

**REPUBLIC OF PANAMA**

*Ministry of Finance and Treasury*

*Office of the Directorate of Merchant Marine Circular No. 35*

*Consular and Maritime Affairs*

**To:** Shipowners/Operators, Masters of Vessels

**Subject:** Bareboat Chartered Vessels (Fletadas)

**Reference:** - Law No. 11 of 25- January 1973

- Law No. 83 of 20- September 1973

- Law No. 8 of 12- January 1925

1. Reference is made to Law No.11 of 1973 which recognizes the dual registry for the bareboat chartered vessels.
2. In accordance with this law, foreign registered vessels chartered for a period not to exceed two years may be registered under the Panamanian flag for the same period of time, without losing their home registry.
3. During the two year time charter, these vessels are subject to the laws, international as well as national, which apply to all Panamanian registered vessels. During this period, the chartered vessels must carry Panamanian national and international certificates and fly the Panamanian flag.
4. The requirements of Law No.8 of 1925, which establish that all Panamanian flag vessels must carry marking denoting port of registry and the vessel's name, are applicable to these vessels. Therefore, during the two year time charter these vessels must hold radio call sign and statutory certificates indicating the Panamanian nationality.
5. A Panama flag vessel chartered for the same period of time, may be registered in a foreign country without losing the Panamanian registry provided that the country where the vessel is to be registered has a similar procedure as the one contemplated in the Panamanian legislation.
6. Panama consent will be required before proceeding with the dual registry.
  
7. A Panamanian flag vessel registered in a foreign country as a chartered vessel will be subject to all Panamanian taxes and ownership laws, although the statutory certificates carried by the vessel must comply with the requirements of the country where the vessel is being registered.
8. As per the above mentioned law, the following shall be charged:
  - 1 Registry Fee \$ 150.00  
Plus \$0.20 per NRT or fraction thereof
1. The following documents must be submitted to the Directorate General of Consular and Maritime Affairs or to an accredited Panamanian Consular Official in order to register a chartered vessel under the Panamanian Registry:
  - a. Certificate of Registry from the country where the vessel is registered.
  - b. Authorized copy of the Charter Agreement with its corresponding translation.
  - c. Owner's consent for the registration.
  - d. Certificate of consent from the country where the vessel is registered.
  - e. Certification of any pending encumbrances.

Inquiries concerning the subject of this Circular should be directed to:  
Directorate of Consular and Maritime Affairs, New York Representative Office,  
Republic of Panama, 1180 Avenue of the Americas, 23rd Floor  
New York, New York 10036, U.S.A.