

MEMORANDUM CIRCULAR NO. 73

TO : ALL INTER-ISLAND SHIPPING COMPANIES

SUBJECT : GUIDELINES ON THE TEMPORARY UTILIZATION OF INTER-ISLAND/COASTWISE VESSELS IN THE OVERSEAS TRADE/OPERATIONS, INCLUDING BARTER TRADE

Inter-island shipping companies may apply for a Special Permit with the MARINA to authorize the temporary utilization of inter-island/coastwise vessels in the overseas trade or operations, including barter trade.

1. REQUIREMENTS FOR THE ISSUANCE OF THE SPECIAL PERMIT

No application for Special permit shall be accepted unless the following documents are submitted and duly verified by the concerned MARINA offices:

- 1.1 Letter of application signed by the Chief Executive Officer or the Chief Operating Officer;
- 1.2 In case of original (first) application for Special Permit, certified true copy of the Certificate of Philippine Registry (for owned vessels) or the Temporary Certificate of Philippine Registry (for bareboat chartered vessels);
- 1.3 For classed vessels, the classification papers issued by a recognized classification society. Unclassed vessels shall undergo further inspection by duly authorized inspectors from the PCG to determine seaworthiness of the vessel and compliance with national and international regulations as well as subsequently issued valid international safety certificates;
- 1.4 Valid Certificate of Public Convenience or Provisional Authority to Operate in the inter-island trade issued by the MARINA;
- 1.5 For companies or applicants with bareboat chartered vessel or vessels proofs of payment, e.g. BIR receipts, of the 4.5% withholding tax on charter hire for all bareboat chartered vessels;
- 1.6 If the vessel is transporting dangerous cargo/cargoes, the type and volume of such cargo;
- 1.7 For barter trade operation , (a) certified true copy of the barter trade vessel accreditation issued by the Autonomous region in Muslim Mindanao; and (b) the charter contract between the operator of the barter trade vessel and

the barter trade group or association, in addition to all the aforementioned documents.

2. RESTRICTION ON BAREBOAT CHARTERED VESSELS

A bareboat chartered vessel registered in the Philippines and documented for inter-island/coastwise trading shall not be allowed to operate temporarily in the overseas trade unless said vessel has been employed continuously in the domestic trade for at least one(1) year.

3. RESTRICTION ON BAREBOAT CHARTERED VESSELS

A bareboat chartered vessel registered in the Philippines and documented for inter-island/coastwise trading shall not be allowed to operate temporarily in overseas trade unless said vessel has been employed continuously in the domestic trade for at least one(1) year.

4. POST-APPROVAL CONDITION

Upon issuance of the Special Permit, the company concerned shall comply with the following conditions:

- 4.1 Only lawful cargoes shall be carried on board its vessel and it shall be the duty and responsibility of the shipping company to make sure that the cargoes loaded on board its vessel have all the necessary documents and clearances/approvals required by the appropriate government agencies.
- 4.2 A vessel with passenger accommodations shall be allowed to carry passenger, whether paying or non-paying, up to the maximum passenger capacity.
- 4.3 The vessel shall at all times during its overseas operations have valid Philippine Coast Guard certificates and safety documents, to wit: Manning Certificate, Cargo Ship Safety Equipment Certificate, Radio Station License, and International Loadline Certificate. Certified true copies of these documents shall be submitted to MARINA within twenty(20) days after the issuance of the special permit, for vessels below 500 GRT, an Exemption Certificate shall be submitted, in lieu of the aforementioned documents, except Loadline Certificate, within twenty(20) days after the issuance of the Special Permit.
- 4.4 The vessel shall at all times be manned completely by Filipinos and its crew members shall possess valid certificate and licenses, including STCW Certificates (for international trade), in accordance with national and international regulations.

- 4.5 The company shall comply with any directive/order that maybe issued by the administrator and abide by all existing laws, orders, decrees, rules and regulations in connection with its overseas operation, particularly those pertaining to the Department of Finance and the Bureau of Customs relative to its exit and entry in any port of the Philippines.
- 4.6 In case of accidents, damages or losses, the owner/operator shall assume full responsibility to the proper authorities, for all consequences arising from negligence, disregard of duty and violations of law.
- 4.7 The company shall notify this Authority of the vessel's reversion to the domestic operation. In the event a vessel reverts back to its domestic trading status during the period of validity of the special permit, said permit is automatically revoked and shall be surrendered to the Overseas Shipping Office within five(5) days from the date the vessel was reverted to domestic trading status. Accordingly, the company is required to apply for another permit if it decides to convert again the utilization of the same vessel from domestic to overseas trading.
- 4.8 Other conditions that MARINA may impose.

5 SCHEDULE OF FEES

A non-refundable processing fee shall be charged by MARINA in accordance with the following table:

Duration of Special Permit	Amount
3 months or less	P1,200.00
Over 3 months but not more than 6 months	P2,400.00
Over 6 months but not more than 9 months	P3,600.00
Over 9 months	P4,800.00

6 VIOLATIONS

Any violation of the terms and conditions of the Special Permit or any provision of this Circular shall warrant the revocation/cancellation of the Special Permit and the imposition of penalties provided for in MARINA Memorandum Circular No.50.

7 EFFECTIVITY

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

PHILIP S. TUAZON
Administrator

This is to certify that the Memorandum Circular No. 73 was approved in the meeting of the Maritime Industry Board held on 14 January 1993.

PURITA C. CENTENO
Board Secretary