

**MARINA Circular No. 14
Series of 2009**

TO : ALL DOMESTIC SHIPOWNERS / OPERATORS / COMPANIES AND ALL CONCERNED

SUBJECT : RULES ON THE GRANT OF EXEMPTION FROM SECURING CERTIFICATE OF PUBLIC CONVENIENCE (CPC)

Pursuant to Presidential Decree No. 474, Republic Act No. 9295 and its Implementing Rules and Regulations, the Maritime Industry Authority Board of Directors in its meeting held on May 21, 2009, approved and adopted the following rules:

I. OBJECTIVE:

This Circular serves to provide rules on the grant of exemption from securing a Certificate of Public Convenience (CPC) pursuant to the Implementing Rules and Regulations (IRR) of Republic Act (RA) No. 9295.

II. COVERAGE:

This Circular shall apply to all ships used exclusively for company use, or those not engaged in public service in any ports or areas in the Philippines, or whose operations or services do not come under the purview of RA No. 9295 and its IRR and its subsequent amendments.

III. DEFINITION OF TERMS:

1. **Certificate of Public Convenience** - refers to the license or authority issued by MARINA to a domestic ship operator to engage in domestic shipping;
2. **Certificate of Exemption from Securing CPC** - refers to the Certificate issued by the MARINA to a shipowner or operator, as evidence that its ship is not required to secure CPC;
3. **Insurance Company** - refers to any corporation or entity duly authorized/licensed under Philippine laws to engage in the business of marine insurance and duly registered with the Insurance Commission;
4. **MARINA** - refers to the Maritime Industry Authority;
5. **Principal Place of Business or Office** - refers to the address indicated in the Articles of Incorporation and By Laws for corporations, Articles of Partnership for partnerships, Articles of

Cooperation for cooperatives and DTI Certificate of Registration of Business Name for single proprietorships;

6. **Ship” or “Vessel** - which may be used interchangeably, refers to any kind, class or type of craft or artificial contrivance capable of floating in water, designed to be used, or capable of being used, as a means of floating in water transport in the domestic trade for the carriage of passengers or cargo, or both, utilizing its own motive power or that of another.

IV. GENERAL PROVISIONS:

1. A person, partnership, corporation, firm and entity with ships covered under this Circular shall file an Application for Exemption from securing CPC with the MARINA or Maritime Regional Office where its principal place of business is located.
2. The Applicant shall show to the satisfaction of the MARINA that it complies with the jurisdictional and documentary requirements as herein provided, to merit exemption from securing CPC.

V. SPECIFIC PROVISIONS:

1. Every Applicant shall indicate in its Application the name of ship/s, the nature of its business or operation, and the ground/s for exemption.
2. An amendment of the Certificate of Exemption shall be filed under the following instances:
 - 2.1 Permanent addition or deletion of the ship/s from the fleet; or,
 - 2.2 Change of ship’s name; or,
 - 2.3 Change in the name of the entity.

VI. JURISDICTIONAL REQUIREMENTS:

Proof of compliance with the following jurisdictional requirements shall be presented by the Applicant during the hearing scheduled for the purpose:

1. Affidavit of publication in a newspaper of national circulation, together with the newspaper clipping; and,
2. Copy of the whole newspaper where the Notice of Hearing was published.

VII. DOCUMENTARY REQUIREMENTS:

1. Application for Exemption from Securing CPC:

- 1.1. Duly accomplished Application prescribed by the MARINA;
- 1.2. Ship documents:
 - 1.2.1. Certificate of Ownership
 - 1.2.2. Certificate of Philippine Registry
 - 1.2.3. Coastwise License/Bay and River License/Pleasure Yacht License, as applicable
- 1.3. Notarized Special Power of Attorney (for authorized representative per sole proprietorship/partnership); or Notarized Secretary's Certificate and Board Resolution (authorized representative per company or corporation);
- 1.4. Charter Contracts, as applicable. In case of local charter of ships, there is no need to reflect the charterer's name in the ship's documents except in the insurance, and other documents as maybe deemed necessary;
- 1.5. Ship Safety Certificates:
 - For Passenger Ships:
 - Passenger Ship Safety Certificate; and,
 - Minimum Safe Manning Certificate.
 - For Cargo Ships:
 - Cargo Ship Safety Certificate; and,
 - Minimum Safe Manning Certificate.
 - For Tankers (other than gas tankers):
 - Cargo Ship Safety Construction Certificate;
 - Cargo Ship Safety Equipment Certificate; and,
 - Minimum Safe Manning Certificate
 - For Tankers Carrying Gas:
 - Cargo Ship Safety Construction Certificate;
 - Cargo Ship Safety Equipment Certificate;
 - Minimum Safe Manning Certificate; and,
 - Certificate of Fitness.
 - For Tugs, Dredgers and Barges:
 - Cargo Ship Safety Certificate; and,
 - Safe Manning Certificate.

For High Speed Crafts:

- High Speed Craft Safety Certificate; and,
- Minimum Safe Manning Certificate.

For Other Ships:

- Passenger/Cargo Ship Safety Certificate; and,
- Minimum Safe Manning Certificate.

- 1.6. Radio/Ship Station License (RSL/SSL);
- 1.7. Passenger Insurance Coverage with an aggregate limit of liability in the amount of P 200,000.00 per passenger;
- 1.8. Oil Pollution Coverage
 - 1.8.1. Civil Liability Convention Certificate (CLC) for Tankers and Barges Carrying Persistent Oil, as applicable;
 - 1.8.2. Oil Pollution coverage for tankers and barges carrying non-persistent oil;
 - 1.8.3. Third Party Liability (TPL) for Liquefied Petroleum Gas/Liquefied Nitrogen Gas (LNG) Carriers
- 1.9. Pictures of the ship, showing the name of the ship with port side, starboardside and astern view (with the size of 5" x 7");
- 1.10. Proof of Payment of Processing Fee(s);
2. Permanent Addition Deletion of the Ship from the Fleet or Change in Ship's Name:
 - 2.1. Application for Amendment of Certificate of Exemption identifying the ship to be added, deleted or replaced and reason(s) thereof;
 - 2.2. In case of addition of ship, replacement or change in ship's name, relevant ship's documents, as applicable;
 - 2.3. Certificate of Deletion from Philippine Registry in case of exportation or deletion of ship; and,
 - 2.4. Proof of Payment of Processing Fee(s).
3. Change in the name of entity:
 - 3.1. Application Form stating the change in name of the entity;
 - 3.2. Ship documents/ship safety certificates under Item e, as applicable;
 - 3.3. Proof of Payment of Processing Fee(s).

VIII. PROCEDURES AND STANDARD PROCESSING TIME IN THE ISSUANCE OF CERTIFICATE OF EXEMPTION FROM CPC:

Issuance of Certificate of Exemption from securing CPC:

1. The Application shall be filed with the Central Office or the Maritime Regional Office where Applicant has its principal place of business or office.
2. Jurisdiction is acquired over the Applicant upon the filing of the Application and payment of fees.
3. Only Applications with complete and valid documentary requirements shall be accepted.

The Applicant shall state in its Application the name(s) of the ship(s), the nature of its business or operation, and the grounds for the issuance of such exemption.

4. If deficiencies are noted upon initial evaluation of the Application, an Order shall be issued within five (5) days from filing, requiring applicant to rectify noted deficiencies, or to submit document(s) deemed necessary within ten (10) days from receipt of the Order.
5. A Notice of Hearing (NOH) shall be issued upon filing where the hearing shall be set on a date that will allow a five (5) day period for publication prior to the hearing.

The NOH shall contain the following:

- the case number;
 - the venue;
 - the date of hearing;
 - the name (s) of the ship(s);
6. The NOH shall be published in any newspaper of national circulation, including tabloids.

Upon failure of Applicant to publish the NOH, a second NOH shall be issued, resetting the case for hearing, after payment of fees.

7. Hearing shall be set on a date that will allow a five (5) day period for publication prior to the hearing. The hearing shall be conducted at the MARINA Central or Regional Office where the Application was filed.

Duly authorized Legal Officers or Hearing Officers shall preside over the hearing. The shipowner or operator or its authorized representative shall be allowed to appear.

The Applicant shall submit proof of compliance with the jurisdictional requirements of publication of the NOH. The Applicant shall likewise submit for marking the documentary requirements during the hearing.

The Applicant shall be required to make a written Formal Offer of Evidence (FOE) during the hearing or within five (5) days from the date of the hearing attaching therein its jurisdictional and documentary requirements.

8. The MARINA shall conduct post-evaluation of documents submitted with the FOE. If found sufficient, the MARINA shall issue an Order within three (3) days from receipt of the FOE accepting the FOE and submitting the Application for resolution or decision. Otherwise, an Order shall be issued directing Applicant to submit lacking requirements within ten (10) days from receipt of the Order, failure of which will be ground for dismissal of the Application.
9. Upon favorable evaluation of the jurisdictional and documentary requirements prescribed herein, a Decision and corresponding Certificate of Exemption granting the Application shall be issued to a shipowner or operator within fifteen (15) days upon acceptance of the FOE.

For Applications for Amendment of Exemption Certificate, a Decision and corresponding Rider Certificate shall be issued.

10. A Decision denying/dismissing the Application shall be issued to the Applicant who does not meet the jurisdictional and documentary requirements.
11. No Application shall be accepted, processed nor be given due course if the Applicant has unsettled accounts before the MARINA consisting of unpaid administrative penalties and fines or otherwise.
12. The Administrator and the Deputy Administrators or Officer-In-Charge of the Deputy Administrators shall have the authority to sign the Decision.

In case of MRO issuance, the Decision shall be signed by the Regional Director and forwarded to the Central Office for issuance of the corresponding Certificates.

The Exemption Certificates shall be solely signed by the Administrator.

13. The MARINA shall issue the Decision and corresponding Exemption and Rider Certificate within fifteen (15) days upon acceptance of Formal Offer of Evidence (FOE) and declaration that

the case is submitted for decision, and after favorable evaluation of jurisdictional and documentary requirements.

IX. TRANSITORY PROVISIONS:

1. All shipowners or operators covered by this Circular shall file an Application for Exemption from securing CPC within six (6) months from the effectivity of this Circular.
2. All shipowners or operators previously issued a Decision exempting their ships from securing CPC and still covered by this Circular shall inform this Authority within six (6) months from the effectivity of this Circular for the purpose of issuance of the corresponding Exemption Certificate.

X. REPEALING CLAUSE:

Section 14 (b) of the Public Service Act, as amended, Flag State Administration Advisory No. 64 are hereby repealed. All MARINA Memorandum/MARINA Circulars, rules and regulations or issuances inconsistent herewith are hereby amended or repealed accordingly.

XI. SEPARABILITY CLAUSE:

Should any provision or part of this Circular be declared by the competent authority to be invalid and unconstitutional, the remaining provisions or parts thereof shall remain in full force and effect and shall continue to be valid and effective.

XII. EFFECTIVITY CLAUSE:

This Memorandum Circular shall take effect fifteen (15) days after its publication once in a newspaper of general circulation in the Philippines.

Manila, Philippines, 21 May 2009.

BY AUTHORITY OF THE BOARD:

(Sgd.) MARIA ELENA H. BAUTISTA
Administrator

SECRETARY'S CERTIFICATE

This is to certify that MARINA Circular No. _____ has been approved during the Special Meeting of the Maritime Industry Authority (MARINA) Board of

Directors held on May 21, 2009 at the DOTC Office of the Undersecretary for Maritime Transport.

ATTY. JABETH SENA JEPATH A. DACANAY
Corporate Board Secretary