

Commercial Operation of Cayman Islands Pleasure Yachts in the Caribbean and Certification of Cayman Islands Pleasure Yachts Operating in US Waters

CAYMAN ISLANDS PLEASURE YACHTS OPERATING COMMERCIALY IN THE CARIBBEAN

The Cayman Islands Shipping Registry (“CISR”) has issued a new alternative set of requirements for yachts that wish to operate commercially in the Caribbean under Shipping Notice No. 02/2016 Rev 1 (the “Shipping Notice”).

This is welcome news as, pursuant to this Shipping Notice, yachts which are less than 500GT will more easily be able to operate commercially up to 60 nautical miles from a safe haven in the Caribbean Cruising Area (see the Appendix hereto for a list of the countries and territories included in this) (the “CCA”).

Prior to the Shipping Notice, all yachts that operated commercially in the Caribbean were required to comply with The Code of Practice for Safety of Large Commercial Sailing and Motor Vessels (the “Large Yacht Code”). The Shipping Notice represents an alternative which some yachts may find easier to satisfy.

ELIGIBILITY

For a yacht to operate commercially under the Shipping Notice the yacht:

1. must be less than 500GT;
2. if between 300GT- 499GT, must be classed by a Classification Society recognised by the Cayman Islands Shipping Registry;
3. if 299GT or less, must be built to the rules of a recognised Classification Society or recognised National or International standard;
4. must have documented operational procedures covering all aspects of yacht operations and, if not classed, a documented planned maintenance system for all identified critical equipment;
5. must hold a valid International Load Line Certificate issued in accordance with LY3 for a short range yacht (see below for more information);
6. must be surveyed and certified by the CISR in accordance with Section 5 of the Shipping Notice; and
7. must undergo annual surveys and a renewal survey every 5 years.

Yachts that meet these requirements will be issued with a Cayman Islands National Certificate valid for 5 years (“CINC-CCA”).

At the owner’s request, a compliance assessment survey can be undertaken by the CISR to ascertain what will be required for a yacht to qualify (charged on a time and expenses basis). The cost of this will be offset against the CISR’s fees if the owner subsequently decides to proceed with a survey under the Shipping Notice.

INTERNATIONAL LOAD LINE CERTIFICATE

Yachts which do not have an International Load Line Certificate may be able to obtain one by implementing “Equivalent Provisions” under the Shipping Notice. The CISR Survey Department should be contacted to establish the requirements in this regard.

LIMITATIONS

Yachts issued with a CINC-CCA are restricted to:

1. operating commercially up to 60 nautical miles from a safe haven in the CCA;
2. operating in forecast or actual wind of up to and including Beaufort Force 6 and significant wave height up to and including 2 metres;
3. operating commercially for up to 120 days in a 365 day period; and
4. carrying a maximum of 12 passengers or guests whilst the yacht is at sea.

MARITIME LABOUR CONVENTION (“MLC”)

Yachts which operate commercially pursuant to the Shipping Notice will need to comply with the MLC (e.g. seafarers’ employment agreements must be compliant and the requisite onboard complaints procedure and health insurance must be in place). However, they will not have to complete a Document of Maritime Labour Compliance (DMLC). Existing yachts constructed prior to 20 August 2013 do not need to comply with the construction requirements of MLC.

CERTIFICATION OF CAYMAN ISLANDS PLEASURE YACHTS OPERATING IN US WATERS

The U.S. Coast Guard (USCG) now requires that all yachts over 300GT (as measured under the ITC) are certificated, regardless of registration type. Consequently, yachts registered as a ‘Pleasure Yacht’ are no longer exempt from this requirement.

Yachts that are registered as a ‘Commercial Vessel’ or voluntarily hold certification demonstrating compliance with SOLAS or Large Commercial Yacht Code (LY3) can use their existing certificates to comply with this new requirement.

Pursuant to the Shipping Notice, to allow yachts which do not already hold the required certification to meet this requirement, the CISR will now issue a Cayman Islands National Certificate (“**CINC-PY**”) to eligible yachts which will be valid for 5 years.

To be eligible for a CINC-PY:

1. the yacht must be registered as a ‘Pleasure Yacht’ of any tonnage, carrying 12 or fewer passengers;
2. prior to the required survey, a minimum safe manning document must be obtained;
3. the yacht must be surveyed and certified by the CISR in accordance with the Shipping Notice in particular to confirm that:
 - a record of safety equipment on the yacht which accurately describes the yacht and its equipment is developed and is on board; and
 - the applicable safety equipment and pollution prevention requirements set out in Annex 2 of the Shipping Notice have been complied with;
4. as a minimum, the yacht must meet certain requirements of LY3 as set out in Annex 1 of the Shipping Notice; and
5. the yacht must undergo annual surveys and a renewal survey every 5 years.

The Shipping Notice can be viewed [here](#).

APPENDIX

Caribbean Cruising Area comprises the following:

60 nautical miles from a safe haven in the following countries and territories in the Wider Caribbean Region:

- Antigua & Barbuda
- Aruba
- Bahamas
- Barbados
- Belize
- Colombia
- Costa Rica
- Cuba
- Dominica
- Dominican Republic
- Grenada

- Guatemala
- Guyana
- Haiti
- Honduras
- Jamaica
- Mexico
- Nicaragua
- Panama
- St. Kitts and Nevis
- St. Lucia
- St. Vincent & Grenadines
- Suriname
- Trinidad & Tobago
- Venezuela
- French Caribbean Territories (includes Guadeloupe, Martinique, St Martin, French Guiana)
- Netherlands Caribbean Territories (includes Saint Martin, Netherlands Antilles)
- United Kingdom Caribbean Territories (includes Cayman Islands, Anguilla, British Virgin Islands, Turks and Caicos Islands, Montserrat)



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