



MARITIME INDUSTRY AUTHORITY

MEMORANDUM CIRCULAR NO. OS-2019-02
Series of 2019

TO: ALL DOMESTIC SHIPPING COMPANIES, SHIPOWNERS, SHIP OPERATORS, CHARTERERS, PUBLIC SERVICE OPERATORS, OTHER MARITIME ENTITIES AND ALL CONCERNED

SUBJECT: RULES IN THE REGISTRATION AND DOCUMENTATION FOR PERMANENT CONVERSION OF SHIPS TRADING STATUS FROM DOMESTIC TO OVERSEAS TRADE

Pursuant to the provisions of Presidential Decree No. 474 and Executive Order No. 125, as amended, the following rules are hereby adopted in the registration and documentation of ships for permanent conversion of trading from domestic to international voyages.

I. OBJECTIVE:

This Circular serves to provide rules that shall govern the registration and documentation of ships for permanent conversion of trading from domestic to international.

II. COVERAGE:

This rules shall apply to all Philippine-registered ships documented for domestic trade.

III. DEFINITION OF TERMS:

For purposes of this Circular, the following terms are defined:

1. **Administration** refers to the Maritime Industry Authority.
2. **Deletion** refers to the cancellation of a ship's registry from the Register of Philippine Ships and termination of its trading status in the domestic shipping trade.
3. **Domestic Ownership** refers to the ownership vested in citizens of the Philippines, or corporations, or associations organized under the laws of the Philippines at least sixty percent (60%) of the capital stock of which is wholly owned by citizens of the Philippines.

4. **Port of Registry** means the port in the Philippines where the ship's record of registry is kept and maintained.
5. **Ship or Vessel** (may be used interchangeably) 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 water transport for the carriage of passengers or cargo, or both, utilizing its own motive power or that of another.
6. **Crew** refers to the officers and ratings of the ship.
7. **Permanent Conversion** refers to the change of trading status from domestic to international voyages.
8. **Overseas trading** refers to transport of goods and/or passengers by a ship owned and operated under the Philippine flag by a Philippine shipping enterprise between the Philippines to foreign ports or foreign port to one port to another, except when the ship is operated solely between ports in the Philippines.

IV. GENERAL PROVISIONS

1. All ships of domestic ownership plying the Philippine waters, regardless of size and utilization must be properly registered and issued a Certificate of Philippine Registry (CPR) and Certificate of Ownership (CO) from domestic to international trade; and
2. Companies under this Circular shall be allowed to acquire and register additional ships without limit as to the number of ships to be chartered pursuant to PD 760, as amended.

V. SPECIFIC PROVISIONS

1. Ships registered under this Circular shall be completely manned by Filipino crew;
2. Ships registered under this Circular must be class maintained by an internationally recognized classification society. Any change in the classification of a Philippine-registered ship shall be immediately communicated to the Administration;
3. The Administration may allow supernumeraries onboard Philippine-registered ship under the following circumstances:
 - a. to act as privately contracted armed security personnel;
 - b. to oversee and observe the ship's operating condition on behalf of the registered owner;
 - c. to act as technical personnel in order to carry out general or specific maintenance of the ship;

- d. to perform necessary repair onboard the ship; and
- e. other analogous circumstances.

The said supernumeraries shall not perform any of the functions of the crew nor interfere with the operation/management of the ship.

- 4. Crew onboard Philippine-registered ships are required to be certificated in accordance with the International Convention on Standards of Training, Certification and Watchkeeping for Seafarers, 1978 as amended;
- 5. Philippine-registered ships shall comply with the requirements of the International Safety Management (ISM) Code for the safe operation of ships and for pollution prevention;
- 6. All ships registered under this Circular shall not be deleted from the Philippine Registry/reverted to its domestic trading without the prior approval from the MARINA; and
- 7. That the company shall strictly comply with all relevant international conventions, rules and regulations, national laws, rules and regulations of the Philippines pertaining to Philippine registered ships, their operations, management and control.

VI. QUALIFICATION REQUIREMENTS

- 1. The company shall be accredited under Memorandum Circular No. 181 or its subsequent amendment, provided that such accreditation shall be maintained for the period that it has a registered ship;
- 2. The company must have a minimum paid up capital of Seven Million Pesos (P7.0M);

VII. PROCEDURE FOR REGISTRATION

- 1. Only applications with complete documentary requirements shall be accepted;
- 2. Letter from Domestic Shipping Service for non objection on the permanent conversion of trading status; and
- 3. The applicant shall pay the necessary processing fee based on existing MARINA Circular on fees and charges.

VIII. DOCUMENTARY REQUIREMENTS:

The applicant shall submit the following pre-approval documentary requirements:

- 1. Letter of application signed by the Officer of the company or its authorized representative indicating the purpose (Attached as **Annex 1**

is the Pro-forma letter of intent for application pertaining to permanent conversion of Ship's trading status from Domestic to Overseas)

2. Letter from Domestic Shipping Service or Maritime Regional Offices stating its non-objection on the permanent conversion of trading status;
3. Copy of Certificate of Vessel Registry and Certificate of Ownership issued by Domestic Shipping Service and Maritime Regional Offices; and
4. Ships documents, as applicable:
 - .1 International Tonnage Certificate;
 - .2 International Load Line Certificate;
 - .3 International Oil Pollution Prevention Certificate;
 - .4 International Air Pollution Prevention Certificate;
 - .5 International Sewage Pollution Prevention Certificate;
 - .6 Cargo Ship Safety Radio Certificate;
 - .7 Cargo Ship Safety Construction Certificate;
 - .8 Cargo Ship Safety Equipment Certificate;
 - .9 (BC Code) Certificate of Compliance for the Carriage of Solid Bulk Cargoes;
 - .10 Exemption Certificate, if necessary;
 - .11 International Ballast Water Management Certificate (BWMS Certificate);
 - .12 International Anti-Fouling System Certificate (IAFS Certificate);
 - .13 International Energy Efficiency Certificate (IEEC);
 - .14 Document of Compliance;
 - .15 Safety Management Certificate;
 - .16 International Ship Security Certificate;
 - .17 Continuous Synopsis Record;
 - .18 Long Range Identification and Tracking of Ships;
 - .19 Ship Station License issued by NTC;
 - .20 Civil Liability Convention Certificate (greater than 1,000 gt);
 - .21 Certificate of Insurance or other Financial Security in respect of CLC for Bunker Oil Pollution Damages, 2001(1,000 gt-other than tanker);
 - .22 Passenger Ship Safety Certificate;
 - .23 Certificate of Fitness (Gas Carriers only);
 - .24 Cargo Securing Manual; and
 - .25 Certificate of Class (full term).

IX. SCHEDULE OF FEES AND CHARGES

Permanent Conversion approval	- ₱ 9,700.00
Issuance of CPR and CO	- ₱ 3,200.00 + ₱ 1.50/GT in excess of 500 GT
Issuance of Minimum Safe Manning Certificate	- ₱ 12,500.00

X. SCHEDULE OF FINES AND PENALTIES/SANCTIONS

After due notice and hearing, the following administrative fines shall be imposed upon a company found to have violated/contravened Regulation V on any of the conditions for permanent conversion of ships trading status from domestic to international.

First offense	- P 500,000.00
Second offense	- P 1,000,000.00
Third and succeeding offenses	- Cancellation of the CPR

XI. REPEALING CLAUSE

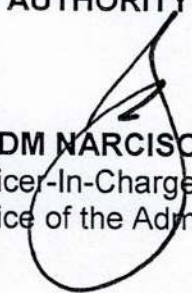
Any provision of the 1997 PMMRR and existing MARINA Rules and Regulations and Orders which are inconsistent herewith are hereby repealed or deemed modified accordingly.

XII. EFFECTIVITY

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

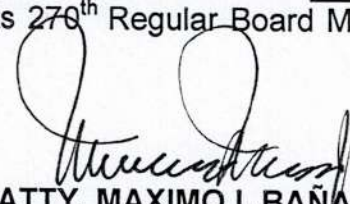
Manila, Philippines, 25 July, 2019.

BY AUTHORITY OF THE BOARD:


VADM NARCISO A VINGSON JR
Officer-In-Charge
Office of the Administrator

SECRETARY'S CERTIFICATE

This is to certify that Memorandum Circular No. OS- 2019-02 has been approved by the MARINA Board during its 270th Regular Board Meeting held on 25 July 2019.


ATTY. MAXIMO I. BAÑARES, JR.
Corporate Board Secretary

Date of Publication: 16 August 2019
Business Mirror

Date of Submission to ONAR:

ANNEX "1"

**PRO-FORMA LETTER OF INTENT FOR APPLICATION PERTAINING
TO THE PERMANENT CONVERSION OF SHIP'S TRADING STATUS
FROM DOMESTIC TO OVERSEAS**

Date: _____

The Administrator
MARITIME INDUSTRY AUTHORITY
Bonifacio Drive Corner 20th Street,
Port Area, Manila

Attention: _____
Director, Overseas Shipping Service

Dear _____:

The (Name of Company) respectfully requests approval from the Maritime Industry Authority (MARINA) to permanently convert the trading status of our Philippine-registered domestic ship, (Name of Ship) from domestic to international in conformity with Memorandum Circular No. _____. Our company intends to change the trading status of the ship in view of (cite reason).

In relation thereto, we respectfully submit herein the pre-approval documents as required in the above-mentioned Memorandum Circular.

We hope that this request merits your kind consideration.

Very truly yours,

NAME OF PRESIDENT OR AUTHORIZED PERSON

(Signature over printed name)