

## Shipping Development Circular No.2 of 2007

NO: SD-9/CHRT(82)/97-III

Dated 20.04. 2007

Sub :Simplification of procedure for issuance of licence under section 406 & 407 of M.S. Act, 1958.

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(This circular is to be read with SD Circular nos. 2/2002, 8/2003, 1/2005, 3/2005, 3/2006 and 4/2006)

1. This Directorate had earlier issued SD Circular 3/2006 on the cited subject wherein an attempt was made to streamline the procedure for issue of licences under section 406 and 407 to reduce delays due to incomplete paper work.
2. Delays, however, in issue of licences continue to be a source of concern. Taking into account the growth in cargo and the further enhancement in cargo availability envisaged @ 20% p.a. over the next 5-6 years and the consequent increase in licensing work, this Directorate had switched to an online system of processing of licences since 1<sup>st</sup> January 2007, as announced and described in DGS Circular 4 of 2006.
3. In order to streamline the procedures further, it has been decided to shift to a system with greater reliance on self declaration and self certification which acknowledges that the onus of maintaining the seaworthiness of the vessel rests squarely with its owner and that it is in the own interest of the charterer and shipper to ensure that the vessel contracted is seaworthy and has valid registration certificate and insurance cover.
4. **Procedure for issue of approvals for chartering/ Licensing :**

Applicants wishing to engage a foreign flag vessel and applying for licences under section 406 and 407 for specified period or specified voyage licence/permission would no longer be required to mail/send/enclose copies of any of the certificates concerning the registration, survey or certification of the ship. Instead, they would need to submit complete details on the online form of such documentation, including details of issue & validity of relevant certificates and to certify that all information contained in the checklist has been verified by the applicants against the certificates held by the ship or as submitted by the ship owner and that such all information submitted is true and correct to the best of their knowledge and belief, with full knowledge of the consequences, which may extend to targeting the ship-owner concerned under Port State Control inspection, revoking the licence & reverting the applicant to the existing procedure of verification

of all documentation by the Directorate and penal action under M.S. Act 1958.

However, all applicants would need to submit/enclose:

- (i) the fees prescribed with a signed print out of the on-line application with the DD.

**4.1** It may further be noted that this relaxation in procedure will not be available to:

- (i) Offshore Vessels which carry more than 12 persons,
- (ii) Other Offshore Vessels more than 15 years old,
- (iii) Single hull oil tankers more than 15 years old,
- (iv) All passenger vessels,
- (v) Any vessel more than 25 years old.

Applicants desirous of engaging such ship would need to continue to send copies of the appropriate certificates and all documentation to the DGS for verification as per existing procedure.

**5.** It may be noted that the information furnished by the applicant would be liable for audit and random cross verification and if in course of such audit or verification it comes to light that a firm, company, master or agent of the vessel has furnished false declaration they would also be liable for penal action under M.S. Act, 1958.

**6. Procedure for issue of General Trading Licence :**

Greater self regulation is now introduced in the procedure under section 406 in respect of Indian ship-owners applying for a General Trading Licence.

**6.1** Henceforth, the licence will be issued for a period of 10 years without consideration of the validity of the statutory certificates held by the ship.

**6.2** Ship-owners are required to submit undertaking to keep all applicable certificates and insurance cover in place and valid at all times with full knowledge of the consequences of default, which will be an automatic suspension of the licence

as well as a reversal in his case to the previous procedure under section 406.

**6.3** In cases where a new or second hand vessel is issued provisional registry/temporary pass under section 41 of M.S. Act 1958, such vessels would be issued with provisional General Trading Licence for up to the period of the validity of the provisional registry/temporary pass under section 41. In order to obtain provisional GTL, ship-owners are required to submit application along with duly filled check list indicating details of existing certificates and the prescribed fees.

7. This issues with the approval of the Director General of Shipping and Ex-officio Additional Secretary to the Govt. of India.

**Sd/-**

**(S.G. Bhandare)**

**Asstt. Director General of Shipping**