



Company Registration

The first step to be taken for a Malta flag registration is the formation of a Maltese shipping company. This is a straightforward and inexpensive operation.

Limited liability shipping companies are formed by means of a public deed or a private writing. The minimum of subscribed capital required by law is Euro 1200 of which 20% must be paid up.

The principal place of business need not be located in Malta and there are no restrictions on the sale and transfer of shares or stock of a Maltese shipping company.

Company registration fees are Euro 235; a fee of Euro 60 is payable on the filling in of an annual return. A company can be registered in a few hours on the basis of a power of attorney sent by the shareholders to their representatives in Malta, together with the following information:

- ◆ The proposed company name; a name can be reserved for three months
- ◆ The registered address of the proposed company; this can be the same as that of the representative in Malta
- ◆ A minimum of two shareholders who can be foreign individuals or bodies corporate;
- ◆ The distribution of the proposed company shares
- ◆ The name and details of the directors of the proposed company; these can be foreign individuals or bodies corporate;
- ◆ Details of voting, capital or class rights and indication of any local proxies.

To facilitate the formation of a company, the shareholders need a bank account to be held at any of the banks registered in Malta.

The requirements to open a bank account are: -

- ◆ Fill in the opening of account forms
- ◆ Bank mandate or Board resolution
- ◆ Present certified copies of ID cards (for local signatories) and Passports (for foreign signatories).
- ◆ In case of foreign signatories, bank will require a reference from their overseas Bank.

The signatories of this account can be the shareholders, directors or authorised representatives such as the local representative.



Vessel Registration

- All types of vessels, from pleasure yachts to oil rigs, may be registered under the Malta flag provided that, inter alia, they are either wholly owned by Maltese citizens or by a Maltese company. A Maltese ship may also be bareboat charter registered under another flag.

- There are neither trading restrictions nor age restrictions. However:
 - ◆ Ships of 15 years and over, but under 20 years, have to undergo an inspection by an authorised flag state inspector before or within a month of provisional registration;
 - ◆ Ships of 20 years and over but less than 25 years, have to be inspected by an authorised flag state inspector prior to being provisionally registered.
 - ◆ As a rule trading ships of 25 years and over are not registered.

- The procedure for the registration of a vessel is relatively straightforward. Provisional registration, which in terms of the law has the same effect as the so-called Permanent registration, can be effected very quickly. Authority to register a ship, however, will only be given once the Administration is satisfied that the vessel conforms with all the standards required by the relative international conventions.

- Provisional registration has a validity of six months, although this can be extended by a further six months; by this time all the documentation has to be completed for permanent registration. This includes, in particular, evidence of ownership and of cancellation of former registry. Authority to operate still remains linked to conformity with the relative manning, safety and pollution prevention international standards.



➤ Requirements for provisional registration:

- ◆ An application for registration by the owner or an authorised representative accompanied, if required, by an application for a change of name;
- ◆ A copy of the ship's International Tonnage Certificate, where applicable;
- ◆ Proof of qualification to own a Maltese ship; in the case of a body corporate, the memorandum and articles of association.
- ◆ A declaration of ownership made before the Registrar by the owner or an authorised representative;
- ◆ Evidence of seaworthiness; in the case of trading vessels, confirmation of class;
- ◆ Payment of initial and annual registration fees.

➤ Documents to be submitted during provisional registration:

- ◆ A builder's certificate, if the vessel has not been registered elsewhere; Otherwise a bill of sale or any other document for registry.
- ◆ A cancellation of registry certificate from the last country of registry, showing vessel to be free from encumbrances or otherwise;
- ◆ A Certificate of Survey and a copy of the international Tonnage Certificate certifying that the vessel has been surveyed in accordance with Maltese regulations;
- ◆ Evidence that the vessel has been marked in accordance with the law;
- ◆ At least one crew list.



Bareboat Charter Registration

Maltese law provides both for bareboat charter registration of foreign ships under the Malta flag and also for the bareboat charter registration of Maltese ships under a foreign flag.

Vessels so registered enjoy the same rights and privileges, and have the same obligations as any other ship registered in Malta.

The two main principles adopted at law on bareboat charter registration are, the compatibility of the two registries, and, that matters regarding title over the ship, mortgages and encumbrances are governed by the underlying registry, while the operation of the vessel falls under the jurisdiction of the bareboat charter registry.

A bareboat charter registration shall be for the duration of the bareboat charter or until the expiry date of the underlying registration, whichever is the shorter, but in no case for a period exceeding two years. Registration may be extended.

➤ Requirements for bareboat charter registration in Malta:

- ◆ The ship must be bareboat chartered to Maltese citizens or Maltese bodies corporate;
- ◆ The ship is not a Maltese ship, and is registered in a compatible registry.
- ◆ The Ship is not registered in another bareboat registry.

➤ The following documents must be produced:

- ◆ An application for registration by the chartered or an authorised representatives;
- ◆ A declaration of bareboat charter accompanied by the charter agreement;
- ◆ A copy of the ship's International tonnage Certificate;
- ◆ A transcript or an extract of the underlying registry, owners and any mortgages;
- ◆ Evidence of seaworthiness, in the case of trading vessels, confirmation of class;



- ◆ Payment of initial and annual registration fees.

- Requirements for bareboat charter registration of a Maltese ship under a foreign flag:
 - ◆ The ship is registered as a Maltese ship under the Merchant Shipping Act
 - ◆ The bareboat charter registry where the ship is to be registered is a compatible registry

- The following documents must be produced:
 - ◆ An application for the bareboat charter registration in the foreign registry by the owner or an authorised representative:
 - ◆ consent in writing of all the mortgages (if any)
 - ◆ A written undertaking by the owner to surrender the ship's Certificate of Malta flag during the period of bareboat charter registration;
 - ◆ A copy of the bareboat charter party.

Consent for the bareboat charter registration of a Maltese ship in a foreign registry will be issued. The certificate of Malta Registry must be surrendered to the Registrar for the duration of the foreign bareboat charter registry.



Authorised Classification Societies and appointed Inspectors

Prior to and during the period of the ship's registration, merchant vessels must be classed with one of the following classification societies authorised to issue statutory certificates on behalf of the Maltese Government:

American Bureau of Shipping, Bureau Veritas, China Classification Society, Det Norske Lloyd, Germanischer Lloyd, Korean Register of Shipping, Lloyd's Register of Shipping, Nippon Kaiji Kyokai , Russian Maritime Register of Shipping, Registro Italiano Navale

The following classification societies currently enjoy recognition applicable in certain circumstances on the specific authorisation of the Directorate:

Croatian Register of Shipping, Hellenic Register of Shipping, Polish Register of Shipping

Flag State inspections of Maltese ships are carried out regularly by inspectors appointed by the Maltese authorities in different ports worldwide. The inspections are in addition to the regular statutory surveys conducted by the classification societies and are carried out only on the specific instructions of the Directorate. There are no additional charges for these inspections except when the vessel has to undergo a second or subsequent inspection to ascertain that reported deficiencies have been corrected and, when a ship is inspected prior to provisional registration.

Accounting Authority

Most of the vessels registered under the Malta flag have their radio accounts settled by large internationally recognised accounting authorities. All major authorities are recognised by the Maltese Administration.



Mortgages

Once a vessel is provisionally registered, registration, transfer and discharge of mortgages may be effected immediately on presentation of the relative documents to the Registrar.

Closure of Registry

Voluntary closure of registry followed by the issue of a Deletion Certificate is also a straightforward operation, provided, inter alia, there is the consent of the mortgages and all liabilities and obligations of the ship towards the State of Malta have been fulfilled. Cancellation of registry by the administration for non-adequate timer has been given to the owners to regularise matters, and to the mortgages to take the necessary action to protect their interests.