

Unofficial Translation

Regulation Number: 2020/R-114

Maldives Transport Authority

Male'

Maldives

## **Shipping Agency Regulation**

### 1. Introduction

- a. Purpose of this regulation is to regulate and standardize the services provided by shipping agencies to the merchant ships calling to the ports in the Maldives.
- b. This Regulation is enacted pursuant to and in accordance with the provisions of, and derives its legal status from Act No. 35/2015 (First Amendment to the Marine Vessels Act – No. 69/78), Article 5, Section (b), Number 20, and Maldives Transport Authority Act – No. 3/2016, Article 6, Section (x).
- c. This Regulation shall be cited as the “Shipping Agency Regulation”.

### 2. Objective

The objective of this regulation is to enhance the services provided to merchant ships receiving services from ports in the Maldives and maintain the services provided by shipping agents at a professional and accountable level.

### 3. Enactment Agency

- a. This Regulation is enacted by the Maldives Transport Authority.
- b. The authority to amend this regulation is the Maldives Transport Authority.

### 4. Enforcement Agency

This Regulation and all provisions shall be enforced by the Maldives Transport Authority.

### 5. Scope and Jurisdiction of the Regulation

- a. This Regulation shall be enforced within the scope of the following activities.

- i. Parties providing services for arrival and departure related activities for merchant ships calling at ports in the Maldives.
- ii. Parties liaising services to vessels from Maldives Customs Service, port operating companies, Maldives Immigration, Department of Public Health / Port Health, Maldives National Defense Force / Coast Guard, and other relevant authorities.
- iii. Parties providing the services of Sign On and Sign Off for ship crews and handling their arrival and departure services.
- iv. Parties liaising the services of vessel storage, bunkering, arranging repair and related services, and other necessary services for vessels.
- v. Ship sales and purchase (ship brokerage) service providers.
- vi. Ship charter agents.
- vii. Agents collecting freight and charter fees.
- viii. Agents providing information on regulations, circulars and principles to vessels.
- ix. Agents providing the services of export and import cargo documentation.
- x. Agents providing the service of export and import cargo freight forwarding and releasing delivery order (DO).
- xi. Agents arranging services for ships departing from the Maldives according to the applicable rules and regulations.

## 6. Licensing

- a. From the effective date of this regulation, the services specified in the article 5 (a) shall be provided by parties licensed according the provisions of this article.
- b. Shipping agency shall be registered for companies registered under Act No. 10/96 (Companies Act of the Maldives) and shipping agency shall be covered under the scope of the Articles of Association of the particular company.
- c. Following documents shall be submitted for the registration of a shipping agency under Section (a):
  - i. Completed “Shipping Agency Registration Application Form” (Annex 1 of this Regulation);
- d. Agencies shall have a signboard with business hours placed outside the office premises. Any changes to office address shall be informed within 7 (Seven) days to the Maldives Transport Authority.
- e. All companies providing the services specified in Article 5, Section (a) at the time this regulation comes into effect as mentioned in Article 6, Section (a) shall obtain license within 30 (Thirty) according to Section 6 (a). After this period, shipping agency service shall not be provided without registration.
- f. Licensing as stated in Article 6, Section (a) shall be issued to business registered according to Business Registration Act (No. 18/2014), Section (a) and (b).

- g. Businesses obtaining license according to Article 6, Section (f) shall be companies or partnerships 100% owned by Maldivian shareholders during the course of the license.
- h. License issued under this regulation is non-transferable.
- i. If a party applying for Shipping Agency License is involved in an illegal activity, they shall be licensed only solving such issues from the relevant authorities.

#### 7. License Term

- a. License as state in Article 6 shall be issued for 5 (Five) years.
- b. The license shall be renewed before the expiry of the period stated in Article 7 from Maldives Transport Authority.

#### 8. Collecting Fees

- a. Shipping Agent License fee is MVR 100.00 (Maldivian Rufiyaa One Hundred) per year and MVR 500.00 (Maldivian Rufiyaa Five Hundred) shall be paid for 5 (five) years. License shall be issued after paying the fee.
- b. If the license is not renewed according to the Article 7, Section (b), an additional fee of MVR 250.00 (Maldivian Rufiyaa Two Hundred Fifty) shall be charged to renew the license.

#### 9. Controlled Tariffs

- a. With the enactment of this regulation, no additional fees or charges shall be collected, except the tariff agreed between the shipping agent and the consignee according to the Incoterms.
- b. With the enactment of this regulation, from the tariff for activities stated in Article 5, Section (a) the following tariffs are controlled in accordance with Consumer Protection Act (No. 12/2020), Article 65, Section (b).
  - i. Delivery Order (DO) Charge, MVR 771.00 (Maldivian Rufiyaa Seven Hundred Seventy-One) for a BL included with a full container or more CBM.
  - ii. Delivery Order (DO) Charge, MVR 385.50 (Maldivian Three Hundred Eighty-Five and Fifty Laaris) for a BL included with less than a container.
  - iii. Delivery Order (DO) Charge, MVR 385.50 (Maldivian Three Hundred Eighty-Five and Fifty Laaris) for a BL other not included in Sub-Section (i) and (ii).
- c. With the enactment of this regulation, tariffs above the control price stated in Section (a) shall not be charged.
- d. For the tariffs collected on services stated in Section (b) of this article, even if is itemized differently, or different invoices, if the service is identical to the service mentioned in the Section (a) of this article, no tariff above control tariffs mentioned in Section (b) can be collected.

#### 10. Responsibilities and Duties of Shipping Agents

- a. Shipping agents shall be bona fide and shall be provide their services to the principals in good faith. Shipping agents shall follow all relevant international conventions ratified by Maldives, as well as all applicable laws and regulations in providing their duties and obligations.
- b. Shipping agents shall carry out financial transactions with their principals in accordance to the laws and regulations in the Maldives.
- c. "International Incoterms" shall be followed to carry all international shipments from overseas to final port destination in the Maldives or from Maldives to overseas destinations.
- d. Agents shall assist and coordinate with the government agencies to resolve incidents caused by vessels such as hazardous accidents and environmental damages. Agents shall be responsible to resolve issues with third parties due to negligence of the agents.

#### 11. Recordkeeping and Information

- a. All licensed shipping agencies shall keep records of the parties who have acquired their services.
- b. Following information shall be submitted Maldives Transport Authority or an authority decided by the ministry.
  - i. Vessel name, registration number, arrival and departure date of the vessels served by the shipping agency.
  - ii. Ship storage, bunkering vessels; and if repairs or maintenance is done, vessel registry number, name and details of the repair and maintenance works.
  - iii. For vessel charters, the chartered vessel's name and dates.
  - iv. Details of import goods in freight charges, cubic meter (CBM) and containers.
  - v. Details of unreturned containers within the year.
  - vi. Details of export goods in cubic meters (CBM) and container details.
  - vii. Freight and charter rates of export goods from the Maldives.

#### 12. Penalty

- a. Any party found violating a provision of the Article 9, Section (a) shall be fined as follows;
  - i. Initial offence – MVR 1,000.00 (Maldivian Rufiyaa One Thousand)
  - ii. Second time offence – MVR 10,000.000 (Maldivian Rufiyaa Ten Thousand)
  - iii. Additional offences - MVR 100,000.000 (Maldivian Rufiyaa One-Hundred Thousand)
- b. Any party found violating a provision of this Regulation, except Article 9, Section (a) shall be fined, between MVR 500.00 (Maldivian Rufiyaa Five Hundred) to MVR 5,000.00 (Maldivian Rufiyaa Five Thousand) for the initial offence and repeated offenders shall be fined between MVR 5,000.00 (Maldivian Rufiyaa Five Thousand) and MVR 20,000.00 (Maldivian Rufiyaa Twenty Thousand).

- c. Repeat offenders shall be subject to an administrative investigation for negligence to shipping agency duties and responsibilities, and for failing to render their duties in good faith. As such if the investigation finds any party in violation of a provision of this Regulation, the Maldives Transport Authority may sanction to terminate the license issued to such party under the Maldives Transport Authority Act (No. 3/2016).

### 13. Enactment

This Regulation shall come into effect from the date of its publication in the Maldivian Government Gazette.

### 14. Definitions

As used in this Agreement, the following terms shall have the meanings set forth below, unless meant otherwise:

- a. In this regulation, "Shipping Agent" shall mean, vessel owners, vessel charterers, arrival and departure related service providers to vessels on behalf of the operator, parties issuing delivery order, parties liaising with the government agencies on behalf of the ship master, and guardian of the vessels.
- b. "Principal" shall mean vessel owners, vessel charterer or the vessel operator.
- c. "Freight Charge" shall mean, the fee paid for the transportation of sea cargo from the point of origin to an agreed destination.
- d. "Ship Brokerage" shall mean, a mercantile agent who acts to chartering vessels, acting in behalf of the vessel owner in obtaining cargo, passenger and crew, and in business of buying and selling vessels.
- e. "Ship" or "Vessel" shall mean, cargo and passenger vessels registered to travel internationally at the Maldives Transport Authority and all international vessels traveling to the Maldives.
- f. "Sign On, Sign Off" shall mean, adding and removing crew on the vessel registry.
- g. "Vessel Store" or "Ship Store" shall mean, supplies and equipment required for the operation and upkeep of a vessel including food, medicine, fuel and other supplies.
- h. "Bunkering" shall mean supplying and loading fuel for use by vessels.
- i. "Incoterms" shall mean series of pre-defined commercial terms published by the International Chamber of Commerce to determine the responsibilities of parties providing the service of transporting goods.

## Annex 1 – Shipping Agency Registration Form

This is an Unofficial Translation

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