

Ship Registration Act 1992

A GUIDE TO SHIP REGISTRATION

In these notes we tell you about the New Zealand Register of Ships - what it is, and why we have it. We outline who must register their ships in New Zealand and who is entitled but not required to register - and we suggest why you may want to consider registration even though the law does not require you to register your ship or boat. We also explain how to go about the business of registration and what it will cost.

Why register ships?

The registration of ships is a time-honoured practice. It began principally as a means of controlling ships entitled to carry cargoes within the seaborne empires of Europe. In more recent times, however, it has proved a convenient means of establishing title to the property in a vessel - in other words, who owns it. At the same time, registration has served to determine which country's law governs the operation of a ship and the behaviour of those onboard - key concepts which today play an important part in the international law of the sea.

Basically, registration confers nationality on a ship and brings it within the jurisdiction of the law of the flag state. Thus, a New Zealand registered ship is bound by New Zealand law - both its shipping and other applicable provisions - though the vessel may venture well outside the territorial limits of New Zealand. A New Zealand ship abroad is accorded the protection of the Government of New Zealand, much as a New Zealand citizen is while travelling overseas. A vessel's bona fides are established by its registration papers just as a passport establishes them for a person. Registration may also determine criminal jurisdiction in the event of any incident or accident in international waters.

Further, registration facilitates financial dealings in ships - their sale and purchase and the raising of mortgages - and brings back to the owner responsibility for any liabilities incurred. It does so by evidencing title to a ship and thus declaring to all the world who owns a particular vessel.

The New Zealand Register of Ships

In an important legislative milestone in New Zealand's development as an independent maritime nation, Parliament in September 1992 determined that ship registration would in future revolve around majority New Zealand ownership. This contrasts with the former system which allowed a ship wholly owned by any Commonwealth person to be registered in New Zealand.

The Ship Registration Act 1992 also broke new ground in providing for the register to have two parts: Part A which provides nationality, evidence of ownership and accommodates the registration of mortgages; and Part B, which provides nationality alone. New Zealand citizens have the choice of registering their vessels in Part A or Part B.

Part A is aimed principally at larger commercial vessels and those ships that have mortgages, Part B is aimed particularly at pleasure vessels who require nationality for offshore cruising and racing purposes. The Act also provides that overseas owned ships that are demised chartered to New Zealand entities - that is, leased out as a bare boat without crew - may be entered in Part A.

As outlined below, certain categories of New Zealand ship must be registered in Part A. But the owners of some ships required to be registered will have to choose between Part A and Part B. Other owners may not be required to register their ships at all but may see benefits in doing so.

What ships must be registered in Part A?

The requirement to register in Part A applies to all New Zealand-owned ships exceeding 24 metres register length **except**:

- pleasure vessels;
- ships engaged solely on inland waters of New Zealand;
- barges that do not proceed on voyages beyond coastal waters; and
- ships exempted by the Minister in writing, being New Zealand-owned ships operated by foreign residents under a demise charter which are registered, or are to be registered, under the law of a foreign country.

What ships are entitled to be registered in Part A?

While not required to be registered in Part A, the following ships are entitled to be entered in Part A:

- New Zealand-owned ships that are pleasure vessels;
- ships on demise charter to New Zealand-based operators (excluding pleasure vessels and New Zealand-owned ships);
- New Zealand-owned ships not exceeding 24 metres register length;
- New Zealand-owned ships engaged solely on inland waters of New Zealand;
- New Zealand-owned ships that are barges and do not proceed on voyages beyond coastal waters; and
- ships, where a majority interest in the ship is owned by a person or persons permanently resident in Niue or Tokelau, and the ship is one that would be required to be registered in either Part A or Part B of the Register if it were owned by a New Zealand citizen.

What ships must be registered in Part A or in Part B?

The owners of the following ships have to decide whether to register in Part A or Part B:

- New-Zealand-owned pleasure vessels proceeding overseas; and
- New Zealand-owned ships not exceeding 24 metres register length proceeding overseas

What ships are entitled to be registered in Part B?

The entitlement to register in Part B extends to:

- New-Zealand owned ships that are pleasure vessels;
- New Zealand-owned ships not exceeding 24 metres register length; and
- any other ship if a majority interest (more than 32 shares) is owned by a foreign national or foreign nationals who is or are entitled to reside in New Zealand indefinitely under the Immigration Act 1987 - that is, permanent residents.

What is a New Zealand-owned ship?

For the purpose of registration in Part A or Part B a New Zealand-owned ship is a ship owned by:

- one or more New Zealand nationals, and no other person; or
- three or more persons as joint owners and the majority of those persons are New Zealand nationals; or
- two or more persons as owners in common, and more than half of the shares in the ship are owned by one or more New Zealand nationals.

A New Zealand national is:

- a New Zealand citizen; or
- a body corporate incorporated under the law of New Zealand including a body corporate incorporated under the Charitable Trusts Act 1957; or
- the Executive Government of New Zealand.

What is register length?

Register length is the length of the ship from the foreside of the head of the stem to the aft side of the head of the stern post or, in the case of a ship not having a stern post, to the foreside of the rudder stock.

In the case of a ship not having a stern post or rudder stock, the after terminal point shall be taken to be the aftermost part of the transom or stern of the ship.

What is a demise charter?

A demise charter is the demise, letting, hire, or delivery of a ship to a charterer, by virtue of which the charterer has whole possession and control of the ship, including the right to appoint its master and crew.

How do you go about getting a vessel registered?

Your contact for registration is the Registrar of Ships at Maritime New Zealand in Wellington. All registration business is handled here. For registration in Part A, however, centralisation does not affect your freedom to nominate your principal local port as the port of registry for your ship.

Registration entails a certain amount of paper work - and the payment of the fees specified in the Ship Registration (Fees) Amendment Regulations 2000. Guidelines on which forms to complete and the fees payable are set out below. Detailed instructions on how to complete the documentation is printed on the forms or will be provided to you in conjunction with the forms. You can get forms from the Registrar in Wellington or from Maritime New Zealand offices at Whangarei, Auckland, Tauranga, Napier, New Plymouth, Picton, Nelson, Lyttelton, Dunedin and Bluff.

Documents required to register in Part A

Application for registration (Form SR2), **accompanied** by:

- appropriate registration fee being \$1,572.18 for a new build ship over 24m; \$1,309.47 for a new build ship 24m or less; \$2,007.64 for an existing ship over 24m; \$1,833.87 for an existing ship 24m or less or \$2,182.44 for a demise charter ship;
 - builder's certificate (Form SR23);
 - evidence of changes in ownership (including bills of sale) to establish ownership history from the builder to the current owner;
 - declaration of ownership and nationality (Form SR4);
 - evidence that any registration of the ship in another country has been closed;
- and
- any surveyor's tonnage certificate and international tonnage certificate which have been issued to the ship overseas.

Following receipt of the application form and accompanying documents, a recognised surveyor of ships must be requested to complete either of the following documents:

- for vessels exceeding 24 metres register length, a surveyor's tonnage certificate and international tonnage certificate. The tonnages may be taken from any acceptable certificates issued to the ship overseas or will have to be determined from the approved drawings of the ship;

or

- for vessels not exceeding 24 metres register length, a surveyor's certificate specifying the register length and descriptive particulars of the ship.

These services are not covered by the registration fees. They must be paid for separately.

Following receipt of either of the documents referred to above, a carving and marking note will be issued by the Registrar for certification as follows:

- for commercial vessels, by a recognised surveyor of ships;
- for pleasure yachts, by the owner or one of the owners.

Other documents

Where the owner does not reside in New Zealand or does not have a registered office in New Zealand, an Appointment of Representative Person (Form SR1) and the registration fee of \$104.27 must accompany the application for registration.

In the case of a ship on demise charter to a New Zealand-based operator, the following documents must also accompany the application for registration:

- a copy of the charter party; and
- a declaration by the charterer (Form SR5).

What documentation is required to register in Part B?

- application for registration (Form SR3);
- registration fee of \$435.47; and
- evidence that any registration of the ship in another country has been closed.

What ongoing costs are involved?

Registration in Part A continues for as long as a ship is entitled to be registered in New Zealand. Additional costs will be incurred for registration of transactions, such as changes of ownership, mortgages and changes of the ship's name.

Registration in Part B is for five years and is renewable. A fee is payable for renewal. When a vessel is sold, its registration automatically terminates. It is then up to the new owner to decide what form of registration is required or desired.

The Registrar can provide you with full details of ship registration fees.

Why register a ship which does not have to be registered?

While there may not be a legal requirement for you to register your ship at this time, you may wish to consider the benefits set out below.

Registration in Part A:

- firmly evidences your title to your ship in law;
- may increase the saleability of your ship because of the assurance it gives to prospective buyers that they are dealing with the person who has registered title. Saleability may also be aided by the existence of an authentic record of your vessel's history from builder's yard to current ownership;
- will facilitate raising a mortgage against your vessel. In other words, a registered ship increases your capacity to use your vessel to help manage your finances; and
- has a certain prestige attached to it. It gives your vessel a pedigree.

Registration in Part A or Part B:

- could help make reality any vaguely formed intention to some day sail off overseas, say to the islands of the South Pacific. If you see your yacht as a potential safety valve providing the means of escape from urban stress, or you experience a sudden burst of wanderlust, then registration will enable you to move quickly to give reality to your plans; and
- protects your vessel's name, for as long as the vessel is registered. Once your chosen name is on the books, it belongs uniquely to your vessel; no other registered New Zealand ship can use the same name.

Your contact on Ship Registration matters:

The Registrar of Ships
Maritime New Zealand
PO Box 27006
WELLINGTON 6141

Telephone: Toll free 0508 22 55 22
+64 (0)4 494 1219 or +64 (0)4 494 1220 (Direct line to Deputy Registrar/Registrar)
+64 (0)4 473 0111 (Maritime NZ switchboard)

Facsimile: +64 (0)4 494 1263

Email: ship.registration@maritimenz.govt.nz

Street Address: Level 10, Optimisation House, 1 Grey Street, Wellington 6011, New Zealand

Feedback welcome

This document is intended to provide guidance only. If you are in any doubt as to the matters contained within, you should seek legal advice. Our aim, however, is to provide the users of ship registration services with readable and clear guidance on completing registration paper work. Documentation which is right when we first receive it saves you time and helps keep down our costs - and thus the price of our services to you.

To this end, we welcome your comments on the clarity and readability of these notes and the forms and other explanatory documents issued by the Registrar. They will all be given serious consideration with a view to making improvements.