

The Structure and Operations of The Liberian Registry

Symposium on Flag State Responsibilities and the Future of Article 91 of UNCLOS



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ALL FLAGS ARE NOT ALIKE



The Liberian Registry Today



4,400+
Registered Vessels



12% of World Fleet



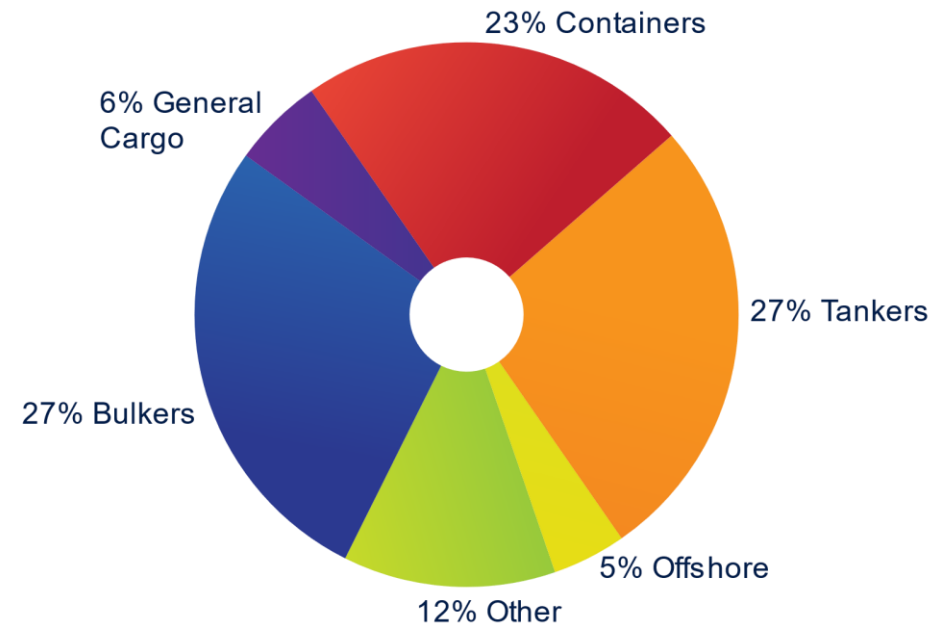
ISO 9001:
2015 Certified



175 million+
Gross Tons



280,000+
Active Seafarers



Liberian Registry Global Network



The Liberian Registry has **400** professionally trained auditors & inspectors serving ports around the globe

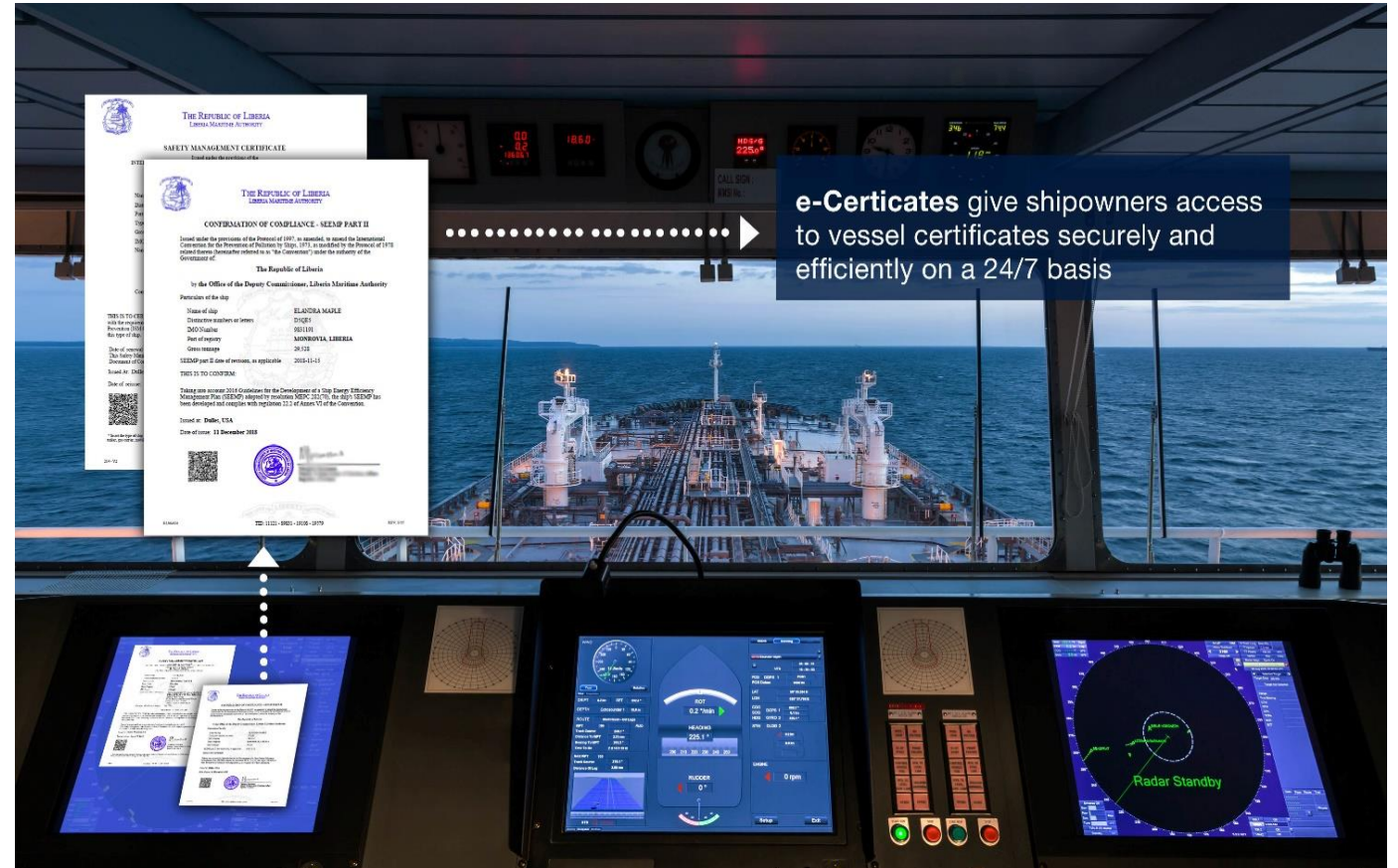
e-Certificates

Secure Electronic Vessel Certification

The Liberian Registry is the Leading **flag** to offer e-Certificates – Secure, online certification and verification.

About e-Certificates

- ❖ Issued in secure PDF format
- ❖ Provided via e-mail
- ❖ Recognized by the IMO
- ❖ Digital signatures are in compliance with Liberian Electronic Transaction Law
- ❖ Available on a 24/7 basis



Liberia's - Online Client-Interface System

WayPoint

Liberia's state-of-the-art online client interface system provides unparalleled interaction with the Flag and user friendly access to real-time fleet details.

Features :

- ❖ Issues certification services via **online client portal**
- ❖ Vessel Managers / Operators can apply for :
- ❖ WRC, BCLC, and CLC Compliance Certificates
- ❖ Audit & Inspection and Plan approval requests.
- ❖ LRIT & Inmarsat Activations
- ❖ Certificates (with the ability to print duplicate copies), **view / pay invoices online** and request inspections / audits



Flag States / Open Registries



- ❖ Nearly **70%** of the World Fleet are **registered with Open Flags**.
- ❖ Open Registers top the performance white lists.
- ❖ Open Registers are the first to ratify and implement modern International Conventions, including Labor Standards.
- ❖ Open Registers keep transportations costs down, facilitate commerce and allow for efficiencies in global trade.
- ❖ Open Registers provide legitimate revenue to developing / poor countries.

“We have moved beyond ‘flags of convenience’... they have become international registries with international responsibilities.”

IMO Secretary-General, Mr. Koji Sekimizu, 2015

Liberian Registry – Quality Reputation

<p>Average Fleet Age</p>	<p>11 years</p>
<p>Top Tier Records Port State Control</p>	<p>QUALSHIP 21 - USCG Tokyo MOU – White List Paris MOU – White List STCW – White List</p>
<p>Top Ranking in Flag State Performance Table</p> <p>* As determined by the Round table of International Shipping Associations</p>	<p>BIMCO INTERCARGO INTERTANKO INTERNATIONAL CHAMBER OF SHIPPING (Liberian Shipowners Council-member of ICS) INTERNATIONAL SHIPPING FEDERATION OCIMF / SIRE RATIFICATION OF MAJOR INTERNATIONAL MARITIME TREATIES</p>

Liberia's International Standing

Liberia has ratified all major international treaties in respect to seaworthiness of ships, manning requirements and training qualifications such as:

- ❖ Safety of Life at Sea (**SOLAS** 74, as amended and its 1999 Protocol);
- ❖ Prevention of Pollution from Ships (**MARPOL** including Annexes I-VI);
- ❖ Load Lines (**LL** 1966 and its 1988 Protocol);
- ❖ Standards of Training, Certification and Watchkeeping for Seafarers (**STCW** 78, as amended) (training);
- ❖ **ILO MLC** 2006, as amended (social protection and employment standards); and
- ❖ Liability Conventions **CLC/Fund, Bunker, Wreck Removal**



Liberia is a member of the following international/ regional organizations:

- ❖ **United Nations** - Founding Member | 1945
- ❖ **International Maritime Organization (IMO)** - Founding Member | 1959 Permanent voice at the IMO
- ❖ **Economic Community of West African States (ECOWAS)** - Founding Member | 1975
- ❖ **Extractive Industries Transparency Initiative (EITI)** - Member | 2009
- ❖ **OECD Global Forum on Transparency and Exchange of Information for Tax Purposes** - Member
- ❖ **World Trade Organization (WTO)** - Completed the accession negotiations on 6 October 2015
- ❖ **Marine Anti-Corruption Network (MACN)** – Member | 2018

LISCR LLC - The Liberian Registry's Exclusive Administrator

LISCR, LLC, (LISCR) the Liberian International Ship & Corporate Registry (the Liberian Registry), administers the Liberian Ship and Corporate Registries, pursuant to an act of law of the Liberian legislature.

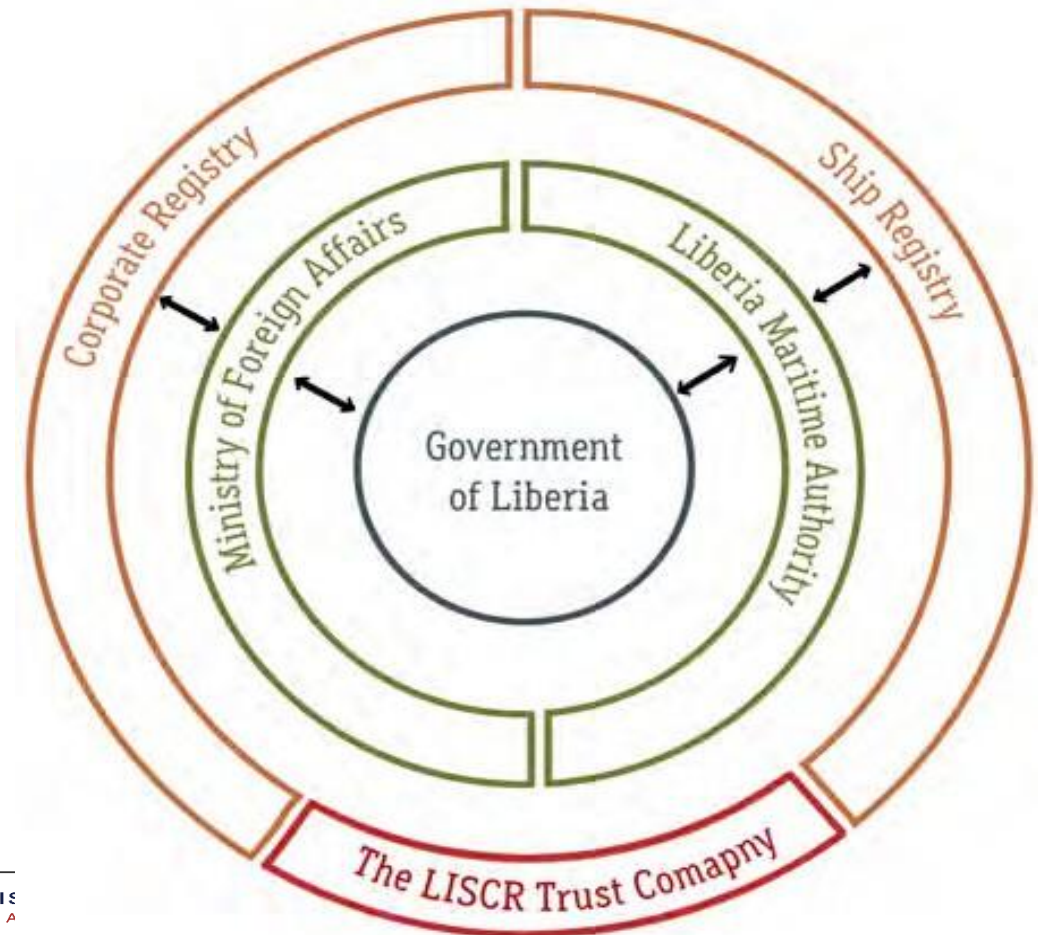
It is a requirement of the statute that created the relationship between LISCR and the Government of Liberia that the legal and beneficial owners of LISCR are United States Nationals.

The Role of the LISCR Trust Company

Using the model of the laws of the States of Delaware and New York, Liberian law provides that when a corporation does not have a place of business in Liberia, such non-resident corporation is required to have a registered agent.

Statutorily, the only entity authorized to provide that service is The LISCR Trust Company, which in turn is managed by LISCR. Under the Associations Law of Liberia, The LISCR Trust Company as the registered agent provides registered office of each non-resident corporation.

Organizational Structure





What Constitutes Liberian Maritime Law?

- ❖ **TITLE 21 OF THE LIBERIAN CODE OF LAWS OF 1956, AS AMENDED (RLM-107);**
- ❖ **LIBERIAN MARITIME REGULATIONS (RLM-108)** issued by the Commissioner of Maritime Affairs in exercise of the powers conferred upon him by Section 11 of Chapter 1 of Title 21; and
- ❖ **VESSEL REGISTRATION REQUIREMENTS AND MORTGAGE PROCEDURES (RLM-100)**, issued by the Commissioner of Liberia Maritime Authority and the Agent of the Liberian Government in exercise of the powers conferred by Section 13(2) of Chapter I of Title 21 and Regulation 1.13(2) of Chapter I of The Liberian Maritime Regulations.
- ❖ **Liberia's legal system is closely modeled on the United States Common Law.**
In fact, insofar as it does not conflict with the Liberian Maritime Law, Title 21, the non-statutory General Maritime Law of the United States is adopted as General Maritime Law of the Republic of Liberia.

The Liberian Corporate Registry & Compliance



- ✓ **Liberian entities have been used internationally since 1948**, making the Liberian Corporate Registry one of the oldest corporate jurisdictions with global presence in the offshore corporate services industry.
- ✓ The Associations Law of Liberia, generally **modeled on the corporate law of the U.S.** allows for the formation of non-resident Corporations, Limited Liability Companies, Private Foundations and Limited Partnerships.
- ✓ Pursuant to directives created by multi-governmental organizations such the (OECD) and the **Financial Action Task Force (FATF)**, the Government of **Liberia has taken robust steps to remain compliant.** Liberian corporations formed after May 31, 2018, shall be authorized to issue shares in registered form only.
- ✓ Liberia is ***not listed* as a jurisdiction of primary concern** or a jurisdiction of concern for money laundering or terror financing under the *United States International Narcotics Control Strategy Report*.
- ✓ Liberian is not considered a Tax-Heaven and is not listed on the **EU list of Non-cooperative Tax Jurisdictions.**
- ✓ In 2016 Liberia became a member of the **Inclusive Framework of BEPS**. The OECD/G20 Inclusive Framework on Base Erosion and Profit Shifting (BEPS) brings together over 125 countries and jurisdictions to collaborate on the implementation of the BEPS Package
- ✓ The Liberian Registry / LISCR LLC is certified and audited by the IMO

The Liberian Registry - Compliance and Due Diligence



Compliance Procedure for Vessels and Ship Owning Entities

The Registry's information database features "real-time" scanning and blocking of designated individuals, vessels and companies.

- The database allowing to screen against a wide range of sanctions lists, including but not limited to OFAC SDN.
- The database allows to look beyond the face of the blocked parties

The Registry's database performs regular checking to determine ships and Corporate Due Diligence on :

- -the clients and their clients' contacts, Beneficia, Owners
- -maritime agents and corporate addresses of record (AORs),
- -vessels & vessel History,
- -Management Company's history
- -Class survey and PSC records
- -inspectors
- -vendors

The system completely prohibits the user from performing any business function for any vessel, company or individual which appears on OFAC SDN or other sanctions lists.

Current & Future Challenges

IMO – BWMC – Entry into Force 8 Sept 2017

Concerns about approved systems and Yard availability. IMO agreed on proposals led by Liberia's to a **2-year deferral on the implementation schedule**.



IMO – MARPOL Annex VI 2020 Sulphur cap – Entry into Force 1 Jan 2020

The Liberian Delegation intervenes on document MEPC74/14/1 to support the industry's "early movers" as these owners who installed EGCS should not be punished.

Promote the need for additional scientific studies providing more clarity and to assist in understanding the environmental impact of scrubbers



Guidance on best practices for Fuel Oil Purchases (MEPC.1/Circ.875)

Record in log book and notify the Administration (letter of protest to supplier)

Administration shall notify IMO for transmission to other Parties/Members (18.9.6)

Dispute - Verification procedure in accordance with appendix VI of MARPOL Annex VI



Non-availability of compliant fuel oil (FONAR)- Appendix 1 of MEPC.320(74)

Provide evidence that compliant fuel was not available and /or would cause operational or safety problems.

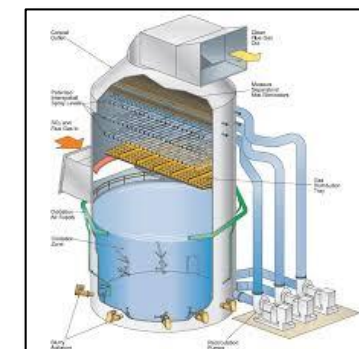
Notify PSC at destination port and flag Administration / Submit a FONAR.

Guidance on action to take in case of EGCS failure (MEPC.1/Circ.883)

-Report to flag and port State's Administration with action being taken to address failure

-Activate Contingency Plan

-Relevant authorities (coastal States and destination port State) and ship's Administration should agree on proposed course of action



Thank you

