

REGISTRE INTERNATIONAL FRANÇAIS
FRENCH INTERNATIONAL REGISTER

French International Register and large yachts INFORMATION GUIDE



LE RIF

The French International Register and large yachts

June 2014

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THE RIF IN BRIEF

The RIF is the French international register of commercial and professional recreational vessels

Within the framework of harmonising Community policies, increasing maritime safety and security, and developing the competitiveness of shipping companies and maritime employment, a register of ocean-going commercial vessels employed in international cabotage and manned professional recreational vessels of over 24 metres (the French International Register) was established by the law of 3 May 2005.

Commercial vessels flying the French flag are ranked in the white list of the Paris Memorandum of Understanding¹ and were at the top of the ranking in 2013, confirming the quality of French vessels in terms of compliance with international safety standards.

In addition to tax advantages and full social protection, the RIF is the modern symbol of France's commitment to complying with the notion of a "substantial link" between the vessel and the State in accordance with the provisions of the Montego Bay Convention.

The RIF offers attractive registration for professional recreational vessels thanks to the "Guichet unique" and a talented team at your service involved in developing the fleet.

1. Following its 36th amendment, the Paris Memorandum of Understanding groups 27 maritime administrations and covers the waters of the European coast and North Atlantic Basin, from North America to Europe. It manages the inspections conducted as part of the port State control. The provisions of this text have now been rendered mandatory by directive 2009/16 EC on port State control.

The "Guichet unique", your first point of contact

The "Guichet unique" is shipowners' first point of contact for any procedure or question relating to registration and the management of vessels and their crews. It brings together personnel from customs administration and maritime affairs administration in one office in rue de la République, Marseille.

The "Guichet unique" offers you a custom service to quickly and easily complete your vessel's registration and management formalities.



A fully competent team is at your service for all aspects, please do not hesitate to contact them :

- + 33 (0)4 96 11 55 10
- rif@developpement-durable.gouv.fr

Advantages

- A **Community register**.
- A register offering a **renowned level of vessel safety and security**.
- **Quick and easy administrative procedures:**

A single point of contact, the "Guichet unique" for all your customs and maritime affairs procedures and reduced mortgage fees, with formalities free of charge.

Attractive tax measures and tax exemption:

- Exemption from VAT and customs duties on the vessel upon import, on the delivery of items intended to be incorporated

on the vessel, on maintenance, alteration and repair operations.

- Exemption from annual French flag and sailing duties.
- For crews resident in France: reduction in employer contributions to the seafarers' social protection scheme (ENIM).

Advantages for the crew:

- Full exemption from income tax for salaried seamen resident in France and on board for more than 183 days over twelve months rolling.
- Validation of benefits with the ENIM (sickness and retirement) for residents of France.
- Validation of sailing time to obtain or maintain STCW certification.

➔ The income tax exemption for seamen on board RIF vessels only applies to the revenue earned from this activity.

Eligible vessels

Eligibility for registration with the RIF applies to any recreational vessel:

- With an exclusively commercial activity (*commercial yacht*).
- Of over 24 metres in overall length*.
- Sailing on international cabotage or ocean-going.
- Manned with a permanent professional crew of whom at least 25% are Community nationals according to the minimum safe manning document.
- Compliant with the technical regulations applicable to professional recreational vessels.

The vessel must also fulfil ownership conditions.

Within the framework of registering under the French flag, in reference to article 219 of the customs code, the vessel must also fulfil ownership conditions.

* In terms of recreational vessels, the overall length is the extreme length of the hull structure, equivalent to the hull length defined by standard NF EN ISO 8666:2002 (see relevant paragraph).

CONDITIONS TO BE MET TO OBTAIN THE FRENCH FLAG FOR A VESSEL WITH THE RIF

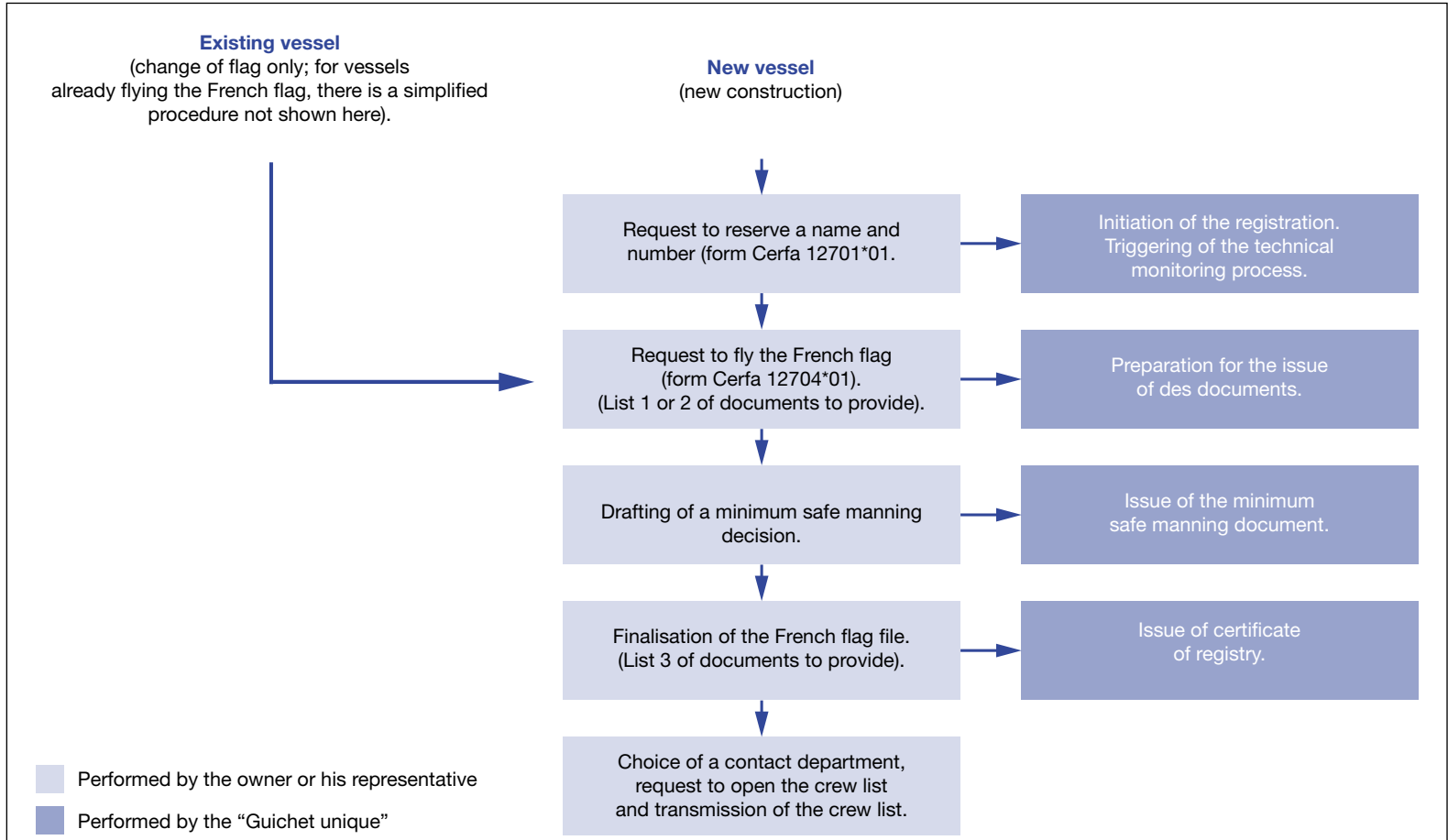
<p>General registration under the French flag</p> <p>For vessels with a length of > 24m, purchased in a third country after having settled the taxes and duties, or purchased in the European Union.</p>	Owner(s) of a new or existing vessel	
	For physical persons	Conditions
	If a single owner, be of EEA nationality (one of the EU Member States + Iceland + Norway + Lichtenstein).	The owner (appointed manager if several owners) must reside in France or give an address in France (form*) for service of process if living there for less than 6 months per year.
	If several owners, at least half must be of EEA nationality (one of the EU Member States + Iceland + Norway + Lichtenstein).	
	For moral persons	Conditions
	At least 50% of the owner companies must have a head office and/or main establishment in a territory of the European Economic Area (one of the EU Member States + Iceland + Norway + Lichtenstein).	Vessel managed and controlled by the head office or main establishment in France and, failing this, by a permanent establishment of the vessel's owner company, domiciled in France = fixed structure (SIRET No.) staffed with personnel able to establish contracts and represent the moral person(s) to third parties in France.
	Lessee of a new or used vessel intended to be acquired through a leasing contract	
	Physical or moral person(s)	Conditions
Same criteria as for the owner(s).	Same conditions as for the owner(s).	

There is also a special approval procedure allowing foreign-owned vessels to benefit from a temporary French flag, in particular

in the case of a bareboat charter by a company with a permanent establishment in France (see article 219, § 3).

THE RIF: SIMPLIFIED PROCEDURES

Registering a vessel with the RIF



→ List of documents to be provided

1. Existing vessel

- Owner entity's legal status.
- Title deed.
- Copy of the bill of sale if there has been a change of ownership.
- Power of attorney (including the representative).
- Documents relating to the vessel's financing (lease contract, for example).
- Existing tonnage certificates for transcription by the French authorities.
- Certificate of non-registration of a mortgage.
- Deletion certificate issued by the previous flag administration.

2. New vessel

- Buyer's legal status.
- Copy of the construction contract and any addenda.
- Power of attorney (including the representative).
- Documents relating to the vessel's financing (lease contract, for example).
- Board of Directors' purchase decision.

3. File finalisation

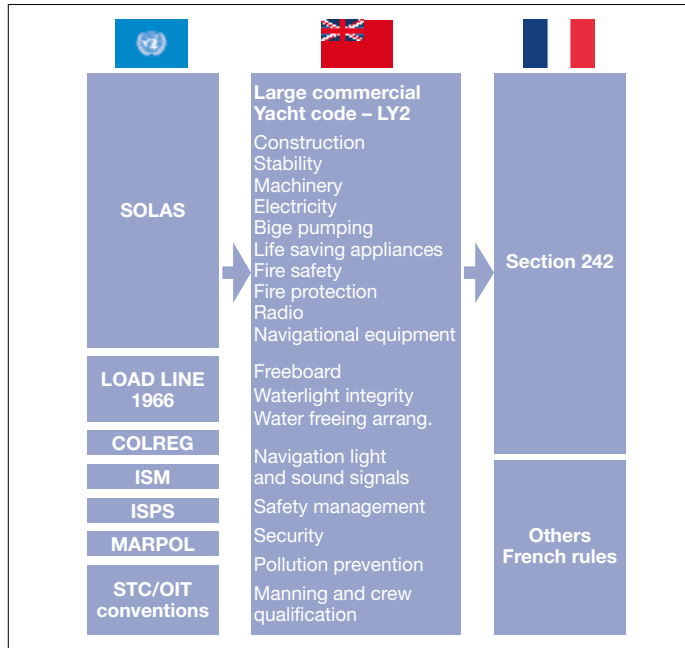
- Protocol of delivery and acceptance.
- Power of attorney (including the representative).
- Documents relating to the vessel's financing (lease contract, for example).

THE VESSEL

A specific technical regulation

Since July 2008, France has had a regulation dedicated to commercial vessels whose hull length is equal to or greater than 24 metres: **division 242**. This regulation, inspired by the famous British Large Yacht Code, is especially suited to these particular vessels.

The illustration below highlights the concordances between the international conventions and the French and British regulations.



The provisions introduced by division 242 equivalent to the SOLAS and LOAD LINE (1966) conventions have been notified to the International Maritime Organisation (IMO) and are consequently recognised by the signatory countries of those conventions (IMO circular No. 2988 of 7 August 2009). It is therefore possible to issue international safety certificates based on this regulation, which today bestows on French commercially operated recreational vessels previously unestablished international recognition.



Division 242 (English and French versions) is available for download from the RIF website :

<http://www.rif.mer.developpement-durable.gouv.fr/demarches-techniques-a55.html>

Hull length or reference length

The length used can differ according to the regulation. The French regulation applicable to vessels for commercial use mainly refers to two lengths: hull length and reference length.

Hull length (L_h)

This is determined in compliance with standard NF EN ISO 8666:2002.

The hull length (L_h) must be measured in accordance with the figure below, with one plane touching the most forward part of the boat and the other touching the most aft part. This length includes all the structural parts and those that form an integral part of the boat, such as wooden, plastic or metal bows and sterns, bulwarks and deck/hull seals. This length excludes the removable

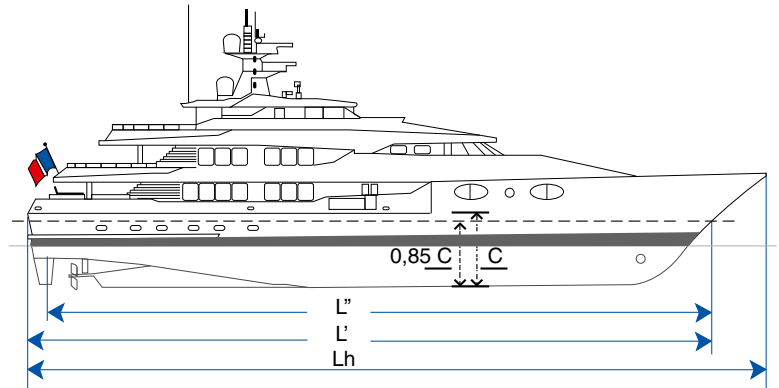
parts that can be detached in a non-destructive manner, without affecting the structural integrity of the boat, for example spars, jib-booms, bow and stern pulpits, bow plates, rudders, outboard motor brackets, drives, swim/dive platforms, rub rails and rubbing strakes. This length also includes detachable parts of the hull that provide hydrostatic or hydrodynamic support when the boat is at rest or sailing.

Reference length (L_r)

This is equal to 96% of the total length at the waterline, located at a distance from the keel line equal to 85% of the least-moulded depth (L' on the diagram opposite) or to the distance from the fore side of the stem and the axis of the rudder stock to this waterline if this value is greater (L'' on the diagram). For vessels designed with a raked keel, the waterline to which the length is measured is parallel to the specified load waterline.

The reference length is equivalent:

- to the tonnage length as defined in article 2-8 of the international convention on vessel tonnage;
- to the freeboard length as defined in article 2-8 of the international convention on load lines 1966.



Short range vessels

Division 242 introduces a short range vessel category that benefits from relaxed rules. This adaptation is possible due to the consideration of the special operating conditions for these yachts.

A short-range vessel is an existing vessel with gross tonnage of less than 500 or a new vessel with gross tonnage of less than 300:

- limited in these operations in the event of actual or forecast winds equal to or greater than a maximum Force 6 on the Beaufort Scale, and of waves that may reach a significant height of up to 2 metres inclusive;

and

- sailing less than 60 nautical miles from shelter. (The competent authority may permit a vessel to sail on specified routes up to 90 nautical miles from shelter, where appropriate).



Vessel safety: a matter of compliance

The maritime affairs departments perform the safety studies and inspections for vessels in conjunction with a recognised organization. One person dedicated to yacht safety on the team at the “Guichet unique” will be your direct contact.

An expert contact at the “Guichet unique”

A vessel safety inspector is assigned to the “Guichet unique”. He is responsible for any questions relating to yachts and providing a technical opinion on candidate vessels (eligibility inspection). He liaises between the shipowner and the different administrative stakeholders (National commission for the safety of recreational sailing, Vessel safety centre, National frequency agency and Seafarers’ health service).

For all technical questions concerning your vessel, contact the RIF technical expert on + 33 (0)4 96 11 55 12.

An initial technical opinion: the eligibility inspection

If your vessel is already operating under another flag this service is designed especially for you.

The eligibility inspection allows you to quickly find out how your vessel technically deviates from the applicable regulation and thus calculate the cost of bringing it into the conformity necessary to switch to the French flag.

At a simple request, the RIF technical expert comes on board for a comprehensive check. An inspection report is then sent to you as soon as possible.

Vessel approval

Commercially operated recreational vessels with a hull length equal to or greater than 24 metres are approved by the Minister responsible for the sea, on the advice of the National commission for the safety of recreational sailing and nautical leisure (CNSNP). This commission examines the vessel’s plans and documents. It meets according to a schedule established each year and is composed of experts from the maritime sector (classification societies, shipyards, naval architects, crew, etc.). CNSNP studies are free of charge.

A vessel can be approved quickly if a complete and compliant technical file has been sent to the commission. If the vessel is already in possession of valid safety credentials (vessel already operating under another flag), temporary certificates can be established to allow operation under the French flag to begin immediately (subject to having provided a complete technical file and the vessel having passed a safety inspection).

Documents to be provided for your vessel to be approved:

- declaration of start of building work or of acquisition of an existing vessel overseas;
- information sheet;
- the vessel’s technical file (composition stated in the appendix of division 242).

“Flag” inspections

Throughout its life, your vessel receives safety inspections by the inspectors from the Flag State Safety Center (CSN). During construction, special inspections are jointly conducted by the competent authority and the recognised organization in charge of the Load line Certificate to check that the vessel is constructed in compliance with the applicable regulation. Before any operation, the vessel must undergo a commissioning inspection which primarily aims to check that the “actual” vessel does indeed match the vessel whose plans were approved.

Numerous tests are performed as part of this inspection (fire exercise, drainage, etc.). Once the vessel is in operation, it is regularly inspected (once a year) to check it is maintained in good operational condition.

All inspections by the flag inspectors are free of charge. When the inspections are conducted overseas, their travel and accommodation are covered by the shipowner.

Safety and pollution prevention certificates

Division 242 includes provisions equivalent to the articles of the SOLAS and LOAD LINE (1966) conventions applicable to cargo ships. In international navigation, commercially operated recreational vessels are therefore likened to cargo ships carrying fewer than 12 passengers and must be in possession of the safety and pollution prevention certificates required for these vessels.

The table below summarises the certificates that must be issued and held on board according to the vessel characteristics.

CERTIFICATES	L*	< 24 m	≥ 24 m		
	J**	< 300	300-400	400-500	> 500
French Navigation Certificate					
Minimum safe manning document					
Tonnage certificate		national	international		
Load line Certificate		national	international		
Cargo ship safety certificate					
International radio-electric safety certificate					
International sewage pollution prevention certificate			(1)		
International air pollution prevention certificate			(2)		
International oil pollution prevention certificate					
International energy efficiency certificate					
Declaration of conformity of the anti-fouling system					
International anti-fouling systems certificate (AFS)					
ISM company document of compliance (DOC)					
Safety management certificate (SMC)					
International Ship Security certificate (ISPS)					

L* = reference length (see relevant paragraph above).

J** = gross tonnage as defined in article 2.4 of the 1969 international convention on the tonnage measurement of ships. This is mentioned on the tonnage certificate.

1. PFor vessels carrying fewer than 15 people.

2. Each engine with power > 130kW, an engine international air pollution prevention certificate issued by a recognised organization is required (EIAPP).

Safety and pollution prevention certificates are issued free of charge, except for those whose issuance has been delegated to the recognised organization (for example, the Load line Certificate).

Radiocommunication

Radiocommunication equipment requires specific monitoring by specialists. In France, the National frequency agency (ANFR) is the technical body that issues radio licences (allocating MMSI numbers and call signs) and inspects radiocommunication facilities. The ANFR provides its services free of charge.

→ For more information, visit www.anfr.fr

Recognised organization

The French maritime authority currently recognises the following classification societies: Bureau Veritas, DNV-GL AS and RINA.

This list is liable to change; new societies may be added to it.

The classification societies can provide their services for two reasons:

- for **vessel classification**, in other words its compliance with the classification society's rules. This compliance results in the issuance of classification certificates;
- recognised Organization responsible for issuance of certificates on behalf of the flag State.

There are two types of authorisation: full qualification (authorisation to assess plans, conduct inspections and issue or cancel certificates) and partial qualification (authorisation to assess plans, conduct inspections and, at the authority's request only, issue or cancel certificates).

The three classification societies qualified by France are fully qualified for the freeboard (examination of the solidity of the structure, stability and conditions of assignment, inspections and issue of the Load line Certificate), engine air pollution prevention, lifting apparatus (study, inspections and issue of the lifting apparatus register), and the issue of the international anti-fouling system certificate and tonnage certificate (national or international).

The classification society's services are paid for by the shipowner.

EMBARKED PERSONNEL

Crew composition: RIF criteria

At least 25% of the minimum safe manning, including the captain and his relief, must be nationals:

- of a European Union Member State;
- of a State party to the agreement on the European Economic Area;
- of the Swiss Confederation;
- of a State party to any international agreement with the same scope in terms of right or residence and right to work.

The captain's relief can be a deck or engineering officer.

Access to the positions of captain and relief is subject to verification of the level of knowledge of the French language and of legal matters enabling on board documents to be kept and the prerogative of public power with which the captain is invested to be exercised.

This verification is conducted during an oral and written exam before the national equivalence commission. This professional exam is valid for an unlimited period.

Minimum safe manning

Every vessel is manned with a crew of seamen sufficient in number and in level of professional qualification to guarantee the safety and security of the vessel and people on board and meet

the obligations relating to the watch and the duration of work and rest periods.

The shipowner puts forward the minimum safe manning, which can vary according to the vessel's use.

The maritime authority issues a minimum safe manning document attesting that the vessel's manning meets the requirements of the pertinent international conventions and the national measures taken for their application.

Professional qualification

Other than the French qualifications, the certificates required are solely those issued within the framework of the STCW convention.

The holders of foreign officer certificates must apply for a stamp of recognition or the issuance of a certificate by equivalence before embarking.

Contact the RIF “Guichet unique” for all information on the stamp or issue by equivalence procedures.

Crew list

A crew list identifying the seafarers present on board is established by the captain and held at the disposal of the competent authorities of the flag State and port State. Each crew list is sent to the “Guichet unique” to check it complies with the eligibility criteria set out above.

Labour law

Direct employment and labour supply

Seafarers employed on board vessels registered with the RIF are employed directly by the shipowner or supplied by a manning agency.

The labour supply contract can only be entered into with a manning agency approved by the authorities of the State in which it is based. When there is no approval procedure or the manning agency is based in a State where neither convention No. 179 on the recruitment and placement of seafarers, nor the International Labour Organisation's Maritime Labour Convention (2006) apply, the shipowner ensures the manning agency complies with their requirements.

The supply of all seafarers is subject to a contract concluded in writing between the shipowner and the manning agency. During the labour supply, the shipowner is responsible for the on board working and living conditions.

Private recruitment and placement services (art. L. 5546-1-1 to L. 5546-1-9 and L. 5533-3 of the transport code)

Private recruitment and placement services offer two types of service. The first is as an intermediary between shipowners and seafarers, by finding the crew they will place with the shipowners; the second supplies a shipowner with seafarers that the service itself hires and pays.

The second activity conducted by the manning agencies is legal on the French territory but only to a restricted degree. They are only authorised to supply seafarers on board vessels registered with the RIF or vessels flying a foreign flag.

This is a triangular relationship between the manning agency, shipowner and seafarer, which is bound by the conclusion of two contracts: a seafarer's employment agreement entered into between the seafarer and the manning agency and a labour supply contract concluded between the manning agency and the shipowner.

The private recruitment and placement services are subject to obligations with which non-compliance is a criminal offence. They must enrol on a national register, provide an annual report, keep an up-to-date register of placed and recruited seafarers, and prove they have a financial guarantee.

They are also obliged to check that the seafarers they place or recruit fulfil the professional qualification and medical aptitude conditions for performing their function on board, examine the conformity of employment contracts with legislation and ensure the shipowner fulfils its obligations in terms of repatriation, in this case the financial guarantee required for this purpose.

In addition, the manning agencies must be approved to conduct their activity.

It is forbidden to charge to seafarers any costs directly or indirectly relating to their recruitment or placement, or to the procurement of a job, including passport fees.

The shipowner or seafarers' employer must ensure the recruitment and placement services comply with the obligations cited above.

Applicable labour law

The regime applicable on board vessels registered with the RIF is stated in book VI of the fifth part of the transport code. There are two scenarios. When the seafarer's employment agreement is established with a seaman resident in France, the applicable provisions are identical to those of the national flag set out in book V of the fifth part of the transport code and in national law. For a contract entered into with a seaman non resident in France, the legislation governing the establishment of the seafarer's employment agreement is subject to the law chosen by the parties. Irrespective of the law chosen by the parties, the employment agreements must be established in compliance with the provisions of the Maritime Labour Convention (MLC 2006).

Maritime Labour Convention (MLC 2006)

The Maritime Labour Convention came into force on 20 August 2013. It applies to all embarked seafarers.

Reminder

The regulation distinguishes between two notions:

- seamen;
- seafarers other than seamen.

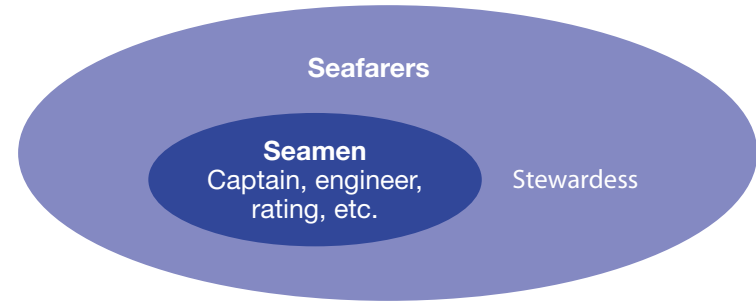
Seafarers

(art. L. 5511-1 of the transport code), definition:

“Seafarers”: all persons working on board a vessel, whether they perform their professional activity as an employee or not (self-employed).

Two categories: seamen and seafarers other than seamen.

Consequences: different rules applicable to each of these categories.



Seamen benefit from the full and complete application of the maritime rules and specifics contained in book V of the fifth part of the transport code (when they reside in France). The crew is comprised of all seamen, including the captain.

To take account of the special nature of working on board ships, seafarers other than seamen benefit from a certain number of provisions applicable to the seamen, stated in articles L. 5549-1 to L. 5549-6 of the transport code, relating to duration of work, employment agreement and repatriation.

Regulation 4.5 of the Maritime Labour Convention defines the different benefits that have to be provided to guarantee full social protection to the seafarers and the persons in their charge: medical care, statutory sick pay, unemployment benefits, old-age benefits, benefits in the event of an acci-

dent at work or occupational sickness, family benefits, maternity benefits, invalidity benefits and survivors' benefits. The French regulation provides full protection covering all of these points.

Repatriation

(art. L. 5542-32, L. 5542-33-1 to L. 5542-33-3 and L. 5571-1 to L. 5571-3 of the transport code):

Principle of forbidding the request for an advance from seafarers with a view to their repatriation.

Measure enabling the State to proceed with the repatriation of seafarers in the absence of a response to the formal notice given to the shipowner or employer, ordering him to justify the measures he intends to take to execute his obligations.

Action possible against the shipowner or employer with a view to recovering the costs of repatriation advanced by the State, by implementing the arrest of the vessel leading to its detention.

Creation of the crime of abandoning seafarers in response to such cases. When it fails to meet its essential obligations in terms of food, accommodation, care, remuneration or repatriation, the authority will give notice to the shipowner, employer or person acting thereas to bring an end to the situation within 62 hours.

Failing this, the crime of abandoning seafarers will be committed.

The crime of abandonment is also committed when, after 62 hours from when noticed was received, the shipowner or employer has not provided the captain with the means of fulfilling the aforementioned essential obligations.

Certification

The convention's provisions are applicable **to all commercial vessels, irrespective of their tonnage**. However, only vessels with gross tonnage equal to or greater than 500 are subject to certification. Other vessels can be certified if the operator wishes.

This certification is awarded in two phases. To begin with, the operator declares the measures taken to conform to the convention's provisions and is awarded part I of the Declaration of Maritime Labour Compliance (DMLC I).

The vessel's compliance is then established following an inspection by the competent authority. The vessel then receives part II of the declaration and the labour certificate.

Port State control

Every commercial vessel, irrespective of its size, can be checked as part of the port State control when calling on foreign ports.

The certification is based on the following 14 points:

1. Minimum age

This is 16 years old, with night work forbidden for under 18s.

2. Medical certification

Medical certificate with mandatory annual medical check-up for seafarers with a specialist health service. This check-up is free of charge.



3. Qualification of seafarers

France applies the STCW standards.

4. Seafarers' employment agreements (art. L. 5542-1 to L. 5542-6-1 of the transport code)

French law already imposes a written agreement prior to any embarkation containing the provisions required by the MLC.

The mandatory notices in the employment agreement are:

- the seaman's full name, date and place of birth and identity number;
- place where and date when the contract is entered into;
- full name or registered company name and address of the shipowner;
- functions performed;
- amount of wages and additional expenses;
- paid holiday entitlement or formula used to calculate it;
- benefits in terms of health and social security protection provided to the seaman by the shipowner;
- repatriation entitlement;
- reference to any applicable collective bargaining agreements;
- term of the contract if it is of fixed duration.

Minimum notice of 7 days is required in the event of early termination of the seafarer's employment agreement, unless there are specific provisions to the contrary in the applicable collective bargaining agreements.

The employer sends the agreement to the administrative authority, in this case the DDTM. This transmission constitutes an advance declaration of hiring (dispenses with the formalities included in the labour code, valid only for seamen).

The captain keeps a copy of the employment agreements on board, as well as the legal and conventional provisions governing them; he communicates them to the flag or port State authorities on request. Vessels sailing on international voyages keep on board a standard contract and details of the applicable collective bargaining agreements, including a copy in English.

5. Use of any license or certified or regulated private recruitment and placement service

See paragraph "Labour law"/Direct employment and labour supply.

6. Hours of work or rest

These provisions exist and are standardised in French law.

The working time must not exceed 14 hours per 24 hour period and 72 hours per 7 day period.

The minimum rest time is 10 hours per 24 hours and 77 hours per 7 day period.

7. Manning levels for the ship

RIF vessels hold minimum safe manning documents suited to the seasonal nature of their activity.

8. Accommodation

The provisions relating to accommodation apply to new vessels.

9. Recreational facilities

The provisions relating to recreational facilities apply to new vessels.

10. Food and catering

These provisions are already partially implemented by the requirement for RIF registered vessels to hold a hygiene certificate. It is issued following an inspection of the kitchens, food storage areas and water analysis. For the catering: the crew are fed on board for free (benefit in kind) or receive a set food allowance.

11. Health and safety and accident prevention

What is special about the RIF is that it offers a “social pack”. The crews and their families affiliated to the ENIM are covered for the risks of sickness, accident and retirement. There is no need to take out private insurance. In addition, RIF crews are protected against the risk of unemployment and receive family allowances.

For the prevention of accidents, RIF registered yachts must possess a single prevention document (DUP). The “Guichet unique” can assist them in preparing this document.

12. On board medical care

RIF registered yachts must have a pharmacy compliant with division 217 and a seaman that holds medical certificate class 2 or 3. In addition, a dedicated maritime medical advice service is available over the radio 24 hours a day.

13. On board complaint procedures

The convention requires the implementation of procedures enabling the quick, effective and fair settlement of any complaint presented by a seaman.

The French regulation already recognises the system of on board representatives, which allows a seaman to make direct complaints. As the convention stipulates, the employment agreements already include appeal procedures.

14. Payment of wages

Wage slips must be established every month.

Social protection of seafarers

The social protection scheme applicable to the French International Register (RIF) will depend on the country of residence of the seafarers.

There is a distinction between the scheme applicable to seafarers who are seamen and those who are not.

The definition of seamen and seafarers is provided by article L. 5511-1 of the transport code:

- seaman: any person who enters into a contract with a shipowner or embarks for their own account, with a view to occupying on board a vessel a post relating to the running, steering, maintenance and operation of the vessel;
- seafarer: any seaman or any other person conducting, on board a vessel, a professional activity relating to its operation.

Seamen employed on vessels registered with the RIF are not automatically affiliated with the special social security scheme for seamen managed by the Seaman's National Health and Social Security Establishment (ENIM).

The table below lists the different affiliations according to the seaman's country of residence and nationality.

SEAFARERS' COUNTRY OF RESIDENCE	SEAFARERS' NATIONALITY	AFFILIATION
France	Irrelevant.	ENIM (art. L. 5612-1 [1o] CT).
Outside France	UE/EEE/Swiss.	ENIM in principle Exemption: – affiliation to the seamen's country of residence if they reside in the same State as the employer's Head Office (art. L. 5631-2 CT and art. 11-4 and 12 of regulation (EC) 883/2004); – affiliation to the sending country if posted to another location: seamen resident in a State other than that of the employer's Head Office (art. L. 5631-2 CT).
	Country with which France has an agreement.	ENIM unless posted to another location (art. L. 5631-2 CT) ¹ .
	Third country (excl. EU/EEA/Switzerland and country with no agreement or agreement not applicable.	Law of the parties (art. L. 5631-3 CT).

¹. If the seafarers live outside France, the legislation applicable will be determined by the State of which they are nationals, subject to special provisions set out by the applicable agreement.

Seafarers who are not seamen are not affiliated to the ENIM. However, there is the same distinction between resident and non-resident. When they fall under a French system, the scheme to which they are affiliated depends on the nature of the activity performed on board the vessel (general scheme, RSI for the self-employed, etc.).

Special system for seamen (ENIM)

For seafarers affiliated to the ENIM, the details of the benefits provided by the Seaman's National Health and Social Security Establishment (ENIM) are presented and updated regularly on the association's website: www.enim.eu

Provident funds for seamen

The regulation defining provident funds for seamen is mainly derived from the decree of 17 June 1938 relating to the organisation and unification of the seamen's insurance scheme.

Benefits in kind:

The same as for the general sickness insurance scheme (ref.: art. L. 321-1 of the social security code), and in particular: travel expenses, spa treatments and professional retraining.

Cash benefits:

- maritime occupational accident insurance;
- insurance for sickness occurring whilst sailing;
- insurance for accidents and sickness when not sailing;
- family insurance;
- maternity insurance;

- paternity insurance;
- funeral costs;
- food allowance;
- death benefit.

Pensions:

- accident invalidity pension;
- sickness invalidity pension;
- occupational sickness invalidity pension;
- allowances for the cessation of asbestos activities.

Special feature of the maritime sector:

In the event of an occupational accident or sickness observed on board the vessel, the seaman benefits from the maximum social protection. The shipowner covers the medical costs and sickness for one month after the disembarkation or repatriation of the injured or sick seaman. In advance of this, the accident or sickness must have been signalled by a detailed report. The shipowner is advised to take out a specific insurance contract to cover this risk.

Old-age insurance for seamen

The seamen's old-age insurance scheme distinguishes between three types of pension (art. L. 5552-1 and onwards of the transport code):

- iretirement pension when the seaman has at least 25 years of valid service for pension;

- proportional pension when the seaman has 15 to 25 years of valid service for pension;
- special pension when the seaman has a period of valid service for pension of at least equal to 3 months and less than 15 years.

Method of calculating the pension

The pension amount is determined based on a percentage of the reference fixed salary. Each year of contribution qualifies for 2% of the reference fixed salary. The pension amount is therefore determined using the following formula: $\text{pension} = 2\% \times \text{number of annual instalments} \times \text{reference fixed salary}$.

Ceiling on the number of annual instalments valid for pension

The number of annual instalments taken into account for pension cannot exceed:

- 37.5 annual instalments for:
 - a retirement pension paid from age 55;
 - a retirement pension paid from age 52 and a half, when the seaman already has 37.5 years of contributions;
 - early pension due to incapacity (art. L. 5552-7 of the transport code).

This ceiling can be raised to 40 annual instalments if the seaman warrants bonus loading for war services under articles L. 552-17 and R.6.

- 25 annual instalments for a retirement pension taken between the ages of 50 and 55.

Determining the reference fixed salary

The amount of pension paid by the seamen's old-age insurance is calculated based on the reference fixed salary for the last three years or the best five years. For more information, visit the RIF website:

www.rif.mer.developpement-durable.gouv.fr
Crew/ENIM benefits

Methods of calculating service years

In the final calculation of service years valid for pension:

- the share of six months equal to or higher than three months is counted as six months;
- the share of six months less than three months is ignored.

Examples:

- a seaman with 14 years, 8 months and 27 days of service valid for pension: his pension is calculated based on 14 and a half annual instalments;
- a seaman with 14 years, 9 months of service valid for pension: his pension is calculated based on 15 annual instalments.

ENIM contributions and dues

Employer contributions and deductions from seamen's wages are based on the fixed salaries set on 1 April each year by inter-ministerial order.

These fixed salaries correspond to the categories into which the seamen are classified according to the positions they hold on board the vessels (art. 5553-5 of the transport code).

The positions held on board (captain, first mate, chief mechanic, etc.) are assigned to a corresponding category (from 3 to 20) (ref. decree No. 52-540 of 7 May 1952 modified and order of 2 August 1988).

Category classification for international cabotage

By way of example:

- for a sailing vessel of 150 UMS:
 - steward: category 12;
 - crew member: category 6.
- for a motor yacht of 150 UMS:
 - captain: category 12;
 - chief officer: category 10;
 - rating: category 4;
 - stewardess: category 3.

Fixed salaries

→ The fixed salaries are re-assessed each year at the start of April.
The current grid can be viewed on the RIF website at the following address:
<http://www.rif.mer.developpement-durable.gouv.fr/contributions-et-cotisations-r74.html>

Rates of contributions and dues

The rates of contributions (shipowner share) and dues (seaman share) are set by regulations (decree No. 2007-941 of 15 May 2007) for seamen embarked on maritime transport vessels subject to international competition and detailed below:

OLD-AGE INSURANCE		PROVIDENT FUND		TOGETHER	
Shipowner	Seaman	Shipowner	Seaman	Shipowner	Seaman
6.80%	10.85%	4.80%	1.25%	11.60%	12.10%

These rates are based on the seaman's fixed salary.

→ These charges only represent the share dedicated to the special scheme for seamen; other charges are payable (see paragraph 2 "CMAF contributions and dues").

Example

A captain is classed in category 12. His daily fixed salary, as at 1 April 2014, is 92.83 Euro per day, which is 33,418.26 Euro per year.

For a 31 day month, the shipowner's contribution is 332.01 Euro and the seaman's dues are 346.33 Euro.

→ You can consult the "Guichet unique" for a simulation of the amount of charges on a salary.

Finally, the ENIM engages in, among others, various health and social actions in favour of seamen and their families in need.

Affiliation to the Maritime family allowances funds

The Maritime family allowances fund (CMAF) is part of the general social security scheme. It is distinguished from other family allowances funds by its professional nature, making it a special body with national jurisdiction for:

- paying family allowances (except RSA and APL) to members of the maritime scheme;
- conducting social action specific to seamen's families;
- managing the recovery of contributions and dues (family allowances, general social contribution, National housing aid fund, transport tax, contribution to professional training) payable by seamen and commercial and recreational shipowners on mainland France.

Family benefits and social action

Once affiliated to the ENIM, the status of seaman qualifies for the Maritime family allowances fund.

Family benefits

The benefits paid by the CMAF are as follows:

- *Children and family*
 - Early childhood benefit.
 - Childbirth allowance.
 - Standard allowance.

- Supplement for childcare of the parents' choice.
- Supplement for activity of the parents' choice.
- Family allowances.
- Family supplement.
- Allowance for school children.
- Daily parental presence allowance.
- Family support allowance.
- Recovery of maintenance payments.
- Old-age insurance for stay-at-home parents.

- *Accommodation*

- Accommodation allowance.
- Relocation grant.
- Home improvement loan.
- Home improvement loan for maternal assistants.

- *Solidarity and integration*

- Disabled child education allowance.
- Disabled adult allowance.
- Old-age insurance for stay-at-home parents.

Social action

The Maritime fund conducts social action specific to seamen's families: free time and holiday aid, aid to families in difficulty, schooling expense aid, housing subsidy, aid to partners (investment/operating cost subsidies for childcare facilities) and home help.

CMAF contributions and dues

The basis of contributions and dues is calculated on the gross remuneration awarded to the seamen. The shipowner must declare the dues payable to the CMAF using monthly or quarterly slips.

→ Declarations and payments can be made online at www.ursaf.fr

Family allowance contributions

The contribution rate for family allowances is 5.25% of the gross-salary paid to the seaman from 1 January 2014.

General social contribution and Social debt repayment contribution

The General social and Social debt repayment contribution represents 8% and is based on 98.25% of the gross salary.

Contributions to the unemployment benefit and wage guarantee insurance scheme (AGS)

The contribution is 6.7% split between the shipowner (4.3%) and the employee (2.4%).

Other contribution

The CMAF also recovers the National fund for housing assistance (FNAL) for 0.1% based on the social security ceiling.

THE RIF IN FULL TRANSPARENCY

Cost summary

The table below sets out the costs per item for a vessel registered with the RIF.

	SERVICES	RIF
French flag and vessel registration	Documents issued (French flag deed of registration and certificate of registry).	Free.
	Radio licence issued.	Free.
	Mortgage taken out.	0.5‰ of the amount of the mortgage + €0.76.
	Mortgage statements.	€0.76 per document.
	Customs clearance.	Payable – customs agent remuneration (for vessels acquired outside the EU or EEA).
	Insurance certificate – holds (vessel with tonnage > 1,000 only).	Free.
Vessel technical monitoring	Approval (vessel, safety plan, ISM, MLC certification).	Free.
	Technical inspections (eligibility, construction monitoring, annual, ISM audit, ISPS, etc.).	Free (travel and accommodation covered by the owner if inspection overseas).

	SERVICES	RIF
Vessel technical monitoring	Issue of certificates.	Free.
	Issue of certificates by delegation (tonnage, freeboard, pollution prevention, anti-fouling system, etc.).	Payable (tariff set by the qualified classification society).
	Classification.	Payable (tariff set by the qualified classification society).
	Inspection of radio equipment (initial and annual).	Free (travel and accommodation covered by the owner if inspection overseas).
	Hygiene inspection.	Free (travel and accommodation covered by the owner if inspection overseas).
	Drinking water analysis.	Payable (tariff set by the chosen laboratory).
Taxation	VAT and customs duties on the vessel upon its import, on victuals, on the delivery of items intended to be incorporated on the vessel, on maintenance, alteration and repair operations.	Exempt.
	VAT on charter and rental contracts for recreational use.	Rules applicable in the country in which the charter begins. In France: standard rate (20%) with possible prorata deduction for the time spent outside Community waters or application of a fixed rebate of 50% if the time spent outside Community waters cannot easily be determined.

	SERVICES	RIF
	Annual French flag and sailing duties.	Exempt.
	Corporation tax.	According to the regulations in force.
Crew (all)	Registration and issue of the seaman's book.	Free.
	Validation of credentials, equivalence of certificates.	Free.
	Medical check-ups.	Free.
Social benefits Crew (resident in France)	ENIM/old age insurance. ENIM/provident fund: – occupational accident insurance; – insurance for sickness occurring whilst sailing; – insurance for accidents and sickness when not sailing; – family insurance; – maternity insurance; – paternity insurance; – funeral costs; – food allowance; – death benefit ; – travel expenses; – spa treatments; – professional retraining; – accident invalidity pension; – sickness invalidity pension. – occupational sickness invalidity pension; – allowances for the cessation of asbestos activities.	Shipowner contributions: 11.6% of fixed salary. Seaman contributions: 12.1% of fixed salary + grace period for the shipowner (1 month of medical costs payable by the shipowner + payment of wages for the first 4 months of sickness)
	Family allowances.	5.25% of gross salary.

	SERVICES	RIF
	Unemployment insurance.	Shipowner contribution: 4.3% of gross salary. Seaman contribution: 2.4% of gross salary.
	General social and Social debt repayment contributions.	Seaman contribution: 8% (98.25% of gross salary + 100% of other contributions).
Crew (resident in a State with an agreement with France)	Social protection benefits provided in the State of origin.	Variable according to the State of origin.
Crew (resident in a State with no agreement with France)	Social protection benefits provided in the State of origin.	Variable according to the State of origin.
Operation	Medical advice over the radio.	Free by CCMM Toulouse..

THE RIF: TAXATION

Applicable VAT

Changes to the taxation applicable to yachting

Two judgements by the CJEU have brought into question the VAT exemption scheme from which commercial vessels benefit:

- Bacino judgement of 22 December 2010 on rentals for pleasure purposes (charter VAT).
- CJEU judgement of 21 March 2013 on navigation on the high seas which disapproved of France's scheme (high seas VAT).

The VAT scheme on rentals of commercial vessels for pleasure purposes

VAT

Since 15 July 2013, rentals of commercial vessels for pleasure purposes have been subject to VAT:

“The exemption does not apply to rental and charter operations that consist, in return for payment, of making a vessel with or without crew available to persons for the purpose of pleasure voyages, including when this voyage is on the high seas, and who do not themselves assign the vessel to a paid activity (CJEU, case No. C-116/10, Bacino Charter Company SA, of 22 December 2010). These rental and charter services offered for the needs of pleasure voyages are therefore subject to VAT in accordance with

the rules of the common law determined for the needs of recreational vessels for private use.” (BOI-TVA-CHAMP-30-30-30-10 No. 115).

The taxation applies:

- to short and long term rental contracts (leasing);
- to rentals to persons not subject and subject to VAT when the latter do not themselves assign the vessel to a paid activity.

Short term rental (less than or equal to 90 days)

Rules for territoriality applicable to short term rentals to lessees subject and not subject to VAT.

Irrespective of whether or not the client is subject to VAT, French VAT applies when the vessel is made available in France (art. 259 A [1°] a of the general taxation code).

The place in which the vessel is made available is the location where the lessee or a third party acting on his behalf, which includes the crew, takes physical possession of the vessel.

Long term rental (leasing)

Rules for territoriality applicable to short term rentals:

- **If the client is not subject to VAT** (private individual):
 - article 259 A 1° b: French VAT if the vessel is effectively made available in France and the service is provided by the service provider from the head office of its business activity or from a permanent establishment located there. VAT is payable in the Member State where the service provider (leasing company) is based and the vessel made available;

– **If the client is subject to VAT** (company):

– VAT for the location in which the lessee has its business head office.

Which department to declare to : <http://www.impots.gouv.fr/portail/dgi/public/contacts?pageId=contacts&sfid=07>

Rules common to short and long term rentals

The rate of VAT applicable is the standard rate of 20%.

However, the law allows for a reduction to the taxable base in relation to the time spent outside of territorial waters.

BOI-TVA-20-50-20 No. 90 (the current published version must be updated due to the new territoriality rules applicable to service provisions since 2010).

With regard to the rental of recreational vessels, the time spent outside Community territorial waters in relation to the recreational vessel's total rental time must be assessed by the person liable for taxes under his responsibility and subject to the tax authority's right to inspect. This assessment, which can result from the terms of the rental contract, must be corroborated by all means of evidence.

However, lessees who experience difficulties conducting this assessment are permitted to determine the time spent outside Community or French territorial waters on a flat-rate basis by applying a reduction of 50% to the total rental time, irrespective of the category of recreational vessel concerned.

The conditions for determining this rebate are set out in the Official public finances bulletin (BOFIP).

Who is liable for VAT on rental?

Short term rentals

● **If the client is not subject to VAT** (private individual):

– The party liable for VAT is the service provider (vessel owner/operator or intermediary):

– If the service provider is based in a third country: it must appoint a fiscal representative in France who will pay the VAT in its place.

– If the service provider is based in another Member State or in a third country that has entered into an agreement with France to assist in recovering tax claims (Argentina, Australia, Azerbaijan, Georgia, Iceland, India, Mexico, Moldova, Norway, Republic of Korea, Saint Barthélemy): it has to be identified for VAT purposes in France and pay the VAT directly; to this end it can also appoint a representative responsible for completing the declaration formalities. The competent department for receiving the declarations is the non-residents tax office, 10, rue du Centre, 93465 Noisy-le-Grand.

● **If the client is not subject to VAT:**

– VAT is payable by the service provider if it is based in France;

– If the service provider is not based in France, the VAT must be paid by the liable lessee if it is based in France or has a VAT identification number in France (art. 283,1 of the general taxation code);

– If neither the service provider nor the liable lessee are based in France and the liable lessee does not have a VAT identification number in France, the VAT must be paid by the service

provider who must register for VAT in France or appoint a fiscal representative in France if it is based in a third country.

Long term rentals

- If the client is not subject to VAT (private individual):
 - The VAT must be paid by the leasing company.
- If the client is subject to VAT:
 - The VAT must be paid by the leasing company if the parties are based in France;
 - The VAT must be paid by the liable lessee if he is based in France or registered for VAT in France and the leasing company is not based in France.

Brokers' commission

As a result, brokers' commission is no longer VAT-exempt as it pertains to a taxable operation.

These services are subject to VAT in France when the lessee is liable and has the head office of its business activity or a permanent establishment at which the services are provided in France (art. 259 [1°] of the general taxation code). If taxed in France, the base upon which VAT is payable benefits from the same rebate as the rental service (art. 263 of the general taxation code).

Payment of VAT in another EU Member State

A service provider based in France can directly pay the VAT in the Member State in which it is due. To do this, it must register for VAT in that country and submit its declarations there.



Find the regulations in force in certain EU countries:
Refer to the RIF website:
<http://www.rif.mer.developpement-durable.gouv.fr/tva-applicable-r70.html>

Everything you need to know about the intracommunity VAT number

<http://vosdroits.service-public.fr/...>

Checking an intracommunity VAT number

The VAT information exchange system (VIES) allows companies to obtain confirmation of the VAT number of a commercial partner inside the European Union. It is strongly recommended to check the identification number of all commercial partners.

http://ec.europa.eu/taxation_custom

Other VAT exemptions

The other exemptions set out in article 262-II of the general taxation code (acquisition, maintenance, repair and victualling) are still applicable if the vessel fulfils the following three conditions:

- registration for commercial activities;
- presence of a permanent crew;
- assignment to a commercial activity.

The exemption also applies to services provided for the direct needs of vessels that fulfil the three conditions for exemption. These services are listed in article 73 B of appendix III of the

general taxation code: pilotage, towage, mooring, use of port facilities, maintenance operations on the vessel and on board equipment, storage, safety inspections, technical assessments, etc.

Evidence to be provided by parties subject to VAT conducting exempt operations for the needs of commercial sea vessels

The suppliers and service providers concerned must comply with certain special invoicing rules and keep evidence in support of their accounts. They must therefore:

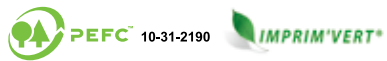
- state in their invoices the name of the vessel and the references relating to its commercial registration (registration or subscription number with the authority that issued the registration or registered the subscription in the case of a recreational vessel flying a foreign flag or the name of the vessel, the numbers and date of the French flag deed of registration for vessels flying the French flag);
- hold in support of their accounts a copy of the certificate of registration in the category of commercial vessels, or any document that constitutes evidence of commercial registration in accordance with the legislation whose flag the vessel flies when it is foreign.

Also refer to:

- Ministry of Ecology, Sustainable Development and Energy:
www.developpement-durable.gouv.fr
- Ministry of the Economy and Finances:
www.economie.gouv.fr
- National association for disabled mariners (ENIM):
www.enim.eu
- Maritime family allowances fund (CMAF):
www.camf.fr
- National frequency agency (ANFR):
www.anfr.fr

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