



Changes to Jersey Ship Registry requirements

Insights - 07/05/2024

It was reported in the news that on 26 February 2024 a Jersey registered vessel had been apprehended in the Caribbean by French authorities and 1,100 kg of cocaine worth up to £77 million was found on board.

All four persons on board were arrested. The Jersey and French authorities collaborated on the seizure as the French authorities required the Jersey attorney general's permission for the search under the Misuse of Drugs (Jersey) Law 1978.

A ship registry is not simply registering a ship in order to provide it with a flag, it has a responsibility to ensure that the vessel operates in accordance with its laws.

The United Nations Convention on the law of the sea (**UNCLOS**) requires the existence of a genuine link between the flag state and any ships that the flag state registers. There are various ways that different jurisdictions that are party to the UNCLOS have addressed the need for such a link and Jersey, in keeping with a number of other flag states, permits people/corporate entities to be eligible to own a Jersey ship provided they are resident in certain countries or territories approved by Jersey legislation.

Where the vessel is not owned by a Jersey resident then a representative person (based in Jersey) must be chosen by the owner thereby providing a link between Jersey and the owner. If the owner is a corporate entity the information provided must include information about the ultimate beneficial owner of an entity.

The news report referred to above is not in isolation; there have been a number of similar situations in the past, and together with the increased focus on co-ordinated sanctions in recent years, the Jersey government wish to adopt a more robust Representative Persons policy. In its current form it could prevent the Government from tracing owners of suspect vessels.

Proposed amendments to shipping registration

On 6 April 2024 the Jersey Government issued a consultation paper regarding proposed

amendments to the Shipping Registration (Jersey) Regulations 2004, as follows:

1. ensure representative persons cannot resign from their position without giving sufficient notice to the Registrar
2. ensure representative persons remain in office until the expiry of a notice of resignation or the appointment of a successor representative
3. ensure representative persons hold information which identifies a ship's owner and provide said information to the Registrar within seven days of a request to do so

If adopted, non-compliance with the amendments would result in the termination of a ship's registration.

This will result in increased costs for those providers of these services who do not currently verify the owners' identity and obtain due diligence, and such costs will inevitably be passed on to the owners. As a regulated service provider Ogier already comply with the proposed amendments.

Provisional yacht registration

The Jersey Ship Registry have advised that a recent audit of registry practice against legislation has identified that they must in future obtain tonnage certificates irrespective of whether the application is for a provisional or a full registration. Consequently, as of 1st May 2024 it is a requirement for vessels obtaining a provisional registration, which is valid for three months, to provide a tonnage certificate.

Previously, this was only required for a full registration. It has been confirmed that this will not impact any provisional registrations that have already issued (unless another provisional is requested). It will, however, affect any other provisional applications that have not yet completed and been issued.

For help in registering your yacht on any of the Red Ensign Group registries, providing local representative services and arranging a tonnage survey, please contact jane.hayes@ogier.com or Kelly.bentley@ogier.com.

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