



FREQUENTLY ASKED QUESTIONS (FAQS) ON

SHIP ACQUISITION AND REGISTRATION IN NIGERIA





Exploring the complexities of ship acquisition and registration in Nigeria can be challenging for both experienced maritime professionals and newcomers. Understanding the intricacies of this process is essential to ensure compliance with regulatory requirements and the smooth operation of ships within Nigerian waters. In this comprehensive guide, we address frequently asked questions (FAQs) concerning ship acquisition and registration in Nigeria, offering clarity on the necessary steps, requirements, and regulations governing this vital aspect of maritime commerce in the country. Whether you're a shipowner, operator, or simply interested in maritime affairs, this guide serves as a valuable resource to navigate the acquisition and registration process with confidence in Nigeria.

1

What laws and regulations govern the acquisition and registration of ships in Nigeria?

The acquisition and registration of ships in Nigeria are governed by a comprehensive set of laws, conventions, and regulations. The Nigerian Maritime Administration and Safety Agency (NIMASA) is central to enforcement. The Key laws include the Merchant Shipping Act 2007 (MSA) and the Coastal and Inland Shipping (Cabotage) Act 2003 (CA). Nigeria's adherence to the United Nations Convention on the Law of the Sea (UNCLOS) 1982 provides legal backing to Ship registration. Additionally, NIMASA issues regulations complementing these laws, setting specific requirements for Ship registration in Nigeria.

2

Which regulatory authorities are involved in the process of acquiring and registering ships in Nigeria?

In Nigeria's Ship acquisition and registration process, NIMASA stands as the primary regulatory authority that oversees ownership criteria, registration processing, safety inspections, and tonnage-based fee collection for Ships. Additionally, the Nigerian Ship Registration Office (NSRO), a department within NIMASA, plays a crucial role in the registration of Ships. Furthermore, the Ministry of Transportation may also be involved, particularly for national security concerns.

3

What is the procedure for acquiring a Ship in Nigeria?

The procedure for acquiring a Ship in Nigeria typically begins with the identification of the ship for sale, the negotiation of the purchase price with the seller, and the finalizing of the transfer of ownership in the event sale. The sale of the ship is governed generally by the Merchant Shipping Act 2007 (MSA) and under the MSA, a sale of a registered ship must be done by transfer of ownership through the Bill of Sale. Notably, in a sale of a Ship or acquisition transaction, the grant of the consent to sell the Ship in Nigeria must be first had and obtained from the Director-General and Registrar of Ships at NSRO

4

Which individuals are qualified to register and possess a Ship in Nigeria?

According to the MSA, a Ship can only be registered in Nigeria if it is wholly owned by any of the following categories of persons

- a. Nigerian citizens;
- b. Bodies corporate and partnerships established under and subject to Nigerian laws, having their principal place of business in Nigeria;
- c. Foreign Citizens having a maximum of 40 percent equity ownership in a National Carrier;
- d. Joint Owners (not exceeding five persons);
- e. Such other persons as the Minister may, by regulations prescribe.

5

Which categories of Ships will be eligible to be registered in Nigeria?

The Ships eligible for registration in Nigeria are:

- a. ships owned by Nigerian citizens or Nigerian registered bodies corporate;
- b. ships on bareboat charters and other charters exceeding 12 months; and
- c. ships under construction.
- d. fishing vessels;
- e. floating production storage and offloading, and floating storage and offloading;
- f. licensed ships weighing under 15 gross tons;
- g. merchant ships;
- h. ships licensed to operate in coastal and inland waters of Nigeria;
- i. ships weighing 15 gross tons or more.

6

What is the procedure for ship registration in Nigeria?

Ship registration is majorly done at the NIMASA, and the procedure involves the following:

- a. The submission of an Application to the Director-General of NIMASA by the owner of the Ship or their agents indicating their interest in registering a ship in Nigeria.
- b. The completion and submission of the application for the Ship name approval Form at the Ship Registry.
- c. The payment of statutory fees on the gross tonnage of the Ship to the Director-General of NIMASA for the Ship Condition Survey.
- d. The nomination of a Maritime Surveyor by the Registrar of Ships to carry out the Ship condition survey.
- e. The Declaration of Ownership (NIMASA Form 1) is to be completed and deposed to before a Commissioner for Oath at the Federal High Court and submitted at NIMASA;

- f. Complete the Application Form for Registration (NIMASA Form 2) and submit it at NIMASA with the following accompanying documents:
 - i. Copy of Certificate of Incorporation;
 - ii. Certified True Copy of Company Memorandum and Articles of Association;
 - iii. Certified True Copy of Form CAC 7 (Particulars of Directors);
 - iv. Certified True Copy of Form CAC 2 (Allotment of Shares of a Share Capital which shall not be less than Twenty-Five Million Naira[N25,000,000]);
 - v. Current Tax Clearance Certificate;
 - vi. Duly completed Declaration of Ownership Form;
 - vii. Bank Statement/Reference Letter;
 - viii. Applicable waiver certificate;
 - ix. Certificate of Nigerian Ship Registry;
 - x. Cabotage Affidavit Form;
 - xi. Crew list declaration;
 - xii. Evidence of payment of Fees and
 - xiii. Certificate of Registration of Shipping Company with NIMASA
- g. The Registrar of Ships after being satisfied that the applicant has met all the registration requirements and duly completed the process, will then enroll the Ship in the Register of Cabotage Vessels and Ship Owning Companies of Nigeria

7

What grounds may warrant the refusal by NIMASA for the Registration of a Ship?

The Regulator may refuse an application for the registration of a Ship on the following grounds:

- a. Non-compliance or partial compliance with the mandatory registration requirements of the Merchant Shipping Act 2007;
- b. If the Ship name sought to be registered is already registered, prohibited, offensive, malicious, or contradicts public policy;
- c. Failure to provide any of the required documents and
- d. Failure to survey the Ship and effect Tonnage ascertainment.

8

What is the typical timeframe for completing the ship registration process in Nigeria?

The ship registration process in Nigeria spans from several weeks to months, contingent upon factors such as documentation completeness, vessel classification, and workload at NIMASA. Initiating the registration process well in advance is advisable to mitigate potential delays. However, where applicants can provide all the required documents in good time, the registration process may take between 1-3 months. However, the regulation time frame for provisional registration is a maximum period of 6 months.

9

What advantages does registering a ship in Nigeria offer?

Registering a ship in Nigeria confers several benefits, including access to Nigerian waters and ports, legal protection under Nigerian maritime laws, eligibility for Cabotage trade, facilitation of maritime insurance, and augmentation of the vessel's market value and credibility.

10

Are there any stipulated limitations on ship registration in Nigeria?

While no explicit limitations exist on ship registration in Nigeria based on vessel type, ownership, or nationality, foreign-owned ships must conform to Cabotage regulations, which designate specific maritime activities for Nigerian-flagged vessels.

11

What is the validity duration of ship registration in Nigeria?

Ship registration in Nigeria remains valid for five years, after which renewal becomes imperative. This implies that there is a validity period of 5 years for a certificate of registry, and upon expiration, a shipowner is required to apply for the renewal of the certificate at least six months before the expiry date to preempt penalties or loss of registration.

12

Can a registered ship undergo deregistration in Nigeria?

Absolutely. Registered ships can undergo deregistration in Nigeria under specific circumstances such as sale, ownership transfer, scrapping, or permanent removal from Nigerian waters. Owners must adhere to the deregistration protocols delineated by NIMASA. The MSA also provides that the written consent of all mortgagees is required for the Registrar to permit the deregistration of a Ship. The owner of a Ship may also apply for the cancellation of the registry of a Ship which application should be supported by a board resolution authorizing the cancellation; return of the certificate of registry, and evidence of payment of fees for issuance of a certificate of cancellation.



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