



SHIP REGISTRATION IN PANAMA

Panama holding an strategic location have the biggest fleet of vessels in the world with 180,018,554 GRT, here at **Kuzniecky & Co.**, we try harder to make Panamanian fleet even larger, to provide the rest of the world with a quality, efficient and personalized service.

Kuzniecky & Co. cooperates with our clients in the registration of the vessels (including pleasure vessels) under the Panamanian Flag, obtainment of navigation patent, radio license and other navigation certifications.

Features and Advantages

- **Limitations:** Panama has no restrictions as to the age, type or size of a vessel to be registered, while safety requirements are fulfilled. Policies introduced regarding safety standards and environmental controls have taken Panama to a point where these standards are now among the most severe.
- **No Ownership Restrictions** there are any requirements under Panamanian legislation for the owner, either a natural or legal persons.
- **Simple Registration Process.** Ships and ship mortgages are simply registered in Panama. An extensive network of consular offices worldwide guarantees that maritime-related transactions be easily satisfied.
- **Tax Exemptions.** The income generated from international maritime commerce of merchant ships registered in Panama is exempt from tax; Moreover, the earnings of the sale or transfer of a vessel registered in Panama are not subject to capital gains tax even when the transaction is executed in Panama.
- **Dual Registration.** Panamanian legislation allow for dual registration in the case of charter party or bareboat contracts

Registration Process

Panama offers both provisional and permanent registration of vessels.

Provisional Registration

The purpose of provisional registration is to allow the title to be duly registered before the Public Registry office and to ensure compliance with other requirements for permanent registration.

The patent of provisional registration is valid for three (3) months, and may be obtained promptly from the Directorate General of Merchant Marine. Applications for the provisional license may be filed through Panamanian consulates world-wide. In such cases, the Ships Registry Department will authorize the Consulate via fax to proceed with the registration. Please do not hesitate to contact our firm for assistance with the application for provisional registration.

Permanent Registration



Within the 6 months following the provisional registration being granted, the Bill of Sale, or the Builder's Certificate in the case of a newly built vessel, should be filed before the Republic of Panama. Following registration of these documents in the Public Registry Office, **Kuzniecky & Co.** will proceed to request the issuance of the Permanent Navigation Patent valid for 4 years, from the Directorate General of Merchant Marine.

The patent given by this Office is renewable for similar periods of time, given that the vessel is in good standing with its payment of annual fees and taxes and in compliance with all applicable laws and regulations.

Please note that Panama's legislation requires that any vessel registered in Panama maintain a legal representative or registered agent locally. This agent must be an attorney or law firm. **Kuzniecky & Co.** would be pleased to provide this service, acting as a liaison before the Panamanian authorities.

Radio License

All vessels must install and maintain radio communications equipment on board. At the time of applying for the Provisional Registration, the vessel will be issued with a Provisional Radio License, valid for three months. It may be renewed for equal periods of time thereafter. During this period the Directorate General of Merchant Marine should receive an application for a Permanent Radio License, which would be valid for 4 years and renewable for equal periods thereafter.

Mortgages and Encumbrances.

Panamanian laws also regulate the registration of mortgages. A mortgage is only valid in opposition to third parties after its registration before the Public Registry of Panama. In order for it to be registered, the document should be duly authenticated by a Panamanian Consulate or by Apostille. It is possible for it to be executed in accordance with the formalities of the country of execution; meanwhile it is later authenticated (by Panamanian Consulate or Apostille) for registration. Please feel free to contact **Kuzniecky & Co.** for further assistance in the drafting and registration of ship mortgages in Panama.

Registration of Seafarers and certificates

We offer to our clients the facility of process before the Directorate General of Seafarers of the Panama Maritime Authority, certifications and Seafarers cards to the marines that work on the Panamanian flagged vessels.

Terminals, subsoil concessions and ancillary industries

Should you are interested in this kind of business we also offer process before the Directorate general of Ports and Marine Ancillary Industries, to help you with registry searches, vessel 's change of name, transfer of ownership, renewal of navigation technical certificates, establishment of maritime agencies, and others.



Register of Recognized Organizations and Maritime academies before the Panama Maritime Authority

Kuzniecky & Co. provides this service to Classification Societies and Maritime Academies so they can be able to issue certificates recognized by the Panamanian Government.

Compliance of vessel regulations

At Kuzniecky & Co. we procure our clients to be in order with all security and safety regulations, such as IMO regulations and Segumar's and Maritime safety department guidelines.

Legal opinion and advisory and consultancy services

Focusing on your "trouble spots" makes us able to give you studied and analyzed opinions with suitable solutions to your claims, problem areas and the way to avoid them.

Maritime insurance and Ship mortgages

Panamanian legislation establish that a vessel can take as many mortgages as their value takes, so you can take decisions according an economic plan based on the possibility of burden your boat. In addition mortgages are considered as a preferred credit, and the mortgagee is entitled to a maritime lien enforceable through an executive collect action against the vessel. The priority of a preferred mortgage line is based on the time of filing, it depends if it is the first, second, or third mortgage, this credit is preferred over all others, except for expenses and fees of the process, seafarers salary, and preferred maritime liens. Marine Insurance covers the loss or damage of ships, cargo, terminals, and any transport or property by which cargo is transferred, acquired, or held between the points of origin and final destination, giving you the advisory for you to choose wisely.

ADMIRALTY

Admiralty Law is the perfect combination between Panamanian maritime law, and private international law. We offer advisory and legal services related to marine commerce, marine navigation, shipping, sailors, transportation of passengers and goods by sea, arrest of vessels, personal injury claims, cargo claims, general average and salvage claims, and enforcement of maritime liens, among others.