

Isle of Man

Ship Registry

Annual Report 2013



Serving the international maritime industry for over 25 years



'It is the policy of the Isle of Man Ship Registry to provide a high quality service dedicated to the principles of quality assurance in order to promote both the expansion and diversification of the shipping sector and the creation of employment opportunities by registering quality ships and facilitating the establishment of marine enterprises in the island.'

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- **SEANNA**
- **EVA BULKER**
- **TWILIGHT**

Our thanks to Hanjin Shipping for front cover photograph of the Hanjin Blue Ocean.

FOREWORD FROM THE MINISTER FOR THE DEPARTMENT OF ECONOMIC DEVELOPMENT

John Shimmin MHK



I am delighted to introduce this year's annual report from the Ship Registry.

Once again, the Ship Registry has delivered a very good year as it continues to put the island on the map for new clients from regions of the world which may not previously have been introduced to the Isle of Man.

The team at the Ship Registry continues to set the standard in service delivery, regularly balancing their international regulatory role with a client-focused approach which takes into account the commercial needs of ship operators and superyacht owners.

This year has seen new owners using the Registry with a corresponding increase in tonnage of over twice the growth rate of the world's fleet. I am delighted to be able to report such growth at a time when shipping is just beginning to show signs of recovery from the recent downturn. As the tonnage grows, so too does the influence of the Isle of Man, and with the Isle of Man's merchant fleet shown at number fourteen in the world's fleet tonnage statistics for the end of 2013, the Isle of Man really is punching above its weight.

As Minister for Economic Development, I see the Ship Registry as an integral part of the Island's international footprint and a nucleus for further maritime business on the Island.

Dick and the team have my full backing and I will continue to see that the Ship Registry is resourced and supported to ensure further success.

I commend this report to you and thank the team for all their hard work in another very busy year.

A handwritten signature in black ink, appearing to read "John Shimmin".

John Shimmin, MHK
Minister, Department of Economic Development



INTRODUCTION FROM DICK WELSH IOM SHIP REGISTRY DIRECTOR

2013 has been another very busy year and one in which the Registry has delivered excellent performance. We reduced in staff numbers but our reorganisation has delivered the same quality of service to an increasing fleet over the year. The team have worked hard to achieve this and I am immensely proud of them. Leading such a team of enthusiastic and dedicated professionals is a position that I feel very fortunate to be in.

2013 was also the year which saw us get our Regulations in place to implement the all-important Maritime Labour Convention. Without a doubt this was the most involved and complex legislation project we have ever undertaken. The team had the Regulations in place and the convention extended to the Isle of Man within the target date and achieved it with a brand new instrument which would become the envy of many jurisdictions. We are now inspecting and certificating the ships and will need to complete the entire fleet by August 2014. My thanks go out to the MLC team for their hard work, accuracy and dedication; and my plea goes to owners and operators to make your ships available for inspection.

Once again, the fleet continued to perform very well in terms of port state control inspections and we expect to be white-listed in Paris and Tokyo, and retain our USCG Qualship status when the lists are produced later in the year.

Tonnage growth is very healthy but this is only one measure, albeit a very important one in the eyes of the world's maritime community. The register has also grown in terms of vessel numbers in all areas and now has a record number of vessels overall. As well as commercial shipping, we continue to attract some of the world's most prestigious superyachts and see this as a valuable addition to our service provision. Throughput is still very healthy as ships move on and new vessels are introduced. We see this continuing as new orders are now being placed by many of our owners.

This year the Ship Registry has also introduced a quarterly newsletter and I have started to Blog on thought-provoking maritime subjects. The aim of this is to keep clients and potential clients informed of our services and developments in the Registry. The newsletter and my Blog can be accessed via the Ship Registry website.

I hope you find this report interesting and informative and I would like to thank all of our clients for choosing the Isle of Man and for upholding the quality of our fleet.

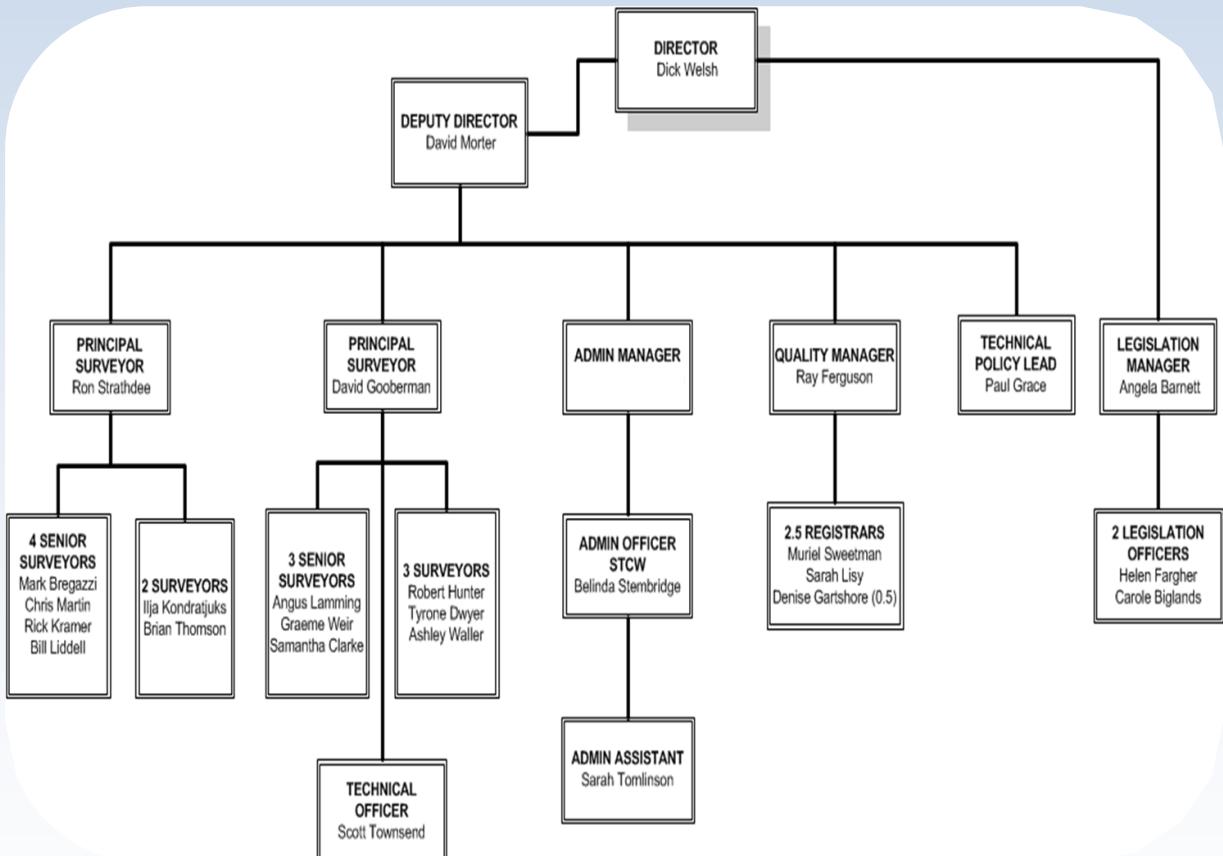


Dick Welsh
Director, Isle of Man Ship Registry

ORGANISATIONAL STRUCTURE

The Isle of Man Ship Registry has reconfigured its organisational structure following the retirement of several staff members over the past few years and the creation of some new internal roles within the team.

Throughout the reorganisation the integrity of the Registry was maintained and our clients witnessed no change to the high level of service they expect from the Isle of Man. Our experienced staff continued to provide support, assistance and pragmatic solutions to ship operators around the world utilising advances in the MAVIS electronic administration system to provide timely responses to customer queries. See the next page for some of our client feedback.



WHAT OUR CLIENTS SAID IN 2013....

- I must say, I have never experienced service this impeccable and efficient, and I'd like you to know that I'm very, very grateful.
- Thank you for your premium treatment! As one who is dealing with a lot of registries world-wide I wish I would have received such treatment from the rest.....!!
- First of all, many thanks for your kindly response — that's why you are the fastest authority about this subject!
- A Certificate in less than 20 minutes must be a record!
- Since dealing with IOM, my learning curve has been steep and positive thanks to the quality and input from the surveyors.
- The surveyor was very efficient, very polite and gives the impression that he knows his job to the letter. Please keep up the good work.
- We can always rely on the IOM Registry.
- Perfect. As ever the co-operation from you guys is better than excellent. Appreciate your efforts.
- Blimey that was quick!!
- Thank you again for taking care of this with such care and consideration. This is a big change from the other registry organisations I have contacted in the past.
- Thank you, thank you, thank you. I am going to suggest to all my boating friends to register in the IOM. You make an onerous task pleasant and stress free.
- I've got to say that the IOM Ship Registry have been fantastic to deal with. Very clear, knowledgeable and helpful in all aspects, especially yacht & crew compliance and MLC. Thanks again for the great service!
- I'm very impressed with the way the Regulations (MLC) are set out...well done IOM.
- ...just to let you know that your response was at light speed compared to some other well-known flag states.
- IOM surveyors are available at all times including out of office hours. We have found them to be extremely helpful and informative.

(visit our website to view more client comments from 2013)

SURVEY AND INSPECTION ACTIVITY

Over 300 vessel and company visits were carried out during the year and although the Isle of Man Registry has dedicated contracted surveyors placed in strategic locations around the world, the growth of the Isle of Man fleet means that our Island-based survey team continues to travel extensively in order to meet the demand for inspections. Acutely aware of the need to remain cost effective and keep fees competitive, our surveyors access marine fares and shop around for the best travel prices to minimise the overall survey costs to the client as much as possible.

The travel data below was captured in 2013 and represents a typical year's air travel for just one of our surveyors:

Number of flights	107
Total flight distance	104,095mls (167,524km)
Total Flying time	240 hrs (10 days)
Countries visited	21
Airports transited	45
Airway routes travelled	69

Add to this many journeys in cars, buses, trains and boats and the overall distance travelled to meet vessels increases significantly.

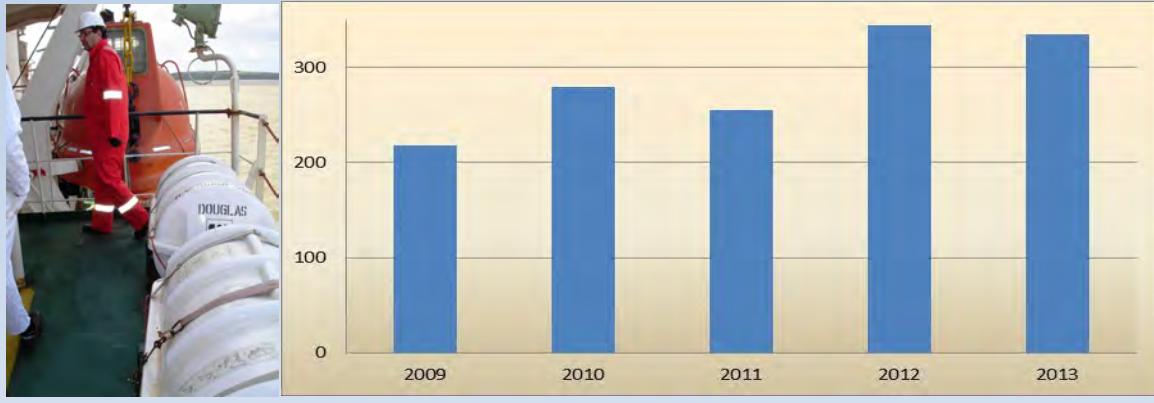
We estimate that overall in the past year, our survey team must have circumnavigated the earth approximately 46 times, or travelled more than twice the distance to the moon and back.

So when we say that we go the extra mile—we mean it quite literally!



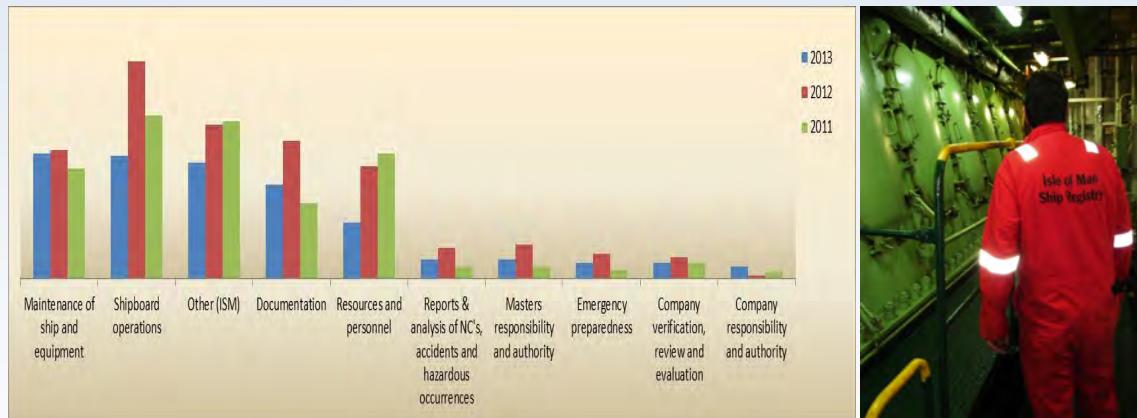
SURVEY AND INSPECTION ACTIVITY

The register achieved 7.4% growth in merchant fleet tonnage during 2013 with, on average, a new merchant vessel joining every week. Inevitably such growth, coupled with DOC inspections and ISM/ISPS renewal audits for the existing fleet, made it another demanding year. In total there were 335 separate visits undertaken by Isle of Man surveyors with a further 47 audits designated to Class societies to act on our behalf.



NUMBER OF INSPECTION VISITS CARRIED OUT BY ISLE OF MAN SURVEYORS

190 non-conformances, (NCNs), were raised during the inspections and the graph below highlights the areas where most deficiencies were found. Significantly, the total number of NCNs issued by Ship Registry surveyors fell by around 27% compared to the previous two years. Ship and equipment maintenance, alongside the lack of integrity of some shipboard operations, continue to generate the most non-conformances.



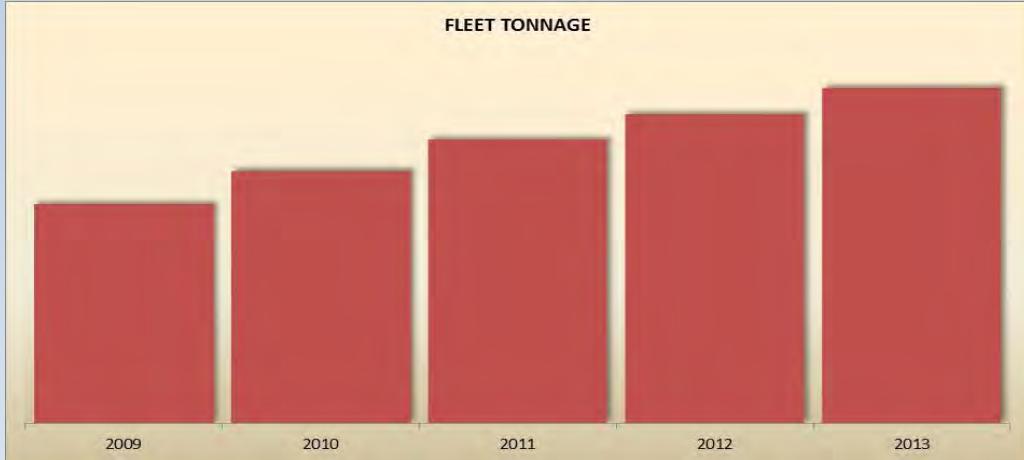
NUMBER OF NON-COMFORMANCE NOTICES ISSUED BY ISLE OF MAN SURVEYORS, 2011-2013

The NCN and deficiency data that is generated from audits is constantly reviewed and analysed so that key issues can be recognised and targeted. Actively managing the information in this way helps sustain a proactive approach with Ship Registry clients that can subsequently aid quality improvements right across the fleet.

(**DOC**- Document of Compliance, **ISM**- International Safety Management, **ISPS**- International Ship and Port Facility Security)

REGISTRY ACTIVITY

The Isle of Man Ship Register continued to show growth throughout 2013 with the merchant fleet growing by 7.4%* in Gross Registered Tonnage and total growth across the entire fleet by 10.7%. In global terms the Isle of Man flagged merchant fleet grew by over twice the world fleet growth in tonnage and ended the year with a recorded increase of 3.6%*.
(*data from Clarkson Research Services World Fleet Monitor)

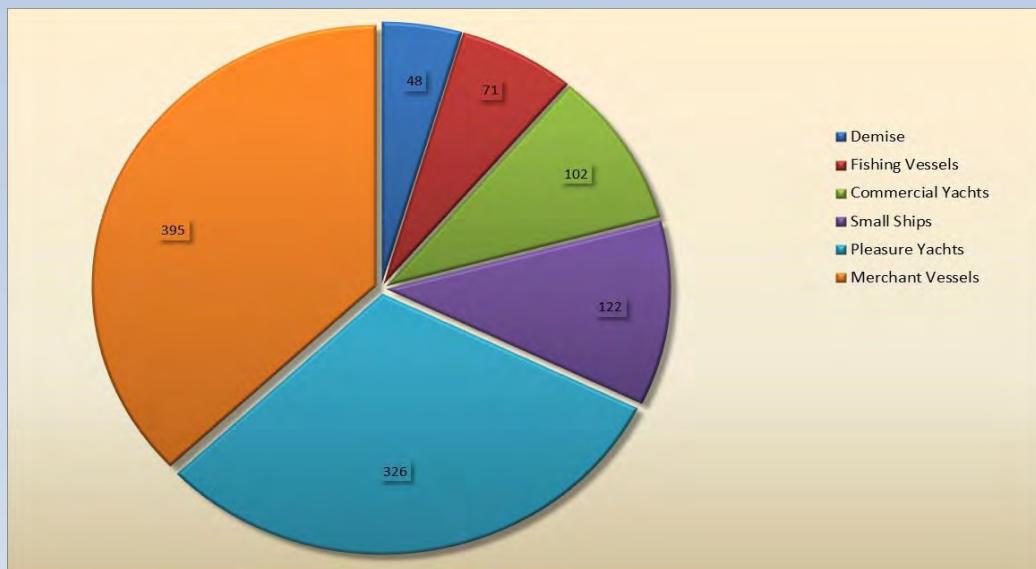


The dedicated Registry team witnessed one of their busiest years with, on average, 10 new registrations being completed each month. Success with our marketing activities in the Far East meant that in order to accommodate our clients, many of the registrations were carried out overnight with the Registrars attending the office late at night or in the early hours of the morning to finalise and issue documentation. It is worth noting that this 24/7 availability of Registrars is offered at no additional cost to Isle of Man Ship Registry clients and reflects the exemplary level of customer service provided.

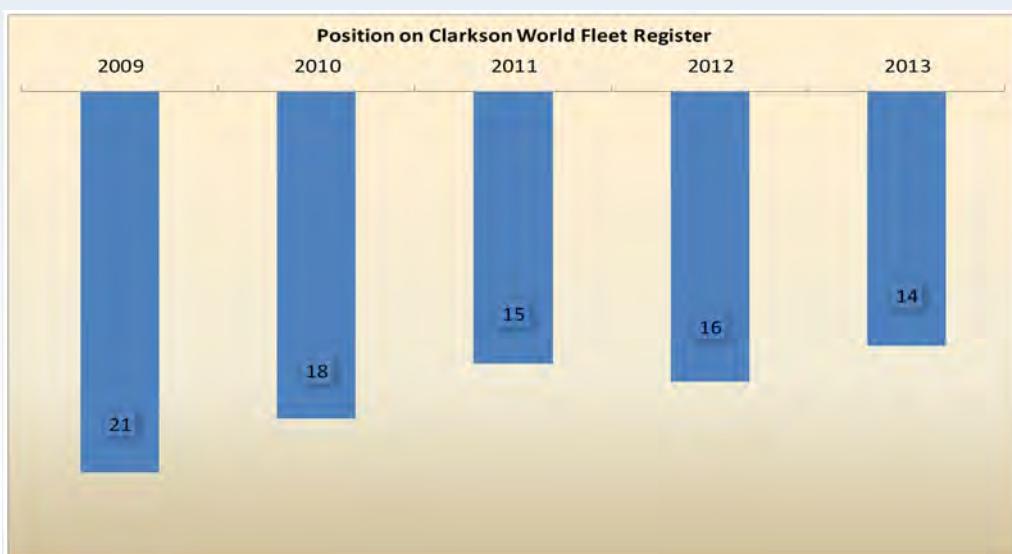


In addition to everyday transactions (on average the Registrars process over 90 separate transactions each week) the Registry team also deals with the issuance of Civil Liability Certificates (CLCs), Continuous Synopsis Records (CSRs), Bunker Certificates, British Seamen's Cards and Discharge Books.

REGISTRY ACTIVITY



A wide range of vessel types from specialised merchant ships and VLCCs to superyachts, fishing boats and pleasure craft make up the Isle of Man register and most categories were increased during 2013. Several significant milestones were also passed when the fleet exceeded 16 million GRT in November, when the number of vessels on the register peaked to its highest ever during our 29 years as an international register and last (but not least) when we ended the year as the 14th largest fleet in the world and one of the top 5 fastest growing flag states.



2013, THE YEAR THAT...

The Isle of Man's Merchant Shipping (MLC) Regulations 2013 were approved by Tynwald (the Isle of Man Parliament) in July ahead of the international entry into force date of 20th August 2013.



Dick Welsh dropped in to the Nautilus Welfare Fund's Mariners' Park Estate in Wallasey, on the banks of the River Mersey. Developed over 150 years ago to provide seafarers with good quality housing, care and companionship when they come ashore. Mariners' Park provides independent housing and a purpose built residential/nursing home set amongst 16 acres of parkland overlooking the River Mersey and the iconic Liverpool waterfront.

Experiments to find a faster way of delivering surveyors to remote locations were carried out on the IOM TT mountain circuit.



Dick visited the new Korean Register of Shipping (KRS) headquarters in Busan and met senior officials of the organisation.

The Isle of Man was one of only 12 flag states which received a full set of positive indicators. This year ILO MLC has been introduced as one of the criteria and this has enhanced our position as a leading flag state even further.

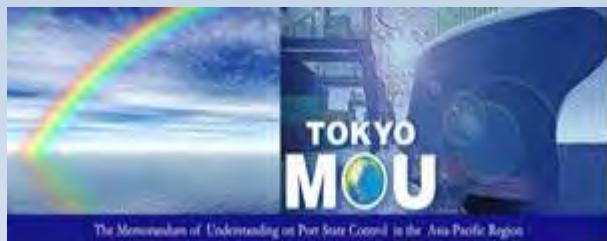


2013, THE YEAR THAT...



We bade a fond farewell to Senior Registrar Anne Blythe who retired in March after over 20 years' service with the Ship Registry. Anne's contribution was instrumental in growing the register and she had a valuable reputation as an able and knowledgeable teacher of all things to do with vessel registration.

The Isle of Man Ship Registry became one of only 23 flags that achieved low risk criteria under the Tokyo MOU New Inspection Regime .



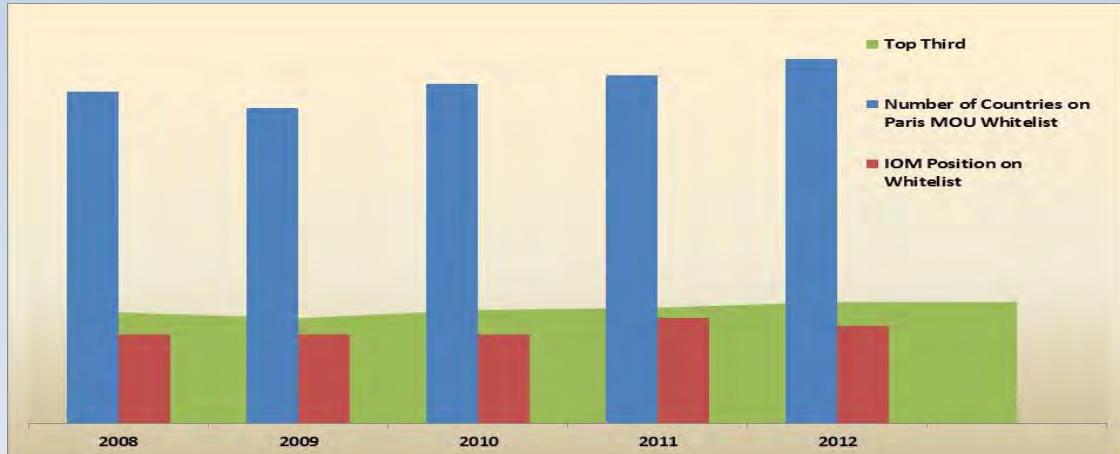
As winter temperatures fell to record levels across the British Isles and the population trembled in the cold, Isle of Man surveyors were overseas inspecting ships in *really* cold weather. This photograph was taken during a ship inspection in Quebec in December.

17 teams, including entrants from England and Ireland, representing some of our corporate clients, teed off in near perfect conditions at the 5th Ship Registry Charity Golf Day at Rowany Golf Club. The day raised over £1800 for the King George V Fund for Sailors. Once again we extend a huge thank you to all our sponsors.



PORT STATE CONTROL

The Isle of Man Ship Registry actively gathers and analyses Port State Control (PSC) statistics on all of its vessels in order to monitor patterns and trends. The information available allows us to take a positive role by providing an overview of fleet and company performances. Whilst we cannot control events at PSC inspections our proactive approach does influence the awareness of operators and seafarers and ultimately contributes to our performance as a flag state. The number of annual detentions remains low allowing us to retain our high position on the world's top white lists for flag state performance.



STAYING IN THE TOP THIRD ON THE PARIS WHITE LIST IS A LONG TERM OBJECTIVE

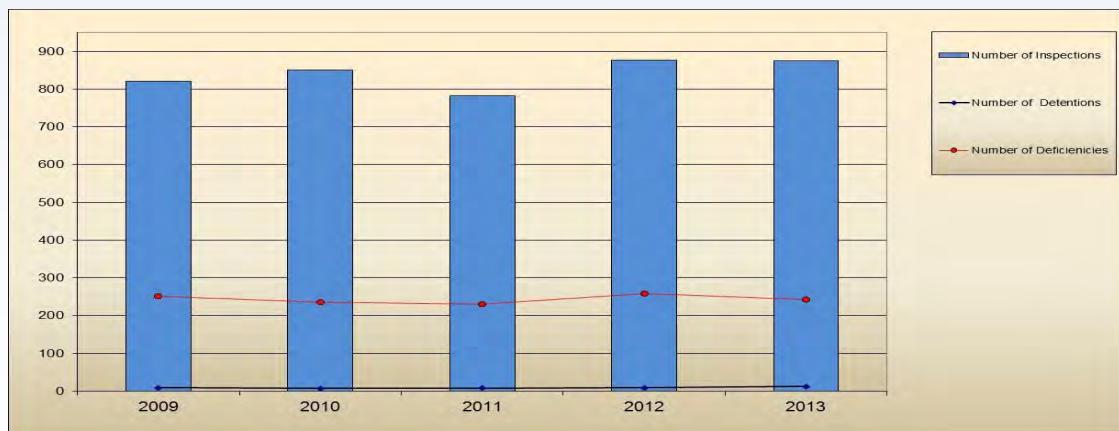
ASSESSING ORGANISATION

- Paris MOU on Port State Control
- Tokyo MOU on Port State Control
- United States Coast Guard
- ISF/ICS* (Flag State Performance Table)

IOM PERFORMANCE

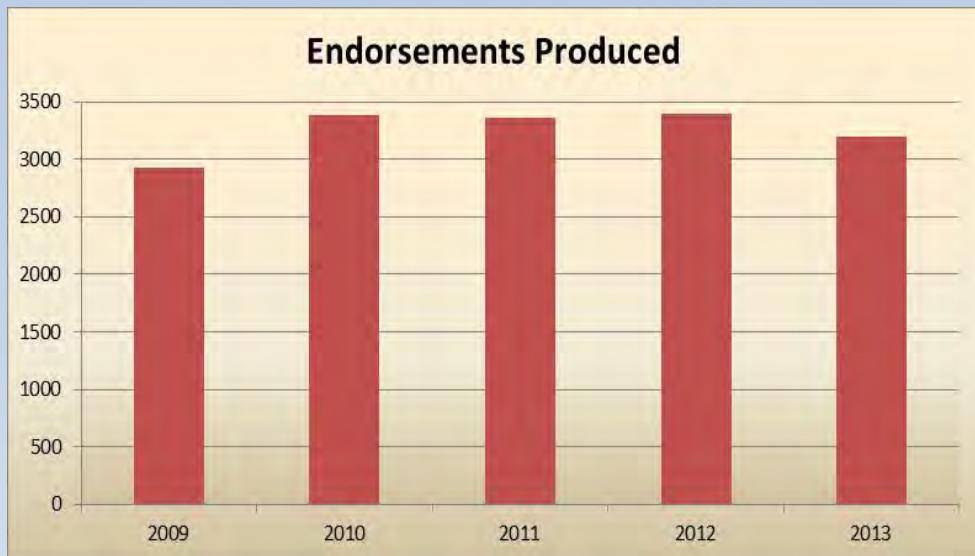
- White list & Low Risk Status
- White list & Low Risk Status
- USCG Qualship 21 accredited
- Top placed with no negative indicators

*International Shipping Federation / International Chamber of Shipping



5 YEAR PSC DATA ON ISLE OF MAN FLAGGED VESSELS (WORLD WIDE)

STCW and ENDORSEMENTS



The Isle of Man does not issue its own Certificates of Competency, but instead issues Endorsements recognising a National Certificate of Competency. Endorsements are required for all officers sailing on Isle of Man registered vessels unless they hold a Certificate of Competency issued by the United Kingdom under STCW 95.

For the past several years the STCW administrative team have been processing over 3000 endorsement applications annually. With an average turnaround time of only 10 days and with over 50% of all applications being completed within just one week of receipt, our clients soon recognise this quick response as one of the

Ship Registry's many strengths.

If it is critical that the client requires an even faster turnaround, then an enhanced service can be offered at an additional charge where we will issue an urgent Confirmation of Receipt of Application (CRA) and express process the Endorsement through the system on receipt of the full application.



The Isle of Man-registered bulk carrier 'Mika Manx'.

CASUALTIES, ACCIDENTS & INCIDENTS

The Isle of Man Ship Registry is committed to helping seafarers, managers, owners and operators concerned with all Manx vessels in achieving continued high standards of safety and pollution prevention. However occasionally things go wrong and when they do, the master, manager or operator is required by law to submit a report on what has occurred. From these reports we can alert the shipping industry about areas and activities where any additional safety controls may be necessary and hopefully prevent similar occurrences.

Some selected **Casualties** reported in 2013 are summarised below:-

- Burned hand on frying pan in the galley*
- Heavy contact with a fender whilst manoeuvring within port*
- Crane luffing drum fell during maintenance injuring a crew member*
- Heavy contact with rig leg due to navigation error*
- Collision with a small yacht in a narrow channel*
- Cargo shifted on main towards a crewman who tripped and fell overboard*
- Enclosed space entry fatality – (subject of casualty investigation)*
- Crew member fell from wet log cargo onto the main deck*
- Crew member suffered severe lacerations by trapping his fingers in a fan unit*
- Crew member caught between lifeboat and ship during a drill causing injury*

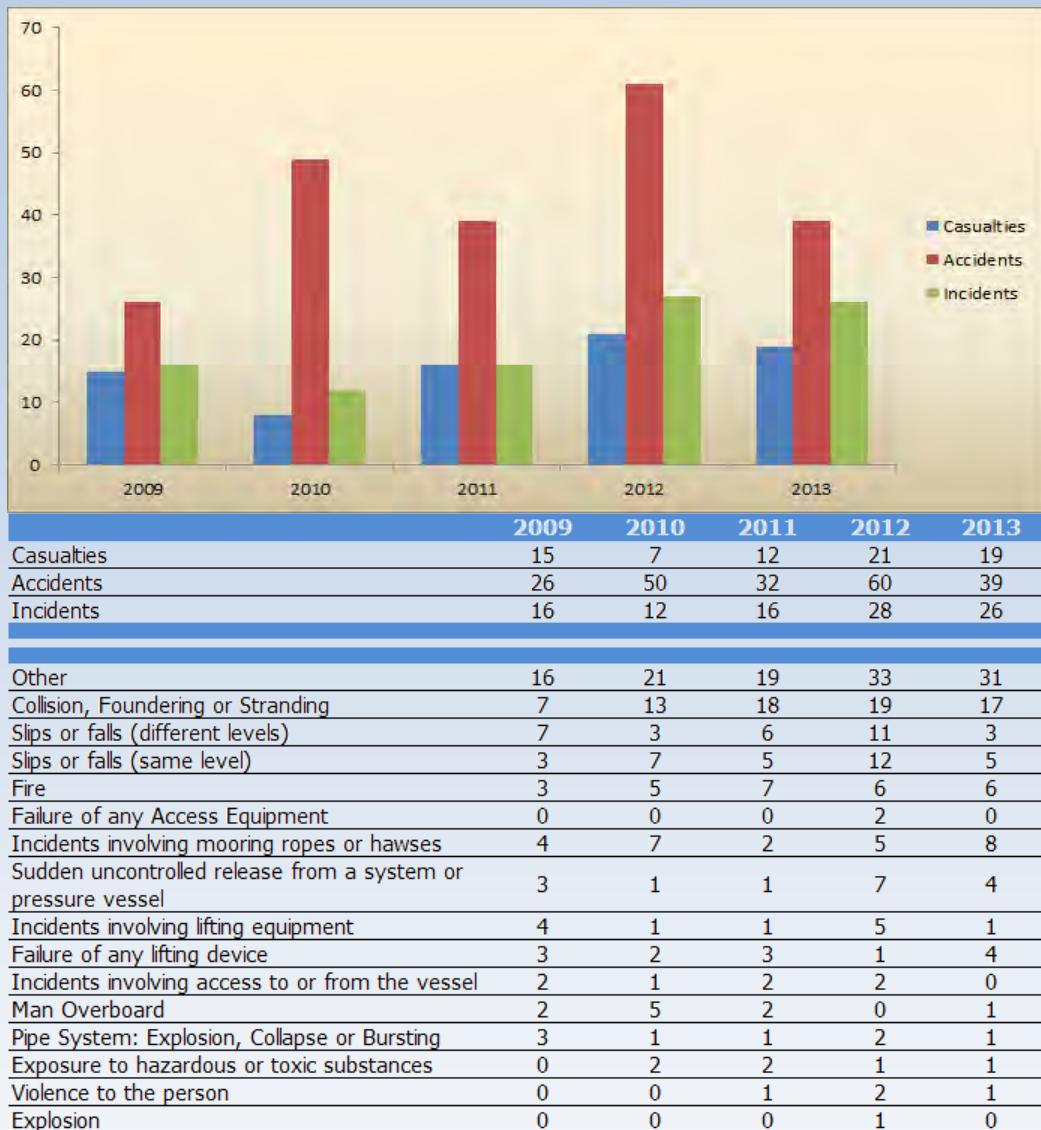
Some selected **Accidents** reported in 2013 are summarised below:-

- Crew member injured knee when exiting a tank*
- Incorrect manual handling causing injury*
- Trapped finger in a fan unit causing injury*
- Vessel collided with another vessel after main engine failure*
- Bunker spill on main deck*
- Crew member trapped fingers in a hatch cover*
- Crew member was scalded during a hot water wash of a cargo tank*
- Fire in cargo hold resulting from a grinding spark*
- Electrical box fire*

Some selected **Incidents** reported in 2013 are summarised below:-

- A trailer shifted on the main deck when the cargo lashing failed*
- An unmanned barge drifted into the vessel while at anchor*
- The wire rope failed when recovering the rescue boat*
- Collision avoiding action when another vessel failed to comply with the COLREGS*
- Armed robbery attempt whilst alongside in port*

CASUALTIES, ACCIDENTS & INCIDENTS



The full 2013 Casualty, Accident and Incident Report is available at www.iomshipregistry.com

ACCIDENT REPORT FORM

Accidents should be reported to the Isle of Man Ship Registry on form ARF 1 as soon as possible following the occurrence. Copies of this form should be carried on board. It can be downloaded from our website.

MLC 2006 EXTENDED TO ISLE OF MAN



Paul Grace, Technical Policy Lead for IOM Ship Registry

2013 became the year that the Maritime Labour Convention entered into force internationally. Crucially for the Isle of Man it was also the year that the IOM MLC Regulations were approved by Tynwald (the Isle of Man Parliament) and the Convention was extended to the Island on the 7th August prior to the date it came into force internationally.

The drafting and policy work involved in producing the legislation to have MLC extended to the Island was the largest project ever undertaken at the Ship Registry. This is reflected in the size of the legislation which is 117 pages long and contains 192 individual regulations. In addition to this, 26 Maritime Labour Notices have been published explaining and giving guidance on how to comply with individual areas of the Convention.

During 2013 we also concentrated on the practical aspects to ensure all IOM commercial vessels comply with this new Convention. We have received a fantastic response from shipowners and during the year have worked with individual companies in order to approve their MLC procedures and Seafarers' Employment Agreements. Many shipowners had their vessels ready for inspection early in the year and all of the IOM surveyors have been exceptionally busy during 2013 travelling from ship to ship in order to inspect vessels for MLC and issue the MLC Certification.

Since the Convention came into force internationally and has been extended to the IOM we have received a number of MLC questions, the most common are summarised below -

When does an IOM registered vessel need to be inspected for MLC?

All IOM registered commercial vessels need to be inspected before 7th August 2014. There are 540 vessels requiring inspection so we have implemented a phased-in approach whereby vessels will be inspected at their next ISM audit, or for yachts under 500gt, at their next Large Yacht Code compliance inspection. We realise there will be a number of vessels that are not due an ISM inspection before this date and the Classification Societies have been authorised to carry out these additional MLC inspections. At the end of 2013 substantial progress had been made with 220 vessels inspected.

Commercial yachts under 500gt do not require an MLC Certificate, how can they show evidence that they have been inspected?

It is an IOM requirement for vessels under 500gt to be issued with a Declaration of Maritime Labour Compliance which demonstrates conformance with the Convention. We also issue a letter stating an inspection has taken place and when the next inspection is due. This will enable a port state or flag state inspector to be able to easily establish the vessel has been successfully inspected for MLC compliance.

What happens to the articles of agreement and crew list?

Once a vessel has been inspected and issued with MLC certification, articles of agreement become obsolete and can be closed and returned to the Ship Registry. The crew list has been simplified and is now a single list which can either be a company generated list or the list which is available on the Ship Registry website can be used.

UPCOMING LEGISLATION PROJECTS

Since the MLC Regulations came into force the policy/legislation team have been able to concentrate on new projects in order to update other aspects of the Isle of Man's maritime legislation. This has included starting work on legislation to implement the IMO Anti-Fouling Convention (AFS) and various amendments to MARPOL, most notably the new MARPOL V (Garbage) requirements which entered into force in 2013.

Towards the end of the year various public consultation papers have been published including consultations on the AFS Convention, MARPOL IV (Sewage), MARPOL V (Garbage) and the STCW Manila Amendments. All of this new legislation is scheduled to be presented to Tynwald for approval in early 2014.



We have continued throughout 2013 to advise clients of new international requirements that are due to enter into force. An example of this is the new STCW requirement for security training for seafarers which enters into force in January 2014. MSN 046 was published early in 2013 and during the year we have worked with clients on the practical aspects of implementing this new training requirement.

During 2014 please monitor the Ship Registry website for new Merchant Shipping Notices, Consultation papers and Maritime Labour Notices. We will continue to update our maritime regulations with the latest international amendments keeping clients advised of new maritime legislation. Where necessary we will work with shipowners on the practical aspects of implementing new requirements.



www.iomshipregistry.com

PEOPLE PROFILE

Marine Surveyor—Ashley Waller



Ashley Waller was brought up in a seafaring family and has always had a great admiration of his father and grandfather, both Merchant Navy Captains. During Ashley's final school years he undertook work experience at Appledore shipyard's C.A.D. C.A.M. Department and this, along with a holiday and weekend job as a crew member of the 1958 built passenger ship, the MS Oldenburg, kindled his interest for the sea.

On completion of A-levels he commenced his cadetship with the Conway Merchant Navy Trust sailing with BP, Andrew Weir, World wide Shipping and Huelin Renouf. As well as providing the opportunity to serve on a variety of ships, his training provided a mass of experience such as the rare and interesting voyages on one of his last vessels. This 300,000+ DWT V.L.C.C. took him through the Persian Gulf during the war, into a high risk piracy area before conducting an emergency V.L.C.C. to V.L.C.C. lightering operation south of Madagascar including emergency breakaways and detailed damaged assessment.

On qualifying as officer of the watch Ashley, was immediately employed as a Second Officer, navigating some of the busiest waters in the world. By 2007 at the age of 23, he was promoted to Chief Officer and obtained a Pilotage Exemption from the Queen's Harbour Master at the port of Portsmouth.

Ashley continued to sail as a Chief Officer, gaining another Pilotage Exemption as a skilful ship-handler, this time for the port of Southampton.

His knowledge of ISM and ISPS found him being made responsible for developing the company Safety Management System and Ship Security Plans and later led to him covering for the company's Designated Person Ashore.

When not at sea Ashley's interests include Taekwondo, which he took up in 2008. Less than a year later he obtained two 4th place medals at the Cornish Open and in 2011 took home Silver and Bronze in the GTI British Championships for sparring as well as narrowly missing the Gold for destruction.

Ashley joined the Isle of Man Ship Registry in September 2012 as a member of our highly experienced survey team where his professional, helpful and friendly approach put crew at ease during audits and inspections. Recently appointed as fishing vessel coordinator, he is also responsible for monitoring the island's fleet of fishing vessels.

Recruited from throughout the maritime industry and with a variety of experience, all Isle of Man Surveyors undertake a training program to fully prepare and equip them for their new roles.

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MLC Enquiries: marine.mlc@gov.im

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Out of Hours Emergency Contact Number: +44(0) 7624 493467

WHY CHOOSE ISLE OF MAN?

A quality flag which matches clients' expectations

- A centre of maritime excellence
- Providing harmonious relationships
- Delivering the ideal solution
- We put the client first
- Cost effective

Isle of Man offers lower risk

**The Isle of Man Ship Registry is one of
the world's highest quality flags:**

- Paris MOU White List
- Tokyo MOU White List
- USCG Qualship 21
- Highly placed on ISF Performance Tables

*Less scrutiny of Isle of Man ships in ports
around the world*





www.iomshipregistry.com

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Certified to the ISO9001:2008 Quality Standard and the Investor in People Gold Standard

The information in this 2013 Annual Report can be provided in large print, on request.