



2014 AMENDMENTS TO THE REVISED RULES AND REGULATIONS IMPLEMENTING REPUBLIC ACT NO. 9295, ENTITLED “AN ACT PROMOTING THE DEVELOPMENT OF PHILIPPINE DOMESTIC SHIPPING, SHIPBUILDING, AND SHIP REPAIR AND SHIP BREAKING, ORDAINING REFORMS IN GOVERNMENT POLICIES TOWARDS SHIPPING IN THE PHILIPPINES, AND FOR OTHER PURPOSES ”

RULE I

GENERAL PROVISIONS

Section 1. This **2014 Amendments to the Revised Rules and Regulations**, hereinafter called “IRR of 2014” is promulgated pursuant to Paragraph 17, Section 10 of RA No. 9295, otherwise known as the “Domestic Shipping Development Act of 2004”.

Section 2. Declaration of Policy – This IRR of 2014 is hereby prescribed to carry out the policy of the State to:

- 2.1 develop a strong, modern, safe and competitive domestic merchant fleet owned and controlled by Filipinos or by corporations at least sixty percent (60%) of the capital of which is owned by Filipinos and manned exclusively by qualified and competent Filipino officers and crew, which shall: (a) bridge our islands by ensuring safe, reliable, efficient, adequate and economical passenger and cargo service; (b) encourage the dispersal of industry and the economic development of our regional communities by ensuring the availability of regular, reliable and efficient shipping services; (c) ensure the growth of exports trade by providing necessary, competitive and economical domestic sea linkages; (d) Serve as naval and military auxiliary in times of war and other national emergencies; and, (e) Function as an employment support base for our Filipino seafarers.
- 2.2 promote Filipino ownership of vessels operated under the Philippine flag;
- 2.3 attract private capital to invest in the shipping industry by creating a healthy and competitive investment and operating environment;
- 2.4 provide necessary assistance and incentives for the continued growth of the Philippine domestic merchant fleet;
- 2.5 encourage the improvement and upgrading of the existing domestic merchant fleet and Filipino crew to meet international standards;

- 2.6 ensure the continued viability of domestic shipping operations; and,
- 2.7 encourage the development of a viable shipbuilding and ship repair industry to support the expansion and modernization of the Philippine domestic merchant fleet and its strict adherence to safety standards which will ensure the seaworthiness of all sea-borne structures.

Section 3. Definition of Terms. – As used in and for purposes of this IRR of 2014, the following terms, whether in singular or plural, are hereby defined:

“Abandonment of Service” refers to the unauthorized suspension, stoppage or withdrawal of ship’s service for a period of three (3) months, or non-service of the route since the issuance of the CPC;

“Act” refers to Republic Act No. 9295, entitled: “An Act Promoting the Development of Philippine Domestic Shipping, Shipbuilding, Ship Repair, and Ship Breaking, Ordaining Reforms in Government Policies Towards Shipping in the Philippines, and For Other Purposes”, otherwise known as the “Domestic Shipping Development Act of 2004”;

“Administration” refers to the Maritime Industry Authority or MARINA;

“Articles” refers to engine, spare parts, lifesaving equipment, safety and rescue equipment, communication and navigation safety equipment, steel plates and other metal plates, including marine-grade aluminum plates used for transport operation and the like;

“Capital Equipment” refers to the shipyard equipment and machinery, including major components thereof, and other mechanical or electrical apparatus, whether fixed or movable, needed for the construction, repair, or breaking of ships;

“Certificate of Public Convenience” refers to the license or authority issued by MARINA to a domestic ship operator to engage in domestic shipping;

“Classed Ships” refer to ships that are designed, constructed and/or maintained in accordance with the rules and standards of a MARINA-recognized or accredited classification society;

“Classification Society” refers to a non-profit organization recognized or accredited by the MARINA, which has the capability and competence to determine the fitness for continued service of a ship’s hull structure, mechanical and electrical equipment, provide classification and construction design as well as periodic through-life compliance verification of ships with the rules and standards set by the organization, issue necessary certifications required by the regulations of the Authority and by international conventions and codes of the International Maritime Organization (IMO), as well as provide such services comprising technical support, research and development on ship design and maintenance;

“Commissioning of the Ship” refers to the ceremony mandating the beginning of active service of the ship, which may refer to the date of launching, if available, or year built;

"Date of Launching" refers to the date when a newly-built ship is released from the slipway into the water;

"Domestic Shipping" refers to the transport of passengers or cargo, or both, by ships duly registered and licensed under Philippine law to engage in trade and commerce between and among Philippine ports and within Philippine territorial or internal waters, for hire or compensation, with general or limited clientele, whether permanent, occasional or incidental, with or without fixed routes, and done for contractual or commercial purposes;

"Domestic Ship Operator" or "Domestic Ship Owner" or may be used interchangeably and refers to a citizen of the Philippines, or a commercial partnership wholly owned by Filipinos, or a corporation at least sixty percent (60%) of the capital of which is owned by Filipinos, which is duly authorized by the Maritime Industry Authority (MARINA) to engage in the business of domestic shipping;

"Domestic Trade" refers to the sale, barter or exchange of goods, materials or products within the Philippines;

"Effective Competition" refers to the state where the market is able to function effectively and bring about economic efficiency with the concurrence of all of the following conditions:

- a) Market forces operate freely as when market is able to perform its price allocation function properly;
- b) No barriers to entry/exit; and,
- c) Level playing field is achieved and all operators are on the same plane and no operator can wield power to abuse the market by having the ability to manipulate or dictate rates, schedules or carrying capacity of ships.

"Engine" refers to the main propulsion and/or auxiliary source of power of the ship;

"Entity" refers to a sole proprietorship, partnership, cooperative, association or corporation, duly registered with the MARINA and other appropriate government agency;

"High Speed Passenger Craft" refers to a craft capable of maximum speed in meters per second (m/s) equal to or exceeding:

$$3.70 \nabla^{0.1667}$$

where: ∇ = displacement corresponding to the design waterline in M^3 ;

excluding craft the hull of which is supported completely clear above the water surface in non-displacement mode by aerodynamic forces generated by ground effect;

"Importation" refers to the direct purchase of newly constructed or previously owned ships, or the purchase of ship's spare parts from foreign sources or from registered enterprises operating in special economic zones as this term is defined in Republic Act No. 7916 entitled, "The Special Economic Zone Act of 1995;"

“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;

“Liner Service” refers to the operation of a domestic ship operator which publicly offers its service without discrimination for the carriage of passengers and/or cargoes, has regular ports of call or destination and fixed sailing schedules and frequencies;

“Local Purchase” refers to purchase of Philippine-registered domestic ships which are either locally-constructed or built abroad;

“MARINA” refers to the Maritime Industry Authority;

“MARINA-registered Domestic Shipowner/Operator” as used in Rule II, refers to accredited domestic shipowner or operator under existing MARINA guidelines on accreditation and its subsequent amendments;

“MARINA-registered Shipyards, Shipbuilders and/or Ship Repairers” as used in Rule VIII, refers to licensed shipyards, shipbuilders and/or ship repairers under existing MARINA rules on licensing and its subsequent amendments;

“Metal Plates” refers to the steel plates, marine-grade aluminum plates or other metal plates, used for the construction, repair, renovation, conversion or alteration of the ship;

“Monopoly” refers to a form of market structure in which one or only a few entities/companies dominate the total shipping service in a particular route/link;

“Monopolized Route” refers to a route/link served either by only one (1) franchised operator, by a group of franchised operators beneficially owned by a single individual, or by a family or corporation, or by a cartel, which results in the absence of competition, or lack of effective competition;

“Newly-Built Ship” refers to a ship constructed or to be constructed, on or after the effectivity of the Act and its R-IRR;

“Newspaper of General Circulation” refers to a newspaper for the dissemination of information, which has been established, printed, published and distributed at regular intervals in the country for the past year;

“Newspaper of Regional Circulation” refers to a newspaper for the dissemination of information and which has been established, printed, published and distributed at regular intervals in identifiable geographic areas, districts or zones in the country for the past year;

“Other Types of Service” refers to any service which does not fall within the definition of liner and tramping service but is engaged in operation where the ship is offered for hire or compensation, whether permanent or occasional or incidental, with general or limited clientele;

“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 and By-Laws for

cooperatives and Department of Trade and Industry Certificate of Registration of Business Name for single proprietorships;

"Previously-Owned Ship" refers to a ship that is acquired through importation, bareboat charter with or without option to purchase, lease with or without irrevocable option to purchase, local construction, or local sale or charter, on or after the effectivity of the R-IRR;

"Provisional Authority" refers to a temporary authority which may be issued pending the issuance of a CPC, provided the issuance falls under any of the circumstances enumerated under Section 15 hereof;

"Safety Appliances and Equipment" refers to those appliances/equipment (i.e. navigational, communication, fire fighting, life-saving) referred to in SOLAS 1974, Chapter III, Sections A and B, and the PMMRR 1997 Chapters VII, IX, X and XI or their amendments, and other relevant safety rules, regulations and codes;

"Ship" or "Vessel" may be used interchangeably and 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.

"Shipbuilding" refers to the design, construction, launching and outfitting of all types of ships and watercraft;

"Ship repair" refers to the overhaul, refurbishment, renovation, improvement, or alternation of the hull, machineries, equipment, outfits and components of all types of ships;

"Shipyard" refers to the shipbuilding or repair facilities which have the capability to put vessels out of water in a drydock or to put vessels above the water surface in order to effect ship work on vessels, appendages, structure, machinery and equipment;

"Shipbuilder" or "Ship repairer" refers to a citizen of the Philippines, or a commercial partnership owned by majority of Filipinos, or a corporation incorporated under the laws of the Philippines, the capital of which is owned or controlled in any proportion by Filipinos or by foreign nationals, or by corporation whether Filipino or foreign-owned, which is duly authorized by the MARINA to engage in the business of shipbuilding or ship repair or to otherwise operate a shipyard, graving dock or marine repair yard;

"Spare Parts" refers to the replacement parts or components of a vessel, including but not limited to its hull, engines, machineries, equipments, appurtenances, necessaries, accessories, articles, supplies, materials, steel plates, aluminum plates, other metal plates, communications equipment, and other parts or components thereof, installed aboard the ship necessary for its safe and efficient navigation and operation;

"Special Permit (SP)" refers to either of the following: a) a temporary authority to operate issued by the MARINA under Section 7.8.2, Rule III hereof, to a domestic shipowner/operator with valid CPC to operate outside of its CPC under the circumstances enumerated in cited section; and, b) a temporary authority issued by the MARINA under MARINA Circular No. 2011-04, to a foreign ship operator to allow transport of passengers and/or cargoes between

ports and places within the Philippine territorial waters when no domestic ship is available or suitable to provide the needed shipping service and when public interest warrants the same;

“Temporary Stoppage of Service/Operations” refer to any cessation of a ship’s service in its authorized route or portions thereof;

“Tramping Service” refers to a type of shipping service wherein the cargo freight rates are not published or advertised but are negotiated in the open market through fixtures, or similar negotiation by the shipper or cargo owner on the one hand, and the vessel owner/operator on the other, for the transportation of cargoes, normally bulk commodities, of full vessel capacity volume, under a contract of affreightment, either a voyage charter or successive voyage charters or time charter agreement, where the vessel does not observe a regular pattern of shipping service in liner routes and/or a fixed sailing schedule;

“Underserved Route” refers to a route where the market demand for passengers and/or cargoes is higher than the available passenger and/or cargo capacity offered by ships operating therein; and,

“Unservd Route” refers to a route where there is no existing shipping service.

RULE II

INVESTMENT INCENTIVES

Section 4. Investment Incentives – To ensure the continued viability of domestic shipping industry, and to encourage investments in the domestic shipping industry, the following incentives shall be granted to qualified domestic ship operators:

4.1. **Value-Added Tax (VAT) Exemption** – All MARINA-registered domestic shipowners/ operators shall be exempt from payment of VAT for the following:

4.1.1. Importation and local purchase of passenger and/or cargo ships 150 GT and above including engine and spare parts of the particular ship(s) imported or locally purchased; provided that the ship to be imported shall comply with the following requirements:

Type	Maximum Age from original date of launching
Passenger/cargo	15 yrs old
Tanker	10 yrs old
High Speed Pass.	5 yrs old

4.1.2. Importation of life-saving equipment, fire fighting systems, safety and rescue equipment, communication and navigational safety equipment, steel plates, and other metal

plates including marine-grade aluminum plates, used for transport operations.

- 4.1.3. Sale, Transfer or Disposition of articles covered under 4.1.1 and 4.1.2 hereof.

However, in case of local purchase, if the exemption from the payment of VAT is availed of by the domestic shipowners/operators, the ship builder shall no longer be entitled to avail of such incentives.

- 4.2. **Importation of Articles** - The importation of the articles to be used by the registered shipowner/operator shall be granted exemption from VAT subject to compliance with all of the following conditions:

- 4.2.1. Said articles are not manufactured domestically in sufficient quantity, of comparable quality and at reasonable prices, as certified by the MARINA;
- 4.2.2. Said articles are directly imported by a MARINA-registered domestic shipowner/ operator;
- 4.2.3. Said articles are reasonably-needed and will be used exclusively by the registered domestic shipowner/operator in its transport operations;
- 4.2.4. The approval of MARINA was obtained prior to the importation of said articles;
- 4.2.5. The applicant/importer shall comply with relevant rules and regulations of the Bureau of Customs; and,
- 4.2.6. Exemption from VAT on the importation of said articles shall be granted to all MARINA registered domestic shipowners/operators within a period of ten (10) years from the effectivity of the Act.

- 4.3. **Limitations/Restrictions on Sale, Transfer or Disposition of Ships and Imported-Articles** – Any sale, transfer or disposition of ships and articles shall be subject to the following limitations/restrictions:

- 4.3.1. Any sale, transfer or disposition of ships and articles within ten (10) years from the effectivity of the Act to another MARINA-registered domestic shipowners/operators enjoying similar incentive shall require prior approval of MARINA; and,
- 4.3.2. Any sale, transfer or disposition made to non-exempt entity or to a party other than a MARINA-registered domestic shipowner/operator, within ten (10) years from the effectivity of the Act, both the vendor and the transferee or assignee shall be solidarily liable to pay twice the amount of VAT waived;
- 4.3.3. Any sale, transfer or disposition made after ten (10) years from the effectivity of the Act shall be made by informing

MARINA in writing. Purchasers, transferees or recipients shall be considered the importers thereof, who shall be liable for any internal revenue tax on such importation. Tax due on such importation or local purchase of ships and importation of articles shall constitute a lien on the goods superior to all charges or liens on the goods, irrespective of the possessor thereof.

4.3.4. The Bureau of Internal Revenue (BIR) shall be furnished with the notice of actions taken by the MARINA.

4.3.5. Failure to secure an Authority to Sell, Transfer or Dispose from MARINA prior to sale, transfer or disposition, both the vendor and the transferee or assignee shall be liable to pay twice the amount of VAT exemption given him.

4.4. **Net Operating Loss Carry Over** – A net operating loss in any taxable year immediately preceding the current taxable year, which had not been previously offset as a deduction from gross income shall be carried over for the next three (3) consecutive taxable years immediately following the year of such loss subject to the pertinent provisions of the National Internal Revenue Code of 1997, as amended.

The MARINA registered domestic shipowner/operator availing of this incentive shall furnish the MARINA in writing on or before the end of May each year and every year thereafter a copy of the Audited Annual Operating (financial) Report stamped received by the BIR.

4.5. **Accelerated depreciation** - Fixed assets may be depreciated as follows:

4.5.1. To the extent of not more than twice as fast as the normal rate of depreciation or depreciated at a normal rate of depreciation if the expected life is 10 years or less; or,

4.5.2. Depreciation over any number of years between 5 years and the expected life the latter is more than 10 years, and the depreciation thereon allowed as deduction from taxable income.

4.5.3. The MARINA- registered domestic shipowner/ operator availing of this incentive can depreciate their fixed assets in 2 methods, above cited, who shall notify the BIR at the beginning of the depreciation period which depreciation method will be used. Copy of such notice to the BIR shall be submitted to the MARINA.

4.6. **Who may qualify** - Only MARINA-registered domestic shipowners/operators may avail of the incentives under the Act.

4.7. **Application for Authority to Import or Sell, Transfer or Dispose Imported Ships and Articles**

4.7.1. All applications for Authority to Import or Local Purchase shall be filed under Oath with the MARINA together with the submission of a Sworn Certification that the conditions under Sections 4.1 and 4.2 hereof are present and the required

documents covering applications for (a) Importation or local purchase of Ships and (b) Importation of Engine, Spare Parts, Equipment, and/or Plates prescribed under MARINA MC 169 entitled, Streamlined Checklist of Documentary Requirements and Rationalized Standard Processing Time, or its subsequent amendments, and proof of payment of processing fee per MARINA MC 183 or its subsequent amendments.

4.7.2. The authority to import shall be valid within ninety (90) days from the date of MARINA letter-approval.

4.7.3. All applications to sell, transfer or dispose of imported articles, locally purchased ships or imported ships under Section 4.1.1 to 4.1.2 hereof shall be filed with MARINA together with the submission of the following documents:

4.7.3.1. Sale, Transfer or Disposition of Imported or Locally Purchased Ships

4.7.3.1.1. Letter of Application;

4.7.3.1.2. Duly notarized Memorandum of Agreement (MOA)/Deed of Sale (DOS) or Bill of Sale (BOS);

4.7.3.1.3. Duly notarized resolution of the company's Board of Directors, certified by the Board Secretary, authorizing the filing of application and authorizing the signatory to the MOA/DOS or BOS to act for and in behalf of the vendor/seller, if applicable;

4.7.3.1.4. Copy of Certificates of Ownership and Vessel Registry (CO/CVR); and,

4.7.3.1.5. Proof of payment of applicable processing fee.

4.7.3.2. Sale, Transfer or Disposition of Imported Articles, as defined herein:

4.7.3.2.1. Letter of Application;

4.7.3.2.2. Duly notarized Memorandum of Agreement (MOA)/Deed of Sale (DOS) or Bill of Sale (BOS); and,

4.7.3.2.3. Proof of payment of applicable processing fee.

4.8. ***Application for Availment of Exemption from VAT*** – All applications for VAT-Exemption on MARINA-approved importation and local purchase, sale, transfer or disposition of imported or locally purchased ships, imported articles such as but not limited to engines, spare parts, cargo handling equipment life-saving equipment, safety and rescue equipment and communication and navigational safety equipment, steel plates and other metal plates including marine grade aluminum plates, used for transport operations shall be filed under oath with the MARINA, and shall be issued a Qualification Certificate attesting that the applicant possesses the qualifications for availment of VAT-Exemption, upon compliance with the following documentary requirements:

- 4.8.1. Duly accomplished MARINA-prescribed Application Form for Availment of VAT-Exemption; and,
- 4.8.2. Proof of payment of applicable processing fee.

4.9. **Reportorial Requirement** – All MARINA registered domestic shipowners/ operators who availed of the VAT-Exemption shall comply with the following:

- 4.9.1. Submission of a Quarterly Report on the utilization, sale, transfer or disposition of articles imported or sold, transferred or disposed under the Act and this IRR on or before the 15th of the month after the end of each quarter.
- 4.9.2. Submission on or before 15th of January each year a Summarized Report on the utilization, sale, transfer or disposition of articles imported or sold, transferred or disposed under the Act and this IRR.

RULE III

DEREGULATION OF THE DOMESTIC SHIPPING INDUSTRY - AUTHORITY OF THE MARITIME INDUSTRY AUTHORITY

Section 5. Authority to Operate – The authorization shall be in the form of a:

5.1. Certificate of Public Convenience (CPC) for a domestic shipowner/operator engaged in domestic shipping.

5.1.1. Other forms of permit or authority that may be issued by the MARINA to a domestic shipowner/operator are:

5.1.1.1. A Provisional Authority (PA) which may be issued pending the issuance of a CPC, provided the issuance falls under any of the circumstances enumerated under Section 7 (7.8.1) hereof.

5.1.1.2. A Special Permit (SP) which may be issued to an existing CPC holder if one of the instances as provided for under Section 7 (7.8.2) hereof is present;

5.1.2. SP for a foreign shipowner/operator temporarily engaged in trade and commerce within the Philippine territorial waters.

Section 6. Foreign Vessels Engaged in Trade and Commerce – The grant of SP for a foreign shipowner shall be governed by MARINA Circular No. 2011-04 and its subsequent amendments.

Section 7. Issuance of Authority to Operate. – The MARINA shall have the power and authority to issue Certificates of Public Convenience to qualified domestic ship operators taking into consideration the economic and beneficial effect which the proposed service shall have to the port, province or region

which it proposes to serve, and the financial capacity of the domestic ship operator to provide and sustain safe, reliable, adequate, efficient and economic service in accordance with the standards set by the government regulation.

7.1. **Who are required to secure CPC** - The following shall be required to secure CPC:

7.1.1. Those engaged in domestic shipping as defined under Section 3, Rule I of the Revised Implementing Rules and Regulations of RA 9295;

7.1.2. Any person, natural or juridical, who, although not engaged in domestic shipping as defined herein, owns or operates ships in the transport of passengers or cargoes, or both, for hire or compensation.

7.2. **Who may qualify as Domestic Shipowner/operator** - The following may qualify as domestic shipowner/operator:

7.2.1. Citizens of the Philippines; or,

7.2.2. Commercial partnership wholly owned by Filipinos, or,

7.2.3. Corporation at least sixty percent (60%) of the capital of which is owned by Filipinos.

7.3. **Types of Application for CPC – An application for CPC shall be categorized as follows:**

7.3.1. Issuance of CPC;

7.3.2. Extension/Renewal of CPC; and,

7.3.3. Amendment of CPC.

7.4. **Where to file** – The Application for issuance, extension/renewal/amendment of CPC shall be filed with the MARINA Office where the applicant has its principal place of business or office.

7.5. **Rules for the Issuance/Extension/Renewal/Amendment of CPC** – The Application for Issuance/Extension/Renewal/Amendment of CPC shall be governed by the existing MARINA Rules of Procedures and its subsequent amendments.

7.6. **Requirements for Application for Issuance/Extension/Renewal of CPC** – The applicant shall comply with the following:

7.6.1. **Qualification Requirements**

7.6.1.1. Must be a MARINA-accredited entity, pursuant to existing MARINA guidelines on accreditation and its subsequent amendments;

7.6.1.2. Must be financially capable to sustain/maintain its operations and meet claims arising from maritime accidents;

7.6.1.2.1. **When deemed to be financially capable**

– The financial capability of the applicant shall be determined based on the following standards:

i. **For New Applicants** - New Applicants for the issuance of a CPC shall be deemed financially capable when:

- Cash on hand is equivalent to six (6) months operating expense (based on the projected total operating expense for the year); and,
- Complied with the minimum paid-up capital requirement of MC 2006-3.
- Submitted the following documentary requirements:
 - Corporation/Cooperative/Partnership
 - ❖ Projected Income Statement for one (1) year;
 - ❖ Beginning Balance Sheet signed by the President or Chief Financial Officer (CFO);
 - ❖ Bank Certification on Cash Balance/photocopy of Bank Statement or pass book;
 - ❖ SEC Articles of Incorporation/CDA Articles of Cooperation.
 - Single Proprietor
 - ❖ Latest Annual Income Tax Return and/or Beginning Balance Sheet signed by the Owner or Proprietor;
 - ❖ Bank Certification on Cash Balance/photocopy of Bank Statement or pass book;
 - ❖ DTI Certificate of Business Name Registration supported by the accomplished Application Form;
 - ❖ DTI Registration; and,
 - ❖ Projected Income Statement for one (1) year.

ii. **For Existing Domestic Ship Owners or Operators** - The financial capability of existing domestic ship owners and operators shall be determined using all of the following financial ratios with the corresponding standard/benchmark:

RATIO	FORMULA	STANDARD/ BENCHMARK
Liquidity	Current Ratio = $\frac{\text{Current Assets}}{\text{Current Liabilities}}$	1:1 and above
Solvency	Debt Ratio = $\frac{\text{Total Assets}}{\text{Total Liabilities}}$	1.25:1 and above
Profitability	Revenue –TOE	Breakeven and above

- Result of the Financial Capability Evaluation for existing operators

❖ Liquidity using Current Ratio

Existing operators with computed Current Ratio of 1:1 shall pass the Liquidity test.

❖ Solvency using Debt Ratio

Existing operators with computed Debt Ratio of 1.25:1 and above shall pass the solvency test

❖ Profitability

Existing operators with a positive net profit shall pass the profitability test.

- All of the above ratios shall be computed to determine the financial capability of existing operators. However, consideration may be given to an operator whose computed ratio falls below the benchmark as follows:

❖ Liquidity

Existing operators with computed current ratio of below 1:1 to 0.5 may be considered, provided the company posted profit for year.

❖ Solvency

Existing operators with computed debt ratio of below 1.25:1- 1:1 can be considered, provided, the Actual Working Capital (Current

Assets – Current Liability) is equivalent to two (2) months operating expense.

- Existing domestic shipowner or operators who still fail to meet the above considerations shall be required to undertake any of the following:
 - ❖ Increase its capital; or,
 - ❖ Retire unproductive/obsolete machineries and equipment; or,
 - ❖ Adopt appropriate measures to improve the company's financial standing.
- Existing operators shall be given two (2) months to improve its financial position. At the end of the second month, the operator shall be required to submit for re-evaluation an interim financial statement incorporating any of the above adjustments and the same shall be certified by a Certified Public Accountant (CPA).

Banca Operators shall also be given a period of two (2) months to improve its financial position. At the end of the second month, the operator shall be required to submit for re-evaluation, a notarized interim financial statements incorporating any of the above-applicable adjustment.

- Documentary Requirements for financial capability evaluation or re-evaluation:
 - ❖ Corporation/Cooperative/Partnership
 - Duly accomplished Audited Annual Reports (with accompanying notes to financial statements) stamped received by the Bureau of Internal Revenue (BIR) and the Securities and Exchange Commission (SEC), and signed by the company's responsible Officers; or,

- Interim financial statements certified by a Certified Public Accountant (CPA) reflecting the adjustments to improve financial position.

❖ Single Proprietor

- Duly accomplished Annual Report stamped received by the Bureau of Internal Revenue (BIR), signed by the owner/proprietor and notarized: or,
- Interim financial statements duly notarized to be submitted by motor banca operators or interim financial statements certified by a Certified Public Accountant (CPA) to be submitted by other single proprietors, reflecting the adjustments to improve financial position.

7.6.1.3. Must provide a service that has economic and beneficial effect on the port, province or region it proposes to serve.

7.6.2. Jurisdictional Requirement

7.6.2.1. Proof of payment of filing or processing fees.

7.6.3. Documentary Requirements

7.6.3.1. Application stating the service that the Applicant proposes to offer:

7.6.3.1.1. For liner service, the domestic shipowner/operator shall indicate the name of its ship(s), the route(s) to be served and the proposed reasonable/practicable schedule of trips/sailing frequencies per route/link. The domestic shipowner/operator shall indicate in its proposed route(s) the exact location of the ports of origin and destination. In case there is no port, the Applicant shall indicate in the Application the barangay, town, beach or sitio;

7.6.3.1.2. For tramping and other services, the domestic shipowner/operator shall indicate the name of its ship(s) and its area of operation/service.

For the above items, the Applicant shall likewise indicate the limitations to the area(s) of operation or route(s) to be served as indicated in the license issued to the ship under MARINA Circular No. 110 and its subsequent amendments.

- 7.6.3.2. Affidavit of Publication of the Notice of Hearing in a newspaper or general or regional circulation, as applicable;
- 7.6.3.3. MARINA Accreditation;
- 7.6.3.4. Feasibility study or any study or document that will show probable economic/beneficial effect to the port, province or region it proposes to serve;
- 7.6.3.5. Notarized Special Power of Attorney or Notarized Secretary's Certificate and Board Resolution, where a non-lawyer represents a sole proprietor or corporation, respectively;
- 7.6.3.6. 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 Policy, Safety Management Certificate (SMC), Document of Compliance (DOC), Radio/Ship Station License (RSL/SSL), and other documents as maybe deemed necessary;

- 7.6.3.7. Ship's Documents:
 - 7.6.3.7.1. Certificate of Philippine Registry (CPR);
 - 7.6.3.7.2. Certificate of Ownership (CO); and,
 - 7.6.3.7.3. Coastwise License (CWL) or Bay and River License (BRL), or Pleasure Yacht License (PYL);
- 7.6.3.8. Ship Safety Documents:
 - 7.6.3.8.1. For Passenger Ships:
 - i. Passenger Ship Safety Certificate; and,
 - ii. Minimum Safe Manning Certificate.
 - 7.6.3.8.2. For Cargo Ships:
 - i. Cargo Ship Safety Certificate; and,
 - ii. Minimum Safe Manning Certificate.
 - 7.6.3.8.3. For Tankers (other than gas tankers):
 - i. Cargo Ship Safety Construction Certificate;

- ii. Cargo Ship Safety Equipment Certificate; and,
- iii. Minimum Safe Manning Certificate.

7.6.3.8.4. For Tankers Carrying Gas:

- i. Cargo Ship Safety Construction Certificate;
- ii. Cargo Ship Safety Equipment Certificate;
- iii. Minimum Safe Manning Certificate; and,
- iv. Certificate of Fitness.

7.6.3.8.5. For Tugs, Dredgers and Barges:

- i. Cargo Ship Safety Certificate; and,
- ii. Minimum Safe Manning Certificate.

7.6.3.8.6. For High Speed Crafts:

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

7.6.3.8.7. For Other Ships:

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

7.6.3.9. Class Certificate issued by a MARINA-recognized Classification Society;

7.6.3.10. Radio/Ship Station License (RSL/SSL), as applicable;

7.6.3.11. Document of Compliance (DOC), as applicable;

7.6.3.12. Safety Management Certificate (SMC), as applicable;

7.6.3.13. Insurance Coverage:

7.6.3.13.1. Passenger Insurance Coverage provided by an insurance company accredited by the Insurance Commission;

7.6.3.13.2. Other insurance coverage as may be required.

7.6.3.14. Oil Pollution Coverage:

7.6.3.14.1. Civil Liability Convention Certificate (CLC) for Tankers and Barges Carrying Persistent Oil, as applicable;

7.6.3.14.2. Oil Pollution coverage for tankers and barges carrying non-persistent oil;

7.6.3.14.3. Third Party Liability (TPL) for Liquefied Petroleum Gas/Liquefied Nitrogen Gas (LNG) Carriers.

7.6.3.15. Certificate of Compliance under the following MCs and their subsequent amendments, as applicable:

7.6.3.15.1. MC No. 65/65-A – Minimum Service Standards for Philippine Registered Inter-Island Passenger Vessels/Amendment to MC 65 on Minimum Service Standards for Philippine Registration of Inter-Island Passenger Vessels;

7.6.3.15.2. MC No. 121 – Policy Guidelines in the Regulation of High Speed Craft;

7.6.3.15.3. MC No. 134 – Minimum Service Standards for Motor Bancas Below 20 Gross Tons (GT);

7.6.3.15.4. MC No.196 – Rules on the Introduction of Reclining Seat Accommodation on Passenger-Carrying Ships in the Inter-Island Trade;

7.6.3.15.5. MC No. 72 – Guidelines on the Implementation of At Least 10-minute Film on the Safety Features of Each Specific Passenger/Passenger-Cargo Vessels;

7.6.3.15.6. MC No. 98 – Guidelines for Compliance with Republic Act No. 7277 and Batas Pambansa Bilang 344 Otherwise Known as Accessibility Law;

7.6.3.15.7. MC No. 135 – Rules on the Implementation of Voice Tape on the Safety Features of a Vessel; and,

7.6.3.15.8. MC No. 136 – Amendment of Memorandum Circular No. 72 on the Rules on the Implementation of 10-minute Film on the Safety Features of a Vessel.

7.6.3.16. Pictures of the ship, showing the name, port side, starboard side and astern view (with the size of 5” x 7”);

7.6.3.17. Such other certificates/documents as may be required by the MARINA.

All documentary requirements must be valid upon filing of the Application.

7.7. Period of Validity of CPC - The CPC to be issued to an entity which operates a ship(s) whose hull is other than wood, shall be valid for a period of not more than twenty-five (25) years, except for chartered

ships whose validity shall be based on the length of the MARINA-approved charter agreement or the Certificate of Philippine Registry.

The CPC of wooden-hulled ships shall have a validity of five (5) years without prejudice to the revised/amended rules on licensing of such ships.

7.8. Temporary Authority to Operate

7.8.1. Issuance of Provisional Authority

7.8.1.1. A Provisional Authority (PA) may be warranted under any of the following instances:

7.8.1.1.1. Operation in unserved or underserved route(s), e.g. in terms of quality of service or frequency, as may be determined by MARINA;

7.8.1.1.2. Operation of ships complying with international standards, e.g. brand new and internationally classed ships;

7.8.1.1.3. Operation of ships under EO 909 and its IRR and other similar laws/rules and regulations;

7.8.1.1.4. Other analogous circumstances as may be determined by the MARINA Administrator upon the recommendation of Franchising Services or concerned Maritime Regional Offices.

7.8.1.2. **Documentary Requirements for Issuance of Provisional Authority** - The following documentary requirements shall be submitted/complied with:

7.8.1.2.1. Notarized Motion in the prescribed form;

7.8.1.2.2. Qualification requirements under Section 7 (7.6.1);

7.8.1.2.3. Documentary Requirements under Section 7 (7.6.3), as applicable;

7.8.1.2.4. Proof of Payment of Processing Fee(s).

7.8.1.3. **Validity of Provisional Authority** - The Provisional Authority shall have a maximum validity of two (2) months from issuance which may be renewed until the final resolution of the main CPC Application.

7.8.2. **Issuance of Special Permit (SP)** – No domestic shipowner/operator shall operate outside of its CPC-authorized

routes/areas of operations or type of service, or from authorized schedules/frequencies, except upon the grant of SP by the MARINA.

7.8.2.1. The issuance of SP shall only be granted to shipowners/operators with valid CPC.

7.8.2.2. The issuance of SP may be warranted under any of the following instances:

7.8.2.2.1. Operation in routes/links/ports/areas of operation where the applicant-movant is not authorized such as fiesta, peak season, etc;

7.8.2.2.2. Charter of local ship as substitute for a drydocked/inoperational ship;

7.8.2.2.3. Operation in routes/ports/links where there are no existing operators or when such services are necessary for the development of any coastal area, island or region in the country;

7.8.2.2.4. Fortuitous event/Force majeure;

7.8.2.2.5. To meet emergency sealift requirements such as in calamity situations and/or where national interest or security is involved;

7.8.2.2.6. Contracted voyage, provided there are existing operators in the CPC authorized route to be vacated;

7.8.2.2.7. Change of ship's operations from liner to tramping and vice-versa;

7.8.2.2.8. Navigational trips and marine research/studies as requested by maritime institution and other related entities.

7.8.2.3. **Documentary Requirements for Issuance of Special Permit** - The following documentary requirements shall be submitted/complied with:

7.8.2.3.1. Notarized Application in the prescribed form;

7.8.2.3.2. Qualification requirements under Section 7 (7.6.1) hereof;

7.8.2.3.3. Documentary Requirements under Section 7 (7.6.3) hereof, as applicable.

7.8.2.4. **Validity of Special Permit** - A Special Permit shall be issued on a per circumstance basis for a period of not more than three (3) months.

7.9. Flexibility in the Operations - A CPC grantee shall have the flexibility to operate its ships in the liner service under any of its authorized sailing schedule/frequency of trips, subject to the approval by MARINA of the ship(s) qualified to serve the proposed route(s) or port(s) in terms of safety and suitability.

7.10. Determination of Sailing Schedule/Frequency of Trips – The following guidelines shall be adopted:

7.10.1. The determination of sailing schedule/frequency of trips shall remain with the MARINA.

7.10.2. The sailing schedule/frequency of trips in the liner service shall be reasonable, viable and practicable, on the basis of any of the following considerations:

7.10.2.1. Availability of berthing space/port facilities for every port covered by the route(s)/port(s) where the ship intends to call;

7.10.2.2. Travel time;

7.10.2.3. Distance to be traversed;

7.10.2.4. Restrictions as to nighttime and daytime navigation;

7.10.2.5. Condition of channel/ship traffic in sealanes which allows limited number of ships in certain hours or period;

7.10.2.6. Time for embarkation/disembarkation of passengers/cargoes;

7.10.2.7. Time for security inspection by authorized/relevant government agencies;

7.10.2.8. Other analogous instances.

7.10.3. All routes/links and schedule of trips/sailing frequencies granted under a CPC/SP shall at all times be served by the domestic shipowner/operator.

7.11. CPC Amendment

7.11.1. The CPC shall be amended under the following instances:

7.11.1.1. Permanent Addition or Deletion of a route/port/link;

7.11.1.2. Permanent Addition/Reduction or Dropping/Replacement of Ship/Fleet;

- 7.11.1.3. Change in Ship's Name;
- 7.11.1.4. Change in the name of entity;
- 7.11.1.5. Conversion in the type of operation/service;
- 7.11.1.6. Change in the type of cargo to be carried;
- 7.11.1.7. Change in the hull of the ship and other ship particulars;
- 7.11.1.8. Change in Sailing Frequencies/Schedule of Trips;
- 7.11.1.9. Change in the Contract Period of Bareboat Chartered Ships; and,
- 7.11.1.10. Other analogous instances as may be determined by the MARINA.

A change in the legal personality of the CPC grantee shall require the filing of a new application for CPC.

7.11.2. **Requirements for CPC Amendment** - The applicant shall comply with the following:

- 7.11.2.1. **Qualification requirements** – As provided under Section 7 (7.6.1.) hereof;
- 7.11.2.2. **Jurisdictional requirements** – As provided under Section 7 (7.6.2.) hereof;
- 7.11.2.3. **Documentary requirements** – The following shall be submitted:
 - 7.11.2.3.1. Permanent Addition or Deletion of a route/port/link:
 - i. Application for Amendment of CPC stating the reason(s) thereof and indicating any changes in the schedule of trips.
 - 7.11.2.3.2. Permanent Addition/Reduction or Dropping/Replacement of Ship/Fleet:
 - i. Application for Amendment of CPC indicating the ship to be permanently added or dropped/replaced and reason(s) thereof;
 - 7.11.2.3.3. For permanent addition of ship/fleet:
 - i. Financial Statements reflecting changes/adjustments in the

- capitalization requirement, as applicable; and,
- ii. Ship Documents and Safety Certificates under Section 7 (7.6.3.7 and 7.6.3.8, respectively) hereof, as applicable.

7.11.2.3.4. Change in Ship's Name:

- i. Application for Amendment of CPC indicating the ship's new name; and,
- ii. Documents and Safety Certificates under Section 7 (7.6.3.7 and 7.6.3.8, respectively) hereof, as applicable, reflecting the new name of the ship.

7.11.2.3.5. Change in the name of entity:

- i. Application for Amendment of CPC indicating the change in the name of the entity;
- ii. MARINA Accreditation Certificate reflecting the new name of the entity; and,
- iii. Ship Documents and Safety Certificates under Section 7 (7.6.3.7 and 7.6.3.8, respectively) hereof, as applicable, reflecting the new name of the entity.

7.11.2.3.6. Change in the type of operation or type of service:

- i. Application for Amendment of CPC indicating the new type of operation or service; and,
- ii. Ship Documents and Safety Certificates under Section 7 (7.6.3.7 and 7.6.3.8, respectively) hereof, as applicable, reflecting the new type of operation or service.

7.11.2.3.7. Change in the type of cargo to be carried:

- i. Application for Amendment of CPC indicating the change and the reason(s) thereof; and,
- ii. Ship documents and ship safety certificates under Section 7 (7.6.3.7 and 7.6.3.8, respectively) hereof, as applicable, reflecting the new type of cargo to be carried, e.g., black to white

products, persistent oil to non-persistent oil.

7.11.2.3.8. Change in the hull of the ship and other ship particulars

- i. Application for Amendment of CPC; and,
- ii. Ship documents/ship safety certificates under Section 7 (7.6.3.7 and 7.6.3.8, respectively) hereof, as applicable, showing the change in the hull of the ship and other ship particular.

7.11.2.3.9. Change in Sailing Frequencies/Schedule of Trips

- i. Application for Amendment of CPC indicating the reason(s) thereof; and,
- ii. Proposed change in sailing frequencies/schedule.

7.11.2.3.10. Change in the Contract Period of Bareboat Chartered Ships.

- i. Application for Amendment of CPC; and,
- ii. Bareboat Charter Contract reflecting the change thereof or MARINA letter-approval on the change in the charter period.

7.12. Flexibility in the Operations - A CPC grantee shall have the flexibility to operate its ships in the liner service under any of its authorized sailing schedule/frequency of trips, subject to the approval by MARINA of the ship(s) qualified to serve the proposed route(s) or port(s) in terms of safety and suitability.

7.13. Determination of Sailing Schedule/Frequency of Trips – The following guidelines shall be adopted:

7.13.1. The determination of sailing schedule/frequency of trips shall remain with the MARINA.

7.13.2. The sailing schedule/frequency of trips in the liner service shall be reasonable, viable and practicable, on the basis of any of the following considerations:

7.13.2.1. Availability of berthing space/port facilities for every port covered by the route(s)/port(s) where the ship intends to call;

7.13.2.2. Travel time;

- 7.13.2.3. Distance to be traversed;
 - 7.13.2.4. Restrictions as to nighttime and daytime navigation;
 - 7.13.2.5. Condition of channel/ship traffic in sealanes which allows limited number of ships in certain hours or period;
 - 7.13.2.6. Time for embarkation/disembarkation of passengers/cargoes;
 - 7.13.2.7. Time for security inspection by authorized/relevant government agencies;
 - 7.13.2.8. Other analogous instances.
- 7.13.3. All routes/links and schedule of trips/sailing frequencies granted under a CPC/SP shall at all times be served by the domestic shipowner/operator.

7.14. Who are exempted from securing CPC

- 7.14.1. Owners/Operators of the following ships shall not be required to secure CPC:
 - 7.14.1.1. Boats used for parasailing;
 - 7.14.1.2. Personal watercrafts;
 - 7.14.1.3. Ships used for dredging, provided the dredging company is also the owner of the ship;
 - 7.14.1.4. Ships used exclusively for training;
 - 7.14.1.5. Ships used for research or supply or marine survey;
 - 7.14.1.6. Stationary floating restaurants and hospitals;
 - 7.14.1.7. Power barges;
 - 7.14.1.8. Ships used for salvaging provided that it does not transport the salvaged ship;
 - 7.14.1.9. Ships used for pilotage;
 - 7.14.1.10. Floating storage facilities;
 - 7.14.1.11. Offshore drilling;
 - 7.14.1.12. Ships used solely and exclusively for company/personal use for which the operation is not offered to the public for hire or compensation;

7.14.1.13. Other type of ships of similar nature as may be determined by MARINA Administrator upon the recommendation of Franchising Services or the concerned MARINA Regional Office.

7.14.2. **Requirements for CPC Exemption** – Owner(s)/Operator(s) of the ships under Section 7 (7.14.1.1 to 7.14.1.11 and 7.14.1.13) hereof shall file a letter-request for exemption from securing CPC. For Section 7 (7.14.1.12) hereof, the owner(s)/operator(s) shall file a Petition for Exemption from Securing CPC and shall comply with the following:

7.14.2.1. Jurisdictional Requirements

7.14.2.1.1. Proof of payment of filing or processing fees.

7.14.2.2. Documentary Requirements

7.14.2.2.1. Duly accomplished form prescribed by the MARINA;

7.14.2.2.2. Notarized Special Power of Attorney or Notarized Secretary's Certificate and Board Resolution, where a non-lawyer represents a sole proprietor or corporation, respectively;

7.14.2.2.3. Proof of Payment of applicable Processing Fee(s);

7.14.2.2.4. 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, Safety Management Certificate (SMC), Document of Compliance (DOC), Radio/Ship Station License (RSL/SSL), and other documents as maybe deemed necessary;

7.14.2.2.5. Affidavit of Publication of the Notice of Hearing in a newspaper of general or regional circulation;

7.14.2.2.6. Ship's Documents:

- i. Certificate of Philippine Registry (CPR);
- ii. Certificate of Ownership (CO); and,
- iii. Coastwise License (CWL) or Bay and River License (BRL), or Pleasure Yacht License (PYL);

7.14.2.2.7. Ship Safety Documents:

i. 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,
 - ❖ Minimum 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.

- Such other certificates/documents as may be prescribed by the MARINA.

7.14.2.2.8. Radio/Ship Station License (RSL/SSL), as applicable;

7.14.2.2.9. Oil Pollution Coverage:

- i. Civil Liability Convention Certificate (CLC) for Tankers and Barges Carrying Persistent Oil, as applicable;
- ii. Oil Pollution coverage for tankers and barges carrying non-persistent oil; and,
- iii. Third Party Liability (TPL) for Liquefied Petroleum Gas/Liquefied Nitrogen Gas (LNG) Carriers.

7.14.2.2.10. Pictures of the ship, showing the name, port side, starboard side and astern view (with the size of 5" x 7").

7.14.3. **Amendment for CPC Exemption** - The CPC Exemption shall be amended under the following instances:

7.14.3.1. Change in the name of the entity; or,

7.14.3.2. Change in the type of cargo to be carried; or,

7.14.3.3. Change in the hull of the ship and other ship particulars; or,

7.14.3.4. Change in the Charter Period of Bareboat Chartered Ships; or,

7.14.3.5. Permanent addition/reduction or dropping/replacement of ship/fleet; or;

7.14.3.6. Change of name of ship.

No amendments shall be allowed under Section 7 (7.14.1.12) unless the owner(s)/operator(s) comply with the jurisdictional and documentary requirements provided under Section 7 (7.14.2.1 and 7.14.2.2) hereof.

7.14.4. **Change in Legal Personality of the CPC-exempt Grantee** - A change in the legal personality of the CPC Exempt grantee shall require the filing of a new petition for CPC Exemption

7.15. Instances that may Warrant Temporary Stoppage of Service/Operations - The grantee of a CPC shall ensure the public of regular service in its authorized route or link. Stoppage of operations in a route or link shall not be allowed except under the following grounds:

- 7.15.1. Maintenance or drydocking/lay-up;
- 7.15.2. Machine or engine trouble;
- 7.15.3. Maritime accident/incident;
- 7.15.4. Emergency sea lift operation;
- 7.15.5. Peace and security problems in the route;
- 7.15.6. Port repairs;
- 7.15.7. Fortuitous event or force majeure;
- 7.15.8. Market forces; and,
- 7.15.9. Sale of existing ship/fleet.

7.16. Procedure to be Observed in Effecting Temporary Stoppage of Service/Operations

If the stoppage is expected or mandatory, a notice of temporary stoppage of operations shall be filed with the MARINA Office which issued the CPC, at least fifteen (15) days prior to its effectivity and posting at conspicuous places at the ports, terminals and ships. If the stoppage is unexpected or unscheduled, the notice shall be filed within two (2) days after the stoppage of operation. The notice shall likewise indicate the schedule of resumption of service in the route or link. In both cases, an authorization shall be issued allowing the temporary stoppage of the operation of a particular ship for a specified period.

Authorized stoppage of operations shall not exceed six (6) months, otherwise, the same shall be considered as abandonment of the authorized route or portions thereof.

Any unauthorized stoppage of operations for a period of three (3) months shall be considered abandonment of service which shall result to imposition of fines and penalties, without prejudice to cancellation/revocation of its authority to operate subject to due process.

7.17. Types of Cancellation of CPC. The cancellation of CPC shall be voluntary or involuntary.

7.17.1. Voluntary Cancellation. A CPC grantee who desires to stop from operating its ship(s) shall file an application for voluntary cancellation of its CPC.

7.17.1.1. Documentary Requirements:

7.17.1.1.1. Duly notarized Application accompanied by verification under oath and certification of non-forum shopping indicating the reason(s) for cancellation; and,

7.17.1.1.2. Original Copy of the CPC/Decision.

7.17.1.2. If upon post evaluation the documents submitted are found to be in order, the MARINA shall issue a Decision granting the Application for Cancellation. The Decision shall take effect immediately upon issuance thereof.

7.17.2. Involuntary Cancellation. The MARINA may cancel the CPC of a grantee, after due notice and hearing, for violation of RA No. 9295, its IRR and any MARINA Rules.

7.18. Approval/Confirmation of the Sale, Transfer and Conveyance of Ships covered by a CPC - Any sale, transfer and conveyance of ships covered by a CPC shall be subject to approval of MARINA.

7.18.1. The Application for approval of the sale, transfer and conveyance of ships covered by a CPC shall be filed either by the vendor or the vendee with the MARINA Office where the CPC was issued;

7.18.2. Requirements:

7.18.2.1. Jurisdictional requirements:

7.18.2.1.1. Publication in a newspaper of general or regional circulation.

7.18.2.2. Documentary requirements:

7.18.2.2.1. Application for Approval of Sale, Transfer and Conveyance of Ship;

7.18.2.2.2. Affidavit of publication in a newspaper of general or regional circulation, together with the newspaper clipping;

7.18.2.2.3. Copy of the whole newspaper where the Notice of Hearing was published;

7.18.2.2.4. Duly notarized Deed of Sale;

7.18.2.2.5. Certificate of Ownership;

7.18.2.2.6. Certificate of Philippine Registry;

7.18.2.2.7. Clearance from Maritime Legal Affairs Service (MLAS) or MRO as to unpaid fines and penalties; and,

7.18.2.2.8. Clearance from Domestic Shipping Service (DSS) or MRO where the ship is last registered as to liens and encumbrances.

7.18.3. Any ship previously covered by a CPC which will be sold and transferred shall require MARINA approval prior to registration under the name of the vendee or new owner/operator.

Section 8. Deregulation of the Domestic Shipping Industry. – Existing and prospective domestic shipping operators are encouraged to have new investments in the domestic shipping industry, and are hereby authorized to establish their own domestic shipping rates, provided that effective competition is fostered and public interest is served.

8.1. In fostering a free market shipping environment, the MARINA shall exercise its power to intervene, where it is established after due process that competition is compromised and public interest is threatened. In order to effectively implement its power to intervene, appropriate systems and procedures for regulatory intervention is herein established;

8.2. The MARINA shall, after due notice and hearing as provided in the existing MARINA Rules of Procedure and its subsequent amendments, intervene under any of the following circumstances:

8.2.1. If there's a complaint filed against the shipowner/operator relative to rates charged and/or services rendered; and/or,

8.2.2. The rates charged are excessive or unreasonable based on MARINA's monitoring functions.

8.3. The MARINA shall determine the validity and veracity of the foregoing circumstances, through the conduct of, but not limited to any of the following activities:

8.3.1. Evaluation of rates charged;

8.3.2. Financial evaluation;

8.3.3. Assessment of the quality of shipping service provided, prescribed sailing schedule/frequency or prevailing market conditions; or ,

8.3.4. Market survey/evaluation.

8.4. In order to validate/verify the circumstances cited under 25.2, the MARINA may *motu proprio* require the submission of additional documents, afterwhich appropriate measures may be prescribed to address/correct the deficiencies resulting therefrom;

- 8.5. The MARINA shall monitor all shipping operations to ensure that public interest is protected and safeguarded by undertaking any or all of the following:
 - 8.5.1. Require the submission to the MARINA of quarterly reports of the actual rates charged by their ship/s for each category of passage and freight, as well as other special rates charged, not later than thirty (30) days after each quarter;
 - 8.5.2. Assess the actual rates charged *vis-à-vis* the level and quality of service provided under existing MARINA rules and regulations; and/or,
 - 8.5.3. Assess the Quarterly Report and the audited Annual Report of Operations and Finances, together with the copy of the Official Receipt (OR) of Quarterly and Monthly Common Carrier's Tax and other related tax payments to the BIR, which are hereto required to be submitted by domestic shipowners or operators, sixty (60) days after each quarter and every June 30th of the following year, respectively, with no extension.

Section 9. Safety Standards – All vessels operated by domestic ship operators shall at all times be in seaworthy condition, properly equipped with adequate life-saving, communication, safety and other equipment, operated and maintained in accordance with the standards set by MARINA.

- 9.1. All ships must be manned by duly licensed and competent vessel crew and shall comply with qualification standards set by MARINA for seafarers onboard its registered ships;
- 9.2. In the exercise of its power to inspect all ships and all equipment on board vessels, the MARINA shall undertake inspections in conformity with the Ship Safety Inspection System (SSIS), and ensure that all shipowners or operators shall maintain their ships in accordance with operational and safety standards required by existing laws and/or applicable international conventions, codes, rules and regulations for the duration of the ship's operational life; and,
- 9.3. All ships are required to carry on board the relevant or applicable ship safety certificates issued by MARINA.

Section 10. Jurisdiction; Powers; and Duties of MARINA. – The MARINA shall have the power and authority to:

- 10.1. Register vessels;
- 10.2. Issue certificates of public convenience, or any extensions or amendments thereto, authorizing the operation of all kinds, classes and types of vessels in domestic shipping: Provided, That no such certificate shall be valid for a period of more than twenty-five (25) years;

- 10.3. Modify, suspend or revoke at any time, upon notice and hearing, any certificate, license or accreditation it may have issued to any domestic shipowner/operator;
- 10.4. Establish and prescribe routes, zones of areas of operations of domestic shipowners/operators;
- 10.5. Require any domestic shipowner/operator to provide shipping services to any coastal area, island or region in the country where such services are necessary for the development of the area, to meet emergency sealift requirements, or when public interest so requires;
- 10.6. Set safety standards for vessels in accordance with applicable conventions and regulations;
- 10.7. Require all domestic shipowners/operators to comply with operational and safety standards for vessels set by applicable conventions and regulations, maintain its vessels in safe and serviceable condition, meet the standards of safety of life at sea and safe manning requirements, and furnish safe, adequate, efficient, reliable and proper service at all times;
- 10.8. Inspect all vessels to ensure and enforce compliance with safety standards and other regulations;
- 10.9. Ensure that all domestic shipowners/operators shall have the financial capacity to provide and sustain safe, reliable, efficient and economical passenger or cargo service, or both;
- 10.10. Determine the impact which any new service shall have to the locality it will serve;
- 10.11. Adopt and enforce such rules and regulations which will ensure compliance by every domestic shipowner/operator with required safety standards and other rules and regulations on vessels safety;
- 10.12. Adopt such rules and regulations which ensure the reasonable stability of passengers and freight rates and, if necessary, to intervene in order to protect public interest;
- 10.13. Hear and adjudicate any complaint made in writing involving any violation of the law or the rules and regulations of the Authority;
- 10.14. Impose such fines and penalties on, including the revocation of licenses of, any domestic shipowner/operator who shall fail to maintain its vessels in safe and serviceable condition, or who shall violate or fail to comply with safety regulations;
- 10.15. Investigate any complaint made in writing against any domestic shipowner/operator, or any shipper, or any group of shippers regarding any matters involving violations of the provisions of the Act and this R-IRR;
- 10.16. Upon notice and hearing, impose such fines, suspend or revoke certificates of public convenience or other license issued, or otherwise penalize any shipowner/operator, shipper or group of shippers found violating the provisions of the Act and this R-IRR; and,

- 10.17. Issue rules and regulations necessary to implement the provisions of the Act and this R-IRR; Provided, that the rules and regulations cannot change or in any way amend or be contrary to the intent and purposes of the Act and this R-IRR.

RULE IV

RATES

Section 11. Rates. – Every domestic ship operator shall have the right to fix its own passenger or cargo rates, or both following the herein guidelines:

- 11.1. All domestic shipowners or operators applying for CPC shall submit their Matrix of initial passage and/or cargo rates indicating the name of ship and authorized route/link;
- 11.2. The domestic shipowner or operator shall inform the MARINA and the public of any subsequent upward rate adjustment either through the publication in either general or regional newspaper as applicable, or the posting thereof in all conspicuous places at the affected ports, ship, company premises, passenger terminals and ticketing office, two (2) weeks prior to effectivity; and,
- 11.3. All domestic shipowner or operator shall cause the posting of any downward rate adjustment in all conspicuous places at the affected ports, ship, company premises, passenger terminals and ticketing office. The downward adjustment of rates shall be effective immediately upon posting.

Section 12. Government Cargo. – A domestic shipowner or operator granted with a CPC shall have the obligation to carry mail on mutually agreed terms and conditions and other government cargo at preferential and negotiated conditions.

Section 13. Monopolized Routes – In the case of monopolized routes as defined herein, the MARINA shall ensure that the rates charged are just and equitable to sustain the service taking into consideration the economic and beneficial effect which the service shall have to the port, province, island or region it proposes to serve, the volume of passengers and cargo available, the level and quality of service offered by the ship operator, and the available port facilities and terminal handling services: and the standards of service provided is in accordance with the relevant MARINA rules and regulations relative to service standards.

RULE V

COMPULSORY INSURANCE COVERAGE

Section 14. Compulsory Insurance Coverage for Passenger and Cargo. – To meet its financial responsibility for any liability which a domestic ship operator may incur for any breach of the contract of carriage, every domestic ship operators shall be required to submit annually the following:

- 14.1. Adequate insurance coverage for each passenger in an amount not less than two hundred thousand pesos (Php200,000.00) per passenger; and the total amount of such coverage shall be equivalent to the total authorized number of passengers of the ship. The amount shall be without prejudice to any subsequent regulation amending the same.
- 14.2. The MARINA shall require every domestic shipowner or operator to secure adequate cargo liability insurance, to meet its financial responsibility for any liability which may be incurred for any breach of the contract of carriage.

Section 15. Other Insurance Coverage - The MARINA shall require every domestic shipowner or operator, and other maritime entities concerned operating any type of ships, for hire or compensation in the domestic trade, and tankers which require coverage as stipulated in MARINA Memorandum Circular No. 184 to obtain an adequate marine insurance covering liabilities arising out from oil pollution.

RULE VI

PROHIBITED ACTS AND PRACTICES

Section 16. Prohibited Acts and Practices of Domestic Ship Operators. – The MARINA shall have the power to impose such fines and penalties against every domestic ship operator who shall:

- 16.1. Operate without a valid certificate of public convenience, accreditation or other form of authority required by this Act;
- 16.2. Refuse to accept or carry any passenger or cargo without just cause;
- 16.3. Fail to maintain its vessels in safe and serviceable condition, or violate safety rules and regulations;
- 16.4. Fail to obtain or maintain adequate insurance coverage;
- 16.5. Fail to meet or maintain safe manning requirements; and,
- 16.6. Such other acts which the MARINA shall determine, after due notice and hearing, to be detrimental or prejudicial to the safety, stability and integrity of domestic shipping.

RULE VII

FEES, FINES AND PENALTIES

Section 17. Fees – The MARINA shall impose, fix, collect and receive, in accordance with the schedules approved by its Board, such fees necessary for rendering the services in the licensing, supervision, regulation, inspection, approval and accreditation of domestic shipowners or operators and the promotion and development of the country's maritime industry.

Unless otherwise revised or amended, the fees prescribed under existing MARINA Circulars covering the licensing, supervision, regulation, inspection,

approval and accreditation of domestic shipowners/operators and the promotion and development of the country's maritime industry, under this revised IRR shall continue to apply. The fees and charges prescribed under this revised IRR shall be subject to review and revision by the MARINA.

MARINA shall establish and manage a Trust Fund to be sourced from the collection of annual tonnage fees and new fees and charges under this revised IRR. The Trust Fund shall be used to finance MARINA's programs and projects for the promotion and development of the country's maritime safety.

Section 18. Fines and Penalties. – The MARINA, upon notice and hearing and a determination of the existence of any breach or violation of the provisions of this Act or any rules and regulations issued pursuant thereto, shall have the power and authority to:

- 18.1. Suspend or revoke any certificate or public convenience, license, permit, accreditation, or other form of authority issued to any domestic ship operator who shall violate any provision of this Act or any rules and regulations issued pursuant thereto, or any condition imposed on such certificate of public convenience, license, permit or accreditation;
- 18.2. Impose applicable fines under existing MARINA Circulars on a domestic ship operator for:
 - 18.2.1. Operating without a valid certificate of public convenience, license, permit, accreditation, or other form of authority;
 - 18.2.2. Refusing to accept, or to carry passengers or cargo, without just cause, or for engaging in any prejudicial, discriminatory or disadvantageous act towards any class of passengers or shippers;
 - 18.2.3. Failure to meet the standards of such safety or who refuses to comply with or violates safety regulations imposed by the MARINA or fails to maintain its vessels in safe and serviceable condition;
 - 18.2.4. Failure to procure or renew required insurance policies; and,
 - 18.2.5. Failure to meet or maintain safe manning requirements.
- 18.3. Impose such other fines and penalties under existing MARINA Circulars and their subsequent amendments in order to enforce the provisions of this revised IRR.

RULE VIII

SHIPBUILDING AND SHIP REPAIR

Section 19. Shipbuilding and Ship Repair Investment Incentives. – To encourage investments and to ensure the development of a viable shipbuilding and ship repair industry, the following incentives shall be granted:

- 19.1. **Value-Added Tax (Vat) Exemption** – All MARINA-registered shipbuilders and/or ship repairers, and shipbreakers shall be exempt

from payment of value added tax for the importation of shipyard equipment including its major components and capital equipment, machinery, spare parts, life-saving, navigational equipment, steel plates, and other metal plates including marine-grade aluminium used and installed in the construction, repair, renovation, or alteration of any merchant marine ships operated or to be operated in the domestic trade.

Availment of exemption from value added tax shall include MARINA-registered boatbuilders/repairers, afloat repairers and ship breakers.

Items covered by the exemptions under this section shall be used either for the expansion, upgrading, modernization, etc. of shipyards and facilities and their operations, or for the construction, repair, renovation, alteration, etc., of merchant marine ships operated or to be operated in the domestic trade.

- 19.2. Net Operating Loss Carry Over** - The net operating loss in any taxable year immediately preceding the current taxable year, which had not been previously offset as a deduction from gross income shall be carried over as a deduction from gross income for the next three (3) consecutive taxable years immediately following the year of such loss, subject to the pertinent provisions of the National Internal Revenue Code of 1997, as amended.

The MARINA-registered shipbuilder and/or ship repairer availing of this incentive shall furnish the MARINA in writing on or before the end of May of each year and every year thereafter a copy of the Audited Annual Operating (Financial) Report stamped received by the BIR.

- 19.3. Accelerated Depreciation** – Fixed assets may be depreciated as follows:

19.3.1. To the extent of not more than twice as fast as the normal rate of depreciation or depreciated at normal rate of depreciation if the expected life is ten (10) years or less; or

19.3.2. Depreciation over any number of years between five (5) years and the expected life if the latter is more than ten (10) years, and the depreciation thereon allowed as deduction from taxable income.

19.3.3. The MARINA-registered shipbuilder and/or ship repairer availing of this incentive can depreciate their fixed assets in two (2) methods, above-cited, who shall notify the BIR at the beginning of the depreciation period which depreciation method will be used. Copy of such notice to the BIR shall be submitted to the MARINA.

- 19.4. Who may qualify** – All entities in the shipbuilding/ shiprepair industry which are registered with the MARINA under MARINA Circular No. 2007-02 or its subsequent amendments, shall qualify for availment of the incentives under this Act, including registered shipbuilders/ ship repairers which are 100% foreign owned as defined in Sec. 3(n) of the Act.

19.5. Conditions for the Availment of VAT-Exemption - The importation of articles covered under Section 1 hereof, shall be granted exemption from VAT subject to the following conditions:

19.5.1. Said articles are not manufactured domestically in sufficient quantity, of comparable quality and at reasonable prices;

19.5.2. Said articles are directly imported by a MARINA-registered shipbuilder and ship repairer; boatbuilders/repairers/afloat repairers and shipbreakers (ship re-cycling).

19.5.3. Said articles are reasonably-needed and will be used exclusively by the registered shipbuilder and ship repairer; boatbuilders/repairers/afloat repairers and shipbreakers (ship re-cycling).

Stockpile for a projected 6 months to 1 year consumption/utilization of basic construction materials like steel and metal plates, angle bars, including marine-grade aluminium is allowed for importation by a MARINA-registered entity to minimize time delay in the construction or repair of marine vessels.

19.5.4. The approval of MARINA was obtained prior to the importation of said articles; and shall be subject for inspection/verification.

19.5.5. The applicant/importer shall comply with relevant rules and regulations of the Bureau of Customs; and,

19.5.6. The shipbuilders and ship repairers boatbuilders/repairers/afloat repairers and shipbreakers (ship re-cycling) may avail of the exemption from value-added tax provided herein within a period of ten (10) years from the approval of the Act.

19.5.7. In cases where a domestic ship owner avail the services of a local shipyard for new construction/ alteration/ renovation, exemption from Value Added Tax provided herein can be availed of by either the Shipbuilder or the Ship owner, but not applicable for both parties at the same instance.

19.6. Limitations/Restrictions on Sale, Transfer or Disposition of Imported Articles – Any sale, transfer or disposition of articles under Section 1 hereof, shall be subject to the following limitations/restrictions:

19.6.1. Any sale, transfer or disposition of articles under Section 19(a) of the Act within ten (10) years from its effectivity to another MARINA-registered shipbuilder or repairer boatbuilders/repairers/afloat repairers and shipbreakers (ship re-cycling) enjoying similar incentive shall require prior approval of MARINA; and subject for assessment and inspection.

19.6.2. Any sale, transfer or disposition made to non-exempt entity or to a party other than a MARINA-registered shipbuilder or repairer, boatbuilders/repairers/aflloat repairers and shipbreakers (ship re-cycling) within ten (10) years from the effectivity of the Act, both the vendor and the transferee or assignee shall be solidarily liable to pay twice the amount of VAT waived; and subject for assessment and inspection prior to MARINA approval.

19.7. Application for Authority to Import or Sell, Transfer or Dispose Imported Articles – All applications for Authority to Import shall be filed under oath with the MARINA together with the submission of a Sworn Certification that the conditions under Section 3.1 and 3.2 hereof are present and the following documents:

19.7.1. Letter of Application;

19.7.2. Pro-forma invoice;

19.7.3. Duly notarized Memorandum of agreement (MOA)/Deed of Sale (DOS) or Bill of Sale (BOS);

19.7.4. Duly notarized resolution of the company's Board of Directors, certified by the Board Secretary, authorizing the filing of application and authorizing the signatory to the MOA/DOS or BOS to act for and in behalf of the vendor/seller;

19.7.5. For capital equipment such as floating docks or service boats, in addition to the foregoing documents, the following shall likewise be submitted:

19.7.5.1. Certificate of registry or nationality or builder's certificate/building contract; and,

19.7.5.2. Latest survey report or class certificate.

19.7.6. Proof of payment of processing fee in the amount equivalent to 1% of the FOB value in the Pro-forma Invoice or Php10,000.00, whichever is lower.

19.7.7. The Authority to import shall be valid for a period of ninety (90) days from the opening of the Letter of Credit or submission of proof of payment of acquired articles.

19.7.8. All applications to sell, transfer or dispose of articles imported under Section 4.7 above shall be filed under oath with the MARINA together with the submission of the following documents:

19.7.8.1. Letter of Application;

19.7.8.2. Duly notarized Memorandum of Agreement (MOA)/Deed of Sale (DOS) or Bill of Sale (BOS);

19.7.8.3. Duly notarized resolution of the company's Board of Directors, certified by the Board Secretary, authorizing the filing of application and authorizing the signatory to the MOA/DOS or BOS to act for and in behalf of the vendor/seller, if applicable and,

19.7.8.4. Proof of payment of applicable processing fee.

19.8. Application for Availment of the VAT Exemption – All applications for VAT Exemption on MARINA-approved importation and sale, transfer or disposition of imported articles shall be filed under oath with the MARINA, and shall be issued a Qualification Certificate attesting that the applicant possesses the qualifications for availment of VAT Exemption, upon compliance with the following documentary requirements:

19.8.1. Duly accomplished MARINA-prescribed Application Form for availment of VAT-Exemption; and,

19.8.2. Proof of payment of applicable processing fee.

19.9. Reportorial Requirement – All MARINA-registered shipbuilders and/or shiprepairers who availed of the VAT-Exemption shall comply with the following:

19.9.1. Submission of a Quarterly Report on the utilization, sale, transfer or disposition of articles imported or sold, transferred or disposed under the Act and this IRR on or before the 15th of the month after the end of each quarter.

19.9.2. Submission on or before 15th of January each year a Summarized Report on the utilization, sale, transfer or disposition of articles imported or sold, transferred or disposed under the Act and this IRR.

Section 20. Restriction on Vessel Importations – Ten (10) years from the effective date of this Act and every year thereafter, the MARINA shall evaluate and determine the progressive capability of MARINA-registered shipyards to build and construct new vessels for the domestic trade.

In its first year of evaluation, the MARINA shall determine the capability of MARINA-registered shipyards to build new vessels below 500 GRT. If, upon evaluation, the capability of MARINA-registered shipyards to build classed vessels below 500 GRT in quantities sufficient to meet, domestic demand is proven, then all domestic ship operators shall be discouraged from importing new or previously owned vessels that are less than 500 GRT for the domestic trade and vessels built in MARINA-registered shipyards shall be given priority for entry in the Philippine Registry and allowed to operate in the domestic trade.

The MARINA shall undertake a yearly evaluation of the progressive capabilities of all MARINA-registered shipyards to build larger classed vessels for the domestic trade in quantities sufficient to meet the demand of domestic ship owners and shall correspondingly adjust the size of vessels which may be sourced from MARINA-registered shipyards.

RULE IX

TRANSITORY PROVISIONS

Section 21. Period of Transition – Upon effectivity of this IRR of 2014, all domestic shipowners/operators shall comply with the provisions herein setforth. .

- 21.1. All existing grantees of CPC shall request for the re-issuance or re-validation of CPC with the MARINA Office where the original CPC was issued. Upon evaluation of the request and if found that there is no change in the operations as previously authorized in the CPC issued, the MARINA shall re-issue or re-validate the CPC.
- 21.2. If there is any change, modification or amendment in the operations of the CPC grantee, the Applicant shall be required to file an Application for Amendment of CPC under this IRR of 2014.
- 21.3. The validity of the re-issued/re-validated/amended CPC shall be co-terminus with that of the previously issued CPC.

Section 22. Classification of Vessels in the Domestic Trade - The transitory provision of RA No. 9295 on classification of ships shall be implemented upon completion and approval of the policy proposals thereof. The policy proposals on classification of ships shall be completed and approved not later than 30 June 2014.

Section 23. Retirement of Old Vessels - The MARINA shall implement the transitory provisions of RA No. 9295 on retirement of ships upon approval of policy proposals on licensing which shall be approved not later than 30 June 2014.

RULE X

FINAL PROVISIONS

Section 24. Temporary Take-Over of Operations – In times of national emergency, when the public interest so requires, the State may, during emergencies and under reasonable terms prescribed by it, temporarily take over or direct the operations or any vessel engaged in domestic trade and commerce, or prescribe its rates or routes of operation. Immediately upon the cessation of the emergency, the State shall immediately reinstate to the domestic shipowner/operator the operation of the ship under the same terms and conditions existing prior to the occurrence of the emergency.

Section 25. Separability Clause – If, for any reason, any section, subsection, sentence, clause or term of this 2014 Amendments to the Revised Rules and Regulations Implementing RA No. 9295 is held to be illegal, invalid or unconstitutional, such parts not affected by such declaration shall remain in full force and effect.

Section 26. Repealing Clause – All other issuances, rules and regulations or parts thereof, which are inconsistent with the provisions of this 2014

Amendments to the Revised Rules and Regulations Implementing RA No. 9295 are hereby repealed, amended or modified accordingly.

Section 27. Effectivity – This 2014 Amendments to the Revised Rules and Regulations Implementing RA No. 9295 shall take effect immediately upon its publication once in a newspaper of general circulation.

Manila, Philippines, 28 January 2014.

(SGD) MAXIMO Q MEJIA JR, PhD
Administrator

SECRETARY'S CERTIFICATE

This is to certify that the 2014 Amendments to the Rules and Regulations Implementing Republic Act No. 9295 was approved during the 228th Board Meeting of the Maritime Industry Board held on 28 January 2014.

(SGD) ATTY. VIRGILIO B. CALAG
Acting Corporate Board Secretary