Interpretation of the provisions on re-entry of officially deleted boats in the register

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ABSTRACT

When in 2019 the Act on Amendments to the Maritime Code came into force, the Register of ships was established as a single registration point for all maritime craft of Croatian nationality. Therefore, all ships, which previously had been entered in the boat ledger, were transferred to the Register of ships. At the beginning of 2020, when such a single Register of ships came into use, the Ministry of the Sea, Transport and Infrastructure issued a special Ordinance regulating the entry of ships into register, maximum permitted age and technical specifications for entry of ships into the Croatian Register of ships. At the end of 2020, the Ministry of the Sea, Transport and Infrastructure, in compliance with the Maritime Code, officially deleted from the Register of ships about 20,000 boats whose owners did not have harmonized data or did not have a correct or non-existent personal identification number (PIN). The Ordinance prescribes the procedure for re-entry of boats in the Register of ships, with special provisions relating to such cases. At the beginning of 2021, and after the official deletion of such boats from the Register of ships, the Ministry of the Sea, Transport and Infrastructure sent the Instructions on the procedure after the decision on the official deletion of maritime crafts to all Harbour Master Offices. The Instruction, inter alia, requires from the Harbour Master Offices to perform an occasional inspection of boats on the basis of their request for re-entry. The author considers such an Instruction disputable and considers that it does not correctly interpret the provisions on re-entry of ships in the Register after the official deletion of such boats from the Register of ships, more precisely that it does not properly interpret the provisions of a special Ordinance prescribing the mentioned procedure. Therefore, this paper gives an overview of the contested provisions as well as the corresponding interpretations in accordance with the Maritime Code and by-laws adopted on its basis.

1 Introduction

Boats are the most numerous waterborne craft registered in the Croatian Register of ships. They are very important for nautical tourism and the Croatian economy, but also for the tradition of quality of life of the local population living on the coast.

A boat is a waterborne craft intended for navigation at sea which is authorized to carry a maximum of 12 passengers, whose hull length is greater than 2.5 meters and less than or equal to 15 meters, or the total power of its propulsion engines is greater than 5 kW. The term boat does not include vessels belonging to another maritime craft for the purpose of collecting, salvaging or conducting work, vessels intended exclusively for competitions, canoes, kayaks, gondolas and pedal boats, as well as windsurfing boards and surfboards.1 The stated definition of a boat is new, which was changed by the Act on Amendments to the Maritime Code of 20192 and entered into force on 1st January 2020.3

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1 Art. 5, par. 1, pt. 7 of the Maritime Code, Official Gazette, No. 181/04, 76/07, 146/08, 61/11, 56/13, 26/15 and 17/19.
2 Official Gazette, No. 17/19.
3 In accordance with Art. 291 of the Act on amendments to the Maritime Code, Official Gazette, No. 17/19.
The previously valid definition stated that boat is a waterborne craft intended for navigation at sea, which is not a ship or a yacht, and the length of which is more than 2.5 metres, or the total power of its propulsion engines is greater than 5 kW. In order to avoid the linguistic negation within the definition of the boat, a nominally more correct definition was accepted and the length of the boat was changed.\(^5\)

According to the Ministry of the Sea, Transport and Infrastructure (hereinafter: the Ministry) in the Republic of Croatia in 2020, there are 126,640 boats in the Register of ships, out of which 109,629 are boats for personal use, 16,804 are boats for commercial purposes and 207 are public boats. The average age of boats for personal use is 45 years, 31 years for boats for commercial purposes and 34 years for public boats.\(^6\)

The entry of a boat in the appropriate Register of ships is a formal precondition for the recognition of the nationality of a boat.\(^7\) The main goal of entering a boat into the Register of ships is to define strict criteria regarding the prerequisites for registration, duty a country to supervise boats of its own nationality and safe identification of all persons accountable for handling and manoeuvring of a boat.\(^8\)

The goal of this paper is to determine the conditions for re-entry of boats after the official deletion. In practice, the problem of a unified interpretation of the procedure after the decision on the deletion of maritime craft has been noticed. The paper gives an analysis of the Instructions on the procedure after the decision on the official deletion issued by the Ministry and gives specific guidelines for the proper application of the Ordinance on the entrance of ships into Register, maximum permitted age and technical specifications the entry for ships into the Croatian Register of ships.

2 Register of ships

The Register of ships in the Republic of Croatia is organised in the same way as the Land registers.\(^9\) The Register of ships is public, and anyone can request access to the Register of ships.\(^10\) The Register of ships, extracts, i.e. printouts and transcripts from the Register of ships are public documents.\(^11\) The Register of ships is in the electronic form\(^12\), and is run by the competent Harbour Master Offices.\(^13\) By entering in the Register of ships, the maritime craft acquires Croatian nationality.\(^14\)

The provisions on entry and deletion of ships in the Register of ships were changed by the Act on Amendments to the Maritime Code of 2019. Namely, prior to the Amendments to the Maritime Code, the following registers were established:

- register of merchant ships,
- register of fishing vessels,
- register of public ships,
- register of ships under construction,
- yacht register,
- register of yachts under construction,
- register of floating objects,
- register of floating structures under construction,
- register of fixed offshore facilities,
- register of fixed offshore facilities under construction.\(^15\)

In addition to the listed registers, there was also a boat ledger in which boats were registered.\(^16\)

As of 1\(^{1}\) January 2020, the Register of ships was established as a single entry point for all maritime craft of

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\(^4\) Art. 5, par. 1, pt. 15 of the Maritime Code, Official Gazette, No. 181/04, 76/07, 146/08, 61/11, 56/13 and 26/15.


\(^7\) See more Branka Milošević Pujo – Ranka Petrinović, Pomorsko pravo – pomorsko javno, upravno i radno pravo, Split, 2006, p. 104.

\(^8\) Axel Luttenberger, Pomorsko upravno pravo, Rijeka, 2005, p. 97.


\(^11\) Ibidem, Art. 195, par. 3.

\(^12\) Ibidem, Art. 196.


Croatian nationalities in which maritime craft and maritime craft under construction are entered, except for warships and ships under construction for the needs of armed forces of the Republic of Croatia or foreign armed forces. With the introduction of such a single register of ships, the existing system was abandoned, in which several registers of ships and boat ledgers were kept at the level of Harbour Master Offices or their branches.

The Register of ships consists of the main register and the document files. The main register consists of inserts. The inserts are numbered and have paper A (descriptive), paper B (ownership) and paper C (burden), and each boat is entered in a separate insert. The document files consists of individual files and contains all documents (cases) that are in accordance with the regulations on office operations in state administration bodies recorded in the central information system of Electronic Office Operations of the Ministry, and which are related to the boat registered in that insert.

The data regarding the type of a boat, the identity of a boat and its main technical characteristics are entered into paper A of the insert from the main register of a maritime craft. In particular, known and applicable data are entered into paper A, as follows:

- general information on the entered boat, type of boat, purpose, area of navigation, port of registration and restrictions,
- identification data: mark, name, IMO number, CFR number, call sign, MMSI, identification number (CIN or WIN) or construction number,
- main dimensions: length overall, width, freeboard, gross and net tonnage, summer load line or maximum draft, freeboard on the summer load line, load capacity on the summer load line or maximum capacity,
- propulsion system data,
- other technical data: automation mark, construction material, number of decks, model, maximum number of persons allowed, total number of passengers,
- construction data: place and country of construction, name of shipyard, builder or manufacturer, year of construction and/or year of installation, date and time of keel installation, or any other part of a boat whose installation corresponds to the keel installation phase, construction monitoring number issued by a recognized organization, designation of the maritime craft under construction,
- data on previous registration (name of the boat, port of registration of the boat and country of nationality of the boat),
- purchase value,
- approved berth or anchorage/approved location.

In addition to the above, propulsion engines with a power exceeding 5 kW are entered in the Register of ships. A propulsion engine may be entered in the Register of ships as a main, auxiliary or reserve propulsion engine which may be installed (internal) or outboard propulsion units. When the data on the propulsion unit are entered in sheet A, the total number of propulsion units is entered, and for each individual propulsion unit the following is entered: serial number, manufacturer, model, power in kW, revolutions per minute, type (built-in or outboard) and type (main, auxiliary or backup). When data on the propulsion unit is entered in paper A, the total number of propulsion engine units is entered, and for each individual propulsion unit the following is entered: serial number, manufacturer, model, power in kW, number of revolutions per minute, type (built-in or outboard) and type (main, auxiliary or backup).

In paper B of the main register of the Register of ships, for boats, the company, i.e. the name and headquarters of the legal entity of the user of the boat or personal name, and the residence of the natural person of the user of the boat must be entered. In particular, the following information on the owner is entered in paper B:

- short name and headquarters of the legal entity, personal identification number (hereinafter: PIN),
- name, surname, residence or domicile of the natural person – craftsman, PIN, short name and headquarters of the business,
- name, surname, residence or domicile of the natural person, PIN,
- personal restrictions on the free disposal of the boat (minor, extension of parental or guardianship rights, opening of bankruptcy, etc.).

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17 Art. 6 of the Ordinance on entry of a boat into register, maximum permitted age and technical specifications for entry into the Register of ships, Official Gazette, No. 13/20.
20 Ibidem, Art. 9.
22 Art. 11, par. 1 and 3 of the Ordinance on entry of a boat into register, maximum permitted age and technical specifications for entry into the Register of ships, Official Gazette, No. 13/20.
23 Ibidem, Art. 12, par. 1-3.
24 Ibidem, Art. 12, par. 4.
If the user of the boat is different from the owner, the same data for the user of the boat is entered in paper B.\textsuperscript{26} If a boat, which is entirely owned by a foreign natural or legal person predominantly located in the Republic of Croatia, is entered into the Registry of ships, the name and headquarters, i.e. personal name and residence of the person representing the boat owner before the competent Croatian bodies during the absence of the boat owner is entered in paper B. It can be a natural or legal person with residence or registered office in the Republic of Croatia.\textsuperscript{27}

The actual rights with which the boat or its part is encumbered, and the rights acquired on those rights, the charter of the boat, the right of first refusal, and other limitations on the disposal of the boat to which the owner of the encumbered boat is subjected, are entered in paper C insert of the main register.\textsuperscript{28}

Exceptionally, for public boats, entry in the paper C insert of the main register of the register of ships is not allowed.\textsuperscript{29}

3 Resolving applications for re-entry of ships deleted ex officio in the register of ships

Pursuant to the Maritime Code, the Minister of the Sea, Transport and Infrastructure (hereinafter: the Minister) issued an Ordinance on the entry of ships into the Register, maximum permitted age and technical specifications of the entry for ships into the Croatian Register of ships.\textsuperscript{30} This Ordinance prescribes the maximum permitted age and technical conditions for the entry of ships in the Register of ships, the way of keeping the register of ships, data entered in the main register of ships, forms of documents, extracts and printouts from the Register of ships, the manner of access of state bodies and bodies with public authority to the data from the register, as well as the manner and procedure of determining the national identification number, name, mark and port of registration of the ship.\textsuperscript{31} Part four contains provisions on resolving applications for entry in the Register of ships.

The existing available data in the ship registers were not complete, which especially referred to the data on the owners of maritime craft. In this sense, the amendments to the Maritime Code of 2019, in the transitional and final provisions, a provision is laid down according to which, within 90 days from the date of entry into force of these amendments to the Maritime Code, the Minister will publish a list of names and/or the identification numbers of all maritime craft written in existing Register of ships whose data do not comply with the provisions of the Maritime Code with a description of non-compliance.\textsuperscript{32} The owners of these maritime craft were required to submit a request to the Ministry for harmonization of non-compliant data by 31\textsuperscript{st} December 2019, after which the maritime craft would be deemed to have failed and the provisions of the Maritime Code relating to official deletion of failed boats would be applied.\textsuperscript{33} The ex officio deletion of failed boats is regulated by Art. 192, paragraph 1, item 1, under a) of the Maritime Code.

Pursuant to the previously mentioned provision, the Ministry, in order to fully regulate the data on boats and boat owners, after the entry into force of the amendments to the Maritime Code of 2019, published a list of names and/or identification numbers of all boats registered in the existing registers or registers whose data do not comply with the provisions of the Maritime Code with a description of non-compliance. According to the official data of the Ministry, on 18\textsuperscript{th} June 2020, a total of 24,237 boat owners did not have an entered PIN or an incorrect PIN was entered in the Register of ships.\textsuperscript{34} In addition, the Ministry sent written notices to the home addresses of those owners who duly paid the safety navigation fee and the fee for the use of maritime domain, and did not have the PIN entered in the registers and boat ledgers of Harbour Master Offices or their branches. The deletion of all maritime craft, which did not perform the harmonization of non-compliant data on time, was performed ex officio by 28\textsuperscript{th} December 2020. Exceptionally, maritime craft that are not harmonized, and have registered mortgages and liens, were deleted only after three months from the notification to the creditors, which were sent by 28\textsuperscript{th} December 2020.\textsuperscript{35}

Relating to the aforesaid, on 2\textsuperscript{nd} February 2021, the Ministry issued an Instruction on the procedure after issuing a decision on the official deletion of maritime crafts, which was addressed to all Harbour Master Offices in the Republic of Croatia. In this Instruction, the Ministry points

\textsuperscript{26} Art. 16, par. 1 and 2 Ordinance on entry of a boat into register, maximum permitted age and technical specifications for entry into the Register of ships, Official Gazette, No. 13/20.

\textsuperscript{27} Art. 188, Art. 190 and Art. 200, par. 5 of the Maritime Code, Official Gazette, No. 181/04, 76/07, 146/08, 61/11, 56/13, 26/15 and 17/19.

\textsuperscript{28} Ibidem, Art. 201, par. 1 and Art. 17 of the Ordinance on entry of a boat into register, maximum permitted age and technical specifications for entry into the Register of ships, Official Gazette, No. 13/20.

\textsuperscript{29} Art. 201, par. 2 of the Maritime Code, Official Gazette, No. 181/04, 76/07, 146/08, 61/11, 56/13, 26/15 and 17/19.

\textsuperscript{30} Official Gazette, No. 13/20. The obligation of the Minister to adopt the rulebook is prescribed in Art. 186, par. 4, Art. 191, par. 3 and Art. 195, par. 6 of the Maritime Code, Official Gazette, No. 181/04, 76/07, 146/08, 61/11, 56/13, 26/15 and 17/19.

\textsuperscript{31} Art. 1 of the Ordinance on entry of a boat into register, maximum permitted age and technical specifications for entry into the Register of ships, Official Gazette, No. 13/20.

\textsuperscript{32} Art. 280, par. 1 of the Act on amendments to the Maritime Code, Official Gazette, No. 17/19.

\textsuperscript{33} Ibidem, Art. 280, par. 2 and 3.

\textsuperscript{34} The list is available at the following link – https://mmpi.gov.hr/more-86/popis-pomorskih-objekata-ciiji-podaci-nisu-usklađeni-s-odredbama-pomorskog-zakonika/20603 (visited on July 27\textsuperscript{th}, 2021)


out that on 27th December 2020, in accordance with Article 280 contained in the transitional and final provisions of the *Act on Amendments to the Maritime Code of 2019*, all maritime craft that did not comply with the provisions of the *Maritime Code* were deleted from the Register of ships and certificates of deletion of maritime craft were delivered to the owners of the deleted craft by mail and at the same time published on the electronic bulletin board of the ship register. In addition to the above and in order to better inform the owners of the deleted maritime craft, the Harbour Master Offices or their branches were given an instruction to inform on their bulletin boards that certificates on deletion were published on the Ministry’s website. Furthermore, the *Instruction* states that the owners have the right, in accordance with Article 60 of the *Ordinance on the entry of ships into Register, maximum permitted age and technical specifications the entry for ships into the Croatian Register of ships*, to submit a request for re-entry if they submit all the necessary information that was missing and which was the reason for the deletion from the Register of ships. Finally, it is pointed out that, based on the request for re-entry, it is necessary to perform an occasional inspection, whereby the inspection of boats will be performed by the competent Harbour Master Offices or their branches.

In Part Four, Chapter IV of the *Ordinance on the entry of ships into Register, maximum permitted age and technical specifications the entry for ships into the Croatian Register of ships*, which regulates the resolution of other applications for registration, re-entry is regulated in Article 60, and issuance of re-entry documents is regulated in Article 61. Article 60 prescribes the procedure for issuing a decision on re-entry of data and rights in the Register of ships and determines the persons who may request it, namely the person who was registered as the owner at the time of deletion or is the successor to the registered boat owner at the time of deletion, as well as a person who, on the basis of a legal transaction, acquires ownership from the registered owner or successor. Article 61 states that the re-entered boat will be issued with the appropriate documents and books in accordance with the provisions of this *Ordinance* and the *Maritime Code* only after an occasional inspection establishes its seaworthiness.

However, in the ninth part of the *Ordinance*, which contains transitional and final provisions, in Article 95, which regulates re-entry, in paragraph 2 it is stated that for re-entry of a boat that has been deleted in accordance with the provisions of Article 280, paragraph 3 the *Act on Amendments to the Maritime Code of 2019*, apply the provisions of Article 60 of the *Ordinance*. Therefore, Article 95, paragraph 2 of the *Ordinance* explicitly states that for situations when the boat is deleted from the Register of ships due to inconsistencies in the data, only Article 60 of the *Regulations* is applied for re-entry. As Article 61 of the *Ordinance* is not specified, which prescribes the conduct of an occasional inspection, and an occasional inspection should not be performed in this case. Namely, this is logical because the boat is not deleted from the Register due to withdrawal from navigation or similar reasons, but was *administratively* deleted, due to incomplete information about the owner, which probably did not even exist when the boat was first entered in the Register of ships (previously boat ledger).

Finally, in support of the allegation of incorrect interpretation of the provision on conducting an occasional inspection in the case of administrative deletion of a boat from the Register of ships, the link to Article 95, paragraph 1 of the *Ordinance* can be emphasised, which for the second situation, when ships are withdrawn from navigation and are therefore deleted from the Register of ships, explicitly states the application of Article 60 and Article 61 of the *Ordinance*. Therefore, the application of Article 61 of the *Ordinance* is not possible in the previously described case.

It is also important to point out that conducting an occasional inspection requires additional costs for boat owners. Namely, the fee for an occasional inspection is from 200.00 to 800.00 kuna per boat, and in addition requires additional workload of employees of Harbour Master Offices and their branches.

In addition to the incorrect interpretation of the provision of the *Ordinance*, the author considers that it is unnecessary for another reason to conduct an occasional inspection on such boats. Namely, the provisions on the need to conduct an occasional inspection in the case of administrative deletion of the boat ex officio from the Register of ships are supported by the provisions on the *Ordinance on boats, craft and yachts*30, which entered into force on the same day as the *Ordinance on entry of ships into the Register*, are maximally permitted, age and technical specifications the entry for ships into the Croatian Register of ships.

The *Ordinance on boats, craft and yachts* introduced mandatory inspections for certain categories of boats which, according to previous regulations, were not obliged to be periodically inspected, i.e. had permanent registration. Thus, according to the new provisions, regular inspection of boats is performed every two years for boats for commercial purposes and public boats and every five years for boats for personal use whose hull length is greater than 7 meters or the total power of its propulsion engines is greater than 15 kW if equipped with a toilet and/or a kitchen with a built-in gas appliance and/or intended for a multi-day stay at sea and/or equipped with a built-in propulsion unit and/or having a built-in petrol fuel tank.39 The exact number of boats that will be obliged to be periodically inspected according to the new provisions is not

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39 *Ordinance on boats, craft and yachts*, Official Gazette, No. 13/20, Data bank 12 – Pregledi brodica i čamaca, 4.2.3. Periodi obavljanja redovitih pregleda.
known, but there are certainly tens of thousands of boats. It is therefore clear that the vast majority of boats will be subjected to regular inspection in the next few years.

The owners of boats for personal needs, whose hull length exceeds 7 meters, or the total power of its propulsion engines is greater than 15 kW, and which in accordance with the provisions of the Ordinance on boats and yachts are not obliged to perform regular inspections, are required to perform regular inspections as follows:

- for boats whose age does not exceed 5 years by 31\textsuperscript{st} December 2025,
- for boats between 5 and 10 years of age, no later than 31\textsuperscript{st} December 2023,
- for boats older than 10 years, no later than 31\textsuperscript{st} December 2021.

The Ordinance on boats, craft and yachts also regulates the occasional inspection of boats. All boats registered in the Register of ships of the Republic of Croatia are subject to occasional inspection, and the inspection is obligatory to be conducted in the following cases:

- when a boat is involved in an accident (e.g. stranding, collision, sinking, damage, fire, etc.),
- in cases where there is a reasonable doubt that the boat does not meet the prescribed conditions regarding seaworthiness,
- in case of significant repairs and alterations to existing ships,
- in cases of change of purpose from a boat for personal use to a boat for commercial purposes or in cases of change of navigation area,
- in cases of delay of regular inspection.

All previously mentioned situations when the boat is subject to an occasional inspection refer to those situations when the boat has an accident, there is a reasonable doubt that it has lost its seaworthiness, in case of significant repairs and modifications of the boat, when there is a change of purpose and regular inspection. If a parallel is drawn with the case when, according to the Instruction of the Ministry, an occasional inspection is required for boats administratively deleted from the register due to lack of data on the owner’s PIN, it is clear that this is a misinterpretation of the provisions of the Ordinance on the entry of ships into Register, maximum permitted age and technical specifications the entry for ships into the Croatian Register of ships since such a defect can in no way be compared with the defects of boats when an occasional inspection is required according to the Ordinance on boats, craft and yachts.

### 4 Conclusion

By misinterpreting the provisions of the Ordinance on the entry of ships into Register, maximum permitted age and technical specifications the entry for ships into the Croatian Register of ships the Ministry burdened the Harbour Master Offices and their branches with additional tasks related to occasional inspection during re-entry of boats in the Register of ships that were officially deleted due to inconsistent data, i.e. lack of recorded PINs of boat owners. According to the estimation of the Ministry, and before the beginning of re-entry of these boats, about 10,000 – 15,000 boats will request re-entry in the Register of ships. It can be concluded that the same number of boats will be subjected to an occasional inspection without a justification in the Ordinance, and thus cause an unjustified cost of a total of several million kuna for the owners of these boats.

In conclusion, conducting an occasional inspection in accordance with the Instruction of the Ministry will be particularly complicated for foreign citizens who own administratively deleted boats. Namely, if foreign citizens cannot come to the Republic of Croatia and initiate the procedure of re-entry of the boat in the Register of ships and organize an occasional inspection, in line with the Maritime Code, they will have to authorize a Croatian legal or natural person residing in the Republic of Croatia to represent them before the Harbour Master Offices. This further complicates this complex procedure for a group of owners of deleted boats, and the reason for all this is that the PIN was not delivered to the Harbour Master Offices on time. This certainly does not send the desired image abroad that the Republic of Croatia is a country desirable for boaters/sailors, but further supports the theory that in Croatia the procedures are extremely complicated and obviously an end in themselves. Therefore, it is proposed to the Ministry to send to all Harbour Master Offices a new Instruction on the procedure after issuing a decision on the official deletion of maritime craft, in accordance with Article 95, para 2 of the Ordinance on the entry of ships into Register, maximum permitted age and technical specifications the entry for ships into the Croatian Register of ships and a financial compensation to those boat owners who, due to misinterpretation of the provisions of the Ordinance, were forced to carry out and pay an occasional inspection fee.

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[11] Pravilnik o brodicama i jahtama (Ordinance on boats and yachts), Official Gazette, No. 27/05, 57/06, 80/07, 3/08, 18/09, 56/10, 97/12, 137/13, 18/16 and 72/17.
[12] Pravilnik o načinu vođenja i podacima koji se unose u upisnite pomorskih objekata, vođenju postupka EOP upisa, obrascima, te nadležnosti lučkih kapetanija za upis (Ordinance on the form, content and method of keeping the register of maritime craft, conducting the procedure for EOP entries, forms, and the competencies of harbour master offices pertaining to registration), Official Gazette, No. 124/15.
[13] Pravilnik o vođenju upisnika brodova, najvišoj dopuštenoj starosti i tehničkim uvjetima za upis u upisnik brodova (Ordinance on the entry of ships into Register, maximum permitted age and technical specifications the entry for ships into the Croatian Register of ships), Official Gazette, No. 13/20.
[18] Uputa o postupanju nakon donošenja rješenja o brisanju pomorskih objekata po službenoj dužnosti (Instructions on the procedure after the decision on the official deletion of maritime crafts), Ministry of the Sea, Transport and Infrastructure, Class: 342-01/16-01/623, No: 530-04-21-53.