VANUATU INTERNATIONAL SHIPPING REGISTRY (VISR)

VESSEL ACCEPTANCE AND RISK RATING POLICY

Issued under the authority of the Maritime Administrator

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Approved By	Maritime Administrator
Next Review	12 months from effective date

1. Purpose

This Policy establishes clear acceptance standards and a risk-based decision framework for admitting and maintaining vessels on the Vanuatu International Shipping Registry (VISR). It standardizes due diligence, strengthens compliance with the Vanuatu Maritime Act and Maritime Regulations, and supports alignment with Vanuatu's obligations under applicable IMO and ILO instruments.

2. Scope

This Policy applies to all VISR staff, contractors, agents, and service partners involved in:

- New registrations (provisional and full term)
- Re-registrations and restorations
- Change of ownership, operator, manager, name, or other registry particulars
- Approval and continuation of statutory certification arrangements, including delegated certification through Recognized Organizations (ROs)
- Ongoing fleet monitoring and risk reassessment during registration

3. Authority and Applicable Framework

This Policy is issued by the Maritime Administrator under the powers and functions assigned to the Maritime Administrator under the Vanuatu Maritime Act, and is implemented consistent with Vanuatu's international obligations under the conventions, codes, and instruments ratified and in force from time to time.

This includes obligations and requirements arising under:

- SOLAS and mandatory IMO codes adopted under SOLAS, including ISM and ISPS where applicable
- MARPOL and related environmental protection requirements
- STCW, including certification, endorsements, and manning requirements where applicable
- MLC, 2006 where applicable to the vessel and operations
- International Load Line requirements
- Tonnage measurement requirements
- Ballast Water Management requirements where applicable
- Anti-Fouling Systems requirements where applicable
- Any additional maritime conventions ratified by Vanuatu and applicable to the vessel type and operations

4. Definitions

For the purpose of this Policy:

- Acceptance: A decision by VISR to admit a vessel to the Register, whether on a provisional or full-term basis, with or without conditions.
- Applicant: The party submitting a request for registration or any related transaction, including the owner, operator, manager, or authorized agent.
- Associated Parties: Parties connected to the vessel or transaction, including owner, beneficial owner, operator, manager, bareboat charterer, technical manager, ISM manager where applicable, mortgagee where relevant, and paying party.
- RO: A Recognized Organization authorized by VISR to perform statutory survey, audit, and certification functions within a defined scope.
- FSI: Flag State Inspector appointed or engaged by VISR for flag State inspections and compliance verification.
- PSC Detention: Any detention by a port State authority, including detention under a Port State Control regime or equivalent enforcement action.
- Risk Rating: The classification assigned to a vessel based on objective risk factors, used to determine due diligence depth, approval level, and oversight frequency.

5. Policy Principles

VISR applies the following principles in every acceptance decision:

- Safety first: Vessels must be safe, seaworthy, properly equipped, and properly maintained.
- Compliance: Vessels and Associated Parties must comply with applicable law and international instruments.
- Transparency: Ownership, control, management, and operational responsibility must be clear and verifiable.
- Accountability: Applicants are responsible for the completeness and accuracy of information and for rectifying deficiencies.
- Risk-based oversight: Higher-risk vessels are subject to enhanced due diligence, tighter conditions, and more frequent monitoring.
- Zero tolerance for deception: Any false, misleading, or withheld information is grounds for refusal, cancellation of service, deletion, and enforcement action.

6. Vessel Acceptance Decision Rules

6.1 Automatic Refusal

VISR shall refuse an application or transaction and shall not accept the vessel where any of the following applies:

- The vessel or any Associated Party is subject to sanctions restrictions under VISR's Sanctions Compliance Policy.
- Beneficial ownership or operational control cannot be verified to VISR's satisfaction.
- Material documents are forged, altered, inconsistent, or unverifiable.
- The vessel is subject to a port State denial of access, banning order, or equivalent restriction issued by a competent authority.
- The vessel is not classed or not maintained in class when class is required for the vessel type, size, or certification scope.
- The vessel lacks valid insurance or financial security required by law or by VISR policy, including P&I cover from an approved or conditionally accepted provider.
- The vessel has an unresolved pattern of serious deficiencies or repeated detentions indicating systemic non-compliance.

6.2 Minimum Eligibility Requirements

A vessel may be considered for acceptance only after VISR verifies, at minimum:

- Identity and particulars: IMO number where applicable, MMSI, call sign, build year, flag history, and a complete record of names and ownership changes.
- Ownership and management: verified owner, beneficial owner, operator, technical manager, ISM manager where applicable, and a responsible contact available at all times.

- Class and statutory certification: current class status and confirmation of statutory certificates issued by an authorized RO or competent authority, within required validity windows.
- Manning and competence: confirmation that the vessel is properly manned and that seafarer certification and endorsements meet applicable STCW and flag requirements.
- Insurance and financial security: evidence of valid P&I cover and any mandatory financial security required for certification and operations.
- Operational compliance: confirmation that no outstanding detentions, serious non-conformities, or unresolved enforcement actions remain open.

6.3 Enhanced Due Diligence Triggers

VISR shall apply Enhanced Due Diligence where any of the following applies:

- High-risk vessel type or operations requiring close oversight under international instruments.
- Older vessel profile or significant modification history that increases technical risk.
- Recent PSC detention, multiple serious deficiencies, or adverse performance indicators over the preceding 36 months.
- Frequent flag changes, short-term ownership changes, or corporate structures that increase opacity risk.
- Adverse intelligence, credible allegations, or verified negative compliance history involving the vessel or Associated Parties.
- Insurance arrangements that require conditional acceptance or additional verification.

6.4 Pre-Acceptance and Pre-Registration Inspections

VISR may require one or more of the following prior to issuing a full-term certificate of registry:

- A pre-acceptance inspection by an FSI at a location designated by VISR.
- A targeted verification inspection focused on detention drivers and deficiency patterns.
- A management compliance review for the ISM company responsible for the vessel where applicable.
- Submission of rectification evidence for any deficiencies identified before acceptance.

Where VISR requires an inspection, all costs are borne by the Applicant. VISR may refuse to proceed if an Applicant does not facilitate timely access for inspection.

6.5 Conditional Acceptance

VISR may accept a vessel with conditions where risk can be controlled. Conditions may include:

- Time-limited provisional registration pending inspection or document verification.
- Mandatory corrective action deadlines and submission of evidence.
- Mandatory participation in enhanced monitoring, including more frequent reporting or inspections.

- Restrictions on selected transactions until conditions are cleared.

Failure to meet conditions within deadlines is grounds for refusal of continuation, suspension of services, and deletion action.

6.6 Suspension, Administrative Review, and Deletion

VISR may place a vessel under administrative review and may suspend services or initiate deletion action when:

- The vessel is detained or repeatedly shows serious deficiencies.
- The vessel or Associated Parties become subject to sanctions restrictions.
- Insurance or required financial security lapses, is cancelled, or becomes invalid.
- Ownership or management changes occur without proper notification or approval where required.
- VISR identifies material misrepresentation, concealment, or non-cooperation.

7. Risk Rating Framework

7.1 Risk Categories

VISR assigns each vessel a Risk Rating used to determine the required controls:

- Low Risk: Standard due diligence and standard oversight.
- Medium Risk: Enhanced due diligence and increased oversight frequency.
- High Risk: Senior approval required, mandatory pre-acceptance inspection, and strict oversight controls.
- Critical Risk: Not acceptable for registration or continuation except where the Maritime Administrator directs otherwise for sovereign reasons.

7.2 Scoring Methodology

Risk Ratings are assigned using a points-based assessment. VISR may adjust the scoring thresholds to reflect fleet risk profile and external performance indicators.

Risk Rating Matrix (core factors):

Risk Factor	Assessment Standard	Score
Vessel type / operational complexity	Higher complexity or higher regulatory exposure	0–10
Vessel age profile	Risk increases with age and condition history	0–10
PSC performance (36 months)	Detentions and serious deficiencies increase risk	0–15
Class / statutory certification strength	RO standing and class continuity	0–10
Ownership & management	Clarity of beneficial	0–10

transparency	ownership and control	
Company performance history	Safety management performance indicators	0–10
Insurance & financial security	Approved providers and verifiable cover	0–5
Compliance intelligence	Verified adverse information increases risk	0–10

Risk Rating Thresholds:

Total Score	Risk Rating
0–15	Low
16–30	Medium
31–45	High
46+	Critical

7.3 Risk-Based Controls

VISR applies controls based on the Risk Rating:

- **Low Risk**
- Standard verification and standard transaction processing.
- Flag State inspection scheduled within VISR standard cycle.
- Annual review of PSC performance and compliance indicators.
- **Medium Risk**
- Enhanced due diligence completed before issuance of full-term registry documentation.
- FSI inspection required within a timeframe set by VISR, and sooner if indicated by risk.
- Increased monitoring of PSC, certificates, and deficiency closures.
- **High Risk**
- Approval required by the Maritime Administrator or delegated senior authority.
- Mandatory pre-acceptance inspection and documentary verification before full-term acceptance.
- Shortened review cycle with compliance holds applied when indicators deteriorate.
- Mandatory corrective actions with strict deadlines and verification.
- **Critical Risk**
- Refusal or deletion action unless a specific written direction is issued by the Maritime Administrator for sovereign reasons.
- Immediate compliance hold on all transactions until resolved.

8. Fishing Vessels – Additional Acceptance Requirements

Fishing vessels require enhanced oversight due to heightened compliance exposure and reputational risk.

VISR shall not register or delete a fishing vessel unless all applicable Government approvals are obtained where required by law or policy.

Acceptance requirements for fishing vessels include:

- Verified ownership, beneficial ownership, and operational control.
- Valid authorization basis for fishing operations where applicable and confirmation of operating profile.
- Confirmation of tracking and reporting arrangements required by competent authorities.
- Confirmation of crew certification and competency requirements applicable to fishing vessels.
- Enhanced due diligence focused on compliance history and reputational risk.

9. Roles and Responsibilities

Maritime Administrator

- Final approval authority for acceptance, refusal, conditional acceptance, suspension, and deletion actions.
- May impose conditions, additional inspections, and compliance controls as needed.

VISR Compliance & Risk Function

- Conducts due diligence, sanctions screening, beneficial ownership verification, and risk rating assignment.
- Maintains the vessel acceptance file and decision record.

VISR Technical Function

- Verifies class and statutory certification arrangements.
- Coordinates inspections, deficiency tracking, and technical compliance review.

Registry Operations

- Ensures transaction processing follows this Policy and that no transaction proceeds without clearance.
- Ensures all issued documents reflect verified information and approved conditions.

Finance / Accounting

- Confirms fee status, collects inspection cost recovery, and maintains payment audit trail.
- Implements holds for unpaid fees where required by policy.

10. Records Management and Audit Trail

VISR shall maintain an auditable acceptance file for each vessel that includes:

- Application documents and verified vessel particulars
- Beneficial ownership and control verification records
- Risk rating worksheet and scoring outcome
- Inspection reports and deficiency closure evidence where required

- Decision memorandum and any conditions imposed
- Ongoing monitoring notes and event-driven reassessments

Records shall be retained in accordance with VISR records retention requirements and must be readily retrievable.

11. Review and Updates

This Policy shall be reviewed periodically and may be updated by the Maritime Administrator to reflect changes in legislation, international instruments, risk trends, and operational requirements.

Issued and Approved by

Saade Makhlouf
Maritime Administrator
Vanuatu International Shipping Registry