

**[ MIA MARINA CIRCULAR NO. 2010-01, December 14, 2010 ]**

**REVISED POLICY GUIDELINES ON TANKERS**

Pursuant to Presidential Decree No. 474, Executive Order Nos. 125/125-A, and Republic Act 9295 and its Revised Implementing Rules and Regulations (R-IRR), the following revised policy guidelines on tankers are hereby adopted:

**I. OBJECTIVE**

This Circular serves to provide revised/updated policy guidelines in the regulation of tankers in the domestic trade and the operation of tanker-barges and ships hereunder specified, within Philippine waters, with the end in view of further improving safety standards and ensuring the protection of the marine environment.

**II. COVERAGE**

This Circular shall apply to all persons, corporations, partnerships, firms and entities acquiring or operating tankers and/or tanker-barges including the following ships:

- a. Supply ships for fishing transporting fuel/oil to fishing vessels, shipyard and other industrial companies;
- b. Floating Storage Units (FSUs) and Floating, Production, Storage and Offloading Units (FPSO);
- c. Government-owned tankers in commercial trade;
- d. Ships used in collecting used oil, slop & oily water and fuel for own use; and
- e. Vegetable oil tankers and other food grade oil tankers.

This Circular shall likewise apply to tankers, tanker-barges and ships enumerated above and operating in Philippine waters by virtue of MARINA Memorandum Circular No. 105 and its subsequent amendments.

**III. DEFINITION OF TERMS**

1. **"ACQUISITION"** refers to importation (direct/outright purchase), bareboat charter (to include bareboat with lease irrevocable purchase or lease purchase clause) under PD 760 as amended, local

construction and permanent conversion of ship's trading status from overseas operations to domestic operations.

2. **"ADMINISTRATION"** refers to the Maritime Industry Authority or MARINA.
3. **"DOMESTIC TRADE"** refers to any operation of ship within Philippine waters.
4. **"BAREBOAT CHARTER"** refers to the contract for the lease or sub-lease of a ship, hereinafter referred to as charter, for a stipulated period of time, by virtue of which the charterer shall acquire full control, and complete possession of the ship, including the right to appoint its master and crew for the duration of the charter.
5. **"DATE OF LAUNCHING"** refers to the date when a newly – built ship is released into the water.
6. **"DOMESTIC OPERATION"** refers to the utilization of all types of tankers and tankerbarges within Philippine waters.
7. **"HAZARDOUS CARGO"** refers to any harmful, noxious or other substance, goods or merchandize in the form of solids, gases or liquids which exhibit dangerous properties which, if introduced to the sea, may cause pollution.
8. **"MARITIME ENTERPRISE"** refers to any ship manager, ship agent, multi model transport operator, and any other similar enterprise whose activities consist of representing, within the Philippines, as an agent, the business interest of one or more shipping line or shipping companies.
9. **"TANKER"** refers to ship constructed or adopted for the carriage in bulk of liquid cargoes of an inflammable nature.
  - 9.1 **"CHEMICAL TANKER"** refers to a ship constructed or adopted for the carriage in bulk of any liquid products listed in Chapter 17 of the International Bulk Chemical Code or its subsequent amendments.
  - 9.2 **"GAS CARRIER"** refers to a ship constructed or adopted for the carriage in bulk of any liquefied gas or other products listed in chapter 19 of the International Gas Carrier Code or its subsequent amendments.
  - 9.3 **"OIL TANKER"** refers to a ship constructed or adopted primarily to carry in bulk in its cargo spaces and includes combination carriers, any "Noxious Liquid Substance (NLS) tanker" as defined in Annex II of the present MARPOL Convention and any gas carriers as defined in

Regulation 3.20 of Chapter II-1 of SOLAS '74, as amended, when carrying a cargo or part of oil in bulk.

9.4 **"TANKER-BARGE"** refers to the general name given to a flat-bottomed, propelled or non-propelled, rigged or unrigged craft of full body and heavy construction especially adapted for the transport and/or storage of oil, chemical, noxious liquid substance (nls), gasses and other inflammable, hazardous and pollutant cargo.

10. **"VESSEL AGE"** refers to the age of the vessel reckoned from ship's date of launching *based on the Builder's Certificate or Certificate of Vessel Registry*.

#### **IV. GENERAL PROVISIONS**

1. All owners or operators acquiring or operating tankers, tanker-barges or ships for their own use, or for hire or compensation, with general or limited clientele, whether permanent or occasional or incidental, with or without a fixed route, for contractual or commercial purposes, shall comply with MARINA Circular No. 2006-03 and its subsequent amendments. All maritime enterprises which shall be engaged as shipmanagers of tankers, tanker-barges and ships covered under this Circular shall comply with MARINA Memorandum Circular No. 186 and its subsequent amendments.
2. All tankers, tanker-barges and ships covered under this Circular which shall be acquired through importation or bareboat charter, shall be less than fifteen (15) years old at the time of application and arrival in the Philippines, based on Custom Entry Declaration.

Major alteration/conversion does not change the ship's age.

Tankers, tanker-barges and ships below fifteen (15) years of age acquired under this Circular by virtue of an approved bareboat charter agreement with lease irrevocable- purchase clause shall be transferred or registered to the charterer regardless of age at the time of its actual transfer or permanent registration.

Floating, Production, Storage and Offloading Facility (FPSO) and Floating Storage Units (FSUs) used in petroleum/oil exploration and production operation, **as determined and endorsed by the Department of Energy and/or appropriate government agencies**, are not covered by the age requirement under this Circular.

3. **All tankers, tanker-barges and ships carrying oil in bulk, covered under this Circular which shall be acquired through importation, bareboat charter or under the provisions of MARINA Memorandum Circular No 105 or its subsequent amendments, must be double-hulled.**
4. All existing oil tankers and tanker-barges, 600dwt and above, must be double hulled within twelve (12) months from the effectivity of this Circular. However, oil tankers carrying petroleum black products shall continue to be covered by MC 2007-01 regardless of size.
5. All owners, operators or shipmanagers of tankers, tanker-barges and ships covered under this Circular shall comply with the following requirements:
  - 5.1 Mandatory Marine Insurance Cover from recognized International Protection and Indemnity Club or any locally registered/licensed insurance company as provided under MARINA Circular 2009-22 and its subsequent amendments;
  - 5.2 Registration, licensing and documentation requirements for the issuance of required certificates pursuant to EO 125/125-A, MARINA Memorandum Circular Nos. 90, 110, 177, and their subsequent amendments, RA 9295 and its R-IRR;
  - 5.3 Ship safety certification under relevant safety rules and regulations; and
  - 5.4 **Minimum safe manning requirements as provided under Revised PMMRR of 1997 and MARINA Memorandum Circular No. 148 and its subsequent amendments;**
  - 5.5 Classification by IACS or by MARINA accredited local Classification Society pursuant to MARINA Memorandum Circular No. 104 and its subsequent amendment;
  - 5.6 Development, adoption, implementation and maintenance of a Safety Management System pursuant to the International Safety Management (ISM) Code **Tankers complying with the National Safety Management Code have twelve (12) months from the effectivity of this Circular to comply with the International Safety Management Code**

5.7 Certificate of Public Convenience, as applicable, under RA 9295 and its RIRR.

## **V. SPECIFIC PROVISIONS**

1. Accreditation for tanker owners and operators to operate as a domestic shipping enterprise shall be pursuant to MARINA Circular No. 2006-03 and its subsequent amendments:

1.1 Accreditation shall serve as a prerequisite to the grant of permits, licenses, authorities, VAT exemption under RA 9295 and its Revised IRR, financial assistance and incentives presently administered or to be administered and for any endorsements that might be made to other relevant government agencies by this Authority.

1.2 Accreditation shall be valid for a period of three (3) years, and may be renewed for the same number of years.

1.3 Re-issuance of Certificate of Accreditation shall be made whenever there are changes in the corporate/company name. The Administration shall have to be informed of any change in Incorporators/Directors/Officers in the corporation/ company, with no accompanying re-issuance of Certificate of Accreditation.

1.4 In the event that the shipowner/operator shall acquire additional ship, it shall be required to update/to incorporate the additional capital required to cover the new acquisition.

1.5 All persons/corporations/partnerships/firms/entities intending to operate tankers under this Circular shall submit all the documentary requirements for accreditation under Section VI of this Circular.

1.6 All applicants/operators/owners under this Circular must comply with the following Qualification Requirements:

1.6.1 Citizenship/Equity Participation

1.6.1.1 The applicant must be a citizen and permanent resident of the Philippines;

1.6.1.2 Commercial partnership wholly owned by