S.D. Circular No. 3 of 2015

Sub: License under section 406 of the Merchant Shipping Act, 1958 & fee to be charged for granting such license, to vessels covered under this office DGS Order No. 10 of 2014 [F.No.SD-12/Misc(15)/12] dated 23.07.14 [Indian Controlled Tonnage vessels]-reg.

WHEREAS, the Directorate General of Shipping [DGS], Govt, of India, vide its DGS Order No.10 of 2014 [F.No. SD-12/Misc(15)/12] dated 23.07.14, has implemented a policy initiative to facilitate the growth of Indian mercantile marine tonnage through the route of the Indian Controlled Tonnage [ICT], by allowing ships owned by Indian entities to be flagged outside India, subject to certain conditions mentioned in the said DGS Order.

2. WHEREAS the DGS, Govt has received representations from Indian shipping companies, including the Indian National Ship-owners Association [INSA], informing certain difficulties in genuinely leveraging the said DGS order, in particular the provisions under Para 5 (e) of the said order.

3. Now, therefore, the Director General of Shipping & ex-officio Additional Secretary, Govt. of India has decided the following;

3.1. The vessels under Indian Controlled Tonnage, in terms of the above mentioned DGS Order, may be granted licenses under section 406 of Merchant Shipping [MS] Act, 1958, as amended by treating such vessels as chartered vessels by dispensing/exempting them from the requirement of a charterer, in terms of power conferred by sub-section (1) of section 456 of the Merchant Shipping Act, 1958 read with the erstwhile Ministry of Transport & Communications, Govt. of India, in force, Standing Order [S.O.] No. 3144 dated 17.12.60.
3.2. The applicant company concerned [for the purpose] shall follow the procedures laid down from time to time, for the grant of such a license, including that of no objection certificate [NOC] from the INSA.

3.3. Considering that shipping companies owning vessels under the said Indian Controlled Tonnage are the actual owners of such vessels [Merchant] flagged out of India, 50% of the amount of the chargeable processing fee, and license fee, per month, currently applicable to foreign flag vessels, as per this office SD Circular No. 02 of 2010 [F.No.SD-13/POL(3)/97] dated 04.02.2010, shall be paid by them as processing/licenses fee. Accordingly, the vessels under Indian Controlled Tonnage paradigm and which apply for such Licenses in terms of para 3.1 above shall pay Rs. 20,000/- [rupees twenty thousand only] as processing fee and Rs. 15,000/-[rupees fifteen thousand only] as license fee [i.e. total Rs. 35,000/- [rupees thirty five thousand only] per month.

4. The foregoing measures have been put in place for boosting the ICT /promoting Indian tonnage, in public interest and without prejudice to the right of this office, whatsoever, to alter/ modify any of the provisions of the said DGS Order or this Circular, going forward.

5. This issues with the approval of the Director General of Shipping & ex-officio Additional Secretary to the Govt. of India.

Sd/-

[Ash Mohomad]
Assistant Director General of Shipping (SD)

To,

1. All India Stakeholders/shipping companies, through DGS Website.
2. INSA, ICSSA, FOSMA & MASSA, Mumbai.

Copy to forwarded for an information to the;
1. Secretary to the GOI, Ministry of Shipping, Transport Bhawan, New Delhi [Attn.: Shri Abhinav Gupta, Deputy Secretary].
2. NA/CSS/CS, DGS, Gol.
3. DDG (Trg./MTT) & DDG (Coord), DGS, Gol.
4. Hindi Branch, DGS, Gol.
Sd/-

[Ash Mohomad]
Assistant Director General of Shipping (SD)