

Cayman Islands 2017 Annual Client Memo

October 2017

Continuing Statutory Obligations of Vessels Registered in the Cayman Islands

Tonnage Taxes

All vessels fully registered in the Cayman Islands pay an annual tonnage tax to the Cayman Islands Shipping Registry. The tonnage tax is based on the gross tonnage of the vessel. The minimum tonnage tax is US\$400. This annual fee will be included in our annual invoice and is due and payable in January.

Please note that where registration fees remain unpaid beyond January 31st the following late payment penalties shall apply:

- a 10% surcharge on the amount outstanding will be applied for amounts due and not paid within 30 days of the due date; and
- an additional 5% surcharge on the amount outstanding will be applied for each period of 30 days or part thereof for amounts due and not paid within 60 days of the due date.

Annual Casualty Investigation Fund Fee

All vessels fully registered in the Cayman Islands must pay an annual casualty investigation fund fee to the Cayman Islands Shipping Registry. The minimum annual casualty investigation fund fee is US\$30. This annual fee will be included in our annual invoice and is due and payable in January.

Vessel Radio Licenses

All vessels registered in the Cayman Islands are obliged under the Information and Communication Technology Authority Law (as revised) to obtain a radio licence from the Authority, regardless of whether or not the respective vessel actually enters or remains within the territorial waters of the Cayman Islands. The operator of a radio station on

any vessel registered in the Cayman Islands must at all times have a current licence from the Authority.

The Radio Regulations issued by the International Telecommunications Union ("ITU"), which apply to the Cayman Islands via United Kingdom legislation, state that no transmitting station may be established or operated by a private person or by any enterprise without a licence issued in an appropriate form and in conformity with the provisions of the Regulations by or on behalf of the government of the country to which the station in question is subject.

Vessel owners should note that unlicensed vessels are excluded from the ITU's Maritime mobile Access and Retrieval System ("MARS") database that is used by search and rescue organisations and that, where applicable, Maritime Mobile Service Identity ("MMSI") numbers are withdrawn from vessels that have not renewed their licence and are reallocated to new vessels. For the continued safety of all those on board, it therefore is vitally important that a vessel keeps its radio licence current.

Annual radio licence fees for luxury yachts from the ICTA currently range from US\$60 to US\$180 depending upon gross tonnage. Trident charges on an hourly basis for handling the application.

The annual renewal fee for the Radio License is due on the anniversary of issuance and it is your responsibility to renew the Radio License which can be done either through our office or direct with ICTA.

Failure to obtain the required licence could result in a penalty of \$50,000 (plus \$10,000 for every additional day during which the offence has continued) and imprisonment for up to five years.