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DR. ERNEST BAI KOROMA,
President.

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THE SIERRA LEONE NATIONAL CARRIER AGREEMENT RATIFICATION ACT, 2012	Short title.
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Being an Act to ratify the joint Venture Agreement relating to the setting up and operations of Sierra Leone National Carrier Limited; to grant to Sierra Leone National Carrier Limited the status of the sole National Carrier of the Republic of Sierra Leone, to reserve to Sierra Leone National Carrier Limited the right to perform at its discretion the maritime transportation of forty per cent of the total value of cargo exported out of, and imported into, Sierra Leone, whether they be unitised or in bulk, dry or liquid, including the provision of FPSOs and FSOs.

[] Date of commencement.

ENACTED by the President and Members of Parliament in this present Parliament assembled.

PART 1—PRELIMINARY

Interpretation. 1. In this Act, unless the context otherwise requires—

“cargo” means any cargo, freight or goods of any kind whether unitised or in bulk, dry or liquid that is loaded into a ship or vessel;

“continental shelf” means continental shelf as defined by the United Nations Convention on the Law of the Sea;

“Exclusive Economic Zone” means the Exclusive Economic Zone as defined by the United Nations Conventions on the Law of the Sea;

“FPSO” means a Floating Production Storage and Offloading unit or any other unit that performs a similar activity;

“FSO” means a Floating Storage Offloading unit or any other unit that performs a similar activity;

“Joint Venture Agreement” means the Joint Venture Agreement signed on the 24th of May 2012 between Sierra Leone National Shipping Company Limited and Four Handy Limited and Premuda Sierra Leone Limited relating to the setting up and operations of Sierra Leone National Carrier Limited, as set out in the Schedule;

“shipper” means any entity which requires the seaborne transportation of cargo into or out of Sierra Leone, including shippers, receivers and suppliers of cargo imported into and exported out of Sierra Leone or an entity which requires the provision of any FPSO or FSO operating in the territorial waters, Exclusive Economic Zone or continental shelf, of Sierra Leone;

“SLNC” means the Sierra Leone National Carrier Limited;

“territorial waters” means the territorial waters as defined by the United Nations Convention on the Law of the Sea.

2. The Joint Venture Agreement is ratified and confirmed in all respects and shall remain in full force and effect in accordance with its terms and conditions. Ratification of Joint Venture Agreement.

3. (1) The SLNC is the sole National Carrier of Sierra Leone. SLNC to be sole national carrier.

(2) The SLNC shall have the right to carry out at its discretion the seaborne transportation of at least forty per cent of the total volume of cargoes exported out of and imported into Sierra Leone, whether they be unitised or in bulk, dry or liquid.

4. (1) The SLNC shall have the right to participate at its discretion with an interest of forty per cent, in the provision, operation, ownership of any FPSO or FSO operating in the territorial waters, Exclusive Economic Zone or continental shelf of Sierra Leone. SLNC to set out terms.

(2) For the purpose of subsection (1) SLNC may enforce the right by requesting that it is offered the forty per cent shareholding of the equity of any company providing or operating any FPSO or FSO or by requesting that it is paid a commission by that company equal to four per cent of the estimated total consideration paid to that company for the provision and operation of any FPSO or FSO in the territorial waters, Exclusive Economic Zone or continental shelf of Sierra Leone.

5. (1) For the services referred to in sections 3 and 4, SLNC shall charge rates based on the prevailing market rates together with a surcharge of ten per cent. SLNC to charges fees.

(2) The SLNC shall determine the prevailing rates as benchmarked by it against market rates provided by independent sources of freight data, such as self-regulated shipping institutions, reputable unrelated freight market analysts or valuers providing sworn expertise.

(3) Subject to subsection (2), SLNC shall take into account any specific condition or contingency that may affect seaborne transportation into and out of Sierra Leone.

Shippers to register with SLNC.

6. (1) Every shipper shall register with SLNC within twenty-one days after the coming into operation of this Act and subsequently by the 15th of January of each year and in any event before the shipment of any cargo into or out of Sierra Leone.

(2) Registration shall be renewed every year.

(3) A shipper who contravenes subsection (1) or (2) commits an offence and the court may on conviction—

(a) order the seizure and auction of the cargo of the shipper;
or

(b) order the shipper to pay a fine equivalent to the value of the cargo.

7. (1) The SLNC shall establish the terms and conditions for the provision of its services and all shippers shall comply with them.

(2) The SLNC shall cancel the registration of a shipper which fails to comply with subsection (1).

(3) Before the cancellation of the registration of a shipper, the SLNC shall write to the shipper notifying the shipper of the obligation to comply with the terms of conditions and specify the time within which the shipper must comply with the terms and conditions.

SCHEDULE

THIS JOINT VENTURE AGREEMENT is made this 24th of May in the Year of Our Lord Two Thousand and Twelve

Between

Sierra Leone National Shipping Company Limited, incorporated under the Company Laws of Sierra Leone, having its registered office at 45 Cline Street Freetown Sierra Leone (which expression shall where the context so requires include its successors) of the one part hereinafter referred to as SLNSC

And

Four Handy Limited, incorporated in England and having its registered office at Devonshire House, 60 Goswell Road, London, EC1M 7AD, United Kingdom and Premuda Sierra Leone Limited, incorporated in the Republic of Sierra Leone and having its registered office at 17 Wallace Johnson Street, Bicentenary House, Freetown, Republic of Sierra Leone (which expression shall where the context so requires include its successors) of the second and third part hereinafter jointly referred to as Premuda

Hereinafter SLNSC and Premuda will be also jointly referred to as the Parties, in their capacity as parties to this Agreement and / or shareholders of the Joint Venture Company

The Government of Sierra Leone is the confirming party to this Agreement.

Recitals

1. WHEREAS the Government of Sierra Leone (hereinafter referred to as the Government) is desirous of promoting local content and local participation in all activities relating to the exploitation of its natural resources, including maritime transportation of cargo by Ocean Going Vessels (OGVs) and provision of specific services and assets to the offshore oil and gas industry;

2. AND WHEREAS the Government is desirous to favour the development of its National Shipping Company by means of entering into a Joint Venture Agreement with Premuda, which will be the National Carrier of Sierra Leone, developing into a major player of the international seaborne transportation industry;
3. AND WHEREAS the Government intends to introduce a Bill in Parliament to have a Law(Statutory Instrument) enacted including the following provisions
- (a) Granting the Joint Venture the status of the National Carrier of Sierra Leone (“NCSL”);
 - (b) Reserving to the NCSL the right to perform at its discretion 40/% (forty percent) of the total volume of cargoes exported out of, and imported into, the Republic of Sierra Leone, whether they be unitised or in bulk, dry or liquid, including Floating Production Storage and Offloading units (FPSOs) and Floating Storage Offloading units (FSOs);
 - (c) Providing that the NCSL shall charge for such services prices based on the prevailing market rates together with a surcharge of 10% (ten percent) benchmarked against rates provided by independent sources of freight market data, such as self-regulated shipping institutions (e.g. the Baltic Exchange and the Worldscale Association) or reputable unrelated freight market analysts or valuers providing sworn expertise.
4. AND WHEREAS (a) the Parties intend to work closely with the Government with regard to the above,
- (b) The Parties wish to form a Joint Venture by incorporating and operating a Joint venture company limited by shares to promote and foster the intentions of the Government of Sierra Leone and the achievement of economic benefit satisfactory to the Parties;
 - (c) Four Handy Limited hereby irrevocably nominates Premuda Sierra Leone Limited as the shareholder of the incorporating Joint Venture Company.

- (d) to give effect to the intention of the parties as hereinbefore recited, and to regulate their relationship inter se as shareholders in the Joint Venture Company in the conduct of the business and affairs of the Joint Venture Company the parties have agreed to enter into this Agreement on the terms and conditions hereinafter set out.

NOW, THEREFORE, in consideration of the mutual promises and agreements of the Parties herein expressed, as well as other good and valuable consideration the Parties, intending to be legally bound hereby, agree as follows:

Article 1 Contractual definitions

The following terms shall have the meanings set out below:

Affiliate

In relation to a Party, a corporation in which that Party (directly or indirectly) owns more than 50 % per cent of the issued share capital or controls more than 50 per cent of the voting rights.

Auditors

The external auditors of the Joint Venture Company.

Commercial Manager

The Commercial Manager is the corporate entity charged with the responsibilities of the shipping commercial activities of the Joint Venture Company.

Contributions

The contributions to be made by the Parties to the Joint Venture Company pursuant to Article 4.

Deadlock

The inability of two successive meetings {either of the Meeting of the Shareholders or of the Board of Directors) to reach a decision by reason of the non-attendance of a Party or its appointed representatives (when there is a requirement of minimum attendance) or lack of agreement on a matter material to the strategic or continuing operations of the Joint Venture Company.

Fiscal and Accounting Year

The fiscal and accounting year of the Joint Venture Company as defined in Article 13

Force Majeure

An impediment to performance beyond a Party's control as defined in Article 23.

Independent Expert

An expert appointed, in connection with a determination or dispute relating to valuation, pursuant to the terms of this Agreement.

Joint Venture Company

The company limited by shares which the Parties intend to incorporate and operate to conduct their joint business enterprise.

Joint Venture Intellectual Property

Intellectual property or know-how relating to technical developments acquired or developed by the Joint Venture Company in the course of its activities.

Party

Each of the parties (SLNSC, Four Handy Limited, Premuda Sierra Leone Limited) being signatories to this Agreement and those adhering to it subsequently.

Regulatory Approvals

Governmental or regulatory approvals required by the Parties for the establishment of the Joint Venture Company in Sierra Leone.

Share

A share in the capital of the Joint Venture Company.

Shareholder

SLNSC or Premuda Sierra Leone Limited in its capacity as a holder of shares in the Joint Venture Company.

Transfer of Shares

Transfer of Shares includes transfer, sale, assignment, donation, pledge, charge, or other disposition of such shares or any interest therein whether directly or indirectly by assignment, merger, consolidation or sale or other conveyance.

Article 2 Object of the Joint Venture

- 2.1** The Parties hereby agree to establish jointly a company to be known as Sierra Leone National Carrier Limited (SLNC), referred to as the Joint Venture Company.
- 2.2.** The object of the Joint Venture Company shall be to engage in all shipping activities including, shipping activities relating to dry bulk, unitised cargo, liquid and the provision of FPSOs and FSOs.
- 2.3** All activities of the Joint Venture Company must comply with the law, decrees and applicable regulations of the Republic of Sierra Leone.

Article 3 Social and environmental responsibilities of the Joint Venture Company, anti-corruption covenant, tax exemptions

- 3.1** The Joint Venture Company, while enhancing value for its shareholders, will create jobs and employment and provide professional training to Sierra Leoneans who satisfy the requirements for such positions in accordance with applicable laws.
- 3.2** The Joint Venture Company will endeavour to develop know-how, including technical skills for Sierra Leoneans, in the field of international seaborne transportation.
- 3.3** The Joint Venture Company shall comply with all national and international environmental standards and laws concerning the protection of the environment. The Joint Venture Company shall ensure it takes adequate steps to prevent and control pollution of the air, land, water and sea and shall cooperate with all Government authorities in taking such steps.
- 3.4** The Joint Venture Company shall donate 1% of its audited net profits per annum after taxation to charitable institutions as determined by the Parties.
- 3.5** Each Party undertakes that, so long as this Agreement remains in force and effect: