



REPUBLIC OF CYPRUS

**MINISTRY OF
COMMUNICATIONS AND WORKS**



**DEPARTMENT
OF MERCHANT SHIPPING
LEMESOS**

Circular No. 3 /2012

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Tonnage Tax Companies

Owners of Ships under Foreign Flag,
Charterers, and Ship Managers
operating in the Republic of Cyprus

Members of the Cyprus Shipping Chamber c/o CSC
Members of the Cyprus Union of Shipowners c/o CUS

Subject: Cyprus Tonnage Tax System (Law 44(I)/2010): Flags which appear on the Grey List and Black List of the Paris MOU for the Fiscal Year 2011

As provided by Sections 17(2), 27(2) and 40(2) of the Law 44(I)/2010 and on the basis of the relevant tables contained in the Annual report of the Paris MOU for the year 2010, the Director of the Department of Merchant Shipping has decided that the flags appearing in Annex I are included in the Grey List of the Paris MOU and flags appearing in Annex II are included in the Black List of the Paris MOU.

It is recalled that, as provided by Sections 17(1), 27(1) and 40(1) of the Law, Qualifying non-Community ships shall have their annual tonnage tax increased:

- (a) by thirty per cent (30%) if the flag they are entitled to fly appears in the Grey List of the Paris MOU;
- (b) by sixty per cent (60%) if the flag they are entitled to fly appears in the Black List of the Paris MOU.

As provided by Section 34(4) of the Law, ships under management (Community and non-Community ships), flying a flag which appears in the Black List of the Paris MOU, shall be deemed to fulfil the requirements of Section 34(1), i.e. to comply with international and Community standards, only if the technical and crew management of every such ship is entirely performed from the territory of any Member State. In case of non-compliance with the above, the provisions of section 54 of the Law shall apply.

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- Permanent Secretary, Ministry of Finance
 - Permanent Secretary, Ministry of Foreign Affairs
 - Maritime Offices of the Department of Merchant Shipping abroad
 - Diplomatic Missions and Honorary Consular Officers of the Republic
 - Commissioner for State Aid Control
 - Director, Department of Inland Revenue
 - Director General, Cyprus Investment Promotion Agency (CIPA)
 - Cyprus Bar Association
 - Institute of Certified Public Accountants of Cyprus

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ANNEX I

Grey List of the Paris MOU to be used for the fiscal year 2011

1. Egypt
2. Cook Islands
3. Viet Nam
4. Dominica
5. Algeria
6. Slovakia
7. Honduras
8. Tunisia
9. Jamaica
10. Mongolia
11. Tuvalu
12. Morocco
13. Saudi Arabia
14. Bulgaria
15. Belize
16. Curacao
17. Malaysia
18. Switzerland
19. Faroe Islands
20. Vanuatu
21. Latvia
22. Iran, Islamic Republic of
23. Thailand
24. United States of America

ANNEX II

Black List of the Paris MOU to be used for the fiscal year 2011

1. Korea, Democratic People's Rep.
2. Libyan Arab Jamahiriya
3. Togo
4. Sierra Leone
5. Montenegro
6. Albania
7. Moldova, Republic of
8. Cambodia
9. St Kitts and Nevis
10. Comoros
11. Georgia
12. Bolivia
13. Lebanon
14. Syrian Arab Republic
15. Tanzania United Rep.
16. Ukraine
17. St. Vincent and the Grenadines
18. Azerbaijan