

DRAFT
APPROVED

By order of Transportation Ministry
of the Russian Federation
date _____ No. _____

PROCEDURE
of permit issuance for transportation and tugging operations during coastal navigation, as well as other merchant shipping activities by vessels under foreign flags

1. The Procedure of permit issuance for transportation and tugging operations during coastal navigation, as well as other merchant shipping activities by vessels under foreign flags was developed in accordance with the Resolution by the Government of the Russian Federation dated May 24, 2012 No. 504 On Transportation And Tugging In Communication Between The Sea Ports Of The Russian Federation As Well As Activities Associated With Icebreaker Support, Search-and-rescue And Tugging Operations, Lifting Property Sunk At Sea, Hydraulic Engineering, Subsea Engineering And Other Similar Operations Performed In The Domestic Sea Waters And In The Territorial Sea Of The Russian Federation By Vessels Under Foreign Flags (Collection of laws of the Russian Federation 2012, No. 22, Clause 2876) and stipulates the common procedure for issuance of permits for transportation and tugging in communication between the sea ports of the Russian Federation (hereinafter, coastal transportation and tugging) as well as for activities associated with icebreaker support, search-and-rescue and tugging operations, lifting property sunk at sea, hydraulic engineering, subsea engineering and other similar operations performed in the domestic sea waters or in the territorial sea of the Russian Federation (hereinafter, other activities in the field of merchant seafaring) by vessels under foreign flags.

2. Permits for coastal transportation and tugging as well as other merchant shipping activities by vessels operating under foreign flags (hereinafter, the permits) are issued by the Federal Marine and River Transport Agency with approval by the Federal Security Service of the Russian Federation and Defense Ministry of the Russian Federation.

3. The ship-owner or person authorized by the former (hereinafter, the Applicant) is to submit an Application for obtaining the permit (hereinafter, the permit) to the Federal Marine and River Transport Agency.

4. The Application is to contain:

1) the list of vessels specifying the flag, IMO Number, kind of operations to be performed;

2) information about the ship-owner (denomination, IMO Number, place of registration, form of incorporation, location, information about the government registration, last name, first name, patronymic of the chief manager, telephone number, fax number; for legal entities of the Russian Federation: the taxpayer's identification

number (TIN), the primary state registration number of individual entrepreneur (OGRN));

3) the Applicant's information (the taxpayer's identification number (TIN), the primary state registration number of individual entrepreneur (OGRN) – if the Applicant is a legal entity of the Russian Federation authorized by the ship-owner);

4) information about the crewmembers' citizenship;

5) information about the cargo to be transported (unit to be tugged) and (or) description of the facility in which relation operations are to be performed associated with icebreaker support, search-and-rescue and tugging operations, lifting of property sunk at sea;

6) information about the dates and amounts of transportation during coastal transportation and tugging operations, information about the dates and amounts of work in performing other merchant shipping activities;

7) description of the route (area of operation) of coastal transportation and tugging as well as other merchant shipping activities;

8) justification of the need for coastal transportation and tugging as well as other merchant shipping activities by vessels under foreign flags in the specified dates, area and amounts, as well as explanation of impossibility to perform the above operations by vessels registered in one of the Russian Federation Ship Registers;

9) information about the vessels' ports of call and border-crossing check-points to cross the state border of the Russian Federation at which border-crossing, customs and other control formalities are expected to be attended;

10) information about navigational, research and radio- technical equipment onboard each of the vessels specified in the application.

The following documents are to be attached to Application:

Copies of the ship's documents (certificate of the right to operate the vessel under the flag of the foreign state, certificate of the vessel's ownership, classification certificate, measurement certificate, insurance certificate or other financial security of civil liability against the damage caused by bunker fuel and (or) insurance certificate or other financial security of civil liability against the damage caused by petroleum pollution);

Copies of contract between the ship-owner and a legal entity of the Russian Federation for coastal transportation, tugging and (or) other activities in the field of merchant seafaring;

Copy of the document certifying the Applicant's identity – if the Applicant is a physical person authorized by the ship-owner;

Document certifying the authority of the person signing the application on his own behalf or on behalf of the ship-owner.

5. The application with the attached documents is to be submitted by the Applicant to the Federal Marine and River Transport Agency by mail, facsimile or e-mail in accordance with the contact information published at the official website of the Federal Marine and River Transport Agency on the Internet.

6. The Federal Marine and River Transport Agency shall accept the application for review provided all the documents specified in Item 4 of this Procedure are attached. The application is considered accepted for review on the day of arrival at the Federal Marine

and River Transport Agency, and if the application arrives at weekends or on official holidays – on the first working day after the weekend or official holidays.

To confirm the information submitted by legal entities of the Russian Federation, the Federal Marine and River Transport Agency may require for an extract from the Unified State Register of Legal Entities from the federal executive body responsible for government registration of legal entities by way of interdepartmental information exchange.

7. The Federal Marine and River Transport Agency not later than within two days of receipt of the application for review shall publish information about the submitted application at the official website of the Federal Marine and River Transport Agency, and send the above information to the Union of Russian Ship-owners, the Association of Shipping Companies.

Simultaneously, the Federal Marine and River Transport Agency shall send copies of the Application to the Federal Security Service of the Russian Federation and Defense Ministry of the Russian Federation. Also, copies of the documents specified in Item 4 of this Procedure shall be sent to Defense Ministry of the Russian Federation.

8. The Federal Marine and River Transport Agency shall verify the completeness and accuracy of the Applicant's information and the submitted documents, as well as accuracy of the information specified in the Application in respect of:

a) unavailability of vessels type analogous to the one specified in the Application for transportation and tugging as well as other merchant shipping activities on the list of vessels registered in one of the Russian Federation Ship Registers;

b) registration of the vessels specified in the Application for transportation and tugging as well as other merchant shipping activities in one of the Russian Federation Ship Registers for the latest five years before the date of application for permit;

c) possibility of execution of the expected coastal transportation and tugging operations as well as other merchant shipping activities by the specified vessels in compliance with requirements of safe navigation and protection of marine environment from pollution by vessels and (or) considering the technical and operational properties according to copies of the ship's documents attached to the Application;

d) availability of ports on the route of coastal transportation and tugging, as well as ports in the area of other merchant shipping activities to which calls by the vessels are expected, including calls for border-crossing, customs and other control formalities, for foreign vessels.

9. If the Union of Russian Ship-owners, the Association of Shipping Companies or the ship-owners operating the vessels registered in one of the Russian Federation Ship Registers fail to provide information about possibility of execution of the specified coastal transportation and tugging operations as well as other merchant shipping activities by vessels operating under the State Flag of the Russian Federation within 15 calendar days of publication at the official website of the Federal Marine and River Transport Agency, such possibility shall be considered nonexistent.

If the Federal Security Service of the Russian Federation and Defense Ministry of the Russian Federation fail to provide information that the coastal transportation and tugging, as well as other merchant shipping activities are in conflict with the interests of

security and defense of the Russian Federation within 15 calendar days of sending a copy of the application, in such case the permit shall be considered approved.

10. The permit is issued for a period of execution of coastal transportation and tugging, as well as other merchant shipping activities, but not longer than for 1 year. The expiration date is to be specified in the permit.

Should prolongation of the execution period of the specified activities be necessary, the Applicant should submit to the Federal Marine and River Transport Agency an application for a permit for the period exceeding the permit expiration date according to the procedure specified in Items 3-5 of this Procedure.

11. A decision of the permit issuance shall be made not later than within 20 calendar days of acceptance of the Application for review and is to be formalized by Resolution of the Federal Marine and River Transport Agency which is to be sent to the Applicant not later than within two days after the decision is made.

The information about the decision of the permit issuance is to be published at the official website of the Federal Marine and River Transport Agency not later than within two working days after the decision is made.

12. The Federal Marine and River Transport Agency shall make a decision to refuse the permit for the following reasons:

1) if among the vessels registered in one of the Russian Federation Ship Registers vessels are available that are suitable for the coastal transportation and tugging operations as well as other merchant shipping activities specified in the Application, and the ship-owners operating those vessels provide information about readiness for coastal transportation and tugging as well as other merchant shipping activities in the dates, area and amount specified in the Application, by vessels operating under the State Flag of the Russian Federation, that are capable of executing such coastal transportation and tugging as well as other merchant shipping activities considering their technical and operational properties;

2) if vessels for transportation and tugging as well as other merchant shipping activities specified in the Application were registered in one of the Russian Federation Ship Registers for the latest 5 years before the date of application;

3) if vessels for transportation and tugging as well as other merchant shipping activities specified in the Application fail to comply with the requirements of navigation safety and marine environment protection from pollution by vessels and (or) are not capable of executing the expected coastal transportation and tugging as well as other merchant shipping activities, considering their technical and operational properties according to the copies of ship's documents attached to the Application;

4) if, according to the requirements of the law of the Russian Federation, at least one of the ports on the route of coastal transportation and tugging and (or) the ports in the area of other merchant shipping activities to which calls are expected, including calls for attending border-crossing, customs and other control formalities, are not open for foreign vessels to call;

5) if coastal transportation and tugging as well as other merchant shipping activities is in conflict with the interests of security and defense of the Russian Federation, according to the information from the Federal Security Service of the Russian Federation and Defense Ministry of the Russian Federation.

Refusal of permit for other reasons is not provided for.

13. The refusal decision is to be made not later than within 20 calendar days of acceptance of the Application for review and is to be sent to the Applicant in writing with explanation of the reason for refusal of permit not later than within two working days after the decision is made.

The information about the decision to refuse a permit is to be published at the official website of the Federal Marine and River Transport Agency not later than within two working days after the decision is made.