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> Date 09 Jan 2024 Ref. 01/08

> > Marine Circular № 01/08/2024

Applicable to: Ship Owners / Management Companies / Recognized Organizations / Ship Agents / Charterers / Any other relevant parties

Subject: SHIP REGISTRATION AND CLOSURE OF REGISTRY

**Purpose:** This Marine Circular aims to provide guidelines and set forth procedures for a ship registration, deletion from the registry, and cancellation of ships that have breached international and domestic laws, rules, regulations, standards, guidelines, and other relevant circulars adopted by the port of registry.

**Note:** Ship owner and its representative, management company, charterer shall be collectively referred to as "operators".

## SHIP REGISTRATION

- The operator/agent shall submit all ship registration documents required by the Mongolia Maritime Administration (hereinafter referred to as "the Administration"). It is mandatory to fill the ship registration application forms comprehensively. It is mandatory to submit the Letter of Undertaking attached to this circular.
- For vessels that are eligible for registration, the Administration has the right to request supplementary information and/or documents if the information provided on the application form is insufficient or lacking evidence.
- 3. Documents must be complete to initiate the ship registration process; failure to do so may lead to potential delays or rejection of the application.
- 4. The Administration shall conduct a thorough due diligence on the operator's and vessel's background and previous history.
- 5. The Administration reserves the right to decline a vessel's application if it deems the subject vessel and/or its operator is suspicious and/or non-compliant with the specified requirements and is under no obligation to explain the reasons.

## DELETION FROM THE REGISTRY

The operator/agent shall submit a written request stating the reasons for the closure. A vessel registered in the Ship Registry of Mongolia can be deleted under the following cases:

- 1. Expiration of ship registration certificate;
- 2. The vessel has undergone the process of re-flagging and is registered under a different flag;
- The vessel has been sold;
- 4. The vessel has reached its expiration date or is no longer deemed serviceable or broken-up;
- The vessel has capsized or sank due to a casualty or force majeure, which resulted to a total or partial loss;

The operator requesting to close a vessel's registry must ensure that:

- 1. There is no undischarged mortgage;
- 2. There are no outstanding liabilities, annual tonnage tax or other fees;
- 3. There are no complaints or claims from the crew members;
- 4. There is no court order prohibiting any dealing with the vessel or any share therein;
- 5. In the event that the vessel is detained during a Port State Control inspection prior to a deletion request, all deficiencies must be rectified before closure;

## CANCELATION

The Administration shall have the right to cancel the vessels' registration without any compensation in the following instances:

- 1. Violation of sanctions imposed by the United Nations, the European Union, related international authorities, and local governing bodies;
- 2. Serious non-compliance with legal regulations in force in Mongolia or with maritime safety, pollution prevention, maritime security or international conventions ratified by Mongolia;
- 3. Entry to a war-like and high-risk areas that are parts of the world where it is considered that there is a high level of exposure to safety and life risks due to a war, military tension, hostilities, and other circumstances causing immediate danger to a vessel and its crew.
- The vessel has been detained twice or more in one calendar year during a Port State Control inspection;
- 5. The use of vessel for smuggling, illicit or clandestine trade, piracy or for the commission of other crimes;
- Deliberately deactivate, tamper or alter the operation of Automatic Identification System (AIS). Any other signs of manipulating AIS transponders will be considered red flags for potential illicit activity and shall be investigated fully prior to continuing to provide services to, processing transactions involving, or engaging in other activities with such vessel;
- 7. Deactivation, tampering or alteration of the operation of AIS nearby a sanctioned country;
- 8. Deliberately deactivate, tamper or alter the operation of Long Range Identification and Tracking System (LRIT);
- 9. Involvement in activities related to fishing;
- 10. The presentation of forged or falsified ship registration documents:
- 11. Abandonment of the vessel;
- 12. The Administration has lost contact or encountered difficulties in maintaining communication with the operators, and despite attempts to reach out, there has been no response concerning matters related to the ship registration;
- The execution of acts affecting national interests;
- 14. The vessel's annual survey period was overdue and there was no further action or response from operators;
- 15. No corrective action has been initiated subsequent to a recent flag state inspection.

The cancelation may result in heavy Flag State penalties, in accordance with the domestic law and regulations.

This circular will enter into effect as of 09th January, 2024

Sincerely Yours,

ULZIIJARGAL YURA

HEAD OF ADMINISTRATION AND MANAGEMENT DEPARTMENT

MONGOLIA MARITIME ADMINISTRATION

## Annex. LETTER OF UNDERTAKING

As we are.....

Owner of					
			Name of owner		
Date					
Signature					
Company stamp					