

## **MEMORANDUM CIRCULAR NO. 120**

**TO : ALL SHIPPING COMPANIES, SHIPOWNERS/SHIP OPERATORS, CHARTERERS, PUBLIC SERVICE (WATER TRANSPORT) OPERATORS, OTHER MARITIME ENTITIES AND OTHERS CONCERNED**

**SUBJECT : MARITIME OFFENSES AND THEIR CORRESPONDING PENALTIES**

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Pursuant to the provisions of Presidential Decree No. 474, the Public Service Act, as amended; Presidential Decree Nos. 760/866/1711/666 and the pertinent Implementing Rules and regulations, Executive Order Nos. 125/125-A, 213, and other pertinent laws, decrees, rules and regulations, the following administrative penalties/fines are herein prescribed.

### **A. VIOLATIONS UNDER THE PUBLIC SERVICE ACT, AS AMENDED:**

1. For operating without Certificate of Public Convenience (CPC) or Provisional Authority (PA) or Special Permit (SP):
  - 1.1 vessels 50 GT and below - P50.00/day of operation but not exceed P10,000
  - 1.2 vessels 51-100 GT - P100.00 day of operation but not exceed PP25,000
  - 1.3 vessels 101-450 GT - P200.00/day of operation but not to exceed P50,000
  - 1.4 vessels above 451 GT - P300.00/day of operation but not to exceed P100,000

For operating with expired CPC/PA/SP - one half or fifty per cent of the above penalty.
2. Failure to provide/maintain safe, adequate, sanitary and proper service:
  - 2.1 vessels 50 GT and below - P50.00/day of operation but not to exceed P10,000
  - 2.2 vessels 51-100 GT - P100.00/day of operation but not to exceed P25,000
  - 2.3 vessels 101-450 GT - P200.00/day of operation but not to exceed P50,000
  - 2.4 vessels above 451-GT - P300.00/day of operation but not to exceed P100,000
3. Failure to submit Annual Report s on June 30 of each year
  - 3.1 operations with total owned tonnage of 50 GT or less P100/month of delay or fraction thereof.
  - 3.2 operation with total owned tonnage of 51-100 GT -P1,000/month of delay or fraction thereof.

- 3.3 operation with total owned tonnage of 101-to 500 GT - P3,000/month of delay or fraction thereof.
- 3.4 operator with total owned tonnage of 501 GT and above - P5,000/month of delay or fraction thereof.
- 4. Submission of Incomplete Annual Reports:
  - 4.1 operator with total owned tonnage of 50 GT or less - P50.00/month delay or fraction thereof
  - 4.2 operator with total owned tonnage of 51-100 GT - P500/month of delay or fraction thereof.
  - 4.3 operator with total owned tonnage of 101-500 GT - P1,500/month of delay or fraction thereof.
  - 4.4 operator with total owned tonnage of 501 GT and above - P2,500/month of delay or fraction thereof.
- 5. Blatant and contumacious refusal/omission to file the annual report suspension of CPC/PA/SP for 30 days and a fine of:
  - 5.1 operator with total owned tonnage of 50 GT or less - P2,000/month of delay or fraction thereof
  - 5.2 operator with total owned tonnage of 51 GT - 100 GT - P5,000/month of delay or fraction thereof
  - 5.3 operator with total owned tonnage of 101 GT - 500 GT - P10,000/month of delay or fraction thereof
  - 5.4 operator with total owned tonnage of 501 GT and above P25,000/month of delay or fraction thereof
- 6. Submission of false/fraudulent entries in the annual report - P10,000
- 7. Failure to give notice in writing within fifteen (15) days after cessation of operations as required in Sec. I, par. 2 of MC No. 49-B -P1,000/vessel.
- 8. Failure to keep books, records and accounts of operation:
  - 8.1 First violation - P 5,000
  - 8.2 Second violation - P 10,000
  - 8.3 Third & succeeding violations - P 25,000
- 9. Failure to inform/advise MARINA of the change of management:
  - 9.1 First violation - P 5,000
  - 9.2 Second violation - P 10,000
  - 9.3 Third & succeeding violations - P 25,000
- 10. Failure to give immediate and effective notice of all/any accident arising/connected with the operation or maintenance of the vessel

- 10.1 First violation - P 5,000
- 10.2 Second violation - P 10,000
- 10.3 Third violations - P 25,000
  
- 11. Failure to file schedule of classification employed/individual or joint rates/fares for any service rendered:
  - 11.1 First violation - P 5,000 + warning
  - 11.2 Second violation - P 10,000 + suspension of CPC/PA/SP of not exceeding 30 days
  - 11.3 Third violation - P 25,000 + revocation of CPC/PA/SP
  
- 12. Refusal/with holding service to any individual or shipper:
  - 12.1 First violation - P10,000 + warning
  - 12.2 Second violation - P 25,000 and suspension of CPC/PA/SP for a period not exceeding 30 days
  - 12.3 Third violation - P 50,00 and cancellation of CPC/PA/SP
  
- 13. Giving directly or indirectly, discount or rebates on authorized rates:
  - 13.1 First violation - P10,000 + warning
  - 13.2 Second violation - P 25,000 and suspension of CPC/PA/SP for a period not exceeding 30 days
  - 13.3 Third violation - P 50,000 and cancellation of CPC/PA/SP
  
- 14. Failure to give discount for students, children, and/or senior citizens entitled to such, under pertinent laws, rules and regulation:
  - 14.1 First violation - P10,000 + warning
  - 14.2 Second violation - P 25,000 and suspension of CPC/PA/SP for a period not exceeding 30 days
  - 14.3 Third violation - P 50,000 and revocation / cancellation of CPC/PA/SP
  
- 15. Overcharging/undercutting of regulated rates; unauthorized amendment in unregulated rates; practices which constitute combinations in restraint of trade or result in the lack of effective competition in a route/link; refusal to carry

and shutout of cargo without just and reasonable cause – P25,000 and revocation of CPC/PA/SP.

16. Selling/ alienating/leasing without MARINA approval the vessel or its franchise:
  - 16.1 First violation - P15,000
  - 16.2 Second violation - P20,000
  - 16.3 Third and succeeding violations - P25,000
17. Selling/alienating/transferring shares of capital stock resulting in the reduction of the capital stock belonging to Philippine citizens to less than sixty percent (60%) – P25,000 + cancellation of CPC/PA/SP and other certificates issued in favor of the company.
18. Failure to pay supervision fees on or before 30 September of each year:
  - 18.1 50% of the supervision fees owing over and above the amount of supervision fees due.
  - 18.2 fees or balance not paid within 60 days from due date - additional increase of 1% for every month of delinquency or 50% plus 1% for every month of delinquency.
  - 18.3 non-payment of said fee and/or penalty for 3 consecutive years suspension/cancellation of CPC/PA/SP
19. Failure to grant refund of tickets/revalidate the tickets or violation of the provisions of MC No. 112:
  - 19.1 First violation - P5,000 + warning
  - 19.2 Second violation - P10,000 + suspension of CPC/PA/SP for a period not exceeding 30 days
  - 19.3 Third violation - P25,000 + cancellation of CPC/PA/SP
20. Abandonment or failure to call on its authorized route/link/port without MARINA approval:
  - 20.1 First violation - P10,000 + warning
  - 20.2 Second violation - P 25,000 + suspension of CPC/PA/SP for a period not exceeding 30 days
  - 20.3 Third violation - P 50,000 + cancellation of CPC/PA/SP

21. Failure to submit an updated/renewed passenger insurance cover.

21.1 Vessels 100 GT and below

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|--------|------------------|---|
| 21.1.1 | First Violation  | - P200/day of violation but not to exceed P3,000 and suspension of PA/SP/CPC until compliance |
| 21.1.2 | Second Violation | - P300/day of violation but not to exceed P5,000 and suspension of CPC/PA/SP until compliance |
| 21.1.3 | Third Violation  | - P500/day of violation but not to exceed P10,000 and cancellation of CPC/PA/SP               |

21.2 Vessels with 101-450 GT

- |        |                  |  |
|--------|------------------|--|
| 21.2.1 | First Violation  | - P500/day of violation but not to exceed P15,000 and suspension of PA/SP/CPC until compliance               |
| 21.2.2 | Second Violation | - P1,000/day of violation but not to exceed P25,000 and suspension of CPC/PA/SP for 30 days until compliance |
| 21.2.3 | Third Violation  | - P1,500/day of violation but not to exceed P50,000 and cancellation of CPC/PA/SP                            |

21.3 Vessels with 451 GT and above

- 21.3.1 First Violation - P2,000/day of violation but not to exceed P25,000 and suspension of PA/SP/CPC until compliance
- 21.3.2 Second Violation - P3,000/day of violation but not to exceed P50,000 and suspension until compliance
- 21.3.3 Third Violation - P5,000/day of violation but not to exceed P75,000 and cancellation of CPC/PA/SP

22. Failure to submit an updated/renewed Marine Pollution or P and I Cover:

22.1 Vessels with carrying capacity of less than 700,000 liters

- 22.1.1 First violation - P10,000/vessel + warning
- 22.1.2 Second violation - P25,000/vessel and suspension of CPC/PA/SP until compliance
- 22.1.3 Third violation - P50,000/vessel + cancellation of CPC/PA/SP

22.2 Vessels with carrying capacity of 700,000 liters or more

- 22.2.1 First violation - P25,000/vessel + warning
- 22.2.2 Second violation - P50,000/vessel and suspension of CPC/PA/SP until compliance
- 22.2.3 Third violation - P100,000 and cancellation of CPC/PA/SP

23. Non-compliance with the provisions of the Minimum Service Standards for Philippine Registered Inter-Island Passenger Vessels as provided under MC 65, as amended (per vessel):

- 23.1 First violation - P10,000 + warning
- 23.2 Second violation - P25,000 + suspension of CPC/PA/SP until compliance
- 23.3 Third & Succeeding violations - P50,000 + cancellation of CPC/PA/SP

24. Failure to provide preventative safety measures as defined under MC No. 114:

24.1 Master

- |        |                  |  |
|--------|------------------|--|
| 24.1.1 | First violation  | - P5,000 + warning   |
| 24.1.2 | Second violation | - P10,000/ + suspension of SIRB for a period not exceeding 30 days         |
| 24.1.3 | Third violation  | - P25,000 + revocation of his SIRB and/or STCW endorsement of certificates |

24.2 Shipowner/Operator/Agent

- |        |                  |  |
|--------|------------------|--|
| 24.2.1 | First violation  | - P10,000 + warning  |
| 24.2.2 | Second violation | - P25,000 + suspension of CPC/PA/SP for a period not exceeding 30 days |
| 24.2.3 | Third violation  | - P50,000 + cancellation of CPC/PA/SP                                  |

25. Non-compliance with the requirements in presenting a ten (10) minute film on safety on board passenger/passenger cargo vessels 250 GRT and above:

- |        |                  |   |
|--------|------------------|---|
| 25.1.1 | First violation  | - P10,000 + warning   |
| 25.1.2 | Second violation | - P25,000/ + suspension of CPC/PA/SP for a period not exceeding 30 days |
| 25.1.3 | Third violation  | - P50,000 + cancellation of CPC/PA/SP                                   |

**B. OTHER VIOLATION OF TERMS AND CONDITIONS OF THE CPC/PA**

1. Failure to observe schedule of trips/sailing frequency:

- |     |                  |  |
|-----|------------------|--|
| 1.1 | First violation  | - P10,000 + warning  |
| 1.2 | Second violation | - P25,000 + suspension of CPC/PA/SP for a period not exceeding 30 days |

- 1.3 Third violation - P50,000 + cancellation of CPC/PA/SP
- 2. Deviation from authorized route:
  - 2.1 First violation - P500/day of violation
  - 2.2 Second violation - P1,000/day of violation + suspension of CPC/PA/SP for a period not exceeding 30 days
  - 2.3 Third violation - P2,000/day + cancellation of CPC/PA/SP
- 3. Failure to post schedule of trips/rates on board the vessel or in a conspicuous place in the pier:
  - 3.1 First violation - P5,000 + warning
  - 3.2 Second violation - P10,000 + suspension of CPC/PA/SP for a period not exceeding 30 days
  - 3.3 Third violation - P25,000 + cancellation of CPC/PA/SP
- 4. Overloading or the carrying of passengers and/or cargoes beyond the vessel's authorized loading capacity:
  - 4.1 Vessels 50 GT and below
    - 4.1.1 First violation - P2,000 + warning
    - 4.1.2 Second violation - P3,000 + suspension of CPC/PA/SP for 30 days
    - 4.1.3 Third violation - P5,000 + cancellation of CPC/PA/SP
  - 4.2 Vessels 51 - 100 GT
    - 4.2.1 First violation - P5,000
    - 4.2.2 Second violation - P10,000 + suspension of CPC/PA/SP for 30 days

- |       |                          |   |  |
|-------|--------------------------|---|--|
| 4.2.3 | Third violation          | - | P25,000 + cancellation of CPC/PA/SP                                  |
| 4.3   | Vessels 101 - 450 GT     |   |  |
| 4.3.1 | First violation          | - | P10,000 + warning  |
| 4.3.2 | Second violation         | - | P25,000 + suspension of CPC/PA/SP for a period not exceeding 30 days |
| 4.3.3 | Third violation          | - | P50,000 + cancellation of CPC/PA/SP                                  |
| 4.4   | Vessels 450 GT and above |   |  |
| 4.4.1 | First violation          | - | P25,000 + warning  |
| 4.4.2 | Second violation         | - | P50,000 and suspension of CPC/PA/SP for 30 days                      |
| 4.4.3 | Third violation          | - | P100,000 and cancellation of CPC/PA/SP                               |
5. Overcrowding or the carrying of passengers beyond the authorized passengers capacity – total excess passengers multiplied by 200% x passage rate for the complete/entire voyage.
6. Failure to secure and possess valid Ship Station License:
- |     |                  |   |   |
|-----|------------------|---|---|
| 6.1 | First violation  | - | P5,000 + warning                              |
| 6.2 | Second violation | - | P25,000 + suspension of CPC/PA/SP for 30 days |
| 6.3 | Third violation  | - | P50,000 + cancellation of CPC/PA/SP           |
7. Failure to carry a certified true copy of CPC/PA/SP on board the vessel:
- 7.1 Passenger/Passenger – Cargo vessel
- 7.1.1 Vessels 100 GRT and below
- |         |                  |   |   |
|---------|------------------|---|---|
| 7.1.1.1 | First violation  | - | P300/vessel+ warning                                |
| 7.1.1.2 | Second violation | - | P500/vessel and suspension of CPC/PA/SP for 30 days |
| 7.1.1.3 | Third violation  | - | P1,000/vessel and cancellation of CPC/PA/SP         |

- 7.1.2 Vessels 101 GT – 450 GT
- 7.1.2.1 First violation - P2,000/vessel+ warning
  - 7.1.2.2 Second violation - P3,000/vessel and suspension of CPC/PA/SP for 30 days
  - 7.1.1.3 Third violation - P5,000/vessel and cancellation of CPC/PA/SP

- 7.1.3 Vessels 451 GT and above
- 7.1.3.1 First violation - P5,000/vessel+ warning
  - 7.1.3.2 Second violation - P15,000/vessel and suspension of CPC/PA/SP for 30 days
  - 7.1.3.3 Third violation - P20,000/vessel and cancellation of CPC/PA/SP

7.2 Tramping

- 7.2.1 First violation - P10,000 + warning
- 7.2.2 Second violation - P20,000 and suspension of CPC/PA/SP for 30 days
- 7.2.3 Third violation - P30,000 and cancellation of CPC/PA/SP

8. Failure to maintain the vessel’s class:

- 8.1 First violation - P10,000 + warning
- 8.2 Second violation - P25,000 + suspension of CPC/PA/SP for 30 days
- 8.3 Third violation - P50,000 + cancellation of CPC/PA/SP

9. Failure to comply with any condition of CPC/PA/SP other than those stipulated herein:

- 9.1 First violation - P10,000 + warning
- 9.2 Second violation - P15,000 and suspension of CPC/PA/SP for 30 days

9.3 Third violation - P30,000 and cancellation of CPC/PA/SP

**C. VIOLATIONS UNDER PD 474/EXECUTIVE ORDER NOS. 125, 125-A, PD 666, PD 1221**

1. Non-compliance with post-approval condition on importation, local construction, lease purchase, option to purchase:

1.1 First violation - P1,000/condition or P5,000 whichever is lower  
1.2 Second violation - P2,000/condition or P10,000 whichever is lower  
1.3 Third violation - P3,000/condition or P25,000 whichever is lower

2. Non-submission of post-approval documents on importation, local construction, lease purchase, option to purchase within the prescribed period:

2.1 First violation - P100/document/day or P3,000 whichever is lower  
2.2 Second violation - P200/document/day or P4,000 whichever is lower  
2.3 Third violation - P300/document or P10,000 whichever is lower

3. Non-compliance with post-approval conditions on Special Permits:

3.1 First violation - P1,000/condition or P5,000 whichever is lower  
3.2 Second violation - P4,000/condition or P10,000 whichever is lower + non-issuance/non extension of Special Permit for 1 month  
3.3 Third violation - P5,000/condition or P25,000 + non-issuance/non-extension of Special Permit for 1 year

4. Non-submission of documents required in the Special Permit within the period prescribed:

- |     |                  |   |   |
|-----|------------------|---|---|
| 4.1 | First violation  | - | P200/document/day or P3,000 whichever is lower  |
| 4.2 | Second violation | - | P300/document/day or P5,000 whichever is lower  |
| 4.3 | Third violation  | - | P500/document/day or P10,000 whichever is lower |
5. Operation of a foreign-registered vessel/Philippine registered vessel documented for overseas trade in the domestic trade without Special Permit/Exemption Permit:
- |     |                  |   |  |
|-----|------------------|---|--|
| 5.1 | First violation  | - | P1,000/day of operation or P15,000 whichever is lower + warning  |
| 5.2 | Second violation | - | P2,000/day of operation or P20,000 whichever is lower, and subject vessel shall be suspended from operating in the domestic trade for 1 year |
| 5.3 | Third violation  | - | P30,000 and subject vessel shall be indefinitely suspended from operating in the domestic trade  |
6. Operation of a foreign-registered vessel/Philippine registered vessel documented in the overseas trade in the domestic trade with expired Special Permit/Exemption Permit:
- |     |                  |   |  |
|-----|------------------|---|--|
| 6.1 | First violation  | - | P500/day of operation or P10,000 whichever is lower + warning  |
| 6.2 | Second violation | - | P1,000/day of operation or P15,000 whichever is lower, and subject vessel shall be suspended from operating in the domestic trade for 1 year |
| 6.3 | Third violation  | - | P30,000 and subject vessel shall be banned indefinitely suspended from operating in the domestic trade                                       |
7. Operation of a Philippine registered vessel documented for domestic trade in the overseas trade without or with expired Special Permit:
- |     |                 |   |  |
|-----|-----------------|---|--|
| 7.1 | First violation | - | P300/day of operation or P5,000 whichever is lower + warning |
|-----|-----------------|---|--|

- |     |                  |   |   |
|-----|------------------|---|---|
| 7.2 | Second violation | - | P500/day of violation or P15,000 whichever is lower + non-extension/non-issuance of Special Permit to the subject vessel for a period of 1 year |
| 7.3 | Third violation  | - | P700/day of operation or P25,000 + whichever is lower + indefinite non-extension/non-issuance of Special Permit to the subject vessel           |
8. For engaging in shipbuilding, shiprepair, and or shipbreaking without a valid MARINA license.
- 8.1 shipbuilding, shiprepair and/or shipbreaking
- |                       |   |         |
|-----------------------|---|---------|
| large scale shipyard  | - | P25,000 |
| medium scale shipyard | - | P15,000 |
| small scale shipyard  | - | P10,000 |
- 8.2 boatbuilder - P1,000
- 8.3 afloat repairer - P5,000
- 8.4 In addition to the above, the business establishment shall be subject to closure, to be affected by the MARINA in coordination with the appropriate law enforcement authorities.
- 8.5 For engaging in shipbuilding, shiprepair and or shipbreaking with an expired MARINA license – ½ of the penalty prescribed above.
9. Willful or grossly negligent violation of shipyard and environment protection laws and rules and regulations or the provisions of MC95.
10. Failure by an accredited marine surveying company/entity to maintain the required qualifications for accreditation or violation/non-compliance with the pertinent provisions of the Philippine Merchant Marine Rules and Regulations (PMMRR), or its amendments, and other pertinent MARINA rules and regulations – P25,000 and the denial of the renewal of accreditation or if one is subsisting, cancellation thereof.
11. Inability to present valid STCW endorsement of certificates/ratings certificates or valid dispensation certificate of any officer/ratings required to be so certificated, and violation of the limitations, if any, set forth in the certificates.

11.1 For ocean-going vessels

		Shipowner/Operator/Manning/ Shipping Agent	
11.1.1	First Offense	-	P25,000
11.1.2	Second & succeeding Offenses	-	P50,000

In addition, in cases where the deficiencies shall pose danger to life, property or environment, the uncertificated officers/ratings shall be prohibited from performing, their respective functions until all deficiencies shall have been corrected before the vessel shall be allowed to leave the port, either by having them certificated or by replacement with qualified and properly certified officers/ratings.

11.2 For vessels operating in domestic trade

11.2.1 Ships of less than 100 GT

First Violation	-	P5,000
Second & Succeeding Violations	-	P10,000 plus detention of the vessel until compliance with the requirements or correction of deficiency and/or suspension/revoca tion of CPC/PA/SP.

11.2.2 Ships 100 GT and above

First Violation	-	P10,000
Second & Succeeding Violations	-	P25,000 plus detention of the vessel until compliance or correction of deficiency and/or suspension

/revocation of  
CPC/PA/SP.

12. Any seafarer who shall go on board vessels and/or a shipping company/manning/shipping agency which shall allow a seafarer to go on board/join a vessel without first securing an SIRB or STCW endorsement of certificates/authentication shall be solidarily liable to pay the following fines:

	Seafarer	Shpg. Co./ Shipping / Manning Agency
12.1 First Offense	P2,000	P10,000
12.2 Second Offense	P3,000	P15,000
12.3 Third & Succeeding Offense	P5,000	P20,000
12.4 A seafarer who goes on board with SIRB/STCW endorsement of certificate, the validity of which is shorter than his/her contract employment, or has expired, the liability of the seafarer, shipowner, ship operator, shipping/ manning agent shall be equivalent to ½ of the aforecited penalties.		

13. Submission by seafarer of any false statement or misrepresentation or fraudulent or tampered or irregularly issued certificates, license, or documents in an application for issuance of SIRB or STCW endorsement of certificates or authentication.

	First Offense	Second Offense
Master Mariner	P7,000 -	P14,000
Chief Engineer	P6,000 -	P12,000
Chief Mate/2 <sup>nd</sup> Engr.	P5,000 -	P10,000
2 <sup>nd</sup> Mate/3 <sup>rd</sup> Engr.	P4,000 -	P8,000
Radio Operator/Electrician		
3 <sup>rd</sup> Mate/4 <sup>th</sup> Engr.	P3,000 -	P6,000
Ratings/Others	P2,000 -	P4,000

For succeeding Offenses – an administrative penalty as provided above and recommendation to the PRC or appropriate government agency for suspension or disqualification to practice profession.

14. Shipowners/operators, manning/ shipping agencies/maritime schools and training centers recommending the issuance of an SIRB/STCW endorsement of certificates or authentication in behalf of a seafarer shall be liable for the false statement or misrepresentation, fraudulent or spurious or tampered license, documents, certificates submitted were said shipowners/operators, manning/shipping agencies or any of their employees or liaison officers/messengers or has consented,tampered or participated in the

misrepresentation or securing the questioned licenses, documents, certificates from any source.

- 14.1 First violation - P25,000
- 14.2 Second violation - P50,000
- 14.3 Third & Succeeding - P100,000 and recommendation for cancellation of the company's license by proper government agency
- 14.4 In addition to the foregoing fines, the responsible official of the company or agency and employee, liaison officers / messengers shall be subject to criminal prosecution under the Revised Penal Code.

15. Any seafarer/company found to have secured or in possession of fake, fraudulent or irregularity issued STCW certificates/authentication – P5,000 and a recommendation for criminal prosecution under the Revised Penal Code.

16. Submission of spurious, tampered and unauthorized documents required for accreditation as a liaison officer, or for acts or omissions done in excess of his/her authority – P5,000 and cancellation/revocation of the accreditation as liaison officer, and/or for applying with MARINA for issuance of SIRB/STCW endorsement of certificates/authentication of seafarers not employed by the company or not covered under MC No. 103; and/or criminal prosecution under the Revised Penal Code is applicable.

17. For violation of safety and operational procedures prescribed on water craft 3 GRT and below:

- 17.1 First violation - suspension of the license
- 17.2 Second violation - denial of application for/or renewal of Motor Boat Operator's License (MBOL).

18. For failure to maintain the qualification requirements for accreditation of domestic shipping enterprises/entities; failure to submit the requirements under the Section 4 of MC 79 or willful or gross violation of any law, rule or regulation pertaining to domestic shipping – P10,000 and suspension/cancellation/revocation of the accreditation certificate of the MARINA- accredited enterprise.

19. Any marine surveying company/entity shall be liable:
- 19.1 For operating with an expired accreditation and/or appointments as a loadline assignor
- 19.1.1 First violation - P100/day of operation but not exceeding 10,000 and warning
- 19.1.2 Second violation - P300/day of operation but not exceeding P15,000 and non-renewal of license for 6 months
- 19.1.3 Third violation - P25,000 and non-issuance of license
- 19.2 For operating without any valid accreditation and/or appointment as loadline assignor
- 19.2.1 First violation - P200/day of operation but not exceeding 15,000
- 19.2.2 Second violation - P400/day of operation but not exceeding P20,000
- 19.2.3 Third violation - P25,000 and non-issuance of license
- 19.3 For failure to maintain the qualifications for accreditation or for violation/non compliance with the PMMRR or for violation of laws and MARINA rules and regulations, including the provisions of MC 108.
- 19.3.1 First violation - P10,000 and warning
- 19.3.2 Second violation - P15,000 and suspension of license for 6 months
- 19.3.3 Third violation - P25,000 and cancellation of license
20. Violation of Guidelines on Vessel Registration Licensing and Documentation
- 20.1 Operation/navigation of a vessel without Certificate of Vessel Registry
- 20.1.1 3 GRT and below ) For vessels P200  
 ) engaged in  
 ) the carriage  
 20.1.2 Over 3 GRT to 15 GRT ) of goods and/ P400  
 ) or passengers  
 for hire

20.1.3	Over 15 GRT to 35 GRT	P800
20.1.4	Over 35 GRT to 100 GRT	P1,000
20.1.5	Over 100 GRT to 250 GRT	P1,500
20.1.6	Over 250 GRT to 500 GRT	P2,000
20.1.7	Over 500 GRT	P3,000

20.2 For yachts, launches and other crafts being used/employed exclusively for pleasure and recreation without Pleasure Yacht Registration

20.2.1 Powered

(i)	15 GRT & below	-	P5,000
(ii)	Over 15 GRT to 50 GRT	-	P6,000
(iii)	Over 50 GRT to 100 GRT	-	P7,000
(iv)	Over 100 GRT	-	P8,000

20.2.2 Without Power

(i)	15 GRT & below	-	P200
(ii)	Over 15 GRT to 50 GRT	-	P400
(iii)	Over 50 GRT to 100 GRT	-	P600
(iv)	Over 100 GRT	-	P800

20.3 Operation/navigation of a vessel without certificate of Number

20.3.1	1 GRT or less	-	P100
20.3.2	Over 1 GRT to 3 GRT	-	P200
20.3.3	Over 3 GRT to 5 GRT	-	P300
20.3.4	Over 5 GRT to 10 GRT	-	P400
20.3.5	Over 10 GRT to 15	-	P500

20.4 Operation/navigation of a vessel without certificate of Ownership

20.4.1	Over 5 GRT to 50 GRT	-	P500
20.4.2	Over 50 GRT to 100 GRT	-	P700
20.4.3	Over 100 GRT to 250 GRT	-	P1,500
20.4.4	Over 250 GRT to 500 GRT	-	P2,000
20.4.5	Over 500 GRT to 1,000 GRT	-	P3,000
20.4.6	Over 1,000 GRT to 5,000 GRT	-	P4,000
20.4.7	Over 5,000 GRT to 10,000 GRT	-	P10,000
20.4.8	Over 10,000 GRT	-	P16,000

20.5 For vessels engaging in coastwise trade/protected/partly protected waters without Coastwise License

		First Offense	Second Offense
20.5.1	Power-driven	P500	P1,000

20.5.2	Non-power driven	P300	P500
20.6	For vessels engaging in coastwise trade/protected/partly protected waters without Bay and River License		
		First Offense	Second Offense
20.6.1	Power-driven	P300	P500
20.6.2	Non-power driven	P200	P300
20.7	For vessels engaging in coastwise trade/protected/partly protected waters with expired Coastwise License/Bay and River License – ½ of penalties prescribed above		
20.8	For yachts, launches and other crafts being used/employed and exclusively for pleasure and recreation with expired Pleasure Yacht License – P200		
20.9	For yachts, launches and other crafts being used/employed and exclusively for pleasure and recreation without Pleasure Yacht License – P800		
20.10	Failure to apply for the deletion of vessels registered under the Philippine flag.		
20.10.1	Domestic	-	P5,000
20.10.1	Overseas	-	P10,000
20.11	Non-compliance with the required registration of Engine and Deck Logbook/Roll Book and other Books - P1,000 per book		
20.12	Non-compliance with the required registration of Grain Loading Booklet/Stability Booklet - P5,000/booklet		
20.13	Failure to keep/maintain Record of Changes for registered vessels		
20.13.1	Change of Place of Registry	-	P500
20.13.2	Change of Homeport of vessel	-	P500
20.13.3	Change of Name of vessel	-	P500
20.13.4	Change of Name of Owner	-	P500
20.13.5	Change of Trading Status	-	P500
20.13.6	Change of Rig Type	-	P500
20.13.7	Change of Service Type	-	P500
20.13.8	Change of Engine	-	P500

20.14 Failure to keep/maintain Record of Changes for vessels issued Certificate of Number

20.14.1	Change of Homeport of Vessel	-	P100
20.14.2	Change of Name of Vessel	-	P100
20.14.3	Change of Name of Owner	-	P100
20.14.4	Change of Trading Status	-	P100
20.14.5	Change of Rig Types	-	P100
20.14.6	Change of Service Type	-	P100
20.14.7	Change of Engine	-	P100

21. Violation of Guidelines on Vessel Safety Regulation

21.1 Operation/navigation of a vessel with expired Certificate of Inspection / Interim Certificate of inspection

21.1.1	for 50 GT or less	-	P200
21.1.2	51 - 100 GT	-	P500
21.1.3	101 - 500 GT	-	P1,000
21.1.4	501 - GT and above	-	P1,500

21.2 Operation/navigation of a vessel without Certificate of Inspection / Interim Certificate of inspection

21.2.1	for 50 GT or less	-	P400
21.2.2	51 - 100 GT	-	P1,000
21.2.3	101 - 500 GT	-	P2,000
21.2.4	501 - GT and above	-	P3,000

21.3 Operation/navigation of a vessel 3 GT and below utilized to carry passenger/passengers and cargoes for hire with expired/without valid /without Special Certificate of Inspection

First Offense	-	P200
Second Offense	-	P400
Third Offense	-	P800

21.4 Operation/navigation of cargo and fishing vessel 3 GT and below with expired Permit to Operate - P100

21.5 Operation/navigation of cargo and fishing vessel 3 GT and below without Permit to Operate - P200

21.6 Operation/navigation of a vessel without the necessary Special Permit to Navigate - P300

21.7 Operation/navigation of a vessel without Special Permit to Carry/Load Inflammable/Dangerous/Hazardous Cargoes - P300

21.8 Operation/navigation of a Philippine-registered overseas vessel with expired Manning Certificates/SOLAS and other Safety Certificates

First Offense	-	P3,000/certificate
Second Offense	-	P5,000/certificate
Third Offense	-	P10,000/certificate

21.9 Operation/navigation of a Philippine-registered domestic vessel engaging in overseas trade with expired Exemption Certificate

First Offense	-	P1,000
Second Offense	-	P1,500
Third Offense	-	P2,000

21.10 Operating with expired permits/license

		First Offense	Second Offense
21.10.1	Special Permit for Unlicensed Officer	P200	P400
21.10.2	Dispensation Permit		
	domestic	P400	P800
	overseas	P1,000	P2,000
21.10.3	Motorboat Operator's License	P200	P400

21.11 Operating without permits/license

		First Offense	Second Offense
21.11.1	Special Permit for Unlicensed Officer	P800	P1,600
21.11.2	Dispensation Permit		
	domestic	P1,600	P3,200
	overseas	P4,000	P8,000
21.11.3	Motorboat Operator's License	P800	P16,000

21.12. For failure to secure MARINA approval of vessel plans prior to the vessel's construction, conversion, alteration or rehabilitation to ensure compliance with safety rules and regulations or for purposes of vessel registration

21.12.1 Shipbuilder and Shiprepair:

- |         |                    |   |   |
|---------|--------------------|---|---|
|         | First Offense      | - | P1,000  |
|         | Second Offense     | - | P1,000 + suspension<br>of license for<br>6 months |
|         | Third Offense      | - | P1,000 + cancellation<br>of license               |
| 21.12.2 | Owner or his agent | - | P25,000/vessel                                    |
- 21.13 For operating as a marine surveying company/entity without the necessary MARINA accreditation certificate pursuant to existing / pertinent circular - P10,000
- 21.13 For operating as a marine surveying company with expired MARINA accreditation certificate pursuant to existing/pertinent circular - P5,000
22. For any false statement or misinterpretation in the filing of application and other documents relative to vessel registration/licensing/documentation and vessel safety regulation - P10,000
23. For presenting/using/possessing spurious/fake vessel certificates/license/documents without prejudice to the imposition of other penalties under MC No.109 - P10,000/document

**D. VIOLATIONS UNDER THE PRESIDENTIAL DECREES NOS.760/866/1711**

1. Late submission of post-approval documents within the period prescribed, except submission of proof of payment of 4.5% withholding tax:
- |     |                                  |   |   |
|-----|----------------------------------|---|---|
| 1.1 | First violation                  | - | P50/document/day or<br>P3,000, whichever is<br>higher   |
| 1.2 | Second violation                 | - | P75/document/day or<br>P4,000, whichever is<br>higher   |
| 1.3 | Third & succeeding<br>violations | - | P100/document/day or<br>P10,000, whichever is<br>higher |
2. Late submission of proof of payment of 4.5% withholding tax within the prescribed period:
- |     |                               |   |         |
|-----|-------------------------------|---|---------|
| 2.1 | First violation               | - | P2,000  |
| 2.2 | Second violation              | - | P5,000  |
| 2.3 | Third & Succeeding Violations | - | P10,000 |

3. Non-submission of the vessel to MARINA's inspection/survey upon the vessel's arrival in any Philippine port:

3.1	First violation	-	P5,000
3.2	Second violation	-	P10,000
3.3	Third & Succeeding Violations	-	P25,000

4. Any change in corporate ownership or transfer of shares of stock of the bareboat charterer without prior review and approval by MARINA:

4.1	First violation	-	P5,000
4.2	Second violation	-	P10,000
4.3	Third & Succeeding Violations	-	P25,000

5. Late submission of audited financial statement

5.1	First violation	-	P2,000
5.2	Second violation	-	P5,000
5.3	Third & Succeeding Violations	-	P10,000

6. Deletion of vessel from Philippine Registry/reversion to its foreign flag or registry without prior endorsement and/or approval by MARINA:

6.1	First violation	-	P20,000 + warning
6.2	Second violation	-	P30,000 + barred from bareboat chartering another vessel for a period of 1 year
6.3	Third & Succeeding Violations	-	P50,000 + barred from bareboat chartering another vessel for a period of 5 years

7. Any change, modification/amendment on the bareboat charter party without prior MARINA approval:

7.1	First violation	-	P10,000 + warning
7.2	Second violation	-	P20,000 + barred from bareboat chartering another vessel for a period of 1 year
7.3	Third & Succeeding Violations	-	P25,000 + barred from bareboat chartering another vessel for a period of 5 years

8. Utilization of the Philippine flag and call sign duly authorized by the MARINA and NTC, respectively, after the vessel's deletion under Philippine flag:

- |     |                               |  |
|-----|-------------------------------|--|
| 8.1 | First violation               | - P20,000 + warning  |
| 8.2 | Second violation              | - P30,000 + barred from bareboat chartering another vessel for a period of 1 year  |
| 8.3 | Third & Succeeding Violations | - P50,000 + barred from bareboat chartering another vessel for a period of 5 years |

9. Manning of the bareboat chartered vessel by foreign crew:

- |     |                               |  |
|-----|-------------------------------|--|
| 9.1 | First violation               | - P20,000 + warning  |
| 9.2 | Second violation              | - P30,000 + barred from bareboat chartering another vessel for a period of 1 year  |
| 9.3 | Third & Succeeding Violations | - P50,000 + barred from bareboat chartering another vessel for a period of 5 years |

10. Interference of foreign owners except insofar as such acts shall directly protect rights as owners:

- |      |                                |  |
|------|--------------------------------|--|
| 10.1 | First violation                | - P25,000 + warning  |
| 10.2 | Second & Succeeding Violations | - P50,000 + barred from bareboat chartering another vessel for a period of 5 years |

11. Non-compliance with all laws, rules and regulations pertaining to Philippine flag vessels:

- |      |                               |  |
|------|-------------------------------|--|
| 11.1 | First violation               | - P10,000 + warning  |
| 11.2 | Second violation              | - P20,000 + barred from bareboat chartering another vessel for a period of 1 year  |
| 11.3 | Third & Succeeding Violations | - P25,000 + barred from bareboat chartering another vessel for a period of 5 years |

12. Non-compliance with such other conditions that may be imposed by the MARINA:

- |      |                               |   |
|------|-------------------------------|---|
| 12.1 | First violation               | - P10,000 + warning                                     |
| 12.2 | Second violation              | - P20,000 + barred from bareboat chartering for 1 year  |
| 12.3 | Third & Succeeding Violations | - P25,000 + barred from bareboat chartering for 5 years |

**E. VIOLATIONS UNDER PD NO. 845; EO NO.185; EO213; RA7277 & BP NO. 344**

1. Failure to pay energy tax schedule as stated in MC No. 102 – non-issuance/non-renewal/cancellation of the Pleasure Yacht license.
2. Violation of/or failure of the operators to comply with the policies/guidelines set forth in MC 106 - disapproval of the application for CPC/PA and/or suspension/revocation/cancellation of the vessel's authority, in addition to penalties under the Public Service Act, as amended and other relevant rules and regulations.
3. Failure to provide preventive measures, safety and quality of shipping services under MC. 114.
  - 3.1 Master

3.1.1	First violation	- P5,000
3.1.2	Second violation	- P10,000
3.1.3	Third & Succeeding Violations	- P25,000 and revocation of his STCW and SIRB endorsement
  - 3.2 Shipowner/Operator/Agent

3.2.1	First violation	- P10,000
3.2.2	Second violation	- P20,000
3.2.3	Third & Succeeding Violations	- P25,000/vessel and/or cancellation of CPC/PA to operate the vessel
4. For non-submission/late submission/incomplete submission of quarterly reports on rates; failure to issue passenger tickets; failure to issue bill of lading and other violations of any of the provisions of MC 117.

- |     |                               |   |  |
|-----|-------------------------------|---|--|
| 4.1 | First violation               | - | P5,000 per violation   |
| 4.2 | Second violation              | - | P10,000 per violation and/or suspension of CPC/PA /SP for a period not exceeding 30 days |
| 4.3 | Third & Succeeding Violations | - | P25,000 /violation and/or revocation of CPC/PA/SP.                                       |
5. For violation of the provisions of MC No.98 implementing RA No.7277, “An Act providing for the Rehabilitation, Self-development and Self-reliance of Disabled Persons and their Integration into the Mainstream of Society” and BP No. 344 “ An act to Enhance the Mobility of Disabled Person by Requiring Certain Buildings, Institutions, Establishments or Public Utilities to Install Facilities and other Devices”.
- |     |  |   |   |
|-----|--|---|---|
| 5.1 | First violation                                | - | P50,000   |
| 5.2 | Second violation                               | - | P100,000  |
| 5.3 | Abuse of the privileges granted under MC No.98 | - | not less than P5,000 but not more than P50,000. |

**F. MISREPRESENTATION/FALSE INFORMATION**

Any person who gives false or misleading data or information or willfully or through gross negligence, conceals, or falsifies a material fact, in any investigation, inquiry or hearing or application shall be held liable for an administrative fine of not more than P25,000, without prejudice to the provisions of Item G.5.

**G. DUE PROCESS AND HEARING**

1. For all the violations provided in this Memorandum Circular, a show cause order in writing shall be issued by the MARINA directing the Respondent to explain also in writing within a period provided in the show cause order why no administrative penalty or fine shall be imposed.
2. Notice and hearing shall be in accordance with the provisions of MARINA MC No. 74-A s.1995. The provisions of the Rules of Court and the Administrative Code of 1987 (Executive Order No. 292 s.1987) shall be supplementary to the provisions of MC No. 74-A. Likewise, respondent is entitled to waive his right to a formal hearing and to voluntarily pay the penalty thereof.
3. For purpose of determining the number and repetition of violations, it shall mean that a case shall have been decided finding a vessel or maritime enterprise liable of the charge.
4. Repeated violations committed by a vessel/maritime enterprise shall, in addition to the foregoing administrative fines, be subject to the suspension/revocation of the authority to operate (i.e. CPC, PA,SP, license).

5. Cases which involve violations of the Revised Penal Code shall be referred to the concerned offices of the Prosecuting Service of the Government.

#### **H. REPEALING CLAUSE**

The provisions of MC. No. 50-A s.1983, are hereby repealed. The provisions of existing Memorandum Circulars, Implementing Rules and Regulation and other issuances which are inconsistent with the provisions of this Circular are hereby amended accordingly.

#### **I. EFFECTIVITY**

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

RADM PIO H GARRIDO JR AFP (RET)  
Administrator

#### **SECRETARY'S CERTIFICATE**

This is to certify that MEMORANDUM CIRCULAR NO. 120 was approved in the meeting of the Maritime Industry Board held on 30 May 1997.

PURITA C. CENTENO  
Corporate Board Secretary