

# FLAGSHIP

NEWS FROM THE LIBERIAN REGISTRY

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## Liberian-flag fleet continues impressive growth in difficult year

**T**he past twelve months have been a difficult period for shipping. The worldwide economic recession, plummeting freight rates, increased operating costs, the increased incidence of piracy attacks, and the unscheduled transfer of tonnage into lay-up to await more favourable market conditions, were just some of the more serious problems to have affected shipowners and operators in 2009.

The Liberian Registry has been providing proactive support to help its clients survive these difficult times, not least by introducing a number of initiatives to help protect the commercial and technical interests of owners and operators whose ships have entered interim lay-up, by launching a best practice anti-piracy program, and by enacting a new mortgagee act to significantly strengthen security for ship mortgagees and for shipping interests generally.

In many ways, 2009 was a landmark year for the Liberian Registry. It was the year in which the 3,000th vessel was registered with Liberia; it was the year in which the agreement between the Liberian Bureau of Maritime Affairs and LISCR covering the management of the registry was extended for a further ten years; and it was the year in which the registry continued to expand its international coverage, including the opening of an expanded operational office in Hamburg, Germany. It was also a year in which the size of the Liberian-flag fleet grew to a record 3,140 ships, aggregating 97.2m gross tons. This represents a net growth during 2009 of no fewer than 215 ships and 10.5m gross tons.

Scott Bergeron, Chief Operating Office of LISCR, says, "The true test of any service provider in the international shipping industry comes

in times of difficulty, rather than in the good years. The registry is committed to helping its owners and operators to survive the current difficult market conditions and to be prepared in every way for safe and profitable operation. The continued healthy growth in the size of the Liberian-flag fleet confirms that we are succeeding in those objectives."

### New corporate registry newsletter

The Liberian Corporate Registry has recently published the first issue of a new, dedicated newsletter, which includes a feature on voluntary filings of information. This explains that corporations can submit voluntary filings of information to any LISCR office, which findings are considered 'public' in that it would be possible for third parties to order certified copies of the documents. When third parties such as banks request documents, or so-called Certificates of Incumbency, voluntary filings which name the directors and officers of a company will usually satisfy such a request.

Meanwhile, corporations which do not want their filings to be publicly available can record information with the LISCR Trust Company, as registered agent. Such filings are considered private in that it would not be possible for third parties to access the information.

The next issue of the corporate newsletter, which will be published in early 2010, will include a feature on the Liberian Limited Company.



*The 9,494 gt, Liberian-flag offshore support vessel "Toisa Pegasus" was delivered in 2009. LISCR worked very closely with its owner and managers during the latter stages of building to review, approve and certify modifications required to enable the vessel to undertake specific tasks while operating under charter.*

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## Liberia further strengthens corporate edge

**I**n October 2009, LISCR conducted a seminar in Piraeus, Greece, at which more than 100 delegates were able to debate a range of issues pertinent to the local shipping and business community and in which Liberia has maintained and improved upon its strong competitive edge.

Michalis Pantazopoulos, General Manager of LISCR Hellas, opened proceedings by confirming that Greek shipowners currently represent more than 25 per cent of the Liberian-flag fleet, and that it is the extensive use of Liberian corporations for not only shipping, but also non-shipping activities in the manufacturing, trading, real estate and banking and broking sectors, which sets the Greek community apart from other countries.

Pini Schwartz, LISCR Executive Vice-President and newly appointed worldwide head of the Corporate Department, explained that Liberia was continually evaluating its corporate products, particularly in the current difficult economic climate, and looked forward to working with companies in the banking, legal, tax and corporate service sectors "without compromising or jeopardising the high quality and standards of the Liberian corporate programme". And he confirmed that LISCR's key corporate personnel in London, Hamburg, Hong Kong, Tokyo, Zurich and the US were all in Greece to plan together a strategy covering the way forward.

Margaret Ansumana, Deputy Corporate Registrar and Deputy Commissioner of Maritime Affairs for Liberia, told delegates that LISCR was committed to providing not only the proven products and services which clients have come to expect over the years, but also new products such as those relating to Private Foundations and Liberian Limited Companies.

LISCR Vice-President Stephen Frey then delivered a presentation on the key features of the Liberian corporate programme, including full electronic registration, free redomiciliation into the Liberian registry from other jurisdictions, voluntary private recording with the LISCR Trust Company, and voluntary public filing with the Liberian Ministry of Foreign Affairs.

LISCR president Brad Berman co-ordinated the subsequent featured presentations, which included contributions from Darlene Hart, CEO of US Tax & Financial Services Sarl, on The Tax Consequences of Doing Business with US Connections, by Erich Baier of Bilanz-Data GmbH on The Use of Private Foundations, and by Jacques Leuba of Banque Heritage on The Role of the Private Banker.

A straw poll of delegates after the conference revealed an overwhelming perception that Liberia was ahead of its competitors in taking a proactive approach to problems facing its clients.



*Pictured is the recent new registration, the 9,611 gt general cargo ship "Beluga Formation", which is one of a total of 66 specialist vessels which form the fleet of Germany-based project and heavy lift carrier Beluga Shipping. Beluga's newbuilding programme currently comprises about thirty vessels.*

## Liberia continues MLC 2006 planning

Continuing with its leading role in helping to implement the new ILO Maritime Labour Convention (MLC 2006), the Liberian Registry recently held a workshop for leading crew managers in Hamburg in order to broaden still further its dialogue with leading crewing agencies in Germany.

Liberia was the first flag state to ratify MLC 2006 and has continued to take a proactive approach to its implementation, which will take place one year after thirty countries representing a minimum 33 per cent of world tonnage have ratified the convention – likely to be end-2011, according to latest projections. Delegates to the workshop learned about Liberia's procedures for developing MLC 2006-related documents such as those contained in Liberia's DMLC 1 and Marine Notice MLC-001. Delegates were provided with drafts of these documents in advance of the workshop - and before official publication of same – to facilitate understanding and discussion.

The workshop provided an overview of MLC as well as details of implementation procedures specific to Liberia. Delegates were able to raise questions on specific problems envisaged following implementation, for example those concerning seafarer contracts and the requirement to pay a certain amount of salary in cash. For Liberia, this was an ideal opportunity to take account of any concerns which exist on the part of crew managers and agencies and to consider any related suggestions when finalising MLC documents. The opportunity was also taken to introduce LISCR's new head of Seafarer Certification & Documentation, David Muir, to those in attendance, and to debate a number of regulations which over time have been the subject of differing interpretations.

● David Muir has been busy making a number of MLC 2006-related presentations to shipping audiences at various strategic shipping locations around the world, including one to the International Association of Drilling Contractors in Miami, Florida, which attracted approximately 500 delegates.



## Lay-up provisions meet with great success

**I**n the current economic downturn, owners and operators need to be able to rely on their ship registers for innovative and proactive solutions to problems they are likely to encounter in a difficult market. One recent example of that has been the increasing numbers of owners looking at the possibility of laying up their ships until such time as trading conditions improve or, in some cases, seeking to acquire, at favourable prices, tonnage which is already laid up.

The Liberian Registry was quick to recognise the two things which matter above all others for shipowners in such cases - efficient and user-friendly administrative handling to get in and out of lay-up status, and a quick and substantial reduction in costs. And that is just what Liberia has been providing. Liberia's lay-up provisions have met with a high level of successful

response, helped by presentations on the subject made to owners and operators in London and Hamburg during the past six months. Liberia's intention has been to mitigate the burden and financial strain placed on shipowners and financial institutions as a result of long-term lay-up, while maintaining safety, security and environmental protection.

Liberia was the first register to take this initiative, and a significant number of those ships which have gone into lay-up have done so under the Liberian programme. We have received a high level of positive feedback from clients, who have been appreciative of the initiative taken by Liberia in this regard, which has effectively given them a competitive advantage in terms of being able to make their ships available for new charters at any time, without delay.

## Spreading the word

**L**ISCR executives continue to speak on a variety of topics at leading international shipping forums as part of a commitment by the Liberian Registry to build on its existing undertaking to facilitate the exchange of information and dialogue on topics of industry-wide importance. Stuart Williams, head of LISCR's London office, has been among the busiest in this regard. He addressed Lloyd's Maritime Academy (LMA) in London on the subject of lay-ups, explaining to shipowners and managers the ways in which LISCR can help during periods of long-term

lay-up and financial restrictions. Later in the year he addressed the LMA once more, this time outlining Liberia's programme for implementing the Maritime Labour Convention. Other speaking engagements included a presentation in Southampton, England, on the basic requirements of ship registration for trainee lawyers and bankers, and a talk on Ballast Water Management (BWM) to an Active Communications International meeting in London on how flag states can help owners with both IMO and regional BMW compliance.



## Customer satisfaction survey

As the Liberian Registry continuously works to maintain the highest quality ship registration and registry administration services in the world, we are committed to providing first-class customer services to all our clients. The premise of this commitment is to understand the needs of our clients, and to enhance their satisfaction levels in relation to the services we provide. Our ultimate goal is to provide timely and effective vessel registration and administration services, a high level of responsiveness to customer support by dedicated, professional staff, and acknowledged high regulatory quality and standards of marine safety, environmental protection, and seafarer welfare.

As part of our commitment to maintain and improve the highest standards of services and products, we have developed a web-based Customer Satisfaction Survey that you can complete to let us know how we are doing and how we can improve our products, services, and staffing professionalism. The survey can be accessed through the LISCR website at [www.liscr.com](http://www.liscr.com) under the 'Survey' tab, or directly at <http://www.liscr.com/liscr/Survey/tabid/225/Default.aspx>. The comments and suggestions that you provide mean a lot to us as we strive to improve our organisation and our services to you, our customers.

We would greatly appreciate it if you would kindly take the time to complete the web-based survey. Please feel free to contact Quality Assurance at our [qcm@liscr.com](mailto:qcm@liscr.com) email for any questions or clarifications, and/or for any assistance you might require.

*The Liberian-flag capesize bulk carrier "Captain Vangelis", which was recently delivered by Sungdong Shipbuilding and Marine Engineering Co Ltd of Korea to Prideship Ltd of Monrovia, is managed by Kyla Shipping Enterprises Corp*



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# Service milestones

**L**ast year, LISCR celebrated ten highly successful years as manager of the Liberian Registry, during which time the size of the fleet has grown to record levels.

There are also a number of people who have now completed ten years' service with the registry. These include Brad Berman, Michael Davies-Sekle, Timothy Keegan, Sneh Sethi, James Bouchard, Anthony Geegbae, Dennise Promise, Glenda McDonald, Mohammed Altalib, Elizbieta Goralski and Anthony Dupree. Indeed, the latter two, Elizbieta and Anthony, have completed twenty and fifteen years' service, respectively, when their previous employment at the registry's former managers are taken into account. And Gloria Shifflett will retire in January this year after 32 years of service with the registry.

Meanwhile, among those who have completed five years' service are Pini Shwartz, Froilan (Oyie) Galang, Marina (Rani) Lushinski, Ly Than, Mayann Yoder, Sara Ward, Lan Dinh, Natascha Filbert, Estelle Marshall and Yelia Liu.

LISCR COO Scott Bergeron says, "Any organisation is only as good as its employees, and LISCR's success over the past ten years is due in large part to the quality and the loyalty of its staff, and to the dedicated way in which they perform their jobs. I would like to think, also, that the fact that we have retained the services of so many good people suggests that we know how to treat them properly."

## Lead auditor course in Manila



The Liberian Registry, which has provided an industry lead in terms of harmonised audits, recently held a fully harmonised ISM, ISPS and Marine Investigations Lead Auditor course in Manila, the Philippines, following up on the previous successful courses conducted in the UK, Hong Kong and the US.

Thirty delegates, from a variety of different countries, attended the sessions and workshops over a six-day period, which included a presentation by Chris Trelawney, head of maritime security at IMO. Following the course, delegates sat a five-hour examination, which produced an extremely high pass rate. Proceedings concluded with an introduction to the Maritime Labour Convention 2006.

