Federal Act of the Russian Federation on Establishment of a Russian International Ship Register

Article 1.

Purpose and aims

The purpose of the present Act is to establish a Russian International Ship Register in order to achieve the following aims:

- (a) to prevent Russian ships from escaping from the jurisdiction of the Russian Federation;
- (b) to create incentive for the return of ships, owned by Russian citizens and legal persons and previously removed from the jurisdiction of the Russian Federation, under the Russian flag;
- (c) to attract foreign ships trading in Russian ports under the Russian flag;
- (d) to introduce favourable conditions for the development of maritime transport in the Russian Federation, the stimulation of international economic relations of the Russian Federation and the encouragement of Russian shipowners to participate in international trade involving calling in ports of the Russian Federation.

Chapter I.

The present Act establishes the Russian General provisions

Article 2.

International Ship Register, which shall be kept in Moscow.

Article 3.

Responsible authority

The Russian International Ship Register shall be kept by the Russian International Ship Register Authority, which is established on the basis of the Russian Maritime Administration and is subordinate to the latter.

Detailed regulations relating to the work of the Russian International Ship Register Authority, its status, rights and duties are to be adopted by the Government of the Russian Federation.

Article 4.

Types of ships and technical requirements for registration

1. Only self-propelled ships having the main engines of power not less than 55 kW and non self-propelled ships of the gross tonnage not less than 80 involved in merchant shipping according to the definition laid down in the Merchant Shipping Code shall be registered in the Russian International Ship Register.

2. Warships and state owned vessels used for non-commercial purposes as well as fishing, sport and leisure vessels cannot be registered in the Russian International Ship Register.

Article 5.

Nationality requirements

1. A ship can be registered in the Russian International Ship Register if she satisfies Russian nationality requirements, what means that she is owned by:

- (a) citizens of the Russian Federation;
- (b) legal persons according to the legislation of the Russian Federation;
- (c) the Russian Federation, subjects of the Russian Federation;
- (d) municipal entities.

2. A ship which does not satisfy the Russian nationality requirements provided in paragraph 1 of the present Article may be registered in the Russian International Ship Register if she meets one of the following conditions:

- (a) the majority of shares in the ship is owned by persons enumerated in paragraph 1 of the present Article;
- (b) the ship is owned by a foreign company (or companies), but persons mentioned in paragraph 1 of the present Article have a majority direct or indirect holding in the company (or companies);
- (c) the ship is owned by a partnership with a managing owner being a Russian citizen or legal person;
- (d) the ship is owned by a limited company or a limited partnership with its head office in the Russian Federation.

3. When a ship does not satisfy requirements of paragraphs 1 and 2 of the present Article, it may be registered in the Russian International Ship Register if the owner has appointed a representative, being a Russian citizen or legal person, who is authorised to accept writs and to act vis-à-vis the registration authorities on behalf of the owner and is responsible for ensuring that the obligations incumbent on the owner pursuant to this Act are discharged.

4. A foreign ship may be temporarily registered in the Russian International Ship Register if it is bareboat chartered by a person (or persons) mentioned in paragraph 1 of the present Article, subject to fulfilment of the requirements laid down in the Chapter VI of this Act. 5. Registration of a ship in the Russian International Ship Register on the grounds provided in paragraphs 2-4 of the present Article is subject to approval by the Maritime Administration of the Russian Federation.

Article 6.

Classification and technical survey society

The ships registered in the Russian International Ship Register shall maintain the class and be subject to the technical survey carried out by the Russian Maritime Register of Shipping.

Any exceptions from this rule may be made only subject to permission granted by the Maritime Administration of the Russian Federation.

Article 7.

The right to fly the State Flag of the Russian Federation

The ships registered in the Russian International Ship Register shall be entitled to fly the State Flag of the Russian Federation.

Article 8.

Voluntary character of registration

1. Ships shall be registered in the Russian International Ship Register on a written request of the owner or bareboat charterer forwarded to the Russian International Ship Register Authority.

2. In the case of sale of or other change of ownership in a ship registered in the Russian International Ship Register or termination of bareboat charter-party giving rise to her temporary registration therein, she shall be automatically deleted from the Russian International Ship Register, subject to the provisions of Chapter V of the present Act, unless a written request of a new owner or bareboat charterer, satisfying the requirements of Article 5 of the present Act, to continue the registration is received by the Russian International Ship Register Authority.

Article 9.

Singularity of registration

A ship registered in the Russian International Ship Register can not at the same time be registered in any other register of ships, Russian or foregn, with exception of temporary bareboat charter registration, subject to suspension of the right to fly the flag of the state of permanent registration.

Article 10.

Signal letters

The ships registered in the Russian International Ship Register shall be allocated new signal letters, which shall be clearly different from the signal letters allocated to other Russian ships.

Article 11.

Application of Russian law

Russian law shall apply to every ship registered in the Russian International Ship Register unless it is explicitly otherwise provided in the legislation of the Russian Federation.

Chapter II.

Special provisions relating to ships registered in the Russian International Ship Register

Article 12.

Pay and working conditions

1. Terms of pay and employment and other working conditions on ships registered in the Russian International Ship Register shall be fixed in a collective wage agreement which must expressly state that it applies only to such service. Collective agreements not containing this provision shall not be enforceable in respect of service on ships registered in the Russian International Ship Register.

2. Collective wage agreements may be concluded with Russian or foreign trade unions.

3. Collective wage agreement mentioned in paragraph 1 of the present Article shall expressly state that it is subject to Russian law and that disputes which may arise out of it shall be settled in Russian courts.

4. Individual contracts of engagement for service on ships registered in the Russian International Ship Register shall expressly state that the contract is subject to Russian law and to the jurisdiction of Russian courts, but that cases concerning the employee's service on the ship may be brought against the owner before a Russian court or before a court in the employee's country of residence.

Article 13.

Taxes and customs dues

The ships registered in the Russian International Ship Register shall be exempt from all taxes and customs dues on the territory of the Russian Federation. This provision relates in so far to all the commercial operations involving these ships.

Article 14.

Trading area restrictions

1. The ships registered in the Russian International Ship Register are not permitted to carry cargo and passengers between Russian ports or to engage in regular scheduled passenger transport between Russian and foreign ports. For the purpose of this Act, oil, gas and other artificial installations on the Russian continental shelf are regarded as Russian ports.

2. Exemptions from this rule can be made in specific cases by the Government of the Russian Federation.

Chapter III.

Provisions relating to the registration of ships in the Russian International Ship Register

Article 15.

Information inserted into the Register

The following main information shall be inserted in the Russian International Ship Register:

- (a) registration number and the date of registration;
- (b) name of the ship (present and former), place of her previous registration and the date of her deletion from the previous registry (if any);
- (c) identification number of the ship given by the International Maritime Organization ;
- (d) signal letters of the ship;
- (e) name of the shipbuilding yard, place and year of construction;
- (f) type of the ship, her area of navigation;
- (g) main technical characteristics of the ship, including her tonnage (gross and net), deadweight and main measures;
- (h) name, nationality and address of the owner (owners);
- (i) shares in the ship of each of the owners (if there is more than one);
- (j) way of acquiring the ownership in the ship or in the share (shares) in her;

- (k) information concerning the operator, when the operator is not the owner of the ship;
- (l) information on registered hypothèque on the ship if it is registered according to Chapter V of the present Act;
- (m)cause and date of the deletion of the ship from the Register;
- (n) any other relevant information, if its insertion is deemed necessary by the Register Authority.

Article 16.

Procedure of registration

Procedure of registration of ships in the Russian International Ship Register shall be the same as procedure established by the Rules of registration of ships in the merchant sea ports.

Article 17.

The duty to inform about changes of information inserted into the Register

The owner of the ship or her bareboat charterer, if the ship is registered in the Register according to Chapter VI of the present Act, is under obligation to report to the Russian International Ship Register Authority any change of information inserted into the Register in a two week period from the date when he learns about such change.

Article 18.

Loss of ship documents confirming the registration of a ship

1. In the case of loss of the certificate, confirming the right to fly the State Flag of the Russian Federation (ship's patent) in respect of a ship registered in the Russian International Ship Register, the duplicate of this document shall be issued by the Register Authority.

2. If the document referred to in paragraph 1 of the present Article is lost when the ship is abroad, a temporary ship's patent shall be issued by a Russian consulate following the request of the master. The temporary ship's patent shall be transmitted to the Register Authority not later than ten days upon arrival of the ship in a Russian port for subsequent issue of a duplicate.

Article 19.

Refusal of registration of a ship

The Russian International Ship Register Authority may refuse to register a ship if: (a) the registration was requested by an improper person;

- (b) the requirements of deletion from a previous register or, in the case of bareboat chartering-in, of suspension of the permanent registration are not met;
- (c) documents, presented for registration of the ship, do not comply with the respective requirements of the Russian legislation or of international treaties to which the Russian Federation is a party;
- (d) approval by the Maritime Administration of the Russian Federation, referred to in paragraph 5 of Article 5 of the present Act is not obtained.

Article 20.

Deletion of a ship

Without prejudice to the provisions of Article 8, paragraph 2 of the present Act the Russian International Ship Register Authority shall delete from the Register any ship, subject to the provisions of Chapter V of the present Act, if:

- (a) she is totally lost or missing;
- (b) she is constructively lost;
- (c) she ceases to be a ship as a result of a reconstruction or any other changes;
- (d) she ceases to meet the nationality requirements of Article 5 of the present Act;
- (e) she is in breach of the trading area restrictions provided in Article 14 of the present Act;
- (f) the bareboat charter-party which has given rise to the right to fly temporarily the State Flag of the Russian Federation according to the Chapter VI of the present Act is terminated.

Article 21.

Missing ship

A ship shall be considered as missing if there is no news of her after a lapse of time twice longer than a reasonable time needed for this ship in normal conditions to sail from the place where the last news of her has been received to the port of destination. Such lapse of time in no case shall be less than one month or more than three months from the date when the last news has been received, during wartime - not less than six months. When the ship is missing, her actual total loss shall be presumed.

Article 22.

Constructively lost ship

A damaged ship shall be considered as constructively lost if:

- (a) she can not be repaired neither at the place where she actually is, nor at any other place where she can be delivered;
- (b) the repairing of the ship is economically unreasonable.

Article 23.

Registration fees

Fees for registration of ships in the Russian International Ship Register shall be determined by the Government of the Russian Federation and shall in no case be higher than respective fees for registration in other ship registers of the Russian Federation.

Article 24.

Access to the information contained in the Register

1. Access to the information inserted into the Russian International Ship Register is open for any person having legitimate interest in it.

2. The fees for obtaining such information shall be determined by the Government of the Russian Federation and shall in no case be higher than the respective fees for obtaining information contained in other ship registers of the Russian Federation.

Article 25.

Responsibility for breach of registration rules

Any person who is in breach of registration rules provided in the present Act or in breach of its obligation to report the changes of information inserted into the Russian International Ship Register shall be liable under the Administrative law of the Russian Federation.

Chapter IV.

Measures for maintaining of safety of navigation and prevention of marine pollution

Article 26.

Duties of shipowners

1. Every ship registered in the Russian International Ship Register must comply with the requirements of the Russian legislation and of the international treaties to which the Russian Federation is a party relating to safety of navigation and prevention of maritime pollution. 2. For these purposes shipowners shall take all necessary measures in respect of ships registered in the Russian International Ship Register to ensure safety at sea with regard, *inter alia*, to:

- (a) construction, equipment and seaworthiness of ships;
- (b) manning of ships, labour conditions and the training of crews;
- (c) use of signals, the maintenance of communications and the prevention of collisions.

3. In meeting the obligations imposed on them by paragraph 2 of the present Article shipowners shall provide that the measures taken include those necessary to ensure:

- (a) that each ship, before registration and thereafter at appropriate intervals, is surveyed by a qualified surveyor of ships, and has on board such charts, nautical publications and navigational equipment and instruments as are appropriate for the safe navigation of the ship;
- (b) that each ship is in the charge of a master and officers who possess appropriate qualifications, in particular in seamanship, navigation, communications and marine engineering, and that the crew is appropriate in qualification and number for the type, size, machinery and equipment of the ship;
- (c) that the master, officers and, to the extent appropriate, the crew are fully conversant with and required to observe the applicable international regulations concerning the safety of life at sea, the prevention of collisions, the prevention, reduction and control of marine pollution, and the maintenance of communications by radio.

Article 27.

Duties of the Russian International Ship Register Authority

1. The Russian International Ship Register Authority shall exercise control over fulfilment by shipowners of obligations under Article 26 of the present Act.

2. The Russian International Ship Register Authority is responsible for meeting the obligations imposed on the Russian Maritime Administration by the Paris and Tokyo Memoranda of Understanding on Port State Control with regard to the ships registered in the Russian International Ship Register.

3. The Russian International Ship Register Authority may exercise its duties under this Article through its own inspections in merchant sea ports as well as through the Maritime Administrations of Ports.

Chapter V.

Provisions relating to the registration of hypothèques on the ships registered in the Russian International Ship Register

Article 28.

Creation of a hypothèque on a ship

Hypothèque on a ship is created for the purposes of security for execution of a monetary obligation by way of concluding a contract between her owner and creditor with its subsequent registration according to Articles 30 and 31 of the present Act.

Article 29.

Subject of a hypothèque on a ship

1. Unless it is otherwise provided by the contract, hypothèque on a ship extends to her appurtenances, when the owner of the ship and of the appurtenances is the same person, and to the insurance indemnity due according to a contract of marine insurance covering loss of or damage to the ship. Hypothèque on a ship does not extend to freight.

2. When a hypothèque is created in respect of two or more ships, they constitute severally and jointly security for the obligation, unless the contract expressly provides which part of the loan is secured by each of them.

Article 30.

Registration of a hypothèque

1. Hypothèque on a ship permanently registered in the Russian International Ship Register shall be registered therein.

2. Hypothèque on a foreign ship temporarily enjoying the right to fly the State Flag of the Russian Federation in accordance with the Chapter VI of the present Act can not be registered in the Russian International Ship Register.

Article 31.

Procedure of registration of a hypothèque

1. Hypothèque on a ship shall be registered on the basis of an application by its holder.

2. The application for registration of a hypothèque must contain the following information:

- (a) information identifying the ship (her name, registration number, type and class, tonnage);
- (b) name and address of the debtor;

- (c) name and address of the holder of the hypothèque;
- (d) maximum amount of the obligation secured by the hypothèque; when the hypothèque is created over two or more ships, the amount of the obligation secured by each of them, if it is agreed by the parties;
- (e) date of execution of obligation secured by the hypothèque.
- The contract of hypothèque shall be attached to the application.

3. The Russian International Ship Register Authority may refuse to register a hypothèque if submitted documents or the contract itself does not satisfy the requirements for its registration or are in breach of any provisions of international treaties to which the Russian Federation is a party.

4. Hypothèque on a ship shall be registered on the date of submission of the application for its registration.

The information contained in the application for registration as referred to in paragraph 2 of the present Article shall be inserted into the Register.

The Russian International Ship Register Authority upon registration shall issue to the debtor and the holder of the hypothèque a certificate of its registration containing information inserted into the Register.

5. Fees for registration of a hypothèque on a ship and for obtaining information thereon according to Article 24 of the present Act shall be determined by the Government of the Russian Federation and shall in no case be higher than the respective fees established for other ship registers of the Russian Federation.

6. Provisions of paragraph 1 of the Article 24 of the present Act shall also apply to the information on a hypothèque contained in the Register or in the documents submitted for its registration.

Article 32.

Priority of claims secured by a hypothèque

Claims secured by a hypothèque on a ship shall take priority over any other claims, except claims, secured by a maritime lien, as provided by the Merchant Shipping Code, and claims, referred to in paragraphs 3 and 4 of Article 39 of the present Act.

Article 33.

Ranking of the claims secured by a hypothèque between them

1. If two or more hypothèques are registered in respect of the same ship, their ranking depends upon the time of registration. Hypothèque registered earlier ranks prior to a hypothèque registered later. Hypothèques registered on the same date rank equally.

2. Ranking of hypothèques established by paragraph 1 of the present Article may be changed by an agreement between debtor and holders of hypothèques. Such agreement is subject to registration in the Register.

Article 34.

Assignment of a hypothèque

1. Holder of a hypothèque may assign it to another person only together with the obligation secured by it. Assignment of one without another shall not be allowed.

2. When hypothèque has been assigned, information about the date of assignment, the name and address of the assignee shall be inserted into the Register.

Article 35.

Preservation of a ship which is subject to a hypothèque

The debtor must take necessary measures for preservation and maintenance of a ship which is subject to a hypothèque. When a breach of this duty is followed by a substantial reduction in the price of the ship the holder of the hypothèque may enforce it even if the date of execution of the secured obligation has not come.

Article 36.

Change of ownership or deregistration

1. With the exception of the cases of forced sale provided for in Article 37 of the present Act, in all other cases that entail deregistration of a ship or change of ownership therein, the Russian International Ship Register Authority shall not permit the owner to deregister the ship or to change ownership therein unless all registered hypothèques or other charges of the same nature are previously deleted or the written consent of all their holders is obtained.

2. When deregistration of the ship is obligatory, otherwise than as a result of a voluntary sale, the holders of registered hypothèques or other charges of the same nature shall be notified by the Russian International Ship Register Authority of the pending deregistration in order to enable such holders to take appropriate action to protect their interests. Unless the holders consent, the deregistration shall not be implemented earlier than after of a reasonable period of time which shall be not less than three months after the relevant notification to such holders.

Article 37.

Basis of a forced sale of a ship

When a debtor fails to meet his obligation to execute the obligation secured by a hypothèque, ship charged by the hypothèque may be sold following the decision of a court of a place where the ship is arrested or detained for such purpose.

Article 38.

Notice of forced sale

1. Prior to the forced sale of a ship the Russian court conducting it shall forward a notice thereof to:

- (a) the Russian International Ship Register Authority;
- (b) all holders of registered hypothèques or charges which have not been issued to bearer;
- (c) all holders of registered hypothèques or charges issued to bearer and all holders of maritime liens, provided that the court conducting the sale receives notice of their respective claims; and
- (d) the registered owner (or owners) of the ship.

2. Such notice shall be provided at least 30 days prior to the forced sale and shall contain either:

- (a) the time and place of the forced sale and such particulars concerning the forced sale or the proceedings leading to the forced sale as are sufficient to protect the interests of persons entitled to notice; or,
- (b) if the time and place cannot be determined with certainty, the approximate time and anticipated place of the forced sale and such particulars concerning the forced sale as are necessary to protect the interests of persons entitled to notice.

If notice is provided in accordance with subparagraph (b), additional notice of the actual time and place of the forced sale shall be provided when known but, in any event, not less than seven days prior to the forced sale.

3. The notice specified in paragraph 2 of this Article shall be in writing and either given by registered mail, or given by any electronic or other appropriate means which provide confirmation of receipt, to the persons interested as specified in paragraph 1, if known. In addition, the notice shall be given by press announcements and, if deemed appropriate by the court conducting the forced sale, in other publications.

Article 39.

Effects of forced sale

1. In the event of the forced sale of the ship, all registered hypothèques or charges, except those assumed by the purchaser with the consent of the holders, shall cease to attach to the ship.

2. The costs and expenses arising out of the arrest and subsequent sale of the ship shall be paid first out of the proceeds of sale. Such costs and expenses include, *inter alia*, the costs for the upkeep of the ship and the crew as well as wages, other sums and costs, incurred from the time of arrest. The balance of the proceeds shall be distributed in accordance with the provisions of this Chapter, to the extent necessary to satisfy the respective claims. Upon satisfaction of all claimants, the residue of the proceeds, if any, shall be paid to the owner and shall be freely transferable. 3. In the event of a forced sale of a stranded or sunken ship, following its removal by a public authority in the interest of safe navigation or the protection of the marine environment, the costs of such removal shall be paid out of the proceeds of the sale, before all other claims secured by a maritime lien on the ship.

4. If at the time of the forced sale the ship is in the possession of a shipbuilder or of a shiprepairer who enjoys a right of retention, such shipbuilder or shiprepairer must surrender possession of the ship to the purchaser but is entitled to obtain satisfaction of his claim out of the proceeds of sale after the satisfaction of the claims of holders of maritime liens.

5. The court conducting the sale shall, at the request of the purchaser, issue a certificate to the effect that the ship is sold free of all registered hypothèques or charges, except those assumed by the purchaser. Upon production of such certificate the Russian International Ship Register Authority shall be bound to delete all registered hypothèques or charges except those assumed by the purchaser or to issue a certificate of deregistration for the purpose of new registration, as the case may be.

Article 40.

Temporary change of flag

1. No ship shall be permitted to fly temporarily the flag of another state unless all registered hypothèques or charges on that ship have been previously satisfied or the written consent of the holders of all such hypothèques or charges has been obtained.

2. The notice referred to in the Article 38 of the present Act shall be given also to the competent authority in charge of the ship's record in the state whose flag the ship is permitted to fly temporarily.

Article 41.

Extinction of a hypothèque

1. Hypothèque on a ship shall be extinguished when:

- (a) the loan is repaid;
- (b) the monetary obligation is extinguished by other means than repayment (forced sale, etc.);
- (c) loss of the ship, excluding the cases when the holder of the hypothèque can satisfy his claim by the indemnity due for the loss of the ship in virtue of a contract of marine insurance.

2. When documents proving the extinction of a hypothèque are submitted, the Russian International Ship Register Authority shall insert into the Register information about such extinction.

Chapter VI.

Bareboat charter registration

Article 42.

Conditions for registration

1. The right to fly temporarily the State Flag of the Russian Federation with subsequent registration of a ship in the Russian International Ship Register may be granted to a ship, registered in a foreign registry, bareboat-chartered by a Russian charterer, if:

- (a) bareboat charterer satisfies the requirements of Russian nationality, provided in Article 5 of the present Act;
- (b) written consent of the owner of the ship to change the flag of the ship to the State Flag of the Russian Federation has been obtained;
- (c) written consent of all holders of registered mortgages, hypothèques or other encumbrances to change the flag of the ship to the State Flag of the Russian Federation has been obtained;
- (d) legislation of the state of permanent registration of the ship does not forbid to change temporarily the flag;
- (e) the right to fly the flag of a state of permanent registration of the ship is suspended or shall be suspended at the moment of granting to her the right to fly temporarily the State Flag of the Russian Federation.

2. The right to fly temporarily the State Flag of the Russian Federation shall be granted by the Maritime Administration of the Russian Federation.

Article 43.

Period of bareboat charter registration

Period of registration of ships according to this Chapter shall be up to two years. This period may be extended by up to two years at a time upon written application by the bareboat charterer but shall in no case be longer than a period of bareboat charter-party. For the purpose of changing the flag the bareboat charter-party shall have a duration of not less than one year.

Article 44.

Registration of bareboat-chartered ships

1. Ships registered in the Russian International Ship Register according to the present Chapter shall be registered in a special part of the Register - "Ships Bareboat Chartered-in".

2. Upon registration of a bareboat chartered ship the following information shall be inserted into the Register:

(a) name of the ship;

- (b) name and address of the owner (or owners) of the ship;
- (c) name and address of the bareboat charterer;
- (d) date of conclusion of bareboat charter-party and the period it is concluded for;
- (e) date of termination of the granted temporary right to fly the State Flag of the Russian Federation
- (f) name of the registry of the permanent registration of the ship with the notice that the law of the state of the permanent registration applies in respect of ownership in the ship and mortgages, hypothèques and other encumbrances of the same character, registered in such registry.

Upon demand of a holder of a hypothèque or of other encumbrance of the same character, name of its holder and other data relating to the hypothèque or other encumbrance of the same character, contained in the registry of the permanent registration of the ship, may be inserted into the Russian International Ship Register. Such data shall be inserted only for information purposes.

Article 45.

Procedure of bareboat charter registration

1. Ships, bareboat chartered-in, shall be registered in a one month period from the date of granting the right to fly the State Flag of the Russian Federation, referred to in Article 42, paragraph 2 of the present Act.

2. The registration is effected upon written application by the bareboat charterer. The following documents shall be attached to the application:

- (a) written information from the registry of permanent registration containing the name of the owner (or owners) of the ship and the names of holders of registered mortgages, hypothèques and other encumbrances of the same nature, if any;
- (b) written consent of the owner and of the holders of registered mortgages, hypothèques or other encumbrances of the same nature for changing the flag of the ship to the State Flag of the Russian Federation;
- (c) document from the competent authorities of the state of permanent registration confirming that the right to fly the flag of this state is suspended, or shall be suspended upon granting the right to fly the State Flag of the Russian Federation, for the period of such granting;
- (d) original and a copy of bareboat charter-party;
- (e) certificate of seaworthiness;

(f) measurement certificate;

- (g) passengers' certificate (for passenger ships);
- (h) information on identification number of the ship, given by the International Maritime Organization;
- (i) document, confirming that the bareboat charterer meets nationality requirements provided for in Article 5 of the present Act;

(j) document, confirming that the right to fly the State Flag of the Russian Federation is granted according to the Article 42, paragraph 2 of the present Act.

3. Upon registration the certificate, confirming the right to fly temporarily the State Flag of the Russian Federation, shall be issued by the Russian International Ship Register Authority.

Chapter VII.

Temporary suspension of the right to fly the State Flag of the Russian Federation

Article 46.

Conditions of temporary suspension of the right to fly the State Flag of the Russian Federation

1. The right to fly the State Flag of the Russian Federation may be temporarily suspended when a ship registered in the Russian International Ship Register is bareboat chartered by a foreign charterer, if:

- (a) written consent of the owner (or owners) of the ship to change her flag has been obtained;
- (b) written consent of the holders of hypothèques, registered in accordance of Chapter V of the present Act, to change the flag has been obtained;
- (c) the law of the state of the charterer does not contain provisions, forbidding the grant of the right to fly the flag thereof to ships registered in the Russian International Ship Register and subsequent returning of such ship under the State Flag of the Russian Federation when this right has expired.

2. Suspension referred to in paragraph 1 of this Article is subject to approval by the Maritime Administration of the Russian Federation.

Article 47.

Period of temporary suspension of the right to fly the State Flag of the Russian Federation

Period of temporary suspension of the right to fly the State Flag of the Russian Federation shall be up to two years. This period may be extended by up to two years at a time upon written application by the bareboat charterer but shall in no case be longer than a period of bareboat charter-party. For the purpose of changing the flag the bareboat charter-party shall have a duration of not less than one year.

Chapter VIII.

Final provisions

Article 48.

Entering into force

This Act shall enter into force on the _____ of _____, _____.

Article 49.

Status of Articles 5(1), 21, 22 and Chapters V, VI, VII

Upon entering into force of the Merchant Shipping Code of the Russian Federation, in case of contradiction between provisions of Articles 5(1), 21, 22, Chapters V, VI, VII of the present Act and respective provisions of the Code, rules of the Merchant Shipping Code of the Russian Federation shall apply.

Article 50.

Application of Articles 5(1), 21, 22 and Chapters V, VI, VII

Until entering into force of the Merchant Shipping Code of the Russian Federation provisions of Articles 5(1), 21, 22 and Chapters V, VI, VII of the present Act shall apply *mutatis mutandis* to the other ship registers of the Russian Federation.