



REPUBLIC OF CYPRUS
SHIPPING DEPUTY MINISTRY

Circular 22/2022

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SDM File No. 05.13.002 & 16.17.030.001

Owners of Pleasure vessels registered in the Register of Cyprus Ships or registered in the Small Vessels Registry of the Shipping Deputy Ministry

Owners of Pleasure Vessels regardless of flag, operating in the territory of the Republic of Cyprus

Subject: Pleasure Vessels¹ Bareboat Chartering activity

The Shipping Deputy Ministry, aiming to regulate the pleasure vessels' chartering activity in the territory of the Republic of Cyprus under the conditions of "bareboat" chartering, i.e., their lease without providing crew and skipper², sets the following conditions to allow the said specific activity:

1. Pleasure vessels, regardless of registration flag, which are to operate within the territory of the Republic of Cyprus under bareboat chartering and having as their starting point of voyage or departure the Republic of Cyprus, must:
 - a. have suitable accommodation³;
 - b. be available for a fee on the basis of a charterparty agreement⁴;
 - c. complete the customs clearance procedures;
 - d. belong to chartering companies⁵ which must be provided with a tax identification number and be registered in the VAT register;

¹ Pleasure vessel means a vessel that irrespective of the means of propulsion, is used for sports purposes (leisure) and for leisure. It shall be understood that coastal passenger vessels, small passenger vessels and commercial yachts do not fall into the category of Pleasure vessels.

It is clarified that, in case a pleasure vessel is chartered with a skipper and crew, it must meet the provisions of the Coastal and Other Passenger Vessels Regulations of 2012 (P.I 278/2012) and be equipped with the relevant Safety Certificate. In this case, this Circular shall not apply. It is further clarified that the Cyprus-flagged vessels that will be chartered with a skipper and crew shall be operated only within the territorial waters of the Republic.

² Skipper means the person hired by the charterer who has nautical competency and experience to take command in order to navigate a pleasure vessel. The charterer himself can be the skipper, in case he has nautical competency and experience.

³ Accommodation means the closed accommodation, spaces for feeding and hygiene on the vessel.

⁴ Each charter agreement must have a unique document number in its text. Furthermore, the owner (chartering company) of the vessel should keep an inventory with the charter agreements ready for inspection.

⁵ Chartering companies mean the legal entities that own or have under their operation pleasure vessels and are active in the field of bareboat chartering activity.



The data concerning the chartering of a vessel will be recorded in a special log book in accordance with "Annex I" of this Circular.

2. The completion of the customs clearance procedure for pleasure vessels located in the Republic, is a necessary prerequisite, in order to engage in bareboat chartering. Relevant attestation from the Cyprus Customs and Excise Department should be submitted by the interested chartering company, accompanied by a letter of application to the Shipping Deputy Ministry, for engaging in bareboat chartering activity. It shall be understood that the vessels in the Republic which are under a temporary importation status, as well as, vessels for which the customs clearance procedure has not been completed, cannot engage in bareboat chartering activity.
3. The skipper and crew to be hired by the charterer must not belong to the chartering company or to a company which is a subsidiary or which is considered to be a member of a group of companies of the chartering company, or a company owned/managed by the chartering company.
4. The chartering of pleasure vessels, for voyages within the territorial waters of the Republic, is permitted to be carried out from marinas, berthing places of pleasure vessels, fishing shelters or ports of the Republic of Cyprus. For voyages beyond the territorial waters of the Republic, pleasure vessels must arrive or depart at or from a port which, by Decree⁶ of the Council of Ministers, has been designated as a port of the Republic for customs purposes, subject to the condition that there should be a competent Customs Office.

Before the departure of each vessel from marinas, berthing places of pleasure vessels, fishing shelters or ports of the Republic of Cyprus, a written Departure Note in the form of "Annex II" should be submitted by the charterer or the skipper of the vessel to the Marine Police Station. In addition, for voyages beyond the territorial waters of the Republic, the skipper of the vessel is obliged to submit a declaration of cargo on board, to the Director of the Cyprus Customs and Excise Department, before the departure or arrival of the vessel, within defined deadlines. This obligation is necessary even when the vessel does not carry any load.

5. The chartering companies of pleasure vessels must hold a quality management system certificate in compliance with the ISO 9001: 2015 Standard (or any future revision) that will include at least:
 - Company organization procedures;
 - Staff training procedures;
 - Familiarization procedures of the charterer with the vessel and the equipment on board;
 - Vessels' maintenance procedures;
 - Procedures for vessels' management including the areas where they are anchored/ kept;
 - Vessel waste management procedures (i.e., sewage, rubbish and wastewater);
 - Emergency procedures;

⁶ In the current Decree on Customs Ports of 2020, P.I. 164/2020, all the ports of the Republic are defined as ports for customs purposes, as well as and the Marinas of the Republic as ports of limited use.

- Procedure for recording charter data (including copies of charter agreement and skipper's nautical competence certificate).

The present requirement also applies to chartering companies based outside the Republic of Cyprus, which are required to appoint and maintain an authorised representative⁷ in the Republic, in accordance with "Annex III".

It is clarified that the above requirement is **valid from 01.01.2023**. Until this date, the requirement shall be met by submitting an Attestation from the certification Body that the company has begun the process for obtaining such certification.

6. For each company there should be a Person in charge of the Chartering Operations, responsible for the chartering of pleasure vessels and an Assistant to the Person in charge of the Chartering Operations, both of them must hold a valid navigation license for operating a pleasure vessel, having an engine for main propulsion (motor vessels). In the case of chartering a pleasure vessel having as main means of propulsion the wind by the use of sails (sailing vessels) the persons in charge must also hold a certificate of a sailing yacht skipper issued by a sailing school, or hold other equivalent qualification. The person in charge is responsible for the proper observance of compliance with the requirements, referred to in paragraph six (6) above.
7. In order for the chartering company to bareboat charter pleasure vessels, they must first submit an application to the Shipping Deputy Ministry, which will be accompanied by the endorsed quality management system compliance certificate with the ISO 9001: 2015 standard, or the relevant Attestation as referred to in paragraph six (6) for the year 2022. It shall be understood that in order to complete the examination of the application, the relevant certificate referred to in paragraph two (2) above derived from the Cyprus Customs and Excise Department must be submitted. Once all the conditions mentioned above are met, the Shipping Deputy Ministry shall issue an Attestation for the operation of the chartering company, with validity of one year or up to one year from the last endorsement of the Certificate of Conformity of the company's quality management system.

The relevant fee for the issuance of the Attestation of operation of chartering company is **30 euros**. The Shipping Deputy Ministry as the Competent Authority may conduct annual and/or occasional inspections for compliance of the company with their quality management system. If during the audit it is found that the company does not comply with the requirements of the quality management system, the validity of the Attestation of

⁷ An authorised representative may be:

- (a) a Cypriot citizen or a citizen of any other Member State who is resident in the Republic of Cyprus within the meaning of the Income Tax Laws of 2002 to 2004; or
- (b) a partnership, which has been established and is registered in accordance with the provisions of the Partnerships and Business Names Law, having its place of business in the Republic and which employs permanent staff in the Republic; or
- (c) a corporation which has been established and is registered in accordance with the provisions of the Companies Law, having its place of business in the Republic and which employs permanent staff in the Republic; or
- (d) a branch which has been established and is registered in accordance with the provisions of the Companies Law, having its place of business in the Republic.

operation of the chartering company will be suspended, until the non-compliance is rectified.

A list of the names of the chartering companies that will hold this Attestation of Operation will be posted on the website of the Shipping Deputy Ministry for the information of the public.

8. In case a Cyprus-flagged pleasure vessel wishes to be operated under bareboat chartering conditions outside the territorial waters of the Republic, the chartering company must inform the Shipping Deputy Ministry in writing⁸ and is obliged to comply with the legislation of the country in which it will operate. It shall be understood that the obligation of paragraph three (3) above also applies to chartering companies, which will operate their Cyprus-flagged vessels, under conditions of bareboat chartering, outside the Republic. It is reminded that it is explicitly forbidden to operate abroad a Cyprus-flagged pleasure vessel which is chartered with crew and skipper on board.
9. Every chartering company shall take care for the maintenance of the vessels and their proper operation and has the obligation to ensure before each charter that the requirements of "Annex IV" are met. The vessels to be chartered will be inspected⁹ by the Shipping Deputy Ministry or other authorised organization, on an annual basis, in order to verify compliance with the requirements of Annex IV and an Inspection Attestation will be issued. A vessel that does not possess an Inspection Attestation shall not be able to operate under bareboat chartering activity.
10. The vessel and the insured person (chartering company) must have, *inter alia*, valid insurance¹⁰ for the following:
 - (a) Liability for death or bodily injury of passengers or third parties, which may be caused by collision, sinking or any other cause.
 - (b) Liability for damage that may be suffered by passengers or third parties due to collision, sinking or any other cause.
 - (c) Liability for marine pollution.
12. The skipper of a pleasure vessel under bareboat chartering, must hold one of the following certificates, which prove his maritime training, a prerequisite for assuming the operation of the vessel:
 - (a) For pleasure vessels with main means of propulsion the sails, irrespectively of the flag, the Skipper must hold a license of sailing vessel Skipper corresponding to the length of the vessel and the operating sea area.

⁸ The relevant written information can be sent to the following email address: maritimeadmin@dms.gov.cy.

⁹ It shall be understood that this inspection does not affect the provisions of the High-Speed Small Vessels Regulations, 1999 (P.I. 121/1999), regarding the issuance of vessel's circulation license (Regulation 9), or other applicable legislation.

¹⁰ For vessels with gross tonnage of 300 (GT) and above, the requirements of international conventions and current legislation regarding the existence of insurance coverage must apply.

- (b) For pleasure vessels up to 15m with main means of propulsion an engine, irrespective of the flag, the Skipper must be at least 18 years old and hold an operator's license for a Small High-Speed Vessel or equivalent/corresponding. It shall be understood that in the case vessels perform international voyages, then the requirements of paragraph (c) below apply.
- (c) For pleasure vessels longer than 15m, with main means of propulsion an engine, **which shall perform international voyages**, the Skipper must be at least 23 years old and have successfully completed training in a suitable course that is commensurate with the required certificate and which includes the following:
- i. Navigation and radiocommunication training for international voyages;
 - ii. General principles of ship construction, stability, meteorology, seamanship and maritime law;
 - iii. Handling, maintaining course and speed control in all navigation conditions.

It shall be understood that in the case of vessels longer than 15m, which will be operating **exclusively** in the territorial waters of the Republic, the requirement of paragraph (c)(i) above does not apply.



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- Director, Cyprus Ports Authority
- Permanent Secretary, Deputy Ministry of Tourism,
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- Cyprus Shipping Chamber
- Cyprus Union of Shipowner
- President, Cyprus Water Sports Association
- Cyprus Maritime Tourism Association
- Cyprus Bar Association