



REPUBLIC OF CYPRUS
**MINISTRY OF
COMMUNICATIONS AND WORKS**



**DEPARTMENT
OF MERCHANT SHIPPING
LEMESOS**

Circular No. 8 /2011

TEN 12.3.01.36.02
TEN 5.13.09

4 March 2011

- All Owners of Ships under Foreign Flag, Charterers and Ship Managers operating in the Republic of Cyprus.
- All Members of the Cyprus Shipping Chamber c/o CSC
- All Members of the Cyprus Union of Shipowners c/o CUS

Subject: Tonnage Tax System -The Merchant Shipping (Fees and Taxing Provisions) Law of 2010 (Law 44(I)/2010) – Interpretation of the term Community ship in the case of Parallel (bareboat Charter) registration

I refer to the above subject and further to my Circular No. 42/2010, I wish to inform you that the DMS has examined the relevant national legislation of Germany and is satisfied that for the purposes of the Merchant Shipping (Fees and Taxing Provisions) Law of 2010 (Law 44(I)/2010), the requirements and provisions with respect to the fiscal obligations of vessels registered in Germany are similar to those of the corresponding Cyprus legislation.

Consequently, a vessel registered in Germany (underlying register) will be exceptionally considered by the DMS as a Community ship, even in the case where the vessel is temporarily flying a non- Community flag, following the parallel registration (bareboat charter registration) of the vessel in a non-EU country.

The legislation of other Community Ship Registers is currently under study by the DMS, for the same purpose and any similar findings will be given in new Circulars.

Serghios S. Serghiou
Director
Department of Merchant Shipping

Cc: - Permanent Secretary, Ministry of Communications and Works
- 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

SSS/AM