

**RULES
FOR THE CLASSIFICATION OF
SHIPS**

*Part 5 – SUBDIVISION
January 2020*

*Amendments No. 3
January 2024*

CROATIAN REGISTER OF SHIPPING

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By the decision of the General Committee of Croatian Register of Shipping,

Amendments No. 3 to the
RULES FOR THE CLASSIFICATION OF SHIPS
Part 5 – SUBDIVISION

have been adopted on 18 December 2023 and shall enter into force on 1st January 2024

GENERAL TERMS AND CONDITIONS

(March 2022)

Article 1 GENERAL

1.1 CROATIAN REGISTER OF SHIPPING (hereinafter: the *Register*) shall at all times remain an independent contractor and neither the *Register* nor any of its officers, surveyors, auditors, inspectors, agents, appointers, officers or managers shall act as an employee, servant or agent of any other party in the performance of the Services rendered by the *Register*.

1.2 The *Register* acts as a service provider. The Services provided by the *Register* cannot be construed as a commitment by the *Register* to achieve any result or as a warranty.

1.3 The provision of Services is subject to these General Terms and Conditions. No other terms and conditions shall apply, either expressly or by implication, unless expressly agreed in writing between the Parties.

1.4 These General Terms and Conditions shall be incorporated into, or referred to in any Contract and shall prevail over and exclude any other terms and conditions that the Client may wish to impose.

Any amendments to and/or deviations from these General Terms and Conditions, as well as any additional terms and conditions of the Client, shall be binding or valid only if set forth in writing and duly signed by the authorised representatives of both Parties.

1.5 The invalidity of one or more provisions of these General Terms and Conditions shall not affect the remaining provisions.

1.6 The Client acknowledges that the latest version of these General terms and Conditions and the latest version of applicable Rules apply to the Services provided by the *Register*.

1.7 Definitions in these General Terms and Conditions take precedence over other definitions that may appear in other documents issued by the *Register*.

1.8 The Client should at all times be aware of the provisions of these General Terms and Conditions, as they may be further amended, with their latest up to date version available on the web site of the *Register*.

Article 2 DEFINITIONS

2.1 **Certificate** means either a class certificate or statutory certificate, statement, attestation, statement of compliance, and a report following the Services provided by the *Register*.

2.2 **Certification** means the activity of certification in application of international and national standards and international industry practice provided by the *Register*.

Certification is an appraisal given by the *Register* to the Client and cannot be construed as an implied or express warranty of safety, fitness for purpose, seaworthiness of the vessel or its value for sale, insurance or chartering.

The purpose of Certification is to provide classification and statutory services and assistance to the maritime industry, Flag State Administrations, and regulatory authorities relating to maritime safety and pollution prevention.

2.3 **Classification** includes all activities and Services provided by the *Register* in accordance with the Rules. Classification may or may not be accompanied by the issuance of a Certificate of class with reference to the Rules.

Certificate of class is valid only if issued by the *Register*.

However, Certificate of class should not be construed as a guarantee of the safety, fitness for purpose or seaworthiness of the vessel. It is merely an attestation that the vessel complies with the Rules developed and published by the *Register*.

In addition, the *Register* is not a guarantee of the safety of life or property at sea or the seaworthiness of a vessel because, although the classification of a vessel is based on the assumption that the vessel will be properly loaded, operated, and maintained by competent and qualified personnel, the *Register* has no control over how a vessel is operated and maintained between the periodic surveys it conducts.

2.4 **Statutory certification** means certification made by the *Register* on behalf of the Flag State Administrations when and to the extent that the *Register* has been authorised to do so by the respective Flag State.

Statutory certification and services include the assessment of vessels registered by the Flag State and/or ship management companies to determine whether such ships/companies comply with the applicable requirements of international conventions, codes and national legislation, and the issuance of, or assistance in the issuance of, the appropriate certificates and documents.

Statutory certification includes, but is not limited to, certification, survey, and issuance of statutory certificates on behalf of the Flag State.

In cases where the *Register* acts on behalf of Flag State Administrations, the *Register* shall follow guidance issued by IMO (Resolutions, Circulars, etc.) or by IACS through Unified Interpretations (UI), unless otherwise directed by the Flag State.

2.5 **Client** means the shipowner, company, shipyard and/or party requesting Services or taking ownership of a classed vessel. In cases where shipowners have authorized another party to operate the vessel on their behalf, that party shall be considered as the company.

In addition to the above the Client means the person and/or entity that has requested Services from the *Register* and that has entered into a Contract or an agreement for Services with the *Register*.

2.6 **Parties** means the *Register* and Client together.

2.7 **Party** means the *Register* or the Client.

2.8 **Contract** means the contract in the form of a written agreement between the Client and the *Register* requesting Services, including these General Terms and Conditions and the Rules.

The provisions related to the Contract in these General Terms and Conditions shall apply even if there is no written agreement between the Client and the *Register*.

The Client may request the *Register* in writing to make a change to the contracted Services. However, the *Register* shall not be obligated to accept or execute any such change until a written agreement has been signed with the Client regarding the compensation and the possible impact of the change on the schedule as an addendum to the originally contracted Services.

2.9 **Services** shall mean the services specified in 2.2, 2.3 and 2.4, but also other services related to certification, classification and statutory certification, such as, but not limited to: ISM Code certification, ISPS Code, MLC 2006 certification, fuel oil consumption reporting, IHM certification, approval of manufacturers and service providers, certification of materials and products, training activities, conformity assessment, and any other relevant activities such as third party inspections, testing, shore and shipboard trials.

The Services provided by the *Register* are performed on a random basis and in no case include a full inspection of all items.

The *Register* shall provide the Services in accordance with related Contract(s), the provisions of these General Terms and Conditions, Rules, the international and national standards, the international conventions, the EU Regulations, the Flag State requirements and the industry practices applicable to the particular Service and always assuming that the Client is aware of these standards and the industry practices.

When providing Services, the *Register* does not guarantee the accuracy of the information or advice provided.

In providing Services, the *Register* does not assess compliance with standards other than the Rules, international and national standards, international conventions, EU regulations, Flag State requirements and industry practice, to the extent agreed in writing or specified in the Contract.

2.10 The *Register* means the Croatian Register of Shipping, an entity organized and existing under Croatian law, which, according to the Law on the Croatian Register of Shipping (Official Gazette No. 1996/81, 2013/76 and 2020/62) and the Charter of the *Register*, is an independent, not-for-profit, but public welfare oriented, public foundation that performs tasks:

- classification of sea-going ships,
- statutory certification of sea-going ships on behalf of the Flag State Administrations,
- classification of inland navigation vessels,
- statutory certification of inland navigation vessels,
- statutory certification of recreational crafts,
- certification of materials and products,
- conformity assessment of recreational crafts,
- conformity assessment of marine equipment,
- conformity assessment of pressure vessels,
- certification/registration of quality management systems.

2.11 **Vessel** means a ship, vessel, unit or offshore structure of any kind, whether or not connected to the shore or sea/river bed, located at sea or in inland waters and intended for transportation or special operations on the water, as decided by the *Register*.

2.12 **Rules** means the Rules for the classification, guidelines, instructions, or other documented evidence of the *Register* related to the Services provided.

The competent interpretation of the requirements specified in the Rules or other regulations published by the *Register* shall be the exclusive responsibility of the *Register's* Head Office, notwithstanding any possible different interpretations by other parties.

In cases where the Rules do not contain detailed requirements, the specific approval by the *Register* shall be based on the principles of the Rules and shall ensure a safety standard equivalent to that of the Rules.

Article 3 RESPONSIBILITIES

3.1 It is the Client's responsibility to ensure that all surveys required for vessel's class maintenance are conducted in a timely manner and in accordance with the Rules.

3.2 The *Register* may suspend or withdraw the vessel's existing Certificate of class in the event of serious deficiencies and replace it with a new Certificate of class with a shortened period of validity during which the deficiencies are to be rectified.

In addition, the *Register* shall suspend or withdraw a vessel's Certificate of class if the deficiencies are of such a magnitude as to endanger the class of the vessel, its safety and integrity, the safety of the crew, passengers, or the marine environment, and shall require that the vessel is to be inspected at the first port of call where the necessary repairs are to be carried out.

3.3 The Client should inform the *Register*:

- (i) in the event of a change in the intended use of a vessel, a conversion and alteration of the hull, machinery installations and other equipment affecting the Class of the vessel assigned by the *Register*. Conversions and alterations must be made under the supervision of the *Register* and must comply with the requirements of the Rules and/or additional requirements of the *Register*,
- (ii) in cases where the vessel has been damaged to such an extent that the Class of the vessel is likely to be affected and the safety and integrity of the vessel is likely to be compromised. In such cases, the vessel must be surveyed at the first port of call or as further directed by the *Register*. The survey shall be to the extent deemed necessary by the *Register*, by taking into account the extent of the damage.
- (iii) in cases where class-related deficiencies and/or defects are found as a result of a Flag State inspection or Port State Control. Should the Client fail to notify the *Register* of the detention of the vessel by Port State Authorities due to class related deficiencies, the *Register* reserves the right to suspend or withdraw the Certificate of class.

3.4 The *Register* shall have full control over Certificates issued and may suspend or withdraw a Certificate at any time in its sole discretion if the Client fails to comply with the following requirements set forth in the *Rules for the Classification of Ships, Part 1 - General Requirements, Chapter 1 - General Information*, as applicable:

- (i) para. 5.3 - *Maintenance of the validity of Certificate of Class*,
- (ii) para. 5.4 - *Period of Validity*,
- (iii) para. 5.5 - *Extension of the Period of Validity*,
- (iv) para. 5.6 - *Suspension and Reinstatement of Class in the Case of Overdue Surveys*, and
- (v) para. 5.7 - *Withdrawal of Class*.

3.5 The *Register* may suspend or withdraw a Certificate at any time in its sole discretion if the Client fails to comply with the following requirements set forth in the *Rules for the Classification of Inland Navigation Vessels, Part 1 - Classification and Surveys, Chapter I - Principles of Classification*, as applicable:

- (i) para. 2.8 - *Maintenance of the Validity of the Certificate of Class*,
- (ii) para. 2.9 - *Extension of validity of the Certificate of Class*, and following requirements set forth in the *Rules for the Classification of Inland Navigation Vessels, Part 1 - Classification and Surveys, Chapter II - Classification*, as applicable:
- (iii) para. 2.1 - *Suspension of Class*,
- (iv) para. 2.2 - *Withdrawal of Class*.

3.6 In addition to clauses 3.2, 3.4 and 3.5 of this Article, the *Register* reserves the right to terminate the Services and related Contract in the event of a breach of the provisions of these General Terms and Conditions.

3.7 If the Client fails to provide the *Register* with the required access or information at the agreed times or fails to prepare for the Service in a timely manner, the *Register* may suspend the provision of the Service until it receives the Client's instructions for access and/or the required information.

The *Register* shall not be liable for the consequences of such suspension, and the Client shall be responsible for the *Register's* additional fees and other unnecessary costs and expenses incurred by the *Register*.

3.8 The Client is obliged to perform timely payments of the invoices for provided Services. However, the *Register* may retain or withhold any Service or Certificate to the Client in the case of outstanding payments, whether mutually related or not, arising out of the entire business relationship with the Client.

Article 4

HEALTH, SAFETY AND ENVIRONMENT

4.1 Both the *Register* and the Client shall apply reasonable standards to promote safety, health, and environmental protection and to provide a safe working environment for their personnel.

4.2 The Client shall provide the *Register* with all access and information necessary for the safe and efficient performance of the requested Services as required by the Rules.

4.3 During the survey, personnel of the *Register* should have secure access to all work that directly or indirectly affects the Service.

4.4 The *Register* has the right to refuse to conduct an activity or visit an area or site if the *Register* in its sole discretion, believes that relevant risks are unacceptable or are not adequately addressed, contained, or otherwise mitigated.

Such a decision shall suspend the obligations of both Parties under the Contract without incurring any liability or penalty until the Parties agree on how to proceed.

Article 5

THIRD PARTIES AND SUBCONTRACTORS

5.1 Each specific Contract, including any Certificates issued, relates specifically to the Client, and no rights, obligations, interests, claims, benefits or Certificates issued shall extend to any third party without the prior written consent of the *Register*.

5.2 The Client shall not be entitled to grant any right to use the Certificates to any third party without the prior written consent of the *Register*.

5.3 The Client shall not without *Register's* consent, cede, assign, transfer, subcontract or deal in any manner with all or any of its rights or obligations under any Service and related Contract.

5.4 With regard to third party rights to access information and Certificates under confidentiality clause reference is to be made to Article 9.

Article 6

TAXES

6.1 Each Party shall be responsible for and shall bear all taxes, duties or similar governmental charges levied or imposed on any activity of that Party.

6.2 Prices, fees, rates, or remuneration are exclusive of any form of sales tax, value added tax, administrative fees and services tax and/or other similar taxes, including any surcharges. If any such indirect tax is or becomes applicable to the Services provided under the Contract, the Client shall be responsible for the payment of such indirect taxes.

Article 7

PAYMENT OF INVOICES

7.1 The provision of Services by the *Register*, whether complete or not, shall include payment of fees thirty (30) days after issuance of the invoice for the portion of the Services performed.

7.2 In the event that the Client fails to meet the requirements for payment in accordance with the instalments and terms of payment contained herein, the *Register* reserves the right to charge the Client with the interest rate in accordance with the applicable laws of the Republic of Croatia.

7.3 If the Client disputes an invoice or part of an invoice, the Client shall notify *Register* thereof in writing without undue delay. If no notification is received by the due date, Client shall be deemed to have accepted the invoice in full. If only part of an invoice is disputed, the undisputed amount must be paid by the due date.

Consequently, no disputes arising between the *Register* and the Client shall interfere with prompt payment of invoices by the Client. Any rights of lien or retention in favour of the Client or otherwise, are hereby excluded.

7.4 In the event of cancellation of all or part of the Services prior to their final completion, the Client shall pay all costs incurred by the *Register* on pro-rata basis for the portion of the Services provided to date. In such event, the *Register* will not claim the Client for loss of profit or reduced income. All reasonable costs directly attributable to the early termination and all amounts due to the *Register* at that time shall become immediately due and payable.

7.5 In the event of termination of the Service and related Contract, the *Register* shall be entitled to retain any payments, deposits or prepayments of fees made by the Client prior to the date of termination up to the amount to which the *Register* is entitled.

Article 8

TERMINATION

8.1 The Parties shall have the right to terminate the Services and the related Contract(s) by written notice to the other Party, and without prejudice to Article 7, in the following cases:

- (i) if the other Party commits a material breach of these General Terms and Conditions and/or the Contract and fails to rectify such breach in accordance with clause 8.4 of this Article,
- (ii) if the other Party becomes insolvent, is unable to pay its debts as they become due, or becomes subject to bankruptcy proceedings, administration, receivership, dissolution, liquidation, winding up or otherwise ceases to carry on its business; or
- (iii) for convenience, after giving the other Party thirty (30) days' prior written notice of termination.

8.2 The Classification issued for the relevant vessel and the Certificates previously issued shall remain valid until the effective date of termination or, in the event of such termination, immediately, subject to compliance with Article 3 and Article 7.

8.3 If, in the reasonable opinion of the *Register*, the Client breaches or is suspected of breaching Article 14 or Article 15, the *Register* shall have the right to terminate the Service and related Contract with immediate effect.

8.4 Notwithstanding the provisions of clause 8.1 of this Article, the Party intending to terminate Services for non-compliance or breach of the provisions of these General Terms and Conditions shall notify the other Party of the non-compliance or violation of the provisions of these General Terms and Conditions and set a reasonable deadline of 15 (fifteen) days for the other Party to remedy the breaches of the provisions of these General Terms and Conditions.

If the Party fails to remedy the breaches of the provisions of these General Terms and Conditions within the aforementioned period, the other Party shall have the right to terminate Services without further notice.

8.5 Termination of the Service and related Contract pursuant to the provisions of these General Terms and Conditions shall not give either Party the right to claim any additional compensation, indemnity or reimbursement from the other Party as a result of such termination, but such termination shall not affect any rights or remedies available to a Party at the time the termination becomes effective or any obligations or liabilities incurred by a Party.

Article 9 CONFIDENTIALITY

9.1 The Parties agree to keep confidential all facts, data, information, etc. related to the other Party's business that they have learned in the course of providing Services. Such information and data shall not be disclosed by the Parties to any third party and shall not be used or misused to the detriment of the other Party.

9.2 The *Register* will keep confidential any data, plans or other technical information received from the Client and will not disclose it to any third party outside the *Register*, unless authorised by the Client. This obligation shall continue to apply after termination of the Services. This obligation shall not apply to any data, plans or other technical information that was in the possession of the *Register* prior to being disclosed to the *Register* by or on behalf of the Client, or that becomes publicly available through no fault of the *Register*, or is otherwise provided to the *Register* by an independent source that is under no obligation of confidentiality to the *Register*.

9.3 Certificates issued by the *Register* to the Client as a result of the Services provided shall not be covered by the confidentiality Article.

Notwithstanding the foregoing, the Client shall be entitled to disclose any data to its affiliates involved in the transactions related to the Services or the Client's core activities.

9.4 Notwithstanding clause 9.1 and clause 9.2 of this Article, the *Register* shall have the right to disclose the Confidential Information to the following parties if required by regulations of:

- (i) authorised representatives of the Flag State Administration,
- (ii) authorised audit teams (i.e., accreditation body or EC auditors),
- (iii) the International Association of Classification Societies (IACS),
- (iv) a court of competent jurisdiction, government agency, or other relevant public authority, in accordance with applicable law, court order, or other public regulation.

9.5 The Client acknowledges that the *Register* is required to provide access to information to the EU Commission or any person acting on its behalf in accordance with applicable EU requirements and that the Client shall give the EU Commission with unrestricted access to the vessels for the purpose of inspection.

9.6 The obligations in this Article shall survive the conclusion of the Service or the termination of related Contract and shall continue for as long as the relevant information remains confidential.

Article 10 INTELLECTUAL PROPERTY

10.1 Each Party shall be the sole owner of all rights to its Intellectual Property created before or after the effective date of these General Terms and Conditions, whether or not associated with any Contract between the Parties.

10.2 The Intellectual Property developed by the *Register* for the provision of the Services, including but not limited to drawings, calculations and reports, shall remain the exclusive property of the *Register*.

Article 11 PROFESSIONAL ETHICS

11.1 Each of the Parties warrants that, with respect to the matters contemplated herein, neither it nor its affiliates has made or will make, directly or indirectly, any offer, payment, gift or authorization of money to any government official or employee, political party, public official or candidate for the benefit or advantage thereof.

11.2 In providing the Services, the *Register* shall strictly adhere to the requirements of its Code of Ethics relating to business activities.

Article 12 FORCE MAJEURE

12.1 For the purposes of these General Terms and Conditions, the term "Force Majeure" includes any event that directly or indirectly prevents the Parties from fulfilling their obligations due to events beyond their control, such as: strikes, wars, riots, piracy, civil commotion, malicious damage, pandemic, compliance with laws or government orders, rules, regulations or directives, sanctions and embargoes, accidents, defects of plants or machinery, seizures, fires, floods, storms and the like.

12.2 If either Party is prevented or delayed from performing its obligations by Force Majeure, such Party shall promptly notify the other Party in writing of the circumstances of the Force Majeure and its influence and, after such notification, shall not be liable for performance of any obligations prevented by the influence of the Force Majeure during its duration. Upon termination of the influence of the Force Majeure, the same Party should proceed with the planned activities in order to fulfil its obligations.

12.3 If one of the Parties is prevented by Force Majeure in its activities and fulfilment of its obligations and this event lasts continuously for three (3) months, the other Party shall be entitled to terminate the Service and related Contract without liability.

12.4 Neither of the Parties shall be liable for non-compliance with these General Terms and Conditions due to Force Majeure. If one of the Parties is prevented from fulfilling its obligations under these General Terms and Conditions due to Force Majeure, it shall immediately notify the other Party in writing within a reasonable period of time, stating the reasons for the Force Majeure and providing relevant evidence, if any.

Article 13 INDEMNIFICATIONS

13.1 Each Party shall indemnify the other Party against all claims arising out of the performance of the Services in respect of bodily injury, illness or death of any of its employees or other representatives and in respect of loss of or damage to the Party's property.

This provision shall apply whether or not the damage is caused or contributed to by the negligence of the other Party. Both Parties are obliged to take out separate insurances for these liabilities.

13.2 The Client shall indemnify the *Register* from and against all claims arising from the Client's violation of the provisions of these General Terms and Conditions and from the misuse of the Certificates issued by the *Register*.

13.3 The Client shall indemnify the *Register* against any financial responsibility or amounts arising from non-payment, late payment or payment of withholding taxes to the non-relevant tax authority or any other relevant governmental body.

13.4 Each Party shall notify the other Party without undue delay as soon as it becomes aware of any incident that could give rise to a claim against the other Party in respect of the Service provided and related Contract.

Article 14 ANTI-CORRUPTION

14.1 Each Party agrees that in performing its obligations under any Service, it will ensure that its affiliates, employees and/or agents, subsidiaries, subcontractors, consultants, and any other persons providing Services will:

- (i) comply with all applicable anti-bribery and anti-corruption laws (collectively, Anti-Bribery Laws) and, in particular, do not, directly or indirectly, offer, promise, grant, authorise the payment of, or confer any financial or other benefit on any public or government official:
 - to a public or governmental official to obtain or retain business with the intent to influence such official in his or her capacity as an official, if such official is not permitted or required by written law to be influenced by the offer, promise or gift; or
 - to another person with the intent to induce or reward the improper performance of a function or activity or for any other illegal purpose,
- (ii) maintain adequate systems and procedures designed to prevent activities, practises, or conduct in connection with services that would constitute an offence under an anticorruption law; and
- (iii) take reasonable steps to prevent similar acts by customers, contractors, subcontractors, agents and other third parties, persons under its control or influence.

14.2 Any failure by a Party to comply with or ensure compliance with its obligations under this Article shall, notwithstanding anything to the contrary in these General Terms and Conditions, be deemed a breach of these General Terms and Conditions which shall entitle the other Party to suspend and/or terminate the Services by notice in writing with immediate effect without further liability to the other Party except for any liability which may have arisen prior to the date of termination or suspension (as the case may be).

14.3 If a Party elects to suspend the provision of Services under these General Terms and Conditions pursuant to this Article, it shall have the sole and absolute discretion to determine:

- (i) when it will resume performance (if at all); and
- (ii) extend the period for performance of its obligations under the Services in its sole discretion.

Article 15 SANCTIONS

15.1 Each Party shall conduct all activities in compliance with all laws, statutes, rules, economic and trade sanctions (including, but not limited to, U.S. sanctions and EU sanctions) and regulations applicable to such Party, including, but not limited to: child labour, forced labour, collective bargaining, discrimination, abuse, working hours and minimum wages, anti-bribery, anti-corruption, copyright and trademark protection, personal data protection.

15.2 Each Party hereby represents and warrants that it is not or will not be subject to any economic or trade sanctions ("Sanctions") imposed by the United States of America, the European Union, the United Kingdom, any EU Member State, or the United Nations with respect to any country and/or by any sanction giver with respect to any company/individual.

15.3 Each Party represents and warrants that it will strictly comply with all Sanctions.

15.4 Nothing in these General Terms and Conditions shall be construed as causing or obligating either Party to act or refrain from acting in a manner inconsistent with, punishable by, or prohibited by any Sanctions.

15.5 Neither Party shall be obligated to perform any obligation arising under these Terms and Conditions (including, without limitation, the obligation to):

- (i) perform, deliver, accept, sell, purchase, pay or receive any funds to, from or through any person or entity; or
- (ii) engage in any other action whatsoever, if doing so violates or is inconsistent with sanctions and/or recommendations of international (intergovernmental) organisations to combat the financing of terrorism and other criminal activities and/or money laundering or exposes such Party to investigation or penalties.

15.6 In the event that a Party breaches any Sanctions or the Party's Business and/or Transactions arising out of or in connection with these General Terms and Conditions breach any Sanctions or otherwise violate the recommendations of one or more international (intergovernmental) organisations for combating the financing of terrorism and other criminal activities and/or money laundering, the other Party shall be entitled to terminate these General Terms and Conditions by written notice with immediate effect without incurring any liability to the other Party, except for liabilities (if any) incurred prior to the date of termination.

Article 16 LIABILITY

16.1 The *Register* is not, and cannot be considered as, an underwriter, consulting engineer, naval architect, shipbuilder, shipowner, or ship management company, nor can it assume the obligations and responsibilities associated with such functions, although the *Register's* experience may enable it to respond to inquiries about matters not covered by its Rules, policies, instructions, or other documented evidence.

16.2 The practices and procedures of the *Register* shall be selected by the *Register* in its sole and absolute discretion based on its experience and knowledge and in accordance with generally accepted professional standards in the relevant field of classification societies.

16.3 Nothing herein contained shall release any designer, naval architect or engineer, shipbuilder or manufacturer, shipyard, vendor, supplier, contractor or subcontractor, repairer or owner, from any information, report, certificate or similar document issued in connection with the provision of Services by the *Register*, operator, manager or other person or entity from any express or implied warranty or other contractual obligation or responsibility, or from any negligent act, error or omission of any kind whatsoever, nor shall they create any right, claim or benefit for any third party.

16.4 The *Register* shall exercise due care in the selection or appointment of its surveyors and all other employees whose presence and work is necessary for the provision of the Services.

16.5 If any person or entity using the Services of the *Register* suffers any loss, damage or expense that is or is shown to have been caused by a negligent act, omission or error of the *Register's* officers, surveyors, auditors, inspectors, agents, appointers, officers or managers, or those purporting to act in the name of and on behalf of the *Register*, or a negligent inaccuracy, advice, report or evidence given by or in the name of or/and on behalf of the *Register*, then the liability of the *Register* is limited in respect of any direct or indirect claim shall be limited to an amount not exceeding five times the fee charged or to be charged by the *Register* for the relevant Service.

16.6 Any liability for consequential damages is expressly excluded.

For purposes of this clause, consequential damages include, without limitation:

- (i) indirect or consequential damages,

- (ii) loss and/or delay of production, loss of products, loss of use, loss of bargain, loss of revenue, loss of profit or anticipated profit, loss of business and business interruption, in each case directly or indirectly.

16.7 The Parties are not entitled to assign the performance of obligations under these General Terms and Conditions or parts thereof to third parties without the prior written consent of the other Party.

16.8 If during the term of the Contract, there is a transfer of function due to change of status (merger, acquisition, division, etc.), all obligations and rights under these General Terms and Conditions and associated Contract will be transferred to the legal successor of the Party concerned.

Article 17 GOVERNING LAW AND RESOLVING OF DISPUTES

17.1 These General Terms and Conditions and any dispute or claim between the Parties arising from or in connection with it, or the Services provided hereunder, will be governed and interpreted in accordance with the English law.

17.2 The Parties shall use their reasonable efforts to resolve any claim or dispute arising in relation to rendered Service by negotiations within a reasonable time.

17.3 Should the Parties fail to resolve any claim or dispute by negotiations, the dispute shall be exclusively subject to the jurisdiction of the Permanent Arbitration Court with the Croatian Chamber of Economy in Zagreb, Republic of Croatia.

17.4 The Parties agree to keep the any arbitration proceedings confidential.

17.5 Notwithstanding the above, any claim not presented within three (3) months of the completion of the particular Services, or within three (3) months of from the date when the events which are relied on were first discovered by the Client, shall be deemed waived and absolutely time barred.

17.6 Any objections against the line adopted by any of the *Register's* servants in fulfilling their duties or against the conclusions reached are to be raised to the *Register* by the Party as soon as possible.

If the Party is not satisfied with the final conclusions and interpretations by the *Register* the arbitration lays upon the Commission for appeal for Classification and Statutory certification of ships, which is to be formed according to the Regulation 39 of the Charter of the *Register*.

INTRODUCTORY NOTES

These amendments shall be read together with the requirements in the Rules for the Classification of Ships, Part 5 – Subdivision, edition January 2020, as last amended by Amendments No. 2, edition July 2022.

Table 1 contains review of amendments, where items changed or added in relating to previous edition are given, with short description of each modification or addition. All major changes throughout the text are shaded.

TABLE 1 – REVIEW OF AMENDMENTS

This review comprises amendments in relation to the Rules for the Classification of Ships, Part 5 – Subdivision, edition January 2020, as last amended by Amendments No. 2, edition July 2022.

<i>ITEM</i>	<i>DESCRIPTION OF THE AMENDMENTS</i>
SECTION 1 GENERAL	
Head 1.1	Item 1.1.4 has been deleted and all subsequent items have been renumbered accordingly.
SECTION 2 SUBDIVISION AND DAMAGE STABILITY OF PASSENGER SHIPS AND CARGO SHIPS	
Head 2.1	Item 2.1.5 has been amended and new items 2.1.6, 2.1.7 and 2.1.8 have been added; all subsequent items have been renumbered accordingly.
Head 2.2	Item 2.2.11 has been changed.
Head 2.4	Footnote to Head title has been changed.
Head 2.13	Item 2.13.1 has been amended and new items 2.13.2 and 2.13.3 have been added; all subsequent items have been renumbered accordingly.
Head 2.14	Sub-items 2.14.1.1, 2.14.1.2 and 2.14.1.3 have been changed.
Head 2.16	Footnote to Head title has been added instead of the one in previous item 2.16.4; new items 2.16.2 and 2.16.6 have been added and all subsequent items have been renumbered accordingly.
Head 2.17	Item 2.17.1 has been amended.
Head 2.18	Items 2.18.1, 2.18.4 and previous 2.18.5 have been amended, a new 2.18.5 has been added and all subsequent items have been renumbered accordingly. Cross-references to renumbered items have also been changed throughout the Head. Previous item 2.18.16 has been deleted.
Head 2.19	Item 2.19.5 has been amended.
SECTION 9 TANKERS	
Head 9.3	Item 9.3.2 has been amended.

This Part of the Rules includes the requirements of the following international Organisations:

International Maritime Organization (IMO)

Conventions: International Convention for the Safety of Life at Sea, 1974 (SOLAS 74) and all subsequent and applicable amendments adopted up to MSC 106
 Protocol of 1988 relating to the International Convention for the Safety of Life at Sea, 1974, as amended (SOLAS PROT 1988)
 International Convention for the Prevention of Pollution from Ships 1973, as modified by the Protocol of 1978 relating thereto (MARPOL 73/78) and all subsequent and applicable amendments adopted up to MEPC 79

Resolutions: MSC.235(82), MSC.335(90); MSC.421(98); **MSC.429(98)/Rev.2**; MSC.436(99);
MSC.474(102)
MEPC.343(78)

Codes: International Code of Safety for High-Speed Craft (HSC Code), MSC.36(63), MSC.97(73)
 Code of Safety for Dynamically Supported Craft, A.373(X)
 Code of Safety for Special Purpose Ships, 2008, MSC.266(84)

International Association of Classification Societies (IACS)

Unified Interpretations: CC7; LL 63(Rev.2, 2008); LL 65(Rev.3, 2021); LL 69(Rev.1, 2008); LL 75(Rev.1, 2009); LL80 (Rev.1, 2022); MPC93 (Rev.1, 2016); SC 161(Rev.3, 2022)

Recommendations (Rec.): No.110 (Rev.2, Mar 2021)

EU Directives: Directive 2003/25/EC of the European Parliament and of the Council of 14 April 2003 as amended by Commission Directive 2005/12/EC of 18 February 2005

1 GENERAL

■ **Head 1.1 APPLICATION**, item 1.1.4 has been deleted and all subsequent items have been renumbered accordingly.

2 SUBDIVISION AND DAMAGE STABILITY OF PASSENGER SHIPS AND CARGO SHIPS

■ **Head 2.1 APPLICATION**, item 2.1.5 has been amended and new items 2.1.6, 2.1.7 and 2.1.8 have been added; all subsequent items have been renumbered accordingly.

2.1.5 Unless expressly provided otherwise, this Section shall apply to ships:

- .1 for which the building contract is placed on or after 1 January 2024; or
- .2 in the absence of a building contract, the keel of which is laid or which are at a similar stage of construction on or after 1 July 2024; or
- .3 the delivery of which is on or after 1 January 2028.

2.1.6 The expression 'all ships' means ships constructed before, on or after 1 January 2009.

2.1.7 The expression 'ships constructed' means ships the keels of which are laid or which are at a similar stage of construction.

2.1.8 For the purpose of this Section, the term 'a similar stage of construction' means the stage at which:

- .1 construction identifiable with a specific ship begins; and
- .2 assembly of that ship has commenced comprising at least 50 tonnes or one per cent of the estimated mass of all structural material, whichever is less.

■ **Head 2.2 DEFINITIONS**, item 2.2.11 has been changed and it should be read as follows:

2.2.11 For additional information, see also MSC.429(98) Rev.1, 'Revised explanatory notes to the SOLAS Chapter II-1 subdivision and stability regulations'.

■ **Head 2.4 REQUIRED SUBDIVISION INDEX R^*** , footnote to Head title has been changed and it should be read as as follows:

* See MSC.429(98)/Rev.1, "Revised explanatory notes to the SOLAS Chapter II-1 subdivision and stability regulations"

■ **Head 2.7 CALCULATION OF THE FACTOR s_i** , sub-items 2.7.6.2, 2.7.6.3 and 2.7.6.5 have been changed and they should be read as follows:

2.7.6.2 The factor s_i is to be taken as zero in those cases where the final waterline, taking into account sinkage, heel and trim, immerses:

- .1 for cargo ships, the lower edge of openings through which progressive flooding may take place and such flooding is not accounted for in the calculation of factor s_i . Such openings shall include air-pipes, ventilators and openings which are closed by means of weathertight doors or hatch covers;
- .2 any part of the bulkhead deck in passenger ships considered a horizontal evacuation route for compliance with the *Rules for the classification of ships, Part 17 – Fire protection*; and
- .3 for passenger ships subject to the provisions of this Section and constructed before 1 January 2024, the lower edge of openings through which progressive flooding may take place and such flooding is not accounted for in the calculation of factor s_i . Such openings shall include air pipes, ventilators and openings which are closed by means of weathertight doors or hatch covers.

2.7.6.3 The factor s_i is to be taken as zero if, taking into account sinkage, heel and trim, any of the following occur in any intermediate stage or in the final stage of flooding:

- .1 immersion of any vertical escape hatch in the bulkhead deck of passenger ships and the freeboard deck of cargo ships intended for compliance with the *Rules for the classification of ships, Part 17 – Fire protection*;
- .2 any controls intended for the operation of watertight doors, equalization devices, valves on piping or on ventilation ducts intended to maintain the integrity of watertight bulkheads from above the bulkhead deck of passenger ships and the freeboard deck of cargo ships become inaccessible or inoperable;
- .3 immersion of any part of piping or ventilation ducts located within the assumed extent of damage and carried through a watertight boundary if this can lead to the progressive flooding of compartments not assumed as flooded; and
- .4 for passenger ships constructed on or after 1 January 2024, immersion of the lower edge of openings through which progressive flooding may take place and such flooding is not accounted for in the calculation of factor s_i . Such

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openings shall include air pipes, ventilators and openings which are closed by means of weathertight doors or hatch covers.

...

2.7.6.5 Except as provided in 2.7.6.3.1, openings closed by means of watertight manhole covers and flush scuttles, remotely operated sliding watertight doors, sidescuttles of the non-opening type as well as watertight access doors and watertight hatch covers required to be kept closed during navigation in accordance with Heads 2.18 to 2.20 need not be considered.

■ **Head 2.13 INTERNAL WATERTIGHT INTEGRITY OF PASSENGER SHIPS ABOVE THE BULKHEAD DECK**, item 2.13.1 has been amended and new items 2.13.2 and 2.13.3 have been added; all subsequent items have been renumbered accordingly.

2.13.1 For passenger ships subject to the provisions of this Section and constructed before 1 January 2024, the Register may require that all reasonable and practicable measures shall be taken to limit the entry and spread of water above the bulkhead deck. Such measures may include partial bulkheads or webs. When partial watertight bulkheads and webs are fitted on the bulkhead deck, above or in the immediate vicinity of watertight bulkheads, they shall have watertight shell and bulkhead deck connections so as to restrict the flow of water along the deck when the ship is in a heeled damaged condition. Where the partial watertight bulkhead does not line up with the bulkhead below, the bulkhead deck between shall be made effectively watertight. Where openings, pipes, scuppers, electric cables etc. are carried through the partial watertight bulkheads or decks within the immersed part of the bulkhead deck, arrangements shall be made to ensure the watertight integrity of the structure above the bulkhead deck.

2.13.2 For ships constructed on or after 1 January 2024, the internal watertight subdivision arrangements to limit the entry and spread of water above the bulkhead deck shall be in accordance with the design arrangements necessary for compliance with the stability requirements in this Section if applicable. Where pipes, scuppers, electric cables, etc. are carried through internal watertight boundaries that are immersed at any intermediate or final stage of flooding in damage cases that contribute to the attained subdivision index A, arrangements shall be made to ensure their watertight integrity.

2.13.3 For ships constructed on or after 1 January 2024, doors in internal watertight subdivision arrangements above the bulkhead deck, and also above the worst intermediate or final stage of flooding waterlines, shall be capable of preventing the passage of water when immersed in the required range of positive stability for any damage cases contributing to the attained subdivision index A. These doors may remain open provided they can be remotely closed from the navigation bridge. They shall always be ready to be immediately closed.

■ **Head 2.14 INTEGRITY OF THE HULL AND SUPERSTRUCTURE, DAMAGE PREVENTION AND CONTROL ON RO-RO PASSENGER SHIPS**, sub-items 2.14.1.1, 2.14.1.2 and 2.14.1.3 have been changed and they should be read as follows:

2.14.1

- .1 All access from the ro-ro deck that leads to spaces below the bulkhead deck shall have a lowest point which is not less than 2.5 m above the bulkhead deck, unless the access is covered by the provisions of .2 or .3 of this item;
- .2 Where vehicle ramps are installed to give access to spaces below the bulkhead deck, their openings shall be able to be closed weathertight to prevent ingress of water below and fitted with alarms and open/close indicators on the navigation bridge. The means of closure shall be watertight if the deck is intended as a watertight horizontal boundary under item 2.7.7.
- .3 Subject to items 2.19.3 and 2.19.6, the Register may permit the fitting of particular accesses to spaces below the bulkhead deck provided they are necessary for the essential working of the ship, e.g. the movement of machinery and stores, and subject to such accesses being made watertight, fitted with alarms and open/close indicators on the navigation bridge.

■ **Head 2.16 DAMAGE CONTROL INFORMATION***, a footnote to Head title has been added instead of the one in previous item 2.16.4; new items 2.16.2 and 2.16.6 have been added and all subsequent items have been renumbered accordingly.

2.16.2 Watertight doors in passenger ships permitted to remain open during navigation shall be clearly indicated in the ship's stability information.

...

* Refer to the Guidance notes on the integrity of flooding boundaries above the bulkhead deck of passenger ships for proper application of regulations II-1/8 and 20, paragraph 1, of SOLAS 1974, as amended (MSC/Circ.541, as may be amended).

* Refer to the Guidelines for damage control plans and information to the master (MSC.1/Circ.1245), as amended by MSC.1/Circ.1570 and to the Guidelines for verification of damage stability requirements for tankers (MSC.1/Circ.1461).

2.16.5 In case of ships to which damage stability requirements of the Heads 2.4 to 2.9 of this Part of the *Rules* apply, damage stability information shall provide the master a simple and easily understandable way of assessing the ship's survivability in all damage cases involving a compartment or group of compartments.

2.16.6 For passenger ships constructed on or after 1 January 2024, and to item 2.10.3 applies, the damage control information shall include a reference to activation of damage stability support from the onboard stability computer, if installed, and to shore-based support when provided.

2.16.7 For all passenger ships, constructed before, on or after 1 January 2020, a damage control drill shall take place at least every three months. The damage control drill shall satisfy the provisions set in reg.19-1, Ch.II-1 of SOLAS Convention, as amended by IMO Res. MSC.421(98).

■ **Head 2.17 PERIODICAL OPERATION AND INSPECTION OF WATERTIGHT DOORS, ETC., IN PASSENGER SHIPS**, item 2.17.1 has been amended and it should be read as follows:

2.17.1 Operational tests of watertight doors, sidescuttles, valves and closing mechanisms of scuppers shall take place weekly. In ships in which the voyage exceeds one week in duration, a complete set of operational tests shall be held before the voyage commences, and others thereafter at least once a week during the voyage.

■ **Head 2.18 PREVENTION AND CONTROL OF WATER INGRESS, ETC.**, items 2.18.1, 2.18.4 and previous 2.18.5 have been amended, a new 2.18.5 has been added and all subsequent items have been renumbered accordingly. Cross-references to renumbered items have also been changed throughout the Head. Previous item 2.18.16 has been deleted.

2.18.1 All watertight doors shall be kept closed during navigation except that they may be opened during navigation as specified in 2.18.3. Watertight doors of a width of more than 1.2 m in machinery spaces as permitted by 7.12.2 of the *Rules for the classification of ships, Part 3 – Hull Equipment* may only be opened in the circumstances detailed in particular items of that Head. Any door which is opened in accordance with this paragraph shall be ready to be immediately closed.

...

2.18.4 Portable plates on bulkheads shall always be in place before the voyage commences, and shall not be removed during navigation except in case of urgent necessity at the discretion of the master. The necessary precautions shall be taken in replacing them to ensure that the joints are watertight. Power-operated sliding watertight doors permitted in machinery spaces in accordance with 7.12.2 of the *Rules for the classification of ships, Part 3 – Hull Equipment* shall be closed before the voyage commences and shall remain closed during navigation except in case of urgent necessity at the discretion of the Master.

2.18.5 Watertight doors fitted in watertight bulkheads dividing cargo spaces on tween decks in accordance with 7.12.2 of the *Rules for the classification of ships, Part 3 – Hull Equipment* shall be closed before the voyage commences and shall be kept closed during navigation. The time at which such doors are opened or closed shall be recorded in such logbook as may be prescribed by the *Register*.

2.18.6 For ships subject to the provisions of this Section and constructed before 1 January 2024, gangway, cargo and fuelling ports fitted below the bulkhead deck of passenger ships and the freeboard deck of cargo ships shall be effectively closed and secured watertight before the voyage commences, and shall be kept closed during navigation.

2.18.7 For ships constructed on or after 1 January 2024, gangway, cargo and fuelling ports fitted below the bulkhead deck of passenger ships and the freeboard deck of cargo ships and all watertight hatches shall be effectively closed and secured watertight before the voyage commences, and shall be kept closed during navigation. However, the master may permit a watertight hatch to be opened during navigation for a limited period of time sufficient to permit passage or for access. It shall then be closed.

...

2.18.10 Notwithstanding the requirements of sub-items 2.18.8.1 and 2.18.8.4, the *Register* may authorize that particular doors can be opened at the discretion of the master, if necessary for the operation of the ship or the embarking and disembarking of passengers when the ship is at safe anchorage and provided that the safety of the ship is not impaired.

2.18.11 The master shall ensure that an effective system of supervision and reporting of the closing and opening of the doors referred to in item 2.18.8 is implemented.

2.18.12 The master shall ensure, before any voyage commences, that an entry in the officially prescribed log-book is made of the time the doors specified in item 2.18.13 are closed and the time at which particular doors are opened in accordance with 2.18.14.

...

2.18.14 Where in a between-decks, the sills of any of the sidescuttles referred to in 7.2 of the *Rules for the classification of ships, Part 3 – Hull Equipment* are below a line drawn parallel to the bulkhead deck at side of passenger ships and the freeboard deck at side

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of cargo ships, and having its lowest point 1.4 m plus 2.5% of the breadth of the ship above the water when the voyage commences, all the sidescuttles in that between-decks shall be closed watertight and locked before the voyage commences, and they shall not be opened before the ship arrives at the next port. In the application of this item the appropriate allowance for fresh water may be made when applicable.

- .1 The time at which such sidescuttles are opened in port and closed and locked before the voyage commences shall be recorded in officially prescribed log-book.
- .2 For any ship that has one or more sidescuttles so placed that the requirements of this item would apply when it was floating at its deepest subdivision draught, the *Register* may indicate the limiting mean draught at which these sidescuttles will have their sills above the line drawn parallel to the bulkhead deck at side of passenger ships and the freeboard deck at side of cargo ships, and having its lowest point 1.4 m plus 2.5% of the breadth of the ship above the waterline corresponding to the limiting mean draught, and at which it will therefore be permissible for the voyage to commence without them being closed and locked and to be opened during navigation on the responsibility of the master. In tropical zones as defined in the *International Convention on Load Lines* in force, this limiting draught may be increased by 0.3 m.

■ **Head 2.19 SPECIAL REQUIREMENTS FOR RO-RO PASSENGER SHIPS**, item 2.19.5 has been amended and it should be read as follows:

2.19.5 The master shall ensure, before the voyage commences, that an entry in the log-book, as required by 2.18.13, is made of the time of the last closing of the accesses referred to in 2.19.3.

9 TANKERS

■ **Head 9.3 DAMAGE STABILITY CRITERIA**, item 9.3.2 has been amended and it should be read as follows:

9.3.2 The final waterline, taking into account sinkage, heel and trim, shall be below the lower edge of any opening through which progressive flooding may take place. Such openings shall include air-pipes and those which are closed by means of weathertight doors or hatch covers and may exclude those openings closed by means of watertight manhole covers and flush scuttles, small watertight cargo tank hatch covers which maintain the high integrity of the deck, remotely operated watertight sliding doors, **hinged watertight access doors with open/closed indication locally and at the navigation bridge, of the quick-acting or single-action type that are normally closed at sea, hinged watertight doors that are permanently closed at sea,** and sidescuttles of the non-opening type.