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One Stop Shipping Centre

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ONE STOP SHIPPING CENTRE



Overview

Cyprus Shipping is a key sector of the country's economy, with an established track record and also tangible growth potential. It is a resilient sector that has steadily expanded over the years to become a leading maritime centre, with the eleventh largest merchant fleet worldwide, the third largest fleet in the European Union, and Europe's largest ship management centre.

Cyprus's top-tier ranking in the maritime industry at both an EU and worldwide level only drives the government and local professionals to set even higher goals and standards. In fact, part of the extensive plan of reforms to be completed by 2030 is the establishment of the "One Stop Shipping Center", that has recently been launched.

The "One Stop Shipping Centre" (the "**OSS Centre**") operating within the Cyprus Deputy Ministry of Shipping commenced operations on Monday, 20 November 2023. This significant development, reflects a substantial step towards the government's commitment to further elevate Cyprus as a maritime centre. The establishment of this unified shipping centre marks a new era for Cyprus' shipping industry and in line with the Government's aim to expand and upgrade the services offered by the Cyprus Shipping Deputy Ministry but at the same time to simplify and streamline processes for all interested parties.

Objectives

The primary objective of the OSS Centre is to broaden its scope to encompass shipping related matters that currently fall under the responsibility of other government departments and ministries, in order for these matters to be consolidated and handled from the same point, namely the Shipping Deputy Ministry.

As a first step, the OSS Centre aims to provide quality service to all shipping companies, as well as companies whose activities are related to shipping and are based in Cyprus, on issues falling within the competency of the Civil Registry and Migration Department. This expansion of service is being implemented in close co-operation with the Civil Registry and Migration Department of the Ministry of Interior of Cyprus, which has provided, among other things, the necessary expertise, IT equipment and staff.

At this stage, the OSS Centre receives applications, for which physical presence is required in order to obtain biometric data, at the premises of the Shipping Deputy Ministry in Limassol, once per week for the following services:

- Applications for Issue of Registration Certificates (MEU1) to European Union (EU/EEA) citizens who will be employed in Cyprus by Shipping Companies. Applications will also be accepted for the issue of Residence Cards (MEU2) for family members of EU/EEA citizens who are not themselves citizens of the European Union.

- Applications for Issuance / Renewal of Temporary Residence and Employment Permits in Cyprus for third country nationals (i.e. non-EU/EEA) to be employed by Shipping Companies (BCS).
- Applications for residence permits for family members of third country nationals employed by Shipping Companies (MFR, VIS and CYE).

Effectively through this service, the Cyprus Shipping Deputy Ministry aims to streamline processes for interested parties and for the OSS Centre becoming a “Fast-Track” service having direct and fast access/priority to the Civil Registry and Migration Department of the Ministry of Interior of Cyprus and avoid delays and complications associated with the prior separate process. Depending on the demand, days and hours for providing these services from the OSS Centre may be extended in order to accommodate all the applications in a timely and efficient manner

In addition, the OSS Centre is expected to evolve significantly into a fully-fledged fast-track service, providing direct and swift access and prioritisation to all relevant state authorities and ministries. The ultimate goal of the Cyprus Shipping Deputy Ministry’s in relation to the OSS Centre is (i) the expansion of the scope of issues concerning the shipping industry, so that all shipping-related transactions, which fall under the responsibility of other government departments/ministries, are carried out from the same point, i.e. the Cyprus Shipping Deputy Ministry and (ii) for the OSS Centre to be staffed by officials from the Deputy Ministry of Shipping and other competent state services, who either possess or will undergo training to acquire knowledge of the specific requirements of the maritime industry.

Thus, for the orderly and efficient operation of the OSS Centre and generally of the Cyprus Shipping Deputy Ministry, the procedures of relocating it to a single, ergonomic and energetic efficient building have already started. The appropriate piece of land has been found and in collaboration with the Department of Public Works, a Building Study is being prepared in accordance with the legal procedure to enable the construction of a new building complex that will satisfy both the existing and future housing needs of the Cyprus Deputy Ministry of Shipping, and to be representative of the prestige of an international maritime nation.

Further within the framework of expansion of the scope of issues concerning the shipping industry to be handled by the OSS Centre, is the enactment of the Limited Liability Shipping Company Law of 2022 (the “**LLSC Law**”) which creates a one-stop shop framework for ship-owning companies and their shareholders within the Cyprus Shipping Deputy Ministry so that this Deputy Ministry can deal, in addition to the aspects of maritime law, with all matters that currently fall within the competence of the Cyprus Registrar of Companies.

The new law includes the following main provisions:

- Regulating the establishment of the institution of the Registrar of LLSCs, as the competent authority for the registration of LLSCs and for any other matters which relate to corporate law and relate to them, in a manner which is commensurate to the current practices of the Registrar of Companies, with the purpose of promoting a one-stop-shop service.
- Regulating the establishment and maintenance of the Register of LLSCs by the Registrar of LLSCs;
- Regulating the incorporation of an LLSC, its share capital, its management, encumbrances as well as the transfer to the Register of LLSCs of companies which are currently registered in the companies register maintained by the Cyprus Registrar of Companies;

- Conferring to the Registrar of LLCs the power to approve the use of electronic signatures in relation to documents that are required to be submitted to the Registrar of LLCs or which are issued by the Registrar of LLCs;
- Conferring to the Registrar of LLCs the power to impose an administrative fine in the event of violation of specific provisions of the law and a process of the administrative challenge of such decisions.

The new legislation is modelled on the core provisions of the Cyprus Companies Law so that there are safeguards concerning its alignment with European company law. At the same time, it contains simplified provisions (as compared to the equivalent provisions of the Cyprus Companies Law) in a number of aspects, such as the incorporation of the LLC, the amendment of its memorandum of association, the reduction of its capital and other areas, so that the legal framework is more attractive for the purpose of registration of shipping companies in Cyprus.

In this manner, the Cyprus Shipping Deputy Ministry is becoming the central point of reference of ship-owning companies and their shareholders, dealing with all matters of shipping law as well as matters that, until recently, would have fallen within the competence of the Cyprus Registrar of Companies. This move aligns with the strategy to centralise all maritime-related transactions, falling under the jurisdiction of other governmental departments and ministries, to be processed by the Deputy Ministry of Shipping.

In addition, Cyprus recognises that efficiency is key to delivering a best-in-class service and has already started to evolve its procedures to be more sophisticated, but less complicated, more automated but no less human. The goal is to simplify procedures and further improve the quality of the services offered, in order to create a more friendly business environment for the shipping industry.

Thus, another aim of the Cyprus Shipping Deputy Ministry in becoming significantly more competitive is providing a more flexible, immediate, effective, and unified customer-centric service on a 24-hour basis and to digitalise and automate all services provided by the Shipping Deputy Ministry by creating a purely digital environment, shaping the framework for supporting a one-stop service approach.

The digital transformation project aims to optimise and transform Cyprus Shipping Deputy Ministry's business processes in order to maximise its operational efficiency, based on three key principles:

1. One stop shop experience: Users should feel they are interacting with one agency through all their touchpoints.
2. Seamless process integration: Business units and their processes should seamlessly integrate and complement each other with information and processing activities based on lean business processes and complete software solutions.
3. Operational excellence: Provide reliable services with efficient operating cost and minimum inconveniences to customers and employees by leveraging intelligent process automation.

This is an important step in shaping the one-stop-shipping-shop framework to meet the requests of the shipping industry. The relevant processes for the implementation of the digitalization project have already been started and expected to be completed within 2024. This includes, inter alia:

1. creating a paperless environment and the framework conditions necessary to support the integration of all business units of the Cyprus Shipping Deputy Ministry;

2. electronic registration for ships;
3. electronic services for the registration of seafarer and the recognition of certificates of competency;
4. electronic verification of Cyprus Registry certificates;
5. online submission of registration applications, and of required documents;
6. management of the electronic Tonnage Tax System;
7. "Seafarers Career Information System" (SCIS) – A career database to facilitate the employment of seafarers;
8. E-Deck logbooks and E-Record Books (ERBs) onboard Cyprus-flagged vessels.

Consequently, Cyprus is reducing administrative burdens, document handling costs, and enabling document access to all relevant parties in real time.

In addition, by embracing technology, the shipping industry will also be able to simultaneously achieve various other targets. Since more routings will be available, awareness and interest will increase significantly, and more people will attend trainings to enhance their knowledge and skills. Furthermore, such reforms will facilitate the monitoring and control of the shipping sector, by increasing ship inspections, consultations and audits to control security and support a compliant framework for the Cyprus maritime industry. This will enable the Cyprus maritime industry to better respond to risks and dangers it may face.

Outlook

In the heart of the Mediterranean Sea, and at the crossroads of three continents, Cyprus has been a famous ship management jurisdiction for several decades. The stable taxation system, the high level of ship safety, the full protection for financiers and mortgage lenders, the specialized knowledge and experience of human resources, the 24/7 service, the zero registration fees and the exemption from income tax of seafarers serving on ships flying the Cyprus flag, constitute a competitive and attractive framework of services and advantages providing by the Cyprus ship registry as well as the fact that Cyprus is a member of the European Union have been factors justifying why shipping and shipping related companies have been choosing Cyprus.

The continuous upgrading and strengthening of the framework of the services provided is undoubtedly one of the main priorities the Cyprus Shipping Deputy Ministry, with the OSS Centre a case in point, as it underlines the overall aim of simplifying procedures and further improving the quality of the services offered, in order to create a more friendly and efficient business environment for the shipping industry, and the attractiveness of Cyprus as a business hub.

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