

Shipping & Transport - Cyprus

Department issues list of flags subject to tonnage tax surcharge

Contributed by **Andreas Neocleous & Co LLC**

November 28 2012

Sections 17(1), 27(1) and 40(1) of the Merchant Shipping (Fees and Taxing Provisions) Law (44 (I)/2010) provide that qualifying non-Community ships will have their annual tonnage tax increased by 30% if the flag that they are entitled to fly appears in the so-called 'grey list' of the Paris Memorandum of Understanding on Port State Control, and by 60% if it appears in the equivalent blacklist.

The Department of Merchant Shipping recently issued lists of the flags included in the grey list and blacklist for the purposes of calculating tonnage tax for 2012.⁽¹⁾

Section 34(4) of the tonnage tax law stipulates that in order to fulfil the requirements of Section 34(1) (ie, compliance with international and Community standards), the technical and crew management of every ship flying a flag that appears in the blacklist must be performed in its entirety from the territory of an EU member state. In case of non-compliance with this requirement, Section 54 of the tonnage tax law provides for the imposition of administrative fines and exclusion from the tonnage tax system.

*For further information on this topic please contact **Costas Stamatiou** at **Andreas Neocleous & Co LLC** by telephone (+357 25 110 000), fax (+357 25 110 001) or email (stamatiou@neocleous.com).*

Endnotes

⁽¹⁾ The grey list includes Algeria, Belize, Bulgaria, Curacao, Egypt, India, Jamaica, Kazakhstan, Malaysia, Mongolia, Morocco, Saudi Arabia, St Vincent and the Grenadines, Slovakia, Switzerland, Thailand, Tunisia, Tuvalu, the United States and Vietnam.

The blacklist includes Albania, Azerbaijan, Bolivia, Cambodia, Comoros, Dominica, Georgia, Honduras, Lebanon, Libya, Moldova, Montenegro, Sierra Leone, St Kitts and Nevis, Syria, Tanzania, Togo and Ukraine.

The materials contained on this website are for general information purposes only and are subject to the [disclaimer](#).

ILO is a premium online legal update service for major companies and law firms worldwide. In-house corporate counsel and other users of legal services, as well as law firm partners, qualify for a free subscription. Register at www.iloinfo.com.

Author

Costas Stamatiou

