# <u>Hong Kong Fleet Operation Advisory Committee</u> Block Registration Incentive Scheme and application procedures for eligible ships

## **Purpose**

This paper supersedes HKFOAC Paper No.2/2024 and informs Members about the implementation of the amended Merchant Shipping (Registration) (Fees and Charges) Regulations ("Cap. 415A") and the details of the Block Registration Incentive Scheme ("the Scheme").

## Background

2. The Scheme is one of the proposed action measures in the Action Plan on Maritime and Port Development Strategy<sup>1</sup> promulgated by the Government in December 2023 to support the sustainable development needs of the maritime and port industry in Hong Kong, with a view to enhancing the long-term competitiveness of the industry.

3. Having consulted this Committee in December 2023, the Marine Department (MD) proposed legislative amendment to the Cap.415A in order to launch the Scheme. The proposed legislative amendments of Cap. 415A have been gazetted on 13 December 2024 and tabled at the Legislative Council on 18 December of the same year for negative vetting, enabling implementation of the Scheme on 14 February 2025. Details of the Scheme and the application procedures are outlined in the ensuing paragraphs.

# The Scheme

4. For an application under the Scheme, the fees for ship registration paid upfront, and the Annual Tonnage Charge ("ATC") paid for the first year of full registration (and any tonnage charge paid for the provisional registration prior to full registration, where applicable), in respect of an eligible ship are to be refunded when meeting the following conditions-

i. two or more specified ships are registered with HKSR, with an

<sup>&</sup>lt;sup>1</sup> https://www.hkmpb.gov.hk/publications/Action\_Plan\_on\_Maritime\_and\_Port\_Development\_Strategy\_web.pdf

accumulated gross tonnage of at least 50 000;

- ii. the age of each specified ship should be 10 years or less at the time of registration;
- iii. the specified ships have never been granted refund under this Scheme;
- iv. the registration (or provisional registration) of any other specified ship(s) should be completed within 24 months from the first ship's registration date; and
- v. the specified ships remain fully registered in Hong Kong for not less than 12 consecutive months.

Note : an eligible ship means a ship that is not registered or provisionally registered with HKSR between 14 February 2025 and immediately before the date of registration of the ship.

## Application and payment arrangements

5. The application period of the Scheme opens from 14 February 2025 and onward. The application form together with the Guidance Notes, and some example cases on refund to facilitate easier understanding of the Scheme are enclosed at **Annex** 1 and **Annex 2**, respectively. Please find below some important remarks for attention when applying for the Scheme:

- (a) The applicant of the Scheme should be a person who is:
  - i. an owner of at least one of the ships concerned;
  - ii. a person engaged in the business of managing at least one of the ships concerned; or
  - iii. a person acting as an agent for at least one of the ships concerned.
- (b) The application form must be submitted **before** the first specified ship is successfully registered.
- (c) The ship registration fee and ATC for the first year of the eligible ships must be paid on time.
- (d) Eligible refunds will normally be delivered to specified ships' owner(s) within three months. The refund will be paid in the form of a crossed cheque by post.

- (e) The name of payee should be the Shipowner as shown in the **latest** Certificate of Registry. HKSR may consider accepting a payee other than the shipowner, such as the demise charterer. Written authorization from shipowner for the payee appointed for receiving the refund will be required.
- (f) The eligible ship shall not be included in more than one application under processing of this Scheme.
- (g) The specified ship(s) listed in the application form are unchangeable once the first ship is successfully registered.
- (h) After the end of the 24-month period (counting from the first ship's registration date), the concerned application form (including any specified ship(s) listed in the application form that has not yet registered with HKSR) would not be processed anymore. Specified ship(s) that have not completed their registration (including provisional registration) by the end of the 24-month period could be included in subsequent application.
- (i) Regarding the approval of refund, HKSR reserves the right of final decision.

# Way Forward

6. Members are invited to note the new incentive scheme as set out above.

February 2025 Hong Kong Shipping Registry Marine Department

Encls. Annex 1 – Application Form Annex 2 – Example cases on refund