



**MEMORANDUM CIRCULAR**

No. DS-2022-01

Series of 2022

**TO : ALL SHIPOWNERS/OPERATORS/CHARTERERS OF PHILIPPINE REGISTERED SHIPS**

**SUBJECT : AMENDMENT TO MEMORANDUM CIRCULAR NO. 2008-07 ON THE REVISED RULES ON THE ASSESSMENT AND COLLECTION OF ANNUAL TONNAGE FEE (ATF)**

Pursuant to Presidential Decree No. 474, Executive Order 125 and Republic Act No. 9295 and its Revised Implementing Rules and Regulations, the following Revised Rules on the Assessment and Collection of Annual Tonnage Fee (ATF) are hereby adopted and prescribed:

**I. OBJECTIVE**

This Memorandum Circular aims to implement standardized and effective guidelines among MARINA Regional Offices (MROs) in the assessment and collection of ATF to effectively and efficiently administer, supervise and regulate domestic ships for the promotion and development of the Philippine maritime industry.

**II. COVERAGE**

This Circular covers the assessment and collection of ATF from all operating Philippine-registered ships in the domestic trade except fishing, and recreational boats for private use.

Any ship owned by a government entity, or duly registered non-government organization whether national or local, is exempted from the provisions of this Circular unless engaged in commercial operation.

**III. DEFINITION OF TERMS**

1. **"Administration"** refers to the Maritime Industry Authority (MARINA);
2. **"Annual Tonnage Fee"** refers to the annual fee collected from a Philippine registered shipowner calculated based on the gross tonnage of the ship;
3. **"Registered shipowner"** means the owner of the ship or another organization or person such as the manager, or the bareboat charterer, who has assumed the responsibility for the operation of the ship from the owner and who, on assuming such responsibility,



has agreed to take over the duties and responsibilities in the operation of ship;

4. **"Decommissioning of ship"** means removing the ship from service;
5. **"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;
6. **"Domestic Ship Operator" or "Domestic Ship Owner"** refers to a citizen of the Philippines, or a commercial partnership wholly owned by Filipinos, or a corporation at least sixty percent (60%) of the capital of which is owned by Filipinos, which is duly authorized by the MARINA to engage in the business of domestic shipping;
7. **"Domestic Shipping"** refers to the transport of passengers or cargoes, or both, by ships duly registered and licensed under Philippine laws to engage in trade and commerce between and among Philippine ports and within the Philippine territorial or internal waters, for hire or compensation, with general or limited clientele, whether permanent, occasional or incidental, with or without fixed routes, and done for contractual or commercial purposes;
8. **"Pioneer Status"** refers to the status or classification or category granted to domestic shipowners/operators who will introduce IACS-classed brand new or newly constructed ships in their authorized or applied routes with corresponding benefits and privileges appurtenant thereto;
9. **"Private use"** in relation to recreational boats means the use of the recreational boats by the owner or his/her guests for sports and pleasure/recreational purposes, without any such guests having to pay any fee or any other form of consideration;
10. **"RORO Missionary Status"** refers to the privilege accorded to RORO vessels and other similar type of ships that will provide shipping service in a missionary route;
11. **"Ship in operation"** means that the ship is not in drydock or not in lay-up condition;
12. **"Staggered or Installment mode"** refers to an option for gradual payment of ATF in regular intervals over a period of time;
13. **"Surcharge"** refers to an extra payment of money in addition to the total assessed ATF for failure to pay the same on time; and
14. **"Non-operation of a ship"** refers to a ship which is temporarily idle due to lack of cargo or which is temporarily phase out of commercial operations or ship in dry-dock for repair, conversion, alterations, conversion and/or



rebuilding or ship for shipbreaking/recycling.

#### IV. GENERAL PROVISIONS

1. **Collection of ATF.** All owners of Philippine-registered ships in the domestic trade shall be required to pay the following amount of ATF with respect to the period of the year in which the payment is made, to wit:

|                                |   |  |
|--------------------------------|---|--|
| P25.00 per gross tonnage (GT)  | - | If payment is made within the first quarter (January 1 - March 31) |
| P30.000 per gross tonnage (GT) | - | If payment is made after the first quarter (April 1 - December 31) |

In cases when the ship is between 0-5 years of age reckoned from its launching date, the ATF is calculated at P10.00 per GT. On the ship's 6th year reckoned from its launching date and onwards, the above schedule of payment shall apply.

In all other cases, however, the minimum payment of ATF shall be Five Hundred Pesos (P500.00) per ship.

2. **Assessment of ATF.** With reference to Article IV.1 above, the ATF shall be assessed on the gross tonnage of each registered ship as of 31 December of the year immediately preceding the calendar year.
3. **When and where to pay the ATF.** The owner of a Philippine-registered ship in the domestic trade shall pay the ATF at any time within the calendar year (CY), and payment shall be made to the respective MARINA Regional Office (MRO) where the ship is registered.
4. **Newly registered ships.** For newly registered ships, the ATF should be assessed and collected from the date of issuance of the Certificate of Philippine Registry (CPR).
5. **Change of Ship's Registry.** In case of a change of the ship's place of registry, the ATF for the preceding year must first be settled with the concerned MRO where the ship is currently registered prior to the transfer of registration to a new place of registry.
6. **Deletion of Ship from the Philippine Registry.** In case of deletion of a ship from the Philippine Registry, the ATF shall be assessed and collected for the duration the ship is in operation prior to the approval/notice of deletion issued by the Administration.

**6.1 Voluntary.** The following circumstances constitute voluntary deletion:

- 6.1.1 Exportation of a ship due to sale to a foreign entity; or



6.1.2 Expiration of Certificate of Philippine Registry (CPR) of bareboat chartered ship; or

6.1.3 Decommissioning of ship.

**6.2 Involuntary.** The following circumstances constitute involuntary deletion:

6.2.1 Total loss of ship as declared by the Administration, or as declared by the concerned insurance company after due process;

6.2.2 Non-operation of a ship without due notice to the Administration for a period of two (2) years;

6.2.3 When the Administration revokes approval of the bareboat charter/lease contract for cause and after due process; or

6.2.4 When the Administration, after due process, orders the deletion from the Philippine Registry of any ship found to have violated government rules and regulations.

7. **Suspension of Operations of a Ship.** Upon due written notice to the Administration, the registered ship owner may suspend operations due to lay-up of the ship, in which case the ATF shall be assessed and collected for the duration the ship is in operation during the year prior to the receipt of such notice of suspension.

8. **Change of Ownership of a Ship.** In case of change of ownership of a ship, the tonnage fee for the immediately preceding year must be paid in full. Failure to show proof of payment shall be a ground for the denial of a request for approval for change of ownership.

Either the Seller or the Buyer shall pay the ATF prior to the registration of the ship to the new owner.

9. **Application for renewal of ship certificates and licenses.** Any application filed by the registered shipowner for ship certificates and licenses, including the company's Certificate of Accreditation, is deemed suspended until full payment of the ATF.

10. **Pioneer Status.** Pursuant to Sec. VI.2 of Memorandum Circular No. DS 2021-03, a shipowner/operator with IACS-classed new or newly constructed ship granted with Pioneer Status shall be charged fifty percent (50%) of the regular fees in all applications, renewals of ship documents, licenses, certificates and permits, including Annual Tonnage Fee for a period of six (6) years. The assessment and collection of ATF for this purpose shall commence from the approval of the amended CPC as prescribed under Section VI of MC DS-2021-03 and its subsequent amendments.



11. **Missionary Status.** Pursuant to Sec. VI.2 of Memorandum Circular No. DS 2021-01, an owner/operator of a ship granted with a RORO Missionary Route Status shall only be charged fifty percent (50%) of the fees and charges in all ship documents, licenses, certificates and permits including the Annual Tonnage Fee (ATF) for the five -year protection of investment period as provided under Sec. VI.1 of the same Circular.
12. The assessment and collection of ATF shall be utilized to finance MARINA's programs, activities and projects for the promotion and development of maritime safety in the country.
13. The Administration in the exercise of its Oversight Function, may not be precluded to adopt a different assessment and ATF collection scheme for special/exceptional cases, subject to the approval of the MARINA Board.

#### **V. SPECIFIC PROVISIONS**

1. The registered shipowner shall file a written request for deletion of a ship from the Philippine Registry under any of the circumstances in Section IV.6.1 supported by the following documentary requirements:
  - 1.1.1 For exportation of a ship due to sale, Authority to Export issued by MARINA;
  - 1.1.2 For expiration of CPR of a bareboat chartered ship, original copy of the CPR last issued;
  - 1.1.3 For ship decommissioning, a duly notarized Undertaking by the domestic shipping operator or firm/entity that the ship is decommissioned. Said decommissioning of the ship needs to be confirmed by the MRO by way of conducting a ship inspection.

The MRO concerned shall issue a Certificate of Deletion upon payment of the filing fee as provided for under MC No. 2015-05 and its subsequent amendments, evaluation of the supporting documentary requirements, inspection of the ship to verify its status under the circumstance in Article V.1.1.3, and approval of the request.

2. The MRO concerned shall issue a letter-notice informing the registered shipowner that his/her ship will be deleted from the Philippine Registry under the circumstances provided under Section IV.6.2.

In cases where the ship is a total loss as declared by the Administration or as declared by the concerned insurance company after due process or upon verification by the Administration, the MRO concerned shall likewise issue a letter-notice informing the registered ship owner that the ship will be deleted from the registry. Within a period of sixty (60) days from the issuance of the letter-notice, the registered ship owner shall submit a reply stating the reasons why the ship should not be deleted from the Philippine Registry. Failure to submit a reply within the prescribed period despite



due notice and proof of receipt of the same, the Administration shall proceed with the deletion of the ship from the registry.

3. The registered ship owner shall file a written notice of suspension of operation due to lay-up of a ship, and submit a notarized Undertaking/Statement that the ship is laid-up stating the specific reasons therefor and related information.
4. The MRO concerned shall conduct an inspection of the ship to confirm its status, and thereafter issue a letter approving or denying the request for suspension of operation. The ATF shall then be assessed and collected covering the period prior to the issuance of the letter of approval or denial.
5. The registered shipowner may request for the issuance of Authority to Accept Payment (ATAP) with the concerned MRO either physically or through e-mail. Payment shall be made within the quarter the ATAP was issued in the concerned MRO's office or through online payment if said facility is available, otherwise, a re-assessment will be made.

#### **VI. SURCHARGE**

Any registered shipowner who fails to pay the ATF on or before 31 December each year shall be imposed a 50% surcharge based on the total assessed amount and non-renewal/non-issuance of applicable licenses/certificates, including the Certificate of Accreditation.

#### **VII. OVERSIGHT FUNCTION**

The Domestic Shipping Service – Central Office shall exercise oversight functions in the monitoring, assessment and review of this Circular's implementation to ensure uniformity and consistency and for purposes of new policy formulation or amendment to existing ones.

#### **VIII. TRANSITORY PROVISIONS**

1. Registered shipowners who have outstanding unpaid ATF prior to the effectivity of this Circular shall be allowed to settle the same in staggered or installment mode by filing a written request to the MRO concerned.
2. Upon approval of the request, payment shall be made in four (4) equal installments without interest within a period of one (1) year from date of letter-approval.
3. Failure of the registered shipowner to pay the ATF after the lapse of one (1) year from the date the staggered or installment payment falls due shall mean revocation of its Certificate of Public Convenience (CPC).

#### **IX. MISCELLANEOUS PROVISIONS**

1. **Repealing Clause.** MC No. 2008-07 is hereby repealed and superseded. Any provision of existing MARINA Circulars, rules and regulations, and other



issuances or parts thereof inconsistent with this Circular is hereby repealed, amended or modified accordingly.

2. **Separability Clause.** Should any provision or part of this Circular be declared by competent Authority to be invalid or unconstitutional, the remaining provisions or parts hereof shall remain in full force and effect and shall continue to be valid and effective.
3. **Effectivity Clause.** This MARINA Memorandum Circular shall take effect fifteen (15) days after its publication in a newspaper of general circulation.

Done in Manila, Philippines, OCT 20 2022, 2022.


BY AUTHORITY OF THE MARINA BOARD:

Atty.  **HERNANI N. FABIA**  
Administrator 

\*Annex A computation for surcharge, staggered/installment mode of payment

### SECRETARY'S CERTIFICATE

This is to certify that the foregoing MARINA Memorandum Circular No. DS-2022-01 has been approved by the MARINA Board in its 293rd Regular Board Meeting held on 20 September 2022.

  
ATTY. SHARON L. DE CHAVEZ-ALEDO  
Board Secretary

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**"ANNEX A"**

**SAMPLE COMPUTATION OF SURCHARGE**

Computation if payment is made after scheduled payment of the year:

500GT ship x Php30.00 = Php15,000.00 for 12 months

Php15,000/2 = Php7,500.00 is the **surcharge**

= Php15,000 + P7,500.00

= **Php22,500.00 is the total ATF and surcharge**