



CRNA GORA
MINISTARSTVO SAOBRAĆAJA I POMORSTVA
UPRAVA POMORSKE SIGURNOSTI BAR

Broj 1777/17

Bar, 06. 12. 20 17. god.

AGREEMENT

between

MARITIME SAFETY DEPARTMENT

and

CROATIAN REGISTER OF SHIPPING

**GOVERNING THE DELEGATION OF STATUTORY CERTIFICATION SERVICES FOR SHIPS
REGISTERED IN MONTENEGRO AND OTHER ASSOCIATED RELEVANT ACTIVITIES IN
RELATION WITH THE SHIP'S SAFETY**

This Agreement pursuant to the legislation of Montenegro and in compliance with the "Guidelines for the Authorization of Organizations Acting on Behalf of the Administration", IMO Resolution A.739(18) as amended and with the "Specifications on the Survey and Certification Functions of Recognized Organizations acting on behalf of the Administration", IMO Resolution A.789(19), and the Annexes thereto and the "Code for Recognized Organizations" (RO Code) as per IMO Resolution MSC.349(92) and MEPC.237(65) is between the Ministry of Transport and Maritime Affairs - Maritime Safety Department hereafter referred to as "the Administration" and Croatian Register of Shipping hereafter referred to as "HRB", with respect to the performance of marine statutory surveys and issuance of relevant certificates to ships registered in Montenegro, as well as the performance of other associated relevant activities (e.g. inspections, audits) in relation with the ship's safety.

PURPOSE

The purpose of this Agreement is to delegate authority to perform statutory certification services on ships registered in Montenegro and classed with HRB, unless indicated otherwise, as well as, to perform other associated relevant activities in relation with the ship's safety, as described in Annex 1 to this Agreement, and to define the scope, terms, conditions and requirements of that delegation.

1. GENERAL CONDITIONS

1.1. Statutory certification services comprise the assessment of Montenegro registered vessels classed with HRB, in order to determine the compliance of such vessels with the applicable requirements of International Conventions, related codes and national regulations (hereinafter referred to as "applicable instruments"), and the issue of relevant certificates, as well as, to perform other associated relevant activities in relation with the ship's safety as set out in Annex 1 hereto. For ISM, ISPS and MLC 2006 certification, HRB is authorised to perform such duties also on Montenegro ships classed by another Recognized Organization, if the ship owner so desires.

1.2. In so far as the statutory certification services covered by this Agreement are concerned, HRB agrees to co-operate with Port State Control officers to facilitate the rectification of reported deficiencies on behalf of the Administration, when so requested, and report to the Administration.

1.3. Statutory services rendered and statutory certificates issued by HRB, in accordance with this Agreement will be accepted as services rendered by or certificates issued by the Administration provided that HRB maintains compliance with the provisions of Appendix 1 of the Annex to IMO Resolution A.739(18) as amended and the Annex to IMO Resolution A.789(19) and the requirements of the "Code for Recognized Organizations" (RO Code) as per Resolution MSC. 349(92) and MEPC.237(65) which are part of this Agreement.

1.4. Authorizations for services outside the scope of Annex 1 to this Agreement will be dealt with, as mutually agreed on a case-by-case basis.

1.5. HRB shall endeavour to avoid undertaking activities, which may result in a conflict of interest.

1.6. HRB shall maintain an effective internal quality system based on appropriate parts of the internationally recognised quality standards no less effective than the ISO 9000 series, such as the IACS QSCS. This system must be certified by an independent body of auditors accepted by the Administration such as an independent Accredited Certification Body (ACB).

2. INTERPRETATIONS, EQUIVALENTS AND EXEMPTIONS

2.1. While interpretations of the applicable instruments, as well as the determination of equivalents or the acceptance of substitutes to the requirements of the applicable instruments are the prerogative of the Administration, HRB will co-operate in their establishment as necessary. HRB applies the IMO interpretations and Circulars, as well as the available IACS Unified Interpretations, unless provided with written instruction to apply a different interpretation by the Administration.

2.2. Exemptions from the requirements of the applicable instruments are the prerogative of the Administration and must be approved by the Administration prior to issuance.

2.3. In instances where, temporarily, the requirements of an applicable instrument cannot be met under particular circumstances, HRB will accept, after consulting with and gaining approval from the Administration, such measures or supplementary equipment as may be available to permit the vessel to proceed to a suitable port where permanent repairs or rectifications can be effected or replacement equipment fitted.

2.4. The Administration reserves the right to suspend, cancel or revoke any certificate, document or approval issued by HRB pursuant to this agreement. The Administration will inform HRB of the reasons for suspending, cancelling or revoking a statutory certificate.

2.5. HRB may, having consulted with the Administration, suspend, cancel or revoke any statutory certificate issued on behalf of the Administration.

3. INFORMATION AND LIAISON

3.1. HRB will report to the Administration such information as delineated in Annex 2 to the Agreement.

3.2. The Administration shall be granted access to all plans and documents including reports on surveys/audits on the basis of which certificates are issued or endorsed by HRB.

3.3. On request, HRB agrees to submit to the Administration, free of charge, a sufficient number of its rules, regulations, and instructions, as required by the Administration in respect of work carried out by HRB in accordance with the agreement. Alternative electronic arrangements may be provided.

3.4. The Administration will provide HRB with all necessary documentation for the purpose of HRB's provision of statutory certification services. The Administration will inform HRB of any changes to their National requirements prior to their implementation date.

3.5. HRB and the Administration, recognizing the importance of technical liaison, agree to co-operate toward this end and maintain an effective dialogue.

3.6. Regulations, rules, instructions, national requirements and report forms shall be available in Montenegrin or English language.

3.7. Upon request, HRB shall give the Administration the opportunity to present its views with respect to new Rules or amended existing Rules being developed.

4. SUPERVISION

4.1. The Administration is entitled to satisfy itself that HRB effectively carries out its functions in accordance with this Agreement and that HRB's quality system continues to comply with the requirements of Appendix 1 of the Annex to IMO Resolution A. 739(18) as amended and with the requirements of Annex to IMO Resolution A. 789(19) and with the "Code for Recognized Organizations" (RO Code).

4.2. The Administration may supervise the work of HRB by audits, random inspections or expanded special surveys of ships. The Administration may choose to recognize audits performed on HRB by an independent audit group effectively representing the interests of the Administration, such as, with respect to the IACS QSCS by an independent Accredited Certification Body (ACB).

4.3. Should the Administration choose to conduct direct auditing of HRB, the frequency and extent of the audit will be subject to mutual agreement between the Administration and HRB.

5. OTHER CONDITIONS

5.1. Remuneration for statutory certification services carried out by HRB on behalf of the Administration will be charged by HRB directly to the party requesting such services. The Administration and HRB will not invoice each other for any costs or financial burden caused by this agreement.

5.2. Confidentiality.

In so far as activities related to this Agreement are concerned, both HRB and the Administration agree to maintain confidentiality with respect to all documents and

information handed over to the other party. Documents and information can only be made available to third parties with the approval of the respective other party. However, this shall not apply to the obligations HRB has towards the administrations of flag States and other international organisations as well as legal requirements and international conventions. Any document or other information may be released by HRB as required by applicable legislation, court order, or legal proceedings.

Such obligation shall continue in full force and effect during the term of and after the termination of this Agreement provided that the following shall not be subject to such restrictions:

- i) any information which was in the possession of HRB prior to its disclosure to HRB by the Administration, or
- ii) any information which is or lawfully become part of the public domain, or
- iii) any information which shall otherwise lawfully become available to HRB from a source independent of the Administration.

5.3. Surveyors

HRB should perform survey and certification functions of a statutory nature by the use of only exclusive surveyors and auditors, being solely employed by HRB, duly qualified, trained and authorised to execute all duties and activities incumbent upon their employer, within their level of work responsibility.

However, if HRB finds in exceptional and duly justified cases that its own exclusive surveyor is not available, HRB shall inform the Administration, with an alternative nomination for the Administration's consideration. The Administration may accept this alternative nomination, or nominate an exclusive surveyor of one other recognised organisation.

HRB may also utilise the services of subcontractors and other support service providers in accordance with the relevant provisions of IMO Res. A789(19) and with the « Code for Recognized Organizations » (RO Code), provided that such subcontractors and suppliers of support services are approved by HRB or another RO.

5.4. Amendments

Amendments to this Agreement and appendices will become effective only after consultation and written agreement between the Administration and HRB.

5.5. Governing Law and settlement of disputes

- 5.5.1. The Agreement shall be governed by and construed in accordance with law of Montenegro. Any dispute arising in connection with this Agreement which cannot be settled by private negotiations between the Parties shall be settled finally by arbitration in accordance with the Rules of Conciliation and Arbitration of the International Chamber of Commerce in London, England, by three arbitrators to be appointed according to the said Rules. The language of the arbitration shall be the English language.
- 5.5.2. In the performance of statutory services hereunder on behalf of the Administration, HRB, its officers, employees and others acting on behalf

of HRB are entitled to all the protections of law and the same defence and/or counterclaims as would be available to the Administration and its own staff, surveyors or employees if the latter had conducted the statutory services in question.

5.6. Liability

- 5.6.1 If liability arising out of any marine casualty is finally and definitely imposed on the Administration by a court of law or as part of the settlement of a dispute through arbitration procedures, together with a requirement to compensate the injured parties for loss of or damage to property or personal injury or death, which is proved in that court of law to have been caused by a wilful act or omission or gross negligence of HRB, its bodies, employees, agents or others who act on behalf of HRB, the Administration shall be entitled to financial compensation from HRB to the extent said loss, damage, injury or death was, as decided by that court, caused by HRB.
- 5.6.2 If liability arising out of any marine casualty is finally and definitely imposed on the Administration by a court of law or as part of the settlement of a dispute through arbitration procedures, together with a requirement to compensate the injured parties for personal injury or death, which is proved in that court of law to have been caused by any negligent or reckless act or omission of HRB, its employees, agents or others who act on behalf of HRB, the Administration shall be entitled to financial compensation from HRB to the extent that such personal injury or death was, as decided by that court, caused by HRB, up to but not exceeding an amount of Four Million Euros (EUR 4 000 000).
- 5.6.3 If liability arising out of any marine casualty is finally and definitely imposed on the Administration by a court of law or as part of the settlement of a dispute through arbitration procedures, together with a requirement to compensate the injured parties for loss of or damage to property, which is proved in that court of law to have been caused by any negligent or reckless act or omission of HRB, its employees, agents or others who act on behalf of HRB, the Administration shall be entitled to financial compensation from HRB, to the extent said loss or damage was, as decided by that court, caused by HRB, up to but not exceeding an amount of Two Million Euros (EUR 2 000 000).
- 5.6.4 HRB shall effect adequate policies of insurance against any liabilities in sub-clauses 5.6.2 and 5.6.3 and shall keep such policies in force during the continuance of this agreement. HRB shall produce satisfactory evidence of such policies upon the Administration's request.
- 5.6.5 Neither party shall be liable to the other for any special, indirect or consequential losses or damages resulting from or arising out of services performed under this Agreement, including without limitation loss of profit,

loss of production, loss of contract, loss of use, business interruption or any other special, indirect or consequential losses suffered or incurred by any party howsoever caused, other than those arising from 5.6.1 to 5.6.3.

5.6.6 If the Administration is summoned or is expected to be summoned to answer for such liability as mentioned above in this Article, HRB shall be informed without undue delay.

5.6.7 The Administration shall, for information purposes, send all claims, documents and other relevant material to HRB. HRB shall be entitled to provide support and/or participate in the defence of such claim, if HRB deems it necessary or appropriate.

5.6.8 If the Administration fails to plead all appropriate available defensive measures then HRB shall not be required to indemnify the Administration in accordance with the clauses 5.6.1, 5.6.2 and 5.6.3 above.

5.6.9 The Administration shall not enter into any commitment or agreement within the framework of this Agreement, which involves acceptance of such liability as mentioned in sub-clauses 5.6.1, 5.6.2 and 5.6.3 above, without the prior written consent of HRB.

5.6.10 While acting for the Administration under this Agreement, HRB shall be free to create contracts directly with its clients and such contracts may contain HRB's normal contractual conditions for limiting its legal liability.

5.7. Termination

5.7.1. If this Agreement is breached by one of the parties, the other party will notify the violating party of its breach in writing to allow the notified party the opportunity to remedy the breach within 90 days, failing which the notifying party has the right to terminate the Agreement immediately.

5.7.2. This Agreement may be terminated by either party by giving the other party 12 months written notice.

6. The Agreement comes into force on the later date of the signatures indicated below.

IN WITNESS WHEREOF the undersigned, duly authorised by the Parties, have signed this agreement.

Date 06.12.2017.g.
FOR THE MARITIME SAFETY DEPARTMENT



Date 20.12.2017
FOR THE HRVATSKI REGISTAR BRODOVA



**To the
AGREEMENT GOVERNING THE DELEGATION OF STATUTORY CERTIFICATION
SERVICES FOR SHIPS REGISTERED IN MONTENEGRO AND OTHER ASSOCIATED
RELEVANT ACTIVITIES IN RELATION WITH THE SHIP'S SAFETY**

between

**MARITIME SAFETY DEPARTMENT (The Administration) and
HRVATSKI REGISTAR BRODOVA (HRB) Applicable Instruments and Degree of
Authorization**

1. HRB is hereby authorized as listed below to carry out statutory surveys, audits, verifications, certification services and other associated relevant activities in relation with the ship's safety on behalf of the Administration with respect to seagoing ships in Montenegro.

The following two types of authorizations apply as noted:

F: Full authorization to perform plan review, approve and survey materials and equipment and carry out surveys/audits and issue and/or revoke necessary interim and full-term certificates.

P: Partial authorization to perform plan review, carry out surveys/audits and possible issue of interim certificates. (Specific guidance is to be provided by the Administration and full-term certificate is to be issued by the Administration).

2. The listing of instruments and type of authorization is as follows:

	INSTRUMENT/CERTIFICATE	AUTHORIZATION *			
		(see below for key)			
		IS/A	RS/A	AIS/A	AP
1.	1974/78 SOLAS Convention and Protocol 88, as amended				
1.1	Passenger Ship Safety Certificate	F	F	N/A	N/A
1.2	Cargo Ship Safety Construction Certificate	F	F	F	N/A
1.3	Cargo Ship Safety Equipment Certificate	F	F	F	N/A
1.4	Cargo Ship Safety Radio Certificate	F	F	F	N/A
1.5	Cargo Ship Safety Certificate	F	F	F	N/A
1.6	Document of Authorization for the Carriage of Bulk Grain	N/A	N/A	N/A	F
1.7	Document of Compliance for the Carriage of Dangerous Goods	F	F	N/A	N/A
1.8	Document of Compliance (DOC) according to the ISM Code	F	F	F	N/A
1.9	Safety Management Certificate (SMC) according to the ISM Code	F	F	F	N/A
1.10	International Ship Security Certificate (ISSC)	F	F	F	F
	Approval of Ship Security Plan, according to the ISPS Code				

1.11	High-Speed Craft Safety Certificate; according to the HSC Code 1994 and 2000	F	F	F	N/A
1.12	International Code for Ships Operating in Polar Waters (Polar Code)	F	F	F	F
1.13	Cargo Securing Manual	N/A	N/A	N/A	F
1.14	Stability documentation	N/A	N/A	N/A	F
2.	1966 Load Line Convention and Protocol 88, as amended				
2.1	International Load Line Certificate	F	F	F	N/A
2.2	Stability Documentation	N/A	N/A	N/A	F
3.	International Convention Tonnage Measurements of Ships, 1969				
3.1	Measurement and calculation	N/A	N/A	N/A	F
3.1A	Certificate of Survey	F	N/A	N/A	N/A
3.2	International Tonnage Certificate	F	N/A	N/A	N/A
4.	MARPOL Convention 1973 and the 1978 MARPOL Protocol as amended	i.			
4.1	Annex I - International Oil Pollution Prevention Certificate	F	F	F	N/A
	Shipboard Oil Pollution Emergency Plan (SOPEP)	N/A	N/A	N/A	F
4.2	Shipboard Marine Pollution Emergency Plan (SMPEP)	N/A	N/A	N/A	F
4.3	Annex IV - International Sewage Pollution Prevention Certificate	F	F	N/A	N/A
4.4	Annex V - Prevention of Pollution by Garbage	F	F	N/A	F
4.5	Annex VI - International Air Pollution Prevention Statement of Compliance	F	F	F	N/A
4.6	Annex VI - Engine International Air Pollution Prevention Statement of Compliance	F	N/A	N/A	N/A
4.7	Annex VI - International Energy Efficiency Statement of Compliance	F	N/A	N/A	F
4.8	Resolution MEPC.278(70) establishing amendments to MARPOL Annex VI (Data Collection System for Fuel Oil Consumption of Ships)	F	F	F	N/A
5.	Convention on the International Regulations for Preventing Collisions at Sea, 1972 (COLREG 72)				
5.1	Approval of Plans	N/A	N/A	N/A	F
6.	IMO Codes				
6.1	Document of Compliance; according to the International Maritime Solid Bulk Cargoes Code (IMSBC)	F	F	N/A	N/A
6.2	Document of Compliance; according to the Code of Safe Practice for Cargo Stowage and Securing	F	N/A	N/A	N/A
6.3	Document of Compliance; according to the Code of Safe Practice for Ships Carrying Timber Deck Cargoes, 1991 or any revision of this Code	F	N/A	N/A	N/A
7.	Conventions of the International Labour Organization				
7.1	ILO Convention No. 152 on Cargo Gear	F	F	F	N/A

7.2	ILO Convention Nos. 92 and 133 on Accommodation of Crews	F	N/A	N/A	F
7.3	Maritime Labour Convention 2006				
7.3.1	Maritime Labour Certificate and Declaration of Maritime Labour Compliance (DMLC Part II)	F	F	F	F
8.	AFS Convention				
8.1	International Anti-fouling System Certificate	F	F	N/A	N/A
9.	Ballast Water Management Convention				
9.1	International Ballast Water Management Certificate (before entry into force of the Convention, the Certificate may be issued as "Statement of Compliance" or under the provisions of IMO BWM.2/Circ.40)	F	F	F	F
10.	Other Authorizations				
10.1	Large Yachts (> 24 m)	F	F	F	F
10.2	Certification of Quality Management Systems of Maritime Training Institutes, Maritime Training Simulator Centres and Approval of the Maritime Training Courses in accordance with the applicable HRB Rules, Standards and Procedures and according to the relevant requirements of the International Convention on Standards of Training, Certification and Watchkeeping for Seafarers, 1978, 1995, 2010 (STCW Convention) and the Seafarer's Training, Certification and Watchkeeping Code (STCW Code), as amended.	F	F	F	F
* Authorization: F/P: See above.					
IS/A: Initial Survey / Audit/Inspection RS/A : Renewal Survey / Audit/Inspection AIS/A: Annual / Intermediate or Annual / Periodical Survey / Audit/Inspection AP: Approval N/A: Not applicable					

To the

AGREEMENT GOVERNING THE DELEGATION OF STATUTORY CERTIFICATION SERVICES FOR SHIPS REGISTERED IN MONTENEGRO AND OTHER ASSOCIATED RELEVANT ACTIVITIES IN RELATION WITH THE SHIP'S SAFETY

Between

**MARITIME SAFETY DEPARTMENT
(The Administration) and**

HRVATSKI REGISTAR BRODOVA (HRB)

REPORTING TO THE ADMINISTRATION

REPORTING TO THE ADMINISTRATION

RO (HRVATSKI REGISTAR BRODOVA) agrees to report to the Administration information pertaining to services performed pursuant to this Agreement as follows:

1. Procedures for reporting in the case of general authorization

RO shall keep the Administration informed of the work being carried out in accordance with the general authorization. Whenever a tonnage certificate is issued for a ship that will be or is registered in Montenegro or whenever a tonnage certificate issued by a foreign authority or another organization is accepted temporarily in connection with registration in Montenegro, the RO shall immediately forward one copy of the certificate to the Administration.

RO shall regularly inform the owners or the company about the classification and statutory status of its vessels. In addition, RO shall maintain an information system allowing the owners or the company to retrieve at any moment the actual classification and statutory status of its vessels.

2. Reporting on classification or registration of ships (assignment of class, alterations and suspensions)

RO is to advise the Administration promptly, in writing, when RO suspends, withdraws, cancels, or seriously alters operational limitations of its classification or issued certificates for ships registered in Montenegro, together with the reasons why such action was taken.

3. RO shall provide to the Administration, upon request, all relevant information about its classed fleet, transfers, changes, suspensions and withdrawals of class, for vessels registered in Montenegro.

Information on transfers, changes, suspensions and withdrawals of class shall be published on the website of the RO.

Information on all overdue surveys, overdue recommendations, conditions of class, operating conditions or operating restrictions issued against classed vessels flying the flag of Montenegro shall be made available to the Administration upon request.

4. RO shall not issue certificates to a vessel, irrespective of its flag, which has been declassified or is changing class for safety reasons before giving the opportunity to the Administration to give its opinion, in order to determine whether a full inspection is necessary.
5. In cases of transfer of class from one RO to another, the losing organization shall inform the gaining organization of all overdue surveys, overdue recommendations, conditions of class, operating conditions or operating restrictions issued against the vessel. On transfer, the losing organization shall provide the gaining organization with the complete history file of the vessel. The certificates of the ship can be issued by the gaining organization only after all overdue surveys have been completed and all overdue recommendations or conditions of class previously issued against the vessel have been completed, as specified by the losing organization. Prior to the issuance of the certificates, the gaining organization must advise the losing organization of the date of issue of the certificates and confirm the date, location and action taken to satisfy each overdue survey, overdue recommendation and overdue condition of class. ROs shall cooperate with each other in properly implementing the provisions of this paragraph.