



REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF TRANSPORTATION
MARITIME INDUSTRY AUTHORITY

NOV 08 2023

MEMORANDUM CIRCULAR NO. DS-2023-03

Series of 2023

TO : ALL SHIPOWNERS, OPERATORS, PROVIDERS OF DOMESTIC WATER TRANSPORT SERVICES AND ALL CONCERNED

SUBJECT : REVISED RULES AND REGULATIONS ON THE ACCREDITATION OF DOMESTIC SHIPPING OPERATORS AND FIRMS/ENTITIES

Pursuant to the provisions of Chapter I, Section 3.c. of Republic Act (RA) No. 9295 and Rule I, Section 3 and Rule III, Section 7.2 of IRR of RA9295-2014 Amendments, Republic Act (RA) No. 11659 or "An Act Amending Commonwealth Act No. 146 otherwise known as the Public Service Act" and its Implementing Rules and Regulations, and in order to further rationalize the rules and procedures in the accreditation of domestic shipping operators and firms/entities, the following guidelines are hereby adopted:

I. OBJECTIVES

1. To foster standards for domestic shipping operations in order to protect public interest;
2. To generate vital information that will enable the MARINA to effectively supervise, rationalize and monitor the organizational management, ownership and operation of all domestic shipping operators and firms/entities;
3. To prevent the proliferation of incompetent, inefficient, unreliable and fly by night ship operators and firms/entities; and
4. To streamline the current systems and procedures of MARINA that will improve the competitiveness of and ease of doing business in the country.

II. COVERAGE

All persons, corporations and enterprises/entities, either Filipino or foreign national whether natural or juridical, authorized by law to transport passenger or cargo or both, by ships duly registered and licensed under Philippine law to engage in trade and commerce between 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.

III. DEFINITION OF TERMS

1. **CERTIFICATE OF PUBLIC CONVENIENCE** refers to the license or authority issued by MARINA to a domestic ship operator or shipowner to engage in domestic shipping.
2. **DOMESTIC SHIPPING** refers to the transport of passenger or cargo, or both, by ships duly registered and licensed under Philippine law to engage in trade and commerce between 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.
3. **DOMESTIC SHIP OPERATOR or DOMESTIC SHIP OWNER** refers to a citizen of the Philippines, or a foreign national, or a commercial partnership, or corporation, or single proprietor, or cooperative, established under the laws of the Philippines, having its principal place of business in the Philippines, which is duly authorized by the Maritime Industry Authority (MARINA) to engage in the business of domestic shipping.
4. **DTI** shall mean the Department of Trade and Industry, a government agency where single proprietorship enterprises register and secure their Certificate of Registration.
5. **DOMESTIC TRADE** refers to the sale, barter or exchange of goods, materials or products within the Philippines.
6. **MARINA** shall mean the Maritime Industry Authority.
7. **FOREIGN ENTERPRISE** refers to a foreign entity intending to operate in the domestic shipping.
8. **PAID UP CAPITAL** refers to the amount of money a company has been paid from shareholders in exchange for shares of its stock.
9. **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 Certificate of Registration of Business Name/valid Business Permit for single proprietorships.
10. **SEC** shall mean the Securities and Exchange Commission, a government agency who handles registration of corporations or partnerships.
11. **SHIP or VESSEL** may be used interchangeably and shall mean 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 passenger or cargo, or both, utilizing its own motive power or that of another.

IV. GENERAL PROVISIONS

1. Accreditation shall serve as a prerequisite to the grant of permits, licenses, authorities, financial assistance, loan, and incentives presently administered or to be administered, and for any endorsement that may be issued as required by other government agencies.
2. Accreditation shall be valid for a period of five (5) years and may be renewed for the same number of years.
3. Any change in the corporate name made during the validity of a Certificate of Accreditation shall result in the re-issuance of the said Certificate in the new corporate name. Changes in the Board of Directors/Officers of the firm/entity shall be reported to the MARINA without the re-issuance of a Certificate of Accreditation. Changes in the corporate name reflected on the Certificate will not affect the five (5)-year validity of the Accreditation.
4. Application for the Issuance/Renewal of Accreditation shall be filed with MARINA where the firm/entity's principal place of business/office is located as indicated in the Articles of Incorporation, Articles of Partnership, Articles of Cooperation or Certificate of Business Name Registration as shown in the Business Permit validly issued.
5. Verification with the MRO that last issued the Accreditation shall be made at the time of filing for renewal to determine whether or not the domestic shipping operator or firm/entity has a pending case, if the same changes its place of business.
6. Any government entity, whether national or local, is exempted from the provisions of this Circular unless the nature of operation is proprietary.
7. A domestic shipping operator or firm/entity that has failed to renew its Accreditation on time will not be subjected to payment of surcharge instead they will be charged with fines and penalties for late renewal and operating without valid Accreditation Certificate.
8. The domestic shipping operator or firm/entity shall promote and observe gender equality and women empowerment principles in the workplace in support of the Gender and Development program of the MARINA and as mandated by Section 22 of Republic Act 9710 or the Magna Carta for Women.

V. SPECIFIC PROVISIONS

A. Qualification Requirements

1. Citizenship/Equity Participation
 - 1.1. The applicant must be a citizen of the Philippines or a foreign national with principal place of business in the Philippines.
 - 1.2. Commercial partnership wholly owned by Filipino citizens or by foreign national or both.

- 1.3. Corporation wholly owned by Filipino citizens or by foreign national/s or both, and must be duly incorporated in the Philippines.
- 1.4. Cooperative composed of Filipino citizens and must be duly registered with the Cooperative Development Authority (CDA).

2. Nature of Business Undertaking

2.1 For corporations, partnerships and cooperatives

The purpose of the entity as reflected in the Articles of Incorporation, Articles of Partnership or Articles of Cooperation shall include activities related to domestic shipping business/operation and those that may be incidental thereto the primary purpose.

2.2 For single proprietorships

Domestic shipping business/operation shall be reflected as an activity/undertaking in the Certificate of Business Name Registration with the Department of Trade and Industry (DTI) or Business Permit.

B. Capitalization Requirements

1. The capitalization requirement shall be complied with at the time of filing of the application for issuance or renewal of accreditation.
2. The required paid-up capitalization for an applicant for issuance/renewal of accreditation shall be: Two Thousand Five Hundred Pesos (P 2,500.00) per gross tonnage of ship(s) owned/ operated or
 - A minimum of Twenty-five Thousand Pesos (P25,000) per operators; or,

Total GT ship/ fleet of ships	Required Paid-Capitalization
10 GT and Below	P 25,000.00
Above 10 GT to 11 GT	P 27,500.00
Above 11 GT to 12 GT	P 30,000.00
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Above 4,998 to 4,999	P 12,497,500.00
Above 4,999	P 12,500,000.00

- A minimum of Five Million Pesos (P5,000,000.00) for the case of operators of tankers and/ or barges hauling or petroleum products; or,

Total GT ship/ fleet of ships	Required Paid-Capitalization
2000 GT and Below	P 5,000,000.00 (P5M)
Above 2, 000 GT to 2,001 GT	P 5,002,500.00
Above 2,001 GT to 2,002 GT	P 5,005,000.00
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Above 4,999	P 12,500,000.00

- A minimum of Twelve Million Five Hundred Thousand Pesos (P12,500,000.00) for the case of operators of ship(s) with a total gross tonnage of above 4,999.
3. Existing accredited domestic shipping operators or firms/entities effecting changes in the total gross tonnage of ships owned/operated within the validity of the Accreditation shall be required to update/adjust their stockholder's equity according to the foregoing capitalization requirement and to submit the necessary certificate of increase in authorized capital issued by SEC for corporations or partnerships or the Annual Report for single proprietorship or cooperative. Said updating or adjustment shall be made as a post-approval condition for the approval of acquisition of additional ship(s) and shall be complied with prior to the issuance of their Certificate of Public Convenience (CPC).

C. Reportorial Requirements

Every MARINA-accredited domestic shipping operator or firm/entity shall submit to the MARINA the following reports and/or related documents within the period herein prescribed:

1. Amendment of Articles of Incorporation/Partnership/Cooperation and By-laws within thirty (30) calendar days from the date of approval of said amendment by the SEC/CDA;
2. Written notice of replacement of any director or principal officer within thirty (30) calendar days after such replacement together with the bio-data of the new director/s or officer/s;
3. Audited financial statements (i.e., profit and loss statements and balance sheets) to be submitted on or before the 30th of June of the following year; and/or
4. Changes in the total gross tonnage of ships owned/operated and Certification issued by the SEC/CDA reflecting recent amendments in the capitalization.

VI. EMPLOYMENT OF FOREIGN NATIONAL

A foreign entity or investor shall employ a foreign national only after determination of non-availability of a Philippine national who is qualified, able, and willing to perform the services for which the foreign national is needed, unless otherwise provided by law or by any international agreement and pursuant to PD No. 442, otherwise known as the Labor Code of the Philippines, as amended.

VII. DOCUMENTARY REQUIREMENTS

The following documentary requirements shall be complied with at the time of filing of application for issuance or renewal of Accreditation:

1. Letter of Application;
2. List of names and corresponding position of the company's / entity's partners/directors and principal officers together with their bio-data and picture;
3. Employment Permit issued by DOLE (for Foreign Nationals);
4. List of ships owned/chartered (if applicable) indicating ship specifications as supported by corresponding Certificates of Ownership/Certificate of Philippine Registry (CO/CPR);
5. Latest Audited Financial Statement and/or Latest Annual Report (for renewal);
6. For single proprietorship, the copy of Certificate of Business Name Registration with the DTI or Business Permit and biodata with picture of the registered proprietor;
7. For corporation, partnership or cooperative, the copy of the latest Articles of Incorporation/Partnership/Cooperation and By-laws approved by and registered with the SEC/CDA reflecting the purpose of the business pursuant to Item V.A.2 of this Circular including the list of incorporators, directors or principal officers and their bio-data with pictures as applicable;
8. Latest certification from the SEC of the company's increase of paid-up capitalization (if applicable);
9. Proof of capitalization requirement, to wit:

8.1. For Corporation/Partnership/Cooperative

New firm/entity – capitalization reflected in the Articles of Incorporation/Partnership/Cooperation

Existing firm/entity – capitalization reflected in the Certification issued by the SEC/CDA and the latest audited financial statements

8.2. For single proprietorship

New operator – capitalization reflected in the applicant's submitted beginning balance sheet and projected income statement for one (1) year certified correct and signed by the owner/bank certification/registration form filed with DTI.

Existing operator – capitalization reflected in the applicant's submitted duly notarized Annual Report.

9. Proof of payment of the prescribed fees shall be attached to the application for Accreditation.

VIII. WITHDRAWAL FROM BUSINESS OR SUSPENSION OF OPERATIONS:

Whenever a MARINA-accredited enterprise decides to withdraw from business or suspends operations, a written notice shall be submitted to the MARINA two (2) months prior to the withdrawal of business operation.

The unauthorized withdrawal from business operations and/or unauthorized suspension of operations for four (4) continuous months or more shall cause the cancellation/revocation of the Certificate of Accreditation after due notice and hearing.

The effect of withdrawal or suspension of operations shall, in each particular instance, be determined by the MARINA taking into account the reasons thereof. The MARINA, in consultation with the concerned administering government offices may, in appropriate cases, recommend the refund of any incentives availed of, in whole or in part, with or without interest or penalties, as the case maybe.

IX. SCHEDULE OF FEES AND CHARGES

1. The following processing fees in accordance with MARINA Circular No. 2015-05 or the Revised Schedule of Fees and Charges and its subsequent amendments shall be paid:

1.1. Issuance/renewal of Accreditation

Single Proprietorship	Php 900.00
Partnership	6,200.00
Cooperative	5,200.00
Corporation	10,300.00

1.2. Re-issuance of Accreditation due to:

Change of Business Name (for Single Proprietorship) or Corporate/Company Name	Php 2,800.00
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X. FINES AND PENALTIES

1. For operating with expired/without Certificate of Accreditation

	1 st violation	2 nd and succeeding violations
Single Proprietorship	5,000.00	10,000.00

Cooperative	15,000.00	30,000.00
Partnership	30,000.00	60,000.00
Corporation	50,000.00	100,000.00

2. For failure to submit reportorial requirements pursuant to Item VI.C

	1 st violation	2 nd and succeeding violations
Single Proprietorship	3,000.00	6,000.00
Cooperative	5,000.00	10,000.00
Partnership	10,000.00	20,000.00
Corporation	15,000.00	30,000.00

3. For failure to maintain the qualification requirements as prescribed under Item V.A – Php 25,000.00 and revocation of the Certificate of Accreditation

XI. REPEALING CLAUSE

MC No. 2006-003 is hereby repealed and superseded. Any provision of existing MARINA Circulars, rules and regulations, and other issuances or parts thereof which are inconsistent with this Circular are hereby repealed, amended or modified accordingly.

XII. SEPARABILITY CLAUSE

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

XIII. EFFECTIVITY CLAUSE

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

Manila, Philippines, NOV 08 2023.

BY AUTHORITY OF THE BOARD:


Atty. HERNANI N. FABIA
Administrator

SECRETARY'S CERTIFICATE

This is to certify that the foregoing MARINA Circular DS-2023-03 has been approved by the MARINA Board in its 299th Regular Board Meeting held on 24 August 2023.


ATTY. SHARON D. ALEJO
Corporate Board Secretary

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