

Guidelines in respect of documentation for closure of Registry on Sale/Scrape of Ships

Shipping Development Circular No. 5 of 2003

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Sub : Guidelines in respect of documentation for closure of Registry on Sale/Scrape of Ships

In line with the request from Indian National Shipowners' Association (INSA), a meeting was conducted between the executive members of INSA and Principal Officer, MMD, Mumbai and the decisions taken to overcome existing cumbersome procedures are hereby endorsed as follows :

1. "No Objection Certificates" in prescribed formats (to be issued to seller against application) duly endorsed by Shipping Master and Seamen's Provident Fund Commissioner respectively, are to be produced before Registrar for closure of registry.
2. Board Resolution to execute sale of ship under the common seal will continue.
3. Photo (xerox) copy of "Bill of Sale" may be accepted for record after verification of the Original by an authorized officer of Mercantile Marine Department in lieu of submission of notarized copy of the same.
4. The need for submission of "Memorandum of Agreement" for sale of vessel being a document generated prior to signing of 'Bill of Sale' and as such becomes superfluous. Accordingly, any separate submission of MOA can be dispensed with.
5. The need for submission of "Power of Attorney" for signing 'Bill of Sale' is not required if the Board resolution has already specified such power.
6. If "Certificate of Survey", is not available for any existing vessel, submission of the same can be dispensed with. The original 'Certificate of Registry', however, should continue to be submitted for cancellation before closure of registry.
7. All Statutory Certificates should continue to be submitted for cancellation before closure of registry.
8. On occasions vessel is sold at high sea to an intermediary for onward sale to a ship breaker. In such situation a copy of "Bill of Sale", issued by intermediary to a third party for scrapping the ship is not required to have 'common seal'.
9. Presently an Indian Ship-Owner is required to give prior information to D.G. Shipping about his intention to "Sell or Scrap" any vessel. Henceforth, this information should also be conveyed to Registrar of the vessel in advance.
10. Henceforth, Non-encumbrance Certificate is to be endorsed with following stipulation:

"This Certificate does not reflect encumbrances relating to clearing seafarers' wages as well as depositing their provident fund contributions which remain owner's obligations to fulfill".

The above decisions are to be effected by all concerned with immediate effect.

This issues with the approval of the Director General of Shipping