



MEMORANDUM CIRCULAR NO. OS-2023-01

Series of 2023

TO : All Shipowners, Operators, and Managers of Philippine-registered Seagoing Ships, Recognized Organizations and other Maritime Entities concerned

SUBJECT : **REVISED RULES AND REGULATIONS IN THE ACQUISITION, REGISTRATION, DOCUMENTATION AND LICENSING OF SHIPS FOR INTERNATIONAL VOYAGES**

Consistent with the Ten-Year Maritime Industry Development Plan, Republic Act Nos. 11032¹ and 7471², as amended, Presidential Decree (PD) No. 760³, Executive Order Nos. 667⁴ and 125⁵, as amended, the Maritime Industry Authority aims to develop the Philippines into a global maritime hub by strengthening the shipping services for Philippine export, import trade transportation, and development through promulgation of new policy to promote and expand the country's registry of the ships to enable shipping companies to compete globally. The Revised Rules and Regulations in the Acquisition, Registration, Documentation and Licensing of Ships for international voyages are hereby prescribed.

I. OBJECTIVES

This Circular aims:

1. To rationalize and streamline the rules and documentary requirements for ships registered under the Philippine flag; and,
2. To achieve the maximum benefits as envisioned under PD 760, as amended, and RA No. 7471, as amended.

II. COVERAGE

This Circular shall apply to all shipping companies/entities that shall acquire and register ships under the Philippines for international voyages.

¹ Ease of Doing Business and Efficient Service Delivery Act of 2018

² An Act to Promote the Development of Philippine Overseas Shipping

³ Allowing the Temporary Registration of Foreign-owned Vessels under Time Charter or Lease to Philippine National for use in the Philippine Coastwise Trade subject to certain conditions

⁴ Extending Indefinitely the Effectivity of any Charter or Lease Contract pursuant to PD 760, as amended

⁵ Reorganizing the Ministry of Transportation and Communications defining its Powers and Functions and for Other Purpose

III. DEFINITION OF TERMS

1. **Administration** refers to the Maritime Industry Authority (MARINA).
2. **Company** refers to the person/entity qualified under Memorandum Circular (MC) No. 181⁶, and its subsequent amendments, and has complied with the requirements of this Circular for registration under the Philippine flag.
3. **Ship owning company** refers to a company, which at the time of application under this Circular, shall have at least one (1) permanently registered ship under Philippine flag.
4. **Seagoing ships** refers to the Philippine-registered ships engaged in international trade.
5. **Bareboat charter** refers to a contract for the lease of a ship for a stipulated period not less than one (1) year, by virtue of which the lessee has complete possession and control of the ship including the obligation to appoint the Master and the other crew of the ship for the duration of the lease.
6. **Lease-irrevocable purchase** refers to the mode of ship acquisition that is considered bareboat charter. It shall be considered an owned ship only after the full purchase price had been paid.
7. **Importation** refers to the direct purchase of newly constructed or previously owned ships.
8. **Crew** refers to the officers and ratings of the ship.
9. **Philippine national** refers to a citizen of the Philippines or a partnership or association wholly owned by and composed of citizens of the Philippines or of which at least 60% of the capital stock outstanding and entitled to vote is owned and held by Philippine citizens or a trustee of funds for pensions or other employee retirement or separation benefits, where the trustee is a Philippine national and at least sixty percent of the funds will accrue to the benefit of the Philippine national. Provided, that where a corporation and its non-Filipino stockholders own stock in an enterprise, at least 60% of the members of the governing board of both corporations must be Philippine nationals.
10. **Supernumerary** refers to a person who is not a crew of the ship and whose presence onboard is for a specific purpose other than to perform navigation, operation and management functions.

⁶ Rules in the Accreditation of Shipping Companies for Purposes of Acquiring/Operating Philippine-registered Ships for International Voyages under Regulation XV of the PMMRR 1997

11. **Principal officers** refer to the Chief Executive Officer, Chief Operating Officer or any other officer involved in the management and operation of the company.
12. **Ship Plans Approval** refers to the process of reviewing and evaluating the plans based on the applicable rules and regulations by the Administration.

IV. GENERAL PROVISIONS

1. The documentation of ships registered in the Philippine Registry shall be governed by the provisions of this Circular consistent with Chapter XV of the Philippine Merchant Marine Rules and Regulations (PMMRR) 1997, as amended.
2. The Philippines shall exercise exclusive jurisdiction and control over ships registered under its flag. Ships registered pursuant to this Circular shall be issued a Certificate of Philippine Registry (CPR) in accordance with Regulation XV/3.2 of PMMRR 1997, as amended.
 - 2.1. Typographical corrections in the entries of the CPR, Certificate of Ownership (CO), and Minimum Safe Manning Certificate (MSMC) shall be allowed through their re-issuance, provided that the original certificates being corrected shall be surrendered within thirty (30) days from the date of the re-issued CO/CPR/MSMC.
 - 2.2. Where material change in the entries of the CPR, CO and MSMC is to be effected such as in the case of alteration of the ship's specifications or change of name, the Administration shall require the submission of additional documents attesting to the change.
 - 2.3. The period of validity of the CPR of a ship re-issued pursuant to Items 2.1 and 2.2 hereof shall be equivalent to that reflected in the CPR being replaced.
3. The shipping company or other maritime enterprises shall comply with all laws, rules and regulations pertaining to Philippine-registered ships.

V. GENERAL CONDITIONS FOR REGISTRATION OF SHIP

A. Essential requirements

1. Only companies which have complied with the following requirements may bareboat charter ships under EO 667 and PD 760, as amended:

- 1.1. The company shall be accredited under MC 181, and its subsequent amendments, provided, that such accreditation shall be maintained either for the period that it has a bareboat charter, or it has acquired a ship under any of the other modes of acquisition.

- 1.2. The shipping companies shall comply with the paid-up capital as provided below:

<i>Companies and number of ships</i>	<i>Required paid-up capital</i>
Companies with owned ships	₱7.0 million
Companies with ten (10) ships and below	₱10.0 million
Companies with more than ten (10) ships	₱15.0 million

2. Ships registered under this Circular shall be completely manned by Filipino crew, except in cases as may be determined by the Administration.

3. The Administration may allow supernumeraries onboard a Philippine-registered ship under the following circumstances, provided that they shall not perform any of the functions of the crew nor interfere with the operation/management of the ship for a maximum period of six (6) months:

- 3.1. To act as privately contracted armed security personnel;
 - 3.2. To oversee and observe the ship's operating condition on behalf of the registered owner;
 - 3.3. To act as technical personnel in order to carry-out general or specific maintenance of the ship;
 - 3.4. To perform necessary repairs onboard the ship; and,
 - 3.5. Other analogous circumstances.

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. Ships registered under this Circular shall, when calling for the first time at a Philippine port, shall be inspected by authorized MARINA surveyors.
6. All ships registered under this Circular must be maintained in class by a reputable member of the International Association of Classification Societies (IACS). Any change in the classification society of a Philippine-registered ship shall be immediately communicated to the Administration.
7. 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.
8. Companies and ships covered by this Circular shall, at all times, comply with national rules and regulations, as well as international conventions, codes and standards on safety, security and marine environment protection.
9. The ship's plan shall be verified by the Administration.
10. Official deck/engine logbooks to be placed onboard Philippine-registered ships shall be registered with the MARINA.
11. The processing and evaluation of applications shall commence only upon submission of complete documents and payment of the corresponding fees. Incomplete submission of documentary requirements shall be returned to the applicant. The list of documentary requirements and post-approval documents are herein attached as Annexes A to D.

B. Reservation of ship's name

12. A shipping company may reserve the name of a ship they intend to acquire for a period of three (3) months, until its actual registration to the Philippine Registry. The reservation is renewable for another three (3) months upon the expiration of the first three-month period without having been able to register the ship.

C. Change of ship's name

13. The Administration shall approve the change of name for a ship, provided such name has not been assigned nor borne by another ship. In every case where a change of name of a ship is approved, a new CPR/CO/MSMC shall be issued having the same validity period in the Certificate being replaced.
14. When a shipping company desires to change the name of the ship, an application for change of name shall be filed with the MARINA,

together with the amendment of CPR/CO, MSMC and Continuous Synopsis Record to reflect the change thereof.

VI. SPECIFIC PROVISIONS

A. For Bareboat Charter

1. Any foreign-owned ship may be registered in the Philippine Registry through bareboat charter agreement contracted by a Philippine national upon approval by the Administration.
2. A ship shall be registered under this Circular for a period of not less than one (1) year.
3. A ship approved to be registered under the Philippine Registry pursuant to this Circular shall be issued a CPR and MSMC valid for three (3) months, which may be extended for another three (3) months.
4. Upon submission of the Protocol of Delivery and the approved ship plans, a full term CPR and MSMC shall be issued co-terminus with the approved duration of the bareboat charter party. Non-submission of these documents after six (6) months from the date of issuance of the first CPR shall result in the outright cancellation of the authority to register the ship under the Philippine flag.
5. If the bareboat charter party is pre-terminated within one (1) year from date of delivery of the ship, the charterer shall be liable to pay the Administration as penalty the amount equivalent to six (6) months withholding tax or the balance of the withholding taxes due for the whole year, whichever is higher. For purposes of this provision, a ship which has continuously been registered for more than one (1) year under the Philippine flag under the same group of companies shall be deemed to have complied with Regulation VI.A.2 hereof.
6. Any change in the registered owner of a bareboat-chartered ship, including the change in terms and conditions of the charter party shall be approved by the Administration.
7. The bareboat charterer shall ensure that the payment of applicable tax, consistent with the prevailing tax laws, is remitted to the Bureau of Internal Revenue (BIR).
8. Any request for the registration of mortgages of a bareboat-chartered ship by way of cautionary notice, shall be recorded under the "Remarks Section" of the Book of Registry of Philippine Ships.
9. Extension of the registration of the ship for less than one (1) year may be allowed for a period not to exceed three (3) months from the expiration of the CPR. However, for the purpose of finalizing

documentation for the extension of the bareboat charter party or eventual deletion of the ship from the Philippine Registry, extension may be granted for another three (3) months.

10. The extension/renewal of the ship's Philippine registration under the bareboat charter scheme shall be based on its charter contract period.
11. The Administration may issue a letter that it poses no objection to the acquisition of a foreign ship through bareboat charter without prejudice to further evaluation of the documentary and safety requirements of the ship.
12. The Administration may issue a letter that it poses no objection to the sale of a bareboat chartered ship from the registered owner to the new owner.
13. There is no need to re-issue the CPR/MSMC should there be any change of the registered owner, including its change of name. Only a letter approval shall be issued for this purpose.
14. The bareboat charter party shall contain the following provisions:
 - 14.1. Any amendment to the bareboat charter party shall not be valid and binding without prior approval from the MARINA; and,
 - 14.2. That the pre-termination of the bareboat charter party and subsequent deletion of the subject ship from the Philippine Registry shall be upon mutual consent of both contracting parties

B. For Lease-irrevocable purchase

15. The registration of a ship under a lease-irrevocable purchase arrangement shall be governed by this Circular. A ship subject of a lease-irrevocable purchase arrangement shall be treated as a bareboat chartered ship. It shall be considered an owned ship only after the full purchase price had been paid.

C. For Importation

16. The registration of a ship acquired through importation shall likewise be governed by this Circular.
17. A ship acquired through importation shall be issued a permanent CO and MSMC valid for 5 years, only upon submission of the Protocol of Delivery and Acceptance.
18. A ship approved to be registered under the Philippine Registry pursuant to this Circular shall be issued a CPR and MSMC valid for three (3) months, which may be extended for another three (3) months.

19. Upon submission of the Protocol of Delivery and the approved ship plans, a full term CPR and MSMC shall be issued co-terminus with the approved duration of the bareboat charter party. Non-submission of these documents after six (6) months from the date of issuance of the first CPR shall result in the outright cancellation of the authority to register the ship under the Philippine flag.
20. The Contract or Memorandum of Agreement executed by the parties shall govern the terms and conditions of the sale of the ship.

The list of documentary requirements and post-approval documents for ship registration are herein attached as Annexes A to D.

VII. GENERAL CONDITIONS FOR DELETION OF SHIP

1. All ships registered under this Circular shall not be deleted from the Philippine Registry, or in case of bareboat-chartered ship, be reverted to its foreign flag or registry, without the prior approval of the Administration.
2. A Philippine-registered ship shall be deleted or de-registered from the Philippine registry in any of the following cases:
 - 2.1. when the ship is sold or transferred to a foreign national;
 - 2.2. when the ship suffers actual or constructive total loss;
 - 2.3. when the ship is broken up or altered;
 - 2.4. when the charter or the lease of the ship expires or is terminated upon mutual agreement by the contracting parties;
 - 2.5. when the Administration, after due process, orders the deletion from the Philippine registry of any ship found to have violated the government's rules and regulations.
3. The shipping company shall secure legal clearance from the Administration prior to the release of the Deletion Certificate.

VIII. PROCESSING FEES

The provisions of MCs 2015-01, 2018-03, and their subsequent amendments shall apply:

<i>Item</i>	<i>Amount (in PHP)</i>
1. Ship charter/Extension of charter period/ – Novation on bareboat charter contract	24,800.00 for the first three (3) years and additional 5,300.00 for every year thereafter

<i>Item</i>	<i>Amount (in PHP)</i>
2. Certificate of Philippine Registry (CPR)/ Certificate of Ownership (CO) –	3,200 + 1.50/gross tonnage in excess of 500 gt
2.1. Extension of ship's CPR for less than one (1) year –	29,800.00/ship
2.2. Re-issuance/amendment of CPR/ full term CPR –	2,000.00
3. Minimum Safe Manning Certificate (MSMC)	
3.1. Provisional MSMC –	2,500.00
3.2. Full term MSMC –	12,500.00
3.3. Special MSMC –	2,500.00
3.4. Re-issuance for compliance of new IMO regulations –	875.00
4. Change of registered owner –	2,500.00

IX. SANCTIONS

Imposition of the fines and penalties shall be based on the latest and existing MARINA Memorandum Circulars.

X. REPEALING CLAUSE

Any provision of the 1997 PMMRR, MC 90 and existing MARINA rules and regulations which are inconsistent herewith are deemed modified accordingly. MARINA Memorandum Circular Nos. 182, 2012-12, 2015-01 and OS-2019-01 are hereby repealed.

XI. EFFECTIVITY CLAUSE

This Circular shall take effect fifteen (15) days following its publication in the Official Gazette or in a newspaper of general circulation in the Philippines and a copy filed with the UP Law Center.

Manila, Philippines FEB 06 2023

BY AUTHORITY OF THE BOARD:


Atty. **HERNANI N. FABIA**
Administrator

SECRETARY'S CERTIFICATION

This is to certify that Memorandum Circular No. OS-2023-01 has been approved by the MARINA Board during its 295th Regular Board Meeting held on 12 January 2023


Atty. SHARON L. DE CHAVEZ-ALEDO
Board Secretary

Date of publication: 09 February 2023
The Manila Times

Date of submission to ONAR:

ANNEX A

Documentary requirements

Bareboat charter (*provisional registration*)

1. Letter of intent signed by the company's authorized official;
2. Duly signed Bareboat Charter Contract (with names printed below the signatures), provided that the document duly notarized and apostilled in the State where it was executed or duly authenticated by the Philippine Embassy/Consulate concerned shall be submitted within thirty (30) days from approval of the application;
3. Copy of a Certificate of Deletion or Suspension of the original registry or consent to the Bareboat Charter registration in the Philippines by the state of original registry, provided, that the original copy of the document shall be submitted within thirty (30) days from approval of the application;
4. Power of Attorney/Board Resolution/Minutes of the meeting of the Board authorizing the signatory to the bareboat charter party to act as such on behalf of the registered owners, provided that the document duly notarized and apostilled in the State where it was executed. But, in case of none member state the same shall provide duly notarized document in the state where it was executed and apostilled by the Philippine Embassy/Consulate concerned shall be submitted within thirty (30) days from approval of the application;
5. Copy of the ship's subsisting Certificate of Original Registry, provided that the document duly certified to be a true copy of the original by the State of Original Registry or by the Philippine Embassy/Consulate concerned shall be submitted within thirty (30) days from approval of the application;
6. Board Resolution/Secretary's Certificate duly notarized, certified by the Board Secretary, authorizing the filing of the application and designating the officials/ authorized representatives to represent the applicant; and,
7. Builders Certificate (for new buildings)

For uniformity, all post-approval documents be submitted within thirty (30) days from receipt of the MARINA letter approval.

ANNEX B

Documentary requirements

Bareboat sub-charter

1. Letter of intent signed by the company's authorized official;
2. Duly signed Bareboat Charter Contract (with names printed below the signatures), provided that the document duly notarized and apostilled in the State where it was executed or duly authenticated by the Philippine Embassy/Consulate concerned shall be submitted within thirty (30) days from date of the approval of the application;
3. Copy of a Certificate of Deletion or Suspension of the original registry or consent to the Bareboat Charter registration in the Philippines by the state of original registry, provided, that the original copy of the document shall be submitted within thirty (30) days from approval of the application;
4. Power of Attorney/Board Resolution/Minutes of the meeting of the Board authorizing the signatory to the bareboat charter party to act as such on behalf of the registered owners, provided that the document duly notarized and apostilled in the State where it was executed or duly notarized and authenticated by the Philippine Embassy/Consulate concerned shall be submitted within thirty (30) days from approval of the application;
5. Copy of the ship's subsisting Certificate of Original Registry, provided that the document duly certified to be a true copy of the original by the State of Original Registry or by the Philippine Embassy/Consulate concerned shall be submitted within thirty (30) days from approval of the application;
6. Board Resolution/Secretary's Certificate duly notarized, certified by the Board Secretary, authorizing the filing of the application and designating the officials/ authorized representatives to represent the applicant;
7. Builders Certificate (for new buildings); and,
8. Copy of the consent of Registered Owners to the Bareboat Sub-Charter Agreement entered into by and between the disponent owners and bareboat sub-charterers, provided, that the document duly notarized and apostilled in the State where it was issued/executed or notarized and authenticated by the Philippine Embassy/Consulate concerned shall be submitted within thirty (30) days from approval of the application.
9. Power of Attorney or Board Resolution/Minutes of Meeting of the Board authorizing the person who issued the consent to act as such on behalf of the bareboat charterers, provided that the document duly notarized in the State where it was issued/executed and/or apostilled by the Philippine Embassy/Consulate concerned shall be submitted within thirty (30) days from approval of the application.

For uniformity, all post-approval documents be submitted within thirty (30) days from receipt of the MARINA letter approval.

Lease-irrevocable purchase/Importation

1. Letter of intent signed by the company's authorized official;
2. Copy of the valid Certificate of Vessel Registry (Patente);
3. Board Resolution of the registered owner/seller, authorizing the sale of the vessel and designating the officials/authorized representatives to represent the registered owners/sellers (must be notarized in the state where the documents were issued/executed and verified/authenticated/apostilled by the Philippine Embassy/Consulate concerned);
4. Memorandum of Agreement executed by and between the parties concerned;
5. Loan agreement, if any

Annex C

Other documentary requirements

Extension of bareboat charter for less than one (1) year

1. Letter of intent signed by the company's authorized official; and,
2. Letter of Consent of the Owner.

Amendment of any provision of Bareboat Charter Contract

1. Letter of intent signed by the company's authorized official; and,
2. Original/photocopy of Addendum to the charter contract.

Change of ship's name

1. Letter of intent signed by the company's authorized official

Reservation of ship's name

1. Letter of intent signed by the company's authorized official

Cautionary notice of mortgage (for bareboat-chartered ship)

1. Letter of intent signed by the company's authorized official
2. For registration: Copy of mortgage contract
3. For cancellation: Discharge of mortgage of ships/other relevant documents

Deletion of ship from the Philippine Registry

1. Letter of intent signed by the company's authorized official;
2. Copy of registered owner's consent to the deletion;
3. Copy of full payment of 4.5% withholding tax for the company's last ship;
4. For re-deletion: Copy of registered owner's consent to the postponement of deletion;
5. For owned ship: Letter of application signed by the officer of the company or its authorized representative.

ANNEX D

Post approval documents of bareboat charter applications

The following post-approval documents, if applicable, shall be submitted within the prescribed period as stipulated in the MARINA approval:

1. Colored photographs (different angles) of the ship showing the place of registry in the astern portion;
2. Certified true copy of the ship's Protocol of Delivery and Acceptance;
3. Sworn statement of crew salaries and wages (on an annual basis), indicating therein the names of all crew members, their respective positions and corresponding salaries/wages;
4. Ship's dry-docking schedule and list of survey status;
5. Proof of monthly payment of the 4.5% withholding tax with a breakdown of payments by ship;
6. Original copy of a document issued by the State of original registry providing details of the ship's name, ownership and registered mortgages.