



COMMISSION OF THE EUROPEAN COMMUNITIES

Brussels, 05.08.2003
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2003/0180 (COD)

Proposal for a

**REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE
COUNCIL**

on the transfer of cargo and passenger ships between registers within the Community

(presented by the Commission)

EXPLANATORY MEMORANDUM

1. BACKGROUND AND JUSTIFICATION

In March 1991, the Council adopted Regulation (EEC) N° 613/91 on the transfer of ships from one register to another within the Community. Regulation (EEC) N° 613/91 seeks to reduce the costs and administrative procedures involved in a change of register within the Community, thereby improving the competitiveness of Community shipping, whilst safeguarding maritime safety in accordance with international conventions.

The Regulation strikes a balance between internal market considerations (elimination of technical barriers to the transfer of ships between Member States) and maritime safety imperatives (a high level of ship safety and environmental protection). Its basic philosophy is the recognition at European level that the safety standards enshrined in IMO Conventions are appropriate.

In accordance with the Regulation, Member States forfeited the right to withhold from registration, for technical reasons arising from three IMO Conventions (1974 SOLAS, LL66 and MARPOL 73/78) cargo ships registered in other Member States complying with the requirements set out in these Conventions and carrying valid certificates and approved equipment. Ships in these conditions may thus be re-flagged subject only to possible inspection by the receiving flag maritime administration aimed at confirming that their actual condition corresponds to their certificates. Residual divergences among Member States as to the interpretation of the requirements and provisions that the Conventions leave to the discretion of the Parties are referred to the Commission for subsequent decision with the assistance of a Committee of representatives of the Member States, chaired by a representative of the Commission.

More than ten years after the entry into force of the Regulation (EEC) N°613/91 (1 January 1992), it is appropriate to seek to improve Community rules on the transfer of ships. The reasons for this exercise are threefold:

- First of all, the substantial international and Community regulatory developments occurred since the Regulation was adopted. In fact, not only has IMO amended relevant international conventions and adopted related resolutions since then but also, more significantly, a large body of Community *acquis* in maritime safety was adopted after the entry into force of the Regulation. Texts that may have an impact on the scope of the Regulation, such as Council Directive 98/18/EC on safety rules and standards for passenger ships¹, or on the drafting of some of its provisions, such as Council Directive 94/57/EC on common rules and standards for ship inspection and survey organisations and for the relevant activities of maritime administrations², Council Directive 95/21/EC concerning the enforcement, in respect of shipping using Community ports and sailing in the waters under the jurisdiction of the Member States, of international standards for ship safety, pollution prevention and shipboard living and working conditions (port State control)³ and Council

¹ OJ L 144, 15.5.1998, p. 1. Directive as last amended by Directive 2003/./EC (OJ L ...,, p. ..).

² OJ L 319, 12.12.1994, p. 20. Directive as last amended by Directive 2002/84/EC (OJ L 324, 29.11.2002, p. 53).

³ OJ L 157, 7.7.1995, p. 1. Directive as last amended by Directive 2002/84/EC (OJ L 324, 29.11.2002, p. 53).

Directive 96/98/EC on marine equipment⁴ were adopted and themselves amended, in some cases substantially, without a formal articulation with the Regulation being established;

- The second set of reasons relates to the experience gathered in the implementation of Regulation (EEC) N°613/91. The Commission's information on the implementation of the Regulation derives mostly from data collected in the context of the pre-judicial phase of infringement procedures following complaints from operators and from recent submissions from EC Shipowners, who highlighted issues such as the subsistence of divergent interpretations of the Conventions and the relation between the transfer of ships and the prerogatives of flag States and call, among others, for the extension of the scope of the Regulation to cover passenger ships;

- Finally, current difficulties are likely to increase in the context of the impending enlargement of the Union, which will have considerable quantitative and qualitative impact on the EC fleet. They will also tend to become more apparent as shipowners may submit a growing number of requests for the transfer of ships from one register to another within the Community.

2. CONTENT OF THE PROPOSAL

General considerations

The proposal aims at introducing improvements in three main areas:

- Enlargement of the scope of the Regulation to cover passenger ships;
- Better articulation with other Community maritime safety instruments; and
- Reinforcement of the co-operation between national maritime administrations.

Enlargement of the scope of the Regulation to cover passenger ships

According to its Article 2, Regulation (EEC) N° 613/91 is applicable to cargo ships (of 500 tons gross tonnage and upwards). At the time of adoption of the Regulation, the question whether the Regulation should also cover passenger ships was discussed. In the end, however, Commission and Member States' experts concluded that, given the distinctive features and uses of passenger ships (additional construction requirements) and the existence of differences in the way in which conventions were interpreted, it was not appropriate at that time to include passenger ships in the scope of the Regulation. Nevertheless, as stated in the explanatory memorandum of the proposal leading to the Regulation, the Commission undertook to re-examine that possibility as soon as possible. In 1996, in the explanatory memorandum of the proposal leading to the adoption of Directive 98/18/EC on safety rules and standards for passenger ships, the Commission announced its intention to propose the amendment of the Regulation in order to extend its scope to passenger ships.

Since the adoption of Regulation (EEC) N° 613/91, the international regime applicable to passenger ships has been strengthened and refined through the adoption of a considerable number of IMO amendments to 1974 SOLAS and an increased convergence of the interpretations of the Convention's rules and standards. With the adoption of Directive

⁴ OJ L 46, 17.2.1997, p. 25. Directive as last amended by Directive 2002/84/EC (OJ L 324, 29.11.2002, p. 53).

98/18/EC, a fully harmonised, Community-wide, technical regime was established for passenger ships engaged in domestic traffic built on or after the 1st of July 1998. This uniform regime was reinforced through the adoption on 14 April 2003 of European Parliament and Council Directive 2003/25/EC on specific stability requirements for ro-ro passenger ships⁵ and of European Parliament and Council Directive 2003/24/EC amending Council Directive 98/18/EC of 17 March 1998, on safety rules and standards for passenger ships⁶.

From a technical point of view, there is no overriding argument to apply different standards to passenger ships according to their commercial use in domestic or international voyages. Indeed, in the context of the performance of the obligations of Flag States, most EU national administrations and classification societies acting in their behalf use the same standards to inspect passenger ships, without differentiating between their use in domestic or international voyages.

This practice, together with the fine-tuning of the international regime applicable to passenger ships and the growing convergence of the interpretations of the 1974 SOLAS lead the Commission to propose the extension to all passenger ships built on or after the reference date taken into consideration in Directive 98/18/EC (1 July 1998) or built before that date but certified as complying with the requirements set out in 1974 SOLAS for ships built on or after 1 July 1998, of the regime for the transfer of register set out in Regulation (EEC) N° 613/91.

Better articulation with other Community maritime safety instruments

Most of the Community maritime safety *acquis* was adopted after Regulation (EEC) N°613/91. It is therefore important to establish the appropriate articulation of the new Regulation with several Community instruments, in particular with:

- Directive 94/57/EC on classification societies. This is done through a direct reference to this Directive for the purposes of defining "recognised organisation";
- Directive 96/98/EC on marine equipment. This is done through a direct reference to this Directive when referring to type-approved equipment (Article 4(1));
- Directive 95/21/EC on Port State control. Articulation is necessary to prevent unintended consequences over the transfer of ships from one register to another of the implementation of Article 7b (access refusal to EU ports). Ships to which access is refused are excluded from the scope of the Regulation.

Reinforcement of the co-operation between national maritime administrations

Article 2 (b) of Regulation (EC) N°613/91 requires that only ships that have been in active service under the flag of a Member State for at least six months may be transferred to the register of another Member State under the Regulation.

Upon reflection, it seems preferable to replace such an arbitrary six-month "quarantine" by a provision along the lines of those applicable in the context of Transfer of Class Agreements. Such provision will call for a reinforced co-operation between the maritime administrations involved in the transfer of a ship from one register to another within the Community. According to the new rules, the maritime administration of the losing register must inform

⁵ OJ L 123 of 17.5.2003, p.22

⁶ OJ L 123 of 17.5.2003, p.18

that of the gaining register of the improvements it required, if any, for registering the ship or renewing her certificates and on overdue surveys and provide it the history file of the vessel. This is expected to further facilitate the transfer of register and to contribute to the possible inspection by the maritime administration of the receiving register being performed within a shorter delay.

Specific considerations

Article 1

The first article makes clear that the objective of the Regulation is to strike an adequate balance between internal market considerations (free transfer of ships) and maritime safety imperatives (a high level of ship safety and environmental protection).

Article 2

This article contains the definitions of the key terms used in the Regulation. The definitions are based on the IMO SOLAS Convention (International Convention for the Safety of Life at Sea). Definitions relating to passenger ships, which are necessary, given the extension of scope of the Regulation, are also in line with those under Directive 98/18/EC of 17 March 1998 on safety rules and standards for passenger ships.

Point a) is in line with amendments introduced by Article 8 (1) of Regulation (EC) N° 2099/2002 establishing a Committee on Safe Seas and the Prevention of Pollution from Ships (COSS).

Article 3

Article 3 defines the scope of the Regulation. The Regulation applies to cargo ships under the conditions set out in Regulation (EEC) N° 613/91 and to passenger ships built on or after 1 July 1998 or certified as complying with the requirements set out in 1974 SOLAS for ships built on or after 1 July 1998.

Ships, which were refused, access to European ports in accordance with Article 7b of Directive 95/21/EC on port State control of shipping are excluded from the free transfer regime set out in the Regulation during the period of their banning from EU ports. This provision is made necessary in the light of the possible inclusion of some Member States, in particular following the Union's imminent enlargement, in the Paris MOU black list. The proposed solution, exclusion restricted to the offending ships, appears appropriate to tackle the relatively few "extreme" cases anticipated.

Article 4

Article 4 contains the main obligations of Member States on transfer of registers, while providing for adequate articulation with Directive 96/98/EC on marine equipment.

Paragraph 2 provides for reinforced co-operation between the maritime administrations of the losing register and the receiving register. The former must, in particular, inform the latter on the improvements it required, if any, for registering the ship or renewing her certificates and on overdue surveys.

The maritime administration of the receiving register retains the right of limited inspection in order to ensure that the vessel meets the standard of safety and prevention of marine pollution set out in the Conventions. The obligations to perform such inspection within a reasonable delay and to refer the case to the Commission if correspondence with the certificates and statements of compliance cannot be confirmed were made explicit.

Article 5

This article provides for the rules governing the issue and renewal of certificates. No modification was introduced to the provisions of Regulation (EEC) N° 613/91.

Article 6

This article refers to role of the Commission in case of refusal of register by a Member State and to the support to be provided by the COSS Committee in matters related to the interpretation and implementation of the Regulation. No substantive amendments were introduced in relation to the rules set out in Regulation (EC) N°613/91. In particular, the safeguard clause in cases of serious danger to safety or the environment inspired on Articles 95 and 174 of the Treaty is maintained.

Article 7

This article refers to the Committee designed to assist the Commission in the interpretation and implementation of the Regulation, in accordance with Article 8 (2) of Regulation (EC) N° 2099/2002 (COSS).

Article 8

Article 8 introduces the obligation for Member States to provide formal, yet succinct, annual feedback on the implementation of the Regulation.

Article 9

This article refers to the amendment of the Conventions in accordance with Article 8 (2) of Regulation (EC) N° 2099/2002 (COSS).

Article 10

For the sake of clarity and simplification, repealing Regulation (EEC) N° 613/91 and replacing it by the one now proposed appeared preferable to introducing amendments to the majority of its articles.

Article 11

No comments.

Proposal for a

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on the transfer of cargo and passenger ships between registers within the Community

(Text with EEA relevance)

THE EUROPEAN PARLIAMENT AND THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty establishing the European Community, and in particular Article 80(2) thereof,

Having regard to the proposal from the Commission⁷,

Having regard to the opinion of the European Economic and Social Committee⁸,

Having regard to the opinion of the Committee of the Regions⁹,

Acting in accordance with the procedure laid down in Article 251 of the Treaty¹⁰,

Whereas:

- (1) The establishment and functioning of the internal market involve the elimination of technical barriers to the transfer of cargo and passenger ships between the registers of Member States. Measures to facilitate the transfer of cargo and passenger ships within the Community are also required to reduce the costs and administrative procedures involved in a change of register within the Community, thereby improving the operating conditions and the competitive position of Community shipping.
- (2) It is necessary, at the same time, to safeguard a high level of ship safety and environmental protection, in compliance with international conventions.
- (3) The requirements set out in the 1974 International Convention for the Safety of life at Sea (1974 SOLAS), the 1966 International Convention on Load Lines (LL 1966) and the 1973 International Convention for the Prevention of Pollution from Ships, as amended by the 1978 Protocol (MARPOL 73/78) provide for a high level of ship safety and environmental protection. The International Convention on Tonnage Measurement of Ships, 1969 provides for a uniform system for the measurement of the tonnage of merchant ships.

⁷ OJ C [...] of [...], p.[...]

⁸ OJ C [...] of [...], p.[...]

⁹ OJ C [...] of [...], p.[...]

¹⁰ OJ C [...] of [...], p.[...]

- (4) The international regime applicable to passenger ships has been strengthened and refined through the adoption of a considerable number of amendments to 1974 SOLAS by the International Maritime Organization (IMO) and an increased convergence of the interpretations of the Convention's rules and standards.
- (5) The transfer of ships flying the flag of a Member State between the registers of Member States should not be impeded by technical barriers, provided that the ships have been certified as complying with the provisions of relevant international Conventions by Member States or, on their behalf, by the organisations recognised under Council Directive 94/57/CE of 22 November 1994, on common rules and standards for ship inspection and survey organisations and for the relevant activities of maritime administrations¹¹.
- (6) In order to ensure a rapid and informed decision by the maritime administration of the receiving register, the maritime administration of the losing register should provide it with all relevant available information on the ship's condition and equipment. The maritime administration of the receiving register should, nevertheless, be able to subject the ship to an inspection to confirm its condition and equipment.
- (7) Ships which have been refused access to European ports under Article 7b of Directive 95/21/EC of 19 June 1995, on port State control of shipping¹² should not benefit from the possibility to be transferred to another register within the Community until the ban is revoked;
- (8) Relevant international Conventions leave important points of interpretation to the discretion of the Parties. Based on their own interpretation, Member States issue to all ships flying their flags that are subject to the provisions of relevant international conventions certificates certifying their compliance with these provisions. Member States enforce national technical regulations, some provisions of which contain requirements other than those in the conventions and associated technical standards. An appropriate procedure should therefore be established in order to solve divergences in the interpretation of existing requirements which may occur upon a request for transfer of register.
- (9) In order to enable monitoring the implementation of this Regulation, Member States should provide the Commission with succinct yearly reports.
- (10) The measures necessary for the implementation of this Regulation should be adopted in accordance with Council Decision 1999/468/EC of 28 June 1999 laying down the procedures for the exercise of implementing powers conferred on the Commission¹³.
- (11) The provisions of Regulation (EEC) N° 613/91 of 4 March 1991 on the transfer of ships from one register to another within the Community¹⁴, are significantly reinforced

¹¹ OJ L 319, 12.12.1994, p. 20. Directive as last amended by Directive 2002/84/EC (OJ L 324, 29.11.2002, p.53).

¹² OJ L 157 of 7.7.1995, p. 1. Directive as last amended by Directive 2002/84/EC (OJ L 324, 29.11.2002, p.53).

¹³ OJ L 184, 17.7.1999, p. 23.

¹⁴ OJ L 68 of 15.3.1991, p. 1. Regulation as last amended by Regulation (EC) N° 2099/2002 of the European Parliament and of the Council.

and extended by this Regulation. Regulation (EEC) N° 613/91 should therefore be repealed,

HAVE ADOPTED THIS REGULATION:

Article 1

Purpose

The purpose of this Regulation is to eliminate technical barriers to the transfer of cargo and passenger ships between the registers of the Member States while, at the same time, ensuring a high level of ship safety and environmental protection, in accordance with international conventions.

Article 2

Definitions

For the purposes of this Regulation:

- a) "Conventions" means the 1974 International Convention for the Safety of Life at Sea (1974 SOLAS), the 1996 International Convention on Load Lines (LL66), the International Convention on Tonnage Measurement of Ships, 1969 and the International Convention for the Prevention of Pollution from Ships (MARPOL 73/78) in their up-to-date versions, and related resolutions of mandatory status adopted by the International Maritime Organisation (IMO);
- b) "Requirements" means the safety and pollution prevention requirements laid down in the Conventions;
- c) "Certificates" means certificates issued by a Member State or by a recognised organisation on its behalf in accordance with the conventions;
- d) "Passenger ship" means a ship carrying more than twelve passengers;
- e) "Passenger" means every person other than:
 - i) The master and the members of the crew or other persons employed or engaged in any capacity on board a ship on the business of that ship; and
 - ii) A child under one year of age;
- f) "Domestic voyage" means a voyage in sea areas from a port of a Member State to the same or another port within that Member State;
- g) "International voyage" means a voyage by sea from a port of a Member State to a port outside that Member State, or conversely;
- h) "Cargo ship" means a ship of 500 tons gross tonnage and upwards which is not a passenger ship;

- i) "Recognised organisation" means an organisation recognised in accordance with Article 4 of Directive 94/57/EC.

Article 3

Scope

1. This Regulation shall apply to:
 - a) Cargo ships, carrying valid certificates, which:
 - i) Were built on or after 25 May 1980, or
 - ii) Were built before that date, but have been certified by a Member State or by a recognised organisation acting on its behalf, as complying with the regulations for new ships defined in 1974 SOLAS, or, in the case of chemical tankers and gas carriers, with the relevant standard codes for ships built on or after 25 May 1980;
 - b) Passenger ships engaged on domestic and/or international voyages, carrying valid certificates, which:
 - i) Were built on or after 1 July 1998, or
 - ii) Were built before that date, but have been certified by a Member State or by a recognised organisation acting on its behalf as complying with the requirements set out for ships built on or after 1 July 1998:
 - In Directive 98/18/EC, for ships engaged in domestic voyages;
 - In 1974 SOLAS, for ships engaged in international voyages.
2. This Regulation shall not apply to ships that are not permitted to access Member States' ports in accordance with Article 7b of Directive 95/21/EC.

Article 4

Transfer of register

1. A Member State shall not withhold from registration, for technical reasons arising from the conventions, a ship registered in another Member State which complies with the requirements and carries valid certificates and equipment approved or type-approved in accordance with Council Directive 96/98/CE of 20 December 1996 on marine equipment¹⁵.

¹⁵ OJ L 46 of 17.2.1997, p. 25. Directive as last amended by Directive 2002/84/EC (OJ L 324, 29.11.2002, p.53).

In order to fulfil their obligations under regional environmental instruments ratified before 1 January 1992, Member States may impose additional rules in accordance with the optional annexes to the conventions.

2. Upon receiving the request for transfer, the maritime administration of the losing register shall provide the maritime administration of the receiving register all relevant information on the ship, in particular, on her condition and equipment. This information shall contain the history file of the vessel and, if applicable, a list of the improvements required by the losing register for registering the ship or renewing her certificates and of overdue surveys. The maritime administrations shall cooperate to ensure proper implementation of the provisions of this paragraph.
3. The maritime administration of the receiving register may subject the ship to an inspection to confirm that the actual condition of the ship and her equipment correspond to her certificates and to the statements of compliance referred to in Article 3.

The inspection shall be performed within a reasonable delay.

If, following the inspection, the maritime administration of the receiving register is unable to confirm correspondence with the certificates and statements of compliance, it shall notify the Commission in accordance with Article 6(1).

Article 5

Certificates

Upon the transfer, the maritime administration of the receiving register shall issue certificates under the same conditions as those under the flag of the Member State of the losing register.

In so far as no new requirements are requested for existing ships, at the time of renewal, extension or revision of the certificates, the maritime administration of the receiving register shall not impose requirements other than those initially prescribed for the full-term certificates.

Article 6

Refusal of transfer and interpretation

1. The Member State of the receiving register shall immediately notify the Commission of any refusal to issue new certificates for reasons based on divergences of interpretation of the requirements or of the provisions which the Conventions leave to the discretion of the Parties.

Unless the Commission is informed of an agreement between the Member States concerned within one month, it shall initiate proceedings in order to take a decision in accordance with the procedure laid down in Article 7(2).

2. Where a Member State considers that a ship cannot be registered under Article 4 for reasons of serious danger to maritime safety or to the environment other than those referred to in paragraph (1), registration may be suspended for a period not exceeding three months.

The Member State shall immediately bring the matter to the attention of the Commission, stating the reasons for the suspension of the registration. The suspension shall be confirmed or revoked in accordance with the procedure laid down in Article 7(2).

3. The Commission may consult the Committee referred to in Article 7 on any matter related to the interpretation and implementation of this Regulation, in particular in order to ensure that standards of maritime safety and environmental protection are not reduced.

Article 7

Committee

1. The Commission shall be assisted by the Committee on Safe Seas and the Prevention of Pollution from Ships (COSS) created by Article 3 of Regulation (EC) N°2099/2002.

2. Where reference is made to this paragraph, Articles 5 and 7 of Council Decision 1999/468/EC shall apply having regard to the provisions of Article 8 thereof.

The period laid down in Article 5(6) of Decision 1999/468/EC shall be set at two months.

Article 8

Reporting

Member States shall transmit to the Commission a yearly succinct report on the implementation of this Regulation. The report shall provide statistical data on the transfer of ships, identify the specific measures taken to implement this Regulation, including those designed to inform the operators thereof, and list implementation difficulties encountered.

Article 9

Amendments

The amendments to the conventions may be excluded from the scope of this Regulation, pursuant to Article 5 of Regulation (EC) N° 2099/2002.

Article 10

Abrogation

Council Regulation (EEC) N°631/91 is hereby repealed.

Article 11

Entry into force

This Regulation shall enter into force on the twentieth day following that of its publication in the *Official Journal of the European Union*.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels,

For the European Parliament
The President

For the Council
The President

LEGISLATIVE FINANCIAL STATEMENT

Policy area(s): Maritime transport

Activit(y/ies): Improvement of Community rules relating to maritime safety

TITLE OF ACTION:

PROPOSAL FOR A REGULATION ON THE TRANSFER OF CARGO AND PASSENGER SHIPS BETWEEN REGISTERS WITHIN THE COMMUNITY

THE PROPOSED MEASURE HAS NO FINANCIAL IMPLICATIONS FOR THE COMMUNITY BUDGET

1. BUDGET LINE(S) + HEADING(S)

NOT APPLICABLE

2. OVERALL FIGURES

2.1. TOTAL ALLOCATION FOR ACTION (PART B): € MILLION FOR COMMITMENT

NOT APPLICABLE

2.2. Period of application:

NOT APPLICABLE

2.3. Overall multiannual estimate of expenditure:

NOT APPLICABLE

(a) Schedule of commitment appropriations/payment appropriations (financial intervention) *(see point 6.1.1)*

€ million *(to three decimal places)*

	Year [n]	[n+1]	[n+2]	[n+3]	[n+4]	[n+5 and subs. Years]	Total
Commitments							
Payments							

(b) Technical and administrative assistance and support expenditure(see point 6.1.2)

Commitments							
Payments							

Subtotal a+b							
Commitments							
Payments							

(c) Overall financial impact of human resources and other administrative expenditure (see points 7.2 and 7.3)

Commitments/ payments							
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TOTAL a+b+c							
Commitments							
Payments							

2.4. Compatibility with financial programming and financial perspective

[X] Proposal is compatible with existing financial programming.

Proposal will entail reprogramming of the relevant heading in the financial perspective.

Proposal may require application of the provisions of the Interinstitutional Agreement.

2.5. Financial impact on revenue:¹⁶

[X] Proposal has no financial implications (involves technical aspects regarding implementation of a measure)

OR

¹⁶ For further information, see separate explanatory note.

Proposal has financial impact – the effect on revenue is as follows:

(NB All details and observations relating to the method of calculating the effect on revenue should be shown in a separate annex.)

(€ million to one decimal place)

		Prior to action [Year n-1]	Situation following action					
Budget line	Revenue		[Year n]	[n+1]	[n+2]	[n+3]	[n+4]	[n+5]
	<i>a) Revenue in absolute terms</i>							
	<i>b) Change in revenue</i>	Δ						

(Please specify each budget line involved, adding the appropriate number of rows to the table if there is an effect on more than one budget line.)

3. BUDGET CHARACTERISTICS

NOT APPLICABLE

Type of expenditure		New	EFTA contribution	Contributions from applicant countries	Heading in financial perspective
Comp/ Non-comp	Diff/ Non-diff	YES/ NO	YES/NO	YES/NO	No

4. LEGAL BASIS

Art. 80(2) of the Treaty.

5. DESCRIPTION AND GROUNDS

5.1. Need for Community intervention ¹⁷

5.1.1. Objectives pursued

Further facilitate transfer of ships between registers within the Community. Increase competitiveness of EU shipping industry while respecting international maritime safety standards.

5.1.2. Measures taken in connection with ex ante evaluation

Not applicable

¹⁷ For further information, see separate explanatory note.

5.1.3. *Measures taken following ex post evaluation*

Not applicable

5.2. Action envisaged and budget intervention arrangements

Not applicable

5.3. Methods of implementation

Direct management by the Commission using regular staff (already existing)

6. FINANCIAL IMPACT

6.1. Total financial impact on Part B - (over the entire programming period)

NO FINANCIAL IMPACT - Points 6.1.1. to 6.2: Not applicable.

6.1.1. Financial intervention

Commitments (in € million to three decimal places)

Breakdown	[Year n]	[n+1]	[n+2]	[n+3]	[n+4]	[n+5 and subs. Years]	Total
Action 1							
Action 2							
etc.							
TOTAL							

6.1.2. *Technical and administrative assistance, support expenditure and IT expenditure (commitment appropriations)*

	[Year n]	[n+1]	[n+2]	[n+3]	[n+4]	[n+5 and subs. years]	Total
1) Technical and administrative assistance							
a) Technical assistance offices							
b) Other technical and administrative assistance: - intra muros: - extra muros: <i>of which for construction and maintenance of computerised management systems</i>							
Subtotal 1							
2) Support expenditure							
a) Studies							
b) Meetings of experts							
c) Information and publications							
Subtotal 2							
TOTAL							

6.2. Calculation of costs by measure envisaged in Part B (over the entire programming period)¹⁸

(Where there is more than one action, give sufficient detail of the specific measures to be taken for each one to allow the volume and costs of the outputs to be estimated.)

Commitments (in € million to three decimal places)

Breakdown	Type of outputs (projects, files)	Number of outputs (total for years 1...n)	Average unit cost	Total cost (total for years 1...n)
	1	2	3	4=(2X3)
<u>Action 1</u>				
- Measure 1				
- Measure 2				
<u>Action 2</u>				
- Measure 1				
- Measure 2				
- Measure 3				
etc.				
TOTAL COST				

If necessary explain the method of calculation

7. IMPACT ON STAFF AND ADMINISTRATIVE EXPENDITURE

No impact on staff expenditure. Management by existing staff. 7.1 and 7.2 not applicable.

No specific impact on administrative expenditure. The Committee set out in the amended regulation has never met (since 1991). Possible issues are to be taken up in the context of the Committee on Safe Seas (COSS) which deals with matters raised under a variety of directives and regulations relating to maritime safety. 7.3.: not applicable.

¹⁸ For further information, see separate explanatory note.

7.1. Impact on human resources

Types of post		Staff to be assigned to management of the action using existing and/or additional resources		Total	Description of tasks deriving from the action
		Number of permanent posts	Number of temporary posts		
Officials or temporary staff	A				<i>If necessary, a fuller description of the tasks may be annexed.</i>
	B				
	C				
Other human resources					
Total					

7.2. Overall financial impact of human resources

Type of human resources	Amount (€)	Method of calculation *
Officials		
Temporary staff		
Other human resources (specify budget line)		
Total		

The amounts are total expenditure for twelve months.

7.3. Other administrative expenditure deriving from the action

Budget line (number and heading)	Amount €	Method of calculation
Overall allocation (Title A7)		
A0701 – Missions		
A07030 – Meetings		
A07031 – Compulsory committees ¹		
A07032 – Non-compulsory committees ¹		
A07040 – Conferences		
A0705 – Studies and consultations		
Other expenditure (specify)		
Information systems (A-5001/A-4300)		
Other expenditure - Part A (specify)		
Total		

The amounts are total expenditure for twelve months.

¹ Specify the type of committee and the group to which it belongs.

I.	Annual total (7.2 + 7.3)	€
II.	Duration of action	years
III.	Total cost of action (I x II)	€

8. FOLLOW-UP AND EVALUATION

8.1. Follow-up arrangements

and

8.2. Arrangements and schedule for the planned evaluation

Member States should transmit the Commission "yearly succinct reports" (Art. 8).

9. ANTI-FRAUD MEASURES

Not applicable.

IMPACT ASSESSMENT FORM

THE IMPACT OF THE PROPOSAL ON BUSINESS WITH SPECIAL REFERENCE TO SMALL AND MEDIUM-SIZED ENTERPRISES(SMEs)

TITLE OF PROPOSAL

Article Proposal for a Regulation of the European Parliament and of the Council on the transfer of cargo and passenger ships between registers within the Community

DOCUMENT REFERENCE NUMBER

COM(2003) 478 final

THE PROPOSAL

1. Taking account of the principle of subsidiarity, why is Community legislation necessary in this area and what are its main aims?

The main aim of the proposal is to strengthen certain aspects of the regime set out by Council Regulation (EEC) No 613/91, in the light of the experience gathered with its implementation. For legal clarity and simplicity, Regulation (EEC) No 613/91 is repealed and replaced by a new text. A regulation is the most appropriate form of Community measure to revise an existing regulation.

THE IMPACT ON BUSINESS

2. Who will be affected by the proposal?
 - which sectors of business
 - Shipping companies operating cargo or domestic ship passenger services in the Member States.
 - which sizes of business (what is the concentration of small and medium-sized firms)
 - A variety of sizes of companies will be affected, from companies owning one ship only to owners of much larger fleets.
 - are there particular geographical areas of the Community where these businesses are found
 - In all EU Member States, as all national administrations are affected in their role as flag States.

3. What will business have to do to comply with the proposal?

No particular measures are required. The Regulation is designed to further facilitate the transfer of ships within the Community

4. What economic effects is the proposal likely to have?

Positive effects on competitiveness are expected through the reduction of costs and administrative procedures involved in a transfer operation.

5. Does the proposal contain measures to take account of the specific situation of small and medium-sized firms (reduced or different requirements etc)?

No.

CONSULTATION

6. List the organisations which have been consulted about the proposal and outline their main views.

The following organisations were invited and attended the consultation meeting:

- European Community Shipowners Association (ECSA)
- European Transport Workers' Federation (ETF)
- International Association of Classification Societies (IACS).

Stakeholders expressed an opinion supportive of the Commission's proposals, in particular on the extension of scope to cover passenger ships and on the suppression of the obligation to fly a Member State's flag for at least 6-month to benefit from the Regulation's provisions on free transfer of register.