



A guide to Madeira International Ship Registry

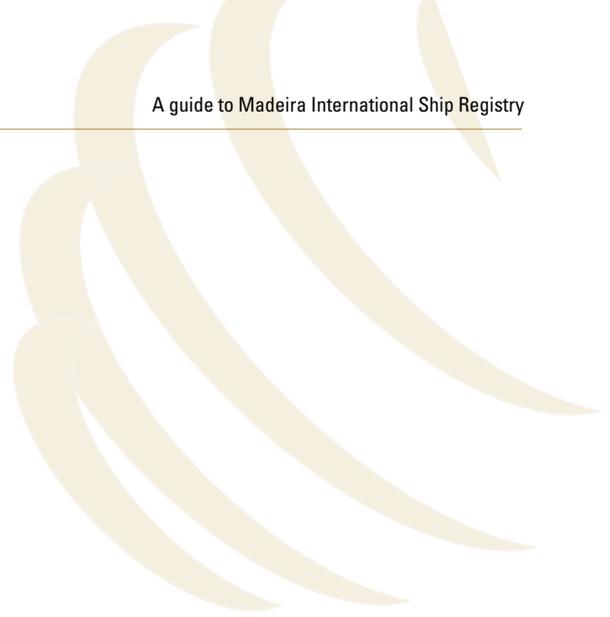


UMS

United Management Services
Consultoria Fiscal, Lda.

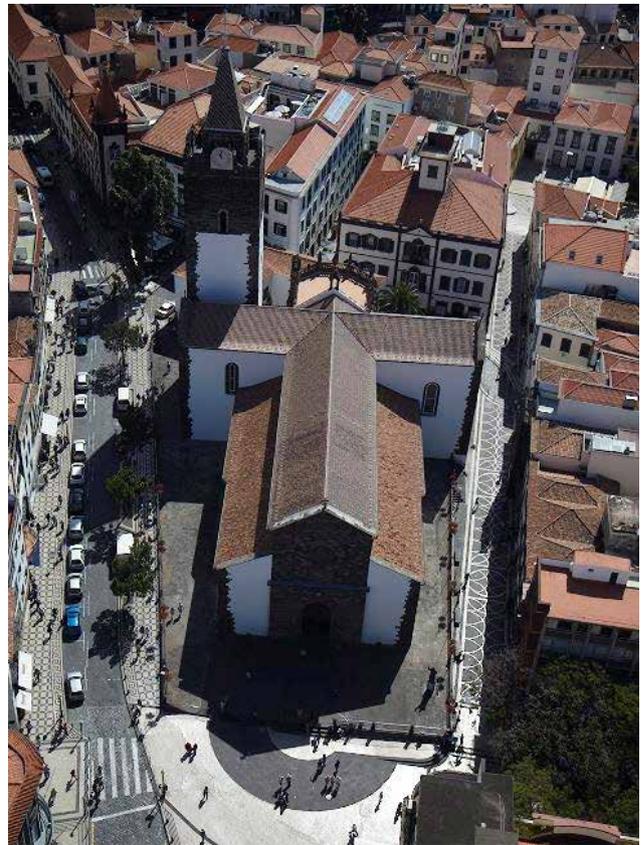


Notes



Cathedral of Funchal

Mountain View
 Funchal aerial view
 Bank of Portugal Head Office



MADEIRA



ABOUT MADEIRA

Madeira Island was discovered in 1419 by the Portuguese navigators João Gonçalves Zarco, Tristão Vaz Teixeira and Bartolomeu Perestrelo.

Madeira, which is officially designated the Autonomous Region of Madeira, is a Portuguese archipelago endowed with political and administrative autonomy, ruled by the Political Administrative Statute of the Autonomous Region of Madeira, contemplated in the Constitution of the Portuguese Republic. Since 1976, Madeira is an autonomous region of the Portuguese Republic with self-government and its own Legislative Assembly. The Portuguese State is represented in the region by the Representative of the Republic for the Autonomous Region of Madeira. Madeira is an integral part of the European Union as an outermost region of the European Union, as per Article 299 -2 of the European Union Treaty.

The archipelago lies in the Atlantic Ocean between 30° and 33° north latitude, 978 km southeast of Lisbon and at about 700 kilometres from the coast of Africa, at almost the same latitude as Casablanca, relatively close to the Strait of Gibraltar. With a volcanic origin, the archipelago comprises the islands of Madeira, with 740.7 kilometers², Porto Santo (42.5 km²) and the uninhabited islands of Desertas and Selvagens.

The main access to the Madeira Island is the International Airport of Funchal, to and from where arrive and depart scheduled flights from most of the major European capitals. The sea port of Funchal

receives several ships, especially cruise ships, and is also served by a regular shipping line of passengers and goods, linking the port of Funchal to Portimão, Algarve, in mainland Portugal. The Desertas and Selvagens Islands are nature reserves.

Despite having a population density (about 300 inhab./km²) higher than the national average, and even than the EU average, 75% of the population of the island of Madeira only inhabits in 35% of the territory. The population is mainly concentrated on the south coast, where the city of Funchal, capital of the Autonomous Region of Madeira (ARM), is located, concentrating 45% of the population (130 000), with a population density of 1 500 inhab./km². Most of the hotels are also located in this area.

THE INTERNATIONAL BUSINESS CENTRE OF MADEIRA (IBM)

Initially created as an industrial free zone, the International Business Centre of Madeira (IBCM) was designed and established with the main objective of contributing to the economic and social development of the ARM, by upgrading and diversifying the productive structure of the Region, including tourism, responding to the needs imposed by an economy deeply marked by the insularity, ultra-periphery and the economic dependence on a limited number of goods and services. The IBCM regime is framed, in community terms, as an aid of the State for tax purposes, duly authorized by the EU, aiming the regional development. The approval of a system of incentives to the ARM occurred the first time in 1987, comprising at that time an international register of ships, an industrial free zone, a financial services centre and a centre for international services. However, it is important to point out that the ARM is not included in any official list of territories or regions qualified as tax shelters. Indeed, the only singularity of the IBCM regime comparing to the remaining national tax legislation is the allocation of a set of tax benefits explicitly provided for in the Statute of Tax Benefits, according to the different regimes therein. In fact, all entities licensed to carry on any activity in the IBCM are subject to the same rules, conditions and requirements for their establishment and operation as any entity established in the rest of the country, without exceptions. On the other hand, the regime of the IBCM is characterized by its total transparency (as opposed to what happens in most of tax shelters), translated by an effective supervision, control and fiscalisation, not contemplating any distinguishing specificity in matters of secrecy, in particular as in what regards the exchange of information, regarding the regime in force in mainland Portugal. Throughout its lifetime, the IBM system has been subject to review by the Community authorities, and as a result it suffered some changes from its initial configuration. The present tax regime that applies to entities licensed between January 1, 2007 and December 31, 2013 is properly approved and consecrated by the European Union, and will be in force up to 2020⁽¹⁾

Yacht and ship registry

Madeira's International Shipping Register – MAR was created within the framework of the MIBC and has become a credible and competitive alternative compared to other international registers, maintaining the quality levels and the safety culture of an E.U. register.

All entities which undertake the maritime transportation of persons and goods - companies, branches or agencies - may register vessels in MAR, flying the Portuguese flag. Shipping companies licensed to operate within the framework of Madeira's International Business Centre will fully benefit from the tax regime in force.

Specific advantages on the registration of commercial vessels:

- E.U. register, with total access to continental and island cabotage within the framework of the E.U.;
- Flexible crew nationality requirements. The captain and 50% of the safe manning of the ship must be European or citizens of Portuguese-speaking countries. This requirement may be eliminated whenever it is duly justified;
- A competitive social security regime. The members of the crew of vessels registered in MAR and their respective employers are not obliged to contribute to the Portuguese social security system. However, some form of insurance must be guaranteed;

(1) IP/07/891Brussels, 27th June 2007

State aid: Commission endorses tax reductions for the free zone of Madeira for the period 2007-2013. The European Commission has approved under EC Treaty state aid rules a scheme providing tax reductions worth €300 million until 2020 to companies setting up in the free zone of Madeira (ZFM) between 2007 and 2013. The granting of the aid is subject to requirements to create jobs and strict safeguards as to the implementation of the aid. The Commission was satisfied that the aid was intended to promote regional development in Madeira by enabling companies established in this outermost region to overcome their structural handicaps. Competition Commissioner Neelie Kroes said "The aid will contribute to attract investment and economic activity to Madeira, supporting cohesion in the EU and regional development in this outermost region." The ZFM comprises an industrial free zone, an international services centre and an international shipping register. New companies licensed to carry on business there between 1 January 2007 and 31 December 2013 will benefit from a reduced tax rate of 3% in 2007-2009, 4% in 2010-2012 and 5% in 2013-2020. Access to the scheme will be restricted to companies which meet specific eligibility criteria, based on the number of permanent jobs created. The tax benefits will be limited by a ceiling placed on the taxable base per company which ranges from €2 million (where less than three new jobs are created) to €150 million (where more than 100 new jobs are created). The companies involved will have to start business within a fixed time limit (six months in the case of international services and one year in the case of industrial or shipping activities), beyond which they will lose their licences. Admission to the ZFM is also restricted to the activities included in a list drawn up by the Portuguese authorities on the basis of the statistical classification of economic activities in the EU. As under the previous scheme, authorised by the Commission on 11th December 2002 (see IP/02/1849), financial and insurance intermediary activities, financial and insurance auxiliary activities and "intra-group services" (coordination, accounting and distribution centres) are explicitly excluded. The Commission has assessed the aid in the light of the Regional Aid Guidelines for 2007-2013 (see IP/05/1653). Under the Guidelines, Madeira is fully eligible for regional aid until the end of 2013.

The fiscal advantages provided by the scheme are qualified as operating aid, which is generally prohibited under EU state aid rules. However, Article 299(2) of the EC Treaty recognises the specific permanent handicaps of the outermost regions:

remoteness, insularity, small size, difficult topography and climate, and economic dependence on a few products. Therefore, the new Regional Aid Guidelines allow operating aid for such regions as Madeira provided the aid is limited to offsetting the additional costs for pursuing economic activities in these regions.

The Commission's examination of the ZFM showed that the aid is targeted at specific handicaps of Madeira and is proportionate to the additional costs resulting from these handicaps. Moreover, in the past the measure has contributed positively to the regional development of Madeira.

- Flexible mortgage system, allowing both parties to choose the jurisdiction which will regulate the terms of the mortgage;
- The vessel may be registered in the name of a company licensed within the framework of the MIBC or of a company based abroad.

In this case, a legal representative in Madeira must be nominated with sufficient powers;

- Existence of a network of correspondents in various European countries with the objective of providing local support to shipowners wishing to register vessels in MAR.

Specific advantages on the registration of yachts:

- E.U. register with full access and without any restrictions to navigation in E.U. waters;
- Low taxation, including V.A.T.;
- Reimbursement of V.A.T. in case the yacht is chartered;
- Exemption from V.A.T. on the purchase of fuel by commercial yachts and on chartering activities;
- No obligation to form a local company;
- No citizenship requirements for the crew on board the commercial yachts registered in MAR;
- Flexible social security regime for the crew on board commercial yachts.

All classification societies recognised by Portugal may undertake surveys and other services regarding the registration of vessels in MAR.

Currently, Portugal recognises seven classification societies in order to undertake some of its tasks within the framework of MAR:

- Lloyd's Register of Shipping (LRS);
- Bureau Veritas (BV);
- Det Norske Veritas (DNV);
- Registro Italiano Navale (RINA);
- American Bureau of Shipping (ABS);
- Germanischer Lloyd (GL);
- Rinave Portuguesa (RINAVE).

The register has a Technical Commission whose duties include the establishment of the crew composition. As a matter of fact, the shipowner may propose the crew composition of his vessel, and on the basis of the characteristics of the ship to be registered as well as in full compliance with the international conventions on safety and the preservation of the quality of life on board and at sea, the Technical Commission will establish minimum crew composition requirements.

Temporary registration is allowed by law, as well as the bareboat charter, and may be carried out in Portuguese consulates or in any other departments which have been or may come to be duly authorised for such effect.

MAR, as a Portuguese register, is among the international registers of the highest quality, having guaranteed adequate measures to ensure an efficient surveillance of all vessels registered. All international conventions ratified by Portugal are fully applicable to and respected by Madeira's Register, which has never been considered as a "flag of convenience", namely by ITF (International Traffic Federation).

REGISTRATION OF COMMERCIAL VESSELS AND OIL-RIG PLATFORMS

1 – Formalities

Various documents and information on the vessel are submitted to the Technical Commission of MAR for analysis and initiation of the registration process:

- Owner and/ or operator's contracts, mortgages or other liens relating to the vessel;
- Purchase certificate of the vessel (bill of sale);
- Vessel's name and two other alternative names;
- Application for the attribution of a call sign, as well as description of communication equipment;
- Certified copy of the register Tonnage Certificate;
- Name of classification society;
- Vessel's characteristics and propulsion system;
- Shipyard and year of construction;
- Copies of the vessel's certificates including those of the classification society;
- Copy of the ship Station Licence;
- Tonnage measurement data.

The Technical Commission of MAR will decide, according to the ship's records, age and detention history, if a survey will be carried out before registration. A survey is also carried out in the absence of any of the following recognised certificates:

- Transcript of registry (from any previous registration);
- Deletion certificate.

2 - Permanent registration

Vessels must deliver proof of the deletion of the previous registration, if applicable. However, a document issued by the competent maritime authorities, stating that the deletion of the previous registration was requested, may be initially accepted by MAR.

Legal Documentation

The following legal documentation is required for the permanent registration of a vessel in MAR:

1 - Power of attorney granted by the applicant to a local legal representative.

- Applicable when the domicile or the head office of the applicant is located outside the Autonomous Region of Madeira; Original or authenticated copy;
- Signatures recognized by notary certifying the authority for the act according to n° 2 and n° 3 of article 11° of DL n° 96/89, of the 28th of March;
- Legalised or certified according to the Hague Convention of 1961.

2 - Bill of sale

- Signed by the seller in the presence of a notary public;
- Original or authenticated copy;
- Legalised or certified according to the Hague Convention of 1961 with certified translation;

3 - Certificate issued by the previous registry

- Original or authenticated copy;
- Issued for less than 6 months.

4 - Deletion certificate

- Original or authenticated copy;
- Legalised or certified according to the Hague Convention of 1961 with certified translation;
- It may be temporarily replaced by documentation confirming the deletion request.

5 - Permission granted by the mortgagee(s)

- In case of any mortgage;
- Original or authenticated copy;
- Legalised or certified according to the Hague Convention of 1961 with certified translation;
- Signature recognized by notary certifying the authority for the act.

Technical documents

The following technical documentation is required for the permanent registration of a vessel in MAR:

- Application Form – Annex A (also available on-line at www.ibc-madeira.com)
- Copies of existing statutory certificates: In the case of vessels with a previous registration under another flag administration, it is required to submit to the Technical Commission of MAR copies of the existing statutory certificates and of any associated Exemption Certificates, Statements of Equivalency and List of Limitations approved by the previous flag administration. In case of new constructions, it is strongly recommended that the Technical Commission is advised, at the earliest opportunity, of any applicable exemptions or equivalencies to the relevant instruments. Any request for the application of exemptions or equivalent arrangements to the Portuguese Maritime Administration must be made through a Recognized Organization.
- Class certificate (Hull + Machinery annex);
- EPIRB Registration Card duly filled (annex B);
- Radio application form duly filled (annex C);
- Simple copy of the EPIRB programming report (with the new codes);
- Simple copy of Radio accounting contract with one of the entities recognised by the Portuguese administration (annex D);
- Simple copy of the Declaration of Company (ISM code) (annex E);
- Simple copy of complete CSR file - for new buildings a CSR application form (annex F);
- Company must provide for the endorsement of the certificate of competency of foreign masters and officers serving onboard Portuguese flag vessel (annex G);
- Company must provide for the deactivation and activation of INMARSAT number (annex H);
- “Blue Card” for the issuance of the CLC certificate;
- Initial Survey Report

Registration forms and other documentation

Please visit www.ibc-madeira.com/DocumentLibrary to consult the following registration forms and applications:

- Application for registration of vessel (annex A)
- EPIRB Registration Card (annex B)
- Application form for Radio Equipment (annex C)
- List of radio accounting entities recognised by Portugal (annex D)
- Declaration of Company (annex E)
- (CRS) New Buildings (annex F)
- Application for Recognition of Certificates (annex G)
- Registration for activation of Maritime Mobile Earth Station (INMARSAT)(annex H)

For the provisional registration process to take place, the Technical commission will require the submission of the Initial Survey Report by the Recognized Organization.

Once the ship has been technically approved for provisional registration the Technical commission will complete the process by communicating with the owner's representative.

At the point of provisional registration MAR will issue the following documents to be kept onboard permanently:

- Provisional Certificate of Registry (three months validity) or Temporary Registration Certificate
- Ship Station License
- Minimum Safe Manning Document
- Continuous Synopsis Record (CSR)
- CLC, if applicable
- Relevant MAR legislation
- Log Book (Navigation)
- Log Book (Engine)
- Oil record Book (part 1)
- Oil record Book (part 2)
- Cargo Record Book
- Garbage Record Book
- GMDSS Radio Station Log Book
- Register of Ship's Lifting Appliances and Cargo Handling Gear
- Crew List
- Certificates of Service + instructions for the embarkation/disembarkation of crew

3 - Temporary registration

Bareboat charter in Vessels may be registered temporarily in MAR (bareboat charter in), subject to authorisation granted by the owners and by the competent authorities of the country where the vessel is permanently registered. Although Portuguese law allows the bareboat registration for five (5) years maximum, MAR can make the registration for five (5) plus another five (5) years (5+5), if agreed by the parties.

The application form shall be addressed to the Technical Commission of the International Shipping Register of Madeira – MAR, with indication of the charter period.

Legal documentation

The following legal documentation is required for the temporary (flagging-in) registration of a vessel in MAR:

1 - Bareboat Charter

- Original or certified copy signed by both parties (owner and charterer) and certified by a public notary, mentioning;
 - a) Name of the vessel;
 - b) Name and address of the parties;
 - c) Charter period;
 - d) Existence/non-existence of mortgages on the vessel.

2 - Commercial Certificate of the Charterer

- Original or certified copy, when the company is outside Madeira;
- A simple copy, when the company is incorporated within the ambit of the International Business Centre of Madeira.

3 - Power of attorney granted by the charterer to a local legal representative

- Applicable when the domicile or the head office of the charterer is located outside the Autonomous Region of Madeira;
- Certified by public notary and signed on behalf of the company;
- Signatures recognized by notary certifying the authority for the act according to n° 2 and n° 3 of article 11° of DL n° 96/89, of the 28th of March.

4 - Permission of the Permanent Registry for the registration of the vessel in MAR

5 - Permission granted by the mortgagee(s) in case of any mortgage.

Note 1: Should the bareboat charter and the permission granted by the permanent Registry indicate different dates, MAR will consider the date indicated by the permanent Registry.

Note 2: For the temporary registration, certified translations are not mandatory if the documentation is delivered in one of the languages accepted by MAR, namely English, French and Spanish.

Deletion of the temporary registration

When the charter period is almost expiring, and if the charterer does not renew the registration, MAR will automatically consider such registration deleted.

On the other hand, if the charter period is still ruling, but the parties wish to delete the registration, they can do so by signing an addendum to the bareboat charter, where both parties agree to delete such registration.

Bareboat charter out Vessels with permanent registration in MAR may be temporarily registered in other countries (bareboat charter out). In such cases, authorisation for the bareboat charter out will be granted by MAR. The vessel will fly that Registry's flag and the right to fly the Portuguese flag will be suspended until the end of the charter period.

The application form shall be addressed to the Technical Commission of the International Shipping Register of Madeira – MAR requesting the temporary registration of the vessel under another flag.

Legal documentation

The following legal documentation must be delivered to MAR for authorization of the temporary (flagging-out) registration of a vessel:

1 - Bareboat charter

- Original or certified copy signed by both parties (owner and charterer) and certified by a public notary, mentioning;
 - a) Name of the vessel;
 - b) Name and address of the parties;
 - c) Charter period;
 - d) Existence/non-existence of mortgages on the vessel.

2 - Certificate of the registry

- Issued by the registry where the vessel will be temporarily registered confirming the temporary registration.

4 – Other requirements

Age

There are no direct restrictions on the age of the vessels that may be registered, but the technical commission will decide, on a case-by-case basis, the vessels which will be accepted.

Surveys

Vessels must be classified by one of the officially Recognized Organizations/ approved classification societies:

Classification societies

ABS – American Bureau of Shipping
 BV – Bureau Veritas
 DNV – Det Norske Veritas
 GL – Germanischer Lloyd
 LRS - Lloyds Register of Shipping
 RINA – Registro Italiano Navale
 RINAVE Portuguesa

Other classification societies may be included when recognised by the Portuguese Government.

Mortgage law

The mortgagor and the mortgagee may, by written agreement, choose the legal system of a particular country that shall govern the terms of the mortgage. In case of failure of such agreement, the Portuguese law that rules mortgages shall be applied. In case a foreign law is chosen to rule the mortgage contract, a copy of the foreign law must be presented to MAR, signed by both parties, apostilled and translated into Portuguese.

Purchase and sale of vessels

The purchase and sale of ships is not subject to any

previous authorization. The sale becomes effective through a Bill of Sale. Furthermore, the legal representative of the seller must be granted sufficient power to act on behalf of the company. The signature of the seller must be certified in the presence of a public notary.

Manning and certification

All vessels registered in MAR are required to have a manning certificate issued in order to ensure that seafarers serving on board are qualified, fit and sufficient in number for the performance of their duties. The certificates of seafarers serving on board of vessels registered in MAR shall be issued according to the provisions of the Standards of Training Certification and Watch Keeping for Seafarers Convention of 1978 (STCW), as amended in 1995.

The shipowner or his legal representative may apply for the manning proposal of a vessel already registered or to be registered in MAR. The application must be accompanied by the following documents:

- Summary identification of the vessel, including technical characteristics, equipment, area and trade where it will operate;
- General arrangement plan;
- Safety plan;
- Stability book;
- Any other elements that the applicant may consider necessary for such application;
- Ship's manning proposal duly justified.

Employment conditions

Labour contracts shall be signed between the seamen or unions and employer, containing the following terms:

- Identification of the parties;
- Name of the vessel;
- Nature and duration of the intended voyage or engagement;
- Period that each seaman is to be on board;
- Title and function to be undertaken by each seamen;
- Wages;
- Agreement as to the payment of wages;
- Termination of the contract.

Citizenship requirements

The captain and 50% of the safe manning of the ship must be European, of both E.U. and non-E.U. countries including nationalities such as Russians and Ukrainian, or citizens of Portuguese-speaking countries (Brasil; Angola, Mozambique; Guinea-Bissao; Equatorial Guinea;

Sao Tome; Cape Verde and East Timor), allowing therefore for a flexible manning. This requirement may be eliminated whenever it is duly justified.

Recognition of certificates of competency – STCW 78/95
The coming in force, starting from the 1st of February 2002, of all arrangements of the 95 Amendments to STCW 78' Convention, renders mandatory for foreign seafarers who perform services on vessels flying the Portuguese flag, to hold the recognition of their certificates of competency.

According to the established under regulation I/10 of the referred Convention, the process of recognition of certificates to foreign seafarers is subject to the celebration of a Protocol between Maritime Administrations (the one who recognises and other who issues the certificate).

In Portugal, IPTM - Instituto Portuário e dos Transportes Marítimos is the responsible entity for the compliance of the arrangements determined on STCW 78/95 Convention. The process of recognition shall be addressed, directed and requested directly to IPTM, for analysis and decision. IPTM commits itself to recognise certificates of competency of seafarers whose nationality is as follows:

- a) European Union countries;
- b) Countries with whom Portugal has an agreement for recognition of certificates.

Countries under paragraph b) are subject to prior verification of related system on education, training and certification, considering a celebration of a Protocol.

According to their level, certificates of competency can be issued for the performance of management or operational functions. In the first case there's an obligation for demonstration of knowledge on basic principles of the Portuguese Maritime Legislation.

The procedure foreseen by Instituto Portuário e dos Transportes Marítimos for the process of recognition of certificates at the operational level is as follows:

- 1) Request by the seafarer or his representative;
- 2) Documental analysis of the process;
- 3) Issue of a declaration valid for 90 days, as soon as the documentation is according to the requirements;
- 4) Issue of the recognition, up to 90 days after the issue of the declaration referred on 3).

The procedure foreseen by IPTM for the process of recognition of certificates at the management level is as follows:

- 1) Request by the seafarer or his representative, stating the date of the examination;
- 2) Documentation analysis of the process;
- 3) Issue of a statement of Receipt of Application valid for 90 days and a book on Portuguese Maritime legislation numbered and personalised, if documentation is according to requirements;

4) Achievement of an examination of knowledge on Portuguese Maritime Legislation, to be held on a date chosen by the seafarer or is representative, within the validity period of the statement referred on 3);

5) Issue of a Diploma, when the examination is successfully concluded;

6) Issue of the endorsement, upon the conclusion of the examination with success and up to 90 days after the issue of the statement referred on 3).

The examination referred on paragraph 4) will be held at a Portuguese nautical school. Alternatively, IPTM will be available to send a representative to a place previously established by the shipowner(s) in order to perform the mentioned examination. Travelling expenses of the IPTM representative shall be supported by the shipowner(s).

International Conventions adopted

Portugal has ratified the following IMO and ILO Conventions, which also apply to MAR:

IMO Conventions:

- IMO Convention 48, amendments 91, amendments 93
- SOLAS Convention 74, Protocol 78, Protocol 88
- LOAD LINES Convention 66, Protocol 88
- TONNAGE Convention 69
- COLREG Convention 72
- CSC Convention 72
- STCW Convention 78, amendments 91
- SAR Convention 79
- INMARSAT Convention 76, OA 76, amendments 94, amendments 98
- FACILITATION Convention 65
- MARPOL 73/78 (Annex I/II) (Annex III) (Annex IV) (Annex V) Protocol 97 (Annex VI)
- London Convention 72
- INTERVENTION Convention 69, Protocol 73
- CLC Convention 69, Protocol 76, Protocol 92
- FUND Convention 71, Protocol 76, Protocol 92, Protocol 2003
- SUA Convention 88, Protocol 88
- OPRC Convention 90
- OPRC/HNS 2000

ILO Conventions

- C. 8 Unemployment Indemnity (Shipwreck) Convention, 1920 (No. 8)
- C. 22 Seamen's Articles of Agreement Convention, 1926 (No. 22)
- C. 23 Repatriation of Seamen Convention, 1926 (No. 23)
- C. 68 Food and Catering (Ships' Crews) Convention, 1946 (No. 68)
- C. 69 Certification of Ships' Cooks Convention, 1946 (No. 69)
- C. 73 Medical Examination (Seafarers) Convention, 1946 (No. 73)
- C. 74 Certification of Able Seamen Convention, 1946 (No. 74)
- C. 92 Accommodation of Crews Convention (Revised), 1949 (No. 92)

- C. 108 Seafarers' Identity Documents Convention, 1958 (No. 108)
- C. 135 Workers' Representatives Convention, 1971 (No. 135)
- C. 137 Dock Work Convention, 1973 (No. 137)
- C. 145 Continuity of Employment (Seafarers) Convention, 1976 (No. 145)
- C. 146 Seafarers' Annual Leave with Pay Convention, 1976 (No. 146)
- C. 147 Merchant Shipping (Minimum Standards) Convention, 1976

Port State Control

Ships flying the Portuguese flag (Madeira Registry included) are not targeted for inspection by the Port State Control authorities of the Paris MOU States.

5 - Registration fees

Fees applicable to vessels According to order n° 227/99, of the 29th of December, of the Regional Government of Madeira, vessels registered and to be registered in MAR are subject to the following fees:

1 - For the initial registration or renewal thereof, the following fees are due:

- a) Fixed fee of € 1.800;
- b) Variable fee:

| Scale | Fee per scale |
|--------------------------------|-------------------|
| Up to 250 NT | 225 euros |
| From 250 NT up to 2.500 NT | 0,90 euros per NT |
| From 2.500 NT up to 10.000 NT | 0,75 euros per NT |
| From 10.000 NT up to 20.000 NT | 0,60 euros per NT |
| From 20.000 NT up to 30.000 NT | 0,50 euros per NT |
| From 30.000 NT up to 40.000 NT | 0,40 euros per NT |
| From 40.000 NT up to 50.000 NT | 0,30 euros per NT |
| From 50.000 NT up to 60.000 NT | 0,20 euros per NT |
| Above 60.000 NT | 0,10 euros per NT |

NT - Net Tonnage

2 - The annual fee shall be calculated according to the following scale:

- a) Fixed fee in the amount of 1.400 euros;
- b) Variable fee:

| Scale | Fee per scale |
|-------------------------------|-------------------|
| Up to 250 NT | 200 euros |
| From 250 NT up to 2.500 NT | 0,80 euros per NT |
| From 2.500 NT up to 20.000 NT | 0,40 euros per NT |
| Above 20.000 NT | 0,25 euros per NT |

NT - Net Tonnage

3 – The fee due for passenger vessels, tug boats and other auxiliary embarkations are those stated in numbers 1 and 2 above, adding thereto 15% in clause 1 and 30% in clause 2.

4 - For the definition of the crew and the issue of the respective certificate, a fee is due in the amount of 300 euros.

5 - For every inspection carried out, upon the request by the shipowner or for the effects of MAR's annual inspection, a fee is due in the amount of 100 euros/hour.

6 - In addition to the costs in the previous clause, transport and board and lodging costs of the expert(s) who undertake the inspection are due and payable.

7 - For the issue, renewal, or additional notes of the certificates, declarations and other documents of the vessel, a fee is due in the amount of 130 euros per certificate, declaration or document.

8 - For the issue or recognition of the certificate of each senior officer, junior officer or rating, a fee is due in the amount of 100 euros for officers and 25 euros for the remaining categories.

9 - For the boarding of each crew member a fee is due in the amount of 20 euros.

10 - For the provision of forms, on board record books and other inherent services an amount to be set by the Technical Commission which shall be published is due.

11 - For the procedures to obtain the radio station license, a fee is due in the amount of 500 euros.

12 - For the cancellation of the vessel's registration a fee is due in the amount of 650 euros.

13 - A fee of 300 euros is applicable in any of the following cases:

a) Recognition of title of ownership and/or division of proprietary rights and/or change of ownership;

b) Bareboat chartering contract as well as any alterations to the contract;

c) Change of vessel's name;

d) Inscription of initial registration;

e) Recognition, constitution, acquisition, modification or extinction of usufruct rights;

f) Construction contracts;

g) Mortgages, modifications thereto, extinction, cession or assignment of the mortgagees' credits, as well as preference ranking of mortgages.

The amounts referred above shall be paid to the Government of the Autonomous Region of Madeira prior to the issue of the registration documents through the account of the concessionaire of the free Zone of Madeira (SDM) and producing written proof of such payment(s).



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