

2011 ANNUAL CLIENT MEMO

**Continuing
Statutory
Obligations
of Vessels
Registered
in the
Cayman Islands****Tonnage Taxes**

All vessels fully registered in the Cayman Islands pay an annual tonnage tax to the Cayman Islands Shipping Registry. The tonnage tax is based on the gross tonnage of the vessel. The minimum tonnage tax is US\$300.00. This annual fee will be included in our annual invoice and is due and payable on January 1st.

Please note that where registration fees remain unpaid beyond January 31st the following late payment penalties shall apply:

- a 10% surcharge on the amount outstanding will be applied for amounts due and not paid within 30 days of the due date; and
- an additional 5% surcharge on the amount outstanding will be applied for each period of 30 days or part thereof for amounts due and not paid within 60 days of the due date.

Radio Licenses

All vessels registered in the Cayman Islands are obliged under the Information and Communication Technology Authority Law (2006 Revision) to obtain a radio licence from the Authority, regardless of whether or not the respective vessel actually enters or remains within the territorial waters of the Cayman Islands. Annual radio licence fees for luxury yachts from the ICTA currently range from US\$60 to US\$180 depending upon gross tonnage. Trident charges on an hourly basis for handling the application.

Failure to obtain the required licence could result in a penalty of \$50,000 (plus \$10,000 for every additional day during which the offence has continued) and imprisonment for up to five years.

Furthermore, the Radio Regulations issued by the International Telecommunications Union ("ITU"), which apply to the Cayman Islands via United Kingdom legislation, state that no transmitting station may be established or operated by a private person or by any enterprise without a licence issued in an appropriate form and in conformity with the provisions of the Regulations by or on behalf of the government of the country to which the station in question is subject.

You should also note that unlicensed vessels are excluded from the ITU's MARS database that is used by search and rescue organisations and that, where applicable, MMSI numbers are withdrawn and reallocated to new vessels. For the continued safety of all those on board, it therefore is vitally important that a vessel keeps its radio licence current.

The annual renewal fee for the Radio License is due on the anniversary of issuance and therefore our office do not bill in advance for this fee. It is therefore your responsibility to renew the Radio License which can be done through our office or direct with ICTA.