

Shipping Development Circular No.1 of 2008

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

Dated 25.04. 2008

Subject : Revised guidelines for chartering of vessels under Sections 406 and 407 of Merchant Shipping Act ,1958.

Concerned by the rising trend of marine accidents in and around Indian waters especially during rough weather, the Ministry of Shipping, Road Transport & Highways set up a Committee in July, 2007 to suggest urgent measures to reduce marine casualties. Since analysis of the accidents over the last 3 years showed a significant correlation between age of vessels and the break-downs which caused these casualties, the Committee recommended, inter-alia, the revision of guidelines to restrict the age of vessels plying in Indian waters and a tighter regime of surveys and inspections.

2. Accordingly, in the interest of maritime safety, it has been decided to modify existing guidelines for chartering of vessels under Sections 406 and 407 of the Merchant Shipping Act, 1958 (M S Act). Existing **DGS Circulars Nos. 7 of 2003 dated 11.06.03** and **8 of 2003 dated 14.08.2003** (read with clarifications vide Memorandum dated 21.11.2003 and 31.12.2003), restrict only the charters of tankers to those which are less than 25 years (30 years in the case of gas carriers) and are CAS and CAP-2 rated and classed with IACS.

3. It is now further decided, after taking into consideration the views and objections of a wide range of stakeholders, that, with effect from **15th May 2008**, applications for permissions for chartering in / grant of licence to vessels under Sections 406 and 407 of the MS Act either for single or specific voyages or time charters that enable vessels to visit an Indian port or to ply in Indian territorial waters or the Indian EEZ will be entertained only as follows:

3.1 **During the period of foul weather**, being 1st June till 31st August in the Arabian Sea along the West Coast and 1st May till 30th November in the Bay of Bengal along the East Coast of the Indian Peninsula:

3.1.1 From all cargo vessels - other than gas carriers, oil or product tanker and dredgers - only if they are less than 25 years of age.

3.1.2 From gas carriers, only if they are less than 30 years of age.

3.1.3 From oil or product tankers, only if they are double hull or if single hull, less than 20 yrs and fulfilling the Condition Assessment Scheme (CAS) requirements as assessed by the Indian Register of

Shipping (IRS) or Classification Societies that are notified as Recognized Organizations by the Government. Consequently, SD Circulars 7 and 8 of 2003 giving guidelines for chartering of oil and product tankers will stand modified accordingly for the period of foul weather.

3.1.4 For all time charters of vessels other than passenger vessels, to be entered into with effect from 15th May, 2008, which include in the period of charter any period of foul weather, only if the age of the vessel proposed is less than 25 years at the time of termination of the charter period.

3.2 **Regardless of the period of the year** - from Offshore Service Vessels (OSVs) of all description (e.g. anchor handling tug, accommodation barge, tug, supply vessels, support vessels, barges, pontoons, etc.) or any other type of vessels which are chartered-in / engaged for the purposes of plying in and around offshore oil exploration areas and / or where security/safety sensitivities are high, only from those that are less than 25 years old, are classed with the Indian Register of Shipping (IRS); and have undergone inspection and rectification of deficiencies of hull, machinery, safety appliances and operational requirements (e.g. manning, etc.) before entry into Indian territorial waters.

4. All shipping companies, exporters, importers and agents may kindly take note of the change in eligibility of vessels for consideration of grant of chartering permissions and amend their own chartering terms, practices and instructions accordingly.

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

Sd/-

(SamuelDarse)

Deputy Director General of Shipping