Hong Kong Fleet Operation Advisory Committee Review of Streamlining Ship Registration Procedures and of the Merchant Shipping (Registration) Ordinance (Cap.415)

Purpose

At the 6th meeting of the Hong Kong Fleet Operation Advisory Committee ("HKFOAC") held on 19 September 2023, members agreed to set up a working group to conduct a review of streamlining ship registration procedures of the Hong Kong Shipping Registry ("HKSR") and of the Merchant Shipping (Registration) Ordinance ("Cap.415"). At the 7th meeting of the HKFOAC held on 1 December 2023, members further endorsed the proposed areas for the review of Cap.415.

- 2. Four WG and six Sub-WG (collectively abbreviated as "WG") meetings were conducted from February to October 2024. Members of the WG provided constructive advices and suggestions for the review of Cap.415 along with other pertinent measures aimed at streamlining HKSR's ship registration procedures.
- 3. The purpose of this paper is to present the summary of WG's discussion and findings as outlined in the pursuing paragraphs for HKFOAC members' endorsement.

Areas reviewed

4. At the commencement of the review of Cap.415, seven (7) major areas were identified, namely: provisional registration; authorized mechanism for pre-clearance of ship registration applications and supporting documents; duties of representative person; update of antiquated legal provisions; ship finance and ship leasing operation; dual registration; and sub-demise charter registration. As the review progressed, additional twelve (12) areas were identified that necessitated closer examination. The list below provides a summary of the finalised 19 areas:

- (i) Provisional Registration;
- (ii) Authorized mechanism for pre-clearance of ship registration applications and supporting documents/ Processing time/ OT charges;
- (iii) Duties of Representative Person (RP);
- (iv) Update of antiquated legal provisions;
- (v) Ship finance and ship leasing operation;
- (vi) Dual registration;
- (vii) Sub-demise charter registration;
- (viii) Mortgage application;
- (ix) Digital transformation (including Digitization and Artificial Intelligence);
- (x) Requirements on original copies;
- (xi) Follow up with The Office of the Communications Authority (OFCA);
- (xii) Follow up with Companies Registry;
- (xiii) Issuance of Provisional Certificate during transfer of ownership;
- (xiv) Impose conditions in Provisional Certificate of Registry and Certificate of Registry;
- (xv) Unify fee charging scale (Registration Fee and ATC) for provisional registration and full registration;
- (xvi) Refusal of registration;
- (xvii) Shorten process for closure of registration;
- (xviii) Inclusion of additional information in Certificate of Registry (CoR); and
- (xix) ATC payment double charged.
- 5. A table summarizing the WG's discussion and conclusion as well as the final proposal is provided at **Annex 1**. Two scenarios of sub-demise charter are provided at **Annex 2**. Diagrams on proposed changes in provisional registration, registration type and closure of registration are provided at **Annex 3**.

Advice Sought

6. Members are invited to comment and endorse this paper.

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Encls.

Annex 1 – Summary of Cap.415 Review.

Annex 2 — Scenarios of Sub-Demise Charter.

Annex 3 – Proposed changes in provisional registration, registration type, and

closure of registration.