



A guide to vessel registration in the Cayman Islands

Insights - 16/10/2024

The Cayman Islands has been one of the most popular jurisdictions for the flagging of yachts and superyachts for many years.

As a Category 1 British Registry, the Cayman Islands Shipping Register (CISR) is able to register vessels of all sizes and classes, from small yachts to superyachts. There are currently more than 2,500 vessels registered with the CISR.

The Cayman Islands is part of the Red Ensign Group, meaning that a Cayman Islands-registered vessel is flagged as a British Ship and granted protection by the British Royal Navy. The CISR is a global jurisdiction of choice and convenience for vessel registration, with a European Regional Office in the UK and representatives on the ground in various locations across the world.

At Ogier, we have extensive experience in registering vessels with the CISR. This briefing summarises the registration process and sets out some of the key reasons for registering a vessel in the Cayman Islands.

Why register a yacht?

There are a number of reasons for registering a vessel including:

- to prove its nationality (an essential requirement for overseas voyages)
- to secure title to a movable asset for the owner of the asset
- to allow the vessel to be used as security to obtain a marine mortgage

Why register a yacht in the Cayman Islands?

Opting to register a vessel in the Cayman Islands has several advantages, including the following:

- **Category 1 British Registry:** The CISR is a member of the Red Ensign Group with Category 1

status and is authorised to certify all sizes and types of vessel (other than fishing vessels, except those owned locally and operating in Cayman waters). As a member of the Red Ensign Group, a Cayman Islands-registered vessel is flagged as a British Ship and granted protection by the British Royal Navy.

- **Favourable Operating Environment:** The Cayman Islands is a politically stable British Overseas Territory. It is an efficiently regulated international finance jurisdiction at the leading edge of global best practice.
- **Modern maritime legislation and established legal framework:** As a jurisdiction which actively seeks new vessel registrations, the Cayman Islands has enacted maritime legislation to streamline the processes involved. With a highly developed legal system based on English law, the Cayman Islands boasts an established ecosystem of advisers who can assist with vessel registration, as well as structuring advice and entity formation if required.
- **Efficiency:** With Category 1 status, the CISR is renowned for its user-friendly approach and technical expertise. The Cayman Registry is very responsive to enquiries and looks to facilitate smooth and efficient vessel registrations. Vessel and mortgage registrations can be completed within 24 hours of the provision of all required documentation to the CISR.
- **Experienced global team:** With offices in the Cayman Islands, the UK, the US, Greece, France, Japan, Singapore and Hong Kong, the CISR can process registrations in various time zones in a prompt and efficient manner.
- **Tax-neutral:** Given the significant expenditure involved in the purchase and maintenance of modern vessels, the tax neutrality of the Cayman Islands minimises the tax leakage involved in any deals. The Cayman Islands does not charge corporation or any other direct tax, and there are no other taxes on companies carrying on business within or outside the Cayman Islands.
- **Several types of registration available:** The CISR offers different types of vessel registration including full, interim, under construction and demise charter registrations (also known as "bareboat charter").
- **Operational flexibility:** There is no obligation for a Cayman-flagged yacht to make physical calls in the Cayman Islands.

| The process for registering a yacht in the Cayman Islands

Qualifying vessel

The first step is to establish whether the vessel name is available and whether the vessel qualifies for registration with the Cayman Islands Shipping Register. Name availability can be searched and name reservations made online on the CISR's website. A name can be reserved for a period of 12 months and may be renewed.

For existing commercial vessels (merchant ships or commercial yachts), the CISR can establish whether the vessel would be accepted for registration.

For pleasure yachts in private use and not engaged in trade, there are minimum convention and statutory certification requirements that apply. The precise requirements depend upon the vessel's size. A pleasure yacht for private use and not engaged in trade may opt to voluntarily comply with the Large Yacht Code. In these cases, while registration does not require such compliance, the vessel will be surveyed for compliance at the time of registration and, if found compliant, then the appropriate convention and statutory certificates will be issued accordingly.

Qualifying ownership

The next step is for the CISR to satisfy itself that the owner is bona fide and qualifies to own a Cayman-flagged vessel. This involves a determination of whether the owner has legal title and checking that there are no pre-existing conditions which prohibit the vessel from being registered with the CISR.

The Cayman Islands Shipping Register will accept the following ownership structures for a Cayman-flagged vessel:

- individual or joint owners
- companies and shipping entities

Cayman company

The CISR accepts applications for vessel registration on behalf of companies / entities that are in the process of being incorporated to allow the registration of the owning entity and registration of the vessel to be progressed simultaneously. If a proposed owning company is to be a Cayman, BVI, Jersey, Guernsey, Irish or Luxembourg company, Ogier can also assist with the incorporation and ongoing corporate governance of such a company.

Registration process

The registration forms and supporting documentation required, and the fees paid, vary depending upon the particular transaction being carried out. Typically, the CISR requires the following documentation in order to complete full registration of a vessel and to issue a certificate of British registry for such a vessel:

- CISR 855 and CISR 856 registration forms
- Builder's certificate if a new vessel or bill of sale if the vessel is an existing one
- The certificate of good standing (or its equivalent if the owning company/entity is incorporated in another qualified jurisdiction) for the owning company
- Certificate of survey
- International tonnage certificate
- A closed transcript or deletion certificate if the vessel was previously registered elsewhere

Agents

An owner may act in registration matters on their own behalf or may appoint an authorised person to do so. If the owner (individual or body corporate) is not resident or incorporated in the Cayman Islands, then a resident representative person must also be appointed to act on their behalf. These appointments must be made before or at the same time as submitting the vessel registration application to the CISR. Ogier can assist with these appointments and act in these roles if required.

Issue of a carving and marking note

Once the CISR has received all forms, supporting documentation, IMO (International Maritime Organization) number (if applicable), relevant fees, and the survey and audit requirements are met, it then assigns an official number to the ship and issues to the owner (or their authorised or representative persons) a carving and marking note and assigns the signal letters for the vessel's radio station call sign.

Any of these parties may then arrange for the vessel to be first permanently marked and then inspected (normally by a class surveyor) for verification with the carving and marking note. If satisfied, the surveyor will sign the carving and marking note and return it to the CISR.

The completed carving and marking note may be submitted electronically within the allotted 21 days, however the original should be returned seven days thereafter.

Radio licensing

Radio licensing applications are handled by the Utility Regulation and Competition Office of the Cayman Islands (**OfReg**) rather than the CISR. The operators of the radio equipment are required to have a radio operator's certificate appropriate to the equipment fitted for the vessel. Ogier regularly deals with OfReg in order to satisfy the radio licence requirements of registered vessels.

Completed registration

The effect of registration with the CISR is that the port of registry for the vessel in question will be one of: (i) George Town, (ii) the Creek or (iii) Bloody Bay. A vessel registered with the CISR is a "British ship" entitled to fly the Red Ensign and comes under the protection of the British Royal Navy.

How Ogier can help

Ogier's marine sector experts can guide you through the process of registering a vessel in the Cayman Islands, including the incorporation and ongoing corporate governance of a vessel-owning company, the appointment of Cayman-resident agents or acting in the role of local agent ourselves. For further information, please contact the authors of this briefing.

About Ogier

Ogier is a professional services firm with the knowledge and expertise to handle the most demanding and complex transactions and provide expert, efficient and cost-effective services to all our clients. We regularly win awards for the quality of our client service, our work and our people.

Disclaimer

This client briefing has been prepared for clients and professional associates of Ogier. The information and expressions of opinion which it contains are not intended to be a comprehensive study or to provide legal advice and should not be treated as a substitute for specific advice concerning individual situations.

Regulatory information can be found under [Legal Notice](#)

Key Contacts



Mark Santangeli

Partner

Cayman Islands

E: mark.santangeli@ogier.com

T: [+1 345 815 1766](tel:+13458151766)



Tommy Tuohy

Partner

Cayman Islands

E: tommy.tuohy@ogier.com

T: +1 345 815 1749



Cline Glidden

Counsel

Cayman Islands

E: cline.glidden@ogier.com

T: +1 345 815 1785



Hannah Diss

Managing Associate

London

Cayman Islands

British Virgin Islands

E: hannah.diss@ogier.com

T: +44 20 3835 9471

Related Services

Banking and Finance

Asset Finance

Legal

Related Sectors

Technology and Web3

Aviation and Marine