

Loss Prevention 03 May, 2023

## Puerto Rico – Rejection of Electronic Certificates of Registry at Port of Ponce



The United States authorities at the Port of Ponce, Puerto Rico, have recently been rejecting electronic Certificates of Registry and demanding that vessels present the original hard copies during customs clearance procedures.

The position taken has caused significant delays for some vessels and resulted in the assessment of a Special Tonnage Tax, which must be paid before the ship can engage in cargo operations.

As a USA territory, Puerto Rico falls under the jurisdiction of US maritime laws and regulations, meaning that vessels calling at the Port of Ponce must comply with the new requirement. However, US Customs authorities at other ports in Puerto Rico continue to accept electronic Certificates of Registry without any issues.

The situation has caused concern among members of the local maritime industry, including the Club's local correspondent, JGL Attorneys at Law. They have filed a Petition for Remission and Refund of Special Tonnage Tax on behalf of a vessel that had previously used electronic Certificates of Registry without any complications at other US ports.

The petition argues that the United States is a member of the International Maritime Organization (IMO) and that clear guidelines are in place to ensure the reliability of electronic Certificates of Registry. It also notes that multiple countries, including the US, regularly accept such certificates and that some flag states have issued only electronic Certificates of Registry for several years.

Following the petition, US Customs in Washington has ordered Customs Ponce to desist from its practice of rejecting e-Certificates and to refund the Special Tonnage Tax assessed and collected from the vessel.

JGL Attorneys at Law advise all Members with ships calling at the port of Ponce to communicate early on with their local agents to confirm what requirements are in place regarding the presentation of Certificates of Registry during customs clearance procedures. They also stated that they will continue to monitor the situation and provide updates as more information becomes available.

Members requiring further guidance should contact the Loss Prevention Department.

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