

VESSEL REGISTRATION REGULATIONS

(19 F.S.M.C. § 103)

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VESSEL REGISTRATION REGULATIONS

(19 F.S.M.C. § 103)

PART 1 GENERAL PROVISIONS

1.1 Authority - These regulations are promulgated by the Secretary of Transportation, Communications and Infrastructure pursuant to section 103 of Title 19, Chapter 1 of the Code of the Federated States of Micronesia.

1.2 Short Title - These regulations may be cited as the Vessel Registration Regulations.

1.3 Application - These regulations shall apply to every vessel wholly owned by Qualified Persons as defined by section 302, except;

- (a) a vessel less than 12 meters in length and not used for hire;
- (b) a pleasure craft;
- (c) an air-cushioned vehicle (hover craft);
- (d) a naval vessel or vessel belonging to the defense force; or
- (e) an outrigger canoe.

1.4 Definitions - In these regulations, unless the contrary intention appears:

- (a) "Act" means the National Maritime Act of 1997, 19 F.S.M.C. §§ 101 et seq.;
- (b) "Administration" means the Department of Transportation, Communications and Infrastructure of the Government of the Federated States of Micronesia;
- (c) "Call sign" means the call sign of the radio station of a vessel assigned to it by the Secretary;
- (d) "Official number" means the sequential number by which a vessel is identified in the National Register;
- (e) "Place of construction" means the place at which the keel of the vessel was laid;
- (f) "Tonnage Certificate," means a certificate indicating the tonnage of a vessel issued under the Tonnage Measurement Regulations.

1.5 Requirements for Registration

- (a) A vessel which meets the requirements of section 302 and is not registered in any other nation shall be registered in the Federated States of Micronesia.
- (b) For the purpose of section 302(1)(b) of the Act, the term “a person or a corporation holding a current and valid foreign investment permit” means a natural person who is a non-citizen, or a company with foreign interest of any proportion, authorized by the Government to operate ships or otherwise do business in respect of shipping operations, with principal place of business, in the Federated States of Micronesia.

PART 2 REGISTRATION PROCEDURE

2.1 Application for Registration

- (a) Every applicant for the registration of a vessel shall file with the Registrar the following documents:
 - (i) Application for Registration, prescribed in Schedule 1, which shall contain the following particulars:
 - (A) Particular and a description of the vessel;
 - (B) The tonnage of the vessel;
 - (C) The date when and the place where the vessel was built, or, if the date and place are not known, a statement to that effect and its foreign name, if any;
 - (D) The proposed name of the vessel, plus two alternative names in order of preference;
 - (E) The name of the master of the vessel;
 - (F) Country and port of previous registry; and
 - (G) FSM Port of Registry.
 - (ii) Such plans and drawings for the vessel describing the general arrangements and dimensions of the vessel, including location, distances from preferenced points and volumes of cargo spaces, tanks and other spaces on board, as well as the tonnages, which will be necessary to facilitate computation of the behavior of the vessel including its statical and dynamic stability;

- (iii) Declaration of Qualified Person evidencing that the applicant is a Qualified Person to own a vessel registered in the Federated States of Micronesia;
 - (iv) If the vessel is a new vessel, the Builder's Certificate signed by the builder of the vessel, containing a description of the type of vessel, its proper dimensions, the estimated tonnage, the name and address of the person or organization for whom the vessel was built, and the date when and place where the vessel was built;
 - (v) If the vessel is not a new vessel, a Bill of Sale by which the vessel was transferred to the applicant;
 - (vi) Certificate of Deletion from the registrar of vessels in the place where the vessel was previously registered;
 - (vii) Authorization of the government of previous registry for the removal of the vessel from its register;
 - (viii) If the vessel is qualified under 302(1)(b) of the Act, then the following additional documents:
 - (A) Foreign Investment Permit; and
 - (B) Business license issued by the appropriate authority of the state in which the business is or will be established;
 - (ix) Evidence that the vessel is in a seaworthy condition.
- (b) The Registrar will only consider an Application that has been duly completed and submitted with all the above documents attached therewith.
 - (c) The application for registration of a Government vessel shall be made by the head of the department or office to whom the management of the vessel is entrusted or an officer nominated by him, and shall contain the particulars prescribed in paragraphs (i), (ii) and (iv) to (vii) inclusive, of subsection (a) hereof.

2.2 Declaration of Qualified Person

- (a) A Declaration of Qualified Person shall be made by the person submitting the Application for Registration, declaring that:

- (i) The applicant is a Qualified Person under section 302 of the Act, to own a vessel registered in the Federated States of Micronesia; and
 - (ii) No person or entity with foreign citizenship other than a Qualified Person has any legal interest in the vessel.
- (b) A Declaration of a Qualified Person shall be made before a notary public or a consular officer under signature and seal, shall state the place of attestation, and shall be in the form prescribed in Schedule 2.

2.3 Survey and Measurement - A vessel shall not be registered until it has been surveyed and its tonnage ascertained in accordance with the Tonnage Measurement Regulations. The principal surveyor, or the classification society acting on behalf of the Administration, shall issue a Tonnage Certificate on the basis of the surveyor's report.

2.4 Designated Ports of Registry - A port designated by the Secretary as a Port of Registry for a registered vessel pursuant to section 308 of the Act shall be one of the following:

- (a) Kosrae;
- (b) Pohnpei;
- (c) Chuuk; or
- (d) Yap.

2.5 Name of a Vessel

- (a) The owner of a vessel shall provide the Registrar with the proposed name of the vessel at least twenty-one days before the date of intended registration. The Registrar shall ensure that the proposed name is not already the name, or so similar to the name, of a registered vessel as to deceive, mislead or confuse, or is not of an offensive nature, before the Registrar approves of such name.
- (b) When a given name has been approved by the Registrar for the name of a vessel, the name shall be used and referred to the vessel during the entire life of the vessel unless the owner applies for a name change and has thereafter been approved by the Registrar.
- (c) An owner or master who willfully and intentionally describes a vessel improperly in required documentation, including referring to it by another name, commits a civil offense and shall be fined in accordance with section 314 of the Act.

2.6 Official Number - On receipt of an application for registration, the Registrar shall assign an official number to the vessel, or if an existing vessel, he may use the number already assigned to the vessel by the previous registry to be the official number.

2.7 Carving and Marking Note - Where an official number has been assigned, the name approved by the Registrar, and the tonnage survey report issued by a surveyor, the Registrar shall issue to the owner a Carving and Marking Note in the form prescribed in Schedule 3. When the carving and marking have been completed, an approved surveyor shall certify on the Carving and Marking Note the requirements of section 2.8 have been complied with. The owner shall return the certified Note to the Registrar.

2.8 Marking of Vessels - Before registration every vessel shall be marked permanently and conspicuously as follows:

- (a) The name of the vessel shall be marked on each side of the bow, and the name and Port of Registry shall be marked on the stern. These markings shall be:
 - (i) in white or yellow letters on a dark background or in black letters on a light background; and
 - (ii) not less than 100 millimeters in height and of proportionate breadth, and 130 millimeters in thickness.
- (b) The official number and registered tonnage shall be carved or cut into the main beam.
- (c) Draft marks shall be cut into or welded on both forward and aft, and for larger vessels at mid-length, on the port and starboard sides of the vessel.
- (d) In the case of vessels having a raked stem, the marks shall be cut into or welded on as close to the stem as possible following its contour. In the case of vessels having a cruiser stern, the marks shall be cut into or welded on as close as possible to the after perpendicular but shall not be cut into or welded on aft of the after perpendicular.
- (e) The marks referred to in subparagraphs (c) and (d) above shall:
 - (i) be in white or yellow figures on a dark background or be in black figures on a light background;
 - (ii) be of 100 millimeters in height and of proportionate breadth, the lower limit of such figure to coincide with the denoted draft; and
 - (iv) have spacing between each of them of 100 millimeters.

2.9 Registration of Vessels

- (a) The Registrar shall, on receiving all the required documents listed in section 2.1 of the Regulations as appropriate to the vessel and owner, and upon the payment of the prescribed fee in accordance with section 6.6, enter into the Register the name and particulars of the vessel as follows:
- (i) Official number;
 - (ii) Name of vessel;
 - (iii) Sequential number of registry;
 - (iv) Port of registry and year of registry;
 - (v) Call sign or signal letters;
 - (vi) Date and time of registration;
 - (vii) Place and year of construction;
 - (viii) Principal material of construction;
 - (ix) Gross and net tonnage;
 - (x) Principal dimensions of the vessel;
 - (xi) Number of decks, watertight bulkheads and masts;
 - (xii) Number, type and total power output of main propulsion unit(s);
 - (xiii) Method of propulsion and power transmission;
 - (xiv) In relation to the ownership, where more than one person has ownership;
 - (A) The proportion of ownership each owner has in the vessel;
 - (B) The name, address and nationality of each owner;
 - (xv) The name and address of the managing owner and agent;
 - (xvi) If a government owned vessel, name of the entity of the government concerned.
- (b) The Registrar shall retain and file the following documents:

- (i) Application for Registration;
- (ii) Builder's Certificate;
- (iii) Note of Change of Name;
- (iv) Carving and Marking Note;
- (v) Copy of Tonnage Certificate;
- (vi) Bill of Sale;
- (vii) Any other document or certificate the Registrar considers should be retained.

2.10 Issuance of Certificates of Registry

- (a) When the documents listed in section 2.1 have been filed and the Registrar is satisfied that they have met the requirements prescribed by law and these Regulations, the Registrar shall enter in the Register the particulars of the vessel pursuant to section 2.9.
- (b) When the Registrar has completed entering all the required information in the Register as required, the Registrar shall issue to the owner a Certificate of Registry in the form prescribed in Appendix 1. The Certificate of Registry shall be retained on board the vessel to which it refers and the owner may make a copy for his file.
- (c) The term of the Certificate of Registry for a vessel qualified to be registered under section 302(1)(b) of the Act shall be that of the Foreign Investment Permit, and therefore shall expire on the date the Foreign Investment Permit expires.
- (d) When the Certificate of Registry expires and if the owner has extended the validity of his Foreign Investment Permit and wishes to re-register his vessel, he may do so in accordance with section 2.1 herein. Any Certificate of Registry subsequently issued shall expire simultaneously with the Foreign Investment Permit.
- (e) The fee for the re-registration of a vessel qualified under section 302(1)(b) of the Act shall be that provided in Schedule 7.

2.11 Acquisition of Vessels Abroad

- (a) Any Qualified Person who acquires a vessel acquired in a foreign country may, if he wishes to register the vessel in the Federated States of Micronesia, submit to the Registrar an Application for Registration of the vessel together with the documents required in section 2.1 of these regulations.
- (b) Where for any reason a surveyor from the Administration is unable to conduct at the foreign port the required survey for registration of the acquired vessel, and in the determination of the Principal Surveyor the vessel would be safe to sail to a port in the Federated States of Micronesia where the required survey would be conveniently conducted, the Registrar, upon the recommendation of the Principal Surveyor, shall request the owner to provisionally register the vessel.
- (c) In order for a vessel to be provisionally registered, the owner shall provide the Principal Surveyor all the necessary information, including documents, which will satisfy the Principal Surveyor that the vessel can safely reach a port in the Federated States of Micronesia from its port of acquisition.
- (d) A Provisional Certificate of Registry, in the form prescribed in Appendix 2, shall have a duration of one month and shall be granted only to vessels which by the nature of their locations:
 - (i) A complete survey cannot be reasonably conducted and would be prohibitively expensive; and
 - (ii) The vessel could reasonably sail safely to a port where eventual repairs, where required, and survey could take place.
- (e) A Provisional Certificate of Registry shall, subject to the matters specified therein, have the same validity as a Certificate of Registry and the vessel to which a Provisional Certificate of Registry has been issued shall be deemed to be registered.
- (f) No vessel shall be granted a Provisional Certificate of Registry until the owner has provided documentation to the satisfaction of the Registrar ownership in the vessel complies with the provisions of the National Maritime Act and all these Regulations.
- (g) After the vessel arrives at a port in the Federated States of Micronesia, the owner or master shall within 10 days deliver the Provisional Certificate of Registry to the Registrar and make the vessel ready for survey and inspection.
- (h) Where the Registrar is satisfied that the vessel has met all the requirements under these Regulations and the Safety Regulations, the

Registrar shall register the vessel permanently and, upon payment of the prescribed fee, issue to the vessel a Certificate of Registry.

2.12 Voyage Safety Permit - Unless the Principal Surveyor has issued a Voyage Safety Permit, in the form prescribed in Appendix 3, in respect of a provisionally registered vessel, specifying the voyage which the vessel is authorized to undertake and the date during which the permit will remain valid, the vessel which has been issued a Provisional Certificate of Registry shall not be permitted to sail from:

- (a) a port in the Federated States of Micronesia to a foreign port; or
- (b) a foreign port to another foreign port; or
- (c) a foreign port to a port in the Federated States of Micronesia.

2.13 Annual Survey

- (a) Every registered vessel shall be subject to an annual safety survey, which shall be conducted one year after its initial survey and each succeeding year thereafter for the life of the vessel while it remains on the Register. The annual survey shall ensure that the registered vessel maintains its seaworthy condition and the requirements for a vessel of its tonnage and intended trade, and payment of the prescribed fee.
- (b) When a registered vessel has been surveyed and inspected by a surveyor from the Administration, the owner shall pay to the Registrar the prescribed fee for annual survey of the vessel within 14 days of the date the payment is due.
- (c) Failure to maintain the vessel in a seaworthy condition shall be cause for the vessel to be detained, and an overdue survey on a registered vessel shall also be a cause for the vessel to be struck off the Register.
- (d) Where a survey or inspection of a vessel is to be conducted at a port other than the ports where the surveyors are readily available, the owner or master of the vessel who is requesting the survey or inspection shall be responsible to pay for the round-trip airfare, per diem and local transport for a government surveyor at the established government rate.

PART 3. ALTERATIONS AFFECTING REGISTRATION OF VESSELS

3.1 Change of Name of Vessel

- (a) The name of a registered vessel shall not be changed unless and until the owner has submitted the proposed name to the Registrar at least 21 days before the name change.
- (b) The Registrar shall not approve the name of the vessel if it is:
 - (i) already the name of a registered vessel;
 - (ii) so similar to a registered name as to deceive, mislead or confuse; or
 - (iii) of an offensive nature.
- (c) When the Registrar is satisfied that the vessel has been remarked in accordance with sections 2.8 and 2.9, and on receipt of the prescribed fee, he shall:
 - (i) enter the details of the change into the Register; and
 - (ii) cause the Certificate of Registry to be delivered to him for cancellation; and
 - (iii) issue a new certificate reflecting the change.

3.2 Registration of Alterations

- (a) Subject to the provisions of section 320 of the Act, every application for registration of alterations to a vessel shall be filed with the Registrar within 7 days after the completion of the alterations. The owner shall provide the Registrar with a report of an approved surveyor containing details of any alteration affecting the vessel's particulars as noted in the Certificate of Registry or affecting the vessel's tonnage as noted in the tonnage certificate.
- (b) Where the alterations are material -- if at least ten percent (10%) of the vessel's principal dimensions have been affected or the means of propulsion changed -- the Registrar shall proceed to register the vessel anew.

- (c) When the Registrar has received the surveyor's report and is satisfied that the vessel has been remarked in accordance with sections 2.8 and 2.9, and on receipt of the prescribed fee, he shall:
 - (i) enter the details of the change into the Register; and
 - (ii) cause the Certificate of Registry to be delivered to him for cancellation; and
 - (iii) issue a new certificate reflecting the change.

3.3 Registration Anew of Vessels

- (a) Where the alterations are material as per section 3.2(b), the vessel shall be registered anew.
- (b) The owner shall deliver to the Registrar the Certificate of Registry previously issued and the surveyor's report in respect of the alterations to the vessel.
- (c) The Registrar shall cancel the original Certificate of Registry and strike out the existing entries in the Register.
- (d) On receipt of the surveyor's report, carving and marking note duly certified, and on receipt of the prescribed fee, the Registrar shall:
 - (i) enter the details of the change into the Register; and
 - (iii) issue a new Certificate of Registry in respect of the vessel.
- (e) Where there are outstanding encumbrances against the vessel, the Registrar shall bring forward all the details from the "Record of Transactions" of the closed register of vessels and insert the complete particulars of any outstanding encumbrances into the new "Record of Transactions" and send a certified copy to the mortgagee(s) at the address noted in the Register.

3.4 Change of Port of Registry

- (a) Where the owner of a vessel wishes to change the port of registry from one to another listed in section 2.5, he shall submit an application to the Registrar to change the port of registry on the form prescribed in Schedule 1 at least 21 days before the change.

- (b) On receipt of the application referred to in subsection (a) the Registrar may approve the change and issue a Carving and Marking Note to be completed and certified by an approved surveyor.
- (c) When the Registrar is satisfied that the vessel has been remarked in accordance with sections 2.8 and 2.9, and on receipt of the prescribed fee, he shall:
 - (i) enter the details of the change of port of registry into the Register;
 - (ii) cause the Certificate of Registry to be delivered to him for cancellation;
 - (iii) issue a new certificate reflecting the change; and
 - (iii) send a certified copy to the mortgagee(s) at the address noted in the Register.

3.5 Closing of Registry

- (a) Where the owner of a registered vessel wishes to have it deleted from the Registry, he shall submit an application for deletion to the Registrar on the form prescribed in Schedule 5 at least 21 days before the deletion. The reasons for deleting the vessel from, and closing, the Registry shall be contained in the application.
- (b) When the Registrar receives the application for deletion, and on receipt of the prescribed fee, he shall close the relevant entry in the Register and cause the vessel's Certificate of Registry to be delivered to him for cancellation. The reasons for closing the Registry shall be recorded in the Register.
- (c) The Registry shall not be closed so long as there are undischarged mortgages against the vessel recorded in the Register.
- (d) When a mortgage is discharged, the Registrar shall record the discharge of mortgage in the form prescribed in Schedule 6 and issue a certificate of discharge.
- (e) When all outstanding encumbrances are discharged in full, the Registrar shall close the vessel's Register.

PART 4 OPERATIONS AFFECTING OWNERSHIP IN REGISTERED VESSELS

4.1 Transfer of Vessels, Shares, etc.

- (a) The purchaser or transferee of a registered vessel may own the vessel so long as that person is a Qualified Person, and shall file an Application with the Registrar together with the other relevant documents listed in section 2.1 for the proper registration of the vessel.
- (b) The Registrar shall, if there are no outstanding encumbrances on the vessel and all the documentation is in order, enter the particulars of the transfer in the Register.
- (c) When the transfer is made, the Registrar shall cause the Certificate of Registry of the vessel to be delivered to him for cancellation and reissue to the new owner a new certificate indicating the new owner thereof.
- (d) On payment of the prescribed fee, the Registrar may issue certified copies of any document on file in the Registry.

4.2 Bill of Sale

- (a) Pursuant to section 316 of the Act, the transfer of ownership of a registered vessel or any share therein shall be effected by a Bill of Sale on the form prescribed in Schedule 4.
- (b) In the case of joint ownership, all the joint owners shall join in the execution of the Bill of Sale.

4.3 Recording of Transaction - Pursuant to section 317 of the Act, and on production by the transferee of the Bill of Sale and the documents prescribed in section 2.1, or hypothecation, mortgage, assignment of mortgage, will, declaration of bankruptcy, or order of the Court, together with the prescribed fee, the Registrar shall enter in the Register the information contained in the documents and endorse the date and hour of entry on the document. If the transaction affects ownership in the vessel, then the existing Certificate of Registry shall be surrendered to the Registrar and a new one issued.

4.4 Sale of a Vessel by Order of the Supreme Court

- (a) Where the sale of a vessel is ordered by the Supreme Court of the Federated States of Micronesia under section 338 of the Act, the application for the sale shall be made to the Registrar by the person so ordered by the Supreme Court within 60 days from the date of receipt of the order.

- (b) The person so ordered shall ensure that prior to the forced sale of the vessel, notice is provided to:
 - (i) The Registrar or the registrar in the nation of the vessel's registration;
 - (ii) All holders of registered mortgages or charges;
 - (iii) All holders of registered maritime liens; and
 - (iv) The registered owner of the vessel.
- (c) The notice shall be provided at least 30 days prior to the scheduled sale of the vessel, and shall contain the particulars concerning the forced sale as well as the proceeding up to the forced sale.
- (d) Unless agreed to by a purchaser or claimant on a vessel to assume payment of any registered mortgage or charge and with the consent of the holders, all registered mortgages or charges and all maritime liens and other encumbrances of any nature attached to the vessel at the time of the forced sale shall cease to be attached to the vessel provided that:
 - (i) At the time of the sale the vessel is within the jurisdiction of the Supreme Court; and
 - (ii) The sale has been effected in accordance with provisions of Chapter 3 of the Act.
- (e) All costs and expenses arising out of the arrest or seizure, if that is the case, and the sale of the vessel shall be made in accordance with section 338 of the Act.
- (f) The Registrar shall issue a certificate specifying that the vessel has been sold free of all registered mortgages or charges, except if any has been agreed to be assumed by a purchaser or claimant, and of all liens and other encumbrances.
- (g) Where the vessel is a registered vessel, the Registrar shall delete all registered mortgages or charges except those agreed to be assumed by a purchaser or claimant, issue a Certificate of Deletion for the purpose of new registration, and shall, if the purchaser or claimant is a Qualified Person and wishes to register the vessel in the Federated States of Micronesia, proceed in accordance with the requirements of the Vessel Registration Regulations to have the vessel registered under the name of the purchaser or claimant as the new owner.

PART 5 MORTGAGES ON REGISTERED VESSELS

5.1 Mortgage of Vessel or Share Therein

- (a) A vessel registered in the Federated States of Micronesia, or a share in a vessel, may be security for a loan or other financial obligation by way of a mortgage.
- (b) Where a registered vessel or a share in the vessel is mortgaged, the mortgagee shall immediately following the signing of the mortgage, provide the Registrar a copy of the mortgage, which shall state the interest of the mortgagor in the vessel and the terms and conditions of the mortgage on the vessel. The Registrar shall sign the mortgage and endorse on the mortgage the date and time it was received.
- (c) Upon receipt of the prescribed fee, the Registrar shall record in the Register:
 - (i) The names of the mortgagor and mortgagee;
 - (iv) The amount and date of the maturity of the mortgage; and
 - (v) The time and date the mortgage was received.
- (d) The Registrar shall endorse on the Certificate of Registry of the vessel the information provided under subsection (c)(i) and (ii) above in addition to the date of maturity of the mortgage, the time and date the mortgage was recorded in the Register and the time and date the mortgage was endorsed on the Certificate of Registry.

5.2 Priority of Mortgages by Registration - Where more than one mortgage is recorded in the Register in respect of the same vessel, the mortgagees shall, notwithstanding any express, implied, or constructive notice, be entitled in priority one over the other according to the date and time at which each mortgage was recorded in the Register and not according to the date of each mortgage itself.

5.3 Maritime Liens

- (a) The following claims shall be secured by maritime liens on the vessel:
 - (i) Wages and other sums due to the master, officers and other members of the vessel's complement in respect of their employment on the vessel;
 - (ii) Port, canal and other waterway dues and pilotage dues;

- (iii) Claims against the owner in respect of loss of life or personal injury occurring, whether on land or on water, in direct connection with the operation of the vessel;
 - (iv) Claims against the owner, based on tort and not capable of being based on contract, in respect of loss of or damage to property occurring, whether on land or on water, in direct connection with the operation of the vessel;
 - (v) Claims for salvage, wreck removal and contribution in general average.
- (b) No maritime lien shall attach to the vessel securing claims as set out in paragraph (a) (iii) and (iv) above which arise out of or result from the radioactive properties or a combination of radioactive properties with toxic, explosive or other hazardous properties of nuclear fuel or of radioactive product or waste.
 - (c) The term "owner" used in this section shall be deemed to include the demise or other charterer, manager or operator of the vessel.
 - (d) The maritime liens set out in paragraph (a) arise whether the claims secured by such liens are against the demise or other charterer, manager or operator of the vessel, and follow the vessel notwithstanding any change of ownership.
 - (e) The maritime liens set out in paragraph (a) shall be extinguished after a period of one year from the time when the claims secured thereby arose unless, prior to the expiry of such period, the vessel has been arrested, such arrest leading to a forced sale.

5.4 Priority of Maritime Liens and Mortgages

- (a) The maritime liens set out in section 5.3(a) shall take priority over registered mortgages and hypothèques, and no other claim shall take priority over such maritime liens or over mortgages and hypothèques which comply with the requirements of this Part, except as provided in paragraph (f) hereof.
- (b) The maritime liens set out in paragraph 5.3(a) shall rank in the order listed, provided however that maritime liens securing claims for salvage, wreck removal and contribution in general average shall take priority over all other maritime liens which have attached to the vessel prior to

the time when the operations giving rise to the said liens were performed.

- (c) The maritime liens set out in each of subparagraphs (i), (ii), (iii), (iv) and (v) of paragraph 5.3(a) shall rank *pari passu* as between themselves.
- (d) The maritime liens set out in subparagraph (v) of paragraph 5.3(a) shall rank in the inverse order of the time when the claims secured thereby accrued. Claims for contribution in general average shall be deemed to have accrued on the date on which the general average act was performed; claims for salvage shall be deemed to have accrued on the date on which the salvage operation was terminated.
- (e) Liens of rights of retention granted to secure claims other than those referred to in paragraph 5.3(a) shall rank after all maritime liens set out in section 5.3 and after all registered mortgages and hypothèques which comply with this Part; and such rights of retention shall not prejudice the enforcement of maritime liens set out in section 5.3 or registered mortgages or hypothèques which comply with this Part, nor the delivery of the vessel to the purchaser in connection with such enforcement.
- (f) In the event that a lien or right of retention is granted in respect of a vessel in possession of:
 - (i) a shipbuilder, to secure claims for the building of the vessel, or
 - (ii) a ship repairer, to secure claims for repair of the vessel affected during such possession, such lien or right of retention shall be postponed to all maritime liens set out in section 5.3, but may be preferred to registered mortgages or hypothèques. Such lien or right of retention shall be exercisable against the vessel notwithstanding any registered mortgage or hypothèque on the vessel, but shall be extinguished when the vessel ceases to be in the possession of the shipbuilder or ship repairer, as the case may be.

5.5 Discharge of Mortgage

- (a) When a debt secured by the mortgage is fully discharged, the mortgagor shall provide the Registrar with evidence that the mortgage has been fully satisfied in order to ensure that the interest of the mortgagor in the vessel is secured.
- (b) Upon presentation of the evidencing document and payment of the prescribed fee, the Registrar shall record the discharge of the mortgage in the Register and in the form prescribed in Schedule 6 and issue to the mortgagor a certificate of discharge of the mortgage.

- (c) No installment payment of a mortgage debt shall be recorded by the Registrar in the Register.

5.6 Transfer of Mortgage

- (a) Pursuant to section 331 of the Act, the transfer of a registered mortgage of a vessel shall be effected by a Transfer of Mortgage on the form prescribed in Schedule 8.
- (b) Upon the production to the Registrar of a Transfer of Mortgage and of the mortgage to which the transfer pertains, the Registrar shall record the transfer by making an entry in the Register, such entry to include the date of time of the entry, and endorsing and signing the mortgage and Transfer of Mortgage.

PART 6 MISCELLANEOUS PROVISIONS

6.1 Signal Letters or Call Sign

- (a) All registered vessels shall be provided with a call sign or signal letters. Every owner of a registered vessel shall apply with the Secretary for signal letters or a call sign.
- (b) When signal letters or call signs are allocated, the Registrar shall record them in the Register, on the Certificate of Registry of each registered vessel and on every document issued to each vessel.

6.2 Change of Name of a Company - Where a qualified company has changed its name subsequent to registration of its vessel, the Registrar shall, on production of the certificate of incorporation relating to the new name, record the change of name in the Register in respect of each vessel owned by the company, and on receipt of payment of the appropriate fees issue to each vessel a new Certificate of Registry.

6.3 Change of Master

- (a) When the master in command of a registered vessel is changed, the owner shall give notice of the change and produce the Certificate of Registry to the Registrar.

- (b) On receipt of the notice of change of master and of the prescribed fee, the Registrar shall endorse the Certificate of Registry with the name of the new master and the date when the change was made.

6.4 Entries in the Register

- (a) The Registrar shall enter into the Register the following:
 - (i) name, port of registry, call sign and official number and year of registration of the vessel;
 - (ii) the gross and net tonnages, and the place and year of construction;
 - (iii) type of vessel, built, stem, stern, riggings and principal material of construction
 - (iv) the number of decks, watertight bulkheads and masts
 - (v) length overall, length between perpendiculars, registered length, maximum breadth and moulded depth amidships;
 - (vi) the brake horsepower, indicated horsepower, shaft horsepower and the designed speed;
 - (vii) number and type of engines and boilers, method of propulsion and power transmission; and
 - (viii) names and addresses of owners and type of ownership, and number of shares each owned.
- (b) Upon making an entry in the Register, the Registrar shall authenticate the entry by adding his signature and affixing his seal together with the date and time of making the entry. For the purposes of making an entry in the Register or any endorsement required by the Act or these Regulations, the date and time of making an entry in the Register shall be recorded in Pohnpei Standard Time.
- (c) Upon payment of the prescribed fee, the Registrar shall issue a certified copy of any of the documents filed in the Registry.

6.5 Forms - Every application, certificate, declaration or any other document referred to in these Regulations shall, if a form has been prescribed, be in that form.

6.6 Fees - All registered vessels shall pay the fees specified in Schedule 7.

6.7 Penalties - A person who breaches any of the provisions of these regulations commits an offense and shall be liable upon conviction to a fine not exceeding ten thousand (\$10,000.00) dollars, and if the breach is a continuing one, with further fine not to exceed one thousand (\$1,000.00) dollars for each day the breach continues.

Schedule 1

Division of Marine Transportation
 Department of Transportation, Communications & Infrastructure
 The Government of the Federated States of Micronesia

APPLICATION FOR VESSEL REGISTRATION
 (Vessel Registration Regulations., Part 2, Section 2.1)

Current Name of Vessel or Builder's Identification (1)		Official Number	Proposed Name(s) (In order of Preference) Name Preferred:		
Proposed Port of Registry	Call Sign	Year Built	Other Preferred: (2)		
Name and Address of Builder		Name(s) and Address(es) of New Owner(s) (3)			
Type of Vessel	Built	Stem	Stern	Rigging(s)	Height Above Baseline
Number of:-		Principal Material of Construction			
Deck: Length (LOA)	Watertight Bulkheads: Length (pp)	Masts: Length Registered	Breadth Extreme	Depth Amidship Moulded	Draft Maximum
Break Power	Speed Estimated	Method of Propulsion	Power Transmission		
Name, Type and Description of Engine(s)		Number and Description of Boiler(s)			
Tonnage (Actual or Estimated) -					
Gross:	Net:	Deadweight	Displacement (Light):	Deadweight (Full):	
Date and Manner of Acquisition			Name of Master		

This Application is Supported by the following documents:

- (a) Declaration of Qualified Person
- (b) Builder's Certificate (for new vessel)
- (c) Ship's Plans and Drawing (One Set)
- (d) Tonnage Certificate
- (a) Bill of Sale
- (e) Foreign Investment Permit (Foreign vessel qualified under section 302(b) of the Act)
- (f) Business license issued by appropriate authority at which business is established
- (g) Certificate of Deletion from previous Registry
- (h) Authorization from Government of previous Registry for removal of vessel from its Registry
- (i) Proof of Free Encumbrance of Vessel
- (j) Proof of Seaworthiness of Vessel

Done at _____ this _____ day of _____ in the year _____

 Name & Signature of Owner/Authorized Representative
 Name & Signature of Owner/Authorized Representative
 Division of Marine Transportation

Schedule 2

Division of Marine Transportation
 Department of Transportation, Communications & Infrastructure
 The Government of the Federated States of Micronesia

Declaration of qualified person
 (Vessel Registration Regulations, Part 2, Section 2.2)

Name of vessel	Official Number	Gross Tonnage	Net Tonnage
Name of Owner(s)	Basis of Claim for Nationality	Nationality	Port of Registry
Principal Place of Business (Address)			

Declaration
 (Individual Ownership)

I/WE DECLARE that I am a/we are citizen(s) of the Federated States of Micronesia as evidenced by the copy/copies of my/our FSM Passport(s) herewith attached, and that am a/we are Qualified Person(s) and eligible to own vessels registered in the Federated States of Micronesia pursuant to section 302 of the National Maritime Act, 1997.

I/We further DECLARE that I am/we are qualified to own the vessel or shares in the vessel under the FSM Registry by virtue of my/our FSM citizenship provided under section 303, Chapter 3 of the Title 19 of the Code of the Federated States of Micronesia.

I, the undersigned, of DECLARE that this Company was incorporated in/at , on the day of in the year as evidenced by the attached copy of the Certificate of Incorporation. The company is a holder of a Foreign Investment Permit Number , and is therefore a Qualified Person as provided under section 302 of the National Maritime Act, 1997 and Business License Number issued by the State of

I FURTHER DECLARE that the vessel described above was purchased by this Company as evidenced by the Bill of Sale accompanying herewith date the day of n the year , and FURTHER DECLARE that this Company is qualified to register its ownership of shares in the vessel under the FSM Registry by virtue of section 303, Chapter 3 of the Title 19 of the Code of the Federated States of Micronesia.

Done at this day of in the year

Name & Signature of Owner/Authorized Representative

Title of Person Signing Above

Schedule 3

Division of Marine Transportation
Department of Transportation, Communications & Infrastructure
The Government of the Federated States of Micronesia

Carving and marking Note

(Vessel Registration Regulations, Part 2, Section 2.7)

Name of Vessel	Port of Registry	Official Number	Call Sign	Year of completion
Type of Vessel	Principal Material of Construction	LOA	Maximum Breadth	Moulded Depth Amidships
Number of:- Decks	Watertight Bulkheads		Masts	Tonnage:- Gross
				Net
				Deadweight
Name and Address of Owner(s)				

Please complete the following questions prior to submission:

Yes No

- Has the name of the vessel be marked on each side of the bow? Yes No
- Have the name and port of registry of the vessel been marked on the stern? Yes No
- Are the marks referred to in Numbers 1 and 2 less than 4 inches (10 centimeters) in height and of proportionate breadth, and half an inch (1.30) centimeter) in thickness? Yes No
- Have the official number and registered tonnage of the vessel been carved or welded into the main beam of the vessel? Yes No
- Have the draft marks cut into or welded on at both port and starboard sides to the stern of the vessel? Yes No
- In case of a raked stem, are the draft marks cut into or welded on as close to the stem of the vessel as possible following the contour of the stem? Yes No
- Have the draft marks cut into or welded on at the stern or both port and starboard sides of the vessel? Yes No
- In case of a cruiser stern, are the draft marks cut into or welded on as close to the after perpendicular as possible, and not in any way aft of the after perpendicular? Yes No

9. Where applicable, are the drafts marks cut into or welded on at the midships section on both port and starboard sides of the vessel?
10. Are the draft marks referred to in Numbers 5,6,7,8, and 9, of 6 inches, or 10 centimeters if in the metrics, in height and of proportionate breadth, and does the lower line of each figure coincide with the denoted draft?
11. Are the spacing between each draft mark referred to above, of 6 inches, (or 10 centimeters)?
12. Is the Plimsoll mark carved into or welded on at the midships section on both port and starboard sides of the vessel, as close as possible to the draft marks referred to in Number 9 above, and marked in accordance with the requirements of Regulations 4, 5, 6 and 7 of the International Convention on Load Lines, 1966?

I, _____ being a recognized surveyor specifically tasked to oversee the marking of the above-mentioned vessel, have witnessed the carving and marking of the vessel and DO HEREBY CERTIFY that the carvings and markings are in all respect in compliance with Section 2.8 of part 2 of the Vessel Registration Regulations.

Done at _____ this _____ day of _____ in the year _____
 _____ (Name of Surveyor) _____ (Signature of Surveyor)

Schedule 4

Division of Marine Transportation
 Department of Transportation, Communications & Infrastructure
 The Government of the Federated States of Micronesia

BILL OF SALE

(Vessel Registration Regulations, Part 4, Section 4.2)

Name of Vessel _____ Official Number _____

Name(s) of Seller(s) and Interest Owned by Each _____

Name(s) of Buyer(s) and Interest Transferred to Each _____

Consideration Received _____

I (We) do hereby sell to the buy(s) named above, my (our) right, title, and interest in the Vessel together with the following necessaries and appurtenances:

Signature(s) of Seller(s) or Person(s) Signing on Behalf of Seller(s) _____ Date Signed _____

Name(s) of Person(s) Signing Above and Legal Capacity in which signed _____

Acknowledgment

On this _____ day of _____, before me,

} SS

SS

The undersigned Notary Public, personally appeared _____

- personally known to me
- proved to me on the basis of satisfactory evidence to be the person(s) who executed the within instrument as _____

or on behalf of the corporation therein named, and acknowledged to me that the corporation executed it.

WITNESS by my hand and official seal.

Notary's Signature

Schedule 5

Division of Marine Transportation
Department of Transportation, Communications & Infrastructure
The Government of the Federated States of Micronesia

APPLICATION FOR DELETION OF VESSEL FROM REGISTRY
(Vessel Registration Regulation, Part 3, Section 3.5)

Name of Vessel		Port of Registry	Official Number	Call Sign	Year Built
Type of Vessel		Stem	Stern	Principal Material Construction	
Length Overall	Length (Lpp)	Length Registered	Maximum Breadth	Molded Depth Amidship	Maximum Draft
Number of :-			Tonnage:		
Deck	Watertight Bulkhead	Masts	Gross:	Net:	Deadweight:
Number, Type and Description of Engine(s)			Number, Type and Description of Boiler(S)		
Break Power	Shaft Power	Method of Propulsion		Power Transmission	Speed
Name(s) and Address(es) of Owner(s)					
Reason(s) for Deletion from Registry					
Description of outstanding encumbrances such as maritime liens and/or mortgages (if any)					

This application is supported by the following documents:

- (a) Proof that there are no outstanding liens on the vessel
- (b) Proof of Discharge of Mortgage (if any)
- (c) Bill of Sale
- (d) Current Certificate of Registry*

* The current Certificate of Registry is the Original Certificate issued to the vessel must accompany this Application form in order for the Registrar to process the application. Failure to surrender the Certificate of Registry shall be a cause of not processing the application or a delay in the processing thereof.

Done at _____ this _____ day of _____ in the year _____

Name and Signature of Witness

Name, Title & Signature of Owner /Authorized Representative

Schedule 6

Division of Marine Transportation
Department of Transportation, Communications & Infrastructure
The Government of the Federated States of Micronesia

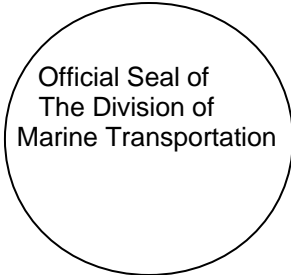
Recording of discharge of mortgage
(Vessel Registration Regulations, Part 5)

I, the undersigned, the Registrar of Vessels for the Federated States of Micronesia pursuant to section 309 of the National Maritime Act, 1977, do hereby DEPOSE AND SAY that:

1. In respect of the Mortgage executed by the, in favor of, with respect to the vessel described therein, dated, and the Mortgagee's interest therein, as described in the said Mortgage, was brought before me, together with the necessary documents as evidence for its discharge, and accordingly it has been duly recorded in the National Register of Vessels kept at this office as at; and

2. Said Discharge of Mortgage has been endorsed upon the Certificate of Registry of the vessel reflecting the date and time of recording of the Discharge.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official stamp of the Division of Marine Transportation of the Department of Transportation, Communications & Infrastructure of The Federated States of Micronesia, on this day of in the year



Registrar of Vessels

REGISTRATION FEES

INITIAL REGISTRATION AND RE-REGISTRATION

(a) The fee payable on registration of a vessel, or re-registration or registration anew thereof, shall be \$5.00 for every foot, or part of a foot, in the length of a vessel.

(b) The minimum fee payable on registration of a vessel, or re-registration or registration anew thereof, shall be \$500.00.

(c) The annual registration fee for every registered vessel shall be \$1.80 for every foot or part of a foot, in the length of a vessel. Minimum annual registration fee shall be \$100.00.

(d) For the purpose of vessels registered under section 302 (1)(b) of the Act, the following fees shall apply:

- (i) Registration Fee \$20.00 per foot or part thereof of the length of the vessel
- (ii) Annual Survey Fee \$4.50 per foot or part thereof of the length of the vessel
- (iii) Minimum Registration Fee \$1,000.00

CHANGES AFFECTING REGISTERED VESSELS

Change of Name of Vessel	\$25.00 + \$0.05 per foot or a part thereof of the length of the vessel
Change of Ownership of Vessel	\$25.00 + \$0.05 per foot or a part thereof of the length of the vessel
Change of Name of Company	\$25.00 + \$0.05 per foot or a part thereof of the length of the vessel
Endorsement for Change of Master	\$10.00 + \$0.01 per foot or a part thereof of the length of the vessel
Change of Port of Registry	\$25.00 + \$0.15 per foot or a part thereof of the length of the vessel
Registration of Alteration in Vessel	\$50.00 + \$0.05 per foot or a part thereof of the length of the vessel
Closing of Registry	\$50.00 + \$0.05 per foot or a part thereof of the length of the vessel

RECORDING OF DOCUMENTS

Recording of Sale of Vessel or Shares Therein	\$20.00 + \$0.10 per foot or a part thereof of the length of the vessel
Registration of Mortgage & Lien	\$20.00 + \$0.05 per foot or a part thereof of the length of the vessel
Recording of Discharge of Mortgage & Lien	\$20.00 + \$0.05 per foot or a part thereof of the length of the vessel
Registration of other documents	\$20.00 per document

MISCELLANEOUS

Initial Survey	\$55.00 x man-hours + \$1.85 per foot or a part thereof of the length of the vessel
Periodical/Annual Survey	\$55.00 x man-hours + \$1.85 per foot or a part thereof of the length of the vessel
Tonnage Measurement Survey	\$55.00 x man-hours + \$1.85 per foot or a part thereof of the length of the vessel
Load Line Survey	\$55.00 x man-hours + \$1.85 per foot or a part thereof of the length of the vessel
Fire Fighting Equipment Survey	\$55.00 x man-hours + \$1.85per foot or a part thereof of the length of the vessel
Life-Saving Appliances Survey	\$55.00 x man-hours + \$1.85per foot or a part thereof of the length of the vessel
Radio Installation Survey	\$55.00 x man-hours + \$1.15per foot or a part thereof of the length of the vessel
Certified Copies of above Documents	\$25.00 per copy
Extract of Register Entry	\$25.00 per page
Extension of Time of Lodgment of Document	\$25.00
Provisional Certificate of Registry	\$100.00
Voyage Safety Permit	\$95.00

Division of Marine Transportation
Department of Transportation, Communications & Infrastructure
The Government of the Federated States of Micronesia

Transfer of mortgage

(Vessel Registration Regulations, Part 5, Section 5.6(a))

I/We (mortgagee)

in consideration of

paid to me/us by
(Full Address)

.....
(Address)

hereby transfer the benefit of the within-written security.

Dated at on the day of in the year

IN THE PRESENCE OF

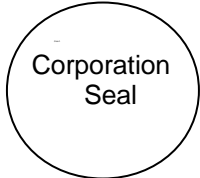
INDIVIDUAL

.....
(Signature)

.....
Signature

.....
(Print name and title)

CORPORATION



.....
(Address)

.....
(Print name of corporation)

.....

Per

Division of Marine Transportation
Department of Transportation, Communications & Infrastructure
The Government of the Federated States of Micronesia

FSM SEAL

Certificate of Registry
(Vessel Registration Regulations, Part 2, Section 2.10(b))

FSM Seal

(9)
 Having ensured all documents pertaining to taking the command of the vessel are in order, is at present Master of the within-named vessel.
 Port of, this day of
 Shipping Officer

(18)
 Having ensured all documents pertaining to taking the command of the vessel are in order, is at present Master of the within-named vessel.
 Port of, this day of
 Shipping Officer

Endorsement for preferred mortgage
 (Section 332(2), National Maritime Act, 1997)

mortgage description

Mortgagor:
 Mortgagee:
 Total Amount of Mortgage:
 Date of Maturity:
 Discharge
 Amount:
 Portion to be Discharged for Property other than the Vessel:

Endorsed this day of in the Year of Our Lord at

at the port of
 Registrar of Vessels/Authorized Representative

Mortgage discharge

The sum of has been paid on the above-described mortgage, the certificate of such discharge being filed in the Office of the Registrar of Vessels.

Done this day of in the Year of Our Lord at

at the port of
 Registrar of Vessels/Authorized Representative

mortgage description

Mortgagor:
 Mortgagee:
 Total Amount of Mortgage:
 Date of Maturity:
 Discharge
 Amount:
 Portion to be Discharged for Property other than the Vessel:

Endorsed this day of in the Year of Our Lord at

at the port of
 Registrar of Vessels/Authorized Representative

Mortgage discharge

The sum of has been paid on the above-described mortgage, the certificate of such discharge being filed in the Office of the Registrar of Vessels.

Done this day of in the Year of Our Lord at

at the port of
.....
Registrar of Vessels/Authorized Representative

Appendix 2

Division of Marine Transportation
Department of Transportation, Communications & Infrastructure
The Government of the Federated States of Micronesia

Provisional certificate of registry
(Vessel Registration Regulation Part 2, Section 2.11(a))

Name of Vessel	Official Number	Port of Registry	Call Sign	Gross Tonnage	Net Tonnage
Type of Vessel	Built	Stem	Stern	Rigging	Height Above Baseline

Name and Address of Place of Construction			Year Completed		
Name and Address of Qualified Owner					
Number of:-			Principal Material of Construction		
Deck:	Watertight Bulkheads:	Masts:			
Length Overall	Length Between Perpendicular	Registered Length	Maximum Breadth	Moulded Depth	
Method of Propulsion	Break Power	Shaft Power	Indicated Power	Power Transmission	
Number and Type of Engine(s)					

CERTIFICATION

THIS IS TO CERTIFY that the vessel named herein, the particulars of which are set out above, meets the requirements of vessel registration under Chapter 3 of the National Maritime Act, 1997, and of the Vessel Registration Regulations prescribed under section 2.11, and accordingly has been issued this Provisional Certificate of Registry.

The issuance of this Certificate to the vessel named herein shall not be taken as having met all the applicable safety rules and regulations.

Provisionally registered at Palikir, Pohnpei, Federated States of Micronesia, on this day of
This Certificate is valid for a term of **One Month from the date of issue.**

.....
Registrar of Vessels

Appendix 3

Division of Marine Transportation
Department of Transportation, Communications & Infrastructure
The Government of the Federated States of Micronesia

Voyage Safety Permit

(Vessel Registration Regulations, Part 2, Section 2.12)

PARTICULARS OF SHIP

Name or, if unnamed, Builder's Identification:

Name and Address of Owner:

Name and Address of Builder:

Year of Completion: Type of Vessel Length:

Principal Material of Construction: Method of Propulsion:

The Tonnage of the Vessel, in accordance with its Tonnage Certificate
are:

Gross Tonnage: Net Tonnage:

PARTIFCULARS OF VOYAGE

Port of Commencement of Voyage:

Port of Destination:

Purpose of the Voyage:

.....

PERIOD OF VALIDITY

Commencement Date: Termination Date:

CERTIFICATION

Pursuant to Chapter 3 of the National Maritime Act of 1997 (Public Law 10-76) and section 2.12 of the Vessel Registration Regulations, I,, the Principal Surveyor, do hereby grant to this Voyage Safety Permit in respect of the making of the voyage by the above mentioned vessel, particulars of which are set out above, during the period of validity so set out. Accordingly, the possession of this Permit by the above-named vessel does not entitle her to making the voyage so set out until and unless there is on board for the vessel a Certificate of Registry or a Provisional Certificate of Registry.

CONDITIONS:

Date:
Principal Surveyor

APPROVALS

Pursuant to the authority vested in me as Secretary of Transportation, Communications and Infrastructure by Section 103, Title 19 of the Code of the Federated States of Micronesia, I hereby issue and promulgate these Vessel Registration Regulations. These regulations shall become effective upon approval by the President and compliance with Section 102, Title 17 of the Code of the Federated States of Micronesia.

Vessel Registration Regulations
Page 37 of 38

Date: 17 January 2002

/s/ Robert Hadley
Robert Hadley, Acting Secretary
Department of Transportation,
Communications & Infrastructure

These Vessel Registration Regulations have been reviewed by the Department of Justice and found to be in proper legal form.

Date: 18 January 2002

/s/ Paul E. McIlrath
Paul E. McIlrath, Secretary
Department of Justice

I approve the adoption of these Regulations.

Date: 25 January 2002

/s/ Redley Killion for
Leo A. Falcam, President
Federated States of Micronesia

EFFECTIVE DATE

The President having approved these regulations, and the requirements of Section 102, Title 17 of the Code of the Federated States of Micronesia now having been satisfied, I hereby declare that the foregoing Vessel Registration Regulations are effective on 01 March 2002

/s/ Robert Hadley

Robert Hadley, Acting Secretary
Department of Transportation, Communications & Infrastructure