

MEMORANDUM CIRCULAR O. 165

**TO : ALL LOCALLY ESTABLISHED
CLASSIFICATION SOCIETIES AND OTHER
CONCERNED**

**SUBJECT : RULES ON THE ACCREDITATION OF
CLASSIFICATION SOCIETIES AND ENTITIES
FOR THE PURPOSE OF CLASSIFICATION OF
SHIPS IN THE DOMESTIC TRADE.**

Pursuant to the pertinent provisions of PD 474 and EO 125, as amended, the following guidelines shall govern the accreditation of ship classification societies and entities intending to establish a classification society to cater to the needs of the Philippine domestic fleet.

I. COVERAGE:

This Memorandum Circular shall apply to all companies/entities duly organized and authorized under existing Philippine laws to engage in the classification of ships in the domestic trade.

Members of the International association of Classification Societies (IACS) shall not be required accreditation under this Circular and the Certificates issued by them shall be valid and accepted by this Authority in accordance with the terms of the MEMORANDUM OF AGREEMENT by and between this Authority and each of these Organizations.

II. GENERAL PROVISIONS:

1. Classification societies already accredited with the Philippine Coast Guard are hereby required to be re-accredited under this circular within a period of ninety (90) days from its effectivity. Failure to do so shall mean the automatic cancellation of the company current accreditation.
2. Accreditation and recognition hereunder shall serve as prerequisite to the grant of permits; authorities and incentives appertaining to classification activities, which are presently administered, to be administered by MARINA.

III. SPECIFIC PROVISIONS:

1. The organization shall define and document its policy and objective for, and commitment to, quality and ensure that this policy is understood, implement and maintained.
2. The organization should be governed by principles of ethical behavior which should be contained in a Code of Ethics and as such recognize the inherent responsibility associated with a delegation of authority to include assurance as to the adequate performance of services as well as the confidentiality or related information as appropriate.
3. The organization shall allow participation in the development of its rules and/or regulations by qualified technical representatives of the Administration and other parties concerned.
4. **Whenever the society decides to withdraw or suspend its operation;**

prior written notice must be sent to the Administration;

such withdrawal or suspension shall mean the automatic cancellation of the above-mentioned certificates and said certificate must be surrendered to the Administration;

A previously withdrawn Company/entity prior to the resumption of its operation must secure a new accreditation from the Administration.

5. **The Administration may conduct random audit of the classification societies to ensure that all rules, guidelines of the administration are complied with.**

IV. DEFINITION OF TERMS:

1. **Administration** – refers to the Maritime Industry Authority (MARINA).
2. **Classification Society** – a non-stock, non-profit organization composed of committees represented by engine builders, shipowners, shipbuilders and underwriters.
3. **Vessel Classification** – the process being performed by classification societies to ensure that a ship is properly designed, constructed and maintained in a safe condition through the imposition of rules governing vessel construction, carrying out of surveys during the building and/or alteration and repair of a ship and throughout the vessel's subsequent trading life.

4. **Certificate of Authority to Undertake Classification Activities** – shall refer to the document issued by the **Administration** to qualified local classification societies to conduct classification work/services for ships in the domestic trade.
5. **Organization** – refers to Classification Society.

V. QUALIFICATION REQUIREMENTS:

1. **The classification society so establish must be a non-stock, non-profit organization composed of committees represented by shipbuilder, ship owner, enginebuilder and underwriters..**
2. The classification society's working group must be able to render the following services:
 - a. Classification services – to develop and administer the technical standards for the design, construction and periodical survey of ships and other marine structures such as mobile offshore unit;
 - b. Technical Advisory services – to render advisory services related to ship design, construction, revision of rules referred to by the **Administration**.
3. The quality system of the organization shall be certified in accordance with the ISO 9000 series of its subsequent amendments, by an independent body of auditors/certifying body recognized by the Administration within a period of three (3) years from its initial accreditation. Certification under ISO 9000 series, issued by a member of an internationally accepted classification society to the organization is acceptable and given preference.
4. Classification society must possess in its working group with at least one licensed Naval Architect and Marine Engineer, Mechanical Engineer, Chief Engineer, Master Mariner, and electrical Engineer and with at least the following minimum qualification:
 - 4.1. Licensed Second (2nd) Marine Engineer who had work experience as 2nd Marine Engineer for at least (5) years;
 - 4.2. Licensed Engineer (any discipline) with at least minimum ten (10) years working experience as superintendent and/or division manager in a MARINA accredited shipyard; and

4.3. Unlicensed Naval Architect and Mechanical Engineer with at least fifteen (15) years work experience in a MARINA – accredited shipyard with supervisory position and shipbuilding shiprepair activities and all types of MARINA survey of hull structures and machinery conditions.

5. The organization must take into consideration applicable provisions on the attached Annex entitled “Specification on the Survey and Certification Function of recognized Organization Acting on behalf of the Administration” of this Circular.

VI. DOCUMENTARY REQUIREMENTS:

1. SEC registration Certificate
2. Articles of Incorporation and by-laws
3. Name of signatory(ies)
4. List of surveyors, technical, managerial and support staff, and Code of Ethics.
5. Classification Rule Books for the design, construction and certification of steel ships **must be evaluated based on latest IMO Standards (SOLAS and its Annexes).**
6. **Documented system of the organization’s development, implementation and maintenance of an effective internal quality system based on appropriate recognized quality standards no less effective than ISO series, and which, inter alia, ensures that:**
 - 6.1 **the organization’s rules and/or regulation are establish and maintained in a systematic manner, and are reviewed and amended following a documented procedure;**
 - 6.2 **the organization’s rules and regulations are complied with;**
 - 6.3 **the responsibilities, authorities, and interrelation of personnel whose work affects the quality of the organization’s service are defined and documented;**
 - 6.4 **all works are carried out under controlled condition;**
 - 6.5 **a supervisory system is in place, which monitors the actions and work, carried out by the organizations;**

- 6.6 a system of qualification of surveyors and continuous updating of their knowledge is implemented;
 - 6.7 records are maintained, demonstrating achievement of the required standards in the items covered by the services performed as well as the effective operation of the quality systems; and
 - 6.8 a comprehensive system of planned and documented internal audits of the quality – related activities in all location is implemented.
7. ISO 9000 Series Certification and subsequent amendment thereto issued by internationally recognized certifying body/independent auditors.

VII. PROCEDURE FOR ACCREDITATION AS CLASSIFICATION SOCIETY:

- 1. The applicant shall file with the MARINA an application in writing duly supported by the above-mentioned documentary requirement.
- 2. Incomplete documentary requirements shall not be accepted. Mailed application with incomplete requirement shall be immediately returned to the applicant.
- 3. The Certificate of Accreditation shall be issued after evaluation of all documents submitted proves that classification society complies with the aforementioned requirements.

VIII. VALIDITY OF CERTIFICATE:

The Certificate of Accreditation shall be valid for a period of three (3) years. The certificate cannot be transferred or alienated in whatever manner and its use by another shall not be allowed.

IX. FEES AND CHARGES:

The fees and charges shall be as follows:

Certificate of accreditation	P25,000.00/valid for three (3) Years
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The above fees shall be exclusive of the documentary stamps required by law to be affixed on the certificate.

X. SUBMISSION OF REPORT AND OTHER DOCUMENTS:

The MARINA-accredited classification society accredited under this Memorandum Circular shall submit the following reports and/or documents:

1. Updated listings of ship surveyors (if any) – within fifteen (15) days from occurrence;
2. Replacement of approving officers/signatory (ies), if any – on or before replacement date; and,
3. Annual accomplishment report – within the first quarter of the following year.

The foregoing reports/documents shall either be the original or true copies of the original duly attested by an authorized representative of the company/entity.

XI. ADMINISTRATIVE FUNCTIONS:

1. The Administration shall issue Show Cause Order based on the following grounds:

Failure to maintain stated classification society standards;

Failure to maintain the conditions for accreditation in preceding section; and

Willful and/or gross violation of any rule/regulation and of any of the general and specific Terms and Condition of Accreditation.

2. After due process, the following fines and penalties shall be imposed:

2.1	First Offence	=	P25,000.00
2.2	Second Offence	=	P25,000.00 + suspension of certificate for six (6) months
2.3	Third Offense	=	Cancellation of license

XII. REPEALING CLAUSE

Any provision of other MARINA circulars otherwise inconsistent herewith is modified/amended accordingly.

XIII. SEPARABILITY CLAUSE

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

XIV. PUBLICATION AND EFFECTIVITY:

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

Manila, Philippines, 15 March, 2001

BY AUTHORITY OF THE BOARD:

ATTY.OSCAR M.SEVILLA
Administrator

SECRETARY'S CERTIFICATE

This is to certify that Memorandum Circular No. 165 was approved in meeting of the Maritime Industry Board held on 15 March 2001.

ATTY. GLORIA V. BANAS
Corporate Board Secretary

Date of Publication 24 March 2001, Malaya Newspaper
Date of Submission of the U.P. Law Center 29 March 2001

ANNEX

SPECIFICATION ON THE SURVEY AND CERTIFICATION FUNCTION OF RECOGNIZED ORGANIZATIONS ACTING ON BEHALF OF THE ADMINISTRATION

This document contains minimum specification for organization recognized to perform statutory work on behalf of a flag State Administration in term of certification and survey functions connected with the issuance of international certificates.

The principle of the system described below is to divided the specifications required in different elementary modules with the view to select the relevant modules for each function of certification and survey.

AREAS OF INTEREST COVERED BY ELEMENTARY MODULES

- 1 Management
- 2 Technical appraisal
- 3 Surveys
- 4 Qualifications and training

1 MANAGEMENT

Module 1A: Management functions

The Recognized Organization's (RO) management should have the competence, capability and capacity to organize, manage and control the performance of survey and certification functions in order to verify compliance with requirement relevant to the tasks delegated and should, *inter alia*, provide:

- an adequate staff of competent supervisory, technical appraisal and survey personnel;
- for the development and maintenance of appropriate procedures and instructions;
- for the maintenance of up-to-date documentation on interpretation of the relevant instrument;
- technical and administrative support to field staff;
- for the review of survey reports and provision of experience feedback.

2 TECHNICAL APPRAISAL

Module 2A: Hull structure

The RO should have the appropriate competence, capability and capacity to perform the following technical evaluations and/or calculations pertaining to:

- longitudinal strength;
- local scantling such as plates and stiffeners;
- structural stress, fatigue and buckling analyses;
- materials, welding and other pertinent methods of material-joining;

for compliance with relevant rules and convention requirements pertaining to design, construction and safety.

Module 2B: Machinery systems

The RO should have the appropriate competence, capability and capacity to perform technical evaluations and/or calculations pertaining to:

- propulsion and auxiliary machinery and steering gear;
- piping;
- electrical and automation systems;

for compliance with relevant rules and convention requirements pertaining to design, construction and safety.

Module 2C: Subdivision and stability

The RO should have the appropriate competence, capability and capacity to perform technical evaluations and/or calculations pertaining to:

- intact and damage stability;
- inclining test assessment;
- grain loading stability;
- watertight and weathertight integrity.

Module 2D: Load line

The RO should have the appropriate competence, capability and capacity and capacity to perform technical evaluations and/or calculations pertaining to:

- freeboard calculation;
- condition of assignment of freeboard.

Module 2E: Tonnage

The RO should have the appropriate competence, capability and capacity and capacity to perform technical evaluations and/or calculations pertaining to:

- tonnage computation.

Module 2F: Structural fire protection

The RO should have the appropriate competence, capability and capacity and capacity to perform technical evaluations and/or calculations pertaining to:

- structural fire protection and fire isolation;
- use of combustible materials;
- means of escape;
- ventilation systems.

Module 2G: Safety Equipment

The RO should have the appropriate competence, capability and capacity and capacity to perform technical evaluations and/or calculations pertaining to:

- life-saving appliance and arrangements;
- navigation equipment;
- fire detection and fire alarm systems equipment;;
- fire-extinguishing system and equipment;
- fire control plans;
- pilot ladders and pilot hoists;

- lights, shapes and sound signals;
- inert gas systems.

Module 2H: Oil pollution prevention

The RO should have the appropriate competence, capability and capacity and capacity to perform technical evaluations and/or calculations pertaining to:

- monitoring and control of oil discharge;
- segregation of oil and ballast water;
- crude oil washing;
- protective location of segregated ballast spaces;
- pumping, piping and discharge arrangements;
- shipboard oil pollution emergency plans (SOPEPS)

Module 2J: Radio

The RO should have the appropriate competence, capability and capacity and capacity to perform technical evaluations pertaining to:

- radiotelephony;
- radiotelegraphy;
- GMDSS.

Alternatively, these services may be performed by a professional radio installation inspection service company approved and monitored by the RO according to an established and documented programmed. This programmed is to include the definition of the specific requirement the company and its radio technicians are to satisfy.

Module 2K: Carriage of dangerous chemicals in bulk

The RO should have the appropriate competence, capability and capacity and capacity to perform technical evaluations and/or calculations pertaining to:

- Ship arrangement and ship survival capacity;
- cargo containment and material of construction;

- cargo temperature control and cargo transfer;
- personnel protection;
- operational requirements;
- list of chemicals the ship may carry.

Module 2L: Carriage of liquefied gases in bulk

The RO should have the appropriate competence, capability and capacity and capacity to perform technical evaluations and/or calculations pertaining to:

- ship arrangement and ship survival capacity;
- cargo containment and material of construction;
- process pressure vessels and liquid, vapor and pressure piping system;
- cargo tank vent system and environmental control;
- personnel protection;
- use of cargo as fuel;
- operational equipment.

3 SURVEYS

Module 3A: Surveys Functions

The RO should have the appropriate competence, capability and capacity to perform the required surveys under controlled conditions as per the RO's internal quality system and representing as adequate geographical coverage and local representation as required. The work to be covered by the staff is described in the relevant sections of the appropriate surveys guidelines developed by the Organization (IMO).

4 QUALIFICATIONS AND TRAINING

Module 4A: General qualifications

RO personnel performing and responsible for, statutory work should have as a minimum the following formal education:

- qualification from a tertiary institution recognized by the RO within a relevant field of engineering or physical science (minimum two years programmed): or
- qualifications from a marine or nautical institution and relevant sea-going experience as a certified ship officer;

and have proficiency in the English language commensurate with the work.

Other personnel assisting in the performance of statutory work should have education, training and supervision commensurate with the tasks they are authorized to perform.

The RO should have implemented a documented system for qualification of personnel and continuous updating of their knowledge as appropriate to the tasks they are authorized to undertake. This system should comprise appropriate training courses, including, *inter alia*, international instruments and appropriate procedure connected to the certification process, as well as practical tutored training, and it should provide documented evidence of satisfactory completion of the training. Covering at least:

- radiotelephony;
- radiotelegraphy;
- initial and renewal surveys.

Radio technicians carrying out surveys should have successfully completed, as a minimum, at least one year of relevant technical school training, the internal tutored training programmed of his/her employer and at least one year of experience as an assistant radio technician. For exclusive radio surveyors to the RO, equivalent requirement as above apply.

SPECIFICATIONS PERTAINING TO THE VARIOUS CERTIFICATES

PASSENGER SHIP SAFETY CERTIFICATES

Initial certificates, renewal survey

- 1 Module Nos. 1A, 2A, 2B, 2C, 2D, 2F, 2G, 2J, 3A, 4A and 4B apply.
- 2 For this certification the system should cover practical tutored training on the following issues as appropriate for Technical Appraisal and support staff (TS) and Field surveyors (FS) respectively.

