

DECREE-LAW NR. 96/89, OF 28 MARCH*

International competition in the commercial maritime sector is extremely strong and has resulted in a prolonged and continuous decrease in maritime freight, causing very low profit margins in the sector.

Within this context, all cost factors impact on the viability of the sector's trading activities and we have seen at an international level, the importance of convenience flags, special registries and other solutions intended to overcome existing difficulties grow. Accordingly, in order to deal with the current situation of the commercial maritime transport, several European countries have already created their own second registries, namely, the United Kingdom, France, The Netherlands, Denmark and Norway and other countries are presently studying similar solutions.

The second registries created by these countries have been instrumental in preventing the transfer out of the vessels from main registries to convenience registries, as well as attracting new shipowners and vessels to these new registries by offering similar cost conditions to those of the most competitive registries.

The commercial maritime transport sector has very special characteristics due to its true and totally international character given that the core of this activity is normally undertaken in international waters or in countries which are different from the country of registration.

It is more and more frequent the case that vessels have no contact with their countries of origin given their inclusion in international transport pools is often necessary to ensure their profitability.

Accordingly, due to the international crisis situation in the sector; the low levels of competitiveness and profitability; the special characteristics of this sector, as well as the recourse by national shipowners to flags of convenience, which is now quite frequent in the case of Portugal, it has also become necessary to review the interest in creating a second registry in Portugal.

Considering, on the one hand, the conclusion that there is an advantage in creating a similar registry in order to help resolve the problems of our national commercial maritime fleet and, on the other hand, the existence of a Free Trade Zone in the Madeira Autonomous Region, a decision was taken to create the Madeira International Shipping Registry – MAR - by way of the present decree law.

It is intended that this registry ranks amongst the highest quality international registries especially due to the fact that vessels using the registry will fly the Portuguese flag, accordingly it is herein established that all international conventions signed by the Portuguese State shall also apply to the Madeira International Shipping Registry. In order

to secure the quality of the registry, adequate vessel inspection systems must also be assured.

Apart from acting as a dynamising factor for the national maritime sector and an impediment to Portuguese vessels from deciding to register on flag of convenience registries, this registry will also be an important economic growth factor, both in the Madeira Autonomous Region and the whole Country, either by creating jobs in this sector, where the Portuguese have historically demonstrated special skills, or by permitting the growth of activities directly or indirectly relating to MAR, within the economic area as well as in relation to education and research areas.

Given the current limitations, the present decree law is also an indispensable tool permitting Portugal to achieve its vocation as a maritime nation, reinforcing our activities in this area and strengthening our strategic potential in all matters connected with MAR.

The Government of the Madeira Autonomous Region has been heard. Thus:

In accordance with a) of paragraph 1 of article 201 of the Constitution, the Government decrees the following:

CHAPTER I

Nature, attributions and powers

Article 1

1- The Madeira International Shipping Registry, referred to as MAR, operates under the supervision of the Ministries of Justice and the Sea, having the obligation, empowering it, in particular, to register all acts and contracts relating to vessels subject to registration, and to control the safety requirements established by the applicable international conventions.

2- The vessel registration services are integrated in the private Commercial Registry Office of the Madeira Free Trade Zone and are hierarchically subject to the Ministry of Justice.

3- The Ministry of the Sea shall supervise the safety of navigation, the safeguarding of human lives at sea, marine environment protection, and, in general terms, the control and inspection of all technical aspects relating to the vessels registered on MAR.

Article 2

(Revoked)

Article 3

1- In order to achieve its objectives and functions, referred to at article 1, MAR shall:

a) Carry out the registration of commercial vessels, including construction contracts, and recreational vessels;

b) Inspect the technical conditions of the vessels, in accordance with international conventions in force in Portugal or domestic legislation applicable to those vessels not covered by such international conventions;

- c) Carry out inspections to the vessels;
- d) Carry out radio identification for vessels;
- e) Grant and reserve the names and numbers of registration of the vessels;
- f) Issue certificates to vessels, including, as applicable, civil liability certificates required by international regulations, Continuous Synoptic Records and radio licenses;
- g) Issue, validate and control the on-board documents;
- h) Communicate, delegate and liaise with recognised organisations which have established formal agreements delegating statutory functions to the DGRM, interventions on board vessels, namely in connection with surveys and the certification of vessels not covered by mandatory international regulations;
- i) Stipulate the minimum crew of the vessels and issue the relevant certificates;
- j) Enrol the crews;
- l) Certify the technical certificates issued by foreign maritime administrations, relating to the commercial and recreational vessel activity;
- m) Transcribe the legal facts subject to registration connected to registered vessels;
- n) Carry out all other acts connected with registration obligations.

2- Whenever the vessels registered with MAR are used for national cabotage, the Directorate-general for Natural Resources, Safety and Maritime Services (DGRM) shall:

- a) Inspect those vessels at the commencement of their use in national cabotage in order to confirm that the necessary requirements to maintain the certification are satisfied, under the terms of the applicable international conventions;
- b) Undertake the safety requirement inspections of vessels insofar as required by a flag State, under the terms of the applicable law and international conventions, whenever deemed convenient and during the period of traffic operation;
- c) Perform the duties referred in i) and l) of the above paragraph.

Article 4

1- MAR has a technical commission composed of:

- a) A representative of the member of the Government responsible for maritime safety area, who shall preside;
- b) A representative of the Madeira Autonomous Region;
- c) A representative of the DGRM.

2- The technical commission has power to issue its opinion on all vessel registration matters and shall be vested with the remaining powers mentioned in the preceding article.

3- For all legal purposes, the technical commission forms part of the national maritime administration and shall cooperate and establish partnerships with the DGRM for the development of MAR and to ensure adequate standards of quality and maritime safety.

4- The captain of the port shall assist the commission whenever required by the latter.

5- In order to ensure the standards of quality and maritime safety referred to in paragraph 3, as well as the exercise of the functions and competences provided for in this decree-law, it may be established a technical group composed of a minimum of two and a maximum of five specialists, depending on the technical needs required, appointed by order of the member of the Regional Government of Madeira responsible for the costs of functional support to the technical commission, under a joint proposal by the technical commission and the DGRM.

6- The specialists referred to in the previous number are appointed on a service commission basis, for a period of one year, renewable, and are chosen from among graduates, preferably linked to Public Administration, who have suitable technical competence, aptitude, professional experience and training.

7 - The specialists referred to in number 5 are remunerated at level 50 of the salary scale.

8 – The terms, conditions and mode of operation of the technical group are defined by protocol to be entered into between the Autonomous Region of Madeira, the DGRM and the technical commission, in any case the following should be verified:

a) The specialists must ensure the following tasks:

i) To provide support in communicating with recognised organisations in respect of the acts and operations carried out by them on behalf of the Portuguese State, as defined in paragraph 3 of article 1 and in article 2 of Decree-Law no. 13/2012 of 20 January, as amended;

ii) To assist in any tasks necessary to comply with the duties assigned by law to the DGRM, in particular those referred to in sub-paragraphs h) to n) of paragraph 2 of article 2 of Decree-Law no. 49-A/2012, of 29 February;

b) The communication with recognised organisations and other parties involved shall be carried out through Balcão Eletrónico do Mar of the National System of Vessels and Seafarers, created by Decree-Law no. 43/2018, of 18 June;

c) The city of Lisbon is fixed for purpose of the specialists' professional residence;

d) The coordination of the technical group shall be undertaken by the representative of DGRM on the technical commission and under terms to be defined by a protocol to be signed between the two parties.

e) When duly justified, upon proposal of DGRM in cooperation with the technical commission, the number of specialists that make up the technical group may be increased, being the provisions of paragraphs 5 to 7 applicable.

9- The operational support to the technical commission and to the technical group, as well as the coverage of expenses incurred by them, shall be assured by the Madeira Autonomous Region.

10- The technical commission shall co-ordinate with the General Direction of Ports, Navigation and Maritime Transports how the rules and procedures necessary to undertake its duties are applied.

CHAPTER Performance of the activity

II

Article 5

For the purposes of the present decree, the following expressions shall mean:

- a) Maritime transport industry - the activity of maritime transportation, in one's own name or on behalf of a third party, through owned vessels or chartered vessels;
- b) Title Holder - the holder of the ownership title to the vessel;
- c) Shipowner - the person who commercially exploits its own vessel or a chartered vessel;
- d) Operator - the person who commercially exploits the vessel on behalf of a third party;
- e) Vessel - any commercial or recreational vessel operating at sea, including fixed or floating platforms, auxiliary boats and towing vessels.

Article 6

1- For all due purposes, vessels registered on MAR carry out their activities within the scope of the Madeira Free Trade Zone.

2- The vessels registered on MAR shall fly the Portuguese flag.

Article 7

(Revoked)

Article 8

1- Companies and their forms of representation as well as limited liability individual commercial establishments which undertake maritime transport sector or recreational vessel activities in the Madeira Autonomous Region are deemed to undertake these

activities within the institutional scope of the free trade zone and as such shall form part of this zone for all purposes, as long as they have applied for and are duly licensed for the same.

2- The incorporation and operation of the entities referred to in the preceding paragraph require the authorisation of the Madeira Regional Government, subject to the payment of an annual installation and operation fee, in accordance with the terms to be defined by the relevant regional governmental bodies.

Article 9

1- The entities mentioned in paragraph 1 of the preceding article are regulated by the provisions of the Companies' Code and by Decree-Law no. 248/86, August 25, to the extent that these do not conflict with the provisions of this decree law and the registration and operation framework applicable to companies and other entities licensed within the institutional scope of the Madeira Free Trade Zone.

2- Entities referred to in the preceding paragraph shall not be subject to the minimum share capital requirements established in the Companies Code and in Decree-Law no. 248/86, August 25.

Article 10

(Revoked)

Article 11

1- The entities mentioned in article 8 are not required to have their registered offices in the Madeira Autonomous Region.

2- Whenever the registered office is located outside the Madeira Autonomous Region, these entities must have a local branch, delegation, agency or any other form of representation with all the necessary powers to ensure their full representation before the State authorities, the Regional authorities and third parties and must choose a special private domicile for these purposes.

3- The powers referred to in the preceding paragraph shall include powers to receive the service of process.

Article 12

The members of the management, administration and directorship of the entities referred to in article 8 are not subject to any requirements of nationality or residence.

CHAPTER

III

Purchase, sale and registration of ships

Article 13

The purchase and sale of vessels registered with MAR is not subject to any authorisation.

Article 14

1- The sale of vessels may be undertaken through a bill of sale, with the seller's signature being authenticated, reference being made to the powers and capacity to undertake the act, whenever applicable.

2- The constitution, modification or cancellation of a mortgage or equivalent right must be undertaken through a written document signed by the title holder, with the seller's signature authenticated, reference being made to the powers and capacity to undertake the act, whenever applicable.

3- The voluntary reduction or cancellation of a mortgage by a lender renunciation must be undertaken through a written document signed by the lender, with the lender's signature authenticated, reference being made to the powers and capacity to undertake the act, whenever applicable.

4- The parties may choose the law applicable to the mortgage or equivalent right, without prejudice to the application of the provisions of the international conventions binding the Portuguese State internationally.

5- In the case provided for in the preceding paragraph, a copy of that legislation, signed by the parties, after having been translated, shall be attached to the registration application, except when the Registrar dismisses, in part or in whole, the translation or determines that it may be undertaken by an expert of its choice.

6- The choice of the parties must be registered together with the registration of the mortgage.

7- In the absence of any agreement by the parties or where the parties' choice of law is not registered, Portuguese law shall govern the mortgage or equivalent right.

8- In the cases mentioned in the preceding paragraph, the buyer of the mortgaged assets may only exercise its right to expurgation, under article 721 of the Portuguese Civil Code, if all the Lender's rights and costs arising under the mortgage contract are satisfied, with paragraph b) of the referred article not being applicable.

Article 14 - A

1- The registration of vessels shall be processed electronically.

2- The applications and documents supporting the grounds for the acts of registration must be filed in a digital format, as soon as MAR has the technical conditions to permit this, under the terms to be determined by order of the Chairman of the governing board of IRN, I.P..

3- The applications and documents filed in a digital format in accordance with the preceding paragraph have the same evidential value as the originals.

4- When the digital filing referred to in paragraph two occurs the documents that served as the basis for registration shall be returned to the interested parties.

Article 14 - B

1. The application for registration may be effected in person, electronically or by post.
2. Digital applications for registration are regulated by an order of the member of the Government responsible for the area of justice.
3. Documents presented in person are recorded in the order in which the applications are submitted.
4. Documents submitted by post are recorded with the comment "correspondence", on the day of receipt and immediately after the last application made in person.
5. In duly justified cases, those interested in the registration may request the registration and the confirmation thereof, without subordination to the order of entry in the diary, and outside the opening hours of the Registry Office, on Saturdays, Sundays and public holidays, provided that they expressly set out this request at least 48 hours before the submission of the respective registration request.

Article 14 - C

1. Only facts that are legally proven by documentation can be registered.
2. Documents drafted in a foreign language may only be accepted when translated in accordance with the law or when written in bilingual format, provided that one of the languages is Portuguese, save when they are written in English, French or Spanish and the relevant official is proficient in the language in question.
3. A partial translation, issued in accordance with the law, may be accepted provided that it contains a declaration that the non-translated part is of no relevance for the purposes of the registration and does not conflict with the translated part.
4. Notwithstanding the submission of other documents, if it is not possible to submit a copy of the certificate of deletion of the previous registration of the vessel, the Registry Office shall carry out the permanent registration based on a written statement from the previous registration authority attesting to the deletion of the previous registration, as well as the name of the last registered owner and the absence of encumbrances registered over the vessel.
5. The document referred to in the previous paragraph may be sent to the Registry Office by the previous registration authority, through any means provided by law that allows the protection of the principle of the priority of registrations, namely by email.

Article 14 - D

1. The original documents or certified copies thereof that record the facts subject to registration may be submitted to any Portuguese consular office or section abroad, including honorary consulates, which must forward the documents to the competent Registry Office within 15 days.
2. In the case provided for in the preceding paragraph, the consular office or section in question or honorary consulate, when applicable, must notify the relevant Registry Office, until the time of presentation for registration, that it is in possession of the original documents or certified copies thereof that support the facts subject to registration, identifying them, notably with regards to the issuing entity and their issue date.

3. The notification referred to in the preceding paragraph may be made through any means provided by law that enables the protection of the principle of the priority of registrations namely by email.
4. The delivery of the original documents or certified copies thereof pursuant to this article do not prejudice the inscription of the respective registration request as final when the same results from a decision to qualify it as such.

Article 14 - E

1. Registrations shall be undertaken within 1 working day and by order of submission to the registry.
2. Without prejudice to the provisions of the preceding paragraph, in the cases set out in paragraph 5 of article 14-B, the registrations must be confirmed and carried out, without subordination to the order of entry in the diary, but without prejudice to their reliance on acts relating to each vessel, within one hour from the moment they are submitted.

Article 14 - F

1. Registration is proven by a certificate, which is valid for 6 months and which may be renewed for equal periods provided that its details remain up to date.
2. The certificates may be made digitally available, under terms to be defined by the ministerial order referred to in article 14-B paragraph 2.
3. The certificates made available pursuant to the preceding paragraph act as evidence for all legal purposes and for any public authority or private entity in the same terms as their equivalent paper format version.
4. Without prejudice to what is provided in paragraph 2, an electronic certificate is made available free of charge for a period of three months for each registration process.

Article 14 - G

1. The Registry Office and any interested parties are subject to a duty of reciprocal cooperation.
2. The Registry Office provides the necessary assistance to the interested parties, notably in the assessment and review of the documents required to commence the registration acts.
3. The cooperation of the interested parties with the Registry Office includes, notably, the submission of any additional documents which the Registry Office may require in the context of the assessment referred to in the preceding paragraph.

Article 14 - H

To the extent that there are omissions herein, the land law registry principles shall apply, adapted as necessary, to the commercial registry framework applicable to vessels as long as these do not conflict with the principles of this regulation.

Article 14 - I

1. The mortgage agreement may, in an event of default, grant the mortgagee the right to take possession of the vessel, as long as the vessel is not encumbered by a prior mortgage, unless the mortgagees of any prior mortgages give their consent in writing.
2. The right to take possession of the vessel grants the mortgagee the powers to seize, navigate and sell the vessel, in accordance with the terms provided in the agreement, as if it were the owner of the vessel
3. The mortgagee is bound, in its exercise of the right to take possession of the vessel, to:
 - a) manage the vessel and its cargo as a prudent owner would, being liable for its existence and maintenance;
 - b) report on its management to the owner of the vessel within the agreed deadline;
 - c) promote the sale of the vessel in accordance with bona fide rules;
 - d) return the vessel, once the obligations secured by the mortgage are repaid / terminated, where such termination occurs prior to the sale of the vessel.

Article 14 - J

1. The mortgagee is required to notify the mortgagor of its intention to sell the vessel at least 30 days prior to the sale.
2. The transfer of ownership may only take place, after the vessel is valued, after the secured obligation has reached maturity, pursuant to the terms and criteria established in the mortgage agreement or, in the absence of these, pursuant to those established by an independent third party in accordance with reasonable commercial criteria.
3. The satisfaction of claims over the vessel shall occur in accordance with the rules applicable to competing claims, the mortgagees' claims being paid in the order of priority of their registration with the commercial registry.
4. After the transfer of ownership of the vessel, the mortgagee is bound to return to the owner of the vessel the amount corresponding to the difference between the amount calculated pursuant to paragraph 2 and the amount of the secured obligation, after the satisfaction of privileged / maritime claims or other securities over the vessel.
5. At the request of the owner of the vessel or any other creditor, the mortgagee must justify the payments made under the previous paragraph.

Article 14 - K

1. The parties may lawfully agree that the sale or encumbrance of the vessel subject to the mortgage requires the prior consent of the mortgagee.
2. The mortgagee from whom consent is requested pursuant to the previous paragraph must reply to the mortgagor within the agreed timeframe, at the end of which the consent is deemed to have been tacitly provided

Article 14 - L

In mortgages created under and governed by Portuguese law, the mortgagee may resort to further means of enforcement and remedies provided thereunder.

Article 14 - M

1. The mortgage secures the ancillary credits of the claim included in the registration, namely default and compensatory interest, expenses of creation and registration of the mortgage and the contractually agreed penalty clause.
2. Concerning interest, the mortgage secures those related to the duration of the obligation secured by the mortgage.

Article 14 - N

The legal framework provided for in articles 14-I to 14-K does not apply to recreational vessels registered or to be registered on MAR, as defined in article 2 (a) of Decree-Law no. 192/2003, of August 22.

Article 15

1. Vessels owned by the following entities may be registered on MAR:
 - a) Licensed entities referred to in article 8;
 - b) Entities not included within the institutional scope of the Madeira Free Trade Zone.
2. Vessels chartered under a bareboat charter may also be temporarily registered on MAR by the entities referred to in the preceding paragraph, provided that this is duly authorised by their owners, by the relevant authority of the country in which ownership is registered and by the mortgagee(s), if any.
3. Vessels registered on MAR shall have access to passenger or cargo transportation between the mainland ports (continental cabotage) and between ports of mainland and those of the Azores and Madeira Autonomous Regions, between ports of these regions and between ports of each one of those Regions (island cabotage), under the terms of the legislation applicable to national cabotage, provided their owners, or bareboat charterers are:
 - a) Nationals of an E.U. Member-State established in a Member-State in accordance with the law of that State that carry out navigation activities;
 - b) Corporate bodies carrying out navigation activities established according to the law of a Member-State, which main registered office is located in a Member-State, provided that their effective control is carried out in such State;
 - c) Nationals of a Member-State established outside the E.U. or corporate bodies established outside the E.U. and controlled by nationals of a Member-State, provided that their vessels are registered with any Member-State and fly the flag of such State, in accordance with the respective legislation.

4. MAR's Technical Commission must keep IMT, I.P. informed of the vessels registered on MAR that comply with the conditions established for their use in national cabotage, as well as of the commencement and end of their cabotage operations.
5. Except for recreational vessels, the remaining vessels registered on MAR may only operate within the area of navigation reserved for local traffic with the authorisation by IMT, I.P.

6- Vessels registered with MAR may not benefit from any incentives, which are exclusively reserved to the remaining vessels flying the national flag.

7- Vessels flying the Portuguese flag that have received incentives for investment may not thereafter transfer their registration to MAR before their obligations towards the Portuguese State having been settled.

Article 15 - A

1- The vessels referred to in the previous article may be registered on MAR on a provisional basis, based on copies of the relevant documents for registration.

2- After the date of the provisional registration, the applicant has a period of 90 days to submit the original documents to MAR together with the application for permanent registration of the vessel, after which the registration expires.

3- The applicant may request an extension of the period referred to in the preceding paragraph for a period of 60 days, offering MAR evidence of the reasons preventing it from submitting the documents on a timely manner.

4- The MAR technical commission may of its own motion extend the period of provisional registration referred to in paragraph 2 for a maximum period of 60 days, when justified.

Article 15 - B

The provisional registration referred to in article 15 paragraph 2 will not grant Portuguese nationality to the vessel but will grant it the right to fly the Portuguese flag, with the vessel then being subject to the technical requirements applicable to national vessels.

Article 15 - C

1. Once the provisional registration of the vessel has been carried out, the MAR Technical Commission shall issue the corresponding certificate, in a format to be approved by an order from the Minister of the Sea.
2. The vessel's provisional registration certificate shall contain the following minimum details:
 - a) The identification details of the vessel;
 - b) The identification details of the Owner and of the bareboat Charterer;
 - c) The place where ownership of the vessel is registered abroad;

d) The duration of the provisional registration granted by the relevant authority of the place where ownership is registered;

e) A statement expressly confirming that matters relating to rights in rem over the vessel are governed solely by the law of the country where it is registered and are only registered and published by the competent authority in the country in which the ownership is registered, particularly in respect of updated information on encumbrances and charges imposed thereon; and

f) The expiry date of the certificate, which shall coincide with the period referred to in subparagraph d).

Article 15 - D

1. Provisional registrations made under article 15 paragraph 2 are cancelled when:

a) The validity of the provisional registration certificate expires, unless it has been extended as per paragraph 2;

b) The charter contract has been terminated or extinguished;

c) The authorisation of the mortgagee(s) referred to in article 15 paragraph 2 has been revoked, on the grounds of breach of the obligations secured by the mortgage;

d) The competent authority of the country where ownership is registered so requests this.

2. Provisional registration certificates may be extended by submitting the authorisations referred to in article 15 paragraph 2 to the MAR.

Article 15 - E

The provisions of Decree-Law 287/83 of 22 June, in its current wording, that do not contravene the principles underlying this law, *mutatis mutandis* and to the extent indispensable for filling any lacunae in the specific regulation, are applicable to the provisional registration.

Article 16

Vessels referred to in article 15 as well as the facts relating to mortgages related thereto may be provisionally registered in the consulates of Portugal.

Article 17

1- Those entities applying for the registration referred to in paragraph 1 of article 15 must produce evidence that the following conditions have been met:

- a) Licensing in the Madeira Autonomous Region, in accordance with the present decree and remaining applicable legislation;
- b) Title of ownership of the vessel or bareboat charter contract;
- c) Full payment of the fees mentioned in paragraph 2 of article 8.

2- The remaining entities referred to in b), paragraph 1 of article 15, shall provide evidence of the following:

- a) Indication of the name, address or registered offices of the applicant, together with the respective by-laws, in the case of a corporate body;
- b) Full identification, in case of an individual person;
- c) Title of ownership of the vessel or bareboat charter contract.

3- In the event that the address or registered offices of the entities mentioned in the preceding paragraph is located outside the Madeira Autonomous Region, and these

entities intend to undertake maritime transport sector activities or the operation of recreational vessels, then the requirements referred to in paragraphs 2 and 3 of article 11 must be met.

Article 18

MAR may authorise the temporary registration in foreign countries of chartered bareboat vessels.

Article 19

The issuing of the certificates of the vessels registered with MAR is subject to the standards established by the international conventions in force in the Portuguese legal system.

CHAPTER IV

Crew and capacity

Article 20

1- Without prejudice to the provisions of the following paragraphs, at least 30% of the crew of the vessels registered on MAR must be Portuguese citizens or nationals of other European countries or official Portuguese-speaking countries.

2- In special duly justified cases, whenever it is not possible to recruit crew from the nationalities mentioned in the preceding paragraph, the member of the Government responsible for the area of maritime safety may authorize the recruitment of crew of other nationalities beyond the limit established in the preceding paragraph.

3- The provisions of this article shall not apply to recreational vessels.

Article 21

1- The crew shall satisfy the academic and technical qualifications required for the practice of the respective functions, in accordance with the provisions of the international conventions in force in Portugal on such matters.

2- The Regulations on Maritime Inscription, Registration and Capacity shall not apply to vessels registered on MAR.

3- The disciplinary frame work shall be the object of specific legislation.

Article 22

The contracting of labour and the working conditions of crews shall only be subject to the provisions of the international conventions in force in Portugal on such matters.

Article 23

The criteria in respect of which the establishment of minimum crew must comply shall be established by specific legislation.

Article 23 - A

The proof of compensation of magnetic needles on vessels registered with MAR is effected through the existence on board of updated charts of residual deviations and information on the applied compensators.

Article 23 - B

1. Vessels registered on MAR must have and keep on board the records and logbooks required by the applicable national and international legislation being, however, exempt from the compulsory use of the records and logbook models established by domestic law and may use other models, provided that these include all relevant elements for their purpose and comply with applicable international requirements.
2. Records and logbooks can also take the form of electronic records systems, provided that the respective systems have been approved in accordance with the applicable international requirements and take into account the relevant recommendations and guidelines, in particular relating to the integrity and availability of records.

Article 23 - C

1. Civil facts and occurrences must be registered in a book for that purpose or in a loose page, in duplicate, and comply with the provisions of article 109 et seq. of the Civil Registry Code approved by Decree-Law no. 131/95 of 6 June.
2. The following civil facts and occurrences are subject to registration, without prejudice to others determined by law or which, given their relevance, the captain believes should be registered:

- a) Any birth on board the vessel, pursuant to articles 109 et seq. of the Civil Registry Code;
- b) Declaration of maternity on board the vessel, pursuant to article 128 (1) of the Civil Registry Code;
- c) Any death occurring on board, pursuant to article 204 of the Civil Registry Code;
- d) Any last will and testament made on board the vessel, pursuant to article 2214 et seq. of the Civil Code.

CHAPTER V Tax regime

Article 24

- 1- The tax regime applicable to the entities mentioned in article 8 shall be the one provided for in the legislation relating to the Madeira Free Trade Zone.
- 2- The regime mentioned in the preceding paragraph shall also apply to vessels registered on MAR.

Article 25

- 1. The crew must be covered by a social protection system which shall mandatorily cover the events of sickness, professional disease and maternity.
- 2. The events referred to in the previous paragraph may be covered by any form of social protection, with the exception of Portuguese nationals or residents in the Portuguese territory, in respect of which coverage shall be mandatorily guaranteed by the registration in the general Portuguese social security system for employees.
- 3. In the case of registration in the general social security system for employees, the contribution rate shall be 2,7%, of which 2,0% shall be borne by the employing entity and 0,7% by the employee.
- 4. The crew may, in addition, register under the Portuguese voluntary social insurance framework for protection in the events of disability, old age and death.”

Article 26

Commercial registration acts referred to in this decree are exempt from any fees or registration costs.

Article 27

- 1- Vessel registration acts shall be subject to the payment of an application fee, when the registration is made and an annual maintenance fee, which shall cover the expenses relating to the registration service, the proceeds of which shall be deemed income of the Madeira Autonomous Region.

2- Failure to comply with the provisions of the preceding paragraph shall result in the immediate cancellation of the relevant registration.

3- The remaining services rendered by MAR, mentioned in article 3, shall be subject to fees which shall be deemed income of the Madeira Autonomous Region.

4- The amount of the fees referred to in the preceding paragraphs shall be established by the respective regional governmental bodies.

Article 28

1- Failure to comply with articles 6, paragraph 2 of article 8, paragraph 3 of article 15, paragraph 1 of article 20, paragraph 1 of article 21 and article 25 shall consist in a contravention punishable with a fine not exceeding €1.000,00 or €15.000,00 depending on whether the entity involved is an individual or a corporate entity.

2- Failure to comply with articles 8 paragraph 2 and 15 paragraph 3 may, furthermore, determine the application of an accessory sanction consisting of the temporary suspension or cancellation of the relevant registration.

3- Negligence is punishable.

4- The entity appointed by the regional governmental bodies shall be empowered to commence the relevant legal procedure and impose fines and collect the proceeds in connection with the same.

CHAPTER VI

Final and transitory provisions

Article 29

Until legislation complementary to this decree comes into force, the already existing legislation relating to various matters still to be regulated shall apply, with the necessary adaptations.

Article 30

The present decree law shall come into force on the day after its publication.

(*Text amended as per its last update, introduced by Decree-law no. 17/2022, of 18 January.)