



MARINA CIRCULAR NO. 2015 - 11
Series of 2015

**TO : ALL DOMESTIC SHIPOWNERS, OPERATORS, SHIPMANAGERS,
CHARTERERS AND ALL OTHERS CONCERNED**

**SUBJECT: REVISED RULES AND REGULATIONS TO IMPLEMENT A SAFETY
MANAGEMENT SYSTEM FOR DOMESTIC SHIPPING**

Pursuant to Presidential Decree No. 474, Executive Order No. 125/125-A, and Republic Act No. 9295 and its Implementing Rules and Regulations (IRR), as amended, and in order to enhance safe operations of ships and to prevent marine pollution, the following revised regulations are hereby adopted:

I. OBJECTIVES

1. Promote the safety of life and property at sea and the prevention of damage to the marine environment;
2. Ensure compliance with globally recommended and mandatory codes, guidelines and standards including those prescribed by relevant national government authorities relating to the issue of maritime safety and marine pollution measures;
3. Enable companies to achieve and maintain high standards of safety and marine environment protection through safe practices in ship operation and safe working environment; establishing of safeguards against identified risks; and, continuous improvement of safety management skills of personnel ashore and aboard ships, including preparation for emergencies related to both safety and marine environment protection;
4. Rationalize MARINA Circulars relating to the implementation of Safety Management Systems (SMS) of companies engaged in domestic shipping;

II. COVERAGE AND EXEMPTIONS

1. This Circular shall apply to all ships, whenever operating in Philippine waters:
 - .1 Passenger high speed crafts;
 - .2 Passenger-carrying ships 50 GT and above;
 - .3 Oil tankers, chemical tankers and gas carriers;
 - .4 Bulk carriers;
 - .5 Cargo ships 50 GT and above;
 - .6 Tugboats, whenever pulling/pushing non-propelled tanker barges carrying oil products;

- .7 Fish Carriers engaged in Short International Voyages and support tankers;
 - .8 Submersible Crafts including those carrying passengers;
 - .9 Mobile Offshore Drilling Units (MODUs); and
 - .10 Floating Production and Storage (FPSOs/FSUs).
2. It shall not cover the following ships:
- a. Ships of primitive built;
 - b. Warships and naval ships;
 - c. Government-owned ships not engaged in commerce;
 - d. Ships carrying not more than twelve (12) passengers;
 - e. Non-propelled barges and dredgers;
 - f. Fishing boats/vessels;
 - g. Sailing ships; and
 - h. Pleasure crafts not engaged in commercial trading.

III. DEFINITIONS

1. **Administration** refers to the Maritime Industry Authority (MARINA);
2. **Anniversary Date** refers to the day and month of each year that corresponds to the date of expiry of the relevant document or certificate.
3. **Company** refers to the owner of the ship or any other organization or person such as the manager, or the bareboat charterer, who has assumed the responsibility for operation of the ship from the ship-owner and who, on assuming such responsibility, has agreed to take over all the duties and responsibilities imposed by the ISM Code and the herein attached guidelines.
4. **Domestic Shipping** shall mean the transport of passengers or cargo, or both, by ships duly registered and licensed under Philippine law to engage in trade in 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 purpose.
5. **Document of Compliance (DOC)** refers to a document issued to a Company which complies with the requirements of this Circular and its guidelines
6. **International Safety Management (ISM) Code** refers to the International Management Code for the Safe Operation of Ships and for Pollution Prevention adopted by the International Maritime Organization (IMO) by resolution A.741(18), as amended;
7. **Primitive built ship** refers to any wooden hulled ships which are not propelled by mechanical means;

8. **Recognized Organizations (RO's)** refer to any organization recognized by MARINA, such as, the members of the International Association of Classification Societies (IACS) or organizations separately accredited by the Administration complying with the requirements of IMO Resolution Nos. A.739 (18) and A.789(19), as may be amended, to conduct certification services for Philippine domestic companies and its ships.
9. **Safety Management Certificate (SMC)** refers to a document issued to a ship which signifies that the Company and its shipboard management operate in accordance with the approved Safety Management System (SMS).
10. **Safety Management System (SMS)** refers to a structured and documented system enabling the Company personnel to implement effectively the Company safety and environmental protection policy.
11. **Ship or Vessel** refers to 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 passengers or cargo, or both, utilizing its own motive power or that of another.

IV. GENERAL PROVISIONS

1. Every company operating any of the ships herein covered shall develop, adopt and implement a SMS compliant with the standards set by the Revised Guidelines on the Implementation of the International Safety Management (ISM) Code by Companies (MSC-MEPC.7/Cir.8) and the ISM Code which is hereby incorporated in this Circular by reference.
2. Companies and ships presently certified under the NSM and ISM Codes pursuant to the provisions of Memorandum Circular Nos. 159 and 143 respectively, shall comply with this Circular, upon expiration of their relevant DOC/SMC.
3. No company/ship shall be allowed to operate without the required DOC/SMC.
4. Where another company/entity other than the registered owner/disponent owner has assumed operational control and responsibility over a ship covered under this Circular, the registered/disponent owner shall communicate to the Administration the company/entity which shall assume responsibility for compliance with this Circular.
5. Ships of foreign registry temporarily used in the Philippine waters on Special Permits issued by the Administration are required to have a SMS compliant with the ISM Code.
6. All companies and ships commencing operations after the effectivity of this Circular and which are covered herein, are given twelve(12) months from date of accreditation under MC No. 79/79-A or registration under Philippine flag, to have the required DOC and SMC.

V. SPECIFIC PROVISIONS

1. A company with existing SMS Manual previously approved by the Administration relative to the implementation of MC No. 143 shall no longer be required to submit the SMS Manual for document review under this Circular.
2. A company with an existing SMS Manual issued and approved under MC No. 159 shall be required under this Circular to resubmit the same for document review which must be compliant with this Circular and secure its approval and apply for the issuance of a new DOC within a period three (3) months reckoned from the date of expiration of its existing DOC.
3. A ship with existing SMC under MC No. 159 shall be required to be certified after the Company have been issued its DOC as prescribed in the preceding paragraph of herein Circular;
4. DOC and SMS shall be issued pursuant to this Circular shall be valid for a period not exceeding five (5) years.
5. The company has the option to secure certification from either the Administration or any Recognized Organization which has entered into a Memorandum of Agreement (MOA) with the Administration.
6. The conduct of audit by MARINA auditors shall be guided by the Auditor's Manual approved by the Administration.

VI. DOCUMENTARY REQUIREMENTS

1. Document Review
 - .1 Letter application/request
 - .2 SMS Manual
2. Initial Company Assessment
 - .1 Letter application/request
 - .2 Photocopy of SMS Manual approval letter
3. Initial Ship Assessment
 - .1 Letter application/request
 - .2 Photocopy of SMS Manual approval letter
 - .3 Photocopy of Interim DOC
4. Initial Company Audit
 - .1 Letter application/request
 - .2 Photocopy of Interim DOC
 - .3 Company Internal Audit Report
5. Initial Ship Audit
 - .1 Letter application/request
 - .2 Photocopy of Interim/Full-Term DOC

- .3 Photocopy of Interim SMC
- .4 Ship Internal Audit Report
- 6. Company Annual/Renewal Verification
 - .1 Letter application/request
 - .2 Photocopy of DOC
 - .3 Company Internal Audit Report
 - .4 Management Review Report
- 7. Ship Intermediate/Renewal Verification
 - .1 Letter application/request
 - .2 Photocopy of DOC
 - .3 Photocopy of SMC
 - .4 Ship Internal Audit Report
 - .5 Master's Review Report

VII. SCHEDULE OF FEES AND CHARGES

Particulars	Amount
1. Document Review	
1.1. 50GT-100GT	₱ 3,000.00
1.2. Above 100 GT - 500 GT	₱ 4,000.00
1.3. Above 500 GT - 1,000 GT	₱ 5,000.00
1.4. Above 1000 GT	₱ 6,000.00
2. Full-Term DOC issued by MARINA/ Interim DOC issued by MARINA	₱ 7,500.00
3. Full-Term SMC issued by MARINA/ Interim SMC issued by MARINA	₱ 7,500.00
4. Audit conducted by MARINA	
4.1 Company	
a. Category I – Small (with less than 20 employees)	₱29,000.00
b. Category II – Medium (between 21 to 50 employees)	₱45,000.00
c. Category III – Large (more than 50 employees)	
4.2 Ship	
a. Category I	
.1 Passenger High Speed Crafts; .2 Passenger carrying ships 50 gt and above carrying less than 1500 passengers; .3 Oil Tankers, Chemical Tankers and Gas Carriers; .4 Bulk carriers; .5 Other cargo ships; .6 Tugboats, whenever pulling/pushing non-propelled tanker barges carrying oil products; .7 Fish Carriers engaged in Short International Voyages and support tankers; .8 Submersible Crafts including those carrying passengers; .9 Mobile Offshore Drilling Units (MODUs); and	₱30,000.00

.10 Floating Production and Storage (FPSOs/FSUs).	
b. Category II	
.1 Passenger ships carrying more 1500 passengers	
5. Additional charges for audit conducted outside work station of Auditor(s)	₱45,000.00 P 4,700/ day + amount of fare ticket (economy class) per Auditor
6. Additional Audit	Same as company & ship audit fee

VIII. PENALTIES AND SANCTIONS

1. Operating without a valid DOC

- Withdrawal of all associated SMC and/or Interim SMC
- In addition to the foregoing sanction, the following penalties shall be imposed:

Particulars		Penalty (In PhP)		
		1 st offense	2 nd offense	3 rd offense
1.1	Category I	₱100,000.00 and suspension of CPC for 30 days(no sail condition until compliance)	₱150,000.00 and suspension of CPC for three(3) months(no sail condition until compliance)	₱200,000.00 and revocation of CPC
1.2	Category II	₱200,000.00 and suspension of CPC for 30 days(no sail condition until compliance)	₱250,000.00 and suspension of CPC for three(3) months(no sail condition until compliance)	₱300,000.00 and revocation of CPC
1.3	Category III	₱300,000.00 and suspension of CPC for 30 days(no sail condition until compliance)	₱350,000.00 and suspension of CPC for three(3) months(no sail condition until compliance)	₱400,000.00 and revocation of CPC

2. Operating without a valid SMC

- a. Withdrawal of SMC
- b. In addition to the foregoing sanction, the following penalties shall be imposed:

Particulars		Penalty for Company (In PhP)			Penalty for the Master (In PhP)		
		1 st offense	2 nd offense	3 rd offense	1 st offense	2 nd offense	3 rd offense
1.1	Companies operating ships 250gt and above	₱300,000.00 (no sail condition until compliance)	₱350,000.00 (no sail condition until compliance)	₱400,000.00 and revocation of CPC	₱15,000.00 and Warning	₱20,000.00 and suspension of license for 30 days	₱25,000.00 and Cancellation of License
1.2	Companies operating ships 150gt to 249.99gt	₱200,000.00 (no sail condition until compliance)	₱250,000.00 (no sail condition until compliance)	₱300,000.00 and revocation of CPC	₱15,000.00 and Warning	₱20,000.00 and suspension of license for 30 days	₱25,000.00 and Cancellation of License
1.3	Companies operating ships 50gt to 149.99gt	₱100,000.00 (no sail condition until compliance)	₱150,000.00 (no sail condition until compliance)	₱200,000.00 and revocation of CPC	₱15,000.00 and Warning	₱20,000.00 and suspension of license for 30 days	₱25,000.00 and Cancellation of License

3. Failure to communicate to the Administration the name & details of the entity who has assumed responsibility of complying with this Circular.

Particulars		Penalty (In PhP)		
		1 st offense	2 nd offense	3 rd offense
1.1	Category I	₱50,000.00 and warning	₱75,000.00 and suspension of CPC for three(3) months(no sail condition until compliance)	₱200,000.00 and revocation of CPC
1.2	Category II	₱75,000.00 and warning	₱100,000.00 and suspension of CPC for three(3) months(no sail condition until compliance)	₱125,000.00 and revocation of CPC
1.3	Category III	₱100,000.00 and warning	₱150,000.00 and suspension of CPC for three(3) months(no sail condition until compliance)	₱200,000.00 and revocation of CPC

IX. TRANSITORY PROVISIONS

Companies which shall initially implement a SMS are given until 01 January 2017 to have the required DOC and SMC.

Existing certificates issued to companies and ships under MC Nos. 143 and 159 shall remain valid until their next scheduled renewal audit.

X. REPEALING CLAUSE

Memorandum Circular Nos. 159 and 143 are hereby repealed.

Provisions of other existing Memorandum or MARINA Circulars, Rules and Regulations, Orders or Decisions which are inconsistent with this Circular are hereby repealed or modified accordingly.

XI. SEPARABILITY CLAUSE


Should any provision or part of this Circular be declared by the competent authority 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.

XII. EFFECTIVITY

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

Manila, Philippines, 03 November 2015.

BY AUTHORITY OF THE BOARD:


MAXIMO Q. MEJIA JR., PhD
Administrator

SECRETARY'S CERTIFICATE

This is to certify that MARINA Circular No. **2015-11** has been approved by the MARINA Board in its 237th Regular Meeting held on November 03, 2015.


ATTY VIRGILIO B. CALAG
Acting Corporate Board Secretary

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