



# Vanuatu International Shipping Registry (VISR)

## Quality Management System (QMS)

### Operational Policy on Digital Submission, Recordation and Retention of Mortgages and Related Instruments

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**Issued by the Maritime Administrator**

#### Document Control

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Applies To	All VISR staff; Deputy Commissioners; VISR-appointed Special Agents; shipowners/managers; mortgagees; external counsel and filing agents dealing with mortgage recordation
Distribution	VISR internal; VMSA (for oversight); external stakeholders as directed by the Maritime Administrator

## **Introduction:**

This policy establishes the legal and operational framework for the handling of mortgages and related title instruments within the Vanuatu International Shipping Registry (VISR) during the Registry's transition to digital workflows. It clarifies that mortgages are legal security instruments, not administrative certificates, and therefore require a distinct recordation policy that protects lender rights, preserves registry defensibility, and allows practical digital operations. The policy distinguishes between digital pre-clearance, formal recordation, archive retention, and registry outputs such as the Certificate of Ownership and Encumbrance (COE). It is designed to ensure that VISR modernizes its systems without weakening the legal integrity of title and security recordation.

# **1. Policy on Digital Submission, Recordation and Retention of Mortgages and Related Instruments**

## **1.1 Purpose and Scope:**

This policy governs the submission, review, recordation, storage, certification, amendment, assignment, and discharge of mortgages and related instruments filed against Vanuatu-flagged vessels. It applies to VISR staff, Deputy Commissioners, appointed Special Agents, shipowners, managers, mortgagees, filing counsel, and any external party submitting title or security instruments for recordation.

The purpose of this policy is to preserve the legal integrity of mortgage recordation while allowing VISR to operate an efficient digital registry workflow. It is intended to ensure that modernization of administrative systems does not create uncertainty regarding lender rights, registry notice, deletion control, or evidential recordkeeping.

## **1.2 Policy Statement:**

A mortgage is not a certificate. Mortgages, discharges, assignments, and bills of sale are legal instruments relied upon by lenders, courts, insurers, buyers, and other third parties. VISR records such instruments; it does not reissue them as QR-code certificates or treat them as part of the certificate replacement program.

Nothing in this policy shall be interpreted as waiving any requirement imposed by the Maritime Act, the Maritime Regulations, or other legally binding VISR practice concerning execution, acknowledgment, originals, counterparts, language, or recordability.

### 1.3 Governing Framework:

This policy shall be read consistently with the Maritime Act [CAP 131], the Maritime Regulations, relevant circulars and directives of the Maritime Administrator, and the established mortgage recordation practice of VISR. In the event of inconsistency, the Act and Regulations shall prevail.

### 1.4 Definitions:

**Mortgage:** A legal instrument by which a vessel owner grants a lender a security interest over the vessel.

**Recordation:** The formal registry act of receiving, indexing, endorsing, and entering an instrument into the official records of VISR.

**Pre-clearance:** Administrative review of a draft or executed copy for apparent acceptability before formal recordation.

**Electronic original track:** A filing track under which VISR may, in exceptional cases, accept a legally valid electronically executed original instrument, subject to express approval.

**COE:** Certificate of Ownership and Encumbrance issued as a registry extract reflecting the record, not as a substitute for the underlying legal instrument.

### 1.5 Core Principles:

- No recordation without recordability.
- No discharge, no deletion, unless valid mortgagee consent is accepted in accordance with law and registry practice.
- Digital workflow may support review and storage, but legal integrity of title and security instruments remains paramount.
- Priority depends on order and time of receipt of a complete recordable filing package.
- VISR may issue certified registry outputs, but those outputs do not replace the underlying legal instruments.

## 2. Distinction Between Certificates and Legal Instruments

### 2.1 Certificates Covered by Digital Certificate Programs:

Administrative certificates such as Certificates of Registry, Minimum Safe Manning Certificates, Ship Radio Station Licenses, and the latest CSR may be replaced or

migrated under the relevant electronic certificate circulars. Those instruments are administrative outputs of the Administration.

## 2.2 Mortgages and Title Instruments:

Mortgages, assignments, discharges, and bills of sale are not administrative certificate products. They are title or security instruments presented to VISR for recordation. Accordingly, they shall not be converted into QR-code certificates, replacement certificates, or any comparable format intended for administrative certificates.

## 2.3 Registry Outputs That May Be Issued in Digital Form:

VISR may issue electronic outputs related to mortgage recordation, including endorsed copies, confirmations of recordation, or Certificates of Ownership and Encumbrance. These outputs are registry extracts or confirmations only and do not replace the legal instruments they reflect.

# 3. Submission Model and Recordation Tracks

## 3.1 Two-Stage Submission Model:

VISR adopts a two-stage model consisting of digital pre-clearance followed by formal recordation. Digital pre-clearance is intended to improve efficiency, reduce avoidable courier costs, and resolve form defects before final filing. Formal recordation occurs only once a complete and recordable package is received through the applicable track.

Track	Use	Conditions
Track A	Paper Original Track (default and preferred)	Executed original instrument and required supporting documents received; recordation may proceed once recordability and payment are confirmed.
Track B	Approved Electronic Original Track (exceptional)	Available only where expressly approved by the Maritime Administrator or duly delegated authority and where legal validity, audit trail, and acknowledgment standards are satisfactorily demonstrated.

## 3.2 Digital Pre-Clearance:

VISR may accept documents electronically for pre-clearance, including draft instruments, signed PDF copies, powers of attorney, memoranda of particulars, corporate authorities,

acknowledgment pages, and translations. Pre-clearance allows VISR to identify defects in form, confirm likely recordability, issue invoices, and prepare recordation once final filing requirements are met.

Pre-clearance does not constitute recordation, does not secure priority, and must not be represented to any client or lender as final approval.

## 4. Formal Recordation Requirements

### 4.1 Minimum Recordability Requirements:

- The vessel name, IMO number, and Official Number (where assigned) must match registry records.
- The mortgagor must match the current registered owner exactly, unless the filing itself includes the title document that lawfully changes ownership and can be recorded in sequence.
- The instrument must clearly state the interest mortgaged and the nature of the secured obligation.
- The instrument must be properly executed and acknowledged before a valid authority.
- The instrument must be complete, legible, and include all relevant schedules or incorporated pages required to understand its legal effect.
- The document must be in English or accompanied by an acceptable English translation.
- Required fees must be invoiced and paid, or credit terms must be documented and approved.

### 4.2 Originals and Counterparts:

Where current law, regulation, or established VISR mortgage practice requires originals or counterparts, that requirement remains in force unless formally amended or expressly waived by lawful authority. This policy is not intended to weaken legal formalities that protect enforceability or perfection of security interests.

### 4.3 Incomplete or Defective Filings:

If a filing is incomplete or defective, VISR shall place the matter on hold, issue a deficiency notice where appropriate, and shall not treat the filing as recordable for priority purposes until the deficiency is cured.

## 5. Paper Original Track (Default and Preferred)

### 5.1 General Rule:

The Paper Original Track is the default and preferred method for mortgage recordation. It provides the clearest evidential basis for banks, courts, and third parties and remains the safest route for preserving legal certainty.

### 5.2 Requirements Under Track A:

- Executed original instrument and required counterparts delivered to the designated VISR office.
- Valid acknowledgment/notarization.
- Supporting signatory authority where required.
- English text or acceptable English translation.
- Invoice paid or approved credit terms documented.

### 5.3 Office Copy Retention:

Where filing proceeds under Track A, VISR shall retain at least one official office copy in secure custody together with a scanned registry copy in the vessel file. This office copy shall serve as part of VISR's retained evidential record unless and until a different retention method is formally approved.

## 6. Approved Electronic Original Track (Exceptional Use Only)

### 6.1 General Rule:

VISR may accept an electronically executed original mortgage or related instrument only in exceptional cases and only where expressly approved by the Maritime Administrator or duly delegated approving authority.

### 6.2 Conditions for Acceptance:

- Recognized electronic signature platform or equivalent legally reliable execution method.
- Full execution audit trail showing signatory identity, time, completion history, and tamper-evident finalization.

- Legally valid electronic acknowledgment or equivalent notarial act acceptable under the governing law of execution.
- Document integrity controls sufficient to confirm that the filed version is the final executed instrument.
- Supporting evidence of signatory authority and, where necessary, legal confirmation that the instrument is enforceable in its executed form.

### **6.3 Case-by-Case Approval:**

Track B is not an automatic alternative to Track A. It is a case-by-case exception. Unless approval is expressly granted, staff shall continue to require recordation through the Paper Original Track.

## **7. Time of Receipt, Priority, and Official Timestamp**

### **7.1 Priority Rule:**

Mortgage priority depends on the order in which complete recordable packages are received. A draft, an incomplete submission, or a deficient filing does not secure priority merely because it was emailed earlier.

### **7.2 Official Time:**

The official timestamp of VISR, measured in New York local time, shall control for recordation priority purposes unless the Maritime Administrator directs otherwise in a specific case.

### **7.3 Designated Filing Channel:**

Only filings received through VISR's designated office or designated electronic filing channel shall constitute official receipt. Documents sent informally to individual staff email addresses do not constitute official receipt unless they are formally entered into the designated channel and acknowledged by VISR.

## **8. Recordation Procedure and Registry Outputs**

### **8.1 Standard Recordation Procedure:**

1. Receive and log the filing package.

2. Verify completeness, identity consistency, authority, acknowledgment, language, and recordability.
3. Confirm payment or approved credit terms.
4. Record the instrument in order of reception.
5. Assign book, page, and time of recordation or approved digital-equivalent reference.
6. Apply VISR recorded endorsement.
7. Update registry records and the vessel file.
8. Issue certified copies and/or COE as requested and as appropriate.

## **8.2 Recorded Endorsement:**

VISR shall apply its standard recorded endorsement to each mortgage and discharge, including the date and time of recordation, book and page reference, and the name/title of the authorized signatory.

## **8.3 Certificate of Ownership and Encumbrance (COE):**

A COE is a registry extract reflecting what is on record. It is not the mortgage itself. A COE shall describe recorded encumbrances exactly as reflected in the registry. A Free and Clear COE shall be issued only after full verification that no mortgages, liens, taxes, or other encumbrances remain on record.

# 9. Discharges, Assignments, Amendments, and Deletion Control

## **9.1 Discharges and Releases:**

No discharge or release shall be recorded unless it is executed by the recorded mortgagee or its valid recorded assignee, properly acknowledged, and clearly matched to the recorded mortgage by vessel identity and record reference.

## **9.2 Assignments and Amendments:**

Assignments and amendments shall be reviewed under the same standards of identity, acknowledgment, language, and payment as original mortgages.

## **9.3 Deletion Block:**

A vessel subject to a recorded mortgage shall not be deleted, cancelled, or transferred out of the Vanuatu Registry while the mortgage remains recorded and undischarged,

unless lawful mortgagee consent is accepted in accordance with applicable law and registry practice.

## 10. Digital Storage, Retention, and Server Management

### 10.1 Official Registry Record:

The official operational registry record may be maintained digitally, provided the record is complete, searchable, indexed, secure, and linked to the vessel file.

### 10.2 Archive Structure for Large Instruments:

Because some mortgage packages may contain extensive schedules and exhibits, VISR may maintain a layered archive structure as follows:

- Live registry file containing metadata, endorsement page, filing summary, and working copy.
- Secure archive repository containing the full scanned or final filed instrument.
- Linked storage of large schedules/exhibits under the same matter reference, where necessary.
- Integrity controls such as file naming discipline, read-only archive status, and checksum/hash logging where practicable.

### 10.3 No Destructive Handling:

No mortgage instrument shall be compressed, altered, split, or reformatted in a manner that affects legibility, completeness, legal integrity, or the ability to prove what was filed.

## 11. Pre-Clearance Communications and Client Position

### 11.1 Standard Wording for Pre-Clearance:

All pre-clearance communications should make clear that the review is subject to final examination of the executed instrument, supporting evidence, payment, and formal recordation. Pre-clearance must not be described as final approval, recordation, or perfection.

## 11.2 Standard External Position of VISR:

- Electronic copies may be submitted for pre-clearance and document review.
- Formal recordation proceeds only when a complete recordable package is received under the applicable filing track.
- Mortgages are legal instruments and are not part of the QR certificate replacement program.
- Deletion cannot proceed while a mortgage remains recorded and undischarged.

## 12. Anti-Fraud Controls, Escalation, and Responsibilities

### 12.1 Red Flags Requiring Immediate Stop:

- Mortgagor name differs from the registered owner.
- Acknowledgment is missing, incomplete, or facially irregular.
- Unsigned, partially executed, or unexplained revised PDFs are submitted for recordation.
- Documents are not in English and no acceptable translation is provided.
- Client requests deletion while discharge is missing or invalid.
- Urgent pressure is applied to bypass normal verification or payment.

### 12.2 Escalation:

Where any legal uncertainty, conflict-of-law issue, electronic execution issue, fraud indicator, or priority dispute arises, the matter shall be escalated to the Maritime Administrator or the designated legal/compliance reviewer before recordation proceeds.

### 12.3 Responsibility Matrix:

**Registration/Vessel Documentation Unit:** Initial receipt, file control, identity checks, completeness review, and coordination of recordation.

**Technical/Compliance/Legal Review:**

Review of exceptional electronic-original filings, fraud indicators, and unusual legal issues.

**Maritime Administrator:** Approval of exceptional filings, interpretive decisions, and final authority on departures from standard practice.

# 13. Transitional Rule and Effective Application

## 13.1 Transitional Rule:

Until VISR formally adopts a broader legally supported electronic-original regime through regulation, circular, or written directive, the Paper Original Track remains the default and preferred route for mortgage recordation. Digital submission is fully acceptable for pre-clearance, invoicing, archive, and workflow support, but not as a substitute for formal recordation requirements unless specifically approved.

## 13.2 Effective Application:

This policy applies to all mortgage-related filings received on or after its effective date and shall be used as the operational standard for VISR staff and designated filing counterparts until amended or replaced.

Issued by the Maritime Administrator



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