

## **MEMORANDUM CIRCULAR NO. 55**

**TO : ALL SHIBUILDERS, SHIP REPAIRS AND OTHER CONCERNED**

**SUBJECT : GUIDELINES FOR THE LEGALIZATION OF "COLURUM" SHIPBUILDERS AND/OR SHIP REPAIRS**

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The MARINA Board during the 84<sup>th</sup> Regular meeting approved the proposal of the Management to conduct a legalization program for "colurum" shipbuilders and/or ship repairers. The following guidelines are hereby prescribed to implement this legalization program.

Section 1. Definition Of Terms. - For the purposes of this Memorandum Circular:

a. Shipbuilding - shall mean the design, construction, launching and outfitting of all types of watercraft, except bancas, sailboats, and other watercraft which are not motorized and of less than three (3) tons. For this purpose, watercraft shall include any floating structure and/or equipment such as oil rig and dredger.

b. Ship Repair - shall mean the overhaul, repair, improvement, alteration of the hull, machineries, equipments, outfits and other components of all types of watercraft, except bancas, sailboats and other watercraft which are not motorized and of less than three(3) gross tons. For this purpose, watercraft shall include any floating structure and/or equipments such as oil rig and dredger.

c. Afloat Ship Repair - shall mean the repair, improvement, alteration and reconditioning of the hull and/or the overhaul of the machinery and equipment of vessels at berth or at anchorage.

Section 2. Coverage. -Those covered by the Memorandum Circular are individuals, partnerships, or corporations who are engaged or undertaking shipbuilding, ship repair or afloat ship repair (a) without a license from the MARINA under P.D. 666 and MARINA Memorandum Circular Nos. 7 and &-A, s. 1976, and (b) those whose license had expired and have not renewed the same to at least one(1) year from such expiration.

Section 3. Period Of Amnesty. - All those covered under Section 2 above shall secure their license from the MARINA within one(1) year from the issuance of this Circular. After this period all those who fail to secure the required license shall be subject to penalties herein provided.

Section 4. Qualification Requirement. - The applicant shall be a citizen of the Philippines, or a partnership/corporation at least 60% of the authorized capital stock shall be owned by citizens of the Philippines, except joint ventures which are registered with the Board of Investments.

Section 5. Documentary Requirements. - Applicants who shall avail of this amnesty shall submit the following in triplicate:

- a. SEC Registration/Articles of Incorporation and By-Laws or DTI Registration in case of single proprietorship.
- b. Business and Mayor's Permit
- c. BIR Tax Clearance
- d. Proof of financial capacity to engage in shipbuilding/ship repair
- e. Proof of management capability
- f. Other relevant requirements provided under P.D. 666.

Section 6. Penalties And Sanctions. - Pursuant to Executive Order No.125, as amended by Executive Order No. 125-A, any individual partnership or corporation who shall fail to secure the license from the MARINA as provided in this Memorandum Circular shall be subject to a fine of P25,000.00. in addition to the imposition of such fine, the individual, partnership or corporation shall be subject to closure, and any right, privilege or property or business enjoyed or acquired in violation of the provisions of this Memorandum Circular shall be deemed forfeited.

Section 7. Fees. - Existing fees prescribed for the issuance of a license to engage in shipbuilding/ship repair shall be paid upon filing of an application under this MC.

Section 8. Effectivity. - This Memorandum Circular shall take effect fifteen(15) days after its publication once in the Official Gazette or a newspaper of general circulation.

PHILIP S. TUAZON  
Administrator

This is to certify that the Memorandum Circular No. 55 has been approved in the meeting of the Maritime Industry Board held on 03 July 1990.

PURITA C. CENTENO  
Corporate Board Secretary