

**ANNEX 1 - Rules on manning**

**Table I –Crew nationality and/or language requirements**

The following table refers only to countries having declared crew nationality and/or language requirements.

Country	Crew nationality and/or language requirements	
	1 <sup>st</sup> Register	2 <sup>nd</sup> Register
<b>BELGIUM</b>	Captain shall be Belgian national, waivers possible in case of non-availability.	-
<b>DENMARK</b>	Captain shall be Danish or EU/EEA-national.	Captain shall be Danish or EU/EEA-national.
<b>ESTONIA</b>	Knowledge of Estonian language for service personnel and shipmaster required.	-
<b>FINLAND</b>	Master shall be Finnish national.	<p>Master shall be Finnish national.</p> <p>At least 50 % crew members shall be EU/EEA nationals</p> <p>In relation to cargo vessels recruitment of non-EEA crew members is permitted on certain conditions by way of derogation from the usual collective labour agreements.</p> <p>Passenger vessels and passenger ferries are excluded.</p> <p>In practice this possibility has not been used because the Finnish labour market parties have agreed that only Finnish collective agreements will be applies onboard Finnish vessels.</p>
<b>FRANCE</b>	Metropolitan Register:	French International Register (RIF):

Country	Crew nationality and/or language requirements	
	1 <sup>st</sup> Register	2 <sup>nd</sup> Register
	<p>- Crew members shall be EU/EEA nationals.</p> <p>- Legal instruments relating to French nationality of the master and first mate in progress of being amended to open it to EU/EEA Nationals.</p>	<p>- Crew Members shall be EU/EEA nationals (35% or 25% for ships acquired without fiscal support)</p> <p>- Legal instruments relating to French nationality of the master and first mate in progress of being amended to open it to EU/EEA citizens.</p>
<b>GERMANY</b>	<p>The “Schiffsbesatzungsverordnung” (Manning Regulations) applies to all merchant vessels entitled to fly the flag of the Federal Republic of Germany. It also applies without restrictions to ships flying the flag of the Federal Republic of Germany and registered in the German International Shipping Register (ISR).</p> <p>Irrespective of the size of the vessel, the master must be an EU citizen and must hold a valid German or recognized foreign certificate of competency. He must have an adequate knowledge of German.</p> <p>Depending on the size of the vessel, one or two crew members must be Union citizens.</p>	-
<b>ICELAND</b>	Crew members shall be EEA nationals.	-
<b>IRELAND</b>	<p>Officers shall be Irish, UK, EU or Commonwealth nationals.</p> <p>Ratings shall be Irish, UK or EU nationals.</p>	-
<b>ITALY</b>	<p>Master shall be Italian national.</p> <p>Crew members shall be Italian or EU nationals, waiver possible for less qualified crew members.</p>	<p>Vessels registered in the 2<sup>nd</sup> Register, instituted by Law 30/98, have no access to cabotage.</p> <p>For vessels of the 2<sup>nd</sup> Register, Law 16 March 2001 no. 18 has changed the requirement that the crew be Italian/ EU Nationals with the exception</p>

Country	Crew nationality and/or language requirements	
	1 <sup>st</sup> Register	2 <sup>nd</sup> Register
	<p>Knowledge of Italian language for crew in charge of safety required.</p> <p>For national vessels, Law 16 March 2001 no. 18 has changed the requirement that the crew be Italian/ EU Nationals with the exception of cases of necessity. Art. 5 of Law 88/2001 allows for crew outside the Community to board Italian vessels subject to trade-union agreements.</p>	<p>of cases of necessity. Art. 5 of Law 88/2001 allows for crew outside the Community to board Italian vessels subject to trade-union agreements.</p>
<b>LITHUANIA</b>	<p>Captain and chief officer of ships under Lithuanian flag shall be Lithuanian nationals.</p> <p>Modification of this rule in progress to replace the Lithuanian nationality requirement by an EU/EEA nationality requirement.</p>	-
<b>THE NETHERLANDS</b>	<p>Master shall be Dutch, EU, EEA or Swiss national.</p>	-
<b>NORWAY</b>	<p>Master shall be EEA national (all nationality requirements have been changed from Norwegian national to EEA national).</p>	<p>NIS register: Master shall be Norwegian or EEA national.</p>
<b>PORTUGAL</b>	<p>Master and crew shall be Portuguese or EU nationals, unless a specific authorization is granted.</p>	<p>Art. 20 of Decree Law 96/98 has been re-drafted by Decree Law 248/2002:            Captain + 50% of the crew members must be European countries or countries with Portuguese as official language nationals. Exemptions can be authorized, in case of non availability of the crew members of referred nationalities.</p>
<b>SPAIN</b>	<p>Captain and 1st officer shall be Spanish nationals; other crew members shall be EU Nationals.</p>	<p>Canary Island Register (REC):            Captain and 1st officer shall be Spanish nationals; other crew members</p>

Country	Crew nationality and/or language requirements	
	1 <sup>st</sup> Register	2 <sup>nd</sup> Register
		shall be EU nationals (50%), possible waiver for additional non-EU crew if EU Nationals not available.
<b>SWEDEN</b>	Captain shall be Swedish national (no exceptions).  All crew retained on collective wage agreements regardless of nationality.	-
<b>UNITED KINGDOM</b>	Master “of strategic ship-types” shall be British, Commonwealth, EEA or NATO nationals.	-

**Table II – Rules on manning adopted in accordance with Art. 3 of the Cabotage Regulation**

The following table refers only to countries having declared rules on manning adopted in accordance with Article 3 of the Cabotage Regulation.

Country	EEA Nationals (proportion)  Minimum crew	Social Security		Training	Working conditions	
		EEA/EEA Nationals	Third country Nationals		Working hours	Wage
<b>FRANCE</b>	100% EU/EEA  Application of the SOLAS Convention	Coverage in one of the EU/EEA States	-	STCW  Application of Directive 94/58	The same as on board of national vessels performing a comparable service	At least the growth-linked guaranteed minimum wage (maritime SMIC)

Country	EEA Nationals (proportion)  Minimum crew	Social Security		Training	Working conditions	
		EEA/EEA Nationals	Third country Nationals		Working hours	Wage
<b>GREECE</b>	100% EU/EEA for merchant ships carrying out island cabotage, waivers possible where EU/EEA seamen not available.	-	-	STCW  Application of Directives Directives 2001/25/EC, 2003/103/EC, 2005/23/EC and 2005/45/EC.	The working time of seafarers, is regulated in accordance with Directive 1999/63/EC.	In relation to the remuneration and employment terms of seamen employed on board on these ships, they cannot be lower than those provided, by the terms of the applicable collective agreements in force.
<b>ITALY</b>	100% EU/ EEA; exceptions provided for less qualified crew members.  For national vessels, Law 16 March 2001 no. 18 has changed the requirement that the crew be Italian citizens with the exception of cases of necessity. Art. 5 of Law 88/2001 allows for crew outside the Community to board Italian vessels subject to trade-union agreements.  Application of SOLAS Convention.	Coverage in one of the EU/ EEA States	-	STCW	The same as on board national vessels performing a comparable service.	At least the minimum wage fixed by law and collective agreements.
<b>PORTUGAL</b>	Captain and 50% of the crew must be from EU member States or from countries with Portuguese as its official language, with authorization of exemptions in case of non availability of crew members of the referred nationalities.	-	-	-	-	Crewmembers must benefit wages conditions Not lower than the Portuguese nationals minimum wages published on the Portuguese Official Working and Employment Bulletin and the application

Country	EEA Nationals (proportion)  Minimum crew	Social Security		Training	Working conditions	
		EEA/EEA Nationals	Third country Nationals		Working hours	Wage
						of the effective social and fiscal security regime of the flag State for its nationals.
<b>SPAIN</b>	50% Crew, including Captain and first officer.	Coverage in one of the EU/EEA States	Coverage of the same level as in Spain for accidents, illness, maternity, old age, invalidity and unemployment	-	Same as on board national vessels performing a comparable service	At least the minimum wage applicable in Spain

**ANNEX 2 - Public Service Obligations and Contracts in the Member States**

Country	Route / Area	PSO / PSC	Start date	Duration	Expiry date	Comments
<b>BELGIUM</b>	-	-	-	-	-	No island cabotage.
<b>CYPRUS</b>	-	-	-	-	-	There are no Public Service Obligations or Contracts.
<b>DENMARK</b>	Rønne-Ystad and Rønne-Køge	PSO	-	-	-	Public Service Obligations.  Obligations: none in detail but reference to the maritime cabotage order.
	Rønne-Ystad and Rønne-Køge	PSO / PSC	1/5/04	5 years	30/4/09	Public Service Contract operated by Bornholmstrafikken A/S; Remuneration: 126 million DKK/year  Contract awarded following a restricted procedure with the criterion “the lowest price”.  No exclusivity. No competition from other companies on the same line.  Public Service Obligations: ports to be served, regularity, frequency, capacity to provide the service, rates to be charged, ferry time, service and quality, cooperation with third parties.
	Kolby Kås-Kalundborg	PSO / PSC	1/10/03	5 years	30/9/08	Public Service Contract operated by Samsø Linien A/S; Remuneration: 18 million DKK/year  Contract awarded following a negotiated procedure with the criterion “the economically most advantageous offer” (considering price and navigation).  No exclusivity. No competition from other companies on the same line.  Public Service Obligations: ports to be served, regularity, frequency, capacity to provide the service, rates to be charged and ferry time.

Country	Route / Area	PSO / PSC	Start date	Duration	Expiry date	Comments
DENMARK	Bøjden-Fynshav	PSO / PSC	1/5/03	5 years	30/4/08	Public Service Contract operated by Scandlines Sydfynske A/S; Remuneration: 10,5 million DKK/year  Contract awarded following a negotiated procedure with the criterion “the economically most advantageous offer” (considering price, navigation and tonnage).  No exclusivity. No competition from other companies on the same line.  Public Service Obligations: ports to be served, regularity, frequency, capacity to provide the service, rates to be charged and ferry time.
	Spodsbjerg-Tårs	PSO / PSC	1/5/06	5 years + 1	30/4/11	Public Service Contract operated by Scandlines Sydfynske A/S; Remuneration: 660.000 DKK/month (= 7,92 million DKK/year);  Contract awarded following a negotiated procedure with the criterion “the economically most advantageous offer” (considering price (70%), navigation / rates (15%) and tonnage (15%).  Exclusivity.  Public Service Obligations: ports to be served, regularity, frequency, capacity to provide the service, rates to be charged, manning of the vessel and ferry time.
	Baagø-Assens	PSC	1/1/01	5 years	31/12/06 Expired but extended	Public Service Contract operated by Assens-Baagø Færgen A/S; Remuneration: 1.578.600 DKK/year.
	Bjørnø-Faaborg	PSC	1/1/01	5 years	31/12/06 Expired but extended	Public Service Contract operated by Bjørnø Færgen; Remuneration: 1 million DKK/year
	Avernakø-Lyø-Faaborg	PSC	1/1/01	5 years	31/12/06 Expired but extended	Public Service Contract operated by Ø Færgen A/S; Remuneration: 3,2 million DKK/year

Country	Route / Area	PSO / PSC	Start date	Duration	Expiry date	Comments
DENMARK	Strynø-Rudkøbing	PSC	1/1/01	5 years	31/12/06 Expired and extended until 31/12/2007	Public Service Contract operated by Strynø-Rudkøbing Færgesart A/S; Remuneration: 2.141.000 DKK/year
	Birkholm-Marstal	PSC	1/1/01	5 years	31/12/06 Expired but extended	Public Service Contract operated by Gustav Anneberg Jensen; Remuneration: 320.000 DKK/year
	Sælvig-Hou	PSC	1/12/03	4 years 10 months	30/8/08	Public Service Contract operated by Samsø Linien A/S; Remuneration: 7,6 million DKK/year
	Marstal-Rudkøbing, Ærøskøbing-Svendborg, Søby-Faaborg	PSC	1/5/02	4 years 8 months	1/5/02	Public Service Contract operated by Ærøfærgerne A/S; Remuneration: 843.000 DKK/month (=10,116 million DKK/year)
	Agersø-Stignæs, Omø-Stignæs, Sejerø-Havnsø, Nekselø-Havnsø	PSC	1/1/02	5 years	31/12/06	Public Service Contract operated by Ærøfærgerne A/S; Remuneration: 12,267 million DKK/year
	16 routes:  Anholt-Grenaa; Egholm-Aalborg; Aarø-Aarøsund; Orø-Holbæk; Livø-Rønbjerg; Askø-Bandholm Tunø-Hou; Fejø-Kragenæs; Femø-Kragenæs; Barsø-Barsø Landing; Venø-Kleppen; Fur-Branden;	PSC			-	Public Service Contracts operated by local authorities: 16 tender procedures cancelled because of lack of interest from operators.  Calls for tenders /expressions expected in 2007.

Country	Route / Area	PSO / PSC	Start date	Duration	Expiry date	Comments
	Skarø-Drejø-Svendborg; Hjortø-Svendborg; Endelave-Snaptun- Horsens; Hjarnø-Snaptun					
	11 routes:  Thyborøn-Agger; Bogø- Stubbekøbing; Feggesund Næssund; Sundsøre- Hvalpsund; Udbyhøj Møllerup-Voer; Stige Hardeshøj-Ballebro; Læsø- Frederikshavn; Kulhuse- Sølager	PSC		-		Routes operated by local authorities. Never submitted to tender procedures.  Calls for Public Service Contracts' tender /expression expected in 2007.
ESTONIA	Rohuküla–Heltermaa, Virtsu–Kuivast	PSO / PSC	24/3/06	10 years	30/09/2016	Public Service Contract operated by OÜ Väinamere Liinid; Remuneration: 120.000.000 EEK/year  Contract awarded following an open call for tender. No other operator in the same line (de facto no other interested in providing the service).  No exclusivity.  Public Service Obligations: public transport.
	Sõru–Triigi	PSO / PSC	27/9/06	5 years	30/09/11	Public Service Contract operated by OÜ Väinamere Liinid; Remuneration: 10.000.000 EEK/year  Public Service Contract awarded following an open call for tender.  No exclusivity. No other operator in the same line (de facto no other interested in providing the service).  Public Service Obligations: public transport.

Country	Route / Area	PSO / PSC	Start date	Duration	Expiry date	Comments
	Rohuküla-Sviby (county of Läänemaa)	PSC				Public Service Contract operated by AS Kihnu Veeteed
	Roomassaare-Ruhnu, Pärnu-Ruhnu, Pärnu-Kihnu, Kihnu-Munalaid and Ruhnu-Munalaid (county of Pärnumaa)	PSC				Public Service Contract operated by AS Kihnu Veeteed or AS Saaremaa Laekimpanii
FINLAND	Southwestern Islands, 14 routes between mainland and islands	PSO	Depends on the route (normally at the beginning of the year)	2-5 years	Depends on the route (normally at the end of the year)	<p>There are 18 routes subject to public service obligations: 14 routes of ferry traffic in Southwestern Islands and 4 routes in the Gulf of Finland. Traffic is imposed according to timetables. Only one company per route is subject to a Public Service Contract.</p> <p>Of the 18 public service obligations, 9 routes are operated by the Finnish State Shipping Enterprise (Finstaship) and 9 routes by private entrepreneurs, subsidised by the Government. Public Service Contracts are awarded following an open procedure. The date of entry into force and expiry depends on the route, but normally they commence at the beginning of the year and expire at the end of the year, and are of a duration of 2-5 years plus options of 1-3 years.</p>
	Gulf of Finland, 4 routes between mainland and islands	PSO	Depends on the route (normally at the beginning of the year)	2-5 years	Depends on the route (normally at the end of the year)	<p>Exclusivity on a route is both legal and de facto.</p> <p>The provision of ferry traffic service is a public obligation in Finland. Remuneration is charter hire, normally per hour.</p> <p>In addition to the above 18 routes, there are also three minor ferry routes in the archipelago of Åland Islands. One of these services relates to only two months in the summertime. The duration of these contracts between the Government of Åland and the private company in question is 5 years each.</p>
	Åland Islands, 3 routes	PSC	-	5 years	-	During the Public Service Contract tender procedure only 1 offer was submitted. One of these services covers only 2 months per year in summertime.

Country	Route / Area	PSO / PSC	Start date	Duration	Expiry date	Comments
FRANCE	Mainland - Corsica (various routes)	PSO	-	-	-	<p>Public Service Obligations traducing the application of the principle of territorial continuity: continuity, regularity, frequency, quality, price and capacity.</p> <p>Maritime transport to 5 Corsican ports (Bastia, Ajaccio, Propriano, Porto-Vecchio and Balagne).</p> <p>The connections from Marseille to these 5 ports are submitted to annual PSO for passengers and goods.</p> <p>The connections from Marseille to Bastia, Ajaccio and Propriano are also submitted to punctual PSO only for passengers transport and during particular period of the year.</p> <p>The routes Toulon – Corsica and Nice – Corsica are also submitted to light PSO: regularity and maximum tariffs.</p>
	Marseille - Corsica	PSC	1/1/02	5 to 7 years	Still running	Public Service Contracts operated by SNMCM (Société Nationale Maritime Corse-Méditerranée) and La Méridionale (CMN) for transport of passengers and goods. Corsica Ferries operates passenger transport services from Nice and Toulon to Corsica.
	Côtes d'Armor: Bréhat Island (3 routes)	PSO / PSC	31/8/05	6 years	30/8/11	<p>Public Service Contracts operated by SARL Les Vedettes du Bréhat. Remuneration: revenues stemming from the provision of the service.</p> <p>Contracts awarded under the rules provided for in Art. L1411-1 of the “Code general des collectivités territoriales relatifs aux delegations de service public-DSP” and following the selection of applications and offers and negotiations. Approval is granted by the “assemblée délibérante”.</p> <p>Public Service Obligations: Established minimum number of daily rotations .</p> <p>Competitor: Armor Découverte Vedettes (route Perros-Guirec – Ile de Bréhat, from April to September).</p>
FRANCE	Finistère: Sein, Ouessant and Molène Islands	PSC	1/1/03	6 years	31/12/08	Public Service Contracts operated by Compagnie Maritime Pen Ar Bed. Remuneration: base remuneration surcharged or cut of 25% of the difference between operational profits and expected profits following this formula:

Country	Route / Area	PSO / PSC	Start date	Duration	Expiry date	Comments
FRANCE	(7 routes)					$R = R_b + 0.25 (O_c - C) + 0.25 ((P - O_p))$ C= costs; Oc= expected costs; P= products; Op= Products expected.  Contracts awarded following a tender procedure.  Competitor: SARL Finist' mer (3 routes from April to October).
	Finistère: Batz Island (1 route)	PSC	1/1/03	6 years	31/12/08	Public Service Contracts operated by SARL Compagnie Maritime Transport de Fret. Remuneration: base remuneration surcharged or cut of 25% of the difference between operational profits and expected profits following this formula:  $R = R_b + 0.25 (O_c - C) + 0.25 ((P - O_p))$ C= costs; Oc= expected costs; P= products; Op= Products expected.  No competitor.
	Morbihan: Belle-Ile-en-Mer, Groix, Houat and Hoëdic Islands (5 routes)	PSO / PSC	1/1/01	7 years	31/12/07	Public Service Contracts operated by Société Morbihannaise de Navigation.  Contract awarded under the rules provided for in Art. L1411-1 of the "Code general des collectivités territoriales relatifs aux delegations de service public-DSP" and following the selection of applications and offers and negotiations. Approval is granted by the "assemblée délibérante".  Public Service Obligations: Established minimum frequencies (possibility to increase the minimum number of rotations and to provide speedboat services).  Competitor: Navix on 2 routes from July to August and from March to September.
	Morbihan: Vannes - Arz Island	PSC	1/1/2007	5 years	31/12/2011	Transport of goods: Public Service Contract operated by Compagnie du Golf. Remuneration: revenues obtained from tariffs established in the Public Service Contract. Minimum revenues (equal to operational costs) are guaranteed by the authorities. If revenues exceed the minimum guaranteed, Compagnie du Golf transfers to the authorities 50% of the surplus.  Contract awarded following the publication of the tender in 2 French newspapers

Country	Route / Area	PSO / PSC	Start date	Duration	Expiry date	Comments
		PSC	1/1/2006	6 years	31/12/2011	<p>(Ouest France and le Marin), the analysis of the applications received (from 3 companies), the authorisation to submit the offer (2 companies) and the analysis of the only offer received.</p> <p>No competitor.</p> <p>Transport of passengers: Public Service Contract operated by Compagnie de transports du Morbihan. Remuneration: from tariffs established in the Public Service Contract.</p> <p>Contract awarded following the publication of the tender in 2 French newspapers (Ouest France and le Marin), the analysis of the applications received (from 5 companies), the authorisation to submit the offer (3 companies) and the analysis of the 3 offers received. After considering that the offers were not satisfactory, the authorities asked for new financial proposals.</p> <p>2 competitors.</p>
	Var: Hyères Islands (Porquerolles, Port-Cros and Le Levant Islands) (5 routes for passengers; 3 for goods; 2 for transport of cars)	PSC	28/12/1990	20 years	27/12/2009	<p>Public Service Contracts operated by Société de transports maritimes et terrestres de Littoral Varrois and Société de transport et de vision sous-marine. Remuneration: tariffs established in the contract. The companies operating the routes pays the authorities for the provision of installations, security and hygiene.</p> <p>No tender procedure (contract concluded before 1992).</p> <p>Competitors on certain routes.</p>
	Bouches du Rhône: Marseille - Frioul Island	PSC	4/5/2006	12 years	3/05/2018	<p>Public Service Contract operated by CGFTE through Frioul If Express Remuneration: revenues from the provision of transport services, plus financial compensation paid by the authorities.</p> <p>Contract awarded under the rules provided for in Art. L1411-1 of the “Code general des collectivités territoriales relatifs aux delegations de service public-DSP” and following the selection of applications and offers and negotiations. Approval is granted by the “assemblée délibérante”.</p> <p>No competitor.</p>

Country	Route / Area	PSO / PSC	Start date	Duration	Expiry date	Comments
<b>GERMANY</b>	Not applicable	-	-	-	-	In Germany, cabotage services - even island cabotage services - are not part of public services system. In general, island cabotage services are fostered by preferential port tariffs for regular services.
<b>GREECE</b>	Ministry of Mercantile Marine: 22 routes	PSO / PSC		Most approx. 1 year		In general ship owners are requested to submit to the MMM a declaration of interest every year. On routes whose continuity and regularity is crucial for island economies and social cohesion, ferry services are obligatory for a 10m. period p.a.
	Ministry of Aegean and Aegean Policy: 39 routes	PSO / PSC		Most approx. 1 year		In routes for which there is no business interest, the MMM publishes on the OJ of the EU calls for tenders in order public service contracts of 3-5 years to be concluded. In case where, after the above indicated procedure, there is still no satisfactory level of interest, the concrete tenders are issued again for the conclusion of contracts up to 12 years. Calls set the routes that need to be served, the duration of the contracts to be concluded, the frequency of the services and the minimum requirements the ship must meet. After tendering procedures the contract is awarded to the lowest bidder. Law 3482/2006, which amended article 8 of Law 2932/01, sets the legal framework so that public service contracts up to 12 years can be granted.  Tendering procedures are in progress for the time being for public service contracts up to 12 years to be concluded. Existing contracts have been extended for this reason.
<b>ICELAND</b>	6 routes : Herjólfur - Vestmann Islands Baldur - Breiðafjörður Bliki - Vigur - Æðey Sævar - Hrisey Sæfari - Grímsey Anný - Mjóifjörður	PSO / PSC	-	-	-	There are six independent services that could be defined as public service obligations. The execution of those six services is defined in special 3 to 5 year long contracts following a public tendering. Those services are all ferry services supposed to make transport possible or more effective in areas where road connections are not available, i.e. islands, or difficult in certain parts of the year due to weather, especially heavy snow.  It is the Road Administration that carries those contracts out in the name of the transport authorities. The Road Administration is a Governmental body, carrying out the policies and plans of the national authorities in the field of road transport. In that

Country	Route / Area	PSO / PSC	Start date	Duration	Expiry date	Comments
						<p>sense those ferry links are regarded as extensions to the land based transport system. To give a general idea of the legal instruments involved they could be described as normal contracts, legal entities, prosecutable by the judicial system should there be a breach between partners.</p> <p>The ships are normally provided by the Government and built or bought up to a certain standard in cooperation with those municipalities receiving the services involved. Frequency and regularity is specified in each contract. Both are regarded as a quality issue. Both those factors vary according to the number of the inhabitants receiving the services. Other quality issues are mostly in connection with the ship involved, size, persons carried, cars carried, quality of accommodation, speed etc.</p>
<b>IRELAND</b>	-	-	-	-	-	No restrictions in relation to cabotage
<b>ITALY</b>	19 national lines 11 to Sardinia 2 to Sicily 2 to Sardinia and Sicily 29 local lines to islands	PSO / Conventional order	1/1/1989	20 years	31/12/2008	<p>The operation of maritime services provided by the Gruppo Tirrenia is governed by convention of 20 year duration, with expiry on 31/12/2008. Such conventional order has been found to be compatible with the Community requirements in two separate decisions of 20 June 2001 for Tirrenia, and 16 March 2004 for the other companies of the Group.</p> <p>Par. 998 of Law 296/06 provides for new agreements to expire not before 31.12.2012.</p>
<b>LITHUANIA</b>	-	-	-	-	-	No island cabotage
<b>MALTA</b>	Cirkewwa-Mgarr (island of Gozo)	PSO / PSC	2004	6 years	2010	<p>Public Service Contract operated by Gozo Channel Co Ltd. Remuneration: public compensation is provided for transport services to Gozo residents and senior citizens.</p> <p>Contract awarded as a result of the negotiations between Malta and the EU in respect of the Transport Chapter.</p>

Country	Route / Area	PSO / PSC	Start date	Duration	Expiry date	Comments
						Exclusivity.  Public Service Obligations: Regulated tariffs and schedules. Prior approval of the Government compulsory for the amendment of tariffs and schedules.
<b>THE NETHERLANDS</b>	-	-	-	-	-	No Public Service Obligations or Contracts.
<b>NORWAY</b>	36 routes West 29 routes North 30 routes Mid 2 routes South 1 route East	License / PSC	-	-	-	The Norwegian Public Roads Administration is divided into 5 departments based at different parts of the country (North, South, East, West and Mid).  Domestic scheduled passenger transport is subject to a license according to the Professional Transport Act. The aim of the licensing system is to obtain a satisfactory transportation network and to ensure that transport by road and sea, as well as the different ferry stretches, is efficiently coordinated. Licenses are generally for a period of 10 years and the license holder has the duty to perform the transport. The public service contract is awarded for the same period i.e. 10 years. However, where public tender is being used the license and contract period ranges from 3-8 years. In the case of new gas ferries purchased for the operation in question, the period is extended to 10 years.  Public Service Contracts are also concluded, containing standards of continuity, regularity, capacity and quality, as described in the Regulation. The standards are set out in and described in a Parliamentary Report called "The National Transport Plan for 2006-2015" (St.meld. no. 24 (2003-2004) at page 117).
<b>POLAND</b>	-	-	-	-	-	No island cabotage
	Mainland Portugal to	PSO	-	Continuity	-	Public Service Obligations imposed to the provision of containers and solid general

Country	Route / Area	PSO / PSC	Start date	Duration	Expiry date	Comments
PORTUGAL	Islands of Madeira and Azores			of the service must be guaranteed for at least 2 years.		cargo transport services. Authorization from Instituto Portuário e dos Transportes Marítimos.
	Madeira Island: Funchal – Porto Santo	PSC	23/2/1996	29 years and 8 months	11/11/2025	Public Service Contracts operated by Porto Santo Line, Lda. No public financial support. Contracts awarded by means of open tender procedures (competence of Madeira Regional Government). Exclusivity.
SLOVENIA	-	-	-	-	-	No island cabotage
SPAIN	Balearic Islands (21 routes: Peninsula to Balearic Islands + Inter-islands connections)  Canary Islands (18 routes: Peninsula to Canary Islands + Inter-islands connections)  Ceuta and Melilla (4 routes: Peninsula to Ceuta and Melilla)	PSO				Public Service Obligations: regularity, continuity, capacity of the provision of service and manning. Possibility of ports in service, frequency and tariffs conditions.  19 companies operate on these lines.
	Balearic Islands (6 routes: Valencia and Barcelona to Palma, Ibiza)	PSO / PSC	1/10/2007	5 years	1/10/2011	Public Service Contract operated by Transmediterránea, SA. Remuneration of 9.100.000€ for the entire period. Competitors: Eurolíneas Marítimas, Umafisa and Pitra.

Country	Route / Area	PSO / PSC	Start date	Duration	Expiry date	Comments
	and Mahón)  Canary Islands (1 route: Cádiz to Santa Cruz de Tenerife and Las Palmas)  Ceuta and Melilla (3 routes: Algericas to Ceuta and Melilla to Almerña and to Málaga).					<p>Public Service Contract operated by Transmediterránea, SA. Remuneration of 11.900.000€ for the entire period. No competitor.</p> <p>Public Service Contract operated by Transmediterránea, S.A.: Remuneration of 41.640.000€ for the entire period.No competitor, except for route Algeciras-Ceuta: Balearia, Buque Bus and Euroferrys.</p> <p>All Contracts awarded by means of open tender procedures. For the routes mainland-Balearic Islands and mainland-Canary Islands, only Transmediterranea submitted an offer. For the routes mainland-Ceuta and Melilla, Transmediterranea competed in the tender procedure with Eurolineas Marítimas (Balearia).</p> <p>No exclusivity.</p> <p>Public Service Obligations: regularity, continuity, frequency and, if appropriate, tariffs.</p>
<b>SWEDEN</b>	Mainland – Gotland 2 routes: Visby – Nynashamn Visby – Oskarshamn	PSC	1/1/98	4 +2 years	31/12/03	<p>Public Service Contracts operated by Destination Gotland AB.</p> <p>The time period for the valid contract is from 1 January 1998 to 31 December 2008. The new contract whose duration is six years will be awarded from 1 January 2009.</p>
	Ballycastle – Rathlin Island	PSC	2002	2 years with scope for further 1 year extensions	2008	<p>Public Service Contract.</p> <p>Tender procedure: Regulatory framework for sponsorship of the Rathlin ferry service is found in Article 99 of the Roads (Northern Ireland) Order 1993.</p> <p>No direct competition to the roll-on/roll-off (vehicle/ passenger/ cargo) service on that route. There is some competition from other companies on the same line, mostly from</p>

Country	Route / Area	PSO / PSC	Start date	Duration	Expiry date	Comments
<b>UNITED KINGDOM</b>						a number of small unscheduled private hire vessels competing for passenger-only business during the tourist season.  Process to re-tender the contract has started.
	Northern isles  Mainland –Orkney/ Shetland -2 routes	PSC	6/07/06	6 years	5/7/12	Public Service Contract operated by Northlink Ferries Ltd, Remuneration of GBP 31 million/annum.  Tender procedure followed was restricted under the Public Contracts (Scotland) Regulations 2006.  No exclusivity for the operator. No competitor de facto.
	Clyde and Western Isles -28 routes	PSC	1960 (most recent Undertak.: 1995)	Open ended	None	Public Service Contract operated by state owned company (CalMac). Remuneration: GBP 30 million/year Tender currently underway to comply with EC rules. Bids due 11 May 2007 with contract commencing 1 October 2007.  Tender procedure followed was restricted procedure under Public Contracts (Scotland) Regulations. Date of entry: 1 October 2007, Expiry: 30 September 2013 (duration: 6 years). Remuneration circa £30-40 million per annum. No exclusivity. No competitor de facto.
	Gourock – Dunoon	PSO / PSC	2007/2008	6 years	2013/2014	Tender not started yet.  Tender procedure: Restricted procedure under Public Contracts (Scotland) Regulations 2006. No exclusivity.



**ANNEX 3 - Overall view of provisions on cabotage in the EU and EFTA countries**

Country	Basic principle on Cabotage	Comment	Waiver system	Vessel ownership requirements		Fiscal regime
				1 <sup>st</sup> register	2 <sup>nd</sup> register	
<b>BELGIUM</b>	<b>Not restricted</b>	-	-	Vessel owned by Belgian/EU citizen or a non-EU citizen domiciled in Belgium or by a company having its registered office in the EU. The vessel must be managed from Belgium.	-	Social security exemptions (total exemption for employers' contributions and partial exemption for seafarers' contributions on board EU vessels).
<b>CYPRUS</b>	<b>Not restricted</b>	Bilateral Agreements on Merchant Shipping concluded by the Republic of Cyprus with Romania, Bulgaria, Lithuania and Italy provide for a cabotage restriction.	-	(a) when more than 50 % of the shares of the ship are owned by Cypriot citizens or by citizens of other EU/EEA Member States; or  (b) when 100% of the shares of the ship are owned either by one or more:  (i) Cypriot corporations (including partnerships); or  (ii) corporations of any other EU/EEA Member State; or  (iii) “third countries” corporations ( i.e. outside an EU/EEA Member State ), controlled by Cypriot citizens or natural	-	Total exemption from Income tax for Cypriot ship-owners and ship managers. Tonnage tax is charged instead, based on the tonnage and age of the ships .  Exemption from Income tax is only relevant to ships engaged in maritime transport between Cypriot and foreign ports and between foreign ports.

Country	Basic principle on Cabotage	Comment	Waiver system	Vessel ownership requirements		Fiscal regime
				1 <sup>st</sup> register	2 <sup>nd</sup> register	
				<p>persons who are citizens of any other EU /EEA Member State.</p> <p>Additional legal requirement for (ii) and (iii) above: appointment of an authorised representative in Cyprus or the entrustment in full of the management of the ship in respect of her safety to a Cypriot ship management company or a Community ship management company, having its place of business in Cyprus. The appointment of an authorised representative is also required when the vessel is owned by citizens of other EU/EEA Member States, not being permanent residents of the Republic.</p>		
<b>DENMARK</b>	<b>Not restricted except for DIS passenger vessels</b>	By law 464 of 12.06.1996 DIS cargo vessels were allowed to Danish cabotage as per 1.12.1996. Passenger vessels remain excluded from Danish cabotage.	-	Vessel owned by Danish or EU national or companies managed from Denmark.	Vessel owned by Danish or EU national or companies managed from Denmark.	<p>Roll-over relief.</p> <p>Seafarers on board DIS vessels are tax exempted and paid net wage.</p>

Country	Basic principle on Cabotage	Comment	Waiver system	Vessel ownership requirements		Fiscal regime
				1 <sup>st</sup> register	2 <sup>nd</sup> register	
<b>ESTONIA</b>	<b>Not restricted</b>	-	Waivers can be granted to non-EU vessels, see bilateral agreements.	Company or branch office has to be registered in Estonia.	-	-
<b>FINLAND</b>	<p><b>Not restricted</b></p> <p>Cabotage is governed by Section 4 of the Restrictive Trades Practices Act.</p> <p>Non EU vessels are generally prohibited from entering domestic coastal trades.</p> <p>Vessels in the List of Cargo vessels in International Trade have restricted access to cabotage.</p>	<p>Amending Act (1362/94) of 22 December 1994 to the Restrictive Trades Practices Act abolished restrictions concerning cabotage on EU vessels as from 1.1.1995 (accession).</p> <p>Bilateral agreement with Norway as from 1.1.97 applies to NIS.</p>	<p>Mainland cabotage: Special permits obtained from the MOTC for non-EU vessels in mainland cabotage where no other suitable vessel is available.</p> <p>Permits are granted for a maximum of one year to foreign vessels trading between Aland and the mainland.</p>	<p>Registration governed by Marine Registration Act (512/1993) and Finnish Maritime Code (674/1994) (amendments entered into effect on January 2000).</p> <p>At least 60% of the vessel must be owned by Finnish citizens or Finnish registered companies.</p> <p>The MOTC also permits EU/EEA-owned ships to be registered in the Finnish register provided that the person or company owning at least 60% of the vessel has its domicile or residence the EEA.</p> <p>The MOTC can also permit foreign-owned ships, other than EU/EEA, to be registered in the Finnish</p>	<p>Same as for 1<sup>st</sup> register.</p> <p>List of Cargo Vessels in International Trade (Act No. 1707/ 1991).</p> <p>Today also passenger vessels and passenger ferries in international traffic can be registered on the List (2<sup>nd</sup> register).</p>	<p>Special reductions of seafarers' income tax for vessels flying the Finnish flag (18% reduction of municipal tax and 30% of State tax).</p> <p>The State also participates in the pension payments to seafarers.</p> <p>A tax rebate of seafarers' income tax and refund of 100% of social security costs is paid to the employer. This is available for ships listed on the International Register.</p>

Country	Basic principle on Cabotage	Comment	Waiver system	Vessel ownership requirements		Fiscal regime
				1 <sup>st</sup> register	2 <sup>nd</sup> register	
				register provided that the Finnish authorities have the full right to specify the conditions as to use of the vessel in maritime shipping.		
<b>FRANCE</b>	<p><b>Restricted</b></p> <p>- Art. 257 of the “Code de Douanes”-Customs Code (Law 85-1404 of 30.12.85 amended by Law 2001-43 of 16.01.01) (National cabotage).</p> <p>- UE and EEA vessels are considered equal to French ships.</p> <p>- Decree 99-195 sets the Host States rules for vessels/cruises under 650 GT in mainland cabotage; and for vessels in Island cabotage, except for vessels in consecutive services.</p>	-	<p>Waivers can be granted to non-EU vessels.</p> <p>(Art. 257 of Customs Code)</p>	<p>- 50% of the vessel must be owned by a physical person who is a national of EU/EEA or</p> <p>- 100% of the vessel must be owned by a company having its registered office in EU/EEA and being operated from a permanent establishment in France.</p> <p>- French legislation restricts investments from non-EU/EEA parties to less than 50% of the total shares if the company or vessel is still to be considered French.</p>	<p>- 50% of the vessel must be owned by a physical person who is a national of EU/EEA or</p> <p>- 100% of the vessel must be owned by a company having its registered office in EU/EEA and being operated from a permanent establishment in France.</p> <p>- French legislation restricts investments from non-EU/EEA parties to less than 50% of the total shares if the company or vessel is still to be considered French.</p>	<p>- Tax on tonnage or tax on companies by option (under certain conditions)</p> <p>- Exemption on the social charges on employer (under certain conditions)</p> <p>- Professional tax (allowance on the maritime part under certain conditions)</p> <p>- Exemption of tax on the RIF seamen’ salary (under certain conditions).</p>

Country	Basic principle on Cabotage	Comment	Waiver system	Vessel ownership requirements		Fiscal regime
				1 <sup>st</sup> register	2 <sup>nd</sup> register	
<b>GERMANY</b>	<b>Not restricted</b> Cabotage operation is regulated in section 2, paragraph 1, item 3 of the “Verordnung über die Küstenschiffahrt” (Coastal Shipping Ordinance) of 5 July 2002. Under the provisions of this Ordinance, cabotage operations may only be performed by vessels flying the German or another EU Member State’s flag	-	Under the provisions of Section 2, paragraphs 1 and 2 of the Coastal Shipping Ordinance Waivers to non-EU vessels may only be granted if no EU vessels are available or if there are available only at very unfavourable conditions. Waivers may be granted to non-EU member States on the basis of reciprocity, e.g. reciprocity agreement Norway/Germany.	>50% ownership/control by German or EU citizens with representatives domiciled in Germany or by German or EU companies having their registered office, central administration or principal place of business in the EU. (sections 1 and 2 of the Flaggenrechtsgesetz (Flag Act))	-	- Vessels solely engaged on cabotage: no relief on income and corporation tax and no subsidies.  -Vessels engaged on international voyages may opt between normal taxation or the tonnage tax for the international part of operations. They also benefit from a 40% income tax reduction for this area of operations.
<b>GREECE</b>	<b>Not restricted</b> All services (mainland and island cabotage) in the domestic maritime transport sector in Greece have been liberalized and are open to the beneficiaries of Regulation 3577/92.	Regulated in: i) Presidential Decree 344/2003, which amended articles 165 and 166 of the Code of Public Maritime Law, ii) Law 2932/01.	Waivers can be granted: i) for certain trips when no EU vessel is available for the transportation of a certain freight at a certain time , (art 166 CPML) ii) exceptionally, for regular ferry services on condition of reciprocity (Law 2932/01,art 1,par 3)	-	-	-
<b>ICELAND</b>	<b>Not restricted:</b> Open coastline.	Practically unlimited scope for foreign merchant ships to trade between Icelandic ports.  As from 5.10.97 CR 3577/92 applies (Joint Committee Decision No. 70/97)	-	Governed by Registration of ships Act 15/1985, previously limited registration to Icelandic nationals/ residents. Amending Act 62/1992 given right of registration to citizens/	-	Seafarers obtain following tax privileges : - Income tax deduction ISK 787 (2006) (USD 11,3) x 1,49 for each sea day. - Ship-owners do not receive any rebates/ refunds for social cost contributions.

Country	Basic principle on Cabotage	Comment	Waiver system	Vessel ownership requirements		Fiscal regime
				1 <sup>st</sup> register	2 <sup>nd</sup> register	
				corporations of EEA countries.		
<b>IRELAND</b>	<b>Not restricted</b>	-	-	Following the judgment of the Court of Justice of the European Communities of 12 June 1997 in Case C-15/97, Ireland adopted the Merchant Shipping (miscellaneous provisions) Act 1998. Vessels must be owned by EU nationals or a body corporate established under and subject to the law of a Member State and having its principal place of business in a Member State.	-	Option exists to apply for 12.5% Corporation tax or Tonnage tax.  A special EURO 6,350 income tax allowance exists for seafarers who are at sea, working, for 161 days a year.  Employers of seafarers can be reimbursed the social insurance payments that they make in respect of their sea going employees who are in the Irish social insurance system.
<b>ITALY</b>	<b>Restricted</b>  Regulated in Article 224 of the “Codice della Navigazione” (Shipping Code) as amended by Law 30/98 restricted to Community vessels.  Circular of 25 November 1999 establishes host state rules for ship-owners that wish to render their services in Italian cabotage.	Revised art. 224 allows other EU vessels to participate in Italian cabotage in accordance with Reg. 3577/92.  Vessels registered in the International Register can carry out 1-6 journeys per month as per Law 26 no. 289 of December 2002. As per Law 24 November 2003 no. 326, as an alternative to the maximum 6 journeys allowed, it is possible for such vessels to	Absolute exclusion of waivers after Ref. 3577/92.	Over 50% of the vessel shares must belong to Italian/ EU citizens or to Italian/ EU companies. Art. 143 Codice Della Navigazione, as modified by Law 30 of 27 February 1998.	Over 50% of the vessel shares must belong to Italian/ EU citizens or to Italian/ EU companies. Art. 143 Codice Della Navigazione, as modified by Law 30 of 27 February 1998.	Partial exemption from social security charges.

Country	Basic principle on Cabotage	Comment	Waiver system	Vessel ownership requirements		Fiscal regime
				1 <sup>st</sup> register	2 <sup>nd</sup> register	
		effect unlimited cabotage journeys provided they exceed 100 nautical miles.				
<b>LATVIA</b>	<b>No maritime cabotage</b>	-	-	-	-	-
<b>LITHUANIA</b>	<b>Not restricted</b>	-	-	Ship may be registered in the Maritime Ship Register if its owner is Lithuanian citizen or company domiciled in Lithuania.	-	All Lithuanian seafarers' income tax 0%.  Lithuanian Parliament is currently considering 2 projects: - seafarers social security contributions exemptions - tonnage taxation scheme.
<b>MALTA</b>	<b>Not restricted</b>	-	-	No restriction for nationals or body corporate established in terms of the legislation of a Member State of the EU.	-	No rebate or preferential deductions in social security and tax payments.
<b>THE NETHERLANDS</b>	<b>Not restricted</b>	-	-	Nationality requirements of ships have been amended in 2003, article 311 of Commercial Code.  Assimilated to Dutch Nationality: any person (physical or moral) with nationality of an EU/EEA Member State	-	Withholding of tax and social security charges normally payable by ship-owner/employer.  Option to apply tonnage tax or corporate tax on business results.

Country	Basic principle on Cabotage	Comment	Waiver system	Vessel ownership requirements		Fiscal regime
				1 <sup>st</sup> register	2 <sup>nd</sup> register	
				or Switzerland.		
<b>NORWAY</b>	<b>Not restricted</b> Open Coastline. NIS vessels are in principle excluded, but permission is given for cargo vessels if certain requirements are fulfilled. Foreign flag vessels have access to cabotage trades in Norway. The rules for obtaining a licence for scheduled passenger transportation is now contained in the Professional Transport Act.	The government on 1 January 2005 introduced an exemption from the rules on work permits in Norway for foreign seafarers serving on foreign vessels transporting goods or passengers between Norwegian harbours. The government is now in the process of preparing legislation in order to repeal that exemption. The new legislation will have no effect for EEA seafarers on board EEA vessels.	-	Norwegian ordinary Register (NOR) governed by Maritime Transportation Act. Open only to EEA citizens/ residents or unlimited partnerships where at least 60% of ownership is by EEA citizens or the owner is a limited company where at least 60% of the capital and operating powers are in EEA hands.	NIS register put into operation by the Norwegian International Ship Register Act of 12.6 1987. Ownership requirements as for NOR. If nationality conditions are not met, registration also open to limited company or partnership with head office in Norway or ship owning partnership with Norway-based managing owner, or owner with appointed representative authorised to accept writs on behalf of the owner.	All crew members serving on NOR/NIS vessels are entitled to special tax deduction limited to 30% of their gross income, but not more than 80000 per year. Limited to seafarers working for a minimum sailing period.  NOR registered vessels are entitled to a so called net wage scheme that is refund of paid income tax and social security contribution to the shipping company. Some exemptions apply for passenger vessels.  For employees on board NIS vessels the shipping company are entitled to a refund scheme of 12% or 9.1 % of gross income.  The net wage scheme and the refund scheme apply to EEA seafarers resident/liable for taxation in Norway.
<b>POLAND</b>	<b>Not restricted</b>	-	-	-	-	Tonnage tax or Income tax.
<b>PORTUGAL</b>	<b>Restricted</b> Before 2006:	-	Before 2006: Art. 5 of Decree Law 194/98, authorization of	Ship-owner with address or head office and main establishment in national	Madeira register: (Branch) office or Legal representation in	-Income tax on 30% of ship-owners profit.

Country	Basic principle on Cabotage	Comment	Waiver system	Vessel ownership requirements		Fiscal regime
				1 <sup>st</sup> register	2 <sup>nd</sup> register	
	<p>Regulated in Decree Law 194/98 and Decree Law 331/99.</p> <p>From 2006: New Decree Law 7/2006.</p> <p>Free access to continental and island cabotage for all European ship-owners with ships flying Portuguese or any other Member State's register flag, provided that these ships comply with all conditions for carrying out cabotage in that State.</p> <p>The use of Second Portuguese registered vessels (MAR) in mainland cabotage is free, while to be used in island cabotage, the Second Portuguese registered vessels (MAR) must fulfil similar conditions of the first Portuguese register, namely on the composition of the crews, salaries and social and fiscal conditions except under special permits regulated in Art. 6.</p> <p>Third flag vessels are not allowed to perform maritime transports in continental and island</p>		<p>the General Directorate.</p> <p>From 2006: The Special Regime of Authorization is described in Art. 6 of new Decree Law 7/2006.</p> <p>Authorisation requests for transports in national cabotage with vessels that do not have access must be based on the non availability of EU flagged vessels with access to national cabotage.</p> <p>The authorization requests must be submitted to Instituto Portuário e dos Transportes Marítimos for mainland and mainland/insular transports, and to each Regional Govern Departments in case of transports between islands of Madeira and transports among islands of Azores.</p>	territory and to be registered at IPTM.	Madeira island	-Full deduction on workers' income tax (MAR).

Country	Basic principle on Cabotage	Comment	Waiver system	Vessel ownership requirements		Fiscal regime
				1 <sup>st</sup> register	2 <sup>nd</sup> register	
	cabotage, except under special permits (Art. 6 – Waiver system).					
<b>SLOVENIA</b>	<b>Not restricted</b>	<p>Art. 7 of the Maritime Code (Official Gazette RS n. 120/06 – Official Consolidated Text) provides that the carriage of goods and passengers from one Slovenian port to another is free for national persons, while foreign persons may provide the service under reciprocity conditions.</p> <p>Under Art. 998 Member States of the EU are not subject to reciprocity conditions.</p>	-	-	-	-
<b>SPAIN</b>	<b>Restricted</b> Regulated in Law 27/1992 on State Ports and Merchant Marine. REC vessels have unrestricted access to cabotage. Order of Transport Minister of 22 July 1999 establishes the Host State Rules for ships in Spanish Island	RD 2221/98, of 416 October 1998, allowed REC ships to participate in all Spanish cabotage trades (incl. Island cabotage)	Art.81 of Law 27/1992 regulates the possibility for waivers exceptionally, in case of non-availability of Spanish (EU) ships	Any Spanish or EU national or company with representative appointed in Spain. (Article 76 Law 27/92)	Any shipping company, established either in Spain, EU or in a third country may register a ship under the REC if the vessel is managed from the Canaries or if it has a permanent establishment in the Canary Islands.	<p>Law 19/1994, modified last in December 1996, allows fiscal allowances for REC registered vessels.</p> <p>-90% reduction in employer Social Security contribution,</p> <p>-90% reduction of Corporate Tax.</p> <p>-exemption of income tax with respect to 50% of seafarers' income.</p>

Country	Basic principle on Cabotage	Comment	Waiver system	Vessel ownership requirements		Fiscal regime
				1 <sup>st</sup> register	2 <sup>nd</sup> register	
	Cabotage					
<b>SWEDEN</b>	<p><b>Restricted</b></p> <p>Decree of 1 July 1995 amended.</p> <p>235/75 giving access to EU vessels.</p>	<p>Trades have been liberalised to EU vessels in accordance with Regulation 3577/02 since 1/1/95 (accession).</p> <p>Bilateral agreements with Norway (1989) apply to NIS.</p>	<p>Exemptions are granted by the Swedish Maritime Administration in cases where no suitable Swedish/ EU vessel is available.</p> <p>Approximately 20 exemptions awarded each year.</p>	<p>Governed by Maritime Act (1994:1009)</p> <p>&gt;50% to be owned by Swedish citizen/ corporation.</p> <p>Government reserves the right to permit foreign vessels to fly the Swedish flag whose operation is under Swedish control and shows owner has his permanent residence in Sweden.</p> <p>Vessel &gt;50% owned by EEA nationals or companies having their registered office, central administration or principal place of business in the EEA and whose operation is controlled from Sweden may be registered in the Swedish register.</p>	-	<p>Tax-free reserved.</p> <p>Ship-owners receive full rebate of tax paid on seafarers' income plus an additional relief of SEK 58,000 per full time employee for social cost contributions.</p> <p>Special tax regime for seafarers abolished in 1998. Seafarers now pay full income tax on gross earnings.</p>
<b>UNITED KINGDOM</b>	<b>Not restricted</b>	-	-	Vessel > 50% owned by citizen or bodies incorporated in the EU or UK Dependent Territories.	-	<ul style="list-style-type: none"> <li>- Roll-over relief</li> <li>- Exemptions for UK seafarers not resident in the UK for more than 183 days per year/</li> </ul>

Country	Basic principle on Cabotage	Comment	Waiver system	Vessel ownership requirements		Fiscal regime
				1 <sup>st</sup> register	2 <sup>nd</sup> register	
						- Optional tonnage tax, which replaces corporate tax.