

MEMORANDUM CIRCULAR NO. 159
Series of 2000

**TO : ALL SHIPOWNERS, OPERATORS, MANAGERS,
BAREBOAT CHARTERERS AND ALL
CONCERNED**

**SUBJECT: ADOPTION OF A NATIONAL SAFETY
MANAGEMENT CODE AND PROVIDING RULES
AND REGULATIONS FOR ITS
IMPLEMENTATION IN THE DOMESTIC
SHIPPING.**

Pursuant to Presidential Decree No. 474 and Executive Order Nos. 125/125-A, the Maritime Industry Authority during its 154th Regular meeting held on 16 November 2000 decided to adopt and approve the national safety Management (NSM) Code and the Guidelines on the implementation of the National Safety Management Safety Code herein set out as Annexes to the present Memorandum Circular and thereby further approved the following Rules and Regulations to implement the Code and the Guidelines and shall become part of the Philippine Merchant Marine Rules and Regulations 1997, as amended as Chapter XX thereof.

I. OBJECTIVES:

1. To foster safety culture in domestic shipping operations by institutionalizing the adoption, implementation and maintenance of a Safety Management System (SMS) by shipping companies, designed to ensure personnel competence in every aspect of ship operations;
2. To enable companies to achieve and maintain high standards of safety and marine environment protection through safe practices in ship operation and safe working environment; establishing of safeguards against all identified risks; and, continuous improvement of safety management skills of personnel ashore and aboard ships, including preparation for emergencies related both to safety and marine environment protection; and
3. To ensure compliance with mandatory rules and regulations, codes and standards governing safety and environment protection.

II. COVERAGE

1. This Circular shall apply to the following steel/wooden hulled ships, whenever operation in Philippine waters:
 - a. All passenger-carrying ships not required to be classed;
 - b. Tankers not required to be classed;
 - c. Bulk Carriers not required to be classed;
 - d. Other cargo Ships not required to be classed; and
 - e. Tug boats, whenever pulling/pushing non-propelled tanker barges carrying oil products.

2. The following shall be exempted from the application of this Memorandum Circular:
 - a. Those covered by Memorandum Circular No. 143 specially:
 - i. Passenger High Speed Crafts;
 - ii. Passenger –carrying ships required to be classed and those currently classed;
 - iii. Oil tankers, chemical tankers and gas carriers 500 gt and above; and
 - iv. Bulk carriers 500 gt and above and required to be classed

 - b. fishing boats;
 - c. non-propelled barges;
 - d. sailing ships;
 - e. pleasure crafts not engaged in commercial trading;
 - f. government owned ships not engaged in commercial trade; and
 - g. naval warships.

III. DEFINITIONS

For purposes of this Circular, the following terms are hereby defined:

1. **Administration** refers to the Maritime Industry Authority (MARINA).

2. **Code** refers to the National Safety Management (NSM) Code for the safe Operation of Ships and for Pollution Prevention.

3. **Company** refers to the owner of the ship or any organization of person such as the manager, or the bareboat charterer, who has assumed responsibility for operation of the ship from the shipowner and who on assuming such responsibility has agreed to take over all the duties and responsibilities imposed by the Code.
4. **Safety Management System (SMS)** refers to the structured and documented system enabling company personnel to effectively implement the company's safety and environmental protection policy.
5. **NSM Manual** refers to the three-part manual developed by the Administration.
6. **Document of Compliance (DOC)** refers to the document issued to a company that complies with the requirements of the Code.
7. **Safety Management Certificates (SMC)** refers to the document issued to a ship, which signifies that the Company and its shipboard management operate in accordance with the approved SMS.

Further, terms, guidance, elaborations or interpretations relative to the implementation of this Circular shall be in reference to the Code and its Guidelines and other related documents where applicable and warranted.

IV. SPECIFIC REQUIREMENTS:

1. All companies and Philippine registered ships covered under II.1 of this Circular are required to develop and implement a Safety Management System consistent with the Code and the Guidelines for its Implementation. To this end, companies/ships stated shall submit their SMS manual and secure DOC/SMC respectively according to the following schedule:
 - a. Passenger carrying Ships:

Certificate	Date of Submission of SMS Manual	Date of Compliance
DOC/SMC (250 gt and above but	July 01, 2001	December 31, 2001

not required to be classed)		
DOC/SMC (150 gt to 249.99 gt but not required to be classed)	January 01, 2002	July 01, 2002
DOC/SMC (less than 150 gt but not required to be classed)	July 01, 2002	July 01, 2003

- b. Tankers, Bulk Carriers, Tug-boats pulling/pushing non-propelled barges carrying oil products:

Certificate	Date of Submission of SMS Manual	Date of Compliance
DOC/SMC (150 gt and above but not required to be classed)	July 01, 2001	July 01, 2002
DOC/SMC (less than 150 gt but not required to be classed)	July 01, 2002	July 01, 2003

- c. All other ships not classified under IV.1 (a) and (b):

Certificate	Date of Submission of SMS Manual	Date of Compliance
DOC/SMC (150 gt and above but not required to be classed)	July 01, 2003	July 01, 2004
DOC/SMC (less than 150 gt but not required to be classed)	July 01, 2004	July 01, 2005

2. Shipowners/ship managers/bareboat charterers whose company or ship may qualify, may opt to secure ISM Certification in accordance with the provisions of MC 143.

3. For the purpose of complying with this Circular Companies may adopt the NSM Manual developed by the Administration.
4. A ship that is detained at part for non-compliance with this Circular shall be allowed to resume operations only after the necessary step is taken to comply with the certification requirements as provided in the Guidelines to the Code.

V. SCHEDULE OF FEES AND CHARGES

1. For purposes of implementing this Circular, the following schedule of fess and charges shall apply:

- a. NSM Manual P1,000.00
- b. Certificates

Certificate	Nature of Certificate		
	Short term	Interim	Full term
DOC	-	P1,000.00	P3,000.00
SMC	P1,000.00	P1,000.00	P3,000.00

- c. Certification Process

For companies operating ships 250 gt and above:

Certification Activity	Within Working Station	Outside Working Condition	Central Office/ Maritime Regional Office
Document Review	P3,000.00		
Initial Visit (for new company)	1,000.00	P35,000.00	P30,000.00
Company Audit	10,000.00	50,000.00	45,000.00
Ship Audit	8,000.00	45,000.00	40,000.00

For companies operating ships 150-249.99 gt:

Certification Activity	Within Working Station	Outside Working Condition	Central Office/ Maritime Regional Office
Document Review	P2,250.00		
Initial Visit (for new company)	750.00	P26,250.00	P22,500.00
Company Audit	7,500.00	37,500.00	33,750.00
Ship Audit	6,000.00	33,750.00	30,000.00

For companies operating ship 50-149.99 gt:

Certification Activity	Within Working Station	Outside Working Condition	Central Office/ Maritime Regional Office
Document Review	P1,500.00		
Initial Visit (for new company)	500.00	P17,500.00	P15,000.00
Company Audit	5,000.00	25,000.00	22,000.00
Ship Audit	4,000.00	22,500.00	20,000.00

For companies operating ships 15-49.99 gt:

Certification Activity	Within Working Station	Outside Working Condition	Central Office/ Maritime Regional Office
Document Review	P900.00		
Initial Visit (for new company)	300.00	P10,500.00	P9,000.00
Company Audit	3,000.00	15,500.00	13,500.00
Ship Audit	2,400.00	13,500.00	12,000.00

For companies operating ships less than 15gt:

Certification Activity	Within Working Station	Outside Working Condition	Central Office/ Maritime Regional Office
Document Review	P300.00		
Initial Visit (for new company)	100.00	P3,500.00	P3,000.00
Company Audit	1,000.00	5,000.00	4,500.00
Ship Audit	800.00	4,500.00	4,000.00

VI. SANCTION AND PENALTIES

1. Non-possession of the required DOC/SMC after the date of compliance provided for in this Circular should provided the basis for detaining the ship at port by way of denial of clearance to sale.
2. In addition to the foregoing sanction, the following fines shall be imposed after due notice and hearing:

Violation/Offense	Penalty
a. Non-possession of DOC:	
- Companies operating ships 250 gt and above	P50,000.00
- Companies operating ships 150 gt to 249.99 gt	37,500.00
- Companies operating ships 50 gt to 149.99 gt	25,000.00
- Companies operating ships 15 gt to 49.99 gt	15,000.00
- Companies operating ships less than 15 gt	5,000.00
b. Non-possession of SMC	
- Operating ships 250 gt and above	45,000.00
- Operating ships 150 gt to 249.99 gt	33,750.00
- Operating ships 50 gt to 149 gt	22,500.00
- Operating ships 15 gt to 49.99 gt	13,500.00
- Operating ships less than 15gt	4,500.00
c. Failure to communicate to the Administration the name and details of the entity who has assumed responsibility of complying with the Code:	
- Companies operating ships 250 gt and above	10,000.00
- Companies operating ships 150 gt to 249.99 gt	7,500.00
- Companies operating ships 50 gt to 149.99 gt	5,000.00
- Companies operating ships 15 gt to 49.99 gt	3,000.00
- Companies operating ships less than 15 gt	1,000.00

d. Failure to submit SMS Manuals:	
- Companies operating ships 250 gt and above	10,000.00
- Companies operating ships 150 gt to 249.99 gt	7,500.00
- Companies operating ships 50 gt to 149.99 gt	5,000.00
- Companies operating ships 15 gt to 49.99 gt	3,000.00
- Companies operating ships less than 15gt	1,000.00

VII. REPEALING CLAUSE

All Memorandum Circulars, rules and regulations and issuances inconsistent herewith are hereby amended or repealed accordingly.

VIII. EFFECTIVITY CLAUSE

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

Manila, Philippines 16 November 2000.

BY AUTHORITY OF THE BOARD:

OSCAR M. SEVILLA
Administrator

SECRETARY'S CERTIFICATE

This is to certify that the above-mentioned Memorandum Circular No. 159 has been approved during the 154th Regular Meeting of the Maritime Industry Board of Directors held on 16 November 2000.

ATTY. GLORIA J. VICTORIA-BANAS
Acting Corporate Board Secretary

Date of publication: December 07, 2000

Date of Submission to the U.P. Law Center: _____