**SOME NOTES IN THE SALE AND PURCHASE OF SHIPS NOT USING STATE CAPITAL TO FOREIGN ORGANIZATIONS AND INDIVIDUALS**

**1. Principles of the sale and purchase of ships**

The sale and purchase of ship is a specific investment activity. Processes and procedures for the sale and purchase of ships shall comply with the provisions of Decree 171/2016/ND-CP on the registration, deregistration, purchase, sale and building of ships (“**Decree 171/2016**”) and other relevant provisions of the laws.

Ships to be purchased and sold must fully meet the conditions on maritime safety, maritime security, maritime labor assurance, and environmental protection in accordance with the laws of Vietnam and relevant international treaties to which Vietnam is a contracting party.

**2. Forms of the sale and purchase of ships**

The sale and purchase of ships using other capital (not state capital) shall be subject to the decisions of enterprises, organizations, or individuals.

**3. Process of the sale and purchase of ships**

The sale and purchase of ships using other capital (not state capital) shall be subject to the decisions of enterprises, organizations, or individuals.

**4. Notable points after the completion of the transaction**

In case a Vietnamese ship is transferred to foreign individuals or enterprises, the shipowner must carry out procedures for deregistration of the Vietnamese ship after the transaction is completed, because at this time, the condition for the ship to carry the Vietnamese flag is "The shipowner has head office, branch or representative office in Vietnam" has ceased to be satisfied, as prescribed in Article 20.1.dd of the Vietnam Maritime Code 2015.

The application dossier for the deregistration of Vietnamese ship includes the following items:

1. A declaration of deregistration made according to Form No. 03 specified in the Appendix issued together with Decree 171/2016;
2. Certificate of registration (original); in case the registration certificate is lost, the shipowner must declare and clearly state the reasons;
3. If the ship is being mortgaged, it must be approved in writing by the mortgagee, and the procedure for deregistration of the mortgage must be carried out before proceeding with the procedure for deregistration of the ship.

Organizations and individuals shall submit 01 set of dossiers to the ship registration agency where the ship was previously registered by sending them directly, through the postal system, or in other appropriate forms. The deregistration procedure must be carried out within 30 days from the date the ship owner no longer has its head office, branch or representative office in Vietnam, which means within 30 days from the date the ship is transferred to the purchaser being a foreign organization or individual.

The ship registration agency shall issue a certificate of deregistration within 02 working days from the date of receipt of a complete and valid dossier and send it back directly or through the postal system; in the event of a refusal to issue a certificate, a written response indicating reasons thereof shall be given.

The shipowner shall pay the deregistration fee in accordance with regulations of the Ministry of Finance, directly or by transfer to the account of the ship registration agency before receiving the results; the shipowner shall bear all costs of sending dossiers, documents and fees related to the transfer.

After that, the ship purchaser will carry out procedures to export the ship, and the physical inspection of the ship to be exported is conducted at the seaport in Vietnam where exit procedures for handover of that ship are carried out.

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