

**MARINA CIRCULAR NO. 03**  
**Series of 2006**

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

**SUBJECT : REVISED GUIDELINES ON THE ACCREDITATION OF DOMESTIC SHIPPING ENTERPRISES OR ENTITIES**

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Pursuant to the provisions of Chapter I, Section 3.c. of Republic Act (RA) No. 9295 and Rule I, Section 3 and Rule IV, Section 6.61 of its Implementing Rules and Regulations and in order to further rationalize the rules and procedures in the accreditation of domestic shipping enterprises or 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 this Authority to effectively supervise, rationalize and monitor the organizational management, ownership and operation of all domestic shipping enterprises or entities; and,
3. To prevent the proliferation of incompetent, inefficient, unreliable and fly-by-night shipowners/operators.

**II. COVERAGE:**

All persons, whether natural or juridical, or entities authorized by law to engage in the use of ships for the carriage of passengers and/or cargoes between various ports and places in the Philippines, for hire or compensation with general or limited clientele, whether permanent, occasional or incidental, with or without fixed routes for contractual or commercial purposes.

**III. GENERAL PROVISIONS:**

1. Accreditation shall serve as a prerequisite to the grant of permits, licenses, authorities, VAT exemption under RA 9295, financial assistance and incentives presently administered or to be administered and for any endorsements that might be made to other relevant government agencies by this Authority.
2. Accreditation shall be valid for a period of three (3) years, and may be renewed for the same number of years.

3. Re-issuance of Certificate of Accreditation shall be made whenever there are changes in the corporate/company name. The Administration shall have to be informed of any change in Incorporators/Directors/Officers in the corporation/company, with no accompanying re-issuance of Certificate of Accreditation.
4. In the event that the shipowner/operator shall acquire a ship, it shall be required to update/ to incorporate the additional capital required to cover the new acquisition.

#### **IV. QUALIFICATION REQUIREMENTS:**

##### **1. Citizenship/Equity Participation**

- 1.1. The applicant must be a citizen and permanent resident of the Philippines;
- 1.2. Commercial partnership wholly owned by Filipino, or a corporation at least sixty percent (60%) of the capital of which is owned by Filipino;
- 1.3. Cooperative duly registered with the relevant government agency.

##### **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 Cooperation or Articles of Partnership, shall include the term "to engage in domestic shipping business/operation."

- 2.2. For single proprietorships, it shall have domestic shipping business/operation as an activity or concern reflected in the business registration with the Department of Trade and Industry (DTI).

##### **3. Management Competency Requirement**

- 3.1. For Corporations, Partnerships, Cooperatives: at least two (2) of the company's principal officers (e.g., President, Vice-President for Operations, or General Manager or their equivalents) shall have at least two (2) years experience in ship management, shipping operations and/ or chartering.

Additionally, in case of corporations, the Chief Executive Officer (CEO) and the Chief Operating Officer (COO), or their

equivalents, shall be citizens and permanent residents of the Philippines.

3.2. For single proprietorships: the owner/ operator or a principal officer shall have at least two (2) years of experience in ship management, shipping company operations and/ or chartering.

3.3. For owners/ operators whose motor bancas have total gross tonnage range from 1-35 GRT, submission of the following documents shall be required instead:

3.3.1. For owner/operator with motor bancas below 3 GRT Certificate of Number/ Permit to Operate of the motor banca and Motorboat Operator License of the motor banca operator.

3.3.2. For owner/operator with 3-35 GRT – Boat Captain License and the Marine Diesel Mechanics.

**V. CAPITALIZATION REQUIREMENTS:**

The required paid-up capitalization for an applicant for accreditation/renewal of accreditation shall be: P 2,500.00 per gross tonnage of ship(s) owned/ operated or

- A minimum of P25,000 per operators; or
- A minimum of P5,000,000 (P 5 M) for the case of operators of tankers and/ or barges hauling oil or petroleum products; or
- A minimum of P12,500,000 (P12.5 M) for the case of operators of ship(s) with a total gross tonnage of above 4,999

For the purpose of estimating the total capitalization requirement, a fraction of a gross tonnage is considered as one gross tonnage.

Below is a tabulation of required paid-up capitalization per operator based on the total gross tonnage of owned/operated ships.

<b>Total GT ship/ fleet of ships</b>	<b>Required Paid-Capitalization</b>
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

Specifically, for the case of operators of tanker(s) and/ or barge(s) hauling oil or petroleum products, the following shall be the applicable minimum

capitalization requirement per operator based on the total gross tonnage of owned/ operated ship(s).

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

Herein capitalization requirement shall be complied with upon application for accreditation or renewal of accreditation. However, existing accredited operators effecting changes in the total gross tonnage of ships owned/operated within the validity period of the accreditation shall be required to update/adjust their stockholder’s equity according to the foregoing capitalization requirement. Said updating or adjustment shall be made as post-approval condition for the approval of acquisition of additional ship(s) and shall be complied with prior to the issuance of their amended CPC.

**VI. DOCUMENTARY REQUIREMENTS:**

1. A letter of intent from applicant addressed to MARINA;
2. List of ships owned/ chartered (if applicable) indicating ship(s) specifications as supported by corresponding certificate of ownership and routing and schedules;
3. Latest audited financial statements (if company is already in existence/ operation);
4. List of incorporators, directors and principal officers and their bio-data with particular emphasis on shipping – related experience or expertise duly supported by documents acceptable to MARINA;
5. For corporations, cooperatives and partnership – The latest Articles of Incorporation/ Cooperation/ Co-partnership and By- Laws approved and registered by the Securities and Exchange Commission (SEC)/ Cooperative Development Authority (CDA), reflecting that the purpose of the corporation/ partnership/ cooperative is to engage in domestic shipping business/ operations;

For single proprietorship – The Registration of Business Name/ Business License with the DTI.

6. Proof of capitalization requirement:
  - 6.1. For Corporation/ Cooperative/ Partnership

New Companies – paid-up capital reflected in the Articles of Incorporation/ Cooperation/ Partnership

Existing Companies – paid-up capital reflected in the Certification issued by the SEC Company Registration and Monitoring Department/CDA and the latest audited financial statement.

6.2. For single proprietorship

New Entities – that reflected in the applicant's original application with the DTI and its financial statement and/ or the latest copy of the Income Tax Return.

Existing Entities – that reflected in the applicant's duly audited financial statement, or, in the case of applicants who own/ operate motor bancas of 35 GRT and below, an unaudited financial statement.

7. Proof of payment of the prescribed fee to be attached to the application for accreditation.
8. Should any of the foregoing documentary requirements have been submitted in previous transactions with the MARINA {and accordingly verified to be on file with the records of this Authority} such will no longer be required of the applicant, provided that his information are indicated in the applicant's letter of intent.

**VII. SUBMISSION OF REPORTS AND OTHER DOCUMENTS:**

Every MARINA – accredited enterprise shall submit to the MARINA the following reports and/or documents within the period herein prescribed:

1. Amendment of Articles of Incorporation/ Co-partnership/ Cooperation or By-Laws within thirty (30) calendar days from the date of approval of said amendment with the Securities and Exchange Commission;
2. Replacement of any director or any principal officer within thirty (30) calendar days thereafter, together with the bio-data of the new director or officer;
3. Audited financial statements (i.e., profit and loss statements and balance sheets) to be submitted on or before 30 June after the year covered;
4. Changes in the total gross tonnage of ships owned/ operated and Certification issued by the SEC Company Registration and Monitoring Department/ CDA reflecting recent amendments in paid-up capitalization.

The foregoing reports and/or documents shall be either the original or true copies of the original, duly attested by a responsible officer of the accredited enterprise, independent auditor or proper government agency.

### **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. In the application for accreditation for purposes of engaging in domestic shipping business, valid for a period of three (3) years, the following Schedule of Fees and Charges shall apply:

Corporation	-	P 8,580.00
Partnership	-	P 5,150.00
Single Proprietorship	-	P 780.00
Cooperative	-	P 4,300.00

2. Surcharge for the late renewal of accreditation of domestic shipping companies

Corporation	P470.00/day from date of expiry or a maximum of P47, 000.00
Partnership	P230.00/day from date of expiry or a maximum of P23, 000.00
Single Proprietorship	P80.00/day from date of expiry or a maximum of P8, 000.00
Cooperative	P200.00/day from date of expiry or a maximum of P20, 000.00
Motorbanca operators	P15.00/day from date of expiry or a maximum of P750.00

3. Re-issuance of Certificate of Accreditation due to change in Corporate/ Company Name . P780.00/company

**X. SCHEDULE OF ADMINISTRATIVE FINES AND PENALTIES:**

<b>Nature of Violation</b>	<b>First Offense</b>
Non-submission of post approval documents on accreditation (MC79/79A)	P 5, 000.00/document
Non-compliance with post-approval conditions on accreditation (MC79/79A)	P10, 000.00/condition
Corporation or Partnership	P 30,000.00
Single Proprietorship or Cooperative whose owned/ operated tonnage is 200 GT and above	P15,000.00
Single Proprietorship or Cooperative whose owned/operated tonnage is above 50 GT – 199 GT	P 10,000.00
Single Proprietorship or Cooperative whose owned/ operated tonnage is 50 GT and below:	
36-50 GT	P 5,000.00
3-35 GT	P 2,500.00
Below 3 GT	P 1,000.00

Operating/ owning commercial Philippine flag ship with expired company's/accreditation (MC 79/79A)	
Corporation or Partnership	P15,000.00
Single Proprietorship or Cooperative	
200 GT and above	P7,500.00
51 – 199 GT	P5,000.00
36 – 50 GT	P2,500.00
3 – 35 GT	P1,250.00
Below 3 GT	P500.00
For failure to maintain the qualification Requirements for accreditation of domestic shipping enterprises or entities; failure to submit the requirements or willful or gross violation of any law, rule or regulation pertaining to domestic shipping	P10,000.00 and suspension/cancellation/revocation of the accreditation certificate of the MARINA accredited enterprise

**XI. EFFECTIVITY:**

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

**BY AUTHORITY OF THE BOARD:**

**(Sgd.) VICENTE T. SUAZO, JR.**  
Administrator

**SECRETARY'S CERTIFICATE**

This is to certify that MARINA Circular No. **2006-003** was approved during the 174<sup>th</sup> Regular Meeting of the Maritime Industry Board of Directors held on 16 February 2006.

**(Sgd.) ATTY. VIRGILIO B. CALAG**  
Acting Corporate Board Secretary

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