

## **[ PPA MEMORANDUM CIRCULAR NO. 11-2009, June 10, 2009 ]**

### **GUIDELINES FOR FOREIGN VESSELS INTENDING TO LAY-UP IN THE DIFFERENT PPA ADMINISTERED PORTS**

#### **I. AUTHORITY**

1.1 Sections 6.a(ii) and 20 of P.D. No. 857, as amended.

1.2 PPA Administrative Order No. 07-89, as amended by PPA Administrative Order No. 08-89.

1.3 PPA BoardCom Resolution No. 2009-1169 confirming the function and responsibility of PPA in designating lay-up areas for foreign vessels in the different ports under its jurisdiction.

#### **2. SCOPE**

This Memorandum Circular shall apply to all foreign vessels due for lay-up in PPA Administered lay-up areas and all persons or entities engaged or interested to engage in the vessel lay-up trade.

#### **3. DEFINITION OF TERMS**

3.1 *Laid-up vessels* - Vessels which have been decommissioned or otherwise unemployed and idle while waiting for better business prospects for their operations.

3.2 *Lay-up areas* - The areas designated by PPA for vessels that are laid-up. These are identified by the corresponding coordinates in latitudes and longitudes.

3.3 *Lay-up Agent* - Any person or entity which are holders of Permit to Operate as Lay-up Agent duly authorized by PPA to engage in vessel lay-up trade.

3.4 PMO - Port Management Office

#### **4. GENERAL PROVISIONS**

4.1 *Designated Lay-up Areas* - The lay-up areas duly designated by PPA in the different ports under its jurisdiction shall be used as lay-up areas for foreign and domestic vessels.

4.2 *Authorization as Lay-Up Agent* - All foreign vessels intending to lay-up shall be represented by an agent duly authorized by PPA to engage in vessel lay-up trade.

4.3 *Procedures for Laying-up* - All laid-up foreign vessels shall follow the guidelines prescribed in Article II, Sections 4, 5 and 6 of PPA Administrative Order No. 07-89 otherwise known as Designation of Lay-Up Areas for PMOs.

#### **5. SPECIFIC GUIDELINES**

### *5.1 Filing of Application*

Application for Permit to Operate as lay-up agent shall be filed in the PMO which has jurisdiction over the designated lay-up area where the foreign vessel shall be laid-up.

### *5.2 Management Competence Requirement*

Applicants for vessel lay-up agent, including its principal officers, must have a minimum of one (1) year experience in maritime-related field.

### *5.3 Technical Capability Requirement*

The lay-up agent shall have readily-available equipment and facilities, whether owned or lease, such as tugboat, communication equipment and such other equipment and facilities necessary for the effective provision of lay-up services, all in serviceable and ready-line condition.

### *5.4 Documentary Requirements*

The following documentary requirements of the Authority shall be complied by the applicant:

- a. Letter of Application:
- b. Certified copy of Registration with SEC together with the Articles of Incorporation and By-Laws specifically provided therein the laying-up of vessel is one of the entity's nature of business (for Corporation/Partnership);
- c. Certified copy of Registration of Business Name issued by the Department of Trade and Industry reflecting therein that the laying-up of vessels is included as one of his/ her business interests (for Single Proprietorship);
- d. Certified copy of the latest Audited Financial Statement submitted to BIR;
- e. Certified list of readily-available equipment and facilities together with supporting documents as proof of acquisition thereof;
- f. Company profile with bio-data/resume of Principal Officers/Name of Proprietor indicating their maritime-related experiences.

### *5.5 Approval and Issuance of Permit to Operate (PTO)*

The PMO shall approve and issue the Permit to Operate as Lay-Up Agent which shall be valid for a period of one (1) year. The PTO shall be renewable upon request of the lay-up agent.

### *5.6 Performance Bond*

To ensure faithful compliance of the authorized lay-up agent with its obligations, the grantee shall post and submit to the Authority, one (1) month upon execution of the PTO, a Performance Security Bond in the amount of FIVE MILLION PESOS (P5M) in the form of either cash, manager's check, cashier's check, bank guarantee/draft or surety bond, callable upon demand.