

MEMORANDUM CIRCULAR NO. 110

**TO : ALL SHIPPING COMPANIES, SHIPOWNERS/
OPERATORS, BAREBOAT CHARTERERS, OTHER
MARITIME ENTITIES AND OTHER CONCERNED**

**SUBJECT : GUIDELINES FOR THE ISSUANCE/ RENEWAL OF
COASTWISE LICENSE (CWL), BAY AND RIVER
LICENSE (BRL) AND PLESURE YACHT LICENSE (PYL)**

Pursuant to pertinent provisions of Republic Act No. 1937 (otherwise known as the Tariff and Customs Code) as amended, Presidential Decree Nos. 474 and 761 as amended, and Executive Order Nos. 125/125-A as amended, the following rules shall govern the operation of vessels in the Philippine waters.

I. COVERAGE

This Memorandum Circular covers all Philippine- registered vessels used in the Philippine waters.

II. ISSUANCE OF COASTWISE LICENSE

A. No vessel shall be allowed to engage in the coastwise trade unless a coastwise license is secured from and issued by the Maritime Industry Authority. The coastwise license shall be valid for a period of one (1) year from its issuance, and shall be separate and distinct from any other certificate issued by the Authority relative to the vessel's operation. Temporary CWL may be issued pending approval of the certificate of Philippine registry; provided, that its validity cannot be longer than thirty (30) days unless the Administrator grants otherwise; and provided, that, such temporary license shall be prepared and signed in triplicate, and shall contain the following information:

1. reason for granting the temporary license
2. time for which granted
3. amount deposited to cover the fees

B. Vessels Eligible for Coastwise License. – The right to engage in the Philippine coastwise trade is limited to vessels carrying a certificate of Philippine registry.

C. Ports open to coastwise trade. – All ports and places in the Philippines shall be opened to vessels lawfully engaged in coastwise trade subject to the provisions of law applicable in particular cases.

- D. Philippine Coastwise Emblem. – All vessels engaged in the coastwise trade shall fly at the main mast the Philippine coastwise emblem, while entering, leaving and in ports during daytime. The emblem shall consist of a rectangular white flag with one blue and red stars ranged from staff to tip in the horizontal median line.

III. ISSUANCE OF BAY AND RIVER LICENSE

- A. No vessel shall be allowed to engage in the business of towing or carrying of articles or passengers in the bays, harbors, rivers, and inland waters navigable from the sea unless a Bay and River License is issued by the Maritime Industry Authority. The Bay and River License shall be valid for a period of one (1) year from its issuance, and shall specify the particular port or other body of water in which the vessels may engage in business as aforesaid. The limits of a bay or river within which the licensed vessel can navigate shall include the confluent river or lake which are navigable any season of the year
- B. Vessels Eligible for Bay and River License – To be eligible for the bay and river license, a vessel must be built in the Philippines, and the ownership of such vessel must be vested in:
1. citizens of the Philippines;
 2. domestic corporations or companies seventy-five per centum of whose corporate capital belongs to citizens of the Philippines: Provided, That the present owners of vessels with bay and river license under existing law who do not possess any of the requirements herein prescribed may nevertheless continue operating such vessels as eligible for said bay and river license.
- C. Exemption of Certain Craft from Requirement of Bay and River License – No bay and river license shall be required of any of the following classes of vessels:
1. Vessels of three tons net or less.
 2. Yachts, launches and other craft used exclusively for pleasure and recreation.
 3. Ship's boats and launches bearing the name, and homeport of the vessel plainly marked thereon.
 4. Vessels owned by the Government of the Philippines.

The exemption of any vessel shall at once cease if it engages in the business of transporting cargo or passengers, for hire.

- D. All lighters, cascoes, paraos and bancas provided with bay and river license shall bear the letters "B" and "A" and immediately following the

same, the number of the license branded or carved in a conspicuous place forward on each bow and painted in dark color as to render them plainly visible. In case any of said vessels is of steel, the letter and number shall be indelibly chiselled or cut therein.

IV. ISSUANCE OF PLEASURE YACHT LICENSE

- A. License of Yachts Exclusively for Pleasure. – The Administrator may license yacht used and employed exclusively as pleasure vessels owned by Filipino citizens, on terms which will authorize them to proceed from port to port of the Philippines and to foreign ports without entering or clearing at the customhouse: Provided, however, that any yacht so licensed, upon arriving from a foreign port in the Philippines after having previously advised the Commissioner of Customs by telegraph of its probable arrival, shall enter at a port of entry in the Philippines and shall immediately report its arrival to the Customs authorities. Such license shall be in such form as the Administrator shall prescribe. Subject vessels shall have their name and port of registration placed on some conspicuous portion of their hulls, and in all respects shall be in accordance with the laws of the Philippines, and shall be liable to seizure and forfeiture for any violation of these provisions.

- B. Identification of Yachts and Owners – For the identification of yachts and their owners, a commission to sail for pleasure in any designated yacht owned by a citizen of the Philippines designating the particular cruise may be issued by the Administrator and shall be a token of credit to any Filipino official and to the authorities of any foreign power. All such licensed yachts shall use a signal of the form, size and colors prescribed by the Administrator.

V. DOCUMENTARY REQUIREMENTS

The following documentary and other requirements must be submitted/complied with when applying for the issuance of a license under this Circular, to wit:

1. duly accomplished application form
2. Certificate of Philippine Registry/ Certificate of Ownership
3. Certificate of Inspection
4. payment of filing fee prescribed under existing rules and regulations
5. Payment of energy tax in accordance with P.D. No. 845 and its implementing guidelines (for all motorized speedboats, yacht, launches and other watercraft used for pleasure and recreation)

In addition to the above-mentioned requirements except item #2, the applicant for renewal of license shall be required to submit document showing the passenger and freight rates and to surrender the old license.

VI. RENEWAL OF LICENSE

Renewal of License – The license granted herein shall be presented for renewal at the MARINA Central Office or Maritime Regional Office where the owner/ operator resides or homeported on or before the expiration date thereof. In case the license of a vessel expires while underway on the return voyage to the homeport, the owner, master or agent of the vessel shall present said expired licenses for renewal upon arrival. The owner, master or agent of vessel not in operation for any cause shall surrender the license on or before its expiration with the request for deferment or renewal.

VII. TRANSFER OF LICENSES

Whenever the owner, master or agent of a licensed vessel applies for a transfer of license from one class to another, the corresponding license shall be issued, subject to the submission or compliance with the necessary documentary requirements relevant to the change.

VIII. SANCTIONS/PENALTIES

For violations under this Circular, the administrative fines and penalties shall be in accordance with the existing rules and regulations and their subsequent amendments.

IX. ENFORCEMENT

The MARINA Enforcement Office and the Maritime Regional Offices are directed to strictly enforce/monitor compliance with the provisions of this Circular. Non-compliance herewith shall be reported within 48 hours to the Maritime Legal Affairs Office/concerned unit of the Maritime Regional Office for appropriate action.

It is hereby enjoined that the enforcers shall not be obstructed or hindered from lawfully boarding vessels, inspecting the same and examining her documents, purposely to determine compliance or non—compliance with this Circular.

X. REPEALING CLAUSE

Any provisions of existing MARINA rules and regulations, circulars, orders which are inconsistent with this Circular are hereby repealed or modified accordingly.

XI. EFFECTIVETY

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

BY AUTHORITY OF THE BOARD:

PACIENCIO M. BALBON, JR.
Administrator

SECRETARY'S CERTIFICATE

This is to certify that the Memorandum Circular No. 110 has been approved in the meeting of the Maritime Industry Board held on 13 July 1995.

PURITA C. CENTENO
Corporate Board Secretary

Published in the Malaya newspaper on July 29, 1995
Submitted to the U.P. Law Center on August 2, 1995