With the temperature rising, many of us begin thinking of the beautiful waters of Bermuda and in particular, ensuring that our water vessels are in good working order for the upcoming summer days.

Boat owners should first ensure that the registration of your vessel is up-to-date. For most people, that will only mean making a quick stop by the Department of Marine and Ports Services (Marine & Ports).

However, should you have plans to take your vessel to ports outside Bermuda, you will need vessel documentation for presentation to those port authorities – and this is where registration with the Department of Maritime Administration (DMA) comes into play.

There are no requirements or limitations on the size of the vessel or its tonnage, in order to register your private vessel with the DMA. The Port of Hamilton is a category 1A British Shipping Register, which permits the registration of various types of private and commercial vessels (with the exception of commercial fishing vessels).

Due to the quality and reputation of the Bermuda register, registration with the DMA and the certifications/documentation issued by the DMA provide one particular benefit that a registration with Marine & Ports does not; registration with the DMA provides evidence of proper flagging of the vessel, which is recognised worldwide.

For the purposes of ownership, every vessel is divided into 64 shares. Ownership requirements under the applicable legislation provide that a vessel may only be registered by “qualified persons”, being individuals or bodies corporate that own, legally or beneficially, at least 33 of the 64 shares.

A person is considered to be a “qualified person” if they are British citizens, British Dependent Territory citizens, British Overseas citizens, British subjects (under the British Nationality Act 1981) or citizens of the Republic of Ireland. Bodies corporate that are incorporated and have their principal place of business in the relevant
territories’ of Bermuda, the United Kingdom or the Isle of Man are deemed to be “qualified persons” for the purposes of registration.

You should always think carefully about how your boat is owned -- by you, as an individual, or through a company (generally, this is the better option).

Registration of a vessel at the DMA is a five-step process, which can be completed quite quickly:

- Application by an officer of the registrant company or the individual owner is made to the Registrar of Shipping (Registrar) for the approval of the name of the vessel and separately, for the registration of the vessel. The registration documents include: ‘Proposed Name for a British Ship’, ‘Application to Register a Ship in Bermuda’, ‘Declaration of Eligibility’, ‘Appointment of Manager’ (as applicable), ‘Appointment of Authorised Officer for a Body Corporate’ (as applicable) and ‘Appointment of Representative Person’ (as applicable).
- A survey of the vessel must be conducted prior to registration and although the procedures will be similar to larger vessels, the certification issued will depend upon the gross tonnage of each vessel.
- Once the survey is complete, the Builder’s Certificate (for new builds) or Bill of Sale and Declaration of Ownership will be submitted to the Registrar.
- Along with the submission of the requisite fee, if all documentation is in good order, the vessel can be registered and the Certificate of Registry issued.
- Application is to be made to the Regulatory Authority to obtain a Class 9 radio license as required for the possession or use of radio apparatus on board the vessel.

(N.B. If the vessel is more than 24 metres in length, and the majority ownership of the vessel is non-resident or not incorporated in Bermuda, there is a requirement to appoint a local representative, and you will have to notify the Registrar about this.)

Just like any other large property purchase, if the purchase of the vessel is being financed by a lender, they will take a mortgage over the boat. The form of mortgage is a “statutory form”; that is, a prescribed format document that is then completed and filed with the DMA.

The good news is that, unlike real property mortgages, a mortgage over a Bermuda flagged ship does not attract stamp duty. The mortgage must be filed (along with the requisite fee) with the Registrar in order to establish priority against any subsequent or competing mortgages – any mortgagee will always require that this is done.

Registration of a private vessel at the DMA has advantages that may be ideal for vessel owners seeking to realise the benefit of registration.

For specific advice on vessel registration and finance in Bermuda, please contact Tiffany Boys or Timothy Counsell of Appleby (Bermuda) Limited.

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