

**[MIA MEMORANDUM CIRCULAR NO. 81,
November 08, 1993]**

**AMENDED GUIDELINES IN THE ACQUISITION OF ANY TYPE OF
VESSELS FOR DOMESTIC TRADE**

Pursuant to Section 6 (b) of Presidential Decree No. 474, Section 12 (a) of Executive Orders 125 and 125-A, and in consonance with the present policy of the Government to liberalize/ deregulate importations, including those of vessels, as embodied under the Central Bank Circular No. 1347, s. 1992 dated 27 July 1992, the following guidelines are hereby adopted:,

I
Objective

This Memorandum Circular aims to harmonize the policy of this Authority on vessel acquisitions with the national policy on importations, specifically CB Circular No. 1347, s. 1992, and consequently, to apprise prospective and existing shipping companies/operators of the basic and general considerations or requirements that shall be taken into account in the acquisition of vessels intended for operations in the domestic trade.

II
Coverage

This Circular shall apply to all persons, corporations, firms and entities acquiring vessels of any type for use in the domestic trade, except fishing vessels and tankers which are covered by separate Memorandum Circulars.

III
Definition of Terms

1. Acquisition shall include the importation, bareboat charter, lease-purchase, lease-irrevocable purchase, and local construction of a vessel intended to be used as a public utility.
2. Domestic Trade shall mean the carriage for hire of passengers or cargo between various ports and places in the Philippines.
3. Vessel a general term for all crafts or artificial contrivance capable of floating on water, designed to be used as a means of water transportation utilizing its own motive power or that of others.
4. Conversion shall include re-engining (replacement of major propulsion machinery to include major auxiliaries; jumboizing (lengthening) of vessel's hull; construction of additional deck above the main deck; enlargement, transfer or

movement of superstructure; alteration or compartmentation affecting watertight bulkheads; and conversion of spaces into loads for liquids and holds for dry cargoes.

5. Age shall be reckoned from the date of the vessel's launching vis-a-vis the date of acquisition.

6. Motor Yacht a small water craft designed to accommodate a limited number of passengers and used exclusively for pleasure tourism, or commerce.

7. Tugboat a mechanically propelled vessel of small tonnage with little or no cargo capacity, used for towing or pushing to assist vessels at sea, in or out of harbors, rivers and docks, and also for coastal or harbor towage of barges, lighters and other small craft.

8. Lighter a dumb barge without its own mechanical means of propulsion.

9. Barge a general name given to a flat-bottomed, rigged or unrigged craft of full body and heavy construction (built of wood, Iron, steel or concrete), especially adapted for the transportation of bulky freight such as coal or lumber, sand, stone, oil, etc. Some types trade solely on rivers and canals but a great number are built and equipped for short-distance coastwise traffic.

10. Tankers a vessel especially designed and constructed for the carriage of fluid cargoes in bulk. The vessel's holds are subdivided by longitudinal and transverse bulkheads so that each compartment forms a separate tank.

IV General Guideline

Henceforth, vessels of any age and size, provided the same are not wooden-hulled, shall be allowed for importation, bareboat charter, lease-purchase or lease-irrevocable purchase by a domestic shipping company/operator duly accredited under MARINA Memorandum Circular No. 9 or its subsequent registration/accreditation rules and regulations.

For vessel acquisitions through local construction, wooden-hulled vessels shall be allowed.

V Special Requirements

1. Classification - All vessels to be acquired, shall be classed by an international or local classification society recognized by the government, except:

1.1 tugboats and lighters

1.2 motor yachts for personal use;

1.3 wooden-hulled vessel's including motor bancas

All vessels required to be classed shall be maintained to class during their operations in the domestic trade, and class report of surveys shall be periodically submitted to this Authority.