Asbestos

Despite the use of materials containing asbestos on both new and existing vessels having been internationally banned for many years, they are still frequently being encountered on board existing vessels and even on newbuildings built at shipyards outside the European Union.

Declarations confirming the absence of any asbestos, issued by shipyards and verified by classification societies at the time of ships' completion, do not automatically guarantee the actual absence of materials containing asbestos at the time of ships' delivery to their new owners. Nonetheless, shipowners are responsible for crews' health.

On 1 December 2011, therefore, the Dutch Human Environment and Transport Inspectorate (ILT) implemented a national instruction. It contains strict requirements for newbuildings and ships being flagged in to submit to an asbestos inspection. Any asbestos discovered in the course of any such inspection is to be removed on the spot. Existing vessels currently registered in the Netherlands are required to have specified any asbestos-related risks in their mandatory Risk Inventory and Evaluation (R.I.& E); any asbestos present is to be removed within a period of three years.

The KVNR is in full support of any efforts made to ensure the effective enforcement of the ban on asbestos in the interests of crews' health. However, requirements in regard to the removal of any asbestos encountered should be realistic. For that reason, the KVNR advocates a risk-based approach to the removal of asbestos in ships. Any asbestos that does not represent an immediate health hazard to crews should not have to be removed. This approach is more consistent with the requirements contained in the Asbestos Removal Decree regarding the removal of asbestos from buildings and appliances.
The KVNR also feels that enforcement by ILT alone is undesirable and send together with other associations a position paper to the Dutch government in 2014. Only the joint enforcement by all IMO member states will be able to produce the maximum pressure on shipyards, their suppliers and the classification societies. Moreover, the level playing field for Dutch shipowners is being impaired, leading to loss of appeal of the flag of the Netherlands. It has already become clear that shipowners abandon their choice for the flag of the Netherlands because of this issue.

The above information is correct as of 31 March 2015

Ballast water

The International Convention for the Control and Management of Ships' Ballast Water and Sediments (Ballast Water Management or BWM Convention) was adopted by consensus on 13 February 2004, following more than 14 years of complex negotiations by IMO member states. The convention will come into effect 12 months after it has been ratified by 30 member states and 35 per cent of the worldwide merchant fleet's tonnage. To date 44 member states are in 2014 party to the convention; together they represent 32.86% of tonnage.

Shipowners are worried that approved ballast water treatments systems may not function properly at all times and under any circumstances. They question the soundness of IMO's testing procedures. In addition, there is apprehension as to the way in which port state inspectors will enforce the convention and how ballast water samples will be taken once the convention has come into force.

For this reason, IMO has decided in 2014 to review the IMO guideline on the approval of ballast water treatment systems.

In addition, new regulations concerning ballast water have come into force in the United States. Both the American Coast Guard and the Environmental Protection Agency have set their own requirements, which, unfortunately, are contradictory. Moreover, not a single system for ballast water treatment has as yet received definite approval by the American Coast Guard. The result is no small amount of uncertainty for those shipowners that are operational within American waters, and who will therefore have to meet American ballast water requirements by installing a ballast water treatment system on board their vessels.

The international Ballast Water Management convention is aimed at the prevention, the restriction and, ultimately, the eradication of the transfer of harmful aquatic organisms and bacteria by controlling and managing ships' ballast water and sediment discharges.

Ballast water is pumped in to reduce stress on the hull, to provide transverse stability, to improve propulsion and manoeuvrability, and to compensate for weight lost due to fuel and water consumption.

While ballast water is essential to safe and efficient modern shipping, transferring it from one location to another may lead to ecological damage that can often be irreversible.

The above information is correct as of 31 March 2015

Bunker fuel quality

The quality of maritime fuels is not just important to the environment, but also to crew safety on board. It is essential that one can rely on receiving fuel deliveries that meet the correct specifications. Above all, shipowners are of the opinion that any and all parties in the bunker fuel chain should hold themselves accountable for the quality of bunker fuels. Increased transparency within the chain, and carrying out testing for quality at the earliest possible point of the chain will definitely contribute to this.

The Ministry of Infrastructure and the Environment organised a number of meetings for interested parties over 2014. The subject of these was to explore the national possibilities for improving the bunker process. Aside from the KVNR, other parties within the chain, including VNPI (bunker fuels manufacturers), NOVE (bunker fuel suppliers) and VOTOB (tank storage companies), were involved. The KVNR, as the initiator and one of the active working group members, has begun improvements to the traceability of bunker fuels and the transparency within the chain. All this will be closer examined by means of a pilot with a random batch of bunker fuel.

Bunker fuel quality is an international priority too at the moment. It will be discussed within IMO's environmental committee and its underlying correspondence group. The KVNR is an active participant in said correspondence group and intends to make substantive contributions. The KVNR, in a joint effort with the international partners, continues to be committed to the improved safeguarding of bunker fuel quality.

The above information is correct as of 28 May 2015

Cooling agents

The use of halon gases or HCFCs (halogenated hydrocarbons) in refrigeration is being discontinued. More and more they are being replaced by HFCs. HCFCs contain ozone-depleting substances. While HFCs do not contain these, they are very potent greenhouse gases. As opposed to HCFCs, there are no International Maritime Organization (IMO) regulations regarding HFCs. Since 2006, however, there is a European directive covering the prevention and/or reduction of HFC leakages ((EG) nr. 842/2006). Mobile refrigeration units have been exempt from its requirements up until now.

A new European Commission proposal regarding this directive was published at the end of 2012 containing an expansion of the directive's scope to include a number of different types of mobile refrigeration units. While the emphasis is firmly on overland transport, because of the original proposal's wording, maritime transport will also be affected.

Early in 2014, both the European Parliament and the European Council approved the compromise reached by the parties in question. A number of proposals made by the European Parliament that might have had negative consequences for the maritime transport have been omitted from the final text.

Provisions in the new directive that are relevant to the maritime transport include the following. Those companies that use equipment containing HFCs are to take any technically possible and economically feasible measures to prevent spillage and/or leakage of said HFCs. If and when any leakage is discovered, repairs are to be made without undue delay. This broad definition ought to provide a sufficient degree of flexibility to accommodate special circumstances. For instance, should a leak occur in a filled cargo hold's bulkhead, repairs may be carried out in such a way as not to endanger either the cargo or the vessel's operational status (article 2, item 3). Any repairs or demolition are to be carried out by certified agencies, or agencies that can provide equivalent certification. This provides the option of having maintenance and/or repairs carried out at shipyards outside Europe. In addition, quotas for F gases will become more stringent. This will apply to all sectors that make use of said gases. It is likely that prices for the gases in question will be rising.

The directive will come into force on 1 January 2015. However, implementation in the Netherlands is not expected to be completed until the second half of 2015. The Dutch government acknowledges the Directive's requirement's complexity for shipowners should they be faced by cooling agent leakages at sea. Therefore the Dutch government seeks to reach a (non-binding) agreement with the shipping industry by the second half of 2015, in order to prevent any potential F gas leakages as much as possible.

The above information is correct as of 28 May 2015

European Port Policy

The transport industry is not included in the Europe-wide freedom to provide services. There are as yet no categorical regulations for European seaports. The lack of free market forces is holding back the economic development of ports in Europe and European regulations are needed to:

- Safeguard Dutch port services (e.g. towage) providers' access to the market in European ports;
- Improve the standards of services for Dutch shipowners, particularly those in southern European member states' ports.

In 2013 a third attempt at a European Port Directive is made by the European Commission, following two earlier unsuccessful attempts. A draft directive is released and comments are invited. Initially, the directive is not to apply to cargo handling and passenger services. In a second stage, pilotage services are deleted from the directive as well. Sufficient grounds for the European shipowners association and other European transport associations to lodge a joint protest against the remaining hollow shell. Subsequently it is decided to carry the entire issue over the European parliamentary elections of May 2014 and it is abandoned for some time. In the first quarter of 2015 it becomes obvious that the scope of the European port directive is likely to be limited to financial transparency.

The above information is correct as of 3 June 2015

European guidelines for maritime transport

In October 2013, Mr Almunia, the European Competition Commissioner, decided to prolong the State Aide Guidelines without making any changes. There is however a need for clarification on a number of points.

The points most in need of uniform policy are the position of work boats, income derived from interest on temporary reserves, the ratio for owned and chartered tonnage and activities qualifying for the application of the tonnage tax regime. In 2014, following close consultations with the European Community Shipowners' Associations (ECSA), a series of informal and technical discussions take place with officials of the European Commission Directorate-General for Competition (DG Comp).

The position papers on these issues, published in 2012 by ECSA, form the basis for further consultations. In April 2014, a fifth position paper is added, on the subject of bare boat chartering out.

As a member of the shipowners' delegation, the KVNR is closely involved in these developments.

E-Maritime

Digitisation has become an inseparable part of the maritime industry. In many cases the objectives are to raise safety and security levels and the reduction of the administrative burden.

IMO has introduced E-Navigation: the standard for the collection, analysis and exchange of maritime data to improve navigation for ships' entire passages, security at sea and the protection of the marine environment.

During the meeting of the IMO Maritime Safety Committee in November 2014 the strategic implementation plan was adopted. It contains five proposed solutions:

1) Improved, uniform and user-friendly bridge design;
2) Communication tools allowing uniform and automated reporting;
3) Increased reliability, resilience and integrity of both bridge equipment and nautical information;
4) Integrated graphic display of any information available, received by the communication tools; and
5) Improved communication of VTS Service Portfolio (not, however, limited to the VTS stations).

Implementation is expected to take place between 2015 and 2019. Within Europe, a number of programmes have been started that may be used to test potential E-Navigation solutions.

Below a brief summary of the various EU programmes:

Accsea: Accessibility for Shipping, Efficiency Advantages and Sustainability.

This is a three-year (2012-2015) collaboration between North Sea region countries - Denmark, Germany, the Netherlands and the United Kingdom. The project's objectives include minimising E-Navigation's nautical risks. This has been achieved by the use of North Sea test sites, the building of a knowledge database and system documentation.

EfficienSea is a six-year (2008-2013) collaborative project for countries bordering the Baltic Sea. Its objectives are to increase nautical safety and to improve the Baltic Sea's marine environment. So far the project has resulted in a number of products in the fields of competence, VTS and maritime planning and risk management.

Monalisa 1.0 and 2.0 started at the beginning of 2010 under the management of Swedish maritime authorities. Its objective is to contribute to efficient, safe and environmentally friendly maritime transport. One of its innovations is the visual exchange of itineraries, instead of verbal exchange.

The above information is correct as of 28 May 2015

Hatch cradles

The general commission for the prevention of accidents involving seafarers (ACVAZ) produced a film about the potential hazards of working with hatch cradles. ACVAZ is a safety committee consisting of representatives from the shipping industry. Their film is intended for those seafarers whose jobs bring them in contact with hatch cradles and is aimed at the reduction of the number of accidents involving hatch cradles.

The above information is correct as of 28 May 2015

LNG

Within the shipping industry environmental requirements that have to be met concerning emissions to air continue to become more numerous and more stringent. Legislation covering SOx, NOx and carbon emissions already exists. Other emissions, including Black Carbon (soot particles) and particulate matter are the subject of international debate.

LNG does not contain sulphur particles and NOx and carbon emissions, as well, may be reduced by as much as 75% and 25% respectively by its use. Emissions of particulate matter may be reduced by as much as 99%.

These particular characteristics make LNG a very interesting type of fuel for use in the shipping industry from an environmental point of view. However, as a result of the technical and operational consequences inherent in the use of LNG it is not a solution for every type of vessel, whether they be retrofitted or newbuildings.

As well as the uncertainty on the price of LNG there are a large number of questions that remain to be answered before LNG can truly become an alternative for the heavy fuel oils that are currently used. LNG infrastructure, too, is a major aspect. At present the government and port authorities are not taking enough initiative to be able to guarantee a reliable LNG infrastructure for the shipping industry.

In October 2014, the Clean Power for Transport Directive came into force. It contains a requirement for EU member states to provide a sound infrastructure for cleaner alternative fuels (like LNG). Clearly, this is crucial to turning LNG into a serious alternative maritime fuel.

Another vitally important aspect is the (worldwide) standardisation of bunkering procedures and the technical equipment needed to take on LNG. On this issue, too, discussions on harmonising this as much as possible, are taking place both with the EU and IMO.

The above information is correct as of 28 May 2015

Nairobi International Convention on the Removal of Wrecks

The Nairobi International Convention on the Removal of Wrecks came into force on 14 April 2015. This convention is aimed at improving coastal nations' options regarding the speedy and adequate removal of ships' wrecks. It also gives said nations more leeway to act against foundering ships or ships about to run aground and/or any cargo that may or may not have come adrift which is endangering shipping, the marine environment and/or any other coastal nations' interests.

The convention contains a provision regarding mandatory insurance (and certification) as well as optional direct action against insurers. Shipowners' limited liability is not being affected by the convention.

So far, the Netherlands have not yet ratified the convention but has the intention of doing so as soon as possible, Draft legislation for the convention's implementation has been prepared.

Said draft legislation includes the so-called opt-in provision, allowing the convention to be applicable not only within the exclusive economic area but also within territorial waters and inland waterways.

The KVNR has contributed to the draft legislation and continues to work closely with the Ministry of Infrastructure and the Environment in this matter.

Due to the convention's coming into force, all vessels (regardless of flag) over 300GT calling at ports or offshore locations of any convention party nation are required to carry mandatory insurance for the cost of wreck removal (up to the limits laid down in the London Limitation convention) and they need to be in possession of a certificate as proof of insurance cover. At the moment of its coming into force, the following nations became party to the convention: the United Kingdom, Germany, Denmark, Bulgaria, Malta, Nigeria, the Democratic Republic of the Congo, Liberia, Morocco, Iran, India, Malaysia, the Marshall Islands, the Cook Islands, Palau, Tuvalu, Antigua and Barbuda.

The above information is correct as of 28 May 2015

Pension

In 2013 *), the Industrial Pension Fund for Merchant Shipping's (BPFK) members totalled 200 employers, 5,105 participants and 16,712 former participants/sleepers. The fund issues pension payments to 32,013 pensioners.

The Industrial Pension Fund for Merchant Shipping is the designated entity for the execution of pension arrangements for seafarers of Dutch nationality and/or EU residents serving on vessels under the flag of the Netherlands.

The administration of pensions has been contracted out to MN in The Hague who also manage assets.

Calculation and collection of premiums

The calculation and collection of premiums is in the hands of MN and is carried out monthly, and is based on the submission of information and contributions through a digital system.

Executive office

The executive office supports the executive board and safeguards the service level agreements that have been reached with the various contractors and monitors the execution of asset and pensions management. In addition, the executive office maintains external contacts with 'De Nederlandsche Bank', the Netherlands Authority for the Financial Markets (AFM) and the Federation of Dutch Pension Funds and other relevant parties.

Pension arrangements and financial position

For more information please visit the Bedrijfspensioenfonds voor de Koopvaardij website. The estimated funding ratio will be published on the website at the end of each month.

Amendments to pension arrangement per 1-1-2015

In 2014, the employers' associations affiliated with the KVNR, the Association of Employers in the Merchant Marine and the Social Maritime Employers' Association are involved in exhaustive discussions with the Nautilus International trade union on the subject of a new pension arrangement per 1 January 2015. This has been necessitated by the government's drastic changes to pension legislation per that date.

The main changes are:

- Pensionable age has been raised from age 65 to age 67;
- The percentage of pension that may be accrued annually has been reduced from 2.15% to 1.875% annually at age 67;
- The non-pensionable amount is reduced from € 13,104 to € 12,642.
- The definition of pensionable wages is amended and a single premium is payable instead of three different ones that are each calculated according to a different system;
- The current net early retirement arrangement is discontinued; existing entitlements will be honoured.
- Existing entitlements to temporary and for-life old age pensions are being converted to age 67;
- The premium budget, including that for the early retirement portion, will remain the same as in 2014.

*) The above information is correct as of 14 April 2015. At that time the 2014 BPFK annual report had not yet been made available.

Pilots

On 1 January 2014, the new national structure of pilotage rates is introduced. This system puts an end to the discussion on cross subsidies between ports. After 2016, there will be no further steep price increases. Progressivity (the ratio of pilotage rates for small vessels to those for large vessels) is to remain, and will in fact increase slightly; continuing the principle of ability-to-pay.

In May 2014 the Minister of Infrastructure and the Environments submits a letter to the Second Chamber of Parliament on the subject of the review of compulsory pilotage. In the letter, the Minister states that Compulsory Pilotage New Style is to result in a system where pilotage will only become compulsory as and when necessary. The Minister advocates simplification of compulsory pilotage as well as generosity.

The Minister is seeking advice from the harbour masters on the further development of the proposals made, and is requesting they consult users on the matter.

The KVNR has concluded that the regional proposals, published at the end of 2014, represent a significant deterioration of conditions in comparison to the current situation. Both Rotterdam and Amsterdam demand a frequency of calls requirement of twelve passages per

route, to a specific destination within the port region, per ship per year for smaller oceangoing vessels.

No mention is made of any appropriate transitional regime for register vessels, i.e. those ships entered in the register for compulsory pilotage for small oceangoing ships that are therefore exempt from pilotage, even though the Minister had expressly requested this.

During the consequent consultations, the KVNR continues to emphasise that the increased frequency of calls represents a very considerable increase in the burdens of compulsory pilotage, which is contrary to the Minister's intentions. This applies to tramp shipping in particular, which indeed the majority of the fleet of the Netherlands is involved in.

In July 2014, the Dutch pilots' corporation, NLc, proposes to increase pilotage rates by 1.76% in 2015. The rates proposal is amended in October 2014. Based on the figures for worldwide trade, published by the Netherlands Bureau for Economic Policy Analysis (CPB), next year the number of ships' passages is expected to rise. In the cost+ system, a higher estimate for the number of ships' passages is to result in lower pilotage rates. For that reason, in 2015, pilotage rates can be reduced by 1.77%.

The above information is correct as of 3 June 2015

PIT/NSTC

Between 19 May and 6 June 2014, the selection of the thirteenth edition of cadets of the partnership between the Philippine nautical academy Palompon Institute of Technology (PIT) and the KVNR takes place in Palompon, Leyte in the Philippines.

Twelve of the KVNR's shipowner members have selected 131 cadets: 66 nautical officer trainees and 65 maritime engineering trainees. During the closing ceremony, KVNR board member Mr Erwin Meijnders (HRM director at Spliethoff) presents the KVNR award to the best officer student and the best engineering student.

Since 2001 the KVNR has been involved in a joint venture with a Philippine nautical academy, the Palompon Institute of Technology (PIT), in order to educate and train prospective officers for the Dutch fleet. PIT is located in Palompon on the island of Leyte in the Philippines. The academy's main language is English and courses are mono-disciplinary. The standard of education is comparable to that of MBO nautical education in the Netherlands. The deck officer (Bachelor of Science in Maritime Transportation - BSMT) and engineering (Bachelor of Science in Marine Engineering - BSMarE) courses are three-year ones followed by a one-year cadetship. PIT's educational standards are monitored by the Rotterdam Shipping and Transport College (STC). The annual selection of third-year PIT students and their placement with shipowners offering cadetships takes places under the direction of the KVNR.

Since the programme's start, 26 shipowners affiliated with the KVNR have selected 1,469 cadets, around 64% of whom are still employed by the shipowners in question. PIT is one of the leading nautical academies in the Philippines and its success rate for students taking national exams is high.

Netherlands Shipping Training Centre
In 2005 PIT, the STC and the KVNR jointly established the Netherlands Shipping Training

Centre (NSTC) which provides STCW courses, required for basic watch officer certificates of competence, in Palompon. Added to the regular education courses provided by PIT an all-round educational package is therefore available in Palompon. The day-to-day running of the NSTC is carried out by the Shipping and Transport College (STC).

Polar Code

Ships travelling in Arctic and/or Antarctic waters (a.k.a. polar waters) are exposed to a number of distinct risks. They face challenges posed by adverse weather conditions and a relative lack of accurate navigational charts, communication systems and other navigational aids.

These areas' remote locations make rescue and/or salvage operations difficult and expensive. Low temperatures may damage a large number of ships' parts, ranging from deck installations to intake filters.
Where ice is present, this may result in additional strain on hulls, propulsion systems and appendages.

IMO has developed an international safety code for ships operational in polar waters (the Polar Code).
The Polar Code has been subdivided into four parts. Part I-A includes mandatory measures regarding safety. Part I-B contains recommendatory provisions regarding safety. Part II-A includes mandatory measures regarding pollution prevention and part II-B recommendatory provisions regarding pollution prevention.

Ships operating in polar waters are required to be in possession of a Polar Ship Certificate. Said certificates distinguish between the vessels' operational conditions and the measures to be taken by specific ships to prevent incidents. Ships' classification is included in the certificates issued. Category A ships are designed and built to operate in polar waters at least in medium first-year ice. Category B ships are designed and built to operate in thin first-year ice. Category C ships are designed and built to operate in open water (no more than 10% of the water covered in ice) or in ice conditions less severe than those included in Categories A and B.

In addition, vessels will be required to carry a Polar Water Operational Manual, containing the necessary information regarding the vessel's operational capacity and limitations in order for master, crew and passengers to be able to make considered decisions as and when needed.

The Polar Code will most likely become effective on 1 January 2017 for newbuildings. It will become applicable to existing ships at the time of their first renewal survey on or after 1 January 2018.

The above information is correct as of 31 March 2015

Professional requirements

Far-reaching amendments to the IMO STCW convention, which regulates minimum standards of seafarers' training, certification and watch keeping, took place in 2010. They are referred to as the 2010 Manila Amendments and came into force on 1 January 2012. There are a number of transitional arrangements for various matters that are to expire on 1 January 2017.

The 2010 STCW Manila Amendments have become integrated in Dutch manning legislation with an amendment that came into force on 3 May 2014. Said amendment also brought manning legislation as a whole up to date. The Maritime Crew Act has been replaced by the Seafarers Act.

Nautical educational establishments in the Netherlands, have been quick to respond to the changes and students that have enrolled on or after 2012 will graduate with a diploma with which they will meet the new minimum requirements. Accordingly, they will be receiving a new STCW Manila Amendments certificate of competence.

Those students who started their education prior to that date, and those seafarers already in possession of certificates of competence will need to take additional training courses in some areas in order to meet the new professional requirements. Once they have completed said courses and the new professional requirements are met they, too, will receive a new certificate of competence with an expiry date after 1 January 2017.

To this end the majority of training courses within the Netherlands has been accredited by ILT over 2014. In 2015, a few specific courses will follow.

The above information is correct as of 3 June 2015

Limited liability wreck removal

Questions have been asked in the Second Chamber of Parliament concerning the limitation of shipowners' liability in view of the fact that the State of the Netherlands was unable to get full compensation for the cost incurred in the removal of the Baltic Ace. The Minister of Infrastructure and the Environment reported to the Second Chamber that she would be considering the options so as to prevent this situation arising again in the future. At the ministry's request the KVNR indicated that in their opinion there is no need to increase limits, particularly given that a future increase has already been planned for 2015. In any case, it is vital that the Netherlands remain in line with neighbouring countries as far as limitations for liability are concerned.

The above information is correct as of 7 May 2015

Ship recycling

The KVNR is committed to a process of ship recycling that is safe for both man and the environment. Since the shipping industry is a global one, the regulations governing it need to be effective worldwide too. The Hong Kong Convention –yet to become effective– will provide the framework for said regulations. The convention contains requirements that the entire ship recycling industry as well as all ships will need to comply with covering the entire timespan from construction to final dismantling.

The Hong Kong Convention was adopted in May 2009 and its accompanying directives were completed in 2012. The convention contains requirements that the entire ship recycling industry as well as all ships will need to comply with covering the entire timespan from construction to final dismantling. For instance, shipowners have to ensure that an inventory of harmful materials and substances on board is made and kept up to date.

Ships may only be sold for demolition to those shipyards that meet the relevant IMO requirements and that have been approved by both the flag state and the ship recycling state. This makes the convention a worldwide solution to a worldwide problem. It will however take quite a few years for the convention to come into effect. In anticipation of said effectiveness the industry itself has drawn up a number of voluntary guidelines to ensure sound recycling practices.

At the end of 2013, the European Council and Parliament adopted a new EU directive regarding ship recycling. The directive applies to any and all ships registered under the flag of any one of the European Union member states and it contains general requirements to be met by shipowners. For instance, ships may only be dismantled at ship recycling yards that have been accredited by the EU. Moreover, the requirements of the directive include a variety of inspections and certificates as well as keeping an inventory of any and all hazardous materials. The hazardous material inventory requirement also applies to vessels under any non-European flag calling at any European port or anchorage.

The above information is correct as of 31 March 2015

Social insurances

Developments in the Stichting Scheepvaart (the Dutch Shipping Foundation)

The Dutch Shipping Foundation was founded by the social partners in merchant shipping and the fishery industry. It is governed by representatives of employers' organisations and trade unions. The foundation coordinates and facilitates health care and social security products and administrative services for merchant shipping and the fishery industry. During 2014 the social partners and affiliated employers were polled on the foundation's products and services.

The main findings were that:

- There is a need for an organisation that will function as a helpdesk and strategic advisor to the maritime industry.
- Orientation in regard to international developments in the health and social security sphere is essential.
- The necessary knowledge and expertise is to be safeguarded and any vulnerability is to be eliminated.

The foundation's executive has opted for:

- A body with a broader support base (Merchant shipping, the sea-fishing industry and the maritime dredging industry).
- More care and attention for international regulations on social security and health care.
- Field of operations: employment, income health care. Both at home and abroad,
- More ideas to be developed over 2015.

Collaboration with the Belastingdienst in the issue of Citizen Service numbers (BSNs)

- Because of the so-called Registration of Non-Residents (Registratie Niet Ingezetenen -RNI) which came into force in December 2013, employers in the shipping industry have been faced with problems when applying for social security numbers (BSN) for their personnel. In many cases it concerns BSN applications for (non-Dutch) European seafarers employed on vessels under the flag of the Netherlands whom social security contributions have to be paid for in the Netherlands. Prior to December 2013, BSNs were issued by the foreign department of the Heerlen Belastingdienst office. Due to the amended legislation, BSNs are now issued by the Ministry of the Interior and Kingdom Relations instead of Belastingdienst Heerlen. Any BSNs that have been issued are dispatched to seafarers' home addresses outside de Netherlands instead of to their employers. This change in procedure has led to employers not receiving personnel's BSNs on time. After all, most of the time seafarers are away from home for extended periods of time and are thus unable to pass on the number in question to their employers. Without BSNs said employers are unable to submit tax returns which in turn has untold consequences.
- For quite some time the KVNR has been discussing this matter, with the Ministry of Finance and the Ministry of the Interior and Kingdom Relations as well as the Belastingdienst Heerlen. Thanks to the service-oriented attitude of the Heerlen Belastingdienst a practical solution could be found: the foreign department of the Heerlen Belastingdienst office has been granted permission to issue BSNs directly to employers. This solution has eliminated a considerable administrative burden for employers in the shipping industry.
- The above information is correct as of 13 May 2015

Tonnage tax regime

In 2014, the ministry of Infrastructure and the Environment (I&M) carried out an evaluation of the fiscal facilities for the shipping industry. The evaluation showed that both the wage withholding tax facilities for seafarers and the tonnage tax regime continue to be valuable facilities that contribute to the preservation of the level playing field. Because of this, shipowners in the Netherlands are able to compete with shipowners outside of the EU. On the basis of the evaluation, the government see no reason to apply a sunset clause to the facilities.

Since 2006 a flag requirement has been applicable to the tonnage tax regime. In real terms this means that any new ship added has to be registered under the flag of any one of the EU or EEA member states in order to be eligible for the application of the tonnage tax regime. The requirement knows three exceptions, one of which is a domestic one. If and when the domestic exemption is applicable in any given calendar year, the choice of flag of registration is open for any vessels added to the fleet during that year (with the exception of some types of ship including tugs). The exemption was applicable in 2014: during the entire year all shipowners in the Netherlands were free to choose the flag of their newly added vessels.

The above information is correct as of 3 June 2015

VAT

The KVNR is of the opinion that ticket sales, on-board retail activities and restaurant and catering services on board ships at sea on international passages should continue to be exempt from taxation. Such is the current practice in virtually every country within the European Union. Continuation of said current practice is vitally important to the cruise and ferry industries.

In 2014, a study was commissioned by the European Commission into the economic effects of the current VAT regime, including any potential disruptions to the internal market.

In response to this study, European Community Shipowners' Associations (ECSA) has emphasised that it is the very VAT regime that provides the level playing field to the various transport modalities within Europe as well as to maritime transport between Europe and third-party nations. Levying VAT, on the other hand, would result in internal market disruptions because of the different VAT rates currently being applied in the various European member states. Moreover, levying VAT would cause the number of passenger transport movements to drop (even) further. The European shipowners association has also expressed criticism of the lack of valid data and of the assumptions made, which have not been verified by trade and industry. These views have been made public at the beginning of 2015.

The above information is correct as of 3 June 2015

Wage withholding tax facilities

In 2014, the ministry of Infrastructure and the Environment (I&M) carried out an evaluation of the fiscal facilities for the shipping industry. The evaluation showed that both the wage withholding tax facilities for seafarers and the tonnage tax regime continue to be valuable facilities that contribute to the preservation of the level playing field. Because of this, shipowners in the Netherlands are able to compete with shipowners outside of the EU. On the basis of the evaluation, the government sees no reason to apply a sunset clause to the facilities.

In November 2014 the KVNR membership was polled on any problems they might have encountered regarding their work boats' fiscal position, particularly those problems related to the wage withholding tax facilities arrangement. Members were also asked whether they know of any better regulations abroad and if they found the Belastingdienst's policy to be uniform.
In January 2015, members were informed about the poll's results. The replies received indicate that many of the respondents have not (yet) encountered any problems in the application of fiscal facilities to their type of work boats. Those members have reservations regarding any potential attempts to have the relevant legislation amended. Subject to conditions, a clarification would receive more support. In many cases it is not known whether other countries' regulations are better.

The KVNR board of directors has decided that any potential attempt to achieve more clarity regarding work boats' position should not lead to impairment of the current fiscal facilities for merchant shipping (wage withholding tax facilities, tonnage tax regime and accelerated depreciation).

The above information is correct as of 31 March 2015

Wind farms

In 2015, the Second Chamber of Parliament has approved the government's decision to build three large wind farms off the Dutch coast rather than in nine more scattered locations. Because of this concentration, the shipping will suffer much less disruption. However, in order to ensure that wind farms and the shipping industry can work safely side by side, increased international safety regulations will have to be discussed.

One of the issues yet to be resolved within the International Maritime Organization (IMO) Marine Safety Committee is the minimum safe distance to be kept from wind turbines, in order to allow vessels to meet their legal requirement of avoiding obstacles.

The KVNR has been actively involved in the SAN (Shipping advisory group for the North Sea), together with Rijkswaterstaat and the NWEA (Netherlands Wind Energy Association), to create a legal assessment framework while safeguarding the shipping industry's interests.

In the KVNR's opinion de government's decision to build a total of five wind farms of 700MW in three separate locations is a step in the right direction. The old plan, in which nine wind farms were to be built in as many locations has been dropped.

There will be two clustered wind farms off the coast of Zeeland and another three off the coast of South and North Holland; two of those will be in the south and one in the north. These three will be located nearer to the coast in order to keep any connections to the electricity grid as short as possible.

The wind farms will be located on the border of the economic zone between Belgium and the Netherlands or just outside territorial waters and they will not be in the way of any shipping lanes. The previously issued permits for the nine proposed parks have been revoked and there will be no construction around the precautionary area near the Maasvlakte.

The above information is correct as of 31 March 2015