

CYPRUS SHIPPING...leading positive change

PROSPECTS & CHALLENGES



Business Forum

Tel Aviv - 10 November 2022



Republic of Cyprus



Shipping Deputy Ministry



Cyprus Shipping in numbers



CY FLEET



1.7% of Global Fleet
9.5% of EU Fleet

CY SHIPPING REGISTRY



2022

1100 ocean going vessels out of a total
1700 ships, Gross Tonnage 23.8 million

SHIPMANAGEMENT

Cyprus:

The largest third-party
shipmanagement center in Europe
and amongst the top 3 worldwide.

CONTRIBUTION TO
CY ECONOMY
(income on GDP)



Shipping companies registered under the
CY Tonnage Tax System:



People employed in the
CY shipping sector

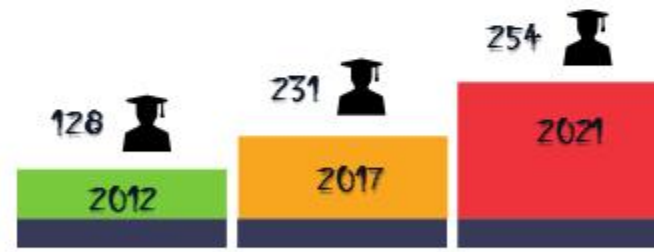


Seafarers working onboard CY
flagged ships



55000

Cypriot Students
at the CY + EL Marine Academies



Republic of Cyprus



Shipping Deputy Ministry

Vision

Cyprus to be a significant and influential actor leading positive change in global shipping and an attractive maritime center striving for sustainable growth and excellence.



www.cyshippingstrategy.com



- ❑ Focuses on three strategic pillars: **Sustainability, Extrovert** and **Adaptability**
- ❑ Introduces a more **interactive** and **innovative** way that the Shipping Deputy Ministry functions and offers its services to its clients.
- ❑ Comprises of **35 Sustainable actions** with a timeframe of implementation aiming, among others, to:
 - ✓ Foster a Proactive Culture of Quality on Cyprus Flagged Ships
 - ✓ Provide a Responsive, Fast, Efficient and Seamless 24/7 Customer-orientated Service
 - ✓ Reward and Incentivize “Greening” and Sustainable Investment
 - ✓ Respond to Maritime Cyber Risks
 - ✓ Create a “Curiosity” Culture for Shipping
 - ✓ Ensure Adequate Training and Training and Skills for Seafarers
 - ✓ Promote the Provision of Efficient and Effective Maritime Services
 - ✓ Create a Culture for Seafaring, Maritime and Blue Professions
 - ✓ Promote Connectivity and a Safer, Greener, and Accessible-To-All Coastline



Decarbonizing Shipping

...at national level

- ☐ Reward efforts to proactively reduce the greenhouse gas emissions through the introduction of **Green Tax Incentives**.
- ☐ Provision of funding tools and programs to encourage research and innovation for cleaner shipping through the establishment of a “**Research Innovation Shipping Environment (RISE)**”
- ☐ Encouraging and facilitating shipowners flying the Cyprus flag to take proactive action by **conducting trials using alternative fuels** such as Biofuels and Hydrogen

...at European & global level

- ☐ **Actively involved to the deliberations** in order to formulate a broad and diverse set of actions required to achieve emissions reduction targets. This involves a combination of measures, including the adoption of cleaner fuels, the deployment of relevant fuel infrastructure, electrification of ships, and the use of energy efficiency technologies.
- ☐ Signatory to the “**Declaration on Zero Emission Shipping by 2050**” and to the “**Green Shipping Challenge**” Initiative launched at COP27.



SHIPPING DEPUTY MINISTRY

Digital Transformation

- ❑ Creating the framework conditions for **“One-Stop-Shipping-Centre”**
- ❑ Adoption of a regulatory and administrative framework for the incorporation of **Shipping Company**
- ❑ **Digital transformation of all SDM Services** through a project co-financed by EU's NextGeneration Resilience and Recovery Facility

Timeframe

- Jan 2022 Launch of Tender procedure
- July 2022 Signing of the contract and implementation of agreement
- **Jan 2024 Completion of the digitalization procedure – paperless environment**

First Deliverables by Jan 2023:

- ✓ **SDM MobileApp**
- ✓ **e-Helpdesk**
- ✓ **e-Maritime Library**



SHIPPING DEPUTY MINISTRY

Digital Transformation: One-Stop-Shipping-Shop

Benefits for Stakeholders



Faster
application



Transparent



Paperless
Environment



Multiple
Channels



Helpdesk



Modern
Design



User Friendly

System Architecture

Secure Login

- Ariadne (gov.cy) Gateway
- Worldwide
- Access via tablet mobile application

Business Logic

- Advance Workflows
- Rules Engine
- Combine Data

External Systems

- Treasury
- JCC-electronic Signatures
- Credit Card Clearing services

Business Intelligence tools

- Number of applications completed
- time of completion
- nr of pending applications, for how long



SHIPPING DEPUTY MINISTRY

Demonstrating Regional Leadership

...through a concrete proposal that aspires to

- raise standards on **maritime safety**
- and the protection of the **marine environment**
- and to ensure a harmonized approach across the Mediterranean.

loyd's List

Cyprus urges expansion of Mediterranean inspection regime

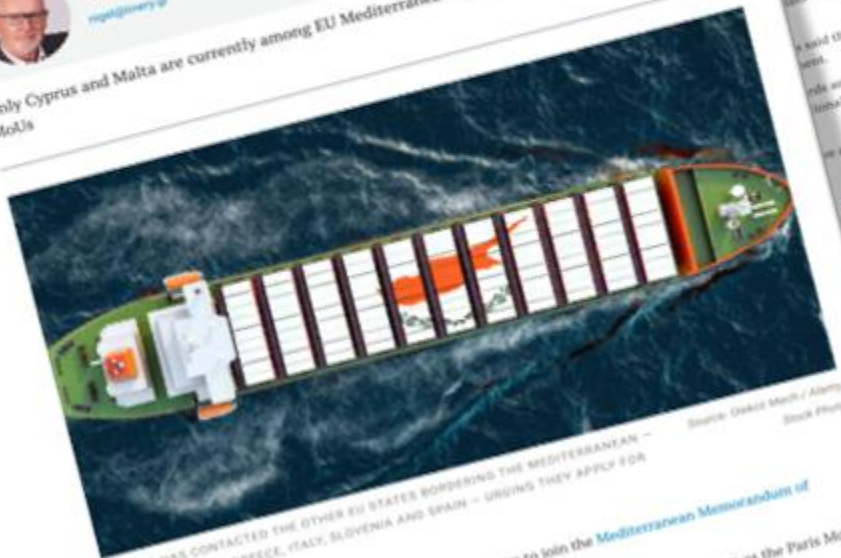
Harmonising port state control standards and the experience brought by Paris MoU officers can only improve safety in the region, Cyprus says

23 Mar 2022 NEWS



by Nigel Lavery
nigel@lavery.co.uk

Only Cyprus and Malta are currently among EU Mediterranean countries which belong to both MoUs



Source: Greek Mail / Agency Stock Photo

CYPRUS HAS CONTACTED THE OTHER EU STATES BORDERING THE MEDITERRANEAN — CROATIA, FRANCE, GREECE, ITALY, SLOVENIA AND SPAIN — URGING THEY APPLY FOR MED MOU MEMBERSHIP.

IT IS in the "best interests" of all European Union members to join the [Mediterranean Memorandum of Understanding](#) on Port State Control, according to Cyprus.

All EU countries with sea borders belong to the European port state control regime, known as the Paris MoU.

Mediterranean — Croatia, France, Greece, Italy, Slovenia

Denmark leads Paris MoU performance white list

By Niklas Bakholm
16 Jun 2021

Cameroon, Togo and Comoros feature at the bottom of the black list, ranked as medium-to-high risk, while Albania is categorised as high risk.

[Read the full article here](#)

Officers of Paris MoU port state control officers "can only do so much" if there was a joint responsibility in the region to ensure that standards are met, he said.

He said there was a joint responsibility in the region to ensure that standards are met, he said.

He said there was a joint responsibility in the region to ensure that standards are met, he said.

Paris MoU will not rule immediately on exemptions to data restrictions

By Anastassios Adamopoulos
21 Dec 2018

The port state control authority confirms that restrictions to bulk data beginning in 2019 include LACE.

[Read the full article here](#)

A sulphur emissions control area comes into force in the Mediterranean from the start of 2025.

"We will ensure the highest level of safety in the region," he said.



SHIPPING DEPUTY MINISTRY

Why Cyprus Shipping!

Leading Maritime Centre

- ✓ The largest third party ship management centre in Europe and among the top 5 in the world
- ✓ Leading maritime cluster encompassing the full range of shipping and shipping related activities
- ✓ Comprehensive and favourable Tonnage Tax System approved by the European Union, applicable to Ship Owners, Charterers and Ship managers
- ✓ Expertise in Shipmanagement, Chartering and Shipowning activities
- ✓ Provision of quality and professional services to the shipping industry
- ✓ Excellent cooperation and relationship between private and public sector
- ✓ Member of the IMO Council since 1987
- ✓ Well structured, organized and represented shipping community
- ✓ Low cost of doing business
- ✓ High skilled and multilingual shipping workforce
- ✓ Autonomous Shipping Deputy Ministry



SHIPPING DEPUTY MINISTRY

Why Cyprus Shipping!

Cyprus Flag

- ✓ 11th largest fleet worldwide
- ✓ 3rd largest fleet in the EU
- ✓ European Flag with long tradition
- ✓ Simplified Registration Procedures
- ✓ NO Registration and Mortgage Fees
- ✓ Competitive fees and dues
- ✓ EU approved favourable Tonnage Tax System
- ✓ White list of Paris and Tokyo MOUs
- ✓ Signatory to all international maritime conventions on safety and pollution prevention
- ✓ NO nationality restrictions for Seafarers
- ✓ 24/7 Quality Service
- ✓ Web based services
- ✓ Strong representation in important shipping centers
- ✓ More than 25 Bilateral Agreements on Merchant Shipping
- ✓ Full protection of financiers and mortgagees
- ✓ Strong involvement in international shipping fora (IMO, ILO and EU)



SHIPPING DEPUTY MINISTRY

Why Cyprus Shipping!

Cyprus Tonnage Tax System

- ✓ EU approved simplified Tonnage Tax System (i.e. no connection to corporate tax)
- ✓ Taxed on the Net Tonnage of the ships, instead of on the actual profits
- ✓ Available to Owners of Cyprus ships, Owners of Foreign ships, Charterers and Ship managers
- ✓ Owners of Cyprus Ships fall automatically within the scope of the TTS (no need to exercise an option)
- ✓ Environmental Incentives providing for Reduction of Tonnage Tax up to 30% for qualifying owners of Cyprus and Community ships using mechanisms-equipment for environmental preservation of marine environment and reduction of the effects of climate change



Why Cyprus Shipping!

Tax Exemptions

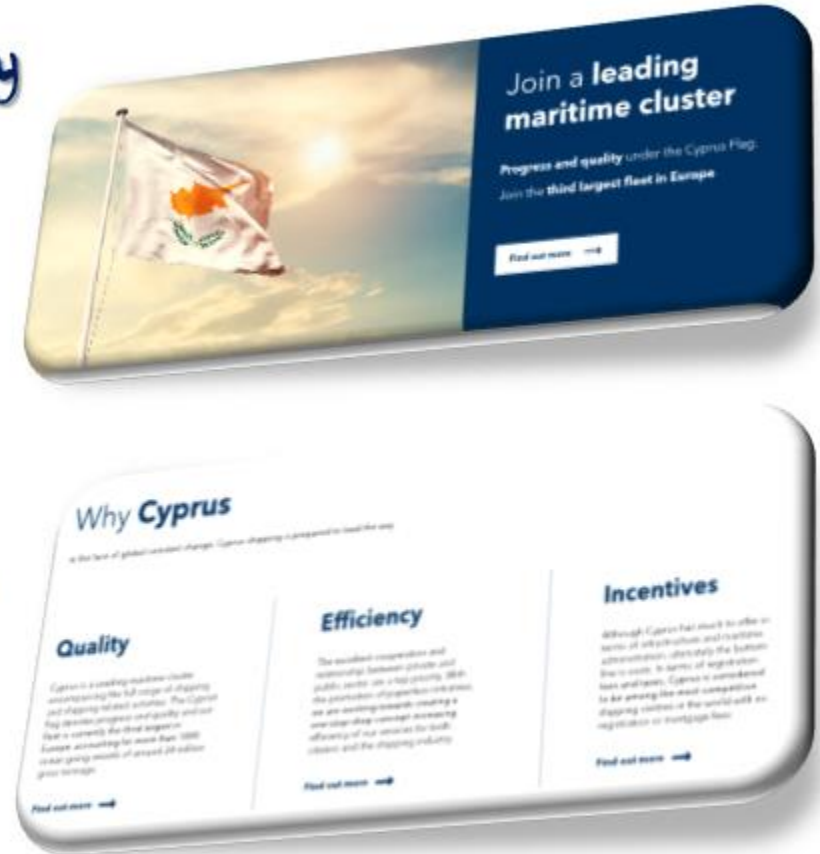
- ✓ NO TAX on income derived from the operation of qualifying ship(s) engaged in qualifying activity
- ✓ NO TAX on the income or profit made from the sale of a qualifying ship
- ✓ NO TAX on dividends paid to shareholders out of profits made from the operation or from the sale of qualifying ship(s)
- ✓ NO TAX on income derived from the management of a qualifying ship
- ✓ NO TAX on dividends paid to shareholders out of profits made from the management of a qualifying ship
- ✓ NO TAX on bank interest earned on working capital of a qualifying ship
- ✓ NO TAX on the salary or other benefits of eligible seafarers on board a qualifying EU ship



Why Cyprus Shipping!

Service-Reliability, Service and Problem Solving Capacity

- ✓ Effective and flexible Maritime Administration
- ✓ Customer oriented approach and personal contact with customers
- ✓ Efficient & Reliable Service 365 days per year
- ✓ Competent officers & surveyors available 24/7
- ✓ Offices in: Limassol, Hamburg, New York, London, Piraeus, Rotterdam and Brussels
- ✓ ISO- Quality Certification for the Flag State activities
- ✓ Provision of online services:
 - E-Registration for ships (online applications)
 - E-Verification of Cyprus Registry Certificates
 - eSAS - Web services for the registration of seafarer and the recognition of certificates of competency
 - "Seafarers Career Information System" (SCIS) - A career database to facilitate the employment of seafarers



Responding effectively to Crises – COVID-19

Cyprus was one of the first countries worldwide that recognized seafarers as key workers and implemented a formal crew change process. Cyprus is globally acknowledged for its social responsibility and active contribution to the humanitarian crisis that the sector faced, through the support, development and implementation of practical and coordinated solutions to crew challenges since the advent of COVID-19.

at national level

- ❑ Crew changes and repatriation of over **65000 seafarers** from Cyprus
- ❑ Implementation of a national vaccination plan to cover **40000 seafarers**

at global level

- ❑ Cyprus was the only state that proposed a **global vaccination program** for seafarers which was adopted in the form of an ILO Resolution in April 2021



ΥΦΥΠΟΥΡΓΕΙΟ ΝΑΥΤΙΛΙΑΣ

Responding effectively to Crises – Ukraine War

- ❑ Cyprus introduced, in collaboration with the Central Bank and all the Banking Institutions a **fast-track process for seafarers affected by the war in Ukraine to open bank accounts**, access their salaries and pay bills, which were hindered after Russia's invasion triggered sanctions on banks.
- ❑ **Provision of guidance, recommendations and clarifications** to the shipping industry on the implementing framework of the EU sanctions against Russia through Sanctions Information Notices available online.
- ❑ **Active participation to the EU deliberations** for the formulation of sanctions in order to ensure:
 - a **level playing field** taking into account the specificities and the international character of the shipping sector
 - **effective, strict and uniform application.**



ΥΦΥΠΟΥΡΓΕΙΟ ΝΑΥΤΙΛΙΑΣ

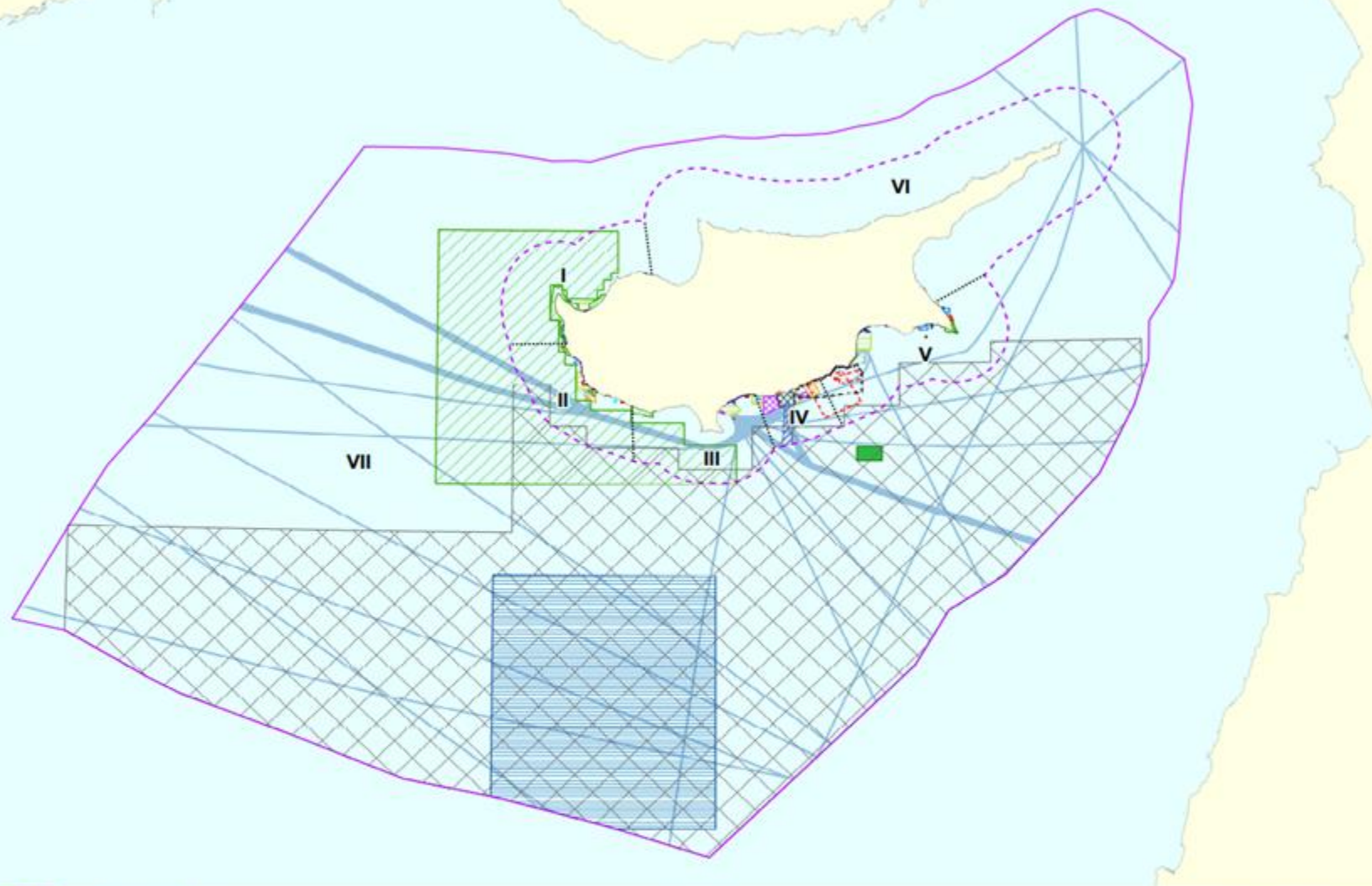
Maximizing the Growth Potential of our Seas in a Sustainable way

- ❑ Formulating Cyprus' **Maritime Spatial Plan** – a key cross-cutting tool of our **National Integrated Maritime Policy** promoting a holistic approach of the **Blue Economy** Sectors.
- ❑ The **Maritime Spatial Plan (MSP)** is the process by which a country analyses and organizes human activities in its marine areas to achieve ecological, economic and social objectives. It is a valuable instrument for sustainable development of marine areas and coastal regions and contributes to the objectives of an ecosystem based management approach. MSP covers the whole sea area of Cyprus (territorial sea and Exclusive Economic Zone). **It is anticipated that Cyprus's maritime spatial plan will be finalized and we will be ready to receive applications for projects in Cyprus' marine waters by March 2023.**



Maritime Spatial Plan

Spatial Area VII (Territorial Sea + EEZ)



MARITIME SPATIAL PLAN SPATIAL AREA VII

SCALE 1:1 200 000
Positions are referred to World Geodetic System
1984 Datum
Projection: UTM Zone 36 N
Source: The Geographical Database of the
Department of Lands and Surveys.

- Outer limits of the Exclusive Economic Zone
- 12 NM Limit
- District boundary
- Spatial area boundary
- Coastal erosion protection works zone
- Scientific research and testing zone

- Military activities zone - Exclusion zone
- Military activities zone
- Desalination water protection zone
- Marine antiquities protection zone
- Fishing prohibition zone
- Maritime transport route

LEGEND

- Port activities zone
- Dredging material dumping area
- Hydrocarbon exploration, exploitation and extraction zone
- Energy centre zone
- Energy pipelines routing zone
- Proposed RES investigation area

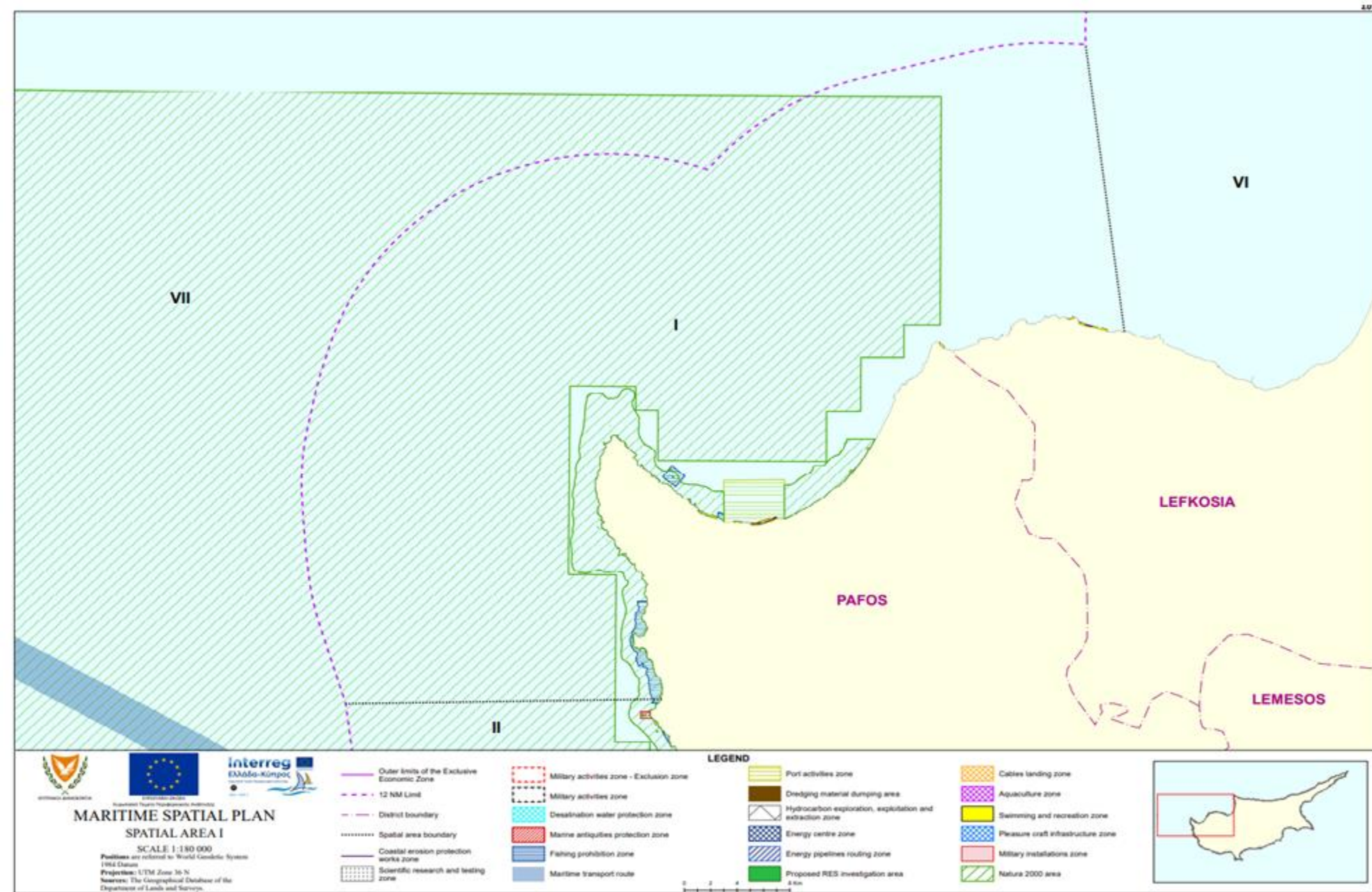
- Cables landing zone
- Aquaculture zone
- Swimming and recreation zone
- Pleasure craft infrastructure zone
- Military installations zone
- Natura 2000 area



SHIPPING DEPUTY MINISTRY

Maritime Spatial Plan

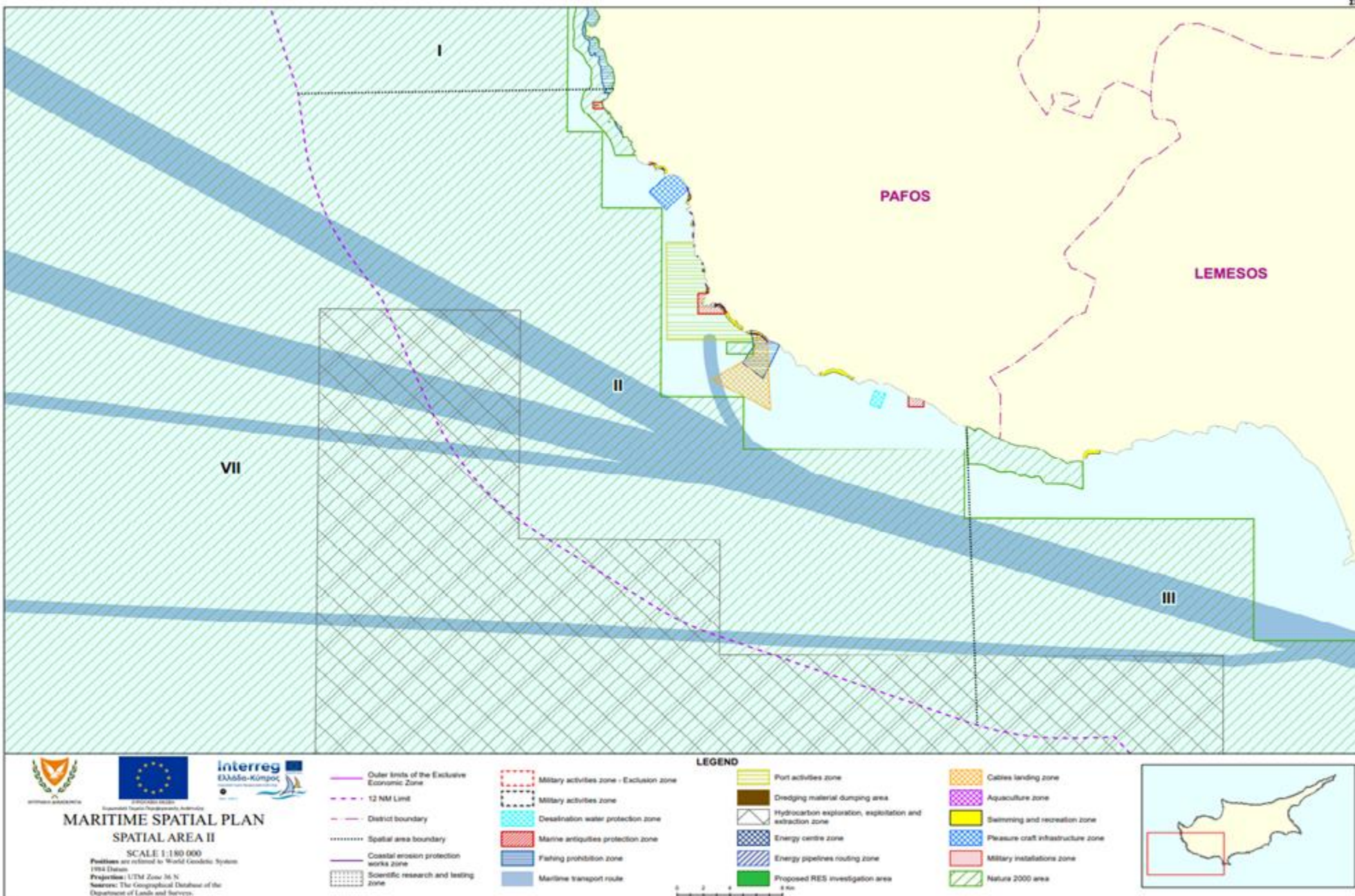
Spatial Area I (North-West)



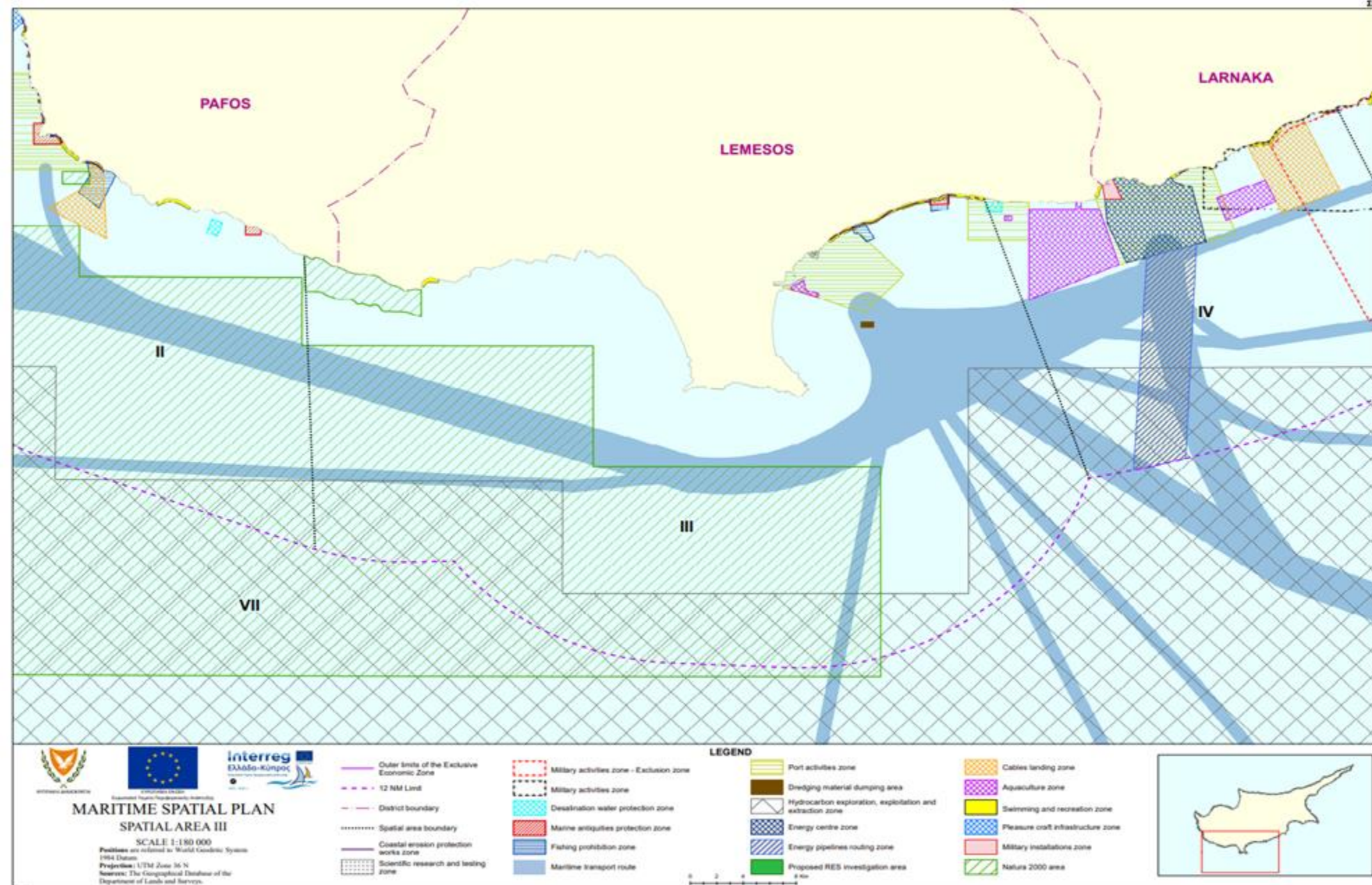
SHIPPING DEPUTY MINISTRY

Maritime Spatial Plan

Spatial Area II (South-West)



SHIPPING DEPUTY MINISTRY

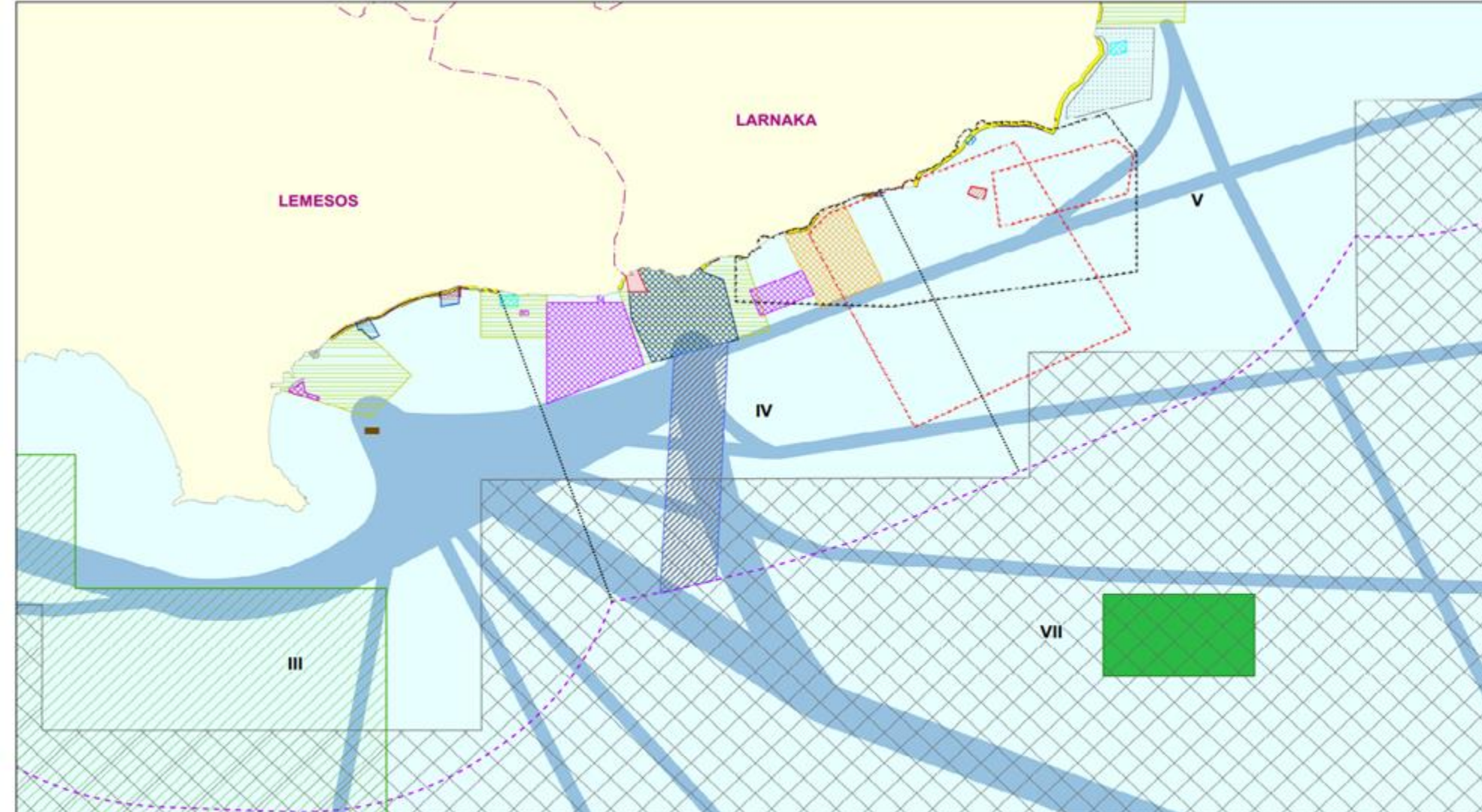


Maritime Spatial Plan

Spatial Area III (South)



SHIPPING DEPUTY MINISTRY

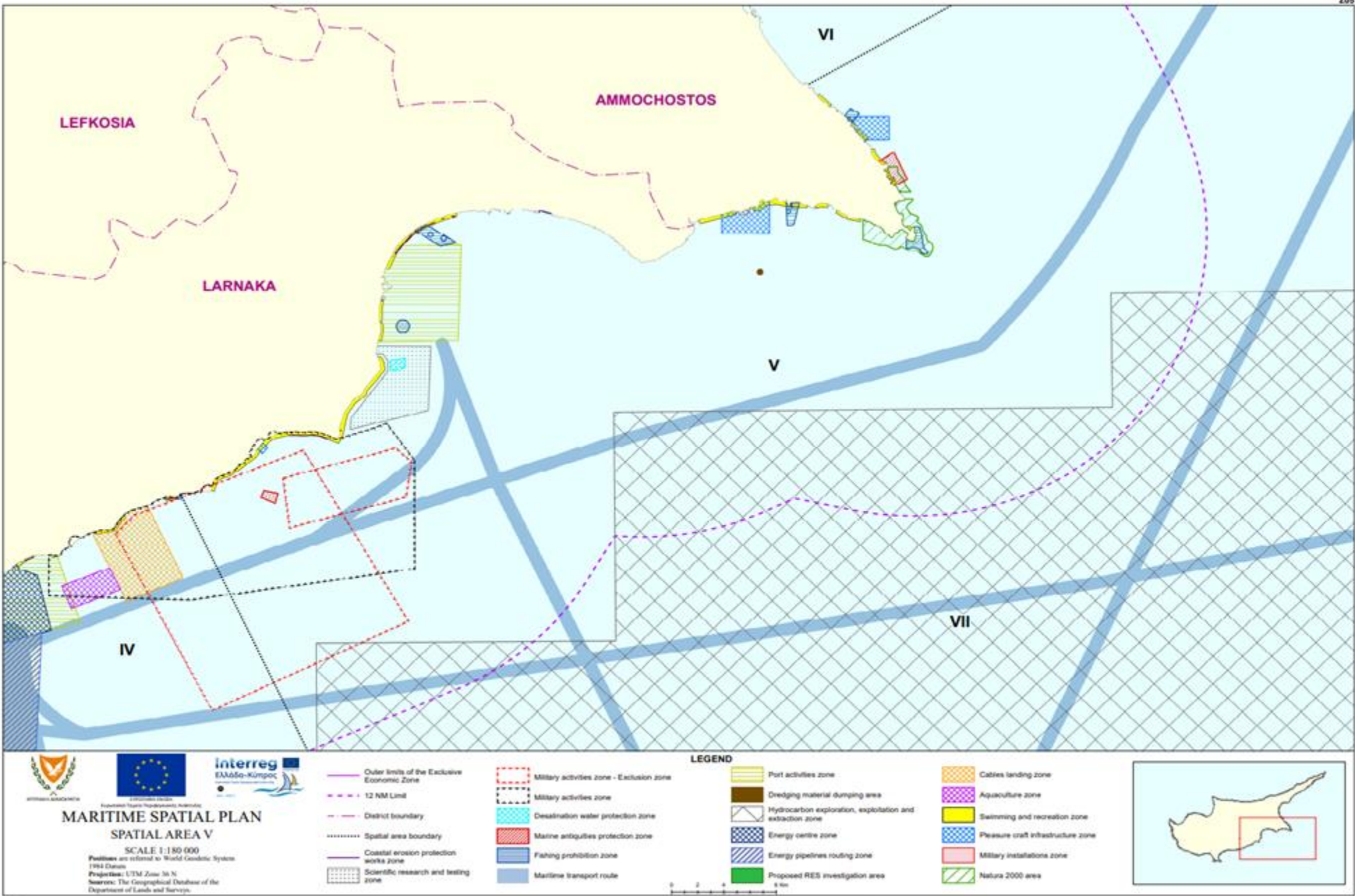


Maritime Spatial Plan

Spatial Area IV (South-East)

LEGEND





Maritime Spatial Plan

Spatial Area V (East)



Maritime connectivity with continental Europe & neighboring regions

- ❑ Reinstating a maritime passenger link between Cyprus and Greece, after a 21-year hiatus.
- ❑ Providing alternative connectivity to our citizens, strengthening the potential of maritime tourism between Cyprus and continental Europe.
- ❑ **Seasonal service subsidized by the Cyprus Government** for at least **3 years (2022-2024)** with a possibility to prolong the subsidy until 2027, with **22 return sailings** from Limassol to Piraeus scheduled over the summer period from May/June to Sep/Oct.
- ❑ Performance of the Service during the period June-Sep 2022
 - **7412 passengers** travelled with the CY-EL ferry link
 - **1946 cars/motorbikes** transported



*Exploring the possibility to
extend the ferry link to Israel
promoting maritime tourism
between the two countries!*



SHIPPING DEPUTY MINISTRY

Cyprus incentivizes Registration for Yachts & Mega Yachts

2021

- ❑ Introduction of technical standards as part of the Ship Registration Policy, designed to attract quality yacht and mega yacht owners to the Registry of Cyprus ships and to increase safety standards. The technical standards apply to the following categories of yachts and mega yachts:
 - i. **Motor or sailing vessels used for pleasure and engaged in trade**, of more than 24 meters in load line length and below 500GT carrying up to 12 passengers. Sail training vessels are also included in this category.
 - ii. **Motor or sailing vessels considered to be pleasure vessels not engaged in trade**, of more than 24 meters in load line length and below 500GT carrying up to 12 passengers.
 - iii. **Vessels used for pleasure and engaged in trade**, carrying from 13 up to 36 passengers.

2023

- ❑ In the process of formulating a holistic and effective legislative and administrative framework to further develop the sector of pleasure vessels for public and private use.



SHIPPING DEPUTY MINISTRY



Exploring Maritime & Shipping Cooperation

Cooperation in all available forms (G2G – G2B – B2B)

- ✓ Exchange best practices and/or engage in common projects in the areas of shipping (Decarbonization, Digitalization, Cyber Security, Safety, Autonomous Ship Operations, Greening and Optimization of ports).
- ✓ Enhance cooperation in all regional and international fora (e.g. IMO, ILO, REMPEC, UfM, Med MoU on PSC).
- ✓ Promote cooperation on maritime safety, protection of the marine environment, maritime education and training, Research & Innovation on Blue Economy and shipping.
- ✓ Promote alternative connectivity and maritime tourism between the two countries.



SHIPPING DEPUTY MINISTRY





Exploring Maritime & Shipping Cooperation

Cooperation in all available forms (G2G – G2B – B2B)

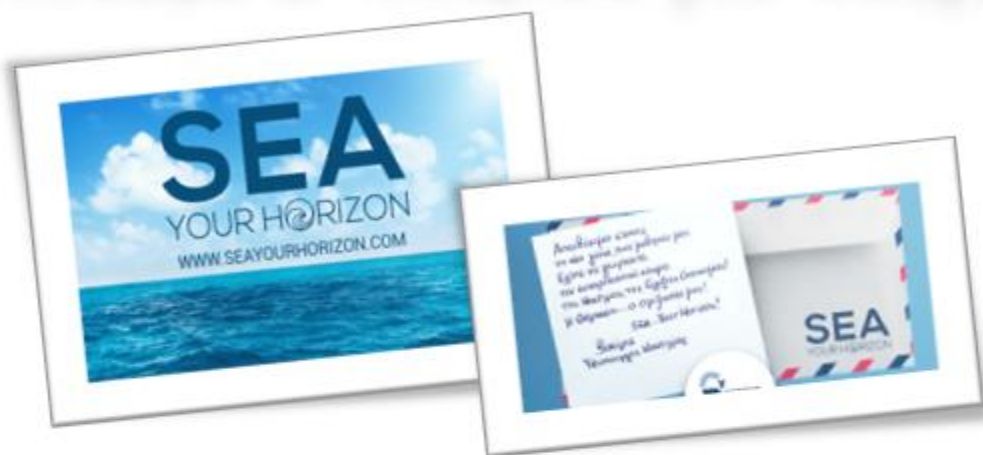
- ✓ Explore investment opportunities in the framework of Blue Economy through the implementation of the Maritime Spatial Plan (e.g. Energy, Aquaculture; Offshore Renewable Energy; scientific research)
- ✓ Explore business opportunities in the areas of cruising and yachting
- ✓ Explore business opportunities on shipmanagement, maintenance and repairs, marine equipment on ships operating in the region.
- ✓ Explore EU funding opportunities (e.g. BlueInvest Fund, Green Deal Investment Plan, INTERREG MED Program)



SHIPPING DEPUTY MINISTRY



Create a Culture for Seafaring, Maritime and Blue Professions



- ❑ In 2021 the **“SEA...your Horizon”** campaign was launched in an effort to promote Blue Economy and shipping studies and professions through an interactive and innovative way to our secondary schools.

www.seayourhorizon.com

- ❑ A two-day sea/shipping experience event **“THALASSA, Sea to Live, Experience Shipping”**, was successfully organized in 2021 and 2022 bringing together more than 40 organizations related to sea and maritime aiming to promote a BLUE CULTURE to the civil society.



SHIPPING DEPUTY MINISTRY

Create a Culture for Seafaring, Maritime and Blue Professions

“Let’s DISCO” (Dive-Into-Shipping-Career-Opportunities):

A campaign to promote maritime studies and professions to secondary schools

- A Committee for the Development of Maritime Culture and the Promotion of Maritime Studies and Professions is established chaired by the Shipping Deputy Minister bringing together the shipping community of Cyprus to share our love and passion for shipping to the young generation!
- A Mentoring Team of 16 young shipping professionals is available to provide guidance and share knowledge and experience with children, parents and teachers.



SHIPPING DEPUTY MINISTRY

Breaking Gender Stereotypes in Maritime Industry!

Cyprus promotes Gender Equality by introducing a new term in shipping terminology...

WOMANNING SHIPPING!



SHIPPING DEPUTY MINISTRY

European Maritime Day



#EMD2026



Limassol
20 May 2026



SHIPPING DEPUTY MINISTRY



"Cyprus Open Maritime Exchange" (C.O.M.E) Platform

- C.O.M.E is an online communication and engagement platform that will enable shipping industry stakeholders, including non-governmental organizations and all other actors involved in the maritime transport and supply chain, as well as the civil society, to exchange views on current maritime affairs and emerging issues.



www.comeshipping.com.cy



SHIPPING DEPUTY MINISTRY

Thank you!



Republic of Cyprus



Shipping Deputy Ministry