

MARINA CIRCULAR NO. 184
Series of 2003

**TO : ALL SHIPOWNERS / OPERATORS / CHARTERERS OF
PHILIPPINE - REGISTERED TANKERS / BARGES PLYING
DOMESTIC TRADE CARRYING OIL IN BULK AS CARGO**

**SUBJECT : REVISED RULES GOVERNING MANDATORY COVER
AGAINST CIVIL LIABILITY FOR OIL POLLUTION DAMAGE**

Pursuant to the provisions of the International Convention on Civil Liability for Oil Pollution Damage, 1992 (CLC 92), Executive Order No. 125, as amended, and Presidential Decree No. 474, the Maritime Industry Board during its Special Meeting held on February 21, 2003 adopted the following Rules, amending MARINA Memorandum Circular No. 128, to govern mandatory cover against oil pollution damage.

I. APPLICATION:

These shall apply to the following types of Philippine-registered tankers/barges plying in domestic trade:

1. Those carrying more than 2,000 tons of persistent oil in bulk as cargo.
2. Those carrying 2,000 tons and below of persistent oil bulk as cargo.
3. The term persistent is used to described those oils which, because of their chemical composition, are usually slow to dissipate naturally when spilled into the marine environment and are therefore likely to spread and require cleaning up, such as, but not limited to, crude oil, fuel oil, heavy diesel oil and lubricating oil. Non-persistent oils tend to evaporate quickly when spilled and do not require cleaning up, such as, but not limited to, gasoline, light diesel oil and kerosene.

II. LIMIT OF LIABILITY:

All Philippine-registered ships, defined under I are required to be covered by insurance or other financial security for not less than the limits herein set to answer for the liability for pollution damage under the CLC 92.

1. Tankers/barges falling under I.1.

- 1.1. 3 million Special Drawing Rights (SDR) for tankers/barges not exceeding 5,000 gross tons.
- 1.2. For tankers and barges above 5,000 gross tons, the limit shall be 3 million SDR plus an additional insurance cover of 420 SDR per tonnage in excess of 5,000 GT.
2. Tankers/barges falling under I.2.

Gross Tonnage (GT) of Ship	Minimum Cover (SDR or its peso equivalent at the time of the acquisition of the cover)
More than 750 to 1000	2.5 million SDR
More than 500 to 750	2 million SDR
More than 250 to 500	1.5 million SDR
250 and less	1 million SDR

III. TYPE OF COVER:

Any of the following shall be considered as acceptable financial security for purposes of compliance with this Rules:

1. Insurance cover
2. Other financial security
 - 2.1. Bank guarantee
 - 2.2. Certificate delivered by an international compensation fund
 - 2.3. Other similar securities

IV. ISSUE OF CERTIFICATE :

1. The Administration (MARINA) shall, upon submission of a copy (ies) of the insurance cover or other financial security, issue the CLC Certificate for those falling under I.1.1 and an equivalent certificate for those covered under I.1.2 hereof.
2. Any interpretation relative to the implementation of this Circular shall be made in accordance with the CLC 92.

V. PENALTIES AND SANCTIONS:

Any tanker/barge not holding a valid CLC certificate or its equivalent shall be subject to the following penalties:

1. For those falling under I.1.

First Violation	-	P75,000 + suspension of CPC/PA/SP until compliance
Second Violation	-	P150,000 + suspension of CPC/PA/SP until compliance
Third Violation		P300,000 + cancellation of CPC/PA/SP

2. For those falling under I.2.

First Violation	-	P30,000/vessel + suspension of CPC/PA/SP until compliance
Second Violation	-	P75,000/vessel + suspension of CPC/PA/SP until compliance
Third Violation		P150,000 + cancellation of CPC/PA/SP

Submission of any false statement or fraudulent document in an application for issuance of CLC certificate or its equivalent shall be subject to the penalty of P100,000.

VI. FEES:

Certificate issued under this Circular shall have a processing fee of P1, 200.00.

VII. REPEALING CLAUSE:

Any provision of existing MARINA circulars, rules and regulation inconsistent herewith are hereby repealed or modified accordingly.

VIII. EFFECTIVITY CLAUSE:

This Memorandum Circular shall take effect immediately after its publication once in a newspaper of general circulation in the Philippines.

Manila, Philippines, 21 February 2003.

BY THE AUTHORITY OF THE MARINA Board:

(Sgd.) OSCAR M. SEVILLA
Administrator

SECRETARY'S CERTIFICATE

This is to certify that Memorandum Circular No. 184 was approved by the MARINA Board on 21 Feb. 2003

(Sgd.) ATTY. GLORIA V. BAÑAS
Deputy Corporate Board Secretary

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