TO : ALL PERSONS, CORPORATIONS, ENTITIES, FIRMS AND OTHER MARITIME ENTERPRISES CONCERNED

SUBJECT : RULES ON THE ACCREDITATION OF MARITIME ENTERPRISES

Pursuant to Paragraph 2, Section 4 of Presidential Decree (PD) No. 474 and Section 14(a) and (i) of Executive Order No. 125, as amended, the following rules on the accreditation of maritime enterprises were adopted by the Maritime Industry Board in its meeting on 09 July 2003.

I. OBJECTIVES:

1. To promote the growth and development of maritime-related activities thereby contribute to the economic progress of the country; and,

2. To regulate and supervise maritime enterprises with the end in view of formulating policies and programs that will encourage investments in maritime-based activities thereby support the shipping industry.

II. COVERAGE:

1. All persons, corporations, firms and other entities engaged or shall engage in ship agency, husbanding, ship chandling, ship breaking and similar enterprises.

III. DEFINITION OF TERMS:

1. Administration - refers to the Maritime Industry Authority (MARINA);

2. Maritime Enterprises - include any ship manager, ship agent, multimodal transport operator, and any other similar enterprise whose activities consist of representing, within the Philippines, as an agent, the business interests of one or more shipping line or shipping companies.

IV. GENERAL PROVISIONS:

1. A Maritime Enterprise as defined herein except those covered by a separate accreditation mechanism imposed by the Administration must be accredited under this Memorandum Circular;
2. The applicant must have a minimum paid-up capital of Five Hundred Thousand Pesos (P500,000.00); and,

3. Registration under this Circular shall be valid for a period of three (3) years only and may be renewed for the same number of years.

V. REQUIREMENTS/PROCEDURE FOR REGISTRATION:

1. The applicant company shall file with the MARINA an application in writing duly supported by the following:

1.1. List of principal officers/Name of Proprietor supported by bio-data with head photographs and indicating shipping related experience;

1.2. List of ship(s) owned, if there is any;

1.3. Latest Certification from the Securities and Exchange Commission (SEC) of the company’s increase of paid-up capitalization, (if applicable);

1.4. Company Tax Identification Number (TIN); and,

1.5. Any of the following whichever is applicable:

1.5.1. Certificate of Registration with the SEC, together with the Articles of Incorporation and By-Laws (for Corporation/Partnership);

1.5.2. Registration of Business Name issued by the Department of Trade and Industry (for Single Proprietorship).

1.6. Only applications with complete requirements shall be accepted. Mailed applications that are incomplete shall be immediately returned to the applicant;

1.7. The applicant company shall pay the processing fee of P5,000.00;

1.8. The Certificate of Accreditation shall be issued after determination that the company complies with the requirements/qualifications herein stipulated.

VI. REPORTORIAL REQUIREMENT:

A MARINA-accredited enterprise shall submit the following reports and/or documents in original or true copy forms duly attested by a
responsible officer of the accredited enterprise, independent auditor, or proper government agency:

1. Amendment of Articles of Incorporation or By Laws within thirty (30) days from the date of registration of said amendment with the SEC;

2. Replacement of any director or any principal officer within thirty (30) days from date of replacement;

3. Audited annual financial statements on or before 15 May of the following year; and,

4. Change of business address/location.

VII. SUSPENSION/CANCELLATION OF ACCREDITATION AND PENAL PROVISIONS:

1. The MARINA shall, after due investigation, suspend/cancel the accreditation of MARINA-accredited enterprise for the following grounds:

   1.1. Failure to maintain the provisions under this Circular; and,

   1.2. Willful or gross violation of any of the terms and conditions of accreditation.

2. Companies operating with expired Certificate of Registration shall be required to pay fines/penalties in accordance with the following schedule:

<table>
<thead>
<tr>
<th>Violation</th>
<th>Penalty</th>
</tr>
</thead>
<tbody>
<tr>
<td>First violation</td>
<td>P10,000.00</td>
</tr>
<tr>
<td>Second violation</td>
<td>P20,000.00</td>
</tr>
<tr>
<td>Third violation</td>
<td>P25,000.00</td>
</tr>
</tbody>
</table>

VIII. TRANSITORY PROVISION:

Maritime enterprises accredited prior to 01 January 2001 pursuant to Memorandum Circular (MC) No. 9 shall be required to renew their accreditation upon effectivity of this Circular.

Following is the schedule of re-accreditation for those companies accredited under MC-9 on or after 01 January 2001:

<table>
<thead>
<tr>
<th>Year accredited under MC-9</th>
<th>Year required for re-accreditation</th>
</tr>
</thead>
<tbody>
<tr>
<td>January to December 2001</td>
<td>Year 2004</td>
</tr>
<tr>
<td>January to December 2002</td>
<td>Year 2005</td>
</tr>
</tbody>
</table>
IX. REPEALING CLAUSE:

Memorandum Circular No. 9 is hereby repealed. All Memorandum Circulars, rules and regulations and issuances inconsistent herewith are hereby amended or repealed accordingly.

X. EFFECTIVITY CLAUSE:

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

Manila, Philippines, 09 July 2003.

BY AUTHORITY OF THE BOARD:

(Sgd.) ATTY. OSCAR M. SEVILLA
Administrator

SECRETARY’S CERTIFICATE

This is to certify that Memorandum Circular No. 186 has been approved by the MARINA Board on its 64th Regular Board Meeting held on 09 July 2003.

(Sgd.) ATTY. GLORIA V. B AÑAS
Acting Corporate Board Secretary

Published on 15 July 2003 at Today newspaper copy filed with UP Law Center on ____________________.