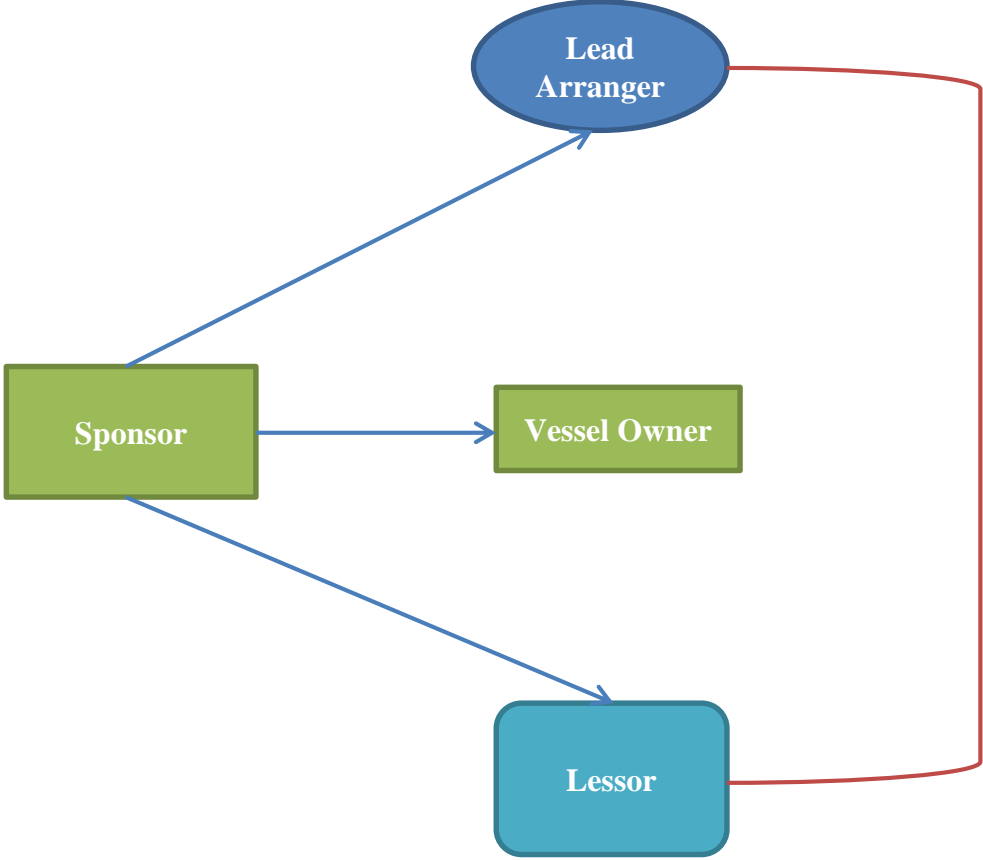


Fuzet Farid

Ship Finance & Security Documentation

January 2014

Syndication



Syndication

- Loan Agreement
- Mortgage
- Deed of Covenant accompanying the Mortgage
- Assignment of Earnings
- Assignment of Insurances
- Share Charge
- Structure
- Security
- Registrations & filings
- 'Plain vanilla' loan
- Lease-back, trust, notes issuance
- Mezzanine financing
- Revolving facility

The Loan Agreement

- Bank standard form or law firm standard form

The Mortgage & the accompanying Deed of Covenant

- Statutory mortgage (British Form 10A)
- Rights of the Mortgagee
- Assignment of Earnings & Insurances
- Registration obligation under company law and merchant shipping legislation

The Charter Assignment

- Assignment of the Charter
- Registration obligation under company law

The Share Charge

- Charge over the shares in the vessel owner
- Registration obligation only against the shareholder in its jurisdiction of incorporation

The Guarantee

- Provided by the Sponsor or Parent Company
- Put Option
- Registration obligation though usually not under company law

Swaps & Derivatives

- Currency hedging and interest rate derivatives
- ISDA Agreement

Ship Registration

Chapter 1 – Singapore Ship Registry

- Definitions
- Qualifications
- The register
- Protection of mortgages entered in the register

Chapter 1A – Malaysia Ship Registry

- Qualifications
- The register
- Protection of mortgages entered in the register

Chapter 2 – Integrity of the Register and Equities

- The registered owner
- The registered mortgagee
- Equities
- Rectification and correction of the register of Singapore ships
- Expunging mortgages
- Entry of discharge of mortgage

Chapter 3 – Transfer by Sale and Mortgage

- Transfer of Property
- Vessels under construction
- Second hand tonnage
- Specific performance
- Sale ordered by the Court
- Transfer of mortgages
- The problem of the Bills of Sale Act

Rights of the Mortgagee

Chapter 4 – Right and Remedies

- The scope of the mortgagee's right
 - Remedies – Possession
 - Interception of freight
 - Sale
 - Foreclosure
 - Arrest
- The charter party and mortgagees

Chapter 5 – Priorities

- Statute
- Sheriff's expenses
- Arresting plaintiff's costs
- Maritime liens
- Statutory liens
- Possessory liens

Chapter 6 – Priorities between Mortgages

- Legal and equitable mortgages
- Priority between foreign mortgages
- Registration of charges and insolvency
- Legal mortgage v. legal mortgage
- Legal mortgage v. equitable mortgage
- Equitable mortgage v. equitable mortgage

Chapter 7 – Insurance and Freight

- Insurance
- Assignment of insurance
- Equities
- Freight – Assignment of freight
 - Assignees and mortgagees
 - Assignment subject to equities

Chapter 8 – Registration of Charges and Notice of Negative Pledges

- Charges
- Notice of negative pledges

Taxation of Shipping Income

Chapter 9 – Taxation of Shipping Income in Singapore

- General
- The income Tax Act
- Tax residents
- Non – residents
- Exemption of shipping profits
- Approved International Shipping Enterprise Scheme

Chapter 9 – Taxation of Shipping Income in Singapore

- Tax exempt balancing charge
- Crew income
- Double taxation
- Withholding tax
- Capital gains tax
- Annual tonnage tax
- Goods and service tax

Annexure A to Chapter 9

- Provision relating to taxation of income of crew in some of the Singapore double taxation avoidance agreements

Annexure B to Chapter 9

- Primary provision relating to shipping profits in the Double Tax Agreements

Annexure C to Chapter 9

- Extent of exemption under tax treaties for shipping profits

Chapter 10 – Taxation of Shipping Income in Malaysia

- General
- The Malaysia Income Tax Act 1967
- Tax residents
- Taxation of Shipping Income of residents
- Exemptions of shipping profits

Chapter 10 – Taxation of Shipping Income in Malaysia

- Taxation of shipping income of non-residents
- Tax administration
- Special procedures for non-resident shipping operators
- Crew income
- Malaysia tax implementation on financing

Chapter 10 – Taxation of Shipping Income in Malaysia

- Withholding tax
- Double taxation
- Capital gains tax
- Annual tonnage tax
- Good and services tax
- Labuan – Malaysia's International Offshore Financial Centre

Annexure A to Chapter 10

- Status of Malaysia Double Tax Agreement

Index

Thank you.

Fuzet Farid

www.fuzetfarid.com

fuzet.farid@fuzetfarid.com

1 Sentral, Level 16,

Jalan Stesen Sentral 5,

KL Sentral,

50470 Kuala Lumpur, Malaysia

Tel: (603) 2092 9420

Fax: (603) 2092 9391