the Registrar before registration.

*Marking
of ship.*
8 of 169(I)/2004.

8. — (1) Every ship shall before registration be marked permanently and conspicuously to the satisfaction of the Minister as follows —

(a) her name shall be marked on each of her bows, and her name and the name of her port of registration must be marked on her stern, on a dark ground in white or yellow letters, or on a light ground in black letters, such letters to be of a length not less than four inches, and of proportionate breadth;

(b) her official number and the number denoting her registered tonnage shall be cut in on her main beam;

(c) a scale of feet denoting her draught of water shall be marked on each side of her stem and of her stern post in Roman capital letters or in figures, not less than six inches in length, the lower line of such letters or figures to coincide with the draught line denoted thereby, and those letters and figures must be marked by being cut in and painted white or yellow on a dark ground, or in such other way as the Minister approves.

4 of 166/87.

(2) The Minister may exempt any class of ships from all or any of the requirements of this section.

(3) If the scale of feet showing the ship's draught of water is in any respect inaccurate, so as to be likely to mislead, the owner of the ship shall be liable to a fine not exceeding one thousand pounds (£1. 000)⁵.

(4) The marks required by this section shall be permanently continued, and no alteration shall be made therein, except in the event of any of the particulars thereby denoted being altered in the manner provided by this Law.

4 of 166/87.

(5) If an owner or master of a Cyprus ship neglects to cause his ship to be marked as required by this section, or to keep her so marked, or if any person conceals, removes, alters, defaces, or obliterates or suffers any person under his control to conceal, remove, alter, deface, or obliterate any of the said marks, except in the event aforesaid, or except for the purpose of escaping capture by an enemy, that

⁵ Consolidation Note: The present amount of the fine is a result of an increase effected by the *Fines (Increase) Law of 1987 (Law 166/87)*.

owner, master, or person shall for each offence be liable to a fine not exceeding one thousand pounds (£1000) ⁶, and on the production of a certificate from a surveyor of ships or an inspector, that a ship is insufficiently or inaccurately marked the ship may be detained until the insufficiency or inaccuracy has been remedied.

Application for registration.

6 of 108(I)/2005.

9. An application for registration of a ship shall be made in the case of individuals by the person requiring to be registered as owner, or by some one or more of the persons so requiring, if more than one, or by his or their agent, and in the case of corporations, by their agent, and the authority of the agent shall be testified by writing, if appointed by individuals, under the hands of the appointors, and, if appointed by a corporation, it is duly executed in accordance with the laws under which the corporation has been established and operates.

Declaration of ownership on registration.

10. A person shall not be entitled to be registered as owner of a Cyprus ship or of a share therein until he, or on in the case of a corporation the person authorised by this Law to make declarations on behalf of the corporation, has made and signed a declaration of ownership, referring to the ship as described in the certificate of survey, and containing the following particulars —

(a) a statement of his qualification to own a Cyprus ship, or in the case of a corporation, of such circumstances of the constitution and business thereof as prove it to be qualified to own a Cyprus ship;

(b) a statement of the time when and the place where the ship was built, or, if the ship is foreign built and the time and place of building is unknown, a statement that she is foreign built, and that the declarant does not know the time or place of her building; and in addition thereto, in the case of a foreign ship, a statement of her foreign name, or, in the case of a ship confiscated, a statement of the time, place and Court at and by which she was confiscated;

(c) a statement of the name of the master;

(d) a statement of the number of shares in the ship of which he or the corporation, as the case may be, is entitled to be registered as owner.

Evidence on first registration.

11. — (1) On the first registration of a ship, the following evidence shall be produced in addition to the declaration of ownership —

(a) in the case of a Cyprus-built ship, a builder's certificate, that is to say, a certificate signed by the builder of the ship, and containing a true account of the proper denomination and of the tonnage of the ship, as estimated by him, and of the time when and the place where she was built, and of the name of the person (if any) on whose account the ship was built, and if there has been any sale, the bill of sale under which the ship, or a share therein, has become vested in the applicant for registration;

(b) in the case of a foreign-built ship, the same evidence as in the case of a Cyprus-built ship, unless the declarant who makes the declaration of ownership declares that the time and place of her building are unknown to him, or that the builder's certificate cannot be procured, in which case there

⁶ Consolidation Note: The present amount of the fine is a result of an increase effected by the *Fines (Increase) Law of 1987 (Law 166/87)*.

shall be required only the bill of sale under which the ship, or a share therein, became vested in the applicant for registration;

3 of 32/65.

(c) in the case of a ship forfeited by any competent Court, an official copy of the forfeiture.

(d) in the case of the purchase of a ship, a bill of sale certified by the consular authorities of the country under whose flag the vessel is registered, which should contain a clear and responsible statement to the effect that the sale of the vessel to a foreigner and her deletion are unrestricted and free of any encumbrances.

4 of 166/87.

(2) The builder shall grant the certificate required by this section, and such person as the Minister recognises, as carrying on the business of the builder of a ship, shall be included, for the purposes of this section, in the expression "builder of the ship".

(3) If the person granting a builder's certificate under this section wilfully makes a false statement in that certificate he shall for each offence be liable to a fine not exceeding one thousand pounds (£1.000)⁷.

Entry of particulars in Register.

12. As soon as the requirements of this Law preliminary to registration have been complied with, the Registrar shall enter in the Register the following particulars respecting the ship —

(a) the name of the ship and the name of the port to which she belongs;

(b) the details comprised in the certificate of survey;

(c) the particulars respecting her origin stated in the declaration of ownership; and

(d) the name and description of her registered owner or owners, and if there are more owners than one, the proportions in which they are interested in her.

Documents to be retained by Registrar.

13. On the registration of a ship the Registrar shall retain in his possession the following documents, namely, the certificate of survey, the builder's certificate, any bill of sale of the ship previously made, the copy of the forfeiture (if any), and all declarations of ownership.

Port of registration.

14. The port at which the Cyprus ship is registered for the time being shall be deemed her port of registration and the port to which she belongs.

Power to Minister to give directions for the non-registration of ships.
2 of 82/68.

14A. Notwithstanding the provisions of this Law, the Minister shall have power, where the registration of a particular ship or of a particular class of ships in the Cyprus Register would be contrary to the general policy followed by the Government of the Republic or to the public interest in general, to give directions to the Registrar not to effect the registration of such ship or ships.

Power of the Minister to impose conditions for the registration

14B. Subject to the provisions of this Law, the Minister shall have power to give directions to the Registrar for the registration of a particular ship or the registration of a particular class of ships under such conditions as he may consider appropriate for the general policy followed by the Government of the Republic and in particular

⁷ **Consolidation Note:** The present amount of the fine is a result of an increase effected by the *Fines (Increase) Law of 1987 (Law 166/87)*.

*of ships.
4 of 14/82.*

for the adoption of more up-to-date and improved methods and standards relating to the safety of human life at sea, the welfare of the seamen on board, the protection of the sea environment and the preservation of the marine life or for the public interest in general.

PART V — CERTIFICATE OF REGISTRATION

*Certificate of
registration.*

15. On completion of the registration of a ship, the Registrar shall grant a certificate of registration comprising the particulars respecting her entered in the Register, with the name of her master.

*Custody of
certificate.*

16. — (1) The certificate of registration shall be used only for the lawful navigation of the ship, and shall not be subject to detention by reason of any title, lien, charge, or interest whatever had or claimed by any owner, mortgagee, or other person to, on, or in the ship.

4 of 166/87.

(2) If any person, whether interested in the ship or not, without any reasonable cause, refuses on request to deliver up the certificate of registration when in his possession or under his control to the person entitled to the custody thereof for the purposes of the lawful navigation of the ship, or to the Registrar, he shall be guilty of an offence and shall on conviction be liable to a fine not exceeding one thousand pounds (£1.000)⁸, unless it is proved to such judge or Court that the certificate is lost, whereupon the Court trying the offence shall certify that the certificate of registration is lost.

(3) If the person so refusing is proved to have absconded, the Court shall certify the fact, and the same proceedings may then be taken as in the case of a certificate mislaid, lost, or destroyed, or as near thereto as circumstances permit.

*Penalty for use
of improper
certificate.*

3(1) of 166/87.

17. If the master or owner of a ship uses or attempts to use for her navigation a certificate of registration not legally granted in respect of the ship, he shall, in respect of each offence, on conviction be liable to imprisonment not exceeding two years or to a fine not exceeding one thousand and five hundred pounds (£1.500)⁹, or to both such imprisonment and fine, and the ship shall be subject to forfeiture under the Law.

*Power to grant
new certificate.*

18. The Registrar may, on the delivery up to him of the certificate of registration of a ship, grant a new certificate in lieu thereof.

*Provision
for loss of
certificate.*

19. — (1) In the event of the certificate of registration of a ship being mislaid, lost, or destroyed, the Registrar shall grant a new certificate of registration in lieu of her original certificate.

(2) If the port (having a consular officer of the Republic) at which the ship is at the time of the event, or first arrives after the event, is out of the Republic then the master of the ship, or some other person having knowledge of the facts of the case, shall make a declaration stating the facts of the case, and the names and descriptions of the registered owners of such ship to the best of the declarant's knowledge and belief, and the consular officer, shall thereupon grant a provisional certificate, containing a statement of the circumstances under which it is granted and shall forward a copy of the certificate on the first convenient opportunity to the Registrar.

⁸ **Consolidation Note:** The present amount of the fine is a result of an increase effected by the *Fines (Increase) Law of 1987 (Law 166/87)*.

⁹ **Consolidation Note:** The present amount of the fine is a result of an increase effected by the *Fines (Increase) Law of 1987 (Law 166/87)*.

4 of 166/87.

*Endorsement
of change
of master
on certificate.*

(3) The provisional certificate shall, within ten days after the first subsequent arrival of the ship at her port of discharge in the Republic, be delivered up to the Registrar, and the Registrar shall thereupon grant the new certificate of registration; and if the master without reasonable cause fails to deliver up the provisional certificate within the ten days aforesaid, he shall be liable to a fine not exceeding one thousand pounds (£1.000)¹⁰.

20. Where the master of a registered Cyprus ship is changed each of the following persons, that is to say —

(a) if the change is made in consequence of the removal of the master by a Court under the provisions of legislation in force for the time being, the proper officer of that Court; and

(b) if the change occurs from any other cause, the Registrar, or if the change occurs outside the Republic the consular officer of the Republic, at the port where the change occurs, or where the ship arrives immediately after such change,

shall endorse and sign on the certificate of registration a memorandum of the change, and in case where the endorsement is made by any person other than the Registrar such person shall forthwith report the change to the Registrar and any port officer at any port in the Republic may refuse to admit any person to do any act there as master of a Cyprus ship unless his name is inserted in or endorsed on her certificate of registration as her last appointed master.

*Endorsement
of change
of ownership
on certificate.*

21. — (1) Whenever a change occurs in the registered ownership of a ship, the change of ownership shall be endorsed on her certificate of registration by the Registrar.

(2) The master shall, for the purposes of such endorsement by the Registrar, deliver the certificate of registration to the Registrar, forthwith after the change if the change occurs when the ship is at a port in the Republic, and if it occurs during her absence from such port then upon her first return to that port.

4 of 166/87.

(3) If the master fails to deliver to the Registrar the certificate of registration as required by this section he shall, for each offence, be liable to a fine not exceeding one thousand pounds (£1.000)¹¹.

*Delivery of
certificate of
ship lost or
ceasing to be
Cyprus
owned.*

5(a) of 14/82.

22. — (1) In the event of a registered ship being either actually or constructively lost, taken by the enemy, burnt, or broken up, or ceasing by reason of a transfer to non-qualified persons or otherwise, to be a Cyprus ship, every owner of the ship or any share in the ship shall, immediately on obtaining knowledge of the event, if no notice thereof has already been given to the Registrar, give notice thereof to the Registrar, and the Registrar shall make an entry thereof in the Register, and as from such entry the Register shall in relation to that ship be deemed to be closed except for matters relating to undischarged registered mortgages and registered certificates of mortgages;

(2) In any such case, except where the ship's certificate of registration is lost or destroyed, the master of the ship shall, if the event occurs in port, immediately, but if it occurs elsewhere, then within ten days after her arrival in port, deliver the

¹⁰ **Consolidation Note:** The present amount of the fine is a result of an increase effected by the *Fines (Increase) Law of 1987 (Law 166/87)*.

¹¹ **Consolidation Note:** The present amount of the fine is a result of an increase effected by the *Fines (Increase) Law of 1987 (Law 166/87)*.

certificate to the Registrar, or if such port is outside the Republic to the consular officer of the Republic there, who shall forthwith forward the certificate delivered to him to the Registrar.

(3) If any such owner or master fails, without reasonable cause, to comply with this section, he shall for each offence be liable to a fine not exceeding one thousand pounds (£1.000)¹².

4 of 166/87.

(4) Notwithstanding anything contained in this Law or in any other law, the Registrar shall not grant a copy of the Register in respect of the deletion of the Cyprus ship from the Register nor any information or certification relevant thereto, unless the same is satisfied that all financial and other obligations towards the Republic in relation to that ship have been settled.

5(b) of 14/82.

Provisional certificate for ship becoming Cyprus owned abroad.
7 of 108(I)/2005.

23. — (1) If at a port outside the Republic a ship becomes the property of qualified persons, the consular officer of the Republic there or the Registrar may grant, on application of the said persons or their representatives, a provisional certificate stating —

(a) the name of the ship;

7 of 108(I)/2005.

(b) the time and place of her purchase, and the names of her purchasers; and

7 of 108(I)/2005.

(c) the best particulars respecting her tonnage, build, and description which he is able to obtain :

7 of 108(I)/2005.

Provided that in case the provisional certificate is issued by a consular officer of the Republic, the said officer must forward without delay a copy of the certificate to the Registrar.

4 of 32/65.

(2) Such a provisional certificate shall have the effect of a certificate of registration for a period of six months, which the Minister may extend for a further period of three months, on payment of a fee equal to one half of the registration fee, or until a new certificate of registration is issued, under the provisions of this Law, by the Registrar upon the ship entering a Cyprus port, if this should occur earlier, whereupon it shall cease to have effect:

Provided that nothing in this subsection shall affect the validity of any mortgage recorded or deemed to be recorded and upon final registration of this ship under this Part the priority of any such mortgage shall be preserved.

2 of 64/87.
4 of 28(I)/95.

PART VA — PARALLEL REGISTRATION OF SHIPS¹³

Parallel registration.

23A. “Parallel registration” is the registration of a ship in the register of a country for a certain period of time and under specified legal prerequisite conditions, whilst the ship remains registered in the register of another country.

¹² **Consolidation Note:** The present amount of the fine is a result of an increase effected by the *Fines (Increase) Law of 1987 (Law 166/87)*.

¹³ **Consolidation Note:** Part VA (Sections 23A to 23H) has been originally introduced by section 2 of Amendment Law 57 of 1986, and then repealed and substituted by section 2 of Amendment Law 64 of 1987, and finally amended by Amendment Law 28(I) of 1995.

Bareboat chartering.

23B. “Bareboat chartering” is a chartering by virtue of which the charterer for the agreed period of time, acquires full control and possession of the ship, has the nautical control and management of the ship, appoints and dismisses the master and the crew of the ship, is responsible towards third parties as if he was the shipowner and, generally, so long as the chartering continues, substitutes in all respects the shipowner, save that he has no right to sell or mortgage the ship.

Parallel registration in the Cyprus Register. 10 of 169(I)/2004. 8 of 108(I)/2005.

23C. — (1) The parallel registration in the Cyprus Register of a ship registered in a foreign register shall be allowed if she is bareboat chartered by a qualified person, so long as the prerequisite conditions specified in the following provisions of this Part apply.

(2) For the parallel registration of a ship in the Cyprus Register the deletion of the registration in the foreign register shall be suspended, save as regards the matters specified in sections 23I and 23J.

Registration in a Special Book of Parallel Registration and prerequisite conditions therefor.

23D. — (1) The parallel registration in the Cyprus Register shall be achieved by the registration of the foreign ship in the Special Book of Parallel Registration of the Cyprus Register kept for this purpose and for the period of time which in each case the Minister approves, and shall be effected by the Registrar on the application of the charterer, so long as the following prerequisite conditions apply —

(a) the law of the country of the foreign registry allows the parallel registration of the ships registered in its register; and

(b) the following duly certified documents shall be submitted to the Registrar together with the application:

(i) copy of the charter party, in lieu of the title of ownership and the declaration of ownership;

(ii) written consent of the shipowner;

(iii) written consent of the appropriate maritime authorities of the country of the foreign register and a certificate of ownership and mortgages or other encumbrances;

(iv) written consent of the mortgagees; and

(v) the documents required by this Law for permanent registration, save to the extent that the relevant provisions are amended by the provisions of this Part.

4 of 28(I)/95.

(2) No Carving and Marking Note shall be issued in respect of ships registered in the Special Book of Parallel Registration.

Tonnage.

23E. — (1) A new measurement of the tonnage of the ship shall not be required for the parallel registration. The certificate of survey and the tonnage certificate provided for by this Law shall be issued on the basis of the corresponding documents

of the foreign registry and the measurement fees provided for by this Law¹⁴ shall be payable for their issue.

(2) A subsequent alteration of the ship which affects the tonnage or the type of the ship shall be effected in accordance with the provisions of this Law relating to ships registered in the Cyprus Register and shall be notified by the Registrar to the appropriate maritime authorities of the country of the foreign registry.

Name.

23F. — (1) The ship shall keep the name of the foreign registry and such name shall not be the same with the name of a ship registered in the Cyprus Register.

(2) A subsequent change of the name shall be allowed and shall be effected in accordance with the provisions of this Law relating to ships registered in the Cyprus Register on the application, in this case, of the charterer and with the written consent of the shipowner and the mortgagee and it shall be notified to the appropriate maritime authorities of the country of the foreign registry.

Certificate of parallel registration.

23G. — (1) During the period for which the status of parallel registration is in force, the ship shall be furnished by the Registrar with a certificate of parallel registration in a form similar to the certificate of registration of ships registered in the Cyprus Register and in which the same particulars provided by this Law in respect of ships registered in the Cyprus Register, as well as the particulars of the shipowner, the charterer and the foreign registry of the ship, shall be recorded.

(2) The certificate of parallel registration shall set out the date of termination of its validity.

(3) During the period for which the status of parallel registration is in force, the ship shall hoist the Cyprus flag, and she shall not be allowed to use the flag of the country of the foreign registry and the name of the ship and the Cyprus port of registration of the ship shall be marked on her external parts.

Re-registration in the Special Book of Parallel Registration. 4 of 28(I)/95.

23H. The extension of the status of parallel registration and the re-registration of the ship in the Special Book of Parallel Registration of the Cyprus Register shall be allowed so long as the prerequisite conditions according to the law applicable at the time of the initial registration still apply.

Transfer of ownership.

23I. — (1) The transfer of ownership, for any reason, of a ship which is under the status of parallel registration in the Cyprus Register shall be effected in accordance with the law of the foreign registry in which she shall be registered. Transfer of ownership of a ship under the provisions of Part VI of this Law shall not be allowed.

(2) Transfer of ownership under subsection (1) shall be notified to the Registrar for entry in the Special Book of Parallel Registration and the certificate of parallel registration of the ship which is under that status.

Mortgages.

23J. — (1) Mortgages and other encumbrances which are a charge on the ship at the time of parallel registration in the Cyprus Register, shall continue to exist and be a charge on the ship and be governed by the law governing the same at the time of their creation, without being affected by the fact of the parallel registration of the ship in the Cyprus Register.

¹⁴ Consolidation Note: Since 1992, measurement fees are provided by Part E (Fees to be paid on the measurement of the tonnage of a ship) of the First Schedule of the *Merchant Shipping (Fees and Taxing Provisions) Laws of 1992 to 2004 (Law 38(I)/92 as amended)*.

(2) After the parallel registration of the ship in the Cyprus Register, a mortgage or other encumbrance shall be created on the ship only by the shipowner and in accordance with the law of the country of the foreign register, in which they shall be recorded. Registration of a mortgage in the Cyprus Register in accordance with the provisions of Part VII of this Law shall not be allowed.

(3) Mortgages and other encumbrances according to the provisions of subsections (1) and (2) shall be notified to the Registrar for entry in the Special Book of Parallel Registration.

4 of 28(I)/95.

23K. [Sections 23K and 23T were repealed by section 4 of Amendment Law 28 (I) of 1995 and all subsequent sections of Part VA re-numbered to 23K up to 23 R]

*Law applicable.
4 of 28(I)/95.*

23K. So long as the status of parallel registration continues, there shall apply to ships of a foreign registry, which are subject to such status, all the remaining provisions of this Law and of the Regulations, Orders and Instructions issued thereunder to the extent that they are not inconsistent with the provisions of this Part.

*Revocation
of the status
of parallel
registration.
4 of 28(I)/95.*

23L. — (1) The status of parallel registration of a ship of a foreign registry shall be revoked and the name of such ship shall be deleted from the Special Book of Parallel Registration of the Cyprus Register in the following cases —

- (a) where the appropriate maritime authorities of the foreign registry revoke their consent for the parallel registration of the ship in the Cyprus Register;
- (b) in case of termination of the chartering;
- (c) upon the lapse of the period of time for which the Minister has approved the parallel registration of the ship in the Cyprus Register; or
- (d) if there exists any reason for deletion which under this Law applies in the case of ships registered in the Cyprus Register.

(2) Upon such deletion, the Registrar issues the relevant deletion certificate.

(3) The fact of the deletion shall be notified by the Registrar to the appropriate maritime authorities of the foreign registry of the ship.

*Parallel
registration
of Cyprus ships
in a foreign
register.
4 of 28(I)/95.*

23M. The parallel registration of a Cyprus ship in a foreign register shall be allowed if the ship is bareboat chartered to a foreign individual or corporation and the law of the country of the foreign registry allows the parallel registration of ships of another registry, under prerequisite conditions similar to those set out in this Part in the case of parallel registration of foreign ships in the Cyprus Register.

*Conditions for
the parallel
registration of
Cyprus ships
in a foreign
register.
4 of 28(I)/95.*

23N. — (1) The approval of the Minister shall be required for the parallel registration of a Cyprus ship in a foreign register.

(2) The parallel registration in a foreign register shall be allowed only for ships which are permanently registered in the Cyprus Register. By way of exception, the Minister shall have power to approve the parallel registration of a Cyprus ship which is provisionally registered under conditions which he may deem reasonable to impose in each case.

(3) The approval of the parallel registration of a Cyprus ship in a foreign register shall be granted on the application of the shipowner. The following documents shall be submitted together with the application —

- (a) copy of the charter party;
- (b) written consent of the charterer;
- (c) written consent of the appropriate maritime authorities of the country of the foreign registry and a confirmation that the law of the country allows the parallel registration of the Cyprus ship in its register;
- (d) written consent of the mortgagees;
- (e) common declaration by the shipowner and charterer that they undertake to produce to the Registrar within one month, a certified copy of the foreign certificate of parallel registration and to notify every alteration which takes place regarding the name or other particulars of the ship, during the period the status of parallel registration of the ship in the foreign register is in force.

Duration of parallel registration of Cyprus ships. 4 of 28(I)/95.

23P. — (1) The status of parallel registration of Cyprus ships shall continue to be in force for the duration of the charter party, if the approval of the Minister and the consent of the appropriate maritime authorities of the foreign register are in force, but in any case for a period not greater than three years.

(2) The Minister shall have power, on the application of the shipowner and with the consent of the mortgagees, to approve an extension of the status of parallel registration provided the remaining prerequisite conditions according to the law in this respect are met.

Certificate of registration. 4 of 28(I)/95.

23Q. — (1) During the period the status of parallel registration of a Cyprus ship is in force, the ship shall hoist the flag of the foreign registry and she cannot use the Cyprus flag.

(2) The Cyprus certificate of registration shall be delivered to the Registrar and shall be returned to the shipowner as soon as the status of parallel registration of the ship in the foreign register is terminated.

(3) Subject to the subsequent provisions of this Part, the registration in the Cyprus Register shall be suspended for the period during which the parallel registration of the ship in the foreign register is in force.

Transfer of ownership. Mortgages. 4 of 28(I)/95.

23R. — (1) The transfer of ownership for any reason, the creation, registration, transfer and discharge of a mortgage on a Cyprus ship which is under the status of parallel registration in a foreign registry shall be effected according to the relevant provisions of this Law and shall be registered in the Cyprus Register.

(2) Mortgages which are a charge on the Cyprus ship at the time of the parallel registration thereof in the foreign register, shall continue to exist and be a charge on the ship and be governed by the relevant provisions of this Law without being affected by the fact of the parallel registration of the ship in the foreign register.

(3) No action which refers to the ownership, registration, transfer or discharge of a mortgage or other encumbrance on a Cyprus ship which is under the status of parallel registration in a foreign register shall be made in the foreign registry. Registration of title of ownership or registration, transfer or discharge of a mortgage or other encumbrance in the foreign register in contravention of this prohibition shall be null and void according to Cyprus law and shall be a ground for revoking the Cyprus character (nationality) by a decision of the Minister according to the provisions of section 6A of this Law.

(4) Entries made in the Cyprus Register regarding the transfer of ownership, the registration, transfer or discharge of a mortgage on a ship shall be notified to the appropriate maritime authorities of the foreign registry for entry in the register and other relevant documents.

4 of 28(I)/95.

23T. [Sections 23K and 23T were repealed by section 4 of Amendment Law 28 (I) of 1995 and all subsequent sections of Part VA re-numbered to 23K up to 23 R]

PART VI — TRANSFERS AND TRANSMISSIONS

*Transfer of
ships or shares.
3 of 102/73.*

24. — (1) A registered ship or a share therein (when disposed of to a qualified person) shall be transferred by bill of sale.

(2) The bill of sale shall contain such description of the ship as is contained in the certificate of survey, or some other description sufficient to identify the ship to the satisfaction of the Registrar and shall be executed by the transferor in the presence of and be attested by a witness or witnesses.

(3) Without prejudice to anything contained in Part VIII, a bill of sale for the transfer of a registered ship executed outside the Republic, may be produced together with the declaration of transfer to a consular officer of the Republic who shall, if satisfied that the bill of sale and the declaration of transfer appear to be in proper order and fully executed, on payment of the appropriate fee¹⁵, forthwith notify the Registrar of the deposit of the bill of sale and of the declaration of transfer giving all necessary particulars and he shall forward at the first convenient opportunity the bill of sale and the declaration of transfer to the Registrar.

On receipt of notice of such deposit by the Registrar, the transfer shall be deemed to have been registered, subject to any previous mortgage, as from the date of the deposit with the consular officer of Cyprus and the Registrar shall make the necessary entries in the Register accordingly.

*Declaration
of transfer.*

25. Where a registered ship or a share therein is transferred, to a qualified person, the transferee shall not be entitled to be registered as owner thereof until he, or, in the case of a corporation, the person authorised by this Law to make declarations on behalf of the corporation, has made and signed a declaration (in this Law called a "declaration of transfer") referring to the ship, and containing —

(a) a statement of the qualification of the transferee to own a Cyprus ship, or if the transferee is a corporation, of such circumstances of the constitution and business thereof as prove it to be qualified to own a Cyprus ship; and

(b) a declaration that, to the best of his knowledge and belief, no unqualified person or body of persons is entitled as owner to any legal or beneficial interest in the ship or any share therein.

*Registration
of transfer.*

26. — (1) Every bill of sale for the transfer of a registered ship or of a share therein, when duly executed, shall be produced to the Registrar with the declaration of transfer, and the Registrar shall thereupon enter in the Register the name of the transferee as owner of the ship or share, and shall endorse on the bill of sale the fact of that entry having been made, with the day and hour thereof.

¹⁵ Consolidation Note: Since 1992, relevant fees are provided by the First Schedule of the *Merchant Shipping (Fees and Taxing Provisions) Laws of 1992 to 2004 (Law 38(I)/92 as amended)*.

(2) Bills of sale of a ship or of a share therein shall be entered in the Register in the order of their production to the Registrar.

Transmission of property in ship on death, bankruptcy, marriage, etc.

27. — (1) Where the property in a registered ship or share therein is transmitted to a qualified person on the marriage, death, or bankruptcy of any registered owner, or by any lawful means other than by a transfer under this Law —

(a) that person shall authenticate the transmission by making and signing a declaration (in this Law called a “declaration of transmission”) identifying the ship and containing the several statements herein before required to be contained in a declaration of transfer, or as near thereto as circumstances admit, and also a statement of the manner in which and the person to whom the property has been transmitted;

(b) if the transmission takes place by virtue of marriage, the declaration shall be accompanied by a copy of the certificate of marriage, or other legal evidence of the celebration thereof, and shall declare the identity of the female owner;

(c) if the transmission is consequent on bankruptcy, the declaration of transmission shall be accompanied by such evidence as is for the time being receivable in Courts as proof of the title of persons claiming under a bankruptcy;

(d) if the transmission is consequent on death, the declaration of transmission shall be accompanied by the instrument of representation, or an official extract therefrom.

(2) The Registrar, on receipt of the declaration of transmission so accompanied, shall enter in the Register the name of the person entitled under the transmission as owner of the ship or share the property in which has been transmitted, and, where there is more than one such person, shall enter the names of all those persons, but those persons, however numerous, shall, for the purposes of this Law with respect to the number of persons entitled to be registered as owners, be considered as one person.

Order for sale on transmission to unqualified person.

28. — (1) Where the property in a registered ship or share therein is transmitted on marriage, death, bankruptcy, or otherwise to an unqualified person then the Court, may on application by or on behalf of the unqualified person, order a sale of the property so transmitted and direct that the proceeds of the sale, after deducting the expenses thereof, be paid to the person entitled under such transmission or otherwise as the Court may direct.

(2) The Court may require any evidence in support of the application it may think requisite, and may make the order on any terms and conditions it thinks just, or may refuse to make the order, and generally may act in the case as the justice of the case requires.

(3) Every such application for sale must be made within four weeks after the occurrence of the event on which the transmission has taken place, or within such further time (not exceeding in the whole one year from the date of the occurrence) as the Court may allow.

(4) If such an application is not made within the time aforesaid, or if the Court refuses an order for sale, the ship or share transmitted shall thereupon be subject to forfeiture under this Law.

Transfer of ship or sale by order

29. Where any Court, whether under the preceding sections of this Law or otherwise, order the sale of any ship or share therein, the order of the Court shall contain a

of Court.

declaration vesting in some person named by the Court the right to transfer that ship or share, and that person shall thereupon be entitled to transfer the ship or share in the same manner and to the same extent as if he were the registered owner thereof; and the Registrar shall obey the requisition of the person so named in respect of any transfer to the same extent as if such person were the registered owner.

Power of Court to prohibit transfer.

30. The Supreme Court may, if it thinks fit (without prejudice to the exercise of any other power of the Court), on the application of any interested person make an order prohibiting for a time specified any dealing with a ship or any share therein, and the Court may make the order on any terms or conditions it may think just, or may refuse to make the order, or may discharge the order when made, with or without costs, and generally may act in the case as the justice of the case requires; and the Registrar, without being made a party of the proceedings, shall on being served with an official copy thereof obey the same.

PART VII — MORTGAGES

Mortgage of ship or share. First Schedule Part I Form B.

31. — (1) A registered ship or a share therein may be made a security for a loan or other valuable consideration, and the instrument creating the security (in this Law called a mortgage) shall be in the Form B in Part I of the First Schedule, or as near thereto as circumstances permit, and on the production of such instrument the Registrar shall record it in the Register.

(2) There shall be attached to any such instrument of mortgage a deed of covenants agreed between the parties and dealing with any matter relating to the mortgage including the following —

- (a) the mode of the payment of interest and the repayment of principal;
- (b) insurances and renewals thereof and application of policy money;
- (c) limitations on employment of ship;
- (d) definition of default on which statutory or other powers may be exercised;
- (e) powers exercisable by the mortgagee including power to take possession of the ship, assume her management and sell the ship by private deal;

Provided that —

- (i) no power to take possession of the ship and assume her management or sell it by private deal shall be exercised by a mortgagee unless the entire ship is mortgaged;
- (ii) the assumption of the management of the ship by the mortgagee shall entitle him to do all acts necessary thereof; any amount collected by the mortgagee during the management and operation of the ship after deduction of all relative expenses, shall be appropriated against the amount of the mortgaged debt and on its final payment such management shall come to an end;
- (iii) notice of such assumption of management of the ship shall be given to the Registrar;
- (f) any other matter ancillary or incidental thereto.

(3) Mortgages shall be recorded by the Registrar in the order in time in which they

are produced to him for that purpose, and the Registrar shall by memorandum under his hand notify on each mortgage that it has been recorded by him, stating the day and hour of that record.

(4) Notwithstanding anything contained in Part VIII, any mortgage executed outside the Republic may be deposited with a consular officer of the Republic who, shall, if satisfied that the mortgage appears to be in proper order and fully executed, on payment of the appropriate fee¹⁶ forthwith notify the Registrar of the deposit of the mortgage giving all necessary particulars and he shall forward at the first convenient opportunity the mortgage deed to the Registrar.

On receipt of notice of such deposit by the Registrar the mortgage shall be deemed to be recorded as from its date and the Registrar shall make the necessary entries accordingly.

(5) The provisions of this section are in addition to, and not in derogation of, the provisions of section 90(2)(f) of the Companies Law.

*Cap.133
4 of 1968
76 of 1977.*

*Entry of
discharge
of mortgage.*

32. Where a registered mortgage is discharged, the Registrar shall, on the production of the mortgage deed, with a receipt for the mortgage money endorsed thereon, duly signed and attested, make an entry in the Register to the effect that the mortgage has been discharged, and on that entry being made the interest (if any) which passed to the mortgagee shall vest in the person in whom (having regard to intervening acts and circumstances if any), it would have vested if the mortgage had not been made.

*Priority of
mortgages.*

33. If there are more mortgages than one registered in respect of the same ship or share, the mortgagees shall, notwithstanding any express, implied, or constructive notice, be entitled in priority one over the other, according to the date at which each mortgage is recorded in the Register and not according to the date of each mortgage itself.

*Mortgagee
not treated
as owner.*

34. — (1) Subject to subsection (2) except as far as may be necessary for making a mortgaged ship or share available as a security for the mortgage debt, the mortgagee shall not by reason of the mortgage be deemed the owner of the ship or share, nor shall the mortgagor be deemed to have ceased to be owner thereof.

(2) Where under a deed of covenants the mortgagee is entitled to take possession of a ship or where the mortgagor allows the ship to remain burdened with a maritime lien which impairs the security of the mortgage, the mortgagee may take possession of the ship in the prescribed manner and thereupon he shall have all the rights and powers of any owner in possession of the ship.

*Mortgagee to
have power
of sale.*

35. Every registered mortgagee shall have power absolutely to dispose of the ship or share in respect of which he is registered, and to give effectual receipts for the purchase money; but where there are more persons than one registered as mortgagees of the same ship or share, a subsequent mortgagee shall not, except under the order of a Court of competent jurisdiction, sell the ship or share, without the concurrence of every prior mortgagee.

¹⁶ Consolidation Note: Since 1992, relevant fees are provided by the First Schedule of the *Merchant Shipping (Fees and Taxing Provisions) Laws of 1992 to 2004 (Law 38(I)/92 as amended)*.

Mortgage not affected by bankruptcy.

36. A registered mortgage of a ship or share shall not be affected by any act of bankruptcy committed by the mortgagor after the date of the record of the mortgage, notwithstanding that the mortgagor at the commencement of his bankruptcy had the ship or share in his possession, order, or disposition, or was reputed owner thereof, and the mortgage shall be preferred to any right, claim, or interest therein of the other creditors of the bankrupt or any trustee or assignee on their behalf.

Transfer of mortgages. First Schedule Part I Form C.

37. A registered mortgage of a ship or share may be transferred to any person, and the instrument effecting the transfer shall be in the Form C in Part I of the First Schedule, or as near thereto as circumstances permit, and on the production of such instrument the Registrar shall record it by entering in the Register the name of the transferee as mortgagee of the ship or share, and shall by memorandum under his hand notify on the instrument of transfer that it has been recorded by him, stating the day and hour of the record.

Transmission of interest in mortgage by death, bankruptcy, marriage, etc.

38. — (1) Where the interest of a mortgagee in a ship or share is transmitted on marriage, death, or bankruptcy, or by any lawful means, other than by a transfer under this Law, the transmission shall be authenticated by a declaration of the person to whom the interest is transmitted, containing a statement of the manner in which and the person to whom the property has been transmitted, and shall be accompanied by the like evidence as is by this Law required in case of a corresponding transmission of the ownership of a ship or share.

(2) The Registrar on the receipt of the declaration, and the production of the evidence aforesaid, shall enter the name of the person entitled under the transmission in the Register as mortgagee of the ship or share.

PART VIII — CERTIFICATES OF MORTGAGE AND SALE

Powers of mortgage and sale may be conferred by certificate.

39. A registered owner, if desirous of disposing by way of mortgage or sale of the ship or share in respect of which he is registered at any place out of the Republic, may apply to the Registrar, and the Registrar shall thereupon enable him to do so by granting a certificate of mortgage or a certificate of sale.

Requisites for certificates of mortgage and sale.

40. Before a certificate of mortgage or sale is granted, the applicant shall state to the Registrar, and the Registrar shall enter in the Register the following particulars, that is to say —

(a) the name of the person by whom the power mentioned in the certificate is to be exercised, and in the case of a mortgage the maximum amount of charge to be created, if it is intended to fix any such maximum, and in the case of a sale the minimum price at which a sale is to be made, if it is intended to fix any such minimum;

(b) the place where the power is to be exercised, or if no place is specified a declaration that it may be exercised anywhere, subject to the provisions of this Law;

(c) the limit of time within which the power may be exercised.

Restrictions on certificates of mortgage and sale.

41. A certificate of mortgage or sale shall not be granted so as to authorise any mortgage or sale to be made, within the Republic or by any person not named in the certificate.

Contents of certificates of mortgage and sale.

42. A certificate of mortgage and a certificate of sale shall contain a statement of the several particulars by this Law directed to be entered in the Register on the application for the certificate, and in addition thereto an enumeration of any registered mortgages or certificate of mortgage or sale affecting the ship or share in respect of which the certificate is given.

Rules as to

43. The following rules shall be observed as to certificates of mortgage —

certificates of mortgage.

- (1) The power shall be exercised in conformity with the directions contained in the certificate.
- (2) Every mortgage thereunder shall be registered by the endorsement of a record thereof on the certificate by the Registrar or a consular officer of the Republic.
- (3) A mortgage made in good faith thereunder shall not be impeached by reason of the person by whom the power was given dying before the making of the mortgage.
- (4) Whenever the certificate contains a specification of the place at which, and a limit of time not exceeding twelve months within which, the power is to be exercised, a mortgage made in good faith to a mortgagee without notice shall not be impeached by reason of the bankruptcy of the person by whom the power was given.
- (5) Every mortgage which is so registered as aforesaid on the certificate shall have priority over all mortgages of the same ship or share created subsequently to the date of the entry of the certificate in the Register; and, if there are more mortgages than one so registered, the respective mortgagees claiming thereunder shall, notwithstanding any express, implied, or constructive notice, be entitled one before the other according to the date at which each mortgage is registered on the certificate, and not according to the date of the mortgage.
- (6) Subject to the foregoing rules, every mortgagee whose mortgage is registered on the certificate shall have the same rights and powers and be subject to the same liabilities as he would have had and been subject to if his mortgage had been registered in the Register instead of on the certificate.
- (7) The discharge of any mortgage so registered on the certificate may be endorsed on the certificate by the Registrar or a consular officer of the Republic, on the production of such evidence as is by this Law required to be produced to the Registrar on the entry of the discharge of a mortgage in the Register; and on that endorsement being made, the interest, if any, which passed to the mortgagee shall vest in the same person or persons in whom it would (having regard to intervening acts and circumstances, if any), have vested, if the mortgage had not been made.
- (8) On the delivery of any certificate of mortgage to the Registrar he shall, after recording in the Register, in such manner as to preserve its priority, any unsatisfied mortgage registered thereon, cancel the certificate, and enter the fact of the cancellation in the Register; and every certificate so cancelled shall be void to all intents.

Rules as to certificates of sale.

44. The following rules shall be observed as to certificates of sale —

- (1) A certificate of sale shall not be granted except for the sale of an entire ship.
- (2) The power shall be exercised in conformity with the directions contained in the certificate.
- (3) A sale made in good faith thereunder to a purchaser for valuable consideration shall not be impeached by reason of the person by whom the power was given dying before the making of such sale.
- (4) Whenever the certificate contains a specification of the place at which, and a limit of time not exceeding twelve months within which, the power is to be exercised, a sale made in good faith to a purchaser for valuable consideration without notice shall not be impeached by reason of the bankruptcy of the person by whom the power was given.

(5) A transfer made to a person qualified to be the owner of a Cyprus ship shall be by a bill of sale in accordance with this Law.

(6) If the ship is sold to a person qualified to be the owner of a Cyprus ship the ship shall be registered anew; but notice of all mortgages enumerated on the certificate of sale shall be entered in the Register.

(7) Before registration anew there shall be produced to the Registrar the bill of sale by which the ship is transferred, the certificate of sale, and the certificate of registration of such ship.

(8) The Registrar shall retain the certificates of sale and registration, and shall thereupon make a memorandum of the sale in the Register and the registration of the ship therein shall be considered as closed, except as far as relates to any unsatisfied mortgages or existing certificates of mortgage entered therein.

(9) On such registration anew the description of the ship contained in her original certificate of registration may be transferred to the Register without her being resurveyed, and the declaration to be made by the purchaser shall be the same as would be required to be made by an ordinary transferee.

(10) If the ship is sold to a non-qualified person, the bill of sale by which the ship is transferred, the certificate of sale, and the certificate of registration shall be produced to the Registrar or a consular officer of the Republic, who shall retain the certificates of sale and registration, and that consular officer having endorsed thereon the fact of that ship having been sold to a person not qualified to be the owner of Cyprus ship, shall forward the certificates to the Registrar; the Registrar shall on retention of or on receiving such certificates, as the case may be, make a memorandum of the sale in the Register and the registration of the ship in the Register shall be considered as closed, except so far as relates to any unsatisfied mortgages or existing certificates of mortgage entered therein.

4 of 166/87.

(11) If, on a sale being made to a person not qualified to be the owner of a Cyprus ship, default is made in the production of such certificates as are mentioned in the last rule, that person shall be considered by the law of the Republic as having acquired no title to or interest in the ship; and further, the person upon whose application the certificate of sale was granted, and the person exercising the power, shall each be liable to a fine not exceeding one thousand pounds (£1.000)¹⁷.

(12) If no sale is made in conformity with the certificate of sale, that certificate shall be delivered to the Registrar and he shall thereupon cancel it and enter the fact of the cancellation in the Register; and every certificate so cancelled shall be void for all intents and purposes.

Power of Registrar in case of loss of certificate of mortgage or sale.

45. On proof at any time to the satisfaction of the Registrar that a certificate of mortgage or sale is lost or destroyed, or so obliterated as to be useless, and that the powers thereby given have never been exercised, or if they have been exercised, then on proof of the several matters and things that have been done thereunder, the Registrar may, as circumstances require, either issue a new certificate, or direct such entries to be made in the Register, or such other things to be done, as might have been made or done if the loss, destruction, or obliteration had not taken place.

Revocation of certificates

46. (1) The registered owner of any ship or share therein in respect of which a certificate of mortgage or sale has been granted, specifying the places where the

¹⁷ **Consolidation Note:** The present amount of the fine is a result of an increase effected by the *Fines (Increase) Law of 1987 (Law 166/87)*.

*of mortgage
and sale.*

power given is to be exercised, may, by an instrument under his hand, give notice to the Registrar that the certificate is revoked.

(2) The Registrar shall on its receipt record such notice and thereupon the certificate shall be deemed to be revoked and of no effect so far as respects any mortgage or sale to be thereafter made.

(3) The notice after it has been recorded shall be exhibited to every person applying for the purpose of effecting or obtaining a mortgage or transfer under the certificate.

PART IX — NAME OF SHIP

*Rules as to
name of ship.*

47. — (1) A ship shall not be described by any name other than that by which she is for the time being registered.

(2) A change shall not be made in the name of a ship without the previous written permission of the Minister.

*2 of 25/80.
9 of 108(I)/2005.*

(3) (a) Applications for permission under this section shall be made in writing at least three days prior to the date on which the registration of a ship or the proposed change in the name shall take place.

6 of 14/82

(b) the Minister may refuse the registration of a ship under any proposed name or the change of the name of any registered ship by any other name, if such name is already the name of a registered Cyprus ship or a name resembling the name of a registered Cyprus ship to such an extent so as to create the possibility that the two names be taken as the same name, or if he considers that the application is not justified.

(c) before the granting of any permission under this section, the Minister may require the applicant —

- (i) to publish a notice either in the Republic or in the Republic and abroad regarding the proposed change in the name of the ship, in such manner as the Minister may think fit and the possibility of submission of an objection by any interested person within the period specified in the notice;
- (ii) to produce such evidence, as the Minister may think fit, regarding the necessity of the change in the name of the ship;
- (iii) to produce, in case where the ship is mortgaged, the written consent of the mortgagees; and
- (iv) to produce in case where the ship at the time of submission of the application is loaded during a voyage or in a port or is due to load in the port where the change in the name is intended to take place, the written consent of the insurer of the cargo.

(d) On permission being granted under this section the Minister may require the owner to publish a notice in such manner, time and place as he may think appropriate.

(4) On permission being granted to change the name, the ship's name shall forthwith be altered in the Register, in the ship's certificate of registration, and on her bows and stern.

(5) If it is shown to the satisfaction of the Minister that the name of any ship has been changed without his permission he shall direct that her name be altered into that

which she bore before the change, and the name shall be altered in the Register, in the ship's certificate of registration, and on her bows and stern accordingly.

(6) Where a ship having once been registered has ceased to be so registered no person unless ignorant of the previous registration (proof whereof shall lie on him) shall apply to register, and the Registrar shall not knowingly register the ship, except by the name by which she was previously registered, unless with the previous written permission of the Minister.

(7) Where a foreign ship, not having at any previous time been registered as a Cyprus ship, becomes a Cyprus ship, no person shall apply to register, and the Registrar shall not knowingly register, the ship, except by the name which she bore as a foreign ship immediately before becoming a Cyprus ship, unless with the previous written permission of the Minister.

(8) If any person acts, or suffers any person under his control to act, in contravention of this section, or omits to do so, or suffers any person under his control to omit to do, anything required by this section, he shall for each offence be liable to a fine not exceeding one thousand pounds (£1.000)¹⁸, and (except in the case of an application being made under this section with respect to a foreign ship which not having at any previous time been registered as a Cyprus ship has become a Cyprus ship) the ship may be prohibited from sailing until this section is complied with.

4 of 166/87.

PART X — CYPRUS CHARACTER AND FLAG

Cyprus character of ship to be declared before clearance.

48. — (1) A port officer shall not grant a clearance for any ship until the master of such ship has declared to that officer the name of the State to which he claims that she belongs, and that officer shall thereupon inscribe that name on the clearance.

(2) If a ship attempts to proceed to sea without such clearance, she may be prohibited from sailing until the declaration is made.

Penalty for unduly assuming Cyprus character.

49. — (1) If a person uses the Cyprus flag and assumes the Cyprus character on board a ship of which half or more than half of the shares are owned by any persons not qualified to own a Cyprus ship, for the purpose of making the ship appear to be a Cyprus ship, the ship shall be subject to forfeiture under this Law, unless the assumption has been made for the purpose of escaping capture by an enemy or by a foreign ship of war in the exercise of some belligerent right.

(2) In any proceeding for enforcing any such forfeiture the burden of proving a title to use the Cyprus flag and assume the Cyprus character (nationality) shall lie upon the person using and assuming the same.

Penalty for concealment of Cyprus or assumption of foreign character.

50. If the master or owner of a Cyprus ship does anything or permits anything to be done, or carries or permits to be carried any papers or documents, with intent to conceal the Cyprus character of the ship from any person entitled by law to inquire into the same, or with intent to assume a foreign character, or with intent to deceive any person so entitled as aforesaid, the ship shall be subject to forfeiture under this Law; and the master, if he commits or is privy to the commission of the offence, shall in respect of each offence, on conviction be liable to imprisonment not exceeding two years or to a fine not exceeding one thousand and five hundred pounds (£1.500), or to both such imprisonment and fine¹⁹.

3(1) of 166/87.

¹⁸ Consolidation Note: The present amount of the fine is a result of an increase effected by the *Fines (Increase) Law of 1987 (Law 166/87)*.

¹⁹ Consolidation Note: The present amount of the fine is a result of an increase effected by the *Fines (Increase) Law of 1987 (Law 166/87)*.

Penalty for acquiring ownership if unqualified.

51. If an unqualified person acquires as owner, otherwise than by such transmission as hereinbefore provided for, any interest, either legal or beneficial, in a ship using a Cyprus flag and assuming the Cyprus character, that interest shall be subject to forfeiture under this Law.

*Liabilities of ships not recognised as Cyprus ships.
11 of 169(I)/2004.*

52. Where the prerequisite conditions for the registration of a ship in the Register no longer prevail, the ship shall cease to be recognised as a Cyprus ship and shall not be entitled to any benefits, privileges, advantages, or protection usually enjoyed by Cyprus ships nor to use the Cyprus flag or assume the Cyprus character (nationality), but so far as regards the payment of dues, the liability to fines and forfeiture, and the punishment of offences committed on board such ship, or by any persons belonging to her, such ship shall, except in the cases of ships deleted from the Register under section 6A or ships not registered following directions under section 14A of this Law provided that in both cases the same have not been subsequently transferred to persons who are capable of owning a Cyprus ship, be dealt with in the same manner in all respects as if she were a recognised Cyprus ship.

7 of 14/82.

Cyprus colours for ships.

53. — (1) The flag of the Republic without any defacement or modification whatsoever, is hereby declared to be the proper Cyprus colours for all Cyprus ships.

(2) If any distinctive Cyprus colours, except those on the flag of the Republic, are hoisted on board any ship without warrant from the Minister, the master of the ship, or the owner thereof, if on board the same, and every other person hoisting the colours shall for each offence incur a fine not exceeding one thousand pounds (£1.000)²⁰.

4 of 166/87.

(3) Any port officer may board any ship on which any colours are hoisted contrary to this Law, and seize and take away the colours, and the colours shall be forfeited.

Penalty on ship not showing colours.

54. — (1) A Cyprus ship shall hoist the proper Cyprus colours —

(a) on entering or leaving any foreign port; and

(b) if of fifty tons²¹ gross tonnage or upwards on entering or leaving any port of the Republic.

(2) If default is made on board any such ship in complying with this section, the master of the ship shall for each offence be liable to a fine not exceeding five hundred pounds (£ 500)²².

4 of 166/87.

(3) This section shall not apply to a fishing vessel duly entered in the fishing vessel register and lettered and numbered as required by the provision of any Law in force for the time being²³.

²⁰ Consolidation Note: The present amount of the fine is a result of an increase effected by the *Fines (Increase) Law of 1987 (Law 166/87)*.

²¹ Consolidation Note: By virtue of section 2 of Amendment Law 28(I) of 1995, as from the 18th of July 1994 the word “ton” wherever used in the principal Law or in the Regulations made thereunder shall be read as “unit”, and in all certificates or other documents or forms issued or made hereunder the word “ton” is deleted.

²² Consolidation Note: The present amount of the fine is a result of an increase effected by the *Fines (Increase) Law of 1987 (Law 166/87)*.

²³ Consolidation Note: The registration of fishing vessels and especially of small fishing vessels exempted from registration under this Law is governed by the *Fishing Vessels (Registration, Sale, Transfer and Mortgage) Law of 1971 (Law 77/71)*. Under Law 77/71 registrations of small fishing vessels are effected before the Fisheries Department of the Ministry of Agriculture, Natural Resources and Environment.

Deletion of ships from the Register of Cyprus Ships. 10 of 108(I)/2005.

54A. — (1). A Cyprus ship is deleted from the Register if-

- (a) subject to the provisions of section 54B, the ownership of the ship is transferred to a non- qualified person;
- (b) subject to the provisions of section 54C, an application for the deletion of the ship is submitted by the owner of the ship in order for the same to be registered in a foreign register;
- (c) the Cyprus character of the ship is revoked by order of the Minister, in accordance with the provisions of section 6A;
- (d) the ship is totally, actually or constructively lost, in accordance with the provisions of section 22;
- (e) the ship is broken up ,
- (f) there have been no news regarding the ship for a period of six months from the date of receipt of the last information , under such circumstances which make it highly probable that the ship has been lost or broken up or that it has been sold to non - qualified persons.

(2) In the cases mentioned in paragraphs (c), (e) and (f) of subsection (1) of this section, the ship is deleted from the Register without prejudice to the validity of the recording in the Register of any registered mortgages and no certificate of closed transcript is issued unless all financial obligations towards the Republic have been settled.

Deletion due to transfer of ownership to non qualified persons. 10 of 108(I)/2005.

54B. — (1) If a ship ceases to be a Cyprus ship in accordance with the provisions of this Law due to transfer of the same to non- qualified persons, the ship is deleted from the Register upon application by the owner or by the person acquiring ownership of the ship or by the Registrar, provided that the following documents are deposited with the Registrar or a consular officer of the Republic:

- (a) the certificate of registration of the ship or a declaration by the natural person, in case the owner of the ship is a natural person, or by an authorised representative, in case the owner of the ship is a corporation, stating that the certificate of registration will be returned within a reasonable time period or that the certificate of registration has been lost,
- (b) a duly certified and executed bill of sale by which the ownership of the ship is transferred to non -qualified persons,
- (c) a copy of the protocol of delivery and acceptance of the ship,
- (d) in the case of a mortgaged ship, a duly certified and executed discharge receipt for every registered mortgage.

(2) All taxes, fees, fines and any other obligations of the ship must be settled in order for the ship to be deleted in accordance with the provisions of subsection (1).

Deletion due to application of the owner of the ship. 10 of 108(I)/2005.

54C. — (1) A Cyprus ship may be deleted from the Register upon the submission of an application by the owner of the ship in order for the same to be registered in a foreign register, provided that the following documents are deposited with the Registrar or a consular officer of the Republic:

- (a) the certificate of registration of the ship or a declaration by the natural

person, in case the owner of the ship is a natural person, or by an authorised representative, in case the owner of the ship is a corporation, stating that the certificate of registration will be returned within a reasonable time period or that the certificate of registration has been lost,

(b) in the case of a mortgaged ship, a duly certified and executed discharge receipt for every registered mortgage.

(2) All taxes, fees, fines and any other obligations of the ship must be settled in order for the ship to be deleted in accordance with the provisions of subsection (1).

*Certificate
of closed
transcript.
10 of 108(I)/2005.*

54D. A certificate of closed transcript is issued by the Registrar, provided all the documents required by this Law which are necessary for the deletion of a Cyprus ship are deposited with the Registrar or a consular officer of the Republic.

PART XI — REGISTRATION OF ALTERATIONS AND REGISTRATION ANEW

*Registration
of alterations.*

55. — (1) When a registered ship is so altered as not to correspond with the particulars relating to her tonnage or description contained in the Register, then, the Registrar shall, on application being made to him, and on receipt of a certificate from the proper surveyor stating the particulars of the alteration, either cause the alteration to be registered, or direct that the ship be registered anew.

4 of 166/87.

(2) If default is made in registering anew such ship, or in registering an alteration of such ship so altered as aforesaid, the owner of the ship shall be liable on conviction to a fine not exceeding five hundred pounds (£ 500)²⁴, and, in addition to a fine not exceeding twenty five pounds (£ 25)²⁵ for every day during which the offence continues after conviction.

*Regulations
for registration
of alteration.*

56. — (1) For the purpose of the registration of an alteration in a ship, the ship's certificate of registration shall be produced to the Registrar, and the Registrar shall, in his discretion, either retain the certificate of registration and grant a new certificate of registration containing a description of the ship as altered, or endorse and sign on the existing certificate a memorandum of the alteration.

(2) The particulars of the alteration so made, and the fact of the new certificate having been granted, or endorsement having been made, shall be entered by the Registrar in the Register.

*Registration
anew on change
of ownership.*

57. Where the ownership of any ship is changed, the Registrar may, on the application of the owners of the ship, register the ship anew, although registration anew is not required under this Law.

*Procedure
for registration
anew.*

58. — (1) Where a ship is to be registered anew, the Registrar shall proceed as in the case of first registration, and on the delivery up to him of the existing certificate of registration, and on the other requisites to registration, or in the case of a change of ownership such of them as he thinks material, being duly complied with, shall make

²⁴ **Consolidation Note:** The present amount of the fine is a result of an increase effected by the *Fines (Increase) Law of 1987 (Law 166/87)*.

²⁵ **Consolidation Note:** The present amount of the fine is a result of an increase effected by the *Fines (Increase) Law of 1987 (Law 166/87)*.

such registration anew, and grant a certificate thereof.

(2) When a ship is registered anew, her former register shall be considered as closed, except so far as relates to any unsatisfied mortgage or existing certificates of sale or mortgage entered thereon, but the names of all persons appearing on the former register to be interested in the ship as owners or mortgagees shall be entered on the new Register, and the registration anew shall not in any way affect the rights of any of those persons.

*Restrictions
on re- registration
of abandoned
ships.*

59. Where a ship has ceased to be registered as a Cyprus ship by reason of having been wrecked or abandoned, or for any reason other than capture by the enemy or transfer to a non-qualified person, the ship shall not be re-registered until she has, at the expense of the applicant for registration, been surveyed by a surveyor of ships and certified by him to be seaworthy.

*4 of 102/73.
5 of 28(I)/95.*

PART XII — MEASUREMENT OF THE TONNAGE OF SHIPS²⁶

*Determination
of the tonnage
of ships.
11 of 1986.*

60. — (1) From the 18th of July 1994, the tonnage of the ships of total length of 24 metres and above is determined in accordance with the provisions of the International Convention on Tonnage Measurement of Ships 1969 (Ratification) and Matters Connected Therewith Law of 1986, of the Tonnage Measurement of Ships Regulations of 1987, and of any regulations made thereunder .

*Official Gazette
Suppl. III(I):
10.07.1987.*

(2) The tonnage of the ships of total length less than 24 metres is determined in accordance with the provisions of the Measurement of the Tonnage of Ships Smaller than Twenty Four Metres in Length Regulations of 1993.

*Official Gazette
Suppl. III(I):
21.05.1993.*

*Ship's tonnage
by law or
tonnage
determined
by law.*

61. Whenever the tonnage of the ship has been determined in accordance with the provisions of the preceding section and entered in the Register, the same shall thenceforth be deemed to be the ship's tonnage by law and shall be repeated in every subsequent registration thereof, unless any change in the type or the tonnage of the ship is effected, or unless an error in its determination is identified, then the tonnage of the ship shall be determined anew in accordance with the provisions of section 60 and shall be entered in the Register.

63 - 68. [Sections 63 to 68 of the principal Law 45 of 1963 were repealed; see Consolidation Note 26]

PART XIII — MISCELLANEOUS

INCAPACITATED PERSONS

Provision for

62. Where by reason of infancy, lunacy, or any other cause any person interested in

²⁶ **Consolidation Note:** Part XII of the principal Law 45 of 1963 (which originally contained sections 60 to 68) was repealed and substituted by section 4 of Amendment Law 102 of 1973 and so at that time the new Part XII contained only three sections i.e. 60, 61, and 62. In 1995, Part XII was once again repealed and substituted by section 5 of Amendment Law 28(I) of 1995 and as a result now this Part contains only two sections i.e. 60 and 61. On the same occasion in 1995, by virtue of section 6 of Law 28(I) of 1995 all the subsequent sections of the principal Law were re-numbered to 62 up to 76.

*cases of infancy
or other
incapacity.
6 of 28(I)/95.*

any ship, or any share therein, is incapable of making any declaration or doing any thing required or permitted by this Law to be made or done in connection with the registration of the ship or share, the guardian or committee, if any, of that person, or, if there is none, any person appointed on application made on behalf of the incapable person, or of any other person interested, by any Court having jurisdiction in respect of the property of incapable persons, may make such declaration, or a declaration as nearly corresponding thereto as circumstances permit, and do such act or thing in the name and on behalf of the incapable person; and all acts done by the substitute shall be as effectual as if done by the person for whom he is substituted.

TRUSTS AND EQUITABLE RIGHTS

*Notice of trusts
not received.
6 of 28(I)/95.*

63. No notice of any trust, express, implied, or constructive, shall be entered in the Register or be receivable by the Registrar, and, subject to any rights and powers appearing by the Register to be vested in any other person, the registered owner of a ship or of a share therein shall have power absolutely to dispose in the manner provided in this Law of the ship or share therein, and to give effectual receipts for any money paid or advanced by way of consideration.

*Equities not
excluded
by Law.
6 of 28(I)/95.*

64. The expression "beneficial interest", where used in this Law includes interests arising under contract and other equitable interests; and the intention of this Law is, that without prejudice to the provisions of this Law for preventing notice of trusts from being entered in the Register or received by the Registrar, and without prejudice to the powers of disposition and of giving receipts conferred by this Law on registered owners and mortgagees, and without prejudice to the provisions of this Law relating to the exclusion of unqualified persons from the ownership of Cyprus ships, interests arising under contract or other equitable interests may be enforced by or against owners and mortgagees of ships in respect of their interest therein in the same manner as in respect of any other personal property.

LIABILITY OF BENEFICIAL OWNER

*Liability
of owners.
6 of 28(I)/95.*

65. Where any person is beneficially interested, otherwise than by way of mortgage, in any ship or share in a ship registered in the name of some other person as owner, the person so interested shall, as well as the registered owner, be subject to all pecuniary penalties imposed by this or any other Law on the owners of ships or shares therein, so nevertheless that proceedings may be brought for the enforcement of any such penalties against both or either of the aforesaid parties, with or without joining the other of them.

*Special
provisions as
to co-ownership
of ships.
6 of 28(I)/95.*

66. — (1) A ship owned by more than one owner —

(a) shall not be sold unless co-owners holding four-fifths of the shares in the ship consent in writing thereto. In such a case the sale shall be completed upon deposit with the Accountant-General of an amount representing the share in the purchase price of the non-consenting co-owners;

(b) shall not be mortgaged unless co-owners holding two-thirds of the shares in the ship consent in writing thereto and the Court approves such mortgage;

(c) may be sold by public auction under an order of the Court made on the application of co-owners holding at least the one-third of the shares in the ship.

(2) Any co-owner may sell his share in the ship after notification of his intention to do so to the other co-owners or to the manager or husband of the ship:

Provided that where such sale shall result in the loss of the Cyprus character (nationality) of the ship, such sale shall not be effected without the written consent

of the co-owners holding more than the one-third of the shares in the ship.

(3) When co-owners of a ship operate the ship in common, any matter relating thereto shall be determined by the majority of all the co-owners, and if such operation is in any way hindered or delayed by reason of failure to secure such majority, the matter shall be referred to by any aggrieved person to the Court for determination.

(4) Every co-owner shall contribute to the expenses of the operation of the ship and shall be liable towards third persons in proportion to his interest in the ship. The profits realised from the operation of a ship owned by co-owners shall be distributed amongst such co-owners in proportion to their interest in the ship.

(5) For the purposes of this section "Court" means the District Court of the District within which the port of registration is situated.

*4 of 166/87.
6 of 28(I)/95.
11 of 108(I)/2005.*

67. [*Section 67 which related to the "managing owner" / "husband of the ship" was repealed by section 11 of Amendment Law 108(I) / 2005*] .

DECLARATIONS, INSPECTION OF REGISTER AND FEES

*Power of
Registrar to
dispense with
declarations
and other
evidence.
6 of 28(I)/95.*

68. When, under this Law, any person is required to make a declaration on behalf of himself or of any corporation, or any evidence is required to be produced to the Registrar, and it is shown to the satisfaction of the Registrar that from any reasonable cause that person is unable to make the declaration, or that the evidence cannot be produced, the Registrar may, with the approval of the Minister, and on the production of such other evidence, and subject to such terms as he thinks fit, dispense with the declaration or evidence.

*Mode of
making
declarations.
6 of 28(I)/95.*

69. — (1) Declarations required by this Law shall be made before the Registrar, or a judge or other person entitled to administer oaths, or a consular officer of the Republic.

(2) Declarations required by this Law may be made on behalf of a corporation by the secretary or any other officer of the corporation authorised by them for the purpose.

*Evidence of
Register,
certificate of
registration, and
other
documents.
6 of 32/65.
6 of 28(I)/95.
12 of 108(I)/2005.*

70. — (1) A person, on payment of a fee provided by the First Schedule of the Merchant Shipping (Fees and Taxing Provisions) Laws of 1992 to 2004, may, on application to the Registrar at a reasonable time during office hours, inspect the Register.

*38 (I) of 1992
29(I) of 1995
63(I) of 1999
73(I) of 1999
12(I) of 2003
166(I) of 2004.*

(2) The following documents shall be admissible in evidence in manner provided by

this Law, namely —

- (a) the Register on its production from the custody of the Registrar or other person having the lawful custody thereof;
- (b) a certificate of registration under this Law purporting to be signed by the Registrar or other proper officer;
- (c) an endorsement on a certificate of registration purporting to be signed by the Registrar or other proper officer;
- (d) every declaration made in pursuance of this Law in respect of a Cyprus ship.

(3) A copy or transcript of the Register shall be admissible in evidence in manner provided by this Law and have the same effect to all intents as the original Register of which it is a copy or transcript.

EVIDENCE AND FORMS

Forms of documents, and instructions as to registration. First Schedule. Part I. Part II. 6 of 28(I)/95.

71. — (1) The several instruments and documents specified in Part II of the First Schedule shall be in the form prescribed by the Registrar with the consent of the Minister, or as near thereto as circumstances permit; and the Registrar may, with the consent of the Minister, make such alterations in the forms so prescribed, and also in the forms set out in the First Part of the said Schedule, as they may deem requisite.

(2) The Registrar shall not be required without the special direction of the Minister to receive and enter in the Register any bill of sale, mortgage, or other instrument for the disposal or transfer of any ship or share, or any interest therein, which is made in any form other than that for the time being required under this Law, or which contains any particulars other than those contained in such form; but the said Registrar, shall, before altering the forms, give such public notice thereof as may be necessary in order to prevent inconvenience.

(3) The Registrar shall cause the said forms to be supplied to all consular officers of the Republic for distribution to persons requiring to use the same, either free of charge, or at such moderate prices as they may direct.

(4) The Registrar, with the consent of the Minister, may also, for carrying into effect this Law, give such instructions to his officers as to the execution and attestation of powers of attorney, as to any evidence required for identifying any person, as to the referring to himself of any question involving doubt or difficulty, and generally as to any act or thing to be done in pursuance of this Law, as they think fit.

FORGERY AND FALSE DECLARATIONS

Forgery of documents. 6 of 28(I)/95.

72. If any person forges, or fraudulently alters, or assists in forging or fraudulently altering, or procures to be forged or fraudulently altered, any of the following documents, namely, the Register, any builder's certificate, certificate of survey, certificate of registration, declaration, bill of sale, instrument of mortgage, or certificate of mortgage or sale under this Law, or any entry or endorsement required by this Law to be made in or on any of those documents, that person shall in respect of each offence be liable on conviction to imprisonment not exceeding five years or

²⁷ Consolidation Note: The present amount of the fine is a result of an increase effected by the *Fines (Increase) Law of 1987 (Law 166/87)*.

3(1) of 166/87.

to a fine not exceeding one thousand and five hundred pounds (£ 1.500) or to both such imprisonment and fine²⁷.

*False
declarations.
6 of 28(I)/95.*

73. — (1) If any person in the case of any declaration made in the presence of or produced to the Registrar under this Law, or in any document or other evidence produced to such Registrar —

(a) willfully makes, or assists in making, or procures to be made, any false statement concerning the title to or ownership of, or the interest existing in any ship, or any share in a ship; or

(b) utters, produces, or makes use of any declaration, or document containing any such false statement, knowing the same to be false ,

3(1) of 166/87.

he shall be guilty of an offence and shall be liable on conviction to imprisonment not exceeding two years or to a fine not exceeding one thousand and five hundred pounds (£ 1.500) or to both such imprisonment and fine²⁸.

3(1) of 166/87.

(2) If any person wilfully makes a false declaration touching the qualification of himself or of any other person , or of any corporation , to own a Cyprus ship or any share therein, he shall for each offence be liable to imprisonment not exceeding two years or to a fine not exceeding one thousand and five hundred pounds (£ 1.500) or to both such imprisonment and fine²⁹, and that ship or share shall be subject to forfeiture under this Law, to the extent of the interest therein of the declarant, and also, unless it is proved that the declaration was made without authority, of any person or corporation on behalf of whom the declaration is made.

FORFEITURE OF SHIPS

*Proceedings
on forfeiture
on ships.
6 of 28(I)/95.*

74. — (1) Where any ship has either wholly or as to any share therein become subject to forfeiture under this Law —

(a) any port officer; or

(b) any consular officer of the Republic ,

may seize and detain the ship, and bring her or cause her to be brought for adjudication before the High Court , and the Court may thereupon adjudge the ship with her tackle, apparel, and furniture to be forfeited, and make such order in the case as to the Court seems just, and may award to the officer bringing in the ship or causing it to be brought for adjudication such portion of the proceeds of the sale of the ship, or any share therein, as the Court thinks fit.

(2) Any such officer as in this section mentioned shall not be responsible either civilly or criminally to any person whomsoever in respect of any such seizure or detention as aforesaid, notwithstanding that the ship has not been brought in for adjudication, or if so brought in is declared not liable to forfeiture, if it is shown to the satisfaction of the Court before whom any trial relating to such ship or such seizure or detention is held that there were reasonable grounds for such seizure or detention; but if no such grounds are shown the Court may award costs and damages to any party aggrieved, and make such other order in the premises as the Court thinks just.

²⁸ **Consolidation Note:** The present amount of the fine is a result of an increase effected by the *Fines (Increase) Law of 1987 (Law 166/87)*.

²⁹ **Consolidation Note:** The present amount of the fine is a result of an increase effected by the *Fines (Increase) Law of 1987 (Law 166/87)*.

REGULATIONS

*Regulations.
6 of 28(I)/95.*

75. — (1) The Council of Ministers may make Regulations to be published in the official Gazette of the Republic, for the better carrying into effect of the provisions of this Law³⁰.

(2) Without prejudice to the generality of subsection (1), any such Regulations may provide for all or any of the following matters:

(a) prescribing anything, which under the provisions of this Law may or are required to be prescribed;

(b) the books and documents, which shall always be carried on board a Cyprus ship;

(c) the fees to be paid in respect of any matter for which provision is made in this Law or payable fees not otherwise fixed³¹.

REPEAL AND AMENDMENTS

³⁰ Consolidation Note: It is recalled that the Regulations presently in force, issued under this section are the following :

- *The Merchant Shipping (Tonnage of Ships) Regulations, 1974. (Gazette No.1067, Supplement III (I), dated 25.1.74, P.I. No. 16/74).*

- *The Merchant Shipping (Tonnage of Ships) (Amendment) Regulations, 1987. (Gazette No. 2241, Supplement III(I), dated 10.7.87, P.I. No. 214/87).*

- *The Merchant Shipping (Revocation of the Character of Cyprus Ships) Regulations, 1979. (Gazette No.1540, Supplement III(I), dated 27.7.79, P.I.No. 166/79).*

- *The Merchant Shipping (Revocation of the Character of Cyprus Ships) (Amendment) Regulations, 1979. (Gazette No. 1557, Supplement III(I), dated 5.10.79, P.I. No. 235/79).*

- *The Measurement of Tonnage of Ships Smaller Than Twenty Four Metres in Length Regulations, 1993. (Gazette No. 2798, Supplement III(I), dated 21.05.93, P.I. No. 126/93).*

- *The Merchant Shipping (Identity Cards of Surveyors and Inspectors of Ships) Regulations, 2000. (Gazette No. 3419, Supplement III(I), dated 14.07.2000, P.I. No. 205/2000).*

³¹ Consolidation Note: Since 1992, relevant fees are provided by the First Schedule of the *Merchant Shipping (Fees and Taxing Provisions) Laws of 1992 to 2004 (Law 38(I)/92 as amended).*

*Repeal and amendments.
6 of 28(I)/95.*

76. — (1) Part I and sections 724 and 728 of the Merchant Shipping Act, 1894, of the United Kingdom shall cease to have effect in the Republic.

*Cap. 135
44 of 1961
109 of 1968
2 of 1970
9 of 1972
19 of 1981
210 of 1987
170 of 1990.*

(2) Part IV of the Code (dealing with fishing boats) shall have effect subject to the provisions of this Law and of the Fisheries Law.

(3) Any reference in the Code or in any other Law to the enactments repealed hereby shall be deemed to be a reference to this Law.

SCHEDULES

*5(1) of 102/73.
6 of 28(I)/95.*

FIRST SCHEDULE (Sections 24, 31, 37 and 71)

PART I

5(2) (a) of 102/73.

(The Forms in this Part of the Schedule are subject to alteration from time to time by the Registrar, with the consent of the Minister)

FORM A — BILL OF SALE

5(2) (a) of 102/73.

[Form A was repealed by section 5(2)(b) of Amendment Law 102/73, which was brought into operation on the 25th January 1974]

FORM B — MORTGAGE

(Insert description of ship and particulars as in Bill of Sale)

(I) — TO SECURE PRINCIPAL SUM AND INTEREST

(a).....the undersignedin consideration of.. this day lent to (b)..... by do hereby for (c) and (d)heirs, covenant with the saidfirstly that (a) or (d)heirs, executors, or administrators, will pay to the said the said sum of together with interest thereon at the rate of per cent per annum on theday of next; and secondly, that if the said principal sum is not paid on the said day (a)or (d)heirs, executors, or administrators, will during such time as the same or any part thereof remains unpaid, pay to the said interest on whole or such part thereof as may for the time being remain unpaid, at the rate of per cent per annum, by equal half-yearly payments on the (f) day of and day of in every year; and for better securing to the said the repayment in manner aforesaid of the said principal sum and interest (a) hereby mortgage to the said shares, of which (e) the owner in the ship above particularly described, and in her boats, guns, ammunition, small arms, and appurtenances. Lastly (a) for (c) and (d) heirs, covenant with the said and assigns that (a) ha power to mortgage in manner aforesaid the above-mentioned shares, and that the same are free from encumbrances (g)

In witness whereof (a) ha hereto subscribed (d) name and affixed (d) seal this day of One thousand nine hundred and Executed by the above-named in the presence of

- (a) "I" or "we"
- (b) "me" or "us"
- (c) "myself" or "ourselves"
- (d) "my" or "our"
- (e) "I am" or "we are"
- (f) Insert the day fixed for payment or principal as above.
- (g) If any prior encumbrance add, "save as appears by the registration of the said ship".

Note. — The prompt registration of a mortgage deed at the port of registration of the ship is essential to the security of the mortgagee, as a mortgage takes its priority from the date of production for registration, not from the date of the instrument.

(II) — TO SECURE ACCOUNT CURRENT, ETC.

Whereas (a)
Now (b) the undersigned in consideration of the premises for (c) and (d) heirs, covenant with the said and (e) assigns, to pay to him or them the sums for the time being due on this security whether by way of principal or interest, at the times and manner aforesaid. And for the purpose of better securing to the said the payment of such sums as last aforesaid (b), do hereby mortgage to the said shares, of which (f) the owner in the ship above particularly described, and in her boats, guns, ammunitions, small arms, and appurtenances.
Lastly, (b) for (c) and (d) heirs, covenant with the said and (e) assigns that (b) ha power to mortgage in manner aforesaid the above-mentioned shares, and that the same are free from encumbrances (g)

In witness whereof (a) ha hereto subscribed (b) name and affixed (b) seal this day of One thousand nine hundred and Executed by the above-named in the presence of

- (a) Here state by way of recital that there is an account current between the mortgagor (describing him) and the mortgagee (describing him); and describe the nature of the transaction so as to show how the amount of principal and interest due at any given time is to be ascertained, and the manner and time of payment.
- (b) "I" or "we"
- (c) "myself" or "ourselves"
- (d) "my" or "our"
- (e) "his" or "their"
- (f) "I am" or "we are"
- (g) If any prior encumbrance add, "save as appears by the registration of the said ship".

Note. — The prompt registration of a mortgage deed at the port of registration of the ship is essential to the security of the mortgagee, as a mortgage takes its priority from the date of production for registration, not from the date of the instrument.

FORM C — TRANSFER OF MORTGAGE

(To be endorsed on the original mortgage)

(a) the within-mentioned in consideration of this day paid to
(b) by hereby transfer to (c) the benefit of the within
written security. In witness whereof (a) ha hereunto subscribed
(d) name and affixed (d) seal, this day of
..... One thousand nine hundred and
Executed by the above-named in the presence of

-
- (a) "I" or "we"
 - (b) "me" or "us"
 - (c) "him" or "them"
 - (d) "my" or "our"

PART II

5(3) (a) of 102/73.

Documents which are written on forms prescribed by the Registrar with the consent of the Minister:

- Certificate of survey.
- Declaration of ownership by individual owner.
- Declaration of ownership on behalf of a corporation as owner.
- Certificate of registration.
- Provisional certificate.
- Declaration of ownership by individual transferee.
- Declaration of ownership on behalf of a corporation as transferee.
- Declaration of owner taking by transmission.
- Declaration by mortgagee taking by transmission.
- Certificate of mortgage.
- Certificate of sale.
- Revocation of certificate of sale or mortgage.
- Bill of sale.

5(3) (b) of 102/73.

SECOND SCHEDULE
MEASUREMENT OF TONNAGE

6 of 102/73.

[The Second Schedule was repealed by section 6 of Amendment Law 102/73, which was brought into operation on the 25th January 1974]

THIRD SCHEDULE
(Section 82)

7 of 32/65.
3 of 82/68.
2 of 62/73
9 of 14/82.
14 of 38(I)/92.

[Ex section 82 of the principal Law (as it existed prior to the re-numbering of the sections of the principal Law effected by section 6 of Amendment Law 28(I) of 1995) and the Third Schedule, which both related to fees, were repealed by section 14 of the Merchant Shipping (Fees and Taxing Provisions) Law of 1992 (Law 38 (I)/92)]

Consolidated DMS version
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