QUESTIONNAIRE ON MARITIME LINES AND MORTGAGES REGISTRATION OF SHIPS UNDER BARE-BOAT CHARTER

General Remarks

F.R.G.

We deem it necessary to express our understanding of the legal terms "register" and "registered" since there seems to be much embarrassment about this.

1. The term "register" may have two different meanings. As regards international law, it means that a vessel has to be recorded in an official book of the state whose flag the vessel is entitled to fly if the conditions according to the law of that state are fulfilled. This is to grant to the vessel the nationality of the flag state and to avoid a double nationality which is internationally unlawful. According to the West-German law, vesselw which are obliged to fly the West-German flag (for the reason, briefly mentioned, that a West-German national or company owns it) have to be registered in the seaship's register of the local court of its home port. The register consists of three sections: First division: name and further characteristics of the vessel; Second division: owner of the vessel; and Third division: encumbrances.

Upon entry into the register so described, those vessels get the permission to fly th West-German flag by a ship's certificate indicating all registered facts. If a vessel is bareboat chartered-out, it has to be noted within the ship's certificate that the right to fly the West-German flag is suspended, but the ship's certificate is not withdrawn. So a bareboat chartered-out vessel is no longer registered in the seaship's register as regards the circumstances of public international law. Bareboat chartered-in vessels are recorded in the so-called flag list (Verzeichnis der gecharterten Schiffe) which is the register as regards the right to fly the flag and the nationality of the vessel.

In view of civil law vessels which are German owned have to be registered, as set out above, in the seaship's register, including the encum-If the vessel's right to fly the West-German flag is suspended in the case of bareboat chartering-out the registration of ownership and encumbrances remain unaffected and the ship's certificate is not withdrawn. However, the suspension of the right to fly the flag has to be recorded in that certificate in order to document that the registration as regards the nationality of the vessel in international law has ceased. So the bareboat charteredout vessel is, as regards international law, not registered twice. As regards civil law, the vessel including its encumbrances is still registered in the seaship's register. Consequently, a bareboat chartered-in vessel cannot be registered in the seaship's register since the conditions of German ownership logically cannot be fulfilled. Keeping in mind the different meanings of the term "register" it should be possible to find a definition in respect of articles 1, 3 and 10 of the draft convention which could comply with the principal aim of the convention, i.e. to support the long-term ship financing.

Therefore, in the case of bareboat charter, mortgages and similar charges should remain registered in the seaship's register of the owner's state only and not enter into the register of the flag state. This would be necessary to avoid any complications as to the finding of the applicable law which would inevitably result from the registration of encumbrances in the flag state.

Sweden

The Swedish Government Official Report (SOU 1987: 27) deals with sale of ships and bareboat chartering to and from foreign subjects and proposes that sale and bareboat chartering-out to foreign subjects need a special permission from the government.

As regards <u>bareboat chartering-out</u> to foreign subjects, it is proposed that Swedish registration, by special permission of the government, may be suspended during the bareboat charter period provided that the ship is temporarily entered into an offical ("administrative") register, which is meant to regulate matters of public character, but leave private law matters out, and provided that the charter period is not less than six months.

Permission cannot be granted until all mortgages have consented in

writing.

To obtain permission, the Swedish shipowner shall also prove that he has arranged insurance cover for the relevant charter period for the risk that maritime liens which may have occurred before the bareboat charter will lose effect or have lower rank abroad.

As regards bareboat chartering-in of a foreign vessel, the government may permit that a ship is noted in a special bareboat charter list which is kept by the same Registerar which administrates the Swedish Register of Ships. Such entering into the bareboat charter list is only permitted provided that it does not violate the rules of the state where the vessel is previously registered, that the charter period is not less than six months, that it is proved that the ship's previous registration with respect to its nationality (public matters) in the foreign country has ceased or will cease in connection with the entering into the Swedish bareboat charter list and, finally, that a special document is provided which lists all registered ship mortgages in the ship in the foreign country.

A foreign ship which has been entered into the bareboat charter list has acquired Swedish nationality and is entitled to fly the Swedish flag until the ship has been withdrawn from the list.

The proposed system does not include, as regards foreign ships bareboat chartered-in and entered into the bareboat charter list, a possibility to register mortgages in Sweden. The idea is — as mentioned — to create a system where the public law requirements only and not the private law requirements are suspended. However, the report also proposes that the previous system with a possibility to have a foreign ship bareboat chartered-in registered in the ordinary Register of Ships, after permission has been granted by the Board of Shipping and Navigation, is kept parallel to the proposed new system.

The ideas on which the report bases its proposal seem to be similar to the corresponding articles in the 1986 UN Convention on Registration of Ships.

The Swedish Maritime Law Association has now had the opportunity to study some of the official comments on the report and it seems that the reaction is mainly negative. It has been pointed out that the proposed type of double registration would constitute a source of disturbance of the order created by the conventions on maritime liens and mortgages. Problems re-

garding the true meaning of "the law of the flag" in different connections have also been enlightened, including the problem of the ranking of maritime liens in cases where the relevant conventions do not solve the problem of applicable law.

The proposed insurance cover for maritime liens seems very confusing and has met heavy criticism.

There is more that could be said about the proposed system, but the intention of the Swedish Maritime Law Association is to give the CMI just a rough idea about what is going on in Sweden at present. The Association is prepared to report again in due course on what will be the final results of the proposal of the official government report.

REPLIES

1. If a ship entered in a Register of Ships in your country is bare-boat chartered to a foreign company or individual, can the registration of the ship be suspended or cancelled for the duration of the bare-boat charter and re-registered again at the end of the charter?

Denmark

No, a Danish owner is obliged to have his ship registered in the Danish registry.

F.R.G.

In the case of bareboat chartering-out, a ship registered in a seaship's register in the Federal Republic of Germany may get the permission from the competent authority to fly the flag of the charterer's State. In such case, the right to fly the flag of the Federal Republic of Germany will be suspended in the sense that the ship is deregistered (§ 7 Abs. 4 Flaggenrechtsgesetz; § 17 Abs. 2 Schiffsregisterordnung). When the bareboat charter ends the right and/or obligation to fly the flag of the Federal Republic of Germany is revitalized. All recorded encumbrances remain valid.

Greece

Greek law does not provide for suspension or cancellation of registration of bareboat chartered ships. Answers to the following questions are given according to the rules prevailing in Greece regarding (permanent) registration of ships under Greek flag and mortgages on Greek ships.

Ireland

No. Principal legislation dealing with the registration of vessels on the Irish Register is contained in the Mercantile Marine Act 1955 (No. 29 of 1955). Without going into too much detail it can be said that this statute provides that to be registered on the Irish Register, a vessel must be owned by a qualified person. The statute further provides that a qualified person has an obligation to register his ships and to fly the Irish flag. The ship can neither be mortgaged nor removed from the Irish Register without the consent of the Minister for the Marine. There is no provision in Irish law for the suspension of registration. The fact that a vessel is Bare-Boat Chartered would not be sufficient grounds for cancellation of the registration.

Italy

There is no provision in Italian law on the suspension of registration of a ship following bare-boat chartering-out to a foreigner.

Japan

No, it cannot.

Netherlands

Answer to 1 and 2: In general, a system of registration of bare boat chartered ships is not in force in the Netherlands. So in our legislation we do not know the expressions "suspension of registration" or "temporary registration".

If a ship, entered in the register of ships in our country and although being bare boat chartered to a foreign company or individual, still is complying with the requirements for registration as a Dutch ship, it is possible during that time to stay in the register. So the registered encumbrances such as mortgages do not have to be deleted.

In the Netherlands the registration of title can always be deleted by authority of the Court and with the consent of the holders of registered encumbrances such as mortgages.

Portugal

No.

Sweden

No. According to lex lata the registration of a ship cannot be suspended or cancelled. However, a system which permits suspension is now proposed in a Swedish government official report (SOU 1987: 27 "Bareboat charter to foreign subjects. Permission, exemptions, shifting of flag"). The report will be dealt with further below.

Switzerland

No.

Turkey

The registration of a ship cannot be cancelled or suspended in case it is bareboat chartered to a foreign company or individual.

United Kingdom

No.

Uruguay

In the Oriental Republic of Uruguay the registration and de-registration of an ocean-going vessel is regulated by Law No. 10.945 of the 10th October 1947 and Decree No. 14.365 of the 31st August 1949; and that of a cabotage vessel is regulated by Law No. 12.091 of the 5th January 1954 and Decree No. 23.913 of the 1st February 1956.

According to both these provisions, it is not possible in our country to suspend the national registration so that a Uruguayan flag vessel chartered out adopts a foreign flag during the period of charter.

As regards de-registration, same is also regulated by the mentioned dispositions and it is mandatory that the party applying for same should be the owner of the vessel in question. Once the legal requirements are complied with, the de-registration is definite, and is not regarded as a mere suspension of the use of the flag. If after having obtained the de-registration, the owners wish to return to Uruguayan registry, then they must go through the ordinary registration procedure once again.

The subject of the registration of vessel bareboat chartered was dealt with at the UNCTAD Conference on Conditions on Registration of Vessels (Geneva 8th February 1986), where Art. 12 of the agreement carries a recommendation regarding new rules for the registration of vessels. The agreement is presently being studied to consider ratification.

U.S.A.

The vessel documentation laws of the United States contain no provisions for suspension or cancellation of the United States documentation of a ship for the duration of a bare boat charter to a foreign company or individual. A United States flag vessel may be bare boat chartered to a non-citizen only with the permission of the United States Maritime Administration and retaines its United States documentation during the term of such charter.

2. If so, can this happen without the consent of the holders of registered encumbrances such as mortgages or hypotheques?

F.R.G.

No.

Greece

No, it could not happen without the consent of the mortgagee thereto, because of the existence of the provisions of articles 201 and 202 of the Code of Private Maritime Law. According to art. 201 CPML the change of the port of registry (as well as the rename) of a mortgaged ship is prohibited unless the mortgagee consents thereto in writing. According to art. 202 CPML a contract of sale of a mortgaged vessel which leads to the loss of Greek flag is null and void if effected without the consent of the mortgagee. As it appears from the wording of the above provisions, neither of them is exactly answering the question, because art. 201 CPML refers to the change of the vessel's port of registry within Greece and article 202 CPML refers to a contract transferring ownership and not exploitation of the ship. Neverthless, from art. 201 we can (a minori ad majus) come to the conclusion that Greek law does not allow the change of the port of registry of a mortgaged vessel without the consent of the mortgagee in whichever country the new registry may be, which conclusion is proven within the will of the Greek legislator by art. 202 prohibiting the change of flag of a mortgaged vessel without the consent of the mortgagee.

Ireland

The register can never be closed without the consent of the holders of registered encumbrances except in the case of a total loss or as a result of a Court Order. In these cases the holders of registered encumbrances would be notified by the Registrar.

Italy

See 1, above.

Portugal

Not applicable.

Sweden

According to the possible new Swedish system the answer is no; see below.

Switzerland

No, also in case of cancellation this consent is necessary.

U.S.A.

No provision exists for suspension or cancellation of United States documentation for the duration of a bare boat charter with or without the consent of holders of registered encumbrances.

3. Do mortgages or hypôtheques remain valid and can new mortgages or hypothèques be registered during the temporary suspension or cancellation or registration?

F.R.G.

Yes.

We understand that the question 4-10 relate to cases of bareboat chartering-in exclusively.

Greece

Mortgages and hypothèques validly existing might keep their validity and ranking under the provisions of art. 203 CPML, providing that a mortgage existing at the time of registration of a vessel under Greek flag may be trans-

ferred to the Greek ship mortgage register if it had been acquired by registration in a public book in the country of former register and the transfer to the Greek ship mortgage register is effected within 60 days as of the registration of the vessel under Greek flag. New mortgages could be registered during the temporary registration under Greek flag subject to the prior mortgages if transferred to the provisional registry according to art. 203 CPML.

Ireland

As can be seen from the answers above this question does not arise.

Italy

See 1. above.

Netherlands

Not applicable under Dutch law.

Portugal

Not applicable.

Sweden

See below.

Switzerland

No.

Uruguay

When de-registration is granted, the vessel must be free of obligations and encumbrances.

U.S.A.

Inapplicable.

4. If a ship which is registered in a foreign country is bare-boat charteredin by a company or an individual entitled to register a ship in your
country, can that ship be registered in your country for the duration
of the bare-boat charterer?

Denmark

No, only the owner can have a ship registered in the Danish registry.

F.R.G.

Upon satisfaction of specified legal conditions (e.g. an application from the charterer; the laws of the shipowner's country permit the change of flag) chartered-in vessels may obtain the permission to fly the flag of the Federal Republic of Germany. Such vessels will be listed in a special list of chartered ships (Verzeichnis der gecharterten Schiffe §§ 1 Nr. 2, 6 Abs. 1 Zweite Durchführungsverordnung zum Flaggenrechtsgesetz). A special "document of flag" will be issued. All encumbrances remain in the original register of the shipowner's State.

Greece

No because of the lack of any provision thereto (see under 1) above).

Ireland

As indicated above, a vessel cannot be entered on the Irish Register unless it is owned by a qualified prson. A qualified person, of course, can be an individual or a body corporate. The Registrar of Shipping will not register a vessel on the Irish Register without a Declaration of Ownership. A Bare-Boat Charterer would not be entitled to make a Declaration of Ownership.

ship and, therefore, could not register a vessel in Ireland.

NOTE: In view of the answers given above, we feel it is unnecessary to deal with the remaining questions.

Italy

Although there is no provision in Italian law in this respect, it has already occurred in practice that foreign registered ships bare-boat chartered to Italian companies have been registered in the Italian register pursuant to a certificate of suspension of the foreign registration.

Japan

No, it cannot.

Netherlands

Dutch law does not contain any proviso for registration of ships on the basis of bare boat charter.

Portugal

Only under special regime of decree-law No. 287/83, June 22nd (amended by decree-law No. 199/84, June 14th) and the Administrative Rule No. 635/85, August 3rd, in connection with financing operations intended for the acquisition of ships (Bareboat leasing agreements).

Sweden

The situation when a foreign vessel is bareboat chartered-in by a Swedish subject is rather complicated. The main rule in the Swedish maritime code is (Article 1) that a ship is to be deemed Swedish and entitled to fly the Swedish flag if a Swedish subject owns more than 50% of the ship. However, there is an exemption to the effect that the government, through the

National Board of Shipping and Navigation, may permit that a ship the operation of which is under decisive Swedish influence or whose owner has his permanent domicile in Sweden may be deemed Swedish and entitled to fly the Swedish flag. Since 1980 such exemptions have been granted about ten times. However, there is a problem. In accordance with the rules of the Swedish Maritime Code dealing with registration of ships, the Registar has to decide whether a foreign vessel which has "become Swedish" may be registered in the Register of Ships and is thereby applying certain rules which are harmonizing with the conventions on ships mortgages and liens and the shipbuilding convention.

A ship owned by a foreign subject, which may be deemed Swedish and entitled to fly the Swedish flag in accordance with the special permission granted by the Swedish Board of Shipping and Navigation, could obtain permission to be registered in the Swedish Register of Ships only if, among other things (Article 35 of the Swedish Maritime Code), it is proved that the ship is not registered in a corresponding register in its previous flag country or if it is proved that such registration will be deleted as from the day when registration will take place in Sweden.

In 1980 the government (as the final instance in an exemption matter "Europafarjan IV") granted a permission for a bareboat chartered ship to fly the Swedish flag on the condition that the vessel was entered into the Swedish Register of Ships. Such condition is now generally included when permission is granted by the Sedish Board of Shipping and Navigation. The answer to CMI's question is therefore: no registration can be made in Sweden for the duration of the bareboat charter if the ship is still registered in a foreign country.

The situation may be somewhat different if the ideas of the Government Report mentioned above will be finally accepted since it is then intended that there should be congruence between bareboat chartering-in and bareboat chartering-out.

Switzerland

No.

Turkey

In this case, the ship registered in a foreign country enters in a special register in Turkey, maintained by the Ministry of Transport Affairs (Art. 824 of the Turkish Commercial Code) which is established only for the exercise of the right of raising flag.

United Kingdom

No.

Uruguay

In order to apply for registration of a vessel in our country, the interested party must be the owner of the subject vessel and be domiciled in the country. Consequently, a charterer is not included in the stated provisions,

U.S.A.

In order for a ship to be registered under the laws of the United States as a U.S. flag vessel, the ship must be "owned" by a corporation eligible to document a ship under U.S. flag. It is not sufficent for the ship to be merely bare boat chartered to a corporation eligible to document a ship in the United States.

5. If so, what documentation is required to enable this to be done (e.g. is a certificate of suspension or cancellation of the former registration required)?

F.R.G.

In the application concerning the right to fly the flag of the Federal Republic of Germany the following items are required to be specified (§ 3

Abs. 2 Zweite Durchfuhrungsverordnung zum Flaggenrechtsgesetz):

- Name of ship
- Type of ship
- Place and year of ship's launching
- Name and residence of shipowner
- Ship's gross tonnage
- Ship's future port of registry
- Flag last flown
- Ship's present port of registry
- Name and residence of charterer
- Specifications of charter-party
- Evidence that charterer is a German citizen.

Greece

See under 4) above.

Italy

In the cases mentioned in our reply to Question No. 4, the Italian Port Authority has effected registration of the foreign ship on the basis of a certificate of suspension of the foreign register.

Netherlands

Answers 5 to 10: not applicable under Dutch law.

Portugal

Main documents for special "bareboat leasing" registration in Portugal (d.1.287/43, 06.22):

Document proving Portuguese Charterers are registered as Portuguese Shipowners;

- Document proving registration of bareboat charter party at Commercial Registration;
- Authorization of competent Portuguese Ministry;
- Authorization of competent original National Authority;
- Bareboat leasing charter party translated into Portuguese;
- Owners permission;
- Authorization of "Banco de Portugal".
- Others

Sweden

As is already understood from the answer to question 4, documentation of cancellation of the former registration is required as the law stands today. In the future, a certificate of suspension may be sufficient (see below).

Turkey

The documentation required for the above said registration is of such kind to testify the fulfilment of the conditions provided in the relevant article of the Turkish Commercial Code, so these documents could be enumerated as follows:

- a) the document regarding the contract of bareboat charter;
- b) the document showing the fact that there is not a juridical obstacle in the relevant foreign law, forbidding the ship to fly the Turkish flag;
- c) documentation which shows compliance with the terms of the regulations in Turkey regarding the master and the crew;
- d) the document regarding consent of the shipowner;
- e) the document testifying the permission of the Ministry of Transport Affairs.

U.S.A.

Inapplicable.

6. Can mortgages or hypotheques registered on the former register be transferred to the new register in your country?

F.R.G.

No.

Greece

They could be transferred under article 203 CPML.

Italy

There is no precedent. It is unlikely that this may be done, if not for other reasons, for the reason that a foreign mortgage or hypotheque is unlikely to comply with the requirements of Italian law.

Portugal

No.

Sweden

Mortgages and hypothèques cannot be "transferred" to the new register in our country in the meaning of an automatic transfer or a special simplified procedure.

Registration of the ship in the Swedish Register does not formally require that foreign mortgages have been deleted. In most cases the deletion of mortgages will accompany naturally the deletion of the registration of the vessel abroad, but it may be that the mortgages are still formally alive with the consent of the mortgages although the foreign registration of the ship has been deleted.

The freign shipowner who is entitled to fly the Swedish flag is, as a principle, entitled also to register mortgages in the Swedish register (see also question 8 below).

Turkey

Mortgages or hypothèques registered in the former register cannot be transferred to the temporary register in Turkey, because it is a special register not being a "register of ships" in the sense of the Commercial Code.

U.S.A.

No provisions exists under U.S. law for transfer of mortgages or hypothèques from a former registry to the U.S. registry. The ship must be free and clear of encumbrances when registered as a U.S. ship. Of course, new mortgages can be put on the secure the same indebtedness that was secured by mortgages recorded in the former registry.

7. If so, what documentation is required to enable this to be done?

Greece

Sufficient evidence that the mortgage or hypothèque under transfer has been acquired by registration in a public book in the former register, certified copy of mortgage or hypothèque in duplicate and an application for registration, all of the above to be filled within 60 days from the date of registration of the vessel under the Greek flag.

Italy

See 6, above.

Portugal

Not applicable.

Sweden

See 6 and 8.

U.S.A.

Inapplicable.

8. Can new mortgages or hypothèques be registered if registration is registered by the Owner of the vessel with or without the consent of the bare-boat charterer?

Denmark

New mortgages on a ship registered in the Danish registry may be registered in the Danish registry even if the ship is under bare boat charter. If the bare boat charter is registered in the Danish registry the bare boat charter will have priority before the new mortgage in case of forced sale of the ship, unlss the consent of the bare boat charterer is obtained to have the mortgage registered with better priority than the bare boat charter.

Greece

They could be registered if there is no term to the contrary in the mortgage deed.

Italy

What has happened in practice is that following registration of vessels bareboat chartered-in to Italian companies, Italian hypothèques have been executed on the basis of the original hypothèques executed and registered in the foreign register. The new Italian hypothèques have been registered in the Italian register.

Portugal

Not applicable.

Sweden

A foreign vessel which has obtained the permission of the Board of Shipping and Navigation will be deemed Swedish and entitled to fly the Swedish flag if the other conditions for registration in Sweden have been fulfilled. It is then the foreign owner who is registered as owner in the Swedish Register. The bareboat charterer is not registered and his name will be found only in the certificate of permission granted by the Board of Shipping and Navigation, which document will be the basic instrument for the Register of Ships to grant registration.

No one but the owner of the ship can create new mortgages. If a foreign owner on the basis of the special exemption procedure is registered as owner in the Swedish Register of Ships he is also entitled to have mortgages registered and used for loans.

Turkey

For the registration of a hypothèque in the "register of ships", the consent of the bareboat charterer is not necessary in Turkish law.

U.S.A.

Inapplicable.

9. What happens at the end of the bare-boat charter? Can all mortgages or hypotheques registered during the charter be transferred to the re-opened register in the State of original registration?

F.R.G.

The permission to fly the flag of the charterer's State will be withdrawn.

As explained above, a transfer of encumbrances is not possible.

Greece

The answer depending on the law of the State of original registration should be affirmative according to our opinion.

Italy

There are no precedents so far. We assume that in the cases mentioned under 8 above, the vessels could not be deregistered from the Italian register unless with the consent of the holders of the hypothèques. This opinion is based on the existing provisions in respect of deregistration of Italian vessels.

Portugal

Not applicable.

Sweden

There are no rules guiding an automatic transfer of mortgages to the "re-opened" register in the state of original registration as the law stands today. However, if the conditions given for the exemption as per Article 1 of the Swedish Maritime Code are no longer fulfilled, which is the case at the end of he bareboat charter when the Swedish total control of the ship will cease, the ship's registration shall be deleted. This is, however, possible only if all mortgages give their consent. You may, therefore, find yourself in a situation where the formal requirements for keeping Swedish registration of the ship are not fulfilled but the ship, as long as the mortgages do not give their consent for deletion, is still registered as a Swedish ship with the right to fly the Swedish flag. What is said now is based on theory because no actual case involving this problem has been traced.

U.S.A.

Inapplicable.

10. If there are any statutory provisions in the law of your country dealing with these matters, a brief summary of those provisions will be very useful.

F.R.G.

See Study of Secretariats of UNCTAD and IMO; Document JIGE (IV)/2 Part B (page 18).

Greece

As already said (under 1 and 4) above, there are no such provisions.

Italy

There are no precedents in Italian law.

Portugal

Main aspects of special "bareboat leasing" registration in Portugal (d.1. 287/83, 06.22 and a.r. 635/85, 08.23):

- Temporary registration, in principle not exceeding 5 years, however, it may be prorogated;
- Owners must give permission to temporary registration in Portugal;
- Registration effected at Harbout Master's Office;
- Certificate of registration should mention name of owners and name of the place of original registration, the name of Portuguese Charterers, the period established in the contract, the authorization of concerned Ministry and the specification of liens or encumbrances

- of whatever nature which may have right to the ship as they appear in original registration;
- Temporary registration does not entitle the charterers to ownership which in no circumstances may be presumed;
- Ships registered in these terms are released from commercial registration, however, such registration should mention the bareboat charter party;
- Main objective of this legal special regime is to entitle the use of Portuguese flag during "bareboat leasing agreement";
- In no circumstances shall vessels with temporary registration be subchartered.

Sweden

The provisions mentioned above, dealing with these matters, are statutory provisions.

Turkey

Article 824 of the Turkish Commercial Code which deals with this matter reads as follows:

If a ship of Turkish nationality is submitted to a person to be operated on his behalf at least for a year without having the conditions provided in the above article, the Ministry of Transport Affairs can authorize the ship on request of the shipowner to raise a foreign flag for a period up to two years provided that the regulations of the relevant country is available. Such a ship cannot fly the Turkish flag unless the period regarding permission expires, or the permission itself is withdrawn.

If a ship which is not of Turkish nationality is submitted to a person to be operated on his behalf at least for a year having the conditions provided in the above article, the Ministry of Transport Affairs can authorize the ship to fly the Turkish flag for a period up to two years with the consent of the shipowner provided that it is abided by the terms of the Turkish regulations concerning the master and crew, and provided that there is not a statutory term to the contrary.

Such a ship enters in a special register handled by the Ministry of Transport Affairs.

U.S.A.

No such statutory provisions exist under the laws of the United States nor are we aware that any are contemplated.