



REPUBLIC OF SAN MARINO

We Captains Regent the Most Serene Republic of San Marino

Having regard to Article 4 of the Constitutional Law n. 185/2005 and Article 6 of the Qualified Law n. 186/2005.

We hereby promulgate and send for publishing the following ordinary law approved by the Great and General Council at its meeting of 29 July 2019:

LAW n.120 of 2 AUGUST 2019

MARITIME NAVIGATION REFORM

Text coordinated with Amending Decrees on October 27 - 2023

- DD 48/2021

- DD 144/2021

- DD 75/2022 repealed with art. 9 DD 151/2023

- DL 64/2023

- DD 130/2023 repealed with art 9 DD 151/2023

- DD 151/2023 (repealed DD 75 and DD 130)

CHAPTER I

DEFINITIONS AND POWERS

Art. 1 (Definitions)

1. For the purposes of this Act the following definitions apply to the terms below:

"Authority": the Civil Aviation and Maritime Navigation Authority;

"Register": the Ship Register of the Republic of San Marino as better specified in Article 4;

"Pleasure Units": the units used for navigation for Pleasure purposes, even when used for commercial purposes as the subject of lease or charter agreements. Such definition includes:

1) "Pleasure Boat": rowing units and units with a hull length of less than 10 meters.

2) "Pleasure craft": unit having a hull with a length of over 10 meters and lower than 24 meters, where length refers to the so-called "load line length". Said units are subject to the safety regulations provided for by the "Small Yacht Safety Code"

3) "Pleasure Yacht": unit having a hull with a length of at least 24 meters, where length means the so-called "load line length". Said units are subject to the safety regulations provided for by the "Large Yacht Safety Code";

"Commercial Unit": any unit other than the Pleasure Units and used to transport persons or things, or for other commercial activities.

"Ship": Pleasure and Commercial Units indiscriminately.

"Representative": an agent, a natural person residing or a company having its registered office in the Republic of San Marino appointed pursuant to Article 32 by the owner and the shipowner, if other than the owner, of the Ship registered in the Register and responsible for communicating with and notifying the Authority. In the cases referred to in Articles 26 and 64 of this law, the Representative is appointed by the charterer or user under a lease or financial lease agreement.

Art. 2*(Legal nature, composition, operating and financing procedures of the Authority)*

1. The legal nature, composition, operating and financing procedures of the Authority are described in Article 1, paragraph 1, and Articles 2, 3, 4, 5, 6 and 11 of the Law no. 125 of 29 July 2014 and subsequent amendments.
2. The Authority may use the designation "Civil Aviation Authority" or "Maritime Navigation Authority" separately for matters falling within their respective competences.

Art. 3*(Powers and functions of the Authority)*

1. The Authority has administrative and technical management functions in the field of maritime navigation on Ships flying the San Marino flag. In particular, it performs the following functions:
 - a) issuing of regulations, directives, and circular letters;
 - b) drawing up of draft legislation on the subject;
 - c) issuing of maritime titles and certificates;
 - d) appointing third parties to act on behalf of the Authority in carrying out technical activities in the maritime sector;
 - e) monitoring the performance of maritime activities;
 - f) maintaining relations with international technical bodies within the sector;
 - g) monitoring and determining, also through delegated bodies or subjects, the seaworthiness of ships flying the San Marino flag;
 - h) keeping of the Ship Register;
 - i) issuing, suspension, modification or revoking of any certificate, licence, permit, authorisation or any other measure issued under this Act or under the regulations of the Authority in the event of their violation or where required in order to ensure maritime safety;
 - l) carrying out of on-board inspections as well as investigations of accidents involving ships flying the San Marino flag, including through delegated bodies or entities;
 - m) in collaboration with the authorities of the State in whose waters they are located, implementation of the appropriate measures for the rescue of ships registered in the San Marino Register or for the removal or recovery of their wrecks;
 - n) imposing of administrative penalties within its competence;
 - o) submitting of an annual report to the relevant council committee on developments in the maritime sector;
 - p) setting of rates for its services.
2. The Authority is legally represented by its Director General. In carrying out their functions, the Director General and the employees of the Authority take on the role of public officials. 3. For the performance of certain functions relating to the management and promotion of the Register, the Authority may be assisted by third parties after having entered into specific agreements.

Art. 4*(Ship Register)*

1. The Ship Register maintained by the Authority comprises the following sections:
 - a) Commercial Section containing the registrations, transcriptions, entries, and annotations relating to Commercial Units;
 - b) Pleasure Section containing the registrations, transcriptions, entries, and annotations relating to Pleasure Units.

Art. 5

(Licensing of technical bodies)

1. In carrying out its activities and functions, the Authority may make use of technical bodies with proven experience in the sector, subject to special licensing.
2. The requirements and procedures for the licensing of technical bodies are specified in a special regulation issued by the Authority.

Art. 6

(Documentation language)

1. All documents required by the Authority in the performance of its functions may be submitted in Italian or English. Such rule also applies to any other type of communication addressed to the Authority.
2. The Authority may use the English language in the performance of all its functions where required or deemed most appropriate.

CHAPTER II RULES OF PRIVATE INTERNATIONAL LAW

Art. 7

(Applicability of international conventions)

1. The international conventions ratified and implemented by the Republic of San Marino shall apply to the relations governed by them even in the absence of the elements of internationality or connections with a Contracting State required by the conventions.

Art. 8

(Law governing acts performed on board Ships)

1. In the absence of closer connections with another system or of a choice of applicable law agreed upon by the parties after the event, the acts and facts occurring on board a ship registered in the Register shall be governed by the law of the Republic of San Marino.

Art. 9

(Law governing property, rights in rem and security rights in rem)

1. Ownership, rights in rem and rights of lien on ships shall be governed by the law of the State in whose register the ship is registered.
2. Special liens on ships are governed by the international Convention on the unification of certain rules relating to maritime liens and mortgages concluded in Brussels on 10 April 1926 and any subsequent amendments.

Art. 10

(Law governing the powers and duties of the master)

1. The powers and duties of the master of the ship as head of the maritime expedition shall be governed by the law of the State in whose register the ship is registered.

Art. 11*(Law governing the shipowners' liability)*

1. The shipowner's liability shall be governed by the law of the State in which the shipowner has his/her habitual residence, if a natural person, or its principal place of business, if a legal person.
2. The Brussels Convention of 23 September 1910 for the unification of certain rules relating to collisions between ships and the London Convention of 20 October 1972 on international regulations for preventing collisions at sea (COLREG) and any possible subsequent amendments shall apply to the shipowner's liability for collision of ships.
3. The London Convention of 19 November 1976 on limitation of liability for maritime claims (LLMC), as amended by the Protocol of 2 May 1996 and any possible subsequent amendments shall apply to the limitation of the shipowner's liability .
4. The Brussels Convention of 29 November 1969 on civil liability for oil pollution damage (CLC), as amended by the Protocols of 29 November 1976 and 27 November 1992 and any possible subsequent amendments, shall apply to the liability of the shipowner for oil pollution.

Art. 12*(Law governing employment contracts)*

1. The employment contracts of the master and crew shall be governed by the law agreed upon by the parties or, in the absence of such designation, by the law of the State in which the shipowner has his/her habitual residence, if a natural person, or its principal place of business, if a legal person, in any case without prejudice to compliance with the International Labour Organization (ILO) Conventions ratified and implemented by the Republic of San Marino.

Art. 13*(Law governing contracts relating to the commercial use of ships)*

1. The Brussels Convention of 25 August 1924, as amended by the Protocols of 23 February 1968 and 21 December 1979 and any possible subsequent amendments, shall apply to contracts for the carriage of goods by sea.
 2. The Athens Convention of 13 December 1974, as amended by the Protocols of 19 November 1976, 29 March 1990 and 1 November 2002 and any possible subsequent amendments, shall apply to contracts for the carriage of passengers by sea.
 3. Insofar as not provided for in the international conventions referred to in the preceding paragraphs of this Article, lease, charter, transport, towage and other agreements relating to the commercial use of the ship shall be governed by the law agreed upon by the parties or, in the absence of such designation, by the law of the State in which the shipowner has his/her habitual residence, if a natural person, or its principal place of business, if a legal person.
 4. Financial lease agreements concerning vessels and loan agreements for the purchase or construction of vessels shall be governed by the law agreed upon by the parties or, in the absence of such designation, by the law of the State in which the financing party has his/her habitual residence, if a natural person, or its principal place of business, if a legal person.
- 4bis** The procedures for the registration of ships under construction will be defined with a specific implementation Regulation by the Authority itself.

Art. 14*(Rescue and general average)*

1. Rescue performed by or in favour of ships registered in the Register is governed by the London Convention of 28 April 1989 and any possible subsequent amendments.

2. The general average relating to ships registered in the Register shall be governed by the York and Antwerp Regulations in the wording in force at the time of the accident.

Art. 15 (*Choice of applicable law*)

1. For the purposes of Articles 8, 12 and 13, the choice of applicable law must be expressed or clearly apparent from the provisions of the agreement.

Art. 16 (*Jurisdiction*)

1. The Court of the Republic of San Marino has exclusive jurisdiction to settle disputes relating to the registration and removal of ships from the Register as well as to any other registration, entry, or annotation in such register.

Art. 17
(*Exemptions from jurisdiction*)

1. Without prejudice to the mandatory rules governing the jurisdiction of San Marino, the parties may agree, in writing or in any other manner consistent with the customs of international trade, on the designation of the competent jurisdiction or arbitrators, exclusively or alternatively, for disputes relating to the relationships covered by this law, except for those referred to in Article 16 above.

CHAPTER III ADMISSION TO NAVIGATION

Art. 18 (*San Marino flag*)

1. Ships registered in the Register are considered to be of San Marino nationality and they are authorised to fly the San Marino flag.
2. The requirements of the San Marino flag are identified through specific regulations of the Authority.

Art. 19
(*Identification data of San Marino ships*)

1. Ships are identified by:
 - a) their name;
 - b) their registration number in the Register;
 - c) their tonnage;
 - d) their IMO number.
2. Their name must be approved by the Authority.
3. Their tonnage must be certified, in accordance with the international regulations in force, by a body authorised by the Authority.

Art. 20

(Requirements for admission to navigation)

1. Ships are allowed to sail if they are:
 - a) registered in the Register;
 - b) in seaworthy conditions;
 - c) classified at the highest level of their corresponding type by a body authorised by the Authority.

Art. 21

(Registration certificate)

1. Admission to navigation is attested by the issuance of the registration certificate on the part of the Authority.
The registration certificate specifies:
 - a) name of the ship;
 - b) type of ship;
 - c) gross tonnage and net tonnage of the ship;
 - d) ship's number of registration in the Register;
 - e) owner's name;
 - f) shipowner's name, if other than the owner;
 - g) IMO number.
2. If one of the above elements changes, a new registration certificate must be issued.

Art. 22

(Supervision of compliance with the requirements for admission to navigation)

1. The Authority shall ensure that the aforesaid requirements continue to be met and, if it ascertains that even one of them is no longer met, it shall set a deadline for the owner to restore said requirements.
2. On expiry of the period referred to in paragraph 1, the Authority shall suspend the admission to navigation and order the withdrawal of the registration certificate, without prejudice to the powers of suspension and withdrawal referred to in Article 3 paragraph 1, point i).

Art. 23

(Withdrawal of registration certificate)

1. In addition to the provisions of Article 22, the Authority shall provide for the withdrawal of the registration certificate in all cases of removal of the ship from the Register.

Art. 24 *(Registration of ships)*

1. Without prejudice to Article 26, ships may be registered in the Register if they belong to:
 - a) the Most Excellent Chamber;
 - b) natural persons residing in the Republic of San Marino;
 - c) legal persons residing in the Republic of San Marino;

- d) non-resident natural or legal persons who have appointed a representative in the Republic of San Marino.
2. In case of co-ownership, the above requirements must be met in relation to the majority of the shares.

Art. 25

(Title for the registration of vessels)

1. The owner who intends to register a ship in the Register shall submit an application to the Authority together with the following annexes:
- a) original or certified copy of the ownership title represented by:
 - 1) public deed;
 - 2) Certified private deed;
 - 3) judgement;
 - 4) statement of succession;
 - b) application for name approval;
 - c) documentation certifying that the requirements of Article 24 are met;
 - d) certificate of tonnage;
 - e) certificate of removal from the register of the previous registration of the ship or documentation certifying the request for removal.

Art. 26

(Bareboat charter agreement)

1. Ships may be temporarily registered in the Register if they are suspended from registration in a foreign register and are leased out or granted under financial lease to a person meeting the requirements of Article 24.
2. In that case, instead of the ownership title referred to in Article 25, the original or certified copy of the lease or financial lease agreement shall be attached to the application for registration in the Register.
3. The applicant for registration must also enclose with the application, as an original or certified copy, the declarations of consent to temporary registration in the Register by the register of origin, by the owner and by any possible encumbrancer.
4. The temporary registration referred to in this Article shall be for a period not exceeding that of the lease or financial lease agreement, which may be extended, and in any event not exceeding five years.

Art. 27

(Suspension of registration)

1. The owner of a ship registered in the Register may, in the event that the ship is leased out or granted under financial lease, request temporary suspension of registration in order to allow for temporary registration in another register by the charterer or user.
2. The application for suspension must be accompanied by the original or certified copy of: a) the lease or financial lease agreement;
- b) the declaration of consent to the suspension of registration by the possible encumbrancer.
3. The suspension of registration referred to in paragraph 1 shall have a duration equal to that of the lease or financial lease agreement, which may be extended, but in any case not exceeding five years.

Art. 28

(Application for cancellation of ships)

1. The Authority shall remove the ship from the Register at the request of the owner or, in the cases referred to in Article 26, of the charterer or user under a lease or financial lease agreement.
2. The Authority shall grant authorisation for removal provided that there are no seizure or attachment registrations, registration of mortgages or other third party rights.
3. Following the granting of the application, the Authority shall order the removal of the ship from the Register and the withdrawal of the registration certificate and of the ship's papers.

Art. 29

(Further cases of removal of ships)

1. The Authority shall also order the removal of the ship from the Register and the withdrawal of the registration certificate and of the ship's papers:
 - a) where the owner no longer meets the requirements laid down in Article 24 and such requirements are not reinstated within the mandatory term of sixty days after the Authority has issued a warning to the owner;
 - b) in case of judicial sale of the vessel in San Marino or abroad;
 - c) in case the ship is scrapped;
 - d) in case the ship is lost.

In the case referred to at point b), the successful tenderer must submit an application for removal accompanied by the original or certified copy of the award decision.

In the case referred to at point c), the owner must apply for removal by attaching a scrapping certificate issued by a body authorised by the Authority.

In relation to the provisions of point d), the vessel shall be presumed to have been lost when no information is received for a period of over ninety days.

Art. 30 *(Taxes and fees)*

1. For each vessel registered in the Register a registration tax shall be levied annually, in proportion to the tonnage of the vessel, at a rate determined by the competent authorities of the Republic of San Marino.
2. The fees for the issuance of certificates and for the other services rendered shall be determined by the Authority and shall include any charges levied on the documents received or issued by the Authority, including stamp duty and ex officio fees.
3. At the same time as collecting any amount referred to in the above paragraphs, the Authority is required to issue a special debit note to the party required to pay.

Art. 31

(Tax regime for San Marino shipping companies)

1. The income generated by San Marino companies operating maritime transport of persons or goods, or performing other maritime commercial activities by deploying ships flying the San Marino flag, is subject to specific taxation, for whose implementation and regulation reference should be made to a specific delegated decree.

CHAPTER IV SHIPOWNER

Art. 32 (*Shipowner's declaration*)

1. Where, under the terms of the lease, financial lease agreement or other suitable title, the operation of the ship is assumed by a person other than the owner, such person or, in case of his/her inaction, the owner shall lodge the shipowner's declaration with the Register. In the absence of such a declaration, the shipowner is presumed to be the owner.

Art. 33 (*Shipowner's declaration requirements*)

1. The shipowner's declaration referred to in Article 32 must be drawn up in the form of a public deed or authenticated private agreement.
2. The shipowner's declaration must specify:
 - a) the name and registration number of the vessel;
 - b) the name and residence, if a natural person, or the name and registered office, if a legal person, of the owner and of the shipowner;
 - c) the agreement under which the operation of the ship is assumed by a person other than the owner; a certified copy of the aforesaid agreement shall be attached to the shipowner's declaration;
 - d) in the case of persons referred to at letter d) of Article 24, the appointment of the representative.

Art. 34 (*Shipowner's functions*)

1. The shipowner shall appoint the ship's master and recruit the crew.
2. The shipowner shall have all the rights, obligations and responsibilities arising from the operation of the ship.
3. The shipowner shall be liable for the actions of the master and of the crew, with the exception of the breach by the master of his rescue obligations.

Art. 35 (*Limitation of the shipowner's liability*)

1. The limitation of the shipowner's liability shall be governed in accordance with the provisions of Article 11, paragraph 3.

CHAPTER V REGISTER FORMALITIES, APPURTENANCES AND RIGHTS IN REM ON SHIPS

Art. 36 (*Register Entries*)

1. Documents constituting, transferring, or extinguishing rights in rem and security rights in rem on ships must be drawn up, under penalty of nullity, in the form of a public deed or authenticated private agreement.
2. Said documents must then be entered in the Register and noted on the registration certificate.

3. The priority between the registrations of security rights in rem, as well as between the registrations of ownership, is based on their chronological order.

Art. 37 (*Ship's appurtenances*)

1. Life-saving appliances, tools, equipment, furniture and, in general, all the things intended to be permanently used for the vessel or as its decorations are appurtenances of the ship.
2. Unless expressly provided otherwise, the acts and contracts having the ship as their object shall also be deemed to have the appurtenances as their object.

Art. 38
(*Ownership of appurtenances*)

1. The alien ownership of the appurtenances may not be opposed to bona fide third parties who acquired rights to the ship unless it is evidenced by an agreement entered into at a certified earlier date.

Art. 39 (*Special liens on ships*)

1. Special liens on the ship take priority over mortgages and over any other lien or security right on the ship.
2. The transfer of the preferential credit also implies the transfer of the special lien.

Art. 40 (*Maritime mortgages*)

1. A voluntary mortgage may be granted on the ship.
2. The mortgage deed must indicate:
 - a) the name and registration number of the vessel;
 - b) the name and residence, if natural person, or the company name and registered office, if legal person, of the owner and of the encumbrancer;
 - c) the title, the amount of credit guaranteed and the due date of credit;
 - d) the maximum guaranteed amount.

Art. 41
(*Priority of maritime mortgages*)

1. The mortgage shall take precedence over all liens or other security rights on the ship, except for the special liens referred to in Article 39.

Art. 42
(*Transfer of mortgage-backed credit*)

1. The transfer of the mortgage-backed credit also implies the transfer of the mortgage guarantee.

Art. 43

(Transfer of mortgage guarantee)

1. In case of loss of the ship, the mortgage guarantee is transferred to the insurance indemnities due to the owner.

Art. 44

(Prescription period of mortgage rights)

1. The rights deriving from the granting of a mortgage are time-barred twenty years after the expiry of the guaranteed obligation.

CHAPTER VI SAFETY OF NAVIGATION

Art. 45

(Rules governing maritime navigation)

1. Ships must comply with the rules on safety, seaworthiness, environmental protection, hygiene and safety at work on board established by the international conventions illustrated at points e), f), m), o), q) and t) of Article 80 ratified and implemented in the Republic of San Marino and in the delegated decrees issued by the Republic of San Marino in implementation of the provisions of this law.

Art. 46

(Verification of compliance)

1. The verification of compliance with the regulations referred to in Article 45 and the issuance of the relevant certificates shall be carried out by the Authority or by a body authorised by it in accordance with Article 5.

Art. 47 *(Ships
classification)*

1. The classification of ships shall be carried out by a body authorised by the Authority in accordance with Article 5.

Art. 48 *(Claims
investigation)*

1. The Authority, or a body authorised under Article 5, shall conduct an investigation into the accidents occurred to ships flying the flag of the Republic of San Marino in order to ascertain the dynamics and causes and to promote appropriate initiatives in order to improve safety of navigation and to safeguard human life and marine environment.

CHAPTER VII SHIP'S MASTER AND ROLE OF CONSULAR AUTHORITIES

Art. 49

(Master's powers)

1. The master is the sole person responsible for the nautical management of the ship.
2. All those on board the ship are subject to the authority of the master.
3. Crew members are required to comply with shipboard hierarchy and with the instructions given.
4. If the master avails himself of the pilot, he shall nevertheless remain responsible for the manoeuvre, without prejudice to his right of recourse against the pilot.

Art. 50 *(Master's*

responsibility)

1. It is also the duty and responsibility of the master to:
 - a) check the seaworthiness of the ship and the correct loading of goods prior to its departure;
 - b) organize and maintain on-board discipline;
 - c) keep the ship's logbook and the other documents referred to in Article 60;
 - d) manage the ship's cash register;
 - e) take the necessary measures for the safety of the crew, of passengers and of all the other persons on board the ship;
 - f) rescue other ships in distress;
 - g) take the necessary measures to deal with situations of danger to the shipment;
 - h) order to abandon the vessel if the above measures have proved unsuccessful.

Art. 51

(Master's powers of representation)

1. The master has the legal representation of the shipowner for the underwriting of bills of lading and the conclusion of contracts for the supply of goods and services necessary for the needs of the ship.
2. In the places where the shipowner or his/her representative with the necessary powers is not present, the master may act and be sued on behalf of the shipowner.

Art. 52

(Master's function as civil registrar)

1. During navigation, the master of the vessel shall act as a civil registrar and, in such capacity, he may marry in the event of imminent danger to the life of the prospective spouses and receive a will in the event of unavoidable necessity.
2. The master shall also be required to record the death or disappearance of persons in the ship's logbook and in said case he shall be required to keep the properties of such persons and hand them over to the consular authority at the ship's next port of call. The commander shall give notice of death or disappearance to such consular authority without delay.

Art. 53 *(Offences on*

board ship)

1. If an offence is committed on board the vessel during navigation, the master shall carry out judicial police duties in order to carry out the investigation and implement any coercive measures against the suspects.

2. The master shall draw up a report on the judicial police activities carried out and he shall make it available to the competent authorities at the next port of call together with the evidence and bodies of evidence collected.

Art. 54

(Consular authorities' functions)

1. The consular authorities shall transmit to the Authority a certified copy of the civil status records extracted from the ship's logbook.

2. In the event of loss of documents or other ship's papers, the master of the vessel must report it to the consular authority of the next port of call, which shall issue provisional documents to continue sailing. The above being without prejudice to the possibility for the Authority to prepare special procedures, including computerised ones, as an alternative to the procedure referred to in this paragraph.

3. The consular authority shall have the right to board the vessel in order to carry out the checks it deems appropriate or to summon the crew members or persons to be questioned to its offices, as well as to initiate an administrative inquiry. The report of said findings and of any inquiry shall be submitted to the Authority.

CHAPTER VIII CREW

Art. 55 *(Crew*

composition)

1. The crew of the vessel shall consist of the master, officers and the other persons recruited to work on board the vessel.

2. The minimum number and qualifications of crew members shall be determined for each ship by order of the Authority.

Art. 56 *(Crew*

hierarchy)

1. The hierarchy of crew members is as follows:

- a) master;
- b) chief engineer;
- c) first deck officer;
- d) first engineer officer;
- e) second deck officer;
- f) second engineer officer;
- g) third deck officer;
- h) third engineer officer;
- i) boatswain;
- l) ordinary officers.

Art. 57

(Crew member qualifications)

1. All crew members must have duly certified professional qualifications appropriate to their duties.

Art. 58 (*Crew list*)

1. The master shall keep the crew list in which all crew members are registered, from the time they take up their duties to the time they cease to be on duty.
2. Also all those who, though not being part of the crew, are on board the ship are registered in the crew list.

CHAPTER IX SHIP'S PAPERS

Art. 59
(*Documents required on board vessels*)

1. Vessels must carry on board their registration certificate, their tonnage certificates and class or seaworthiness certificates, the ship's logbook, engine logbook, crew list and all the documents required by international conventions, laws, and regulations.

Art. 60 (*Ship's logbook*)

1. The sections of the ship's logbook should specify:
 - a) the ship's route and weather conditions;
 - b) the extraordinary events relating to the trip;
 - c) the quality and quantity of the transported goods, the contact details of the shipper and consignee, the place of loading and unloading;
 - d) the sums collected and the expenses incurred in maintaining the ship and the crew;
 - e) the offences committed on board, the disciplinary measures, the deeds received and drawn up by the master in his capacity as civil registrar.

Art. 61
(*Evidentiary effectiveness of the ship's logbook records*)

1. If duly kept, the ship's logbook records relating to the operation of the vessel shall also provide evidence in favour of the shipowner. In any case, they provide evidence against the shipowner.

CHAPTER X RULES FOR BOATING

Art. 62
(*Registration of Pleasure Units*)

1. The Pleasure Units as defined in article 1 of this act are registered in the Pleasure Section of the Register.
2. Pleasure boats are exempt from the registration requirement. However, they may be registered, upon request, only by the persons referred to in Article 24, paragraph 1, points a), b) and c).

Art. 63*(Registration requirements)*

1. For the purposes of registration, Pleasure units must bear the CE marking or, failing this, they must have a certificate of fitness for use issued by a body authorised by the Authority.
2. For Pleasure vessels with a gross tonnage of over 500 tons, a certificate issued by a body authorised by the Authority must be submitted to ensure compliance with the international regulations applicable to this type of vessel.

Art. 64 *(Registration procedure)*

1. For the purposes of registering Pleasure units, the owner, the charterer or user under a lease or financial lease agreement must comply with the requirements of Article 24 and produce the documentation provided for in Article 25 of this law.
2. With reference to Pleasure boats and crafts, the production of the tonnage certificate is not required.
3. For Pleasure Yachts, the tonnage certificate may also be provisionally provided reserving the right to produce the final certificate within three months of the application for registration.
4. The charterer or user under a lease or financial lease agreement is required to submit to the Authority, for the purposes of registration in the Pleasure Section of the Register, the original or certified copy of the lease or financial lease agreement and of the authorization to register the unit with the owner's signature authenticated by a notary public.

Art. 65*(Navigation licence and registration certificate)*

1. The Authority shall issue the navigation licence or, for vessels having a gross tonnage over 500 tons, the registration certificate, to the owner or to the user under a financial lease agreement. These documents shall indicate the maximum number of transportable persons and the minimum number of crew members as determined by the Authority.
2. The commercial use of the unit must be specified in the navigation licence or registration certificate.

Art. 66*(Flag and registration mark)*

1. Pleasure units registered in the Pleasure Section of the Register fly the San Marino flag and display the initials "SMR" followed by the progressive registration number on their hull.

Art. 67 *(Removal)*

1. The Authority, also ex officio in the cases referred to in Article 29 if the parties concerned do not request it, shall order the removal of the Pleasure unit from the Register in case of loss of the unit or of its registration in a foreign register. In the latter case, it shall be without prejudice to the relevant administrative penalty.

Art. 68*(Nautical licences)*

1. The provisions relating to nautical licences are contained in the Law no. 119 of 28 June 2010 and subsequent amendments.

Art. 69*(Insurance requirements)*

1. All Pleasure units must be insured for civil liability for personal injury and damage to property in compliance with the applicable regulatory requirements with maximum coverages not lower than Euro 6,070,000.00 (six million seventy thousand/00) and Euro 1,220,000.00 (one million two hundred twenty thousand/00) respectively.
2. In the case of Pleasure Yachts, fulfilment of the insurance obligation can also be proved by producing an insurance certificate or a certificate attesting the taking out of a protection & indemnity policy with a foreign insurance company having a rating not lower than "A" granted by at least three internationally recognised rating companies.
3. In case of lease or financial lease, the insurance shall cover the liability of both the owner and the charterer or user under the lease or financial lease agreement.

Art. 70 *(Safety certificate)*

1. The bodies authorised by the Authority are responsible for certifying the compliance of Pleasure Yachts with the regulations on safety installations included in the international Conventions or in specific regulations of the Authority.
2. Such certificate must be issued upon registration of the ship, it is valid for five years and it is renewed for further periods of five years each. The Authority or the qualified entities may require the renewal of the certificate before the expiry of five years in the event of innovations or changes to the ship or as a result of damages.

CHAPTER XI ADMINISTRATIVE AND CRIMINAL PENALTIES**Art. 71** *(Administrative penalties)*

1. The Director General of the Authority has the power to evaluate and proportion all administrative penalties. In determining the extent of such penalties, it must take into account the nature, circumstances, degree and seriousness of the violation committed and, with regard to the person who committed the violation, any previous violations and all the other facts that may be required for a proper assessment.
2. In the case of a ship involved in a violation committed by the owner or shipowner, the Director General of the Authority may impose restrictions on that ship.
3. Unless the fact constitutes a crime, an administrative fine ranging from € 5,000.00 (five thousand/00) to € 15,000.00 (fifteen thousand/00) shall be imposed on the master of the ship who:
 - a) assumes command of the ship in the absence of the necessary qualifications;
 - b) violates the obligation to keep and update ship's papers.
 The owner of the vessel shall be jointly liable for the penalties referred to in this paragraph.
4. Unless the fact constitutes a crime, an administrative fine ranging from € 10,000.00 (ten thousand/00) to € 25,000.00 (twenty-five thousand/00) shall be imposed on the owner of the ship who:
 - a) entrusts the command of a non-seaworthy ship;
 - b) registers a ship in a foreign register without first obtaining its removal from the San Marino register;
 - c) entrusts the command of a ship not covered by an appropriate insurance policy under Article 69;

- d) carries out, with regard to pleasure boating, leasing, and chartering activities of the vessel without the authorisation of the Authority.
5. In case of non-compliance with the service order of his/her hierarchical superior, the crew member shall be punished with a fine ranging from € 1,000.00 (one thousand/00) to € 5,000.00 (five thousand/00). The penalty shall be increased by a third if this occurs during vessel manoeuvring.
6. Unless the fact constitutes a crime, an administrative penalty ranging from € 500.00 (five hundred/00) to € 1,000.00 (one thousand/00) shall be imposed on anyone who: a) refuses to produce the ship's papers to the Authority;
b) is on board the ship without the master's consent;
c) does not comply with the master's instructions;
d) being a member of the ship's crew, with the exception of the master, renders his/her services without the necessary qualifications.
7. Unless the fact constitutes a crime, an administrative penalty ranging from € 2,000.00 (two thousand/00) to € 5,000.00 (five thousand/00) shall be imposed on anyone who violates the provisions of this law or of the regulations issued by the Authority.

Art. 72 (Criminal penalties)

1. In the event of abandonment of the ship which endangers the life or physical safety of persons or the safety of the ship, the crew member shall be punished by second-degree imprisonment.
2. In the event of failure by a crew member to comply with a hierarchical superior's order such as to endanger the life of the persons on board or the safety of the ship, the penalty of second-degree imprisonment shall apply.
3. The master is forbidden to leave the ship while there are people on board. In case of violation of this rule, the master shall be punished with the penalty of second-degree imprisonment or, if he abandons the ship during shipwreck, submersion or fire, or if the abandonment causes such consequences, with the penalty of fourth-degree imprisonment. Where a member of the crew leaves the vessel in such circumstances, the penalty of first-degree imprisonment shall apply.
4. Failure by a crew member to perform his/her duties on board without justified reason shall result in the application of the penalty of first-degree imprisonment. If this results in a danger to the safety of navigation, the penalty of second-degree imprisonment shall apply.
5. Anyone who endangers the safety of navigation shall be punished with the penalty of second-degree imprisonment. If this results in shipwreck, submersion or fire, the penalty of fourth-degree imprisonment shall apply.
6. The master or crew member who plunders another ship or to that end commits acts of violence against persons shall be punished with penalty of sixth-degree imprisonment.
7. The master or officer who transports on board the ship, accommodates or transfers to third parties one or more immigrants who do not have valid documents enabling them to legally immigrate to third countries, or otherwise facilitates illegal immigration, shall be punished with sixth-degree imprisonment.
8. The master of a ship who fails to assist or to attempt rescuing in cases where he is obliged to do so shall be punished with third-degree imprisonment.
9. Anyone who, in order to procure an advantage for himself or others or to cause damage to others, affixes a fake registration number to the ship shall be punished with first-degree imprisonment and a fine.
10. Anyone who, in order to gain undue advantage from it, hoists or uses the flag of San Marino on a ship shall be punished with first-degree imprisonment or with a second-degree fine.
11. Anyone who destroys, disperses, damages, or renders ships or ship's stores wholly or partly useless shall be punished with first-degree imprisonment. If the fact is committed by the crew member to the detriment of the ship on which he/she is embarked, first-degree imprisonment and a fine shall apply. If the fact is committed by the master, second-degree imprisonment shall apply.

If the fact results in a risk of fire, shipwreck, or submersion of the unit, third degree imprisonment shall apply. If the fact results in fire, shipwreck, or submersion of the vessel, fourth-degree imprisonment shall apply.

12. Any crew member who forges certificates of competency or other documents issued or approved by the Authority shall be punished with first-degree imprisonment.

13. The second paragraph of Article 5 of the Criminal Code is replaced by the following paragraph:

"For the purposes of the Criminal Law, the territory of the Republic, the ships, the buildings intended for pleasure boating and San Marino aircraft are considered as State territory wherever they may be located, unless they are subject to a foreign territorial law".

CHAPTER XII TAX RULES

Art. 73

(Single-phase tax)

1. Registration in the Register is a prerequisite for the payment of the single-phase tax, except in the case of registration by the persons indicated in Article 24, paragraph 1, letter d) also with reference to the bareboat charter agreement referred to in Articles 26 and 64, or in the case of trusts registered in the Register of Trusts of the Republic of San Marino whose settlor or beneficiary is a non-resident person.

2. In cases of recurrence of the prerequisite for the payment of the single-phase tax, the reduced rate of 6% is applied, being reduced according to the following parameters: a) for Pleasure boats and crafts:

- 1) 50% for sailing units longer than 20.01 meters and motor units longer than 16.01 meters;
- 2) 35% for sailing units between 10.01 and 20.00 meters long and motor units between 12.01 and 16.00 meters long;
- 3) 20% for sailing units up to 10.00 meters long and motor units up to 12.00 meters long. b) for Pleasure Yachts:
 - 1) 60 % for sailing units of less than 35.01 meters long and motor units of less than 32.01 meters long;
 - 2) 70 % for sailing units longer than 35,01 for motor units longer than 32,01.

Art. 74

(Amendment to the Decree no. 135 of 27 October 2003)

1. After article 5-bis of the Decree no. 135 of 27 October 2003, as introduced by article 67 of the Law no. 125 of 29 July 2014, the following article is introduced:

"Art. 5-ter

(Single-phase tax on shipping units performing commercial transport operations)

1. Shipping vessels other than Pleasure units, imported by San Marino companies and used for maritime transport of persons, goods or for other commercial maritime activities, shall benefit from the exemption from the single-phase tax".

Art. 75

(Extraordinary tax on luxury goods)

1. The extraordinary tax on luxury goods established by Article 54 of the Law no. 194 of 22 December 2010 does not apply to Commercial Units.

Art. 76
(Insurance tax)

1. The insurances concerning each ship registered in the San Marino Register are exempted from the insurance tax established by article 33 of the Law no.150 of 21 December 2012 as applied by the Delegated Decree no.89 of 23 July 2013.

CHAPTER XII-bis

PROFESSIONAL MARITIME QUALIFICATIONS FOR COMMAND OF RECREATIONAL CRAFTS
DEPLOYED FOR COMMERCIAL ACTIVITIES (COMMERCIAL YACHTS)

Art. 76-bis
(Purpose)

1. The provisions of this Title govern the issuance of professional qualifications for command and operation of recreational crafts deployed for commercial activities.

Art. 76-ter
(Definitions)

1. For the purposes of the application of the provisions of this Title, the following definitions shall apply:

- a) Coastal trip: a trip in which the unit does not stray more than 60 miles from a mooring;
- b) Certificate of Competency (hereinafter also CoC for the sake of brevity): certificate of competency referred to as "Commercial Yachts Master", for coastal trips;
- c) Commercial Yacht Master: a person qualified to command commercial yachts for units not exceeding 500 GT for coastal trips;
- d) STCW 78/95 International Convention: International Convention on Standards of Training Certification and Watchkeeping for Seafarers;
- e) IMO: International Maritime Organisation;
- f) Maritime Education and Training Centres: the centres where the specialised courses provided for by the STCW Convention are held for maritime personnel providing specialised training courses on the basis of the training requirements set out in the STCW Convention and related code, recognised by the Authority on the basis of the results of an Audit, in accordance with the principles of ISO standardisation rules and with the procedures established by the Authority;
- g) Recreational crafts for commercial use: as defined by the technical reference codes, referred to as "Yacht codes" for crafts shorter than 24 metres and longer than 24 metres;
- h) Length: the length of the unit as defined by the 1966 International Convention on Load Lines concluded in London on 5 April 1966.

Art. 76-quater
(Command and Operation of Recreational Crafts for Commercial Use and Certificate of Competency)

1. Recreational crafts used for commercial purposes, up to 500 GT - Gross Tonnage - used for the transport of up to twelve passengers, may be commanded by Masters holding Certificates of Competency in accordance with the requirements set out in Article 76-quinquies.

2. The Certificate of Competency for command and operation of recreational crafts is issued in accordance with the criteria of the STCW 78/95 International Convention, as amended, as a Certificate equivalent to the Certificate of Competency for Masters qualified for navigation on near-coastal trips, in line with the principles laid down in Article IX and Regulation II/3 of the same Convention. Said certificate is issued on a special "Form" drawn up in accordance with STCW regulations and regulated

by a special policy of the Authority to the aforementioned STCW Convention and is notified to the IMO, pursuant to Article IX, paragraph 2, of the aforementioned STCW Convention.

Art. 76-quinquies
(Requirements for obtaining the Certificate of Competency)

1. Personnel wishing to obtain a Certificate of Competency must be at least twenty years of age and physically fit according to the criteria set out in the International MLC (Maritime Labour Convention, 2006) and must also meet one of the following requirements:

- a) completion of twelve months of navigation on merchant ships as an officer qualified to serve as a navigational watchkeeper;
- b) authorisation, without limitation, to command recreational crafts of up to 24 metres in length since at least five years;
- c) qualification to command recreational vessels of 24 metres or more in length since at least five years.

Maritime professional qualifications obtained abroad will be assessed by the Authority on a case-by-case basis, according to the equivalence principle with respect to the curricula required for obtaining the qualification under letters b) and c).

2. Personnel interested in obtaining the aforementioned Certificate of Competency (CoC) shall also attend the following training courses, provided for in Chapters II and VI of the STCW Code, at training centres recognised by the Authority:

- a) For qualification to operate commercial yachts not exceeding 24 meters in length and 500 GT:
 - 1) Basic and advanced fire-fighting training;
 - 2) Survival at sea;
 - 3) PSSR – Personal safety and social responsibility;
 - 4) First aid;
 - 5) Security Awareness;
 - 6) GMDSS (restricted operator certificate – ROC).
- b) For qualifications to operate commercial yachts of 24 metres or more and not exceeding 500 GT:
 - 1) Basic and advanced fire-fighting training;
 - 2) Survival at sea;
 - 3) First aid;
 - 4) Security Awareness;
 - 5) GMDSS (restricted operator certificate – ROC);
 - 6) Radar Base and ARPA;
 - 7) PSSR – Personal safety and social responsibility.

3. Upon completion of the aforementioned courses, the applicants shall take a theoretical examination in accordance with the examination programme set out in Annex A to this law.

Article 76-sexies
(CoC - Certificate of Competency for commanding recreational crafts for commercial use)

1. Personnel meeting the requirements of Article 76-quinquies, paragraph 1, letter b), may obtain the Certificate of Competency for commanding units of up to 24 metres in length and up to 200 GT.

2. Personnel meeting the requirements of Article 76-quinquies, paragraph 1, letters a) and c), may obtain the Certificate of Competency for commanding units of 24 metres or more in length and less than 500 GT.

Article 76-septies
(Licensed Navigation Officer for commercial recreational crafts up to 500 GT - gross tonnage)

1. Personnel holding the title of "Commercial Yacht Master" for units not exceeding 24 metres in length may embark as navigating officers, on watch duty, on units of 24 metres or more in length and less than 500 GT.

*Article 76-octies
(Examinations)*

1. The examinations for the above-mentioned Certificates of Competency are taken before an examination board including:
 - a) Director General of the Authority acting as chairman, or another official of the Authority delegated for this purpose;
 - b) an expert examiner appointed by the Authority;
 - c) an official appointed by the Authority to act as secretary of the examination session.
2. Applicants wishing to obtain the professional titles referred to in this decree must submit an application accompanied by the documents required and by a receipt of payment, in accordance with the fee schedule provided for by the Authority.
3. The examinations may be held, upon request, at the applicants' premises, also outside San Marino territory; travel and mission expenses for the members of the examination board shall be borne by the applicants.

*Article 76-novies
(Validity of the CoC)*

1. The Certificate of Competency shall remain valid for five years and it may be renewed, if this period includes at least one year of actual navigation on board merchant ships or commercial yachts deployed in coastal trips.
2. The Certificate of Competency may be renewed in relation to the periodic validity of the training courses provided for in Article 76-quinquies, paragraph 2, as established by the STCW International Convention.
3. The CoC Certificate is suspended by the Authority if, as a result of the periodic health assessment provided for in the MLS Convention, the temporary loss of physical and mental fitness is observed. In said case, the CoC is suspended until the person concerned produces a psychophysical fitness certificate. The CoC may also be suspended by the Authority for up to twelve months in any of the following cases:
 - a) for proven assumption of command, operation or nautical direction while intoxicated or under the influence of any other intoxicating or narcotic substance;
 - b) when the qualified person commits acts of imprudence, negligence or inexperience such as to endanger public safety or to cause accidents and damage to persons, properties and port and mooring facilities;
 - c) at the request of the competent Judicial Authority for reasons of public safety.
4. Certificate revocation may occur in the following cases:
 - a) loss of physical fitness;
 - b) death of the person concerned.

*Article 76-decies
(Registration of Certificates)*

1. Data concerning certificates issued and subsequent changes are recorded in a special computerised database maintained by the Authority".

CHAPTER XIII FINAL RULES**Art. 77***(Provisional provisions)*

1. For Pleasure units already registered in the Register at the time of entry into force of this law, for matters not expressly regulated by it, the previous regulations shall continue to apply until new regulations come into force in this regard.

Art. 78*(Amendments and additions to this law)*

1. In order to allow for the constant updating of the San Marino regulations to the international regulations of the sector, the amendments and additions to this law are ordered by delegated decree. Any coordinated texts, including all the amendments reported, shall be ordered by delegated decree.

Art. 79 (Repeals)

1. Any rules contrary to this law shall be repealed, in particular:

- a) Law no. 164 of 30 November 2004;
- b) Decree no. 119 of 8 August 2005 with the exception of its Annex B;
- c) Delegated Decree no. 96 of 18 June 2008;
- d) Delegated Decree no. 103 of 3 July 2008;
- e) Delegated Decree no. 130 of 21 September 2009;
- f) Delegated Decree no. 117 of 6 August 2009;
- g) article 101 of Law no. 194 of 22 December 2010;
- h) paragraph 3 of article 5 of Decree no. 135 of 27 October 2003 as introduced by article 100 of Law no. 194 of 22 December 2010;
- i) paragraph 5 of article 5 of Decree no. 135 of 27 October 2003 as introduced by article 39 of Law no. 150 of 21 December 2012.

Art. 80*(Entry into force)*

1. This law shall enter into force upon the publication of the conciliar decrees ratifying the following international conventions:

- a) International Convention for the unification of certain rules relating to collisions between ships concluded in Brussels on 23 September 1910;
- b) International Convention on the unification of certain bill of lading rules concluded in Brussels on 25 August 1924 and its related Protocols of 1968 and 1979;
- c) International Convention for the unification of certain rules relating to ship liens and mortgages concluded in Brussels on 10 April 1926;
- d) International Convention for the unification of certain rules governing the arrest of sea-going ships concluded in Brussels on 10 May 1952;
- e) International Convention of 1966 on load lines concluded in London on 5 April 1966;
- f) International Convention on tonnage measurement of ships of 1969, concluded in London on 23 June 1969;
- g) International Convention on intervention on the high seas in cases of accidents causing, or which may cause, oil pollution concluded in Brussels on 29 November 1969 and its related Protocol of 1973 relating to intervention on the high seas in cases of pollution by substances other than oil concluded in London on 2 November 1973;

- h) International Convention on civil liability for oil pollution damage (CLC) concluded in Brussels on 29 November 1969 together with its related Protocols of 19 November 1976 and 27 November 1992;
- i) International Convention on the establishment of an international fund for compensation for oil pollution damage (FUND) concluded in London on 27 November 1992 together with its related London Protocol of 16 May 2003;
- l) Convention on international regulations for preventing collisions at sea of 1972, concluded in London on 20 October 1972 (COLREG);
- m) International Convention for the prevention of pollution from ships (MARPOL) concluded in London on 2 November 1973 and its related Protocol of 1978 together with its Annexes;
- n) Athens Convention of 1974 relating to the carriage of passengers and their luggage by sea, concluded in Athens on 13 December 1974 and the its related Protocols of 1978 and 1990;
- o) International Convention for the safety of life at sea (SOLAS) concluded in London on 1 November 1974 and its related Protocols of 1978 and 1988;
- p) London Convention on limitation of liability for maritime claims (LLMC) concluded in London on 19 November 1976 and its related Protocol of 1976;
- q) International Convention on standards of training, certification and watchkeeping for seafarers (STCW), concluded in London on 17 July 1978, as amended in 1995 and 2010;
- r) International Convention of 1989 on assistance concluded in London on 28 April 1989;
- s) International Convention on civil liability for bunker oil pollution damage (BUNKER ILO) concluded in London on 23 March 2001;
- t) Maritime Labour Convention concluded in Geneva on 23 February 2006.

Given by Our Residence, 2 August 2019/1718 since the foundation of the Republic

THE CAPTAINS REGENT
Nicola Selva - Michele Muratori

THE SECRETARY OF STATE
FOR HOME AFFAIRS *Guerrino
Zanotti*

"ANNEX A to Law No. 120 of 2 August 2019

EXAMINATION PROGRAMME FOR THE ATTAINMENT OF THE QUALIFICATIONS FOR
COMMANDING AND OPERATING RECREATIONAL CRAFTS FOR COMMERCIAL USE:

- A) For qualifications to operate commercial yachts not exceeding 24 meters in length and 200 GT:
1. Theoretical test:
 - a) duties and responsibilities of the Master;
 - b) preparation of the navigation plan and practical solving of a cruising problem, using the reference nautical chart;
 - c) assessment of marine weather conditions, prior to sailing and while sailing;
 - d) knowledge of nautical publications;
 - e) knowledge of how to operate the unit in the event of navigation equipment failure;
 - f) knowledge of offshore coastal navigation aids;
 - g) knowledge about the dynamic elements of the unit and stability;
 - h) knowledge of on-board emergency procedures (fire-fighting, ship abandonment, man overboard);
 - i) knowledge of passenger security information techniques;
 - j) knowledge of manoeuvring procedures, during navigation and when entering and leaving ports;
 - k) knowledge of the English language, as ascertained during the examination itself, which will also be held in English;
 - l) knowledge of international anti-pollution regulations (Marpol).
- B) For qualifications to operate commercial yachts of 24 meters or more and less than 500 GT:
1. Theoretical test:
 - a) duties and responsibilities of the Master;
 - b) preparation of the navigation plan and practical solving of a cruising problem, using the reference nautical chart;
 - c) assessment of marine weather conditions, prior to sailing and while sailing;
 - d) knowledge of nautical publications;
 - e) knowledge of how to operate the unit in the event of navigation equipment failure;
 - f) knowledge of offshore coastal navigation aids;
 - g) knowledge about the dynamic elements of the unit and stability;
 - h) knowledge of on-board emergency procedures (fire-fighting, ship abandonment, man overboard);
 - i) knowledge of passenger security information techniques;
 - j) knowledge of manoeuvring procedures, during navigation and when entering and leaving ports;
 - k) knowledge of the English language, as ascertained during the examination itself, which will also be held in English;
 - l) knowledge of international anti-pollution regulations (Marpol)".