

Isle of Man Ship Registry Registry Advice Notice



Demise Charter Registration of Ships in the Isle of Man

Ref. RAN 06 (Rev. 2)
Issued 12/05/2022

1. Introduction

This notice provides guidance to those wishing to register a demise chartered vessel under The Merchant Shipping (Demise Charter Register) Regulations 1991. The Isle of Man offers both 'in' and 'out' demise charter registration between the Island and states whose national laws permit such arrangements, referred to hereafter as compatible registries.

A ship is only eligible to be Demise Charter Registered within the Isle of Man if:

- a. The ship is not a fishing vessel and is 24 metres or greater in length;
- b. The ship is registered in a compatible register;
- c. The ship is chartered by demise to a person qualified to be the owner of a Manx ship
- d. The charterer appoints a body corporate registered in the Island to undertake the principal functions of management of the ship from within the Island

A Demise Charter Registered vessel must fly the flag of the state in which it is temporarily registered. Alternate flagging is not permitted by the Ship Registry.

Ships on a Demise Charter Registry are subject to the safety, manning and anti-pollution requirements of the second flag state and must carry the certificates and documentation of that state. Dual documentation is not permitted by the Ship Registry.

Under Demise Charter Registration, the underlying registration is suspended except with relation to Title transactions.

The [Merchant Shipping \(Demise Charter Register\) Regulations 1991](#) apply other Merchant Shipping enactments to Demise Chartered ships such as safety and anti-pollution measures. The regulations also exclude Demise Chartered ships from other provisions of the acts such as provisions relating to registration under other parts of the register. Please refer to section 28 of the regulations for further information.

The primary contact for the Registry Team is marine.registry@gov.im and any further guidance or clarification of procedure may be obtained from the team as required.

All postal correspondence should be addressed to:



Registrar of Ships
Isle of Man Ship Registry
St Georges Court
Upper Church Street
Douglas
Isle of Man
IM1 1EX

2. Registration on the Demise Charter Register

- 1) A ship registered on a compatible register may only be chartered by demise within the island to a person qualified to be the owner of a Manx ship (see [RAN 02](#) and [RAN 05](#)).

Application for Demise Charter Registry should be made by the Charterer using form [DCR 3](#).

If the charterer is a body corporate, an authorised officer or attorney should be appointed to make the application.

- 2) In addition to the application form the following documentation must be submitted to the Ship Registry:
 - a) A certified copy of the Demise Charter Party;
 - b) The permission of the Authorities or underlying Registration to demise charter;
 - c) The consent of the shipowner (Form [DCR 4](#));
 - d) If the ship is subject to mortgages, the mortgagees consent (Form [DCR 5](#));
 - e) A transcript of the underlying registration details;
 - f) If the charter is a body corporate, the appointment of an authorised officer by the Charterer (Form [DCR 7](#)) and a copy of the certificate of incorporation of the Charterer;
 - g) A Certificate of Survey on Form [SUR 59E](#) detailing the ships particulars and tonnages in accordance with the 1969 International Tonnage Convention provided by an Authorised Classification Society (See [RAN 04](#));
 - h) The appointment of a Representative, being a body corporate incorporated and having its principal place of business in the Island, to be made by the Charterer on Form [DCR 3](#). A copy of the Certificate of Incorporation of the Representative must be provided. See [RAN 15](#) for the current list of Representative Persons within the Isle of Man if required.
- 3) The Regulations do not provide for title transactions (i.e. Bills of Sale or Mortgages) to be registered on the demise charter registry. Any legal action to secure rights under a lien would be exercisable under the law of the underlying registry.
- 4) The ship will retain her original name unless this name clashes with the name of an existing ship on the register. If a name change is desired to fit with current fleet nomenclature then this must be changed on the underlying register.



- 5) The ship will fly the Red Ensign as if it were a British Ship. It is not permitted to continue to fly the ensign of the underlying register.
- 6) The ship will be assigned a registration number and the charterer issued with a 'carving and marking note' (Form DCR 6). The port of registry will be 'DOUGLAS'. Once the ship is correctly marked, the note must be certified by a Marine Surveyor of the Ship Registry or an approved Classification Society (See [MSN 20](#))
- 7) Following completion of registration a Certificate of Demise Charter Registration (DCR 1) will be issued. The certificate is to be retained on board the demise chartered vessel and produced for officials as required. The certificate must be replaced if it becomes lost or illegible. On termination of registration the certificate must be returned to the Ship Registry.
- 8) Registration on the Demise Charter Register ceases under any of the following conditions:
 - a) The authorities of the underlying registry revoke their consent to the Demise Charter;
 - b) The Ship Registry revokes its' consent to the ship continuing to be registered;
 - c) The Charter Party terminates (The period of registry is fixed with reference to the period of charter, subject to a maximum of five years);
 - d) If the person chartering the ship ceases to be a qualified person, or the charter is transferred or assigned to another person, qualified or not;
 - e) If the ships underlying registration is terminated;
 - f) If the ship is sold. However, the new owner may consent within seven days to the present demise charter registration continuing;
 - g) If the ship fails to maintain the international standards set forth by the IMO or ILO

3. Extension/Renewal of Demise Charter Registration of a Ship Currently Registered

- 1) Apply in writing for extension/renewal of the Demise Charter Registration using form [DCR 10](#);
- 2) Pay the appropriate fee (see section 5);
- 3) Provide a current transcript from the underlying registry with confirmation of when the registration expires (if time-limited). A new transcript is required each time the Demise Charter Registration is renewed;
- 4) Confirm that no mortgages have been registered on the underlying register. If a mortgage is now registered, the mortgagees consent to the Demise Charter Registration must be provided using form [DCR 5](#);



- 5) Provide written consent from the authorities of the underlying registry for the renewal of the Demise Charter Registration;
- 6) Confirm in writing that there have been no changes of addresses or particulars of the Demise Charter Registration;
- 7) Provide a certified copy of any new Demise Charter with the owner on the underlying register if the existing charter will have expired.
- 8) Following receipt and confirmation of the above, the Ship Registry will renew the registration for a period not exceeding the duration of the new Demise Charter agreement or expiration of the underlying registry, whichever is the shorter period, and in no case for a period exceeding 5 years.

4. Demise Charter Registration of Manx Ships in a Foreign Register

- 1) The Merchant Shipping (Demise Charter Register) Regulations 1991 also contain provisions permitting the registration in a compatible foreign registry of Manx Ships registered under Part I of the Merchant Shipping Registration Act 1991 which are demise chartered to foreign Charterers for a period up to 5 years subject to the Ship Registry providing its written consent, dependent on the following requirements:
 - a) The ship must be registered as a Manx ship under part I of the act;
 - b) The Demise Charter Registry where the ship is to be registered must be a compatible registry;
 - c) The consent of mortgagees if the ship is subject to mortgages
- 2) The following documents must be submitted to the Ship Registry for demise charter registration in a foreign registry:
 - a) An application for demise charter registration in a foreign registry made by the registered owner of the ship on Part I of the register;
 - b) The consent in writing to Demise Charter Registration from all registered mortgagees, if any;
 - c) A written undertaking by the registered owner to surrender the Certificate of Registry within 30 days from entry into the foreign register;
 - d) A written undertaking by the Charterer that the Red Ensign, with or without defacement, shall not be worn during period of foreign demise charter registration;
 - e) A copy of the Demise (Bareboat) Charter Agreement between registered owner and Demise Charterer;
 - f) In a case where the ship is registered initially on Part I of the register and immediately thereafter registered on the foreign demise charter register, statutory certificates will not be issued by the Ship Registry prior to registry on Part I of the register.

In such a case the registered owner must provide the Ship Registry with written confirmation that the ship will not proceed to sea under Manx Registry and only after it has been registered in the foreign compatible registry.



- 3) When the Demise Charter Registration of a Manx ship is realised in a foreign registry:
- a) The owners shall immediately notify the Registrar of such registration and deliver to the Ship Registry a transcript or extract of the foreign registration;
 - b) The owners must surrender the Manx Certificate of Registry and all other statutory certificates issued by the Ship Registry;
 - c) The ship must retain her original name unless permission is provided by the Ship Registry;
 - d) The ship's Home Port shall be that of the foreign registry, the Manx registration will be considered suspended except with regard to title transactions;
 - e) Within 15 days from entry into the foreign registry the registered owners of the ship must make a declaration to the Ship Registry that the name and foreign home port has been marked on the stern of the ship;
 - f) The foreign registry will issue the international convention certificates to the charterer will operate and trade the ship as a ship under that foreign flag;
 - g) The registered owner of the ship shall comply with all the registration provisions of the Isle of Man Ship Registry (i.e. those related to title and mortgage) as if the ship were not registered in a foreign registry and hold responsibility for any fees related to such provisions. Any mortgages registered against the ship under Part I of the register are unaffected by the registration of the ship in a foreign demise charter.
- 4) Registration on a foreign demise charter ceases under any of the following conditions:
- a) The Ship Registry revokes its consent to the ship continuing to be locally or foreign registered;
 - b) Any of the conditions specified above are not complied with i.e. the ship fails to maintain the international safety standards of the IMO or ILO;
 - c) The charter party terminates (the period of registry is fixed to the period of the charter, subject to a maximum of five years)
- 5) If the Demise Charter Registration in the foreign registry closes or lapses, the owner of the ship must immediately notify the Ship Registry. The ship is not permitted to proceed to sea until complies with Manx requirements and has been issued with Manx statutory certificates.

Within 30 days of closure the owner must provide the Ship Registry with a transcript or extract from the foreign registry showing closure.

5. Fees

For details of the fees applicable to Demise Charter Registration, please refer to our [website](#)

Please note - The Isle of Man Ship Registry cannot give legal advice. Where this document provides guidance on the law it should not be regarded as definitive. The way the law applies to any particular case can vary according to circumstances - for example, from vessel to vessel. You should consider seeking independent legal advice if you are unsure of your own legal position.

