



REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF TRANSPORTATION
MARITIME INDUSTRY AUTHORITY

MEMORANDUM CIRCULAR

DS - No. 2025-04

Series of 2025

TO : ALL DOMESTIC SHIPOWNERS OR OPERATORS AND ALL OTHERS CONCERNED

SUBJECT : REVISED RULES AND REGULATIONS ON THE GRANT OF PIONEER STATUS

Pursuant to Presidential Decree No. 474 (1974) the 2014 Amendments to the Revised Rules and Regulations Implementing Republic Act No. 9295 (2004), Executive Order 909, (2010) and Republic Act (RA) 11659 (2024), the following revised rules and regulations are hereby adopted:

I. OBJECTIVES

1. To optimize the Pioneer Status incentives as a strategic tool for driving investment in brand new IACS-classed ships, expanding route connectivity, and accelerating fleet modernization in the domestic shipping sector.
2. To strengthen policy implementation by promoting equitable access to incentives, reinforcing compliance mechanisms, and ensuring their responsible and effective use.
3. To establish a predictable, rules-based framework for the grant, monitoring, and evaluation of Pioneer Status incentives to safeguard public interest, promote equitable participation among qualified domestic shipping operators, and ensure alignment with government maritime development priorities.

II. COVERAGE

This Circular shall apply to brand new, IACS-classed RoRo Passenger (RoPax) ships, whether owned or chartered by domestic shipowners or operators, that are intended for deployment on routes proposed for grant of Pioneer Status and duly authorized for operation in the liner service.

III. DEFINITION OF TERMS

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

- a. **Abandonment of Service** shall refer to the voluntary or permanent withdrawal of service by a Pioneer Status grantee within the protection period, including the suspension or non-operation of the authorized route for a continuous period of three (3) months or more without MARINA's prior approval, regardless of reason, including but not limited to sale, lay-up, or non-deployment of the vessel.
- b. **Brand New Ship** shall refer to a newly constructed vessel, built either in the Philippines or abroad, whose age does not exceed one (1) year from the date of launching as stated in the shipbuilding contract or builder's certificate.
- c. **Certificate of Public Convenience (CPC)** shall refer to the license or authority issued by MARINA granting a domestic shipowner / operator the right to engage in domestic shipping services in accordance with applicable laws, rules, and regulations.
- d. **Domestic Shipping** shall refer to the carriage of passengers and/or cargo, by ships duly registered and licensed under Philippine laws to engage in trade and commerce between and among Philippine ports and within 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.
- e. **Domestic Ship Operator or Domestic Shipowner** shall refer to a citizen of the Philippines or a foreign national, a commercial partnership or corporation or single proprietorship, duly organized under Philippine laws with its principal place of business in the Philippines, duly authorized by MARINA to engage in domestic shipping.
- f. **IACS-classed Ships** shall refer to vessels that are designed, constructed, and maintained in full compliance with the rules and standards of a classification society that is a member of the International Association of Classification Societies (IACS).
- g. **Liner Service** shall refer to the operation of a domestic ship which publicly offers carriage of passengers and/or cargoes without discrimination, with regular ports of call or destination and fixed sailing schedules and frequencies.
- h. **Pioneer Status** shall refer to the privilege granted to brand new, IACS-classed ships deployed by the shipowner or operator on an applied for or authorized route, entitling them to incentives and privileges under this Circular.
- i. **Route with Pioneer Status** shall refer to an authorized route, from port of origin to port of destination, which may include one or more inter-regional links, officially designated by MARINA for the operation of a vessel granted Pioneer Status in accordance with applicable laws, rules, and regulations.
- j. **Suspension of Service** shall refer to a MARINA-authorized temporary stoppage

of operations, not exceeding six (6) months. Suspension beyond this period shall be deemed abandonment of the authorized route or portion thereof.

IV. GENERAL PROVISIONS

- 1. Grant of Pioneer Status.** Pioneer Status may be granted to brand new, IACS-classed ships intended for deployment in liner service on the applied for or authorized specific route of a domestic shipowner / operator.
- 2. Maintenance of IACS Classification.** Ships granted Pioneer Status must maintain IACS classification for the entire six (6)-year duration.
- 3. Availability of Port Facilities.** Prior to granting Pioneer Status, MARINA, in coordination with concerned port authorities, shall verify the availability of compatible ramp or berthing facilities at intended ports of call and destination.
- 4. Issuance and Effectivity of Letter-Approval.** A Letter-Approval shall be issued to a qualified shipowner / operator. Pioneer Status shall take effect on the date indicated therein.
- 5. Certificate of Public Convenience (CPC) Requirements.** The grantee shall secure the necessary CPC amendment or approval prior to vessel deployment. Failure to comply shall result in revocation of Pioneer Status and opening of the route to other qualified operators. A Pioneer Status grantee shall enjoy priority in CPC issuance for any proposed route.
- 6. Prescribed Periods for Vessel Deployment.**
 - a. Six (6) months from the issuance of Letter-Approval granting Pioneer Status for vessels already delivered in the Philippines.
 - b. One (1) year from Letter-Approval granting Pioneer Status for vessels yet to arrive in the Philippines.

V. SPECIFIC PROVISIONS

- 1. Eligibility of Proposed Routes.** A domestic shipowner / operator may propose Pioneer Status operations on any route, whether or not an existing shipping service is present.
- 2. Entitlement to Incentives.** Ships with Pioneer Status are entitled to incentives in Section VI of this Circular, subject to continued compliance with the conditions of the grant.
- 3. Operations Beyond Pioneer Status Route.** Ships with Pioneer Status may be authorized to operate on routes beyond their approved routes, provided that such operations are in compliance with the terms and conditions outlined in the Letter-Approval and the CPC.



4. Continuation of Existing Shipping Services. Operators with a valid CPC before the grant of Pioneer Status for the same route may continue operating for their CPC's duration, subject to restrictions to protect the Pioneer Status investments.

The following restrictions shall apply to the existing service:

- a. No expansion of service frequency without MARINA approval;
- b. No increase in vessel capacity without MARINA approval;
- c. No deployment of additional vessels on the protected route segment without MARINA approval; and
- d. Replacement of existing ship may be allowed, not necessarily brand new or IACS-classed, provided it complies with MARINA rules and regulations, holds valid safety certificates, and does not adversely affect the Pioneer Status grantee's capacity to recover its investment.

5. Permitted Suspension of Service. Suspension may be allowed for up to six (6) months under specified circumstances:

- a. Mechanical or engine trouble;
- b. Maritime casualty;
- c. Emergency sea lift operations;
- d. Peace and security issues affecting the route;
- e. Port repairs; or
- f. Fortuitous events or force majeure.

6. Requirement for Timely Notification. Written notice to MARINA is required within twenty-four (24) hours from the occurrence of any event involving vessel replacement, suspension of operation, transfer to another route, or any change affecting the Pioneer Status.

7. Temporary Vessel Replacement. Upon notification to MARINA, a Pioneer Status may be temporarily replaced by a similar type of ship, not necessarily brand new or IACS-classed, provided it complies with existing MARINA rules and regulations and holds valid safety certificates. Such replacement shall be effected within twenty (20) calendar days from the date of stoppage.

8. Extension of Temporary Suspension. If safety issues affecting the seaworthiness of the vessel are verified, MARINA may allow an extension of the temporary suspension, subject to the continued implementation of the approved vessel replacement arrangement.

9. Abandonment of Service. The grantee shall not commit abandonment of service, as defined in Section III hereof. Unjustified or intentional cessation of operations without lawful cause shall constitute abandonment of shipping service and shall be a ground for the revocation or cancellation of the Pioneer Status during the protection period.



10. Compulsory Engagement in Emergency Sealift Operations. Pioneer Status vessels compulsorily engaged in emergency sealift operations are exempt from replacement requirements.

11. Pioneer Status for Bareboat Chartered Vessels. Pioneer Status vessels acquired through bareboat charter (BBC) under Presidential Decree No. 760, as amended, incentives shall be co-terminus with the approved BBC contract but shall not exceed six (6) years.

VI. INCENTIVES

The following incentives shall be granted to IACS-classed brand new vessels operating as "Liner" under a valid Pioneer Status grant, commencing from the date of Letter-Approval, subject to continued compliance with the provisions of this Circular:

1. Route Protection. A six (6)-year, non-transferable and non-extendable route protection shall be accorded to the Pioneer Status grantee to safeguard its capital investment.

a. **Priority in Additional Deployment.** When MARINA determines that the authorized route requires additional capacity ("bottoms"), the Pioneer Status grantee shall have the first priority to deploy additional vessels.

b. **Restriction on Competing Services.** No additional vessel shall be authorized to operate on the same primary origin and destination ports as the granted route, offering an equivalent or substitute liner service, unless public interest so requires due to insufficient capacity or pressing national economic needs.

c. **Peripheral Port Operations.** Operations of new or additional ships, other than the ships with Pioneer Status to or from ports located beyond a fifteen (15)-kilometer radius of the primary origin or destination port may be allowed upon prior MARINA approval, provided such operations will not undermine the objectives of the Pioneer Status grant.

d. **Long-Haul Voyages with Partial Route Overlap.** Operations of new or additional ships for long-haul voyages with a different primary origin and/or destination from the protected route may be considered, notwithstanding partial route overlap, subject to MARINA's evaluation on whether such overlap materially prejudices the grantee's investment recovery.

2. Drydocking and Underwater Inspection. A Pioneer Status vessel shall be allowed to undertake its first mandatory drydocking on the fifth (5th) year from the date of issuance of the Letter-Approval. In lieu of the scheduled drydocking during the second



and a half (2½) year, the vessel shall undergo an underwater inspection (UWI) in accordance with MARINA-prescribed procedures and standards.

3. Discount on Fees and Charges

- a. **Initial Waiver.** Pioneer Status grantees shall be entitled to a one-time waiver of fees for the issuance of the vessel's initial ship documents and certificates.
- b. **Reduced Fees for the Grant Period.** From the second year of the Pioneer Status grant until its expiry, MARINA shall charge only fifty percent (50%) of the applicable fees for all relevant ship documentation and issuances, including the Annual Tonnage Fee (ATF).

4. Expedited Processing of Applications. To promote operational efficiency, MARINA shall process all Pioneer Status-related applications within twenty (20) working days from receipt of complete requirements. Considering the IACS classification and brand-new status of the vessel, MARINA may simultaneously process the following:

- a. Vessel registration and licensing;
- b. Authentication of Loadline and Stability Certificates issued by IACS;
- c. Vessel inspection and issuance of safety certificates;
- d. Company/ship audit and issuance of the Document of Compliance (DOC) and Ship Management Certificate (SMC); and
- e. Issuance or amendment of the Certificate of Public Convenience (CPC) or franchise.

VII. QUALIFICATION REQUIREMENTS

1. Vessel Eligibility

To qualify for the grant of Pioneer Status, the vessel must meet the following requirements:

- a. Be classed with a member of the International Association of Classification Societies (IACS);
- b. Be a brand new ship, built either abroad or by a MARINA-licensed local shipyard; and
- c. Be owned and/or operated by a domestic shipowner or operator, which may include entities with up to one hundred percent (100%) foreign equity as permitted under Republic Act No. 11659, and manned by duly qualified Filipino officers and crew in accordance with applicable maritime and labor regulations.

2. Shipowner or Operator Eligibility

The shipowner or operator applying for Pioneer Status must:



- a. Own or operate a Philippine-flagged brand new IACS-classed vessel;
- b. Be duly accredited by MARINA; and
- c. Hold a valid and existing Certificate of Public Convenience (CPC) or franchise issued by MARINA.

3. Proof of Compliance. Applicants shall submit documentary evidence demonstrating compliance with the foregoing qualification requirements, including but not limited to:

- a. **For IACS Classification.** A valid Classification Certificate issued by an IACS member;
- b. **For Brand New Status.** Builder's Certificate and proof of launching date, or Shipbuilding Contract for vessels under construction;
- c. **For Ownership and Flag State.** Certificate of Ownership and Philippine Registry;
- d. **For MARINA Accreditation.** A valid MARINA Accreditation Certificate for the shipowner/operator;
- e. **For Manning Compliance.** Crew list, licenses, and training certificates in accordance with existing rules and regulations; and
- f. **For CPC or Franchise.** A valid and subsisting Certificate of Public Convenience or franchise issued by MARINA.

VIII. DOCUMENTARY REQUIREMENTS

1. For Vessels Ready for Deployment or Already Delivered in the Philippines.

Applicants for Pioneer Status whose vessels are already in the Philippines and ready for deployment shall submit the following:

- a. Letter of Intent/Application addressed to the MARINA Administrator;
- b. Valid IACS Classification Certificate;
- c. Builder's Certificate indicating the vessel's date of launching; and,
- d. Proof of payment of the prescribed processing fee in the amount of Two Hundred Fifty Pesos (₱250.00) per vessel.

2. For Vessels Yet to Arrive in the Philippines.

Applicants whose vessels are still under construction or awaiting delivery shall submit the following:

- a. Letter of Intent/Application addressed to the MARINA Administrator;
- b. IACS Survey Report;
- c. Shipbuilding Contract indicating the delivery and/or completion date of the vessel to the Philippines, which shall conform to the allowable period of deployment under this Circular.



- d. Proof of payment of the prescribed processing fee in the amount of Two Hundred Fifty Pesos (₱250.00) per vessel.

IX. CANCELLATION/ REVOCATION OF PIONEER STATUS AND ITS INCENTIVES

The Pioneer Status grant, including all incentives and privileges pertaining thereto, may be cancelled or revoked by MARINA upon due process when any of the following conditions exist:

- 1. Non-Deployment or Delay in Commencement of Operations.** Failure to deploy the vessel and commence operations within a maximum period of six (6) months from the issuance of the Letter-Approval for vessels already delivered or ready for deployment in the Philippines, or within one (1) year for vessels yet to arrive in the Philippines, shall be a ground for the revocation of the Pioneer Status.
- 2. Abandonment of Service.** Abandonment of the authorized shipping service for a continuous period of three (3) months, without lawful or justifiable cause, shall constitute grounds for cancellation of the Pioneer Status. The Pioneer Status may likewise be cancelled for any violation of the terms and conditions of the Letter-Approval, including Abandonment of Service under Section III.
- 3. Withdrawal of Service Within the Protection Period.** Voluntary or involuntary withdrawal of the vessel or service from the authorized Pioneer route within the six (6)-year protection period, except for MARINA-approved reasons, shall be a cause for revocation.
- 4. Loss of IACS Classification.** Failure to maintain the vessel's classification with a MARINA-recognized member of the International Association of Classification Societies (IACS) throughout the six (6)-year route protection period shall result in the termination of Pioneer Status.
- 5. Violations Relating to Suspension of Service**
 - a. Failure to file due written notice with MARINA within twenty-four (24) hours from the occurrence of any event involving vessel replacement, suspension of operation, transfer to another route, or any change affecting the Pioneer Status;
 - b. Failure of a ship with Pioneer Status to resume operations within six (6) months from the date of suspension; or
 - c. Failure to replace a vessel with Pioneer Status within twenty (20) calendar days from the date of stoppage in cases of authorized suspension, using a substitute vessel compliant with MARINA requirements.
- 6. Other Causes Prejudicial to Public Interest.** Any other analogous act, omission, or circumstance that, in the judgment of MARINA, is inimical to public interest, safety,

or welfare, or is inconsistent with the objectives of this Circular, shall be deemed a ground for cancellation or revocation.

X. COMPLIANCE MONITORING

- 1. Scope of Monitoring.** To ensure the continuous observance of this Circular and other applicable MARINA issuances, the Authority, through its Enforcement Service (ES) and other duly designated officials or personnel, may at any time exercise its power to board, inspect, audit, visit, and/or monitor any vessel, facility, site, and/or office under its jurisdiction. Such authority shall include the verification of records, operational practices, safety compliance, and other matters relevant to the terms and conditions of the grant, license, permit, or certificate.
- 2. Violations and Penalties.** Any unjustified refusal to permit boarding of a vessel, entry to premises, access to records, or failure to cooperate with duly authorized MARINA officials or personnel shall constitute a violation of this Circular. The same shall be a ground for the suspension of the concerned authority, license, permit, or certificate for the first offense, and for its revocation in case of the second or any subsequent offense, without prejudice to the imposition of other penalties provided by law, rules, or regulations.
- 3. Supplemental Guidelines.** MARINA may issue supplemental guidelines detailing the procedures, documentation, and reporting requirements for compliance monitoring to ensure uniform enforcement and due process.

XI. FINES AND PENALTIES

Any voluntary or permanent withdrawal of service by a Pioneer Status grantee within the six (6)-year protection period constitutes a pre-termination and shall be subject to the payment of Fifty Thousand Pesos (P50,000.00).

XII. TRANSITORY PROVISIONS

- 1. Pending Applications.** Notwithstanding the repeal of MC No. DS-2021-03 and other inconsistent issuances, all applications for Pioneer Status that have been officially received and are under evaluation prior to the effectivity of this Circular shall be processed in accordance with the rules prevailing at the time of filing, unless the applicant expressly manifests in writing the intention to be covered by the provisions hereof.
- 2. Existing Grants.** Without prejudice to Section XIII hereof, all Pioneer Status grants issued under MC No. DS-2021-03 or other prior MARINA Circulars shall remain valid and enforceable until the expiration of their original term, subject to the continued observance of the terms and conditions stipulated in their respective grants. The incentives, privileges, and route protection accorded thereunder shall not be diminished during the remaining period of validity.



3. Continuity of Incentives. All incentives granted under prior issuances shall continue to be honored for the duration of their approved term, provided that the grantee remains in full compliance with the conditions of the grant and with applicable provisions of this Circular, in so far as they are not inconsistent with the original grant.

4. Periodic Review of Policy. This Circular shall be subject to a comprehensive review by MARINA three (3) years after its effectivity, or earlier if warranted, to assess its effectiveness, relevance, and alignment with prevailing industry conditions and national maritime policies.

XIII. REPEALING CLAUSE

Repeal of Inconsistent Issuances. MARINA Circular No. DS-2021-03, together with all other existing MARINA Circulars, Advisories, rules, and regulations, or portions thereof, that are inconsistent with the provisions of this Circular, are hereby repealed, amended, or modified accordingly.

XIV. EFFECTIVITY

This MARINA Circular shall take effect fifteen (15) days after its publication once in a newspaper of general circulation and submission to the Office of the National Administrative Register (ONAR).

MANILA, PHILIPPINES, 20 August 2025.

BY AUTHORITY OF THE MARINA BOARD:


SONIA B. MALALUAN
Administrator

SECRETARY'S CERTIFICATE

This is to certify that MARINA Circular No DS-2025-04 was approved by the MARINA Board during its 315th MARINA Board Meeting held on 20 August 2025.


ATTY EUSEBIA CADLUM-BOCO
Corporate Secretary

Date of Publication: _____
Name of Publication: _____
Date of Submission to ONAR: _____