|  |  |
| --- | --- |
|  | **REPUBLIC OF THE MARSHALL ISLANDS****MARITIME ADMINISTRATOR** |

**Memorandum of Particulars Instructions – Finance Charter**

* **Name of Vessel(s)** – Must be stated and match the records of the Republic of the Marshall Islands Maritime Administrator.
* **Official Number(s) or IMO Number(s)** – Must be stated and match the records of the Republic of the Marshall Islands Maritime Administrator.
* **Date of Instrument** – The instrument is usually dated on the day of recordation; however, the instrument may be executed before the date of its recordation provided that the mortgagor is the owner of the vessel (See Section 302A of the Maritime Act).
* **Type of Instrument** – Must be stated, i.e. Finance Charter or Financing Charter.
* **Lessee Name(s) (i.e. Charterer)** – The full charterer name must be stated uniformly through all documents including punctuation and special characters.
* **Lessor Name(s) (i.e. Owner)** – The full owner name must be stated uniformly through all documents including punctuation and special characters and this should match the records of the Republic of the Marshall Islands Maritime Administrator.
* **Total Amount Secured** - The amount secured by the instrument shall be the aggregate of the nominal amount of all charter payments and purchase options payable, or which may become payable, under the financing charter, exclusive of any interest, indemnities, expenses, or fees (See Section 302A(1) of the Maritime Act). It can be stated in any currency. It must appear either numerically or written in full, or both; if both, ensure the numbers and words match.
* **Contract Date** – The date of the Charter Party Agreement.
* **Termination Date** – The instrument need not set forth a termination date, unless so required by the parties (See Sections 302(3), 302A (1) or 309(2)(a) of the Maritime Act).
* **Interest in the Vessel** - Under Section 302(3)(d) of the Maritime Act, a financing charter gives public notice of “the interest transferred or affected,” (see also Sections 305 and 307 of the Maritime Act), which in practice, is a grant, conveyance and mortgage of the “whole of the vessel,” including vessels under construction, as stated in Sections 302A and 303 of the Maritime [Act](https://www.register-iri.com/forms/upload/MI-107.pdf). The interest of the parties in the vessel must be stated.
* **Interest being mortgaged** –Under Section 302(3)(d) of the Maritime Act, a preferred ship mortgage gives public notice of “the interest transferred or affected,” (see also Sections 305 and 307 of the Maritime Act), which in practice, is a grant, conveyance and mortgage of the “whole of the vessel,” including vessels under construction, as stated in Sections 302A and 303 of the Maritime [Act](https://www.register-iri.com/forms/upload/MI-107.pdf). The interest which is being mortgaged must be stated.
* **Intended Effect of the Instrument** – This must be stated and can be as brief or as in depth as required.
* **Recordation Clause** – This must refer to the Maritime Act (“Chapter 3 of the Maritime Act 1990 of the Marshall Islands, as amended”, or “Title 47 of Chapter 3 of the Marshall Islands Revised Code”) and amount secured.
* **Previous Recording Information effected** - The PM number & date of the recording effected must be stated and match the records of the Marshall Islands Maritime Administrator.
* **Pre-signing Valid and Effective Clause** - Instruments can contain a clause stating they become effective upon recordation with the Maritime Administrator as opposed to becoming effective upon dating and signing. This is possible prior to the vessel sale and purchase, and registration under RMI. The Instrument Date (i.e., the date signed and acknowledged/ notarized) can be up to 10 days prior to the Recordation Date, the Recordation Date must be on or after the Instrument Date.
* **Counterpart Signing Clause** -. Ifsigned in counterpart a counterpart clause must be stated i.e. “This instrument may be signed in any number of counterparts, all of which when taken together shall constitute one and the same instrument.”
* **Proof of Due Execution** – The instrument must be duly executed (signed and dated) by the person authorized to do so under the authority provided and notarized by Notary Public or acknowledged by a Republic of the Marshall Islands Special Agent or Deputy Commissioner. Consularization is never required when recording a Republic of the Marshall Islands instrument.
* **Finance Documents** – Finance Documents are not required however if they form part of the instrument must be included and submitted in English.

## **Contents of Recordable Instruments**

* **English Language** – All documents recorded under the provisions of the Maritime Act are required to be in the English language.
* **Parties to the Instrument** – Any legal entity or individual may be a charterer or owner; no restriction exists as to nationality of such entity or individual, except as otherwise restricted by trade compliance policies. The address of the parties must also be provided.
* **Governing Law** - A Financing Charter need not state its governing law; however, if used, it must refer to Republic of the Marshall Islands law.
* **Consent of Prior Mortgagee** - Any previous recording must be stated and match the records of the Republic of the Marshall Islands Maritime Administrator.
* **Contract Date** – the date that the parties intended the instrument to be a financing charter and included or signed off on the requirements stated in Sections 302A of the Maritime [Act](https://www.register-iri.com/forms/upload/MI-107.pdf).

**Certificate of Ownership and Encumbrance**

Recordation of instrument entitles the parties, where appropriate, to receive a Certificate of Ownership and Encumbrance (COE) and a Certified Extract of the Preferred Mortgage Index as official evidence of recordation (See Section 307 of the Maritime Act).

Recordation Text – the COE will use the following information ONLY and will use the text exactly as it appears on the MOP:

* + Type of Instrument
	+ Date of Instrument
	+ Parties to the Instrument
	+ Total Amount Secured
	+ Date, Time & Location of Recordation
	+ Recordation Book Page number

If any further information is required to appear within the recordation text, the Republic of the Marshall Islands Maritime Administrator must be advised the same prior to the recordation.

**Disclaimer**

Neither the Republic of the Marshall Islands Maritime Administrator ("Administrator") nor International Registries, Inc. and its subsidiaries and affiliates (“IRI”), nor any of their subsidiaries, affiliates, agents, or representatives (the “Representatives”) offer or provide legal advice. Any review and/or comments regarding a document to be filed with the Administrator are only for administrative purposes and are only to verify that the document contains the information required for filing purposes.

Accordingly, neither the Administrator, nor IRI, nor the Representatives proofread drafts and no comments provided by the Administrator, IRI, or the Representatives constitute legal advice relating to the validity, enforceability, or otherwise of a document.

**MEMORANDUM OF PARTICULARS**

**Finance Charter/ Lease**

| **Required Information** | **Page Number/ Clause Reference** | **Response** |
| --- | --- | --- |
| **Name of Vessel**  | Recital | VESSEL A |
| **Official Number or IMO Number** | Recital  | 9123456 |
| **Type of Instrument** | Cover Page | Financing Charter |
| **Date of Instrument** | Cover Page | 1 March 2020 |
| **Lessee Name(s) (i.e. Charterer)**  | Recital | Charterer A Limited |
| **Lessee Address (i.e. Charterer)** | Recital | ABC Street, Example City, Country |
| **Lessor Name(s) (i.e. Owner)** | Recital | Owner B Limited |
| **Lessor Address (i.e. Owner)** | Recital | 123 Street, Example City, Country |
| **Total Amount Secured** | Clause 56 | US$25,000,000 (Twenty Five Million United States Dollars) plus interest and performance of covenants |
| **Contract Date**  | Cover Page  | 23 December 2019 |
| **Termination Date** | Clause 56 | 28 February 2025 |
| **Interest in the Vessel** | Clause 50 | The demise charterer of the whole of the vessel |
| **Interest being mortgaged** | Clause 50 | The whole of the Charterer’s interest in and the use and possession of the Vessel under Bareboat Charter |
| **Intended Effect of the Instrument** | Clause 50 | [To create a security interest constituting a Financing Charter over the vessel [ ]]. |
| **Recordation Clause**  | Clause 50 | For the purposes of recording this Charter pursuant to Chapter 3 of the Maritime Act 1990 of the Marshall Islands, as amended, the amount secured is US$25,000,000 (Twenty Five Million United States Dollars) plus interest and performance of covenants |
| **Information of Previous Recording effected[[1]](#footnote-1)1** | [N/A][Clause 44] | [None] [First Preferred Mortgage dated 14 July 2018 and recorded on 14 July 2018 in Book PM [ ] at Page [ ] [as amended by Amendment No.1 to First Preferred Mortgage dated 20 October 2018 and recorded on 31 October 2018 in Book PM [ ] at Page [ ]]. |
| **Pre-signing Valid and Effective Clause (if applicable)** | [N/A] [Clause 31] | “The [instrument name] shall only become valid and effective upon its recording with the Maritime Administrator”. |
| **Counterpart Signing Clause**  | [N/A][Clause 60] | [None][This instrument may be signed in any number of counterparts, all of which when taken together shall constitute of one and the same instrument.] |
| **Proof of Due Execution** |       | Special Agent acknowledged |
| **Which if any Finance Documents are attached and form part of the Instrument?**  | [N/A] [Exhibit A] | [None] [ ] |

**For and on behalf of** [Name of Charterer]

By: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Name:

Title:

**For and on behalf of [**Name of Owner]

By: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Name:

Title:

1. 1 Insert recording details of all existing recorded instruments if this Financing Charter is not the sole mortgage interest being recorded [↑](#footnote-ref-1)