



PANAMA MARITIME AUTHORITY

MERCHANT MARINE CIRCULAR MMC-298

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To: Ship-owners/Operators, Company Security Officers, Legal Representatives of Panamanian Flagged Vessels, Panamanian Merchant Marine Consulates and Recognized Organizations (ROs).

Subject: Economic Incentives for Panamanian Vessels

Reference: Resolution No. 106-64-DGMM and Resolution No. 106-91-DGMM

- 1- The purpose of this Merchant Marine Circular is to inform all users about the applicable discounts for vessels and MODU's to be registered in the National Merchant Marine, until 31 December, 2017.
- 2- For better reference, please find below a description of these discounts duly summarized by charts according to the Registered Gross Tonnage and the age of the vessel.

VESSELS OF NEW CONSTRUCTION WITH A GROSS TONNAGE LESS THAN 30,000.00 (GRT)*		
Governmental Fees	Discount Percentages according to the year of Registration	
	1st Year *	2nd and 3rd Year
ANNUAL TAX	30%	30%
ANNUAL CONSULAR TAX	100%	50%
REGISTRATION FEE**	100%	-----
ANNUAL INSPECTION FEE	100%	-----
CASUALTY INVESTIGATION AND IMO CONTRIBUTION FEE	100%	-----
3% PER NET TONNAGE	100%	-----

NOTE
*THIS CALCULATION IS VALID UNTIL 31/DEC/2017.
** THIS FEE IS ONLY PAYABLE IN THE FIRST YEAR OF REGISTRATION.

<i>Prepared by: Lawyer</i>	Revised by: Compliance and Enforcement Deputy Chief	<i>Approved by: Compliance and Enforcement Chief</i>
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VESSELS OF NEW CONSTRUCTION WITH A GROSS TONNAGE EQUAL OR HIGHER THAN 30,000.00 BUT LOWER THAN 100,000.00(GRT)*		
Governmental Fees	Discount Percentages according to the year of Registration	
	1st Year *	2nd and 3rd Year
ANNUAL TAX	40%	40%
ANNUAL CONSULAR TAX	100%	50%
REGISTRATION FEE**	100%	-----
ANNUAL INSPECTION FEE	100%	-----
CASUALTY INVESTIGATION AND IMO CONTRIBUTION FEE	100%	-----
3% PER NET TONNAGE	100%	-----
NOTE		
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VESSELS OF NEW CONSTRUCTION WITH A GROSS TONNAGE EQUAL OR HIGHER THAN 100,000.00 (GRT)*		
Governmental Fees	Discount Percentages according to the year of Registration	
	1st Year*	2nd and 3rd Year
ANNUAL TAX	50%	50%
ANNUAL CONSULAR TAX	100%	50%
REGISTRATION FEE**	100%	-----
ANNUAL INSPECTION FEE	100%	-----
CASUALTY INVESTIGATION AND IMO CONTRIBUTION FEE	100%	-----
3% PER NET TONNAGE	100%	-----
NOTE		
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3- The application of the above mentioned additional discounts is subject to the following provisions:

- a- That the vessel or vessels and MODU'S will be registered until 31 December, 2017; and
- b- That vessels are:
 - i) of new construction with a Gross Registered Tonnage higher than 10,000 GRT; and
 - ii) constructed in shipyards located in Japan, Hong Kong, People's Republic of China, Republic of Singapore, South Korea, Republic of China (Taiwan), Philippines, Indonesia, Vietnam, France, Germany, Norway, Holland, Italy.

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- iii) The General Merchant Marine Law defines newly built ships as those enrolled in the National Merchant Marine within twelve months after the delivery date by the shipyard to the owner of the vessel, regardless if during that period the ship is registered under a different registry from Panama or if was under a special registration in the National Merchant Marine.

VESSEL WITH 5 YEARS OF CONSTRUCTION FROM THE DATE ON WHICH THE KEEL WAS LAID WITH A GROSS REGISTERED TONNAGE LESS THAN 30,000.00 (GRT)*		
Governmental Fees	Discount Percentages according to the year of Registration	
	1st Year*	2nd and 3rd Year
ANNUAL TAX	15%	15%
ANNUAL CONSULAR TAX	40%	15%
REGISTRATION FEE**	55%	-----
ANNUAL INSPECTION FEE	-----	-----
CASUALTY INVESTIGATION AND IMO CONTRIBUTION FEE	-----	-----
3% PER NET TONNAGE	-----	-----
NOTE		
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** THIS FEE IS ONLY PAYABLE IN THE FIRST YEAR OF REGISTRATION.		

VESSEL WITH 5 YEARS OF CONSTRUCTION FROM THE DATE ON WHICH THE KEEL WAS LAID WITH A GROSS REGISTERED TONNAGE EQUAL OR HIGHER THAN 30,000.00 BUT LESS THAN 100,000.00 (GRT)*		
Governmental Fees	Discount Percentages according to the year of Registration	
	1st Year*	2nd and 3rd Year
ANNUAL TAX	20%	20%
ANNUAL CONSULAR TAX	45%	20%
REGISTRATION FEE**	75%	-----
ANNUAL INSPECTION FEE	-----	-----
CASUALTY INVESTIGATION AND IMO CONTRIBUTION FEE	-----	-----
3% PER NET TONNAGE	-----	-----
NOTE		
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VESSEL WITH 5 YEARS OF CONSTRUCTION FROM THE DATE ON WHICH THE KEEL WAS LAID WITH A GROSS REGISTERED TONNAGE EQUAL OR HIGHER THAN 100,000.00 (GRT)*

Governmental Fees	Discount Percentages according to the year of Registration	
	1st Year*	2nd and 3dr Year
ANNUAL TAX	25%	25%
ANNUAL CONSULAR TAX	50%	25%
REGISTRATION FEE**	75%	-----
ANNUAL INSPECTION FEE	-----	-----
CASUALTY INVESTIGATION AND IMO CONTRIBUTION FEE	-----	-----
3% PER NET TONNAGE	-----	-----

NOTE
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4. The discounts established for the first year of registration are subject to vessels that intend to register on the National Merchant Marine and have less than fifteen (15) years of construction counted starting on the lay of the keel date and with a gross tonnage higher than 10,000.00 GRT.
5. The Panamanian Merchant Registry is willing to grant discounts to ships during their first year of registration in case of belonging to an economic group.
 - a) In this case, the group must have a determined number of vessels registered, as follows:

DISCOUNT FOR AN IMPORTANT SHIPPING GROUP WITH 5 TO 15 VESSELS.

Governmental Fees	Discount Percentages For The 1 st Year Of Registration
ANNUAL TAX	20%
ANNUAL CONSULAR TAX	20%
REGISTRATION FEE	20%
ANNUAL INSPECTION FEE	-----
CASUALTY INVESTIGATION AND IMO CONTRIBUTION FEE	-----
3% PER NET TONNAGE	-----

DISCOUNT FOR AN IMPORTANT SHIPPING GROUP WITH 16 TO 50 VESSELS	
Governmental Fees	Discount Percentages For The 1st Year Of Registration
ANNUAL TAX	35%
ANNUAL CONSULAR TAX	35%
REGISTRATION FEE	35%
ANNUAL INSPECTION FEE	-----
CASUALTY INVESTIGATION AND IMO CONTRIBUTION FEE	-----
3% PER NET TONNAGE	-----

DISCOUNT FOR AN IMPORTANT SHIPPING GROUP MORE THAN 51 VESSELS	
Governmental Fees	Discount Percentages For The 1st Year Of Registration
ANNUAL TAX	60%
ANNUAL CONSULAR TAX	60%
REGISTRATION FEE	60%
ANNUAL INSPECTION FEE	-----
CASUALTY INVESTIGATION AND IMO CONTRIBUTION FEE	-----
3% PER NET TONNAGE	-----

- b) These discounts are established for economic groups with three or more ships belonging to the same group that would like to be registered on the Merchant Marine simultaneously or within a period not greater than the end of the calendar year of the registration date of the first of them.

The percentage of discount shall depend on the tonnage of each vessel.

DISCOUNT FOR AN IMPORTANT SHIPING GROUP LESS THAN 30,000.00 (GRT)	
Governmental Fees	Discount Percentages For The 1st Year Of Registration
ANNUAL TAX	25%
ANNUAL CONSULAR TAX	25%
REGISTRATION FEE	25%
ANNUAL INSPECTION FEE	-----
CASUALTY INVESTIGATION AND IMO CONTRIBUTION FEE	-----
3% PER NET TONNAGE	-----

DISCOUNT FOR AN IMPORTANT SHIPING GROUP WITH A GROSS REGISTERED TONNAGE EQUAL OR HIGHER THAN 30,000.00 BUT LESS THAN 100,000.00 (GRT)

Governmental Fees	Discount Percentages For The 1st Year Of Registration
ANNUAL TAX	40%
ANNUAL CONSULAR TAX	40%
REGISTRATION FEE	40%
ANNUAL INSPECTION FEE	-----
CASUALTY INVESTIGATION AND IMO CONTRIBUTION FEE	-----
3% PER NET TONNAGE	-----

DISCOUNT FOR AN IMPORTANT SHIPING GROUP WITH A GROSS REGISTERED TONNAGE EQUAL OR HIGHER THAN 100,000.00 (GRT)

Governmental Fees	Discount Percentages For The 1st Year Of Registration
ANNUAL TAX	60%
ANNUAL CONSULAR TAX	60%
REGISTRATION FEE	60%
ANNUAL INSPECTION FEE	-----
CASUALTY INVESTIGATION AND IMO CONTRIBUTION FEE	-----
3% PER NET TONNAGE	-----

In addition, ships registered on the Panamanian Merchant Registry may receive discounts for not having been detained for a period of 24 consecutive months by the Port State Control.

REGISTERED VESSELS WITH 24 CONSECUTIVE MONTHS WITH NON DETENTION OF PORT STATE CONTROL INSPECTION

Governmental Fees	Discount Percentages During 1st Year Of Registration
ANNUAL TAX	15%
ANNUAL CONSULAR FEE	15%
REGISTRATION FEE	-----
ANNUAL INSPECTION FEE	-----
CASUALTY INVESTIGATION AND IMO CONTRIBUTION FEE	-----
3% PER NET TONNAGE	-----

9. As of January 1, 2016 the Panama Registry committed with the reduction of greenhouse emission is implementing a special three (3) year discount for ships, this will apply to the vessels already registered or vessels to be register in our National Merchant Marine. To apply for this discount the applicant must present evidence the implementation of corporate social responsibility programs focused on the reduction of air and sea pollution from shipping. This discount will apply regardless the tonnages or age of the vessels and it could be renewed.

10. To apply for this kind of discount, the application must evidence one of the following situations:

- a) That the obtained Calculated Attained Energy Efficiency Design Index (Attained EEDI) is equal to or less of the Calculated Required Energy Efficiency Design Index (Required EEDI), depending on the applicable phase established on Regulation 21, Annex VI, MARPOL, as follows:

Phase 1:

- From January 1st, 2015 until December 31st,2019 the obtained Calculated Attained Energy Efficiency Design Index (Attained EEDI) is equal to 60% or less of the Calculated Required Energy Efficiency Design Index (Required EEDI).

Phase 2:

- From January 1st, 2020 until December 31st,2024 the obtained Calculated Attained Energy Efficiency Design Index (Attained EEDI) is equal to 50% or less of the Calculated Required Energy Efficiency Design Index (Required EEDI).

Phase 3:

- From January 1st, 2025 the obtained Calculated Attained Energy Efficiency Design Index (Attained EEDI) is equal to 40% or less of the Calculated Required Energy Efficiency Design Index (Required EEDI).

This requirement can be fulfilled by presenting copy of the International Energy Efficiency Certificate (IEEC) or Statement from the Recognized Organization indicating the values resulting from both calculations (Attained EEDI and Required EEDI); or

- b) That the ship is powered entirely by Liquefied Natural Gas as fuel; or
- c) That an Energy Efficiency Operational Indicator (EEOI) has been established as a mechanism to achieve the limitation or reduction of greenhouse gas emissions from ships in operation for a specific period of time (at least presenting the last year of EEOI calculation) in order to use it as an objective, performance-based approach to monitoring the efficiency of a ship operation, for the establishment of the EEOI the IMO Guidelines for Voluntary use of the Ship Energy Efficiency Operational

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Indicator (EEOI) contained in MEPC.1/Circ.684 of 17 August 2009 should be used as a minimum requirement.

The renewal of this discount requires the evaluation of the last 3 years of Energy Efficiency Operational Indicator (EEOI) calculations and results, in order to verify that the ship has contributed to the reduction of CO2 emissions.

11. Please note that the Eco-Ship Discount does not apply with other kind of discount. Consequently, if the Administration has already granted a discount scheme and the same is in force, then, the applicant shall hold on until the ending of said scheme in order to apply for the Eco-Ship discount.

ECO-SHIP DISCOUNT FOR VESSEL TO BE REGISTER IN OUR NATIONAL MERCHANT MARINE	
Governmental Fees	Discount Percentage For The 1st 2nd and 3rd Year of Registration
ANNUAL TAX	50%
ANNUAL CONSULAR FEE	50%
REGISTRATION FEE	50%
ANNUAL INSPECTION FEE	50%
CASUALTY INVESTIGATION AND IMO CONTRIBUTION FEE	50%
3% PER NET TONNAGE	50%

ECO-SHIP DISCOUNT FOR VESSEL REGISTERED IN OUR NATIONAL MERCHANT MARINE	
Governmental Fees	Discount Percentage For The 1st 2nd and 3rd Year of Registration
ANNUAL TAX	----
ANNUAL CONSULAR FEE	50%
REGISTRATION FEE	----
ANNUAL INSPECTION FEE	50%
CASUALTY INVESTIGATION AND IMO CONTRIBUTION FEE	50%
3% PER NET TONNAGE	50%

August, 2017 – Change paragraph 10.
December, 2016 – Changes all throughout the text
August, 2016 - changes in point 10 (annual tax fee).
December, 2015 – Changes all throughout the text
July, 2015 - Changes all throughout the text
October, 2014 - Changes on paragraph 1, new point d on paragraph 11 and elimination of paragraph 12
September, 2014 - Changes all throughout text
September, 2014

Inquiries concerning the subject of this Circular or any request should be directed to:
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