



MEMORANDUM CIRCULAR NO. SR-2020-01

TO : ALL SHIP RECYCLING/ SHIPBREAKING YARDS; SHIPYARDS/ OWNERS/ OPERATORS/ AGENTS OF SHIPS FOR SHIPBREAKING/ SHIP RECYCLING; ALL OTHER CONCERNED

SUBJECT : RULES AND REGULATIONS RELATING TO REGISTRATION AND LICENSING OF SHIPBREAKING/ SHIP RECYCLING FACILITIES AND FOR OTHER PURPOSES

Pursuant to Presidential Decree No. 474, Executive Order No. 125/125-A, Republic Act No. 9295 and its IRR as amended, and guided by the principles of the International Maritime Organization (IMO) Convention for the Safe and Environmentally Sound Recycling of Ships (HK Convention), the Basel Convention on the Technical Guidelines for Environmentally Sound Management of the Hull and Partial Dismantling of Ships, and the International Labour Organization (ILO) Guidelines on Safety and Health in Shipbreaking, the following rules and regulations are hereby adopted.

I. OBJECTIVE

To prescribe standards, requirements and guidelines for the registration and licensing of all entities engaged in shipbreaking/ ship recycling activities in the country and to provide guidelines in the preparation of ship for dismantling/ scrapping/ recycling to prevent environmental, occupational, health and safety risks.

II. COVERAGE

These rules and regulations cover all shipbreaking/ ship recycling yards owned or operated by Filipino citizen and/or foreign national, corporations, sole proprietorship, partnership, cooperative, shipyards, owners/ operators/ agents of ships to be dismantled/ recycled, whether foreign or Philippine-registered and entities engaged or intending to engage in shipbreaking/ ship recycling activities within the Philippines.

III. DEFINITION OF TERMS

1. **"Administration"** refers to the Maritime Industry Authority (MARINA).
2. **"Annual Endorsement"** refers to the endorsement of License after an annual inspection has been conducted for purposes of monitoring

and enforcing of MARINA rules and regulations.

3. ***"Certificate of Inventory of Hazardous Materials"*** refers to the certificate issued either by the Administration or by any MARINA-recognized organization after successful completion of an initial or renewal survey of ship conducted in accordance this Circular.
4. ***"Certificate of Registration of Shipbreaking/ Ship Recycling Facilities"*** refers to the issuance of certificate issued by the Administration that the shipbreaking/ ship recycling facility has implemented management systems, procedures and techniques in accordance with this Circular and officially registered in the MARINA Book of Ship Recycling/ Breaking Yard Registry.
5. ***"Shipbreaking/ Ship Recycling License"*** refers to the issuance or endorsement of certificate issued by the Administration that the MARINA-registered Shipbreaking/ Ship Recycling yard is ready in every respect to engage in dismantling/ recycling of ship. Refer to HK convention in accordance with the provisions of this Circular and its subsequent amendments.
6. ***"Certificate of Completion of Shipbreaking/ Ship Recycling"*** refers to the certificate issued by the Administration to confirm that the ship has been dismantled/ scrapped/ demolished/ recycled in accordance with the Shipbreaking/ Ship Recycling Plan as part of this Circular.
7. ***"Environmentally Sound Management (ESM)"*** refers to a system taking all practicable steps to ensure that hazardous wastes or other wastes are managed in a manner which will protect human health and the environment against the adverse effect which may result from such wastes.
8. ***"Hazardous materials"*** refers to materials posing harm to human health or the environment identified in the IMDG Code, the Basel Convention, or other international authorities or instruments.
9. ***"Importation"*** refers to the direct purchase, lease or charter of newly constructed or previously owned ships, for the purchase of a ship's spare parts from foreign sources or from registered enterprises operating in special economic zones as this term is defined in Republic Act No. 7916 entitled "The Special Economic Zone Act of 1995". Importation also includes the purchase of navigational, communication, safety, rescue and life-saving equipment, shipyard's capital equipment, machinery and its spare parts and ships for shipbreaking / ship recycling purposes.
10. ***"MARINA-Registered Shipbreaking/ Ship recycling yard"*** refers to shipbreaking/ ship recycling yards owned and operated by Filipino

Citizen and/or Foreign National, corporation, partnerships, cooperatives and entities duly registered by the Administration under this Circular and its subsequent amendments.

11. **"On-site Shipbreaking"** refers to a shipbreaking activity done outside a shipbreaking/ ship recycling yard/ facility in case of meritorious circumstances that the vessel cannot be safely moved to the shipbreaking yard.
12. **"Qualification Inspection"** refers to an inspection conducted by the Administration to verify & validate the compliance of the shipbreaking/ ship recycling yard to all the requirements & conditions prescribed by this Circular prior to the registration and issuance of license.
13. **"RENA"** refers to the Registered Naval Architect.
14. **"Ship or Vessel"** refers to any craft or artificial contrivance capable of floating in water, designed to be used or capable of being used as a means of water transportation utilizing its own motive power or that of others.
20. **"Shipbreaking/ Ship Recycling Yard"** refers to the site, yard or facility used for the operation of the shipbreaking/ ship recycling activities.
15. **"Shipbreaking"** refers to the dismantling of an uneconomical or unserviceable ships for the purpose of recovering useful steel and other dismantled parts and the rehabilitation and repair of usable machineries, instruments and devices.
16. **"Ship Recycling"** refers to all associated operations including, mooring or beaching, dismantling, recovery of materials and re-processing.
17. **"Shipbreaking/ Ship Recycling Permit"** refers to authorization issued by the Administration which grants permission to a MARINA-Registered Shipbreaking/ Ship Recycling Yard to start the dismantling/ scrapping/ recycling of a particular ship in accordance with the approved shipbreaking/ ship recycling plan.
18. **"Shipbreaking/ Ship Recycling Plan"** refers to a plan developed by the shipbreaking/ ship recycling yard in consultation with the shipowner, taking into account the potential hazards which may arise during the shipbreaking/ recycling operation, the relevant national and international requirements and the facility available at the relevant shipbreaking/ ship recycling facility in terms of materials, handling and the disposal of any waste generated during the shipbreaking/ recycling process which shall be approved by the Administration or its RO based on the guidelines for the Development of the SRP per IMO Res.

MEPC.196(62).

19. **"Shipbreaking/ Ship Recycling Facility Plan"** refers to a plan for the development and implementation of safe working practices, equipment, technical handling and disposal, capability procedure and appropriate reception facilities for waste and hazardous materials, approved by the Administration.
20. **"Uneconomical or Unserviceable Vessel"** refers to a vessel using too much operating cost such as repair and maintenance cost and resources and unlikely to make a profit.

IV. GENERAL PROVISIONS

REGISTRATION

1. All entities engaged or intending to engage in shipbreaking/ ship recycling activities must be properly registered and issued a "one-time" Certificate of Registration.
2. A Book of Shipbreaking/ Ship Recycling Yard Registry shall be maintained by the Administration and kept open to free inspection by the public during regular office hours and subject to the provision of the rules on "Freedom of Information".
3. MARINA-Registered Shipbreaking/ Ship Recycling Yard shall be deleted from the Book of Shipbreaking/ Ship Recycling Yard Registry under any of the following circumstances:
 - (a). Non-operational for a period of five (5) years; or,
 - (b). Found out to have violated existing government rules and regulations, after due process.
4. The shipbreaking/ ship recycling yard registration shall reflect the nature of operation of the business as shipbreaking/ ship recycling and as one of the primary purpose(s) stated in their: DTI Certificate of registration for Single Proprietorship; SEC Articles of incorporation for Partnership and Corporation; and, CDA Articles of Cooperation.
5. The shipbreaking/ ship recycling yard to be registered must meet the following requirements:
 - 5.1 procedure to handle safely and dispose of properly, any potentially hazardous materials that may be present in the ship such as, but not limited to asbestos, PCDS, halons, petroleum products, residues, etc.;
 - 5.2 provision of appropriate and sufficient personal protection and safety equipment,
 - 5.3 procedure to maintain and monitor the ship in a gas-free

- condition and approved "fit for hot work" during the whole process of shipbreaking/ ship recycling; and,
- 5.4 other documented procedures/ guidelines for operations involving safety records, training programs for workers and assessment of work quality.
6. Qualification inspection is a pre-requisite for new shipbreaking/ ship recycling yard owners and/or operators prior to registration, issuance of license.
7. The shipbreaking/ ship recycling yard shall promote and observe gender equality and women empowerment principles in the workplace in support of the Gender and Development program of MARINA and as mandated by the Republic Act 9710 or the Magna Carta of Women and its Implementing Rules and Regulations.

LICENSING

1. Only MARINA-registered shipbreaking/ ship recycling yard shall be issued a license to undertake shipbreaking/ ship recycling activities within the limits provided by this circular accorded hereto.
2. The license is a pre-requisite to the availment of applicable incentives that may be administered by the Administration and other privileges as may be provided by law.
3. A MARINA-Registered shipbreaking/ ship recycling yard shall show proof of ownership or legal possession of the premises where the shipbreaking/ ship recycling operation shall be undertaken. In cases of leased premises, the contract of lease should have a minimum validity of five (5) years reckoned from the date of the issuance of the License.
4. Annual inspection is required for existing shipbreaking/ ship recycling yards prior to endorsement or renewal of license. Shipbreaking/ ship recycling yard inspection shall be governed by a manual of procedures by the Administration.
5. A MARINA-Registered Shipbreaking/ Ship Recycling Yard licensed under this Circular shall only undertake shipbreaking/ ship recycling activities within the authorized place of business operation. For licensed shipbreaking/ ship recycling yard with two or more places of business operation, the rule of one license for one shipbreaking/ ship recycling yard per location shall apply.
6. A MARINA-Registered Shipbreaking/ Ship Recycling Yard which intends to undertake shipbuilding/ ship repair activities shall secure a separate license to engage in such activity.

7. All MARINA-Registered Shipbreaking/ Ship Recycling Yards licensed under this Circular shall be ISO 9001:2015 and certified by a government recognized organization or a certification body accredited by accreditation bureaus associated with Pacific Accreditation Cooperation (PAC). The certification shall include among other shipbreaking/ ship recycling facility plan in compliance with DOLE Department Circular No. 2009-01, Guidelines on Occupational, Safety and Health in the Shipbuilding, Ship Repair and Shipbreaking Industry; and, DENR-EMB applicable rules and regulations on Environmental Management Systems particularly DENR Administrative Order No. 2013-22 on the Revised Procedures and Standards for the Management of Hazardous Wastes.
8. All mild steel plates to be recycled and used in the construction, alteration, conversion, modification and repair of structural members shall be approved by the Administration or its Recognized Organization (RO) as per approved construction drawings/ plans and meet the respective relevant Class Unified Requirements and/or approved standards by the concerned RO.

V. SPECIFIC PROVISIONS

APPROVAL OF SHIPBREAKING/ SHIP RECYCLING PLAN

1. A MARINA-Registered Shipbreaking/ Ship Recycling yard shall submit to the Administration or its RO the Shipbreaking/ Ship Recycling Plan (SRP) for approval based on the guidelines for the Development of the SRP per IMO Res. MEPC.196(62) prior to the issuance of Shipbreaking/ Ship Recycling Permit.

SHIPBREAKING/ SHIP RECYCLING PERMIT

2. All MARINA-Registered Shipbreaking/ Ship Recycling yards shall secure a Shipbreaking/ Ship Recycling Permit from the Administration prior to the start of dismantling/ recycling of a particular ship in accordance with the approved shipbreaking/ ship recycling plan.
3. The Administration, after the issuance of a Shipbreaking/ Ship Recycling Permit, shall conduct periodic survey of the ship in accordance with the approved shipbreaking/ ship recycling plan.

AUTHORITY TO IMPORT VESSEL FOR SHIPBREAKING PURPOSES

4. Imported ships subject for shipbreaking/ ship recycling shall secure an Authority to Import for shipbreaking/ ship recycling purposes from the Administration and shall be subject to inspection prior to issuance of Shipbreaking/ Ship Recycling Permit.
5. Foreign-flagged vessels operating in Philippine waters which are

subject for ship breaking/ ship recycling, shall secure a clearance from its Flag State and relevant Philippine government agencies such as the Administration, Bureau of Customs and others prior to issuance of Shipbreaking/ Ship Recycling Permit.

ON-SITE SHIPBREAKING/ SHIP RECYCLING

6. All MARINA-registered shipbreaking/ ship recycling entities shall undertake all shipbreaking/ ship recycling operations within its registered yard. In case a ship is impracticable to be brought to any MARINA-Registered Shipbreaking/ Ship Recycling yard, the Administration may exempt the ship from this requirement and may be allowed to perform on-site shipbreaking only in case of the following circumstances:

- 5.1 Imminent Danger/Hazard to Navigation;
- 5.2 Repositioning of decommissioned/wreck/salvaged ships is unsafe;
- 5.3 Non-availability of MARINA-registered shipbreaker;
- 5.4 Imminent Cause of Marine Pollution; and,
- 5.5 Other similar cases requiring immediate attention and where public interest warrants.

7. Shipowners/ operators/ shipbreakers shall secure a Special Permit for on-site shipbreaking from the Administration under meritorious circumstances as defined. The validity of the Special Permit shall be within the projected completion date of the shipbreaking activity. No extension shall be allowed. In case of distressed/ salvage vessel, salvage permit shall be secured from the PCG prior issuance of Shipbreaking permit. All necessary clearances and permits shall be secured from the relevant local authorities where the ship is located (i.e PCG, LGU, Port Authorities, DENR, BFAR).
8. Shipowners/ operators shall ensure that appropriate insurance is in place to cover response and liability in respect of the voyage of the ship to the shipbreaking/ ship recycling yard including insurance for on-site shipbreaking.

VI. QUALIFICATION REQUIREMENTS

1. **Classification and Capitalization.** The applicant for Ship Breaking and Recycling Facilities must comply with the following minimum requirements:

Category	Classification	Facility	Capability	Paid-up Capitalization/ Capitalization + Assets
Shipbreaking/ Ship Recycling (SBK/SRC)	CLASS A	Dry docking facility; Wharf or Quay; Landing; or Beaching area The yard should also have the following: <ul style="list-style-type: none"> • waste reception and disposal facilities • sewage treatment plant • separate storage facilities for hazardous materials 	Capable to dismantle/ scrap ships more than 80 meters in length	P 50,000,000.00
Shipbreaking/ Ship Recycling (SBK/SRC)	CLASS B	Dry docking facility; Wharf or Quay; Landing; or Beaching area The yard should also have the following: <ul style="list-style-type: none"> • waste reception and disposal facilities • sewage treatment plant • separate storage facilities for hazardous materials 	Capable to dismantle/ scrap ships 80 meters in length & below	P 25,000,000.00

2. Staffing Requirements

The applicant must meet the following minimum manpower requirements:

For Technical/ Operation Manager, the yard must have sufficient formal related educational background/ training, knowledge and experience in health, safety, integrated coastal and environmental management, as well as safe operation of environmentally sound ship recycling and waste disposal management.

For Skilled Workers, the yard must have sufficient formal related shipyard trade or skills training (as certified by educational institutions,

classification societies, TESDA, etc.), or proven experienced of at least 3 years in the ship construction and repair and other related industry.

Minimum Number of Permanent Employees

Technical	Class A	Class B
Naval Architect	1	1
Mechanical Engineer	1	1
Electrical Engineer	1	1
Health, Safety & Environment Officer	2	1

Skilled Workers	Class A	Class B
Foreman	3	2
Welder	5	2
Cutter	5	2
Heavy Equipment Operator	2	1
Rigger	3	2

3. Minimum Yard /Machineries and Equipment

Machineries & Equipment	Class A	Class B
Crane	3	2
Cutting Machine & Equipment	10	5
Fire Fighting Equipment	2	1
Draining and Pumping Equipment	5	2
Multi-gas Detector	4	2
Personal Protective Equipment (PPE)	Per worker	Per worker
Breathing Apparatus	Per worker	Per worker

VII. DOCUMENTARY REQUIREMENTS FOR THE REGISTRATION AND LICENSING OF SHIPBREAKING/ SHIP RECYCLING FACILITY

REGISTRATION

- Letter of Application
- Certificate of Registration (e.g. SEC, DTI, CDA)

LICENSING

1. ISSUANCE/ UPGRADING

- Letter of application
- Alien Employment Permit issued by DOLE or BI (for Foreign Nationals)
- Proof of employment and Bio-data of Technical and Skilled Personnel
- Proof of ownership of yard or Lease Contract minimum period for at least five years (only in the case of entities leasing a shipbreaking/ ship recycling facility).
- Shipbreaking/ Ship Recycling Facility Plan
- Proof of training for management, technical and skilled personnel or Certification from the yard or any enterprises related to his/her experience

- g. Valid Mayor's Permit or PEZA Certification including Fire Safety Inspection Certification from BFP
- h. Valid Environmental Compliance Certificate (ECC) Clearance or Certificate of Non-Coverage (CNC) from DENR
- i. Copy of Occupational Safety and Health (OSH) Accreditation/ DOLE Certification
- j. Duly accomplished Data Sheet using forms prescribed by the Administration

2. RENEWAL

- a. Letter of application
- b. Alien Employment Permit issued by DOLE or BI (for Foreign Nationals)
- c. Proof of employment and Bio-data of Technical and Skilled Personnel
- d. Proof of ownership of yard or Lease Contract minimum period for at least five years (only in the case of entities leasing a shipbreaking/ ship recycling facility).
- e. Proof of training for management, technical and skilled personnel or Certification from the yard or any enterprises related to his/her experience
- f. Valid Mayor's Permit or PEZA Certification including Fire Safety Inspection Certification from BFP
- g. Valid Environmental Compliance Certificate (ECC) Clearance or Certificate of Non-Coverage (CNC) from DENR
- h. Copy of Occupational Safety and Health (OSH) Accreditation/ DOLE Certification
- i. Copy of valid ISO 9001:2015 QMS Certificate with proof of accreditation of the Certification Body
- j. Shipbreaking/ Ship Recycling yard Annual Report
- k. Latest Audited Financial Statement stamped received by BIR
- l. Duly accomplished Data Sheet using forms prescribed by the Administration
- m. Original License

3. ANNUAL ENDORSEMENT

- a. Letter of application
- b. Copy of valid Mayor's Permit
- c. Original License
- d. Duly accomplished Data Sheet using forms prescribed by the Administration
- e. Latest Audited Financial Statement
- f. Shipbreaking/ Ship Recycling yard Annual Report

- 4. Electronic copy of documentary requirements may be submitted through the official e-mail address of the concerned MARINA office, subject to pre-evaluation for issuance of Authority to Accept Payment (ATAP).

In the absence of the following documentary requirements due to process period of issuance, an Oath of Undertaking may be submitted enclosed with

certification from issuing Agency that the company has already have an ongoing application and/or official receipt of the application:

- 4.1 Valid Environmental Compliance Certificate Clearance (ECC) from DENR.
- 4.2 Copy of Occupational Safety and Health (OSH) accreditation/DOLE Certification
- 4.3 Alien Employment Permit issued by DOLE or BID (for Foreign Nationals)

VIII. VALIDITY OF LICENSE

The License shall be valid for a period of five (5) years subject to annual endorsement unless revoked/cancelled. The License ceases to be valid if not endorsed.

IX. CONDITIONS AND OBLIGATIONS ATTENDANT TO THE LICENSE ISSUED

1. The License is non-transferable.
2. The original License shall be displayed in a conspicuous place in the main office and photocopy of the certificate shall be posted at its place of business.
3. A licensed shipbreaking/ ship recycling yard intending to withdraw or temporarily suspend its business operations is required to submit written notice to the Administration within thirty (30) calendar days prior to suspension of operations and the Original License must be surrendered.

A License surrendered may be reissued within the five (5) year validity period provided that inspection requirements are complied with. Otherwise, a new License shall be issued by the Administration.

In case of withdrawal, the licensed shipbreaking/ ship recycling yard shall be required to surrender the original certificate of registration and shall automatically be dropped from the Registry Book.

4. The application for the renewal of license must be filed at least thirty (30) days before the expiry date. No license shall be renewed unless an inspection shall have been conducted.
5. License not renewed and/or endorsed on time shall be assessed an additional fee/surcharge of fifty percent (50%) or the processing fee for each month of default or any fraction thereof, which shall be without prejudice to the imposition of administrative, fines and penalties for operating without valid MARINA License prescribed under Section 12

of this Circular.

6. A license valid for five (5) years shall be endorsed annually by the Administration. Non-endorsement of License shall be subject to penalties under Section 12 of this Circular.
7. Licensed shipbreaking/ ship recycling yard or shipowner/ operator shall secure a shipbreaking/ ship recycling permit prior to dismantling/ scraping of ships. Licensed shipbreaking/ ship recycling yard or shipowner/ operator shall be required to submit and secure approval of shipbreaking/ ship recycling plan from the Administration or its recognized organizations.
9. Only licensed shipbreaking/ ship recycling yards shall undertake dismantling of imported ships with approved Authority to Import Vessel for shipbreaking/ ship recycling purpose.
10. The Administration, may at any time conduct random compliance monitoring to verify the compliance the rules and regulations prescribed under this Circular.
11. A Licensed shipbreaking/ ship recycling yard shall inform/ submit to the Administration the following:
 - 11.1 New business address and telephone numbers within ten (10) days after the actual change;
 - 11.2 Names of new Director or other principal officer within thirty (30) calendar days after the appointment; and,
 - 11.3 Certified true copy of approved Amendment of Articles of Incorporation/ Partnership or By-laws within thirty (30) calendar days after approval (if any);
 - 11.4 Names of the authorized signatories of the company;
 - 11.5 Any changes in the lease contract;
 - 11.6 Hiring/list of Service Contractors.
12. A licensed shipbreaking/ ship recycling yard shall maintain a record book and electronic copy of records registered by the Administration indicating the daily activities (job orders) of the yard and shall be made available for inspection anytime.
13. All licensed shipbreaking/ ship recycling yards shall provide personal protective equipment, tools and other safety devices to inspectors and workers.

- 14 All licensed shipbreaking/ ship recycling yard shall inform the Administration of any shipbreaking/ ship recycling activities prior to the commencement thereof and shall submit a report of ships dismantled within five (5) days after the end of each quarter. Further, the Administration shall undertake monitoring and inspection
- 15 All licensed shipbreaking/ ship recycling yard shall work within the guidelines prescribed by the environmental authorities and present a license/certificate that has been issued in this respect.
- 16 All licensed shipbreaking/ ship recycling yard when using sub-contractors either for ship breaking and/or transporting/collecting waste products and/or transporting/handling hazardous material, shall employ only properly licensed sub-contractors by relevant government entities.
- 17 All licensed shipbreaking/ ship recycling yard shall strictly observe existing rules and regulations regarding the handling and disposal of hazardous products.

X. DOCUMENTARY REQUIREMENTS FOR AUTHORITY TO IMPORT FOR SHIPBREAKING PURPOSES; SHIPBREAKING/ SHIP RECYCLING PLAN APPROVAL; SHIPBREAKING/ SHIP RECYCLING PERMIT; ON-SITE SHIPBREAKING

1. Authority to Import for Shipbreaking Purposes

Pre-Approval

- 1.1 Letter of Application including request for endorsement to DFA for issuance of Provisional Certificate of Philippine Registry, if necessary
- 1.2 General Arrangement Plan
- 1.3 MOA or Deed of Sale
- 1.4 Latest Certificate of Good Standing or Company Seal of the Registered Owner
- 1.5 Board Resolution/Power of Attorney authorizing the signatories to enter into and sign the MOA or DOS in behalf of the Registered Owner
- 1.6 Duly notarized Board Resolution, certified by the Board Secretary authorizing the filing of the application and designating the official representative to represent the company
- 1.7 Copy of valid CVR
- 1.8 Inventory/List of Onboard Hazardous Wastes
- 1.9 Insurance

Post-Approval

- 1.9 Certificate of Deletion, Certificate on Inventory of Hazardous Materials, and Certificate of Ready for Recycling, from the vessel's registry, duly notarized/authenticated at the nearest Philippine Consulate/Embassy in the state of registry
- 1.10 Duly Notarized/Authenticated MOA or DOS

- 1.11 Protocol of Delivery and Acceptance
- 1.12 Import Entry and Internal Revenue Declaration and Proof of Payment of the Import Duties and Taxes from the BUCUS (Original receipts shall be presented for verification purposes)

2. Shipbreaking/ Ship Recycling Plan Approval

- 2.1 Letter of Application
- 2.2 Ship-specific Shipbreaking/ Ship Recycling Plan based on the guidelines for the Development of the SRP per IMO Res. MEPC.196(62)

3. Shipbreaking/ Ship Recycling Permit

- 3.1 Letter of Application including request for periodic survey
- 3.2 Certificate of Deletion or Shipbreaking/ Ship recycling Sale and Purchase Contract
- 3.3 Approved Ship-specific Shipbreaking/ Ship Recycling Plan
- 3.4 Certificate of Inventory of Hazardous Materials
- 3.5 Proof of Compliance to post-approval conditions (for imported ships for shipbreaking)

4. On-site Shipbreaking/ Ship Recycling (Special Permit)

- 4.1 Letter of Application including request for periodic survey
- 4.2 Certificate of Deletion or Shipbreaking/ Ship recycling Sale and Purchase Contract
- 4.3 Approved Ship-specific Shipbreaking/ Ship Recycling Plan
- 4.4 Certificate of Inventory of Hazardous Materials
- 4.5 Clearance form PCG, LGU and DENR

XI. FEES AND CHARGES

The following fees shall be charged for the issuance, renewal and annual endorsement of license and other applications required by this Circular:

REGISTRATION

Category	Processing Fee (PHP)
CLASS A	10,000.00
CLASS B	5,000.00

LICENSING

Category	Inspection Fee (PHP)	Processing Fee (PHP)	License Certificate (PHP)	TOTAL (PHP)	
				New/ Renewal	Annual
CLASS A	12,400.00	34,400.00	500.00	46,800.00	12,400.00
CLASS B	9,300.00	25,800.00	500.00	35,100.00	9,300.00

**AUTHORITY TO IMPORT FOR SHIPBREAKING PURPOSES;
SHIPBREAKING/ SHIP RECYCLING PERMIT; SPECIAL PERMIT FOR ON-
SITE SHIPBREAKING/ SHIP RECYCLING**

Particulars	Fees (PHP)
Below 1000 GT	
• Less than 10 years old	9,400.00
• 11-14 years old	14,000.00
• 15-20 years old	18,700.00
• Above 20 years old	26,200.00
1000 GT and above	
• Less than 10 years old	13,100.00
• 11-14 years old	19,600.00
• 15-20 years old	26,200.00
• Above 20 years old	32,800.00

SHIPBREAKING/ SHIP RECYCLING PLAN APPROVAL

Particulars	Fees (PHP)
Below 1000 GT	
• Less than 10 years old	2,500.00
• 11-14 years old	3,000.00
• 15-20 years old	3,500.00
• Above 20 years old	4,000.00
1000 GT and above	
• Less than 10 years old	4,500.00
• 11-14 years old	5,000.00
• 15-20 years old	5,500.00
• Above 20 years old	6,000.00

XII. SANCTIONS

1. For engaging in shipbreaking/ ship recycling activity without a MARINA-SBK/SRC License, a person or enterprise shall be subject to closure, to be effected by the MARINA in coordination with an appropriate Law Enforcement Authority after due process.
2. For engaging in ship breaking/ ship recycling operating with expired MARINA-SBK/SRC license, a person or enterprise shall be imposed the following administrative fines:

Category	1 st Violation	2 nd Violation	3 rd & Succeeding Violations
Class A	Php 100,000.00	Php 200,000.00	Closure after due process plus 200% of first violation fines
Class B	Php 75,000.00	Php 150,000.00	

Likewise, for ship owner/ operator hiring or commissioning the services of a non-licensed shipbreaking/ ship recycling entity shall be imposed

the following administrative fines:

1 st Violation	2 nd Violation	3 rd & Succeeding Violations
Php 100,000.00	Php 200,000.00	Closure after due process plus Php 300,000.00

3. For engaging in shipbreaking/ ship recycling operating with non-endorsed MARINA-SBK/SRC license, a person or enterprise shall be imposed the following administrative fines.

Category	1 st Violation	2 nd Violation	3 rd & Succeeding Violations
Class A	Php 75,000.00	Php 150,000.00	Closure after due process plus 200% of first violation fines
Class B	Php 50,000.00	Php 100,000.00	

4. Non-submission of required reports:

Category	1 st Violation	2 nd Violation	3 rd & Succeeding Violations
Class A	Php 3,000.00	Php 6,000.00	200% of first violation fines and cancellation/ revocation of License
Class B	Php 1,500.00	Php 3,000.00	

5. Failure to secure valid ISO Certification on time as per Section IV, Transitory Provision:

Category	1 st Violation	2 nd Violation	3 rd & Succeeding Violations
Class A	Php 100,000.00	Php 200,000.00	Closure after due process plus 200% of first violation fines
Class B	Php 50,000.00	Php 150,000.00	

6. Failure to comply with provision of Section V (Authority to Import for Shipbreaking Purposes)

Category	1 st Violation (PHP)	2 nd Violation (PHP)	3 rd & Succeeding Violation (PHP)
Class A	Php 200,000.00	Suspension of License Plus 100% of first violation fines	Closure after due process Plus 200% of first violation fines
Class B	Php 100,000.00		

7. Failure to comply with provision of Section V (Shipbreaking/ Ship Recycling Plan Approval; and/or Shipbreaking/ Ship Recycling Permit/ Special Permit) including submission of spurious/tampered/fake documents and unauthorized/ unlicensed signatory/s required for the

approval all plans and specification for ship breaking/ recycling/ dismantling

Category	1 st Violation (PHP)	2 nd Violation (PHP)	3rd & Succeeding Violation (PHP)
Class A	Php 100,000.00	Suspension of License Plus 100% of first violation fines	Closure after due process Plus 200% of first violation fines
Class B	Php 75,000.00		

8. Violations of conditions and obligations attached to the license under Section IX:

8.1 Submission by the yard of any false statement or misrepresentation or fraudulent or tampered or irregularly issued certificates, license, or documents;

Category	1 st Violation (PHP)	2 nd Violation (PHP)	3rd & Succeeding Violation (PHP)
Class A	100,000.00	Suspension of License Plus 100% of first violation fines	Closure after due process Plus 200% of first violation fines
Class B	75,000.00		

8.2 Other conditions of Section IX of this Circular; and,

Category	1 st Violation (PHP)	2 nd Violation (PHP)	3rd & Succeeding Violation
Class A	50,000.00	Suspension of License Plus 100% of first violation fines	Closure after due process Plus 200% of first violation fines
Class B	25,000.00		

9. The MARINA may, after due notice and hearing, suspend/ cancel/ revoke the license to operate of a MARINA-Registered Shipbreaking/ ship recycling yard for any of the following grounds:

- 9.1 Failure to maintain the qualifications for registration as required in Section V.
- 9.2 Willful or gross violation of shipyard laws and rules and regulations.
- 9.3 Violation of environment protection laws and rules and regulations.

XIII. TRANSITORY PROVISION

1. All existing licensed MARINA-Shipbreaking/ Ship Recycling entities shall be required to re-register and comply during the renewal or annual endorsement

of license upon effectivity of this circular.

2. All MARINA-Registered licensed SBK/SRC shall be required to comply with Section IV.7 (Licensing) within one (1) year to be reckoned on the next annual inspection upon effectivity of this circular.

XIV. REPEALING CLAUSE

MARINA Memorandum Circulars No. 95, 178, and other issuances which are inconsistent herewith are hereby repealed, modified or amended accordingly

XV. EFFECTIVITY

This Circular shall take effect fifteen (15) days after publication once in one (1) newspaper of national circulation or in the Official Gazette.

Done in the City of Manila, Philippines, this 23rd day of April 2020.

BY THE AUTHORITY OF THE BOARD:


VADM ROBERT A EMPEDRAD AFP (Ret)
Administrator

SECRETARY'S CERTIFICATE

This is to certify that Memorandum Circular No. SR-2020-01 has been approved by the MARINA Board in its 275th Regular Board Meeting held on 23 April 2020.


ATTY. EUSEBIA CADLUM-BOCO
Corporate Board Secretary

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