



Republic of the Philippines
Department of Transportation and Communications
MARITIME INDUSTRY AUTHORITY

MEMORANDUM CIRCULAR NO. 155
Series of 1999

TO

ALL RECOGNIZED ORGANIZATIONS AND ALL ORGANIZATIONS APPLYING TO PERFORM CERTIFICATION IN COMPLIANCE WITH THE PROVISIONS OF THE INTERNATIONAL SAFETY MANAGEMENT (ISM) CODE FOR PHILIPPINE SHIPPING COMPANIES AND THEIR SHIPS

TITLE

GUIDELINES ON THE RECOGNITION OF ORGANIZATIONS ACTING ON BEHALF OF THE ADMINISTRATION IN THE IMPLEMENTATION OF THE ISM CODE FOR PHILIPPINE SHIPPING COMPANIES AND THEIR SHIPS

Pursuant to the provisions of Presidential Decree No. 474 and Executive Order Nos. 125/125-A, Memorandum Circular Nos. 122 and 143, the Maritime Industry Authority hereby adopts the following policies, guidelines and procedures on the recognition of organizations that will be authorized to perform certification in compliance with the provisions of the International Safety Management (ISM) Code for Philippine shipping companies and their ships in accordance with Chapter IX of the International Convention for the Safety of Life at Sea (SOLAS), 1974, as amended, International Maritime Organization (IMO) Resolution A.739 (18), Guidelines for the Authorization of Organizations Acting on Behalf of the Administration, and its annexes and appendices, and Resolution A.788 (19), Guidelines on Implementation of the International Safety Management (ISM) Code by Administrations, and its annexes and appendices.

I. PURPOSE:

This Circular aims to provide the policies, guidelines, and procedures on the recognition of organizations acting on behalf of the Administration to perform certification in compliance with the provisions of the ISM Code. It also aims to define the minimum conditions and specific requirements for all organizations applying for said recognition.

II. COVERAGE:

This Circular shall cover all entities that will apply for and those that have been granted recognition by the Administration in order to be able to perform certification in compliance with the ISM Code.

III. DEFINITION OF TERMS:

For the purposes of this Circular, the following terms shall have the definitions and meanings attributed to them to wit:

- 3.1 **INTERNATIONAL SAFETY MANAGEMENT (ISM) CODE** means the International Safety Management Code for the Safe Operation of Ships and for Pollution Prevention as adopted by the IMO in Resolution A.741(18);
- 3.2 **ADMINISTRATION** refers to the Maritime Industry Authority (MARINA);
- 3.3 **RECOGNIZED ORGANIZATION (RO)** refers to an organization authorized by the Administration to perform on its behalf the ISM Code certification for Philippine shipping companies and their ships;
- 3.4 **ISM CODE CERTIFICATION** refers to the issuance of the Document of Compliance (DOC) to a company and the Safety Management Certificate (SMC) to a ship of the company which involves verification carried out at the request of the company to the Administration or the ROs;
- 3.5 **ISM CODE CERTIFICATION SCHEME** refers to the system of a company which includes policy, rules of procedures, instructions and management for carrying out ISM Code Certification;
- 3.6 **VERIFICATION OF COMPLIANCE WITH THE ISM CODE** refers to the systematic and independent examination of the safety management system of a company and its ships to determine whether the policy, procedures and instructions are carried out effectively;
- 3.7 **COMPANY** refers to any shipowner/operator/manager, bareboat charterer and any other entity who has assumed the responsibility for the operation of a Philippine registered ship(s) and who on assuming such responsibility has agreed to take over all duties and responsibilities imposed by the ISM Code.

IV. GENERAL PROVISIONS:

- 4.1 Only organizations which have secured authorization/recognition from the Administration in accordance with this Circular shall perform services relative to ISM Code certification for Philippine shipping companies and their ships;
- 4.2 All organizations including existing ROs shall be required to submit to the Administration the documentation requirements in accordance with this Circular ;
- 4.3 All Philippine shipping companies shall have access to the services of the ROs. The procedures under which the ROs operate shall be administered on a non-discriminatory manner;
- 4.4 In order to safeguard the independence and integrity of the certification process, ROs involved in ISM consultancy work shall ensure that no conflict of interest exists in the delivery of consultancy services, ownership/ principals and others relative to certification activities;
- 4.5 ROs shall carry out verification of compliance of Philippine shipping companies and their ships in accordance with the provisions of the ISM Code;
- 4.6 ROs shall immediately furnish the Administration copies of all audit reports and certificates issued;

- 4.7 ROs shall allow representatives of the Administration to participate in further developing/enhancing their ISM Code certification guidelines.

V. CONDITIONS FOR RECOGNITION:

5.1 General Qualifications

- 5.1.1 The organization to be recognized shall have adequate resources, in terms of technical, managerial and research capabilities to conduct ISM certification in accordance with the Minimum Standards for ROs acting on behalf of the Administration as set out in the Annex and Appendix 1 of Resolution A.739 (18) and as amplified in the procedures that the Authority shall promulgate.
- 5.1.2 The organization to be recognized shall meet the standards on ISM Code Certification Arrangements as embodied in the Annex and Appendix 1 of Resolution A. 788 (19).
- 5.1.3 In the case of a foreign established organization, it shall have a duly appointed local representative which shall be established under Philippine laws.

5.2 Documentary Requirements

- 5.2.1 Letter of intent/application;
- 5.2.2 A Code of Ethics by which the Organization's ethical behavior is governed with respect to assurance of adequate performance on services, confidentiality of information, and independence between the personnel providing consultancy services and those involved in the certification procedure;
- 5.2.3 ISO Certification or IACS Quality Assurance Certification;
- 5.2.4 Directory of personnel to be involved in the ISM Certification, representing an adequate geographical coverage and local representation at least in major international and national ports;
- 5.2.5 Documented system for qualification and continuous updating of the knowledge and competence of personnel (inclusive of theoretical training courses covering all the competence requirements and the appropriate procedures connected to the certification process, as well as practical tutored and documented evidence of satisfactory completion of the training); and
- 5.2.6 Documented system in conducting ISM Certification, inclusive of procedures and instructions for the following:
- 5.2.6.1 contract agreements with Companies;
- 5.2.6.2 planning, scheduling and performing verification;
- 5.2.6.3 reporting results from verification;
- 5.2.6.4 issuance of DOC, SMC and interim DOC and SMC; and
- 5.2.7.5 corrective action and follow-up of verifications, including actions to be taken in cases of major non-conformity.

VI. RECOGNITION PROCEDURE:

- 6.1 The application for recognition shall be filed with the Administration in writing, and shall be supported with the documents prescribed under section 5.2;
- 6.2 The application shall be filed by the organization through its duly authorized representative;
- 6.3 The application shall be officially received only upon completion of the relevant requirements under this Circular;
- 6.4 The Administration shall verify that the relative size, structure, experience and capability of the organization applying for recognition is adequate for conducting ISM certification;
- 6.5 The Administration shall verify that the organization is able to document extensive experience in assessing the design, construction and equipment of merchant ships, and , as applicable, their safety management systems prior to recognizing new organizations;
- 6.6 The Administration shall conduct an initial audit of the applicant's certification procedures prior to recognizing new organizations. Upon successful audit, the Administration shall, after securing MARINA Board approval, sign an interim agreement with the organization for a period of one (1) year prior to the signing of a final Memorandum of Agreement (MOA); and
- 6.7 The Administration reserves the right to verify the ROs' continuous compliance with the provisions under the MOA.

VII. SUSPENSION/WITHDRAWAL OF RECOGNITION:

- 7.1 The Administration shall, after due investigation, suspend/withdraw the recognition granted to an RO relative to ISM Code Certification activities, based on the following grounds:
 - 7.1.1 Failure to maintain any of the conditions for recognition in Section V hereof;
 - 7.1.2 Willful or gross violation of any rule/regulation and of any of the general and specific terms and conditions of recognition.

VIII. REPEALING CLAUSE:

All memorandum circulars, rules and regulations and other issuances inconsistent herewith are hereby amended, repealed or modified accordingly.

IX. EFFECTIVITY CLAUSE:

This Memorandum Circular shall take effect upon publication once in a newspaper of general circulation.

Manila, Philippines, _____

BY AUTHORITY OF THE BOARD

AGUSTIN R. BENGZON
Administrator

SECRETARY'S CERTIFICATE

This is to certify that Memorandum Circular No. ____ has been approved by the MARINA Board in its 151st Regular Board Meeting held on 16 December 1999.

ATTY. HIYASMIN HIMBING-DELOS SANTOS
Acting Deputy Corporate Board Secretary

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