



Republic of the Philippines  
Department of Transportation and Communications  
**MARITIME INDUSTRY AUTHORITY**  
TRIDA Bldg., Taft Ave., cor. Kalaw St., Ermita, Manila



**MARINA CIRCULAR NO. 2010 - 01**

**TO : ALL PERSONS AND ENTITIES CONCERNED**

**SUBJECT : REVISED POLICY GUIDELINES ON TANKERS**

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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 tanker-barges 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 R-IRR.

## **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 Filipino, or a corporation at least sixty percent (60%) of the capital of which is owned by Filipino;

1.6.1.3 Cooperative duly registered with the relevant government agency.

### 1.6.2 Nature of Business Undertaking

1.6.2.1 For corporations, partnerships and cooperatives

The purpose of the entity as reflected in the Articles of Incorporation, Articles of Cooperation or Articles of Partnership, shall include the term “to engage in domestic shipping business/ operation.”

1.6.2.2 For single proprietorships, it shall have domestic shipping business/operation as an activity or concern reflected in the business registration with the Department of Trade and Industry (DTI).

### 1.6.3 Management Competency Requirement

1.6.3.1 For Corporations, Partnerships, Cooperatives: at least two (2) of the company’s principal officers (e.g., President, Vice-President for Operations, or General Manager or their equivalents) shall have at least two (2) years experience in ship management, shipping operations and/or chartering.

Additionally, in case of corporations, the Chief Executive Officer (CEO) and the Chief Operating Officer (COO), or their equivalents, shall be citizens and permanent residents of the Philippines.

1.6.3.2 For single proprietorships: the owner/operator or a principal officer shall have at least two (2) years of experience in ship management, shipping company operations and/or chartering.

#### 1.6.4 Capitalization Requirement

1.6.4.1 The required paid-up capitalization for an applicant for accreditation/renewal of accreditation shall be P2,500.00 per gross tonnage of ship(s) owned/operated; or

1.6.4.2 A minimum of P5,000,000.00 (P 5M) for the case of operator of tanker and/or barges hauling oil or petroleum products; or

1.6.4.3 A minimum of P12,500,000.00 (P12.5M) for the case of operators of ship(s) with a total gross tonnage of above 4999.

2. Accreditation for entities acting as ship managers to operate as a maritime enterprise shall be pursuant to MARINA Memorandum Circular No. 186 and its subsequent amendments:

2.1 The enterprise must have a minimum paid-up capital of Five Hundred Thousand Pesos (500,000.00)

2.2 Accreditation shall be valid for a period of three (3) years only and may be renewed for same number of years

2.3 As a reportorial requirement the accredited maritime enterprise shall submit the following reports and/or documents in original or true copy forms duly attested by responsible officer of accredited enterprise, independent auditor or proper government agency:

2.3.1 Amendment of Articles of Incorporation or By Laws within thirty (30) days from the date of registration of said amendment with the SEC;

2.3.2 Replacement of any director or any principal officer within thirty (30) days from date of replacement;

2.3.3 Audited annual financial statements on or before 15 May of the following year; and

2.3.4 Change of business address/location.

3. Tankers and tanker barges below 500GT shall not be allowed to be imported.

4. Ship subject for acquisition under this Circular shall submit all ship's documents for pre-evaluation before the issuance of Authority to Import or authority to bareboat charter.
5. Oil tankers 5000 tons dwt and above shall comply with all the applicable provisions on double bottom and double hull requirements of Annex 1 of MARPOL 73/78, as amended, with regard to;

#### 5.1 Wing tanks or spaces

Wing tanks or spaces shall extend either for the full depth of the ship's side or from the top of the double bottom to the uppermost deck, disregarding a rounded gunwale where fitted. They shall be arranged such that the cargo tanks are located inboard of the moulded line of the side shell plating nowhere less than the distance  $w$  which is measured at any cross-section at right angles to the side shell, as specified below:

$$w = 0.5 + \frac{DW}{20,000} \text{ (m), or}$$

$w = 2.0$  m, whichever is the lesser.

The minimum value of  $w = 1.0$  m.; and

#### 5.2 Double bottom tanks or spaces

At any cross-section the depth of each double bottom tank or space shall be such that the distance  $h$  between the bottom of the cargo tanks and the moulded line of the bottom shell plating measured at right angles to the bottom shell plating is not less than specified below:

$$h = B/15 \text{ (m) or}$$

$h = 2.0$  m, whichever is the lesser.

The minimum value of  $h = 1.0$  m.



6. Every oil tanker of less than 5,000 tonnes deadweight shall:

- at least be fitted with double bottom tanks or spaces having such a depth that the distance  $h$  specified in paragraph 6.2 complies with the following:

$$h = B/15 \text{ (m)}$$

with a minimum value of  $h = 0.76 \text{ m}$ ;

in the turn of the bilge area and at locations without a clearly defined turn of the bilge, the cargo tank boundary line shall run parallel to the line of the midship flat bottom; and

- be provided with wing tanks or spaces arranged in accordance with paragraph 6.1 complying with the following:

$$w = 0.4 + \frac{2.4DW}{20,000} \text{ (m)},$$

With a minimum value of  $w = 0.76 \text{ m}$ .

7. Chemical tankers carrying bulk cargoes of dangerous chemicals or noxious liquid substances shall comply with provisions of the International Code for the Construction and Equipment of Ships Carrying Dangerous Chemicals in Bulk (IBC Code), as amended.
8. Gas carriers shall comply with The International Code for the Construction and Equipment of Ships Carrying Liquefied Gases in Bulk (IGC Code), as amended.
9. Chemical and NLS Tankers and Gas Carriers shall secure Certificate of Fitness prior to operation.
10. Any structural conversion/rehabilitation including major alteration of a ship acquired hereunder shall require prior MARINA approval and shall be undertaken by MARINA registered shipyards.
11. All tankers to be acquired or coming into the system thru importation, bareboat charter shall be IACS classed and IACS class maintained.

Existing tankers not required to be IACS classed and IACS class maintained shall be classed by any MARINA accredited classification society.

New local buildings below 500 GT shall be classed by any MARINA accredited classification society.

12. Non-propelled tanker-barges used as stationary storage for heavy grade oil and petroleum products shall be emptied first prior to its change of location.

## **VI. DOCUMENTARY REQUIREMENTS**

1. Tanker owners and operators to operate as a domestic shipping enterprise to be accredited pursuant to MARINA Circular No. 2006-03 must submit the following:

1.1 A letter of intent from applicant addressed to MARINA;

1.2 List of ships owned/chartered (if applicable) indicating ship(s) specifications as supported by corresponding certificate of ownership and routing and schedules;

1.3 Latest audited financial statements (if company is already in existence/operation);

1.4 List of incorporators, directors and principal officers and their bio-data with particular emphasis on shipping – related experience or expertise duly supported by documents acceptable to MARINA;

1.5 For corporations, cooperatives and partnership – The latest Articles of Incorporation/Cooperation/Co-partnership and By-Laws approved and registered by the Securities and Exchange Commission (SEC)/Cooperative Development Authority (CDA), reflecting that the purpose of the corporation/partnership/cooperative is to engage in domestic shipping business/operations;

For single proprietorship – The Registration of Business Name/Business License with the DTI.

1.6 Duly notarized Resolution of the company's Board of Directors, certified by the Board Secretary, authorizing the filing of the application and designating the Officials/authorized representative to represent the applicant-company and sworn statement that Shareholders/Directors/ Officers are bonafide Shareholders/Directors/Officers of the Company and not acting on behalf of

foreign person/s in violation of anti-dummy laws.

## 1.7 Proof of capitalization requirement

### 1.7.1 For Corporation/Cooperative/Partnership

1.7.1.1 New Companies – paid-up capital reflected in the Articles of Incorporation/Cooperation/Partnership

1.7.1.2 Existing Companies – paid-up capital reflected in the Certification issued by the SEC Company Registration and Monitoring Department/CDA and the latest audited financial statement.

### 1.7.2 For single proprietorship

1.7.2.1 New Entities – that reflected in the applicant's original application with the DTI and its financial statement and/or the latest copy of the Income Tax Return.

1.7.2.2 Existing Entities – that reflected in the applicant's duly audited financial statement, or, in the case of applicants who own/operate motor bancas of 35 GRT and below, an unaudited financial statement.

1.8 Proof of payment of the prescribed fee to be attached to the application for accreditation.

2. Entities acting as ship managers to operate as a shipping enterprise to be accredited pursuant to MARINA Memorandum Circular No. 186 must submit the following:

2.1 List of principal officers/Name of Proprietor supported by bio-data with head photographs and indicating shipping related experience;

2.2 List of ship(s) owned, if there is any;

2.3 Latest Certification from the Securities and Exchange Commission (SEC) of the company's increase of paid-up capitalization, (if applicable);

2.4 Company Tax Identification Number (TIN); and

2.5 Any of the following whichever is applicable:

2.5.1 Certificate of Registration with the SEC, together with the Articles of Incorporation and By-Laws (for Corporation/Partnership);

2.5.2 Registration of Business Name issued by the Department of Trade and Industry (for Single Proprietorship).

3. Applications for Ship Acquisition, must submit the following:

Pre-approval Documents

1. Letter of Application
2. Memorandum of Agreement (MOA)/Deed of Sale /Bill of Sale (\*)

\* In case of Taiwanese-registered ship, the Agreement/Deed of Sale should be noted and verified by Manila Economic and Cultural Office of (MECO) and duly notarized by a Notary Public in Taiwan

3. Lease-Purchase/Bareboat Charter Contract

\* In case of Taiwanese-registered ship, the Agreement/Deed of Sale should be noted and verified by Manila Economic and Cultural Office of (MECO) and duly notarized by a Notary Public in Taiwan.

4. Duly notarized Resolution of the company's Board of Directors, certified by the Board Secretary, authorizing the filing of the application and designating the Officials/authorized representatives to represent the applicant-company and sworn statement that Shareholders/Directors/Officers are bonafide Shareholders/Director/Officers of the Company and not acting on behalf of foreign person/s in violation of Anti-Dummy Laws.
5. Latest Certificate of Good Standing/Company Seal or Business Registration of the ship's registered owners showing its current list of Directors/Officers
6. Power of Attorney or Board Resolution authorizing the signatory to the MOA/Deed of Sale/Bill of Sale/Lease-Purchase/Bareboat Charter Contract to act as such in behalf of the registered owner.

7. Certificate of the Ship's Original Registry/Nationality with English translation (registry for conduction/single voyage is not acceptable as proof of ownership)

\* In case of Taiwanese-registered ship, the Agreement/Deed of Sale should be noted and verified by Manila Economic and Cultural Office of (MECO) and duly notarized by a Notary Public in Taiwan

8. General Arrangement Plan of the Ship with English description and specification.

9. Class Certificate or in case of newbuilding, Certification from the classification society that the ship was constructed in accordance with the standards/rules and regulation of the classification society.

10. Latest and Valid Survey Report (within the past six (6) months) (not applicable for newbuilding).

11. Consent to the bareboat charter registration in the Philippine by the state of former registry

12. Builders Certificate/Shipbuilding Contract (for newbuilding only)

13. Continuous Synopsis Record

14. Photocopy of the ship's document/records with IMO number

15. BFAR Clearance (for tankers used in fishing fleet)

16. Notarized Undertaking that the ship is not in the Philippine territory; its intended port of entry; estimated time of arrival in the Philippines and the port of origin; and the schedule of actual physical inspection of imported/chartered ship.

17. International Tonnage Certificate (ITC)

18. Sworn Certification that the condition under Sections 3.1 to 3.3 of the IRR of RA 9295 are present (for companies availing VAT Exemption)

19. Securities and Exchanges Commission (SEC) Registration Certificate with Copy of Articles of Incorporation and By-Laws/DTI

Certificate (for initial application other than MARINA Accredited domestic shipping companies)

20. Notarized Undertaking that the ship shall used exclusively by the company and shall not engage in domestic shipping business or commercial/for hire/compensation (if applicable)

**Note:** The following applications may be filed simultaneous with the application for acquisition:

1. Department of Foreign Affairs (DFA) Indorsement for issuance of a Provisional Certificate of Philippine Registry (PCPR) for conduction purposes of the acquired ship from port of origin to Philippine port.
2. Department of Finance (DOF) Indorsement for Availment of VAT-Exemption under RA 9295 and its IRR
3. Board of Investments (BOI) Indorsement for Availment of Tax Free Importation.

#### Post-Approval Documents

1. Certified true copy of Protocol of Delivery and Acceptance.
2. Original Copy of the Ship's Certificate of Deletion from former original flag of registry.
3. Duly notarized/authenticated MOA/Deed of Sale (DOS)/Bill of Sale (BOS).
4. Duly notarized/ authenticated Lease Purchased/Bareboat Charter Contract/Extended Bareboat Charter Contract.
5. Duly notarized/authenticated Power of Attorney or Board Resolution authorizing the signatory to the MOA/DOS/BOS/Bareboat Charter Contract to act as such in behalf of the registered owner.
6. Original Consent to the Bareboat Charter registration in the Philippines by the State of former Registry.
7. Proof of compliance with MARINA Circular No. 2009-01 (Rules Governing the Mandatory Marine Insurance to Cover Legal Liabilities Arising-Out of Any Maritime Related Accidents).

8. Proof of payment of customs duties and taxes.
9. Proof of payment of 4.5% withholding tax.
10. Certificate of Conversion of the subject ship, duly approved by the Deputy Collector of the Bureau of Customs (BOC).
11. Transmittal of the Certificate of Payment Centralized Clearing Center (CPCCC), Office of the Commissioner, Bureau of Customs (BOC) to this Authority, of the Certificate of Payment.
12. Certificate of Authority issued by the BOI (for company availing of the incentives under E.O. No. 226).

## **VII. FILING OF APPLICATION**

All application relative to the operation of tankers, tanker-barges and ships covered under this Circular e.g. accreditation, acquisition, ship operation and documentation and CPC, among others, must comply with the qualification and documentary requirements and shall pay the corresponding fees and charges pursuant to applicable MARINA Circulars and their subsequent amendments.

## **VIII. FINES AND PENALTIES**

Any violation or failure of the applicant/operator/owner to comply with the existing Circulars, Rules, Regulations, relevant laws on tankers, tankering business, provisions of certificates and licenses issued, shall subject the applicant/owner/operator to penalties as provided for in the cited Circulars, Rules, Regulations, relevant Laws, conditions of licenses, certificates, MARINA Circular No. 2009-11, and its subsequent amendments.

Violation of any of the provisions of this Circular may cause the suspension or cancellation of the ship' safety certificates and/or its Certificate of Public Convenience (CPC).

NOTE: Fines and penalties are provided in a separate and comprehensive Circular and is not covered in this Repealing Clause. Violations of any provision in this Circular will be subject to the penalties under the cited Circular.

## **IX. REPEALING CLAUSE**

Any provisions of existing MARINA Circulars, and its amendments, or Rules and Regulations, Orders or Decisions and other issuances or parts thereof which are inconsistent with this Circular are hereby repealed, amended or modified accordingly.

## **X. SEPARABILITY CLAUSE**

Should any provisions or part of this Circular be declared by competent Authority to be invalid or unconstitutional, the remaining provisions or parts hereof shall remain in full force and effect and shall continue to be valid and effective.

## **XI. EFFECTIVITY**

This Circular shall take effect fifteen (15) calendar days upon its publication once in a newspaper of general circulation.

Manila, Philippines, 14 December 2010.

**BY AUTHORITY OF THE BOARD**

**(Signed) EMERSON M. LORENZO**  
Administrator

### **SECRETARY' CERTIFICATE**

This is to certify that the foregoing MARINA Circular No. 2010-01 was approved by the MARINA Board on December 14, 2010.

**(Signed) ATTY. ROWENA B. HUBILLA**  
Acting Corporate Board Secretary

Date of Publication : December 24, 2010  
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