

**MEMORANDUM CIRCULAR NO.27-A**

**TO : ALL SHIPPING COMPANIES , OTHER MARITIME ENTITIES ALL CONCERNED , EXCEPT FISHING COMPANIES**

**SUBJECT : AMENDING MEMORANDUM CIRCULAR NO.27 ON THE GUIDELINES FOR THE ISSUANCE OF TEMPORARY PHILIPPINE REGISTRY UNDER P. D. NO. 866/1711**

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Henceforth , the following guidelines shall govern the issuance of Temporary Certificate of Philippine Registry (TCPR) for overseas vessels pursuant to P. D. 866/1711, to wit:

**I. QUALIFICATION REQUIREMENTS**

1. Only Philippine national authorized to engage to overseas shipping with all other qualifications may charter and register any foreign -owned vessel under P. D. 866/1711.
2. Applicant ‘ principal officers , e.g. President , Vice – President for Operations , General Manager, Freight/ Chartering Managers or their equivalent have at least three(3) years experience in both ship and shipping management.

**II. PRE APPROVAL CONDITIONS**

1. The applicant may bare boat charter vessel up to at most ten (10) units ; Provided , that it shall complied with the minimum net worth requirement for existing companies or the paid up requirement for new companies , which in no case should be less than P1.5 M in accordance with the following schedule:

	Requires net worth or Paid up Capital	Number of vessel Allowed
	_____	_____
1.	P1,500,000.00	5 units
2.	1,750,000.00	6 units
3.	2,000,000.00	7 units

4.	2,250,000.00	8 units
5.	2,500,000.00	9 units
6.	2,750,000.00	10 units

2. In cases where the applicant own the vessel to be bare boat chartered and where the vessels are registered under foreign flag it may bare boat charter such vessels without the limitations provided that evidence of ownership shall be submitted to MARINA.
3. The vessel shall be classed by a recognized international classification society and shall have a valid Continuous Machinery Survey (CMS) and the Continuous Hull Survey (CHS) at the time of application issued by the internationally accredited classification society.
4. The vessel to be chartered shall in no case be more than 25 years old.
5. The technical , management , financial and economic evaluation of the project shall be favorable. The applicant shall pay a filing fee of P4,000 per vessel. For an application involving vessels 16 years old and above the applicant shall pay a filing fee of P5,000 per vessels . The age of the vessel shall be reckoned from the date of the launching .
6. Pre- forma bare boat (and time charter) contracts shall be in accordance with international chartering practices.

### **III. POST –APPROVAL CONDITIONS**

1. A certification by an internationally accredited classification society that the vessel's class is maintained shall be submitted to MARINA not later than thirty (30) days from approval of the charter .
2. Copies of all duly executed and authenticated bare boat and time charter party shall be submitted to the MARINA not later than thirty (30) days from execution of the document and in no case more than 6 months from approval of the charter.

3. Copies of the duly executed lease – financing agreement shall be submitted not later than thirty (30) days after the Marina approval of the request.
4. Copies of all shipping article covering the subject vessel shall be submitted within thirty (30) days from execution.
5. An annual economic project performance evaluation report based on MARINA prescribed format shall likewise be submitted not later than 20 June of the following year.
6. The company shall comply with all laws , rules and regulation pertaining to Philippine flag vessels.

#### **IV. SANCTIONS**

1. Any violations of the aforementioned post- approval conditions be meted the corresponding fines, penalties , of forfeitures as follows:
  - 1.1 For the first violation , for neglecting or refusing without reasonable cause to comply with or submit any or all of post- approval conditions and other documents , information or data requested by MARINA by a fine of not more than P20,000.00
  - 1.2 For the second violation, for willful neglect of duty to submit the data mentioned in the preceding paragraph , by a fine of not more than P20,000.00.
  - 1.3 For the continued willful neglect or refusal to submit within the period the foregoing reports , charter parties, or other relevant information and conditions as required by MARINA , by fine of not more than P20,000.00 / month ( or a fraction of a month) of default or by revoking the approval of the bare boat charter contract or by cancellation of the Permanent Certificate of Philippine Registry (PCPR) of the vessel .
2. For violation of other laws, rules and regulations pertaining to Philippine flag vessel , these shall be meted the same penalties and fine provided therein.
3. For purposes of imposing the fines , penalties , or forfeitures , the MARINA, through its Legal Office and the Office of Overseas Shipping shall conduct a hearing to enable the shipping entity to

explain the circumstance of the violation . The same office shall adopt their own rules and procedures provided sufficient notice given to all parties concerned.

4. The findings and recommendation of the offices concerned shall be forwarded to the Administrator who shall reader the decision . said decision shall become final and executory after the lapse of fifteen (15) days from receipt of decision unless the same is appealed within the same period to the Maritime Industry Authority Board , whose shall be final immediately executory .

MARINA Memorandum Circular No. 27 is hereby amended by Substitution.

This Circular shall take effect immediately .

Manila, Philippines.

VICTORINO A. BASCO  
Administrator

APPROVED:

JOSE P. DANS, JR.

Minister of Transportation  
& Communications