



GUIDELINES ON APPLICATION FOR DOMESTIC SHIPPING LICENSE

MINISTRY OF TRANSPORT MALAYSIA

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GUIDELINES ON APPLICATION FOR DOMESTIC SHIPPING LICENSE

1. INTRODUCTION

Domestic Shipping

Definition of domestic shipping under Section 65A of the Merchant Shipping Ordinance 1952 [Ordinance No.70/1952] ("MSO 1952") refers to the usage of vessels for the following purposes:

- (a) to provide services, other than fishing, in the Federation waters or the Exclusive Economic Zone; or
- (b) for the shipment of goods or the carriage of passengers:
 - i. from any port or place in Malaysia to another port or place in Malaysia; atau
 - ii. from any port or place in Malaysia to any place in the Exclusive Economic Zone or vice versa.

Domestic Shipping License

Section 65L of OPS 1952 provides that all vessels engaged in domestic shipping services must have a Domestic Shipping License (DSL). The failure of any owner, charterer, master or agent of a ship to possess a valid license is an offense and if convicted of such offense is liable to a fine not exceeding RM10,000 or to imprisonment not exceeding one year or to both.

Exemption from Section 65L MSO 1952

Subsection 65L (3) MSO 1952 provide exemption from Section 65L to the following Malaysian Registered Vessels:

- a) net weight under 15 tonnes;
- b) licensed under Section 475 MSO 1952 (boat license);
- c) licensed under MSO 1960 (Sabah) and (Sarawak);); and
- d) owned/leased by Malaysian Government, State Government or Port Authority.

Cabotage Policy

Section 65KA MSO 1952 restricts domestic shipping to Malaysian Registered Vessels only. The use of Foreign Registered Vessels can only be considered if the Malaysian Registered Vessel is unable to meet the demands of certain sectors subject to the terms and conditions set by the Minister of Transport

2. SOURCE OF POWER

- (a) Merchant Shipping Ordinance 1952 [Ordinance No.70/1952]; and
- (b) Domestic Shipping Licensing Board Regulations 1981 [P.U(A) 27/1981].

3. TERMS OF APPLICATION

- (a) DSL Application shall be made to Domestic Shipping License Board (LPPDN) by:-
 - i. **A company** incorporated under the Companies Act 2016 [Akta 777] with at least 51% of shareholding and composition of company director are held by Malaysian citizen;
 - ii. **Individuals** with Malaysian citizenship (for Malaysian Registered Vessel owned by individual only).
- (b) DSL application must be submitted together with the supporting documents specified in paragraph 4.

4. DOCUMENTS TO BE SUBMITTED DURING DSL APPLICATION

- (a) **Company / Individual**
 - i. **Copy of Memorandum and Articles of Association**
 - ii. **Copy of Form 24 (Return of Allotment of Shares)**
 - iii. **Copy of Form 49 (Return Giving Particulars in Register of Directors, Managers and Secretaries and Changes of Particulars)**
 - iv. **Copy of MyKad (for Malaysian Registered Vessel owned by individual)**

- v. **Letter of Appointment for Agent / Ship Manager** (for MISR vessel and Foreign Registered Vessel)

(b) **Supporting Documents for Malaysian Registered Vessels**

VESSEL TYPE	DOCUMENTS REQUIRED
Ferry / Passenger Boat	<ul style="list-style-type: none"> i. MyData SSM ii. Certificate of Registry iii. Passenger Certificate iv. Crew list (Verified by JLM)
Crew Boat	<ul style="list-style-type: none"> i. MyData SSM ii. Certificate of Registry iii. Crew list (Verified by JLM) iv. Permit to operate for High Speed Craft / Passenger Safety Equipment Certificate
Barge	<ul style="list-style-type: none"> i. MyData SSM ii. Certificate of Registry
Tugboat	<ul style="list-style-type: none"> i. MyData SSM ii. Certificate of Registry iii. Crew list (Verified by JLM)
General Cargo	<ul style="list-style-type: none"> i. MyData SSM ii. Certificate of Registry iii. Crew list (Verified by JLM)
Supply Vessel / Anchor Handling Tug Supply (AHTS)	<ul style="list-style-type: none"> i. MyData SSM ii. Certificate of Registry iii. Crew list (Verified by JLM)
Landing Craft	<ul style="list-style-type: none"> i. MyData SSM ii. Certificate of Registry iii. Crew list (Verified by JLM)
Tanker	<ul style="list-style-type: none"> i. MyData SSM ii. Certificate of Registry iii. International Oil Pollution Prevention Certificate (IOPP) (for tankers carrying petroleum/crude oil) iv. Record of Construction and Equipment for Ships other than Oil Tankers (Form A) v. Record of Construction and Equipment for Oil Tankers (Form B) vi. Certificate of Fitness (for tankers carrying chemicals/LNG/LPG) vii. Licence to Carry Petroleum Class 1A, Class 1B and 1C (Form C)(for tankers with GT lower than 150)

VESSEL TYPE	DOCUMENTS REQUIRED
	<ul style="list-style-type: none"> viii. Permission Under Section 6(2) Petroleum Development Act 1974 (PDA License)(for tankers operating as bunker vessel) ix. Charter Agreement for bunker vessels using PDA License owned by third party x. Crew list (Verified by JLM)
Others (Offshore Structure / Rig / Specialize Vessel)	<ul style="list-style-type: none"> i. MyData SSM ii. Certificate of Registry iii. Crew list (Verified by JLM)

(c) **Supporting Documents for Foreign Registered Vessels**

VESSEL TYPE	DOCUMENTS REQUIRED
Ferry / Passenger Boat	<ul style="list-style-type: none"> i. Certificate of Registry ii. Protection and Indemnity Insurance iii. Port State Control (for vessels operated in Johor port limit) iv. MyData SSM for Agent / Ship Manager v. International Tonnage Certificate vi. Contract Documents vii. Letter of Appointment for Agent / Ship Manager viii. For vessels older than 15 years: <ul style="list-style-type: none"> a. Safety Construction Certificate b. Safety Equipment Certificate c. Safety Radio Certificate
Crew Boat	<ul style="list-style-type: none"> i. Certificate of Registry ii. Protection and Indemnity Insurance iii. Port State Control (for vessels operated in Johor port limit) iv. MyData SSM for Agent / Ship Manager v. International Tonnage Certificate vi. Contract Documents vii. Letter of Appointment for Agent / Ship Manager viii. For vessels older than 15 years: <ul style="list-style-type: none"> a. Safety Construction Certificate b. Safety Equipment Certificate c. Safety Radio Certificate

VESSEL TYPE	DOCUMENTS REQUIRED
Barge	<ul style="list-style-type: none"> i. Certificate of Registry ii. Protection and Indemnity Insurance iii. Port State Control (for vessels operated in Johor port limit) iv. MyData SSM for Agent / Ship Manager v. International Tonnage Certificate vi. Contract Documents vii. Letter of Appointment for Agent / Ship Manager viii. For vessels older than 15 years: <ul style="list-style-type: none"> a. Safety Construction Certificate b. Safety Equipment Certificate c. Safety Radio Certificate
Tugboat	<ul style="list-style-type: none"> i. Certificate of Registry ii. Protection and Indemnity Insurance iii. Port State Control (for vessels operated in Johor port limit) iv. MyData SSM for Agent / Ship Manager v. International Tonnage Certificate vi. Contract Documents vii. Letter of Appointment for Agent / Ship Manager viii. For vessels older than 15 years: <ul style="list-style-type: none"> a. Safety Construction Certificate b. Safety Equipment Certificate c. Safety Radio Certificate
General Cargo	<ul style="list-style-type: none"> i. Certificate of Registry ii. Protection and Indemnity Insurance iii. Port State Control (for vessels operated in Johor port limit) iv. MyData SSM for Agent / Ship Manager v. International Tonnage Certificate vi. Contract Documents vii. Letter of Appointment for Agent / Ship Manager viii. For vessels older than 15 years: <ul style="list-style-type: none"> a. Safety Construction Certificate b. Safety Equipment Certificate c. Safety Radio Certificate

VESSEL TYPE	DOCUMENTS REQUIRED
Supply Vessel / Anchor Handling Tug Supply (AHTS)	<ul style="list-style-type: none"> i. Certificate of Registry ii. Protection and Indemnity Insurance iii. Port State Control (for vessels operated in Johor port limit) iv. MyData SSM for Agent / Ship Manager v. International Oil Pollution Prevention Certificate (IOPP) vi. Record of Construction and Equipment for Ships other than Oil Tankers (Form A) vii. International Tonnage Certificate viii. Contract Documents ix. Letter of Appointment for Agent / Ship Manager x. For vessels older than 15 years: <ul style="list-style-type: none"> a. Safety Construction Certificate b. Safety Equipment Certificate c. Safety Radio Certificate xi. Approval Letter from the National Security Council (when necessary) xii. Approval Letter from Ministry of Domestic Trade and Consumer Affairs (KPDNHEP)(when necessary)
Landing Craft	<ul style="list-style-type: none"> i. Certificate of Registry ii. Protection and Indemnity Insurance iii. Port State Control (for vessels operated in Johor port limit) iv. MyData SSM for Agent / Ship Manager v. International Tonnage Certificate vi. Contract Documents vii. Letter of Appointment for Agent / Ship Manager viii. For vessels older than 15 years: <ul style="list-style-type: none"> a. Safety Construction Certificate b. Safety Equipment Certificate c. Safety Radio Certificate

VESSEL TYPE	DOCUMENTS REQUIRED
Tanker	<ul style="list-style-type: none"> i. Certificate of Registry ii. Protection and Indemnity Insurance iii. Port State Control (for vessels operated in Johor port limit) iv. MyData SSM for Agent / Ship Manager v. Certificate of Fitness (for tankers carrying chemicals/LNG/LPG) vi. International Oil Pollution Prevention Certificate (IOPP) (for tankers carrying petroleum/crude oil) vii. Record of Construction and Equipment for Ships other than Oil Tankers (Form A) viii. Record of Construction and Equipment for Oil Tankers (Form B) ix. Record of Construction and Equipment for FSPOs and FSUs x. International Tonnage Certificate xi. Contract Documents xii. Letter of Appointment for Agent / Ship Manager
Others (Offshore Structure / Rig / Specialize Vessel)	<ul style="list-style-type: none"> i. Certificate of Registry ii. Protection and Indemnity Insurance iii. Port State Control (for vessels operated in Johor port limit) iv. MyData SSM for Agent / Ship Manager v. International Tonnage Certificate vi. Contract Documents vii. Letter of Appointment for Agent / Ship Manager viii. For vessels older than 15 years: <ul style="list-style-type: none"> a. Safety Construction Certificate b. Safety Equipment Certificate c. Safety Radio Certificate ix. Approval Letter from the National Security Council (when necessary) x. Approval Letter from Ministry of Domestic Trade and Consumer Affairs (KPDNHEP)(when necessary) xi. Mobile Offshore Drilling Unit Safety Certificate (for MODU to ensure compliance with MODU code)

(d) Subject to Regulation 6 P.U (A) 27/1981, LPPDN may apply for any additional information or documents as deemed necessary by LPPDN for the purpose of determining the suitability of the applicant for a license. If any additional information or documents are not submitted, the DSL application shall be deemed to have been withdrawn and cannot be continued but without prejudice to a new

application made to the LPPDN.

5. APPLICATION PROCEDURE

- (a) Application can be made through **Domestic Shipping License System (eDSL System)** at the website www.edsl.mot.gov.my using the prescribed Form;
- (b) All **supporting documents** as stated in paragraph 4 must be **uploaded to eDSL System**.
- (c) Application must be submitted before the project starts (for new applications) or at the latest 2 months before the existing license expires (for renewal applications)

6. DURATION AND TYPE OF LICENSE

- (a) **Malaysian Registered Vessel**

TYPE OF LICENSE	DURATION	CRITERIA / REQUIREMENT
Unconditional License	2 years	<ul style="list-style-type: none">i. Bumiputera Participation<ul style="list-style-type: none">a. At least 30% of Board of Director are among Bumiputera's;b. At least 30% of equity holding are among Bumiputera's; andc. At least 30% of office staff are among Bumiputera's.ii. Recruitment of Malaysian Crew<ul style="list-style-type: none">a. At least 75% of the crew in rating category are among Malaysian citizens; andiii. Vessel age is less than 8 years old.

TYPE OF LICENSE	DURATION	CRITERIA / REQUIREMENT
Unconditional License	1 year	<p>i. Bumiputra Participation</p> <p>a. At least 30% of Board of Director are among Bumiputera's;</p> <p>b. At least 30% of equity holding are among Bumiputera's; and</p> <p>c. At least 30% of office staff are among Bumiputera's</p> <p>ii. Recruitment of Malaysian Crew</p> <p>a. At least 75% of the crew in rating category are among Malaysian citizens; and</p> <p>iii. Vessel age is more than 8 years but less than 20 years.</p>
Conditional License	1 year	<p>i. Malaysian Registered Vessels that do not meet any of the conditions set out in the Unconditional License criteria; or</p> <p>ii. Malaysian Registered Vessels that meet all the requirement of Unconditional License but vessel's age is above 20 years old.</p>
	6 months	Malaysian Registered Vessels that have no Malaysian citizen crew onboard (limited to 3 times only).
Temporary (Provisional) License	6 months or until the expiry date of Provisional Registration Certificate (whichever comes earlier)	Malaysian Registered Vessels under Provisional Registration Certificate.

(b) **Foreign Registered Vessel**

TYPE OF LICENSE	DURATION	CRITERIA / REQUIREMENT
Temporary License	According to the duration applied or employment contract period but not exceeding 3 months (whichever comes earlier)	<ul style="list-style-type: none"> i. Specialized work in Malaysian waters; ii. Have a valid Work Contract; and iii. Unavailability of Malaysian Registered Vessels suitable or capable of carrying such work certified by LPPDN Secretariat

7. FI CHARGES

TYPE OF VESSEL	FI
Malaysian Registered Vessel	<ul style="list-style-type: none"> i. 15 – 50 NT: RM50/per annum ii. Next additional NT: RM0.10/NT
Foreign Registered Vessel	<ul style="list-style-type: none"> i. 15 – 50 NT: RM200 ii. Next additional NT: RM0.40/NT

8. APPROVAL PROCESS

(a) Malaysian Registered Vessel

License application results for Malaysian Registered Vessel will be given not later than three **(3) working days** from the date of receipt of complete application.

(b) Foreign Registered Vessel

i. Without Counter Offer

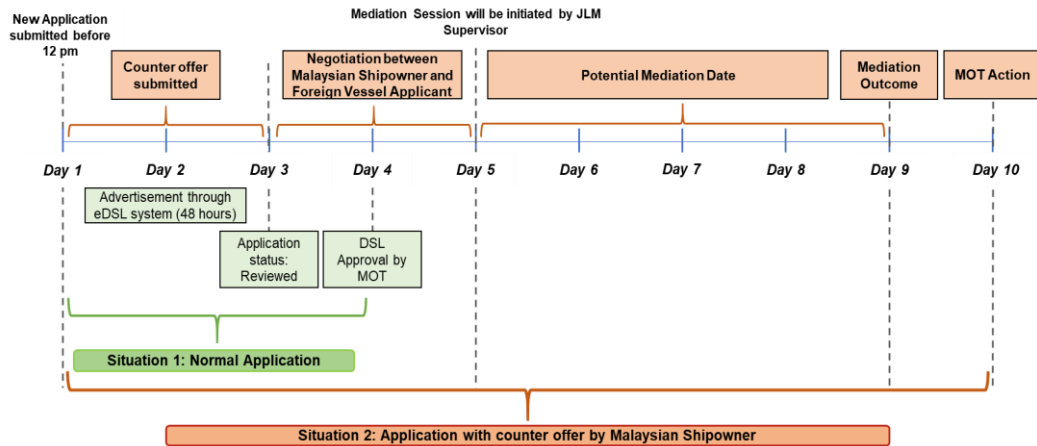
License application results for Foreign Registered Vessel that was not subjected to counter proposal from local ship owners will be given not later than **three (3) working days** from the date of receipt of complete application.

ii. With Counter Proposal

License application for Foreign Registered Vessel that was subjected to counter proposal from local ship owners will have to go through negotiation/and mediation process before any decision can be made.

License application results will be given not later than **10 working days** from the date of receipt of complete application.

(c) Timeline of work process is as shown below:



(d) Detailed work process flowchart for license application can be referred at eDSL System User Guide page at www.edsl.mot.gov.my.

9. PAYMENT

- (a) Payment can be made through online transaction using FPX or credit card;
- (b) Payment must be made within 14 days. License approval will expired automatically if no payments were received within that time;
- (c) **Approved transaction cannot be cancelled.**

10. REVOCATION

- (a) License must be printed and displayed on board the licensed vessel for inspection purpose;
- (b) License is not transferable;
- (c) License may be revoked if:
 - i. there is a violation of the terms and conditions;
 - ii. there is falsification of document/information during the application;

- iii. the vessel is not at the licensed location;
- iv. the vessel does not implement the project as licensed; or
- v. valid license is not kept/displayed in its proper place.

11. TERMS AND CONDITIONS

- (a) All term and condition for license application can be referred at eDSL System User Guide page at www.edsl.mot.gov.my.
- (b) Any changes, addition or cancellation of current terms and conditions for license application are subjected to provisions of the law in force and the decision of LPPDN from time to time.