



MARINA CIRCULAR NO. 2015-09

TO: ALL BOAT BUILDING COMPANIES/ ENTITIES AND ALL OTHERS CONCERNED

SUBJECT: REVISED IMPLEMENTING RULES AND REGULATIONS ON THE REGISTRATION OF BOAT BUILDERS/REPAIRERS.

Pursuant to the provisions of Presidential Decree 474, Executive Order 125/125-A, Republic Act No. 9295 and its Implementing Rules and Regulations and Presidential Decree No. 666 and its Implementing Rules and Regulations, the following rules and regulations are hereby adopted to amend MARINA Memorandum Circular No. 95, MARINA Circular No. 2007-02 and 2009-09.

I. OBJECTIVES

To provide uniform and upgraded standards, requirements and guidelines for the registration of companies/entities to engage in boat building/ repairing activities in the country.

II. COVERAGE

These rules and regulations will cover all persons, Filipino citizen or foreign national, corporation, partnerships, cooperatives and entities engaged or intending to engage in boatbuilding/repairing activities within the Philippines.

III. TYPE OF BOATS:

Boats can be categorized into two main categories:

Category	Type of Boat
1. Motorized	Speed Boats, Patrol Boats, Trash Boats, Dive Boats
	Passenger/Cargo Boats with or without outriggers
	Motor Banca with or without outriggers
	Fishing boats with or without outriggers
	Pleasure Yachts, Push Boats, Motorboats and other similar type of motorized boats
2. Non-Motorized	Sail Boats, Vintas, Bancas (floating restaurants) and other similar type of non-motorized boats

III. DEFINITION OF TERMS

1. **“Administration”** refers to the Maritime Industry Authority (MARINA).
2. **“Annual Endorsement”** refers to the endorsement of License after an annual inspection has been conducted for purposes of monitoring/planning and enforcing of MARINA rules and regulations.
3. **“Annual Inspection”** refers to a field inspection conducted every 12 months for purposes of monitoring and checking the entity in maintaining its compliance with the conditions of the License and enforcing of relevant MARINA rules and regulations.
4. **“Backyard”** refers to an area usually along coastline use for boatbuilding/ boat repair activities undertaken within the premises/ property owned/ rented by the boat owners.
5. **“Banca”** refers to a type of boat, traditionally built watercraft, predominantly wood-hulled may be motorized or non-motorized with or without outrigger.
6. **“Boat”** refers to a watercraft propelled on water by oars, sails or by an inboard and/or outboard engine.
7. **“Boatbuilding”** refers to the design, construction, outfitting and launching of watercrafts with sizes up to 30 meters in length in the boatyard.
8. **“Boatbuilder”** refers to a citizen of the Philippines or a foreign national, or a commercial partnership owned by Filipinos or foreign nationals, or a corporation incorporated under the laws of the Philippines, the capital of which is owned or controlled in any proportion by Filipinos or foreign nationals, or by both such Filipinos or foreign nationals, or by corporations whether Filipino or foreign-owned, which is duly authorized by the MARINA to engage in the business of boatbuilding or to otherwise operate a boatyard.
9. **“Boat Repair”** refers to the overhaul, alteration, modification or repair watercrafts in the boatyard.
10. **“Boatyard”** refers to the boatbuilding facilities or area that has the capability to build and repair boats.
11. **“Dry-docking”** refers to the condition in which a ship/boat is taken out of water for cleaning and repair of her hull and its integral parts such as rudder, propeller, sea valves and sea chests, among others.

12. **“Dry-docking Certificate”** refers to a certificate issued by a MARINA – Registered Boatyard to boats engaged in domestic trade, after satisfactory compliance with the mandatory dry-docking requirements stated under these rules and regulations.
13. **“Engine”** refers to main propulsion engine/ or the auxiliary engine of a boat. Engine powered propeller may be outboard, inboard/outboard, Inboard or water jet.
14. **“Gross Tonnage (GT)”** refers to the measure of the overall size of a ship/boat determined in accordance with the provision under MARINA Circular No. 2007-04.
15. **“Length (L)”** refers to the length taken as 96% of the total length on a waterline at 85% of the least moulded depth measured from the baseline, or as the length from the fore side of the stem to the axis of the rudder stock on that waterline, if that be greater.
16. **“License”** refers to the authorization (i.e. certificate) which gives permission to an entity to engage in boatbuilding activity, upon compliance with the requirements provided by the Administration under these Rules and Regulations.
17. **“MARINA Registered Boatyards”** refers to licensed boatyards under this Circular and its subsequent amendments.
18. **“Open Deck”** refers to a deck without any rigid and fixed top covering or canopy.
19. **“Outriggers”** refers to a beam projected outward from the side of a boat to hold the floaters and serve as stabilizer of a boat.
20. **“Qualification Inspection”** refers to an inspection conducted prior to the issuance license.
21. **“RENAMARE”** refers to a Registered Naval Architect and Marine Engineer.

IV. GENERAL PROVISIONS

1. The license shall authorize the owner/operator to undertake boatbuilding/ boat repair activities within the limits accorded hereto. A uniform format of the License shall be adopted by MARINA indicating the name of the boatbuilder, location and its classification.
2. The license shall serve as a pre-requisite to the grant of incentives presently administered or to be administered by the Administration and other privileges as may be provided by law.

3. Qualification inspection shall be undertaken for new entrants, and annual inspection shall be undertaken for currently registered entities, prior to issuance of license and classification of boatyard facilities. Boatyard inspection shall be governed by a manual of procedures to be formulated by MARINA.
4. The license shall undertake boatbuilding/ boat repair activities within the principal proprietorship, partnership or corporate facility/property. Except for boatbuilder class C where boatbuilding/ boat repair activities are usually done within the premises/ property owned/ rented by the boat owners.
5. For an applicant to be a registered Boatbuilder Class A and B, it must own/lease/operate and manage a boatyard, or in the process of building its own boatyard. In cases where the yard is leased, the contract of lease should not be less than three (3) years from the grant of the MARINA license.
6. Any major repairs/maintenance works to be done on-board a boat while not on dry-dock, or boatbuilding-related major works which are to be contracted out by the boat owner or boatyard, shall be undertaken by a MARINA-registered boat repairer.
7. The name of the company shall reflect the nature of operation of the business. The Articles of Incorporation and By-Laws shall reflect boatbuilding/ boat repair as one of the primary purpose(s) for corporation/ partnership.
8. The application for the renewal of license must be filed at least fifteen (15) days before the expiry date, but not more than thirty (30) days therefrom. No license shall be renewed unless an inspection shall have been conducted.
9. The license shall allow MARINA Surveyors to conduct periodic Surveys whenever there is a boatbuilding/ boat repair activity in the boatyard.

V. QUALIFICATION REQUIREMENTS:

1. Classification and Capitalization for Boatbuilding/ Repairing Entities.

The applicant must comply with all minimum requirements prescribed hereunder to be classified and registered accordingly.

Classification	Size Limitation	Hull Material	Capitalization
Boatbuilding/ Boat Repair Class A (BBR-A)	Up to 30 meters	Wooden/ FRP/ Aluminum/ Steel	P 100,000.00
Boatbuilding/ Boat Repair Class B	Up to 30 meters	Wooden	P 10,000.00

(BBR-B)			
Boatbuilding/ Boat Repair Class C (BBR-C) (Backyard)	15 meters and below	Wooden	No Capitalization

2. Manpower Requirements for Boatbuilding/ Boat Repair Entities.

The applicant must comply with the following minimum manpower requirements.

BBR - Class A	Shall have sufficient formal related educational background/ training in boat design, building, repair and boatyard management (as certified by educational institutions, TESDA, etc.), or proven experience of at least 2 years in boat construction and repair.
BBR - Class B	Must have sufficient actual experience in boat design, building and repair for at least one (1) year
BBR - Class C	Must have sufficient actual experience in boat building and repair.

Minimum Number of Manpower			
Technical	BB - Class A	BB – Class B	BB – Class C
RENAMARE	1*	1*	1*
Safety Officer	1		
Mold Loftsmen	1*		
Skilled Workers			
Foreman/ QC	1	1	
Laminator	1**		
Welder	1*		
Cutter	1*		
Pipe Fitter	1*		
Ship Fitter	1*		
Carpenter	1	1	1
Caulker	1	1	1
Licensed Master Electrician	1*		
Painter	1	1	1

* May be on contractual or consultancy basis only.

** Applies to FRP boatbuilder only.

1. Minimum Yard Machineries and Equipment for Boatbuilding and Boat Repair

Minimum Number of Yard Machineries & Equipment			
Machineries & Equipment	BB - Class A	BB – Class B	BB – Class C
Crane (5 tons)	1		
Blower (stand type or portable)	2		

Chain Blocks (2 tons)	2		
(0.5 tons)	2		
Grinding Machine	1		
Sander		1	
Carpentry Tools	1	1	1
Portable Fire Extinguisher (CO2)	1		
(chemical)	1	1	

VI. DOCUMENTARY REQUIREMENTS:

1. For Boatbuilding/ Boat Repair - Class A and B

New Entrants/ Existing With Upgrading	Renewal	Annual Endorsement
<ul style="list-style-type: none"> Letter of application 	<ul style="list-style-type: none"> Letter of application 	<ul style="list-style-type: none"> Letter of application
<ul style="list-style-type: none"> <u>Corporation/Partnership</u> Certificate of Registration with SEC duly supported by the Articles of Incorporation/ Partnership indicating the capitalization and By-Laws <u>Cooperative</u> Certificate of Registration with CDA duly supported by the Articles of Cooperation indicating capitalization and By-Laws <u>Single Proprietorship</u> Certificate of Business Name Registration issued by DTI and Bank Certification as proof of compliance to the capitalization requirement 		
<ul style="list-style-type: none"> Alien Employment Permit issued by DOLE or BID (For Foreign National) 		
	<ul style="list-style-type: none"> Latest Financial Statement 	<ul style="list-style-type: none"> Latest Financial Statement

<ul style="list-style-type: none"> • Proof of Employment and Bio-Data of Technical and Skilled personnel indicating boatbuilding training & experience including boatyard management 	<ul style="list-style-type: none"> • Proof of Employment and Bio-Data of Technical and Skilled personnel indicating boatbuilding training & experience including boatyard management 	
<ul style="list-style-type: none"> • Proof of ownership of boatyard facility or Lease Contract valid for at least three (3) years in case the facility is leased/rented 		
<ul style="list-style-type: none"> • Valid Mayor's/Business Permit 	<ul style="list-style-type: none"> • Valid Mayor's/Business Permit 	
<ul style="list-style-type: none"> • Valid Clearance from DENR (Environmental Compliance Certificate) or Certificate of Non-Coverage (CNC), for class A, catering to steel and FRP/Aluminum type of hull only. 	<ul style="list-style-type: none"> • Valid Clearance from DENR (Environmental Compliance Certificate) or Certificate of Non-Coverage (CNC), for class A, catering to steel and FRP/ Aluminum type of hull only. 	
<ul style="list-style-type: none"> • Duly accomplished Data Sheet prescribed by the Administration 	<ul style="list-style-type: none"> • Duly accomplished Data Sheet prescribed by the Administration 	<ul style="list-style-type: none"> • Duly accomplished Data Sheet prescribed by the Administration
	<ul style="list-style-type: none"> • Copy of original License 	<ul style="list-style-type: none"> • Copy of original License

2. For Boatbuilding/ Boat Repair - Class C

New Entrants/ Existing With Upgrading	Renewal
<ul style="list-style-type: none"> • Letter of application 	<ul style="list-style-type: none"> • Letter of application
<ul style="list-style-type: none"> • <u>Corporation/Partnership</u> Certificate of Registration with SEC duly supported by the Articles of Incorporation/ Partnership indicating the capitalization and By-Laws • <u>Cooperative</u> Certificate of Registration with CDA duly supported by the Articles of Cooperation indicating 	

capitalization and By-Laws Single Proprietorship Certificate of Business Name Registration issued by DTI and Bank Certification as proof of compliance to the capitalization requirement	
• Valid Mayor's/Business Permit or Barangay Permit	• Valid Mayor's/Business Permit or Barangay Permit
• Duly accomplished Data Sheet prescribed by the Administration	• Duly accomplished Data Sheet prescribed by the Administration
	• Copy of original License

VII. VALIDITY OF LICENSE:

The License shall be valid for a period of three (3) years unless revoked/ cancelled for Class A and B while Class C, valid for one (1) year only.

VIII. CONDITIONS AND OBLIGATIONS ATTENDANT TO THE LICENSE ISSUED:

1. The license is non-transferable.
2. The original License shall be displayed in a conspicuous place in the main office and Boatbuilding License Plate under MARINA Circular No. 2009-06 shall be posted at its place of business.
3. Withdrawal from business or suspension from operations will require prior written notice to MARINA within thirty (30) calendar days upon termination of operation and original license shall be turned over. Prior to the resumption of its operation, a new license shall be secured from the MARINA.
4. License not renewed and/ or endorsed on time shall be assessed an additional fee/ surcharge of fifty percent (50%) of the processing fee for each month of default or any fraction thereof, which shall be without prejudice to the imposition of administrative, fines and penalties for operating without valid MARINA license prescribed under Section 10 of this Circular.
5. A license valid for three (3) years shall be endorsed annually by the MARINA for Class A & B. For Class C, license is valid for one (1) year. Non-

endorsement of License shall be subject to penalties under Section 10 of this Circular.

6. The following shall require approval of the Administration prior to construction, conversion, modification or alteration of boats:
 - 6.1 Boatbuilding License
 - 6.2 Authority to Acquire Vessel through Local Construction
 - 6.3 Vessel's plans and specifications

For new construction and upon approval of vessel's plans and specification, a hull identification number (Hull ID) shall be issued in a format prescribed by the Administration which shall be displayed near the boat being constructed by the boatbuilder.

7. MARINA-Registered boatbuilder shall issue Builder's Certificate on Boats constructed by them and corresponding to their License.
8. A duly registered boatyard shall only issue a Certificate of Dry-docking to boats drydocked in their facility and after completion of the required repairs/ work orders.
9. A registered boatbuilder shall inform/ submit to the Administration the following:
 - 9.1. New business address and telephone numbers within ten (10) days after the actual change;
 - 9.2. Names of new Director or other principal officer within thirty (30) calendar days after the appointment; and
 - 9.3. Certified true copy of Amended Articles of Incorporation/ Partnership or By-laws duly approved by SEC, within thirty (30) calendar days after approval (if any);
 - 9.4. Any changes in the name of the company; ownership; lease contract;
 - 9.5. Hiring of sub-contractors.
10. The boatyard shall maintain a record book, registered by the Administration, indicating the activities (job orders, avilment of incentives, etc.) of the yard and shall be made available for inspection anytime.
11. All boatbuilders shall maintain a record book of newly constructed boats, inclusive of details as to the type, particulars, and ownership of such boats, and all boats being repaired to be inspected by the Administration.
12. All boats to be constructed shall conform to the rules and regulations prescribed by the Administration.
13. The required reports under items 11 and 12 of this Section shall serve as pre-requisites for the renewal of the required license(s).

IX. FEES AND CHARGES

The following fees shall be charged for the issuance, upgrading, renewal and annual endorsement of license:

Category	Inspection Fee (PHP)	Processing Fee (PHP)	License Certificate (PHP)	TOTAL Issuance/ Renewal Fee (PHP)	Annual Endorsement Fee (PHP)
BB Class A	5,700.00	15,600.00	500.00	21,800.00	5,700.00
BB Class B	2,900.00	1,000.00	500.00	4,400.00	2,900.00
BB Class C		200.00	200.00	400.00	

X. SANCTIONS

1. For engaging in boatbuilding/ boat repair operating without a MARINA license, a person or enterprise shall be subject to closure, to be effected by the MARINA in coordination with appropriate law enforcement authorities, after due process.
2. For engaging in boatbuilding/ boat repair operating with non-endorsement, or expired MARINA-license, a person or enterprise shall be imposed the following administrative fines:

Category	1 st Violation	2 nd Violation	3 rd Violation
BB Class A	25,000.00	50,000.00 plus six (6) months suspension	The business establishment shall be subject to closure, to be effected by the MARINA in coordination with appropriate law enforcement authorities, after due process.
BB Class B	5,000.00	10,000.00 plus six (6) months suspension	
BB Class C	2,500.00	5,000.00 plus six (6) months suspension	

3. For motor boat owner/operator hiring or commissioning the services of a non-MARINA Registered Boatbuilder, a person or enterprise shall be imposed the administrative fine of Php 50,000.00.
4. Non-submission of required reports

Category	1 st Violation per Document	2 nd Violation per Document	3 rd & Succeeding Violation per Document
BB Class A	1,000.00	2,000.00	P 4,000 and cancellation/ revocation of License for the operation of the boatyard
BB Class B	500.00	1,000.00	P 2,000 and cancellation/

			revocation of License for the operation of the boatyard
BB Class C	250.00	500.00	P 1,000 and cancellation/ revocation of License for the operation of the boatyard

5. Violations of conditions and obligations attached to the license;

5.1. Conditions No. 6 (plans approval/ authority to acquire), 7 and 8 of Section 8 of this Circular

Category	1 st Violation	2 nd Violation	3 rd Violation
BB Class A	5,000.00	10,000.00 plus six (6) months suspension of license	The business establishment shall be subject to closure, to be effected by the MARINA incoordination with appropriate law enforcement authorities, after due process.
BB Class B	1,000.00	2,000.00 plus six (6) months suspension of license	
BB Class C	250.00	500.00 plus six (6) months suspension of license	

5.2 Other conditions of Section 8 of this Circular

Category	1 st Violation	2 nd Violation	3 rd & Succeeding Violation
BB Class A	2,500.00	5,000.00	The business establishment shall be subject to suspension after due process.
BB Class B	500.00	1,000.00	
BB Class C	250.00	500.00	

6. The MARINA may, after due notice and hearing, suspend/ cancel/ revoke the license to operate of a MARINA-Registered enterprise for any of the following grounds:

- 6.1. Failure to maintain the qualifications for registration as required in Section 5.
- 6.2. Willful or gross violation of boatyard laws and rules and regulations.
- 6.3. Violation of environment protection laws and rules and regulations.

XI. REPEALING CLAUSE:

MARINA Circulars No. 95, 178, 2007-02, 2009-09 and other issuances which are inconsistent herewith are hereby repealed, modified or amended accordingly.

XII. SEPARABILITY CLAUSE

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

XIII. EFFECTIVITY:

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

Manila, Philippines, 03 November 2015.

BY THE AUTHORITY OF THE BOARD:


MAXIMO Q. MEJIA, JR. PhD
Administrator

SECRETARY'S CERTIFICATE

This is to certify that MARINA Circular No. 2015-09 has been approved by the MARINA Board in its 237th Regular Board Meeting held on 03 November 2015.


ATTY. VIRGILIO B. CALAG
Corporate Board Secretary