

TO :

**ALL SHIPOWNERS/ OPERATORS/ MANAGERS, BAREBOAT
CHARTERERS AND ANY AND ALL ENTITIES WHO HAVE ASSUMED
THE RESPONSIBILITY OF COMPLYING WITH THE PROVISIONS OF THE
ISM CODE FOR PHILIPPINE REGISTERED VESSELS ENGAGED IN
INTERNATIONAL VOYAGES.**

SUBJECT :

**IMPLEMENTATION OF THE INTERNATIONAL SAFETY MANAGEMENT
(ISM) CODE**

Pursuant to the mandate of the Maritime Industry Authority (MARINA) under Executive Order No. 125/125-A to undertake safety regulatory functions pertaining to ship construction and operation, and consistent with the provisions of the International Management Code for the Safe Operation of Ships and for Pollution Prevention (ISM Code) as adopted by IMO Resolution A. 741 (18), and made mandatory as new Chapter IX of the International Convention for the Safety of Life at Sea (SOLAS, 1974 as amended), the Board approved the implementation of the ISM Code subject to the following policy guidelines:

I. COVERAGE:

This Circular shall apply to all Philippine registered ships engaged in international voyages, regardless of the date of construction, as follows:

- a) passenger ships including passenger high-speed craft, not later than 01 July 1998;
- b) oil tankers, chemical tankers, gas carriers, bulk carriers and cargo high-speed craft of 500 gross tonnage and upwards, not later than 01 July 1998; and
- c) other cargo ships and mobile offshore drilling units of 500 gross tonnage and upwards, not later than 01 July 2002.

II. DEFINITION OF TERMS:

For purposes of this Circular the following terms are hereby defined, however, the Codes' definition of other terms not enumerated herein are deemed to form part hereon:

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1. “Administration” refers to the Maritime Industry Authority.
2. “Code” means the International Management Code for the Safe Operation of Ships and for Pollution Prevention.
3. “Company” means 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 shipowner and who on assuming such responsibility has agreed to take over all the duties and responsibilities imposed by the code.
4. “Safety Management System” (SMS) means a structured and documented system enabling company personnel to effectively implement the company’s safety and environmental protection policy.
5. “Document of Compliance” (DOC) means the document issued to a company complying with the requirements of the ISM Code.
6. “Safety Management Certificate” (SMC) means the document issued to a ship after verification that the company and its shipboard management operate in accordance with the approved SMS.

III. GENERAL PROVISIONS:

1. Commencing 01 July 1998, only those Companies as defined under this Circular which have secured a DOC pursuant to the provisions of the Code shall be allowed to operate Philippine registered ships for international voyages including ships which will go on temporary overseas trading.
2. A Company which shall acquire a ship to be subsequently registered under the Philippine flag, shall, within sixty (60) days from registration thereof submit a duplicate copy of the interim SMC covering the vessel duly certified by the issuing organization recognized by the Administration provided further that the company shall submit a regular SMC upon the expiry of the interim SMC.

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3. All ships covered under this Circular are mandated to implement the company's approved SMS, and only such ships which have been issued an SMC shall be granted the right to fly the Philippine flag.
4. The owner/ operator of Philippine registered ships engaged in international voyages shall inform the Administration of the name and details of the entity who have assumed the responsibility of complying with the provisions of the ISM Code.
5. The DOC and the SMC shall be secured from the Administration or an organization recognized by the Administration or the Government of the country acting on behalf of the Administration in which the Company has chosen to submit its business.
6. The SMC shall at all times correspond to the specific type of ships covered in the DOC issued to the company.

IV. SANCTIONS AND PENALTIES:

The following fines shall be imposed for violation of this Circular after due notice and hearing:

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| 1. For failure to secure/
maintain a valid DOC. | First violation: | P 100,000.00 |
| | Second violation: | 200,000.00 |
| | Third and subsequent
violation: | 300,000.00 |
| 2. For failure to secure/
maintain a valid SMC
for its RP-flagged
ships. | First violation: | P 100,000.00 per ship |
| | Second violation: | 200,000.00 per ship |
| | Third and subsequent
violation: | 300,000.00 per ship |
| | | |

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| 3. For failure to communicate to the Administration the name and details of the entity who have assumed responsibility of complying with the ISM Code. | First violation: | P | 25,000.00 |
| | Second and subsequent violation: | | 50,000.00 |

V. TRANSITORY PROVISIONS:

The Administration shall, prior to the effectivity of this Circular, conduct periodic monitoring of compliance with the provisions hereof by concerned entities, to ensure that on the scheduled date of effectivity of the Code, said ship/s are complying with the Code.

VI. REPEALING CLAUSE:

All Memorandum Circulars, rules and regulations and issuances inconsistent herewith are hereby amended or repealed accordingly.

VII. EFFECTIVITY CLAUSE:

The provisions of this Memorandum Circular shall take effect on 01 July 1998 and only after its publication once in a newspaper of general circulation.
Manila, Philippines July 29, 1997.

BY THE AUTHORITY OF THE MARINA BOARD:

(SGD.) RADM PIO GARRIDO JR AFP (Ret)

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Administrator

Secretary's Certificate

This is to certify that the foregoing Memorandum Circular No. 122 has been approved in the meeting of the Maritime Industry Authority Board held on July 29, 1997.

(SGD.) Atty. Gloria Victoria Bañas
Deputy Corporate Board Secretary

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