

PSC Related Circular

No.PSC **25/2021**

Dated: 29.06.2021

Subject:

Panama Flag

RESOLUTION No.106-183-DGMM



PMA has issued the **RESOLUTION No.106-183-DGMM**, adopting technical, registry and administrative measures of a permanent nature, in order to **improve the performance** of the Panama Merchant Marine and **reduce the number of detentions** by the United States Coast Guard (**USCG**) or the different **Memorandums of Understanding (MOU)**.

PMA **may require an occasional inspection** that will be performed by a Recognized Organization, to those **vessels** that are at **risk of being detained** because their inspection history in the last **twenty-four (24) months**.

PMA may take action against the Recognized Organization, if the ship is detained after performing the occasional inspection.

PMA warns all Panama Registry **vessels** that are detained, **at least (2) twice by the Port State Control within a period of twelve (12) months**, which they may be financially sanctioned **or cancelled** ex officio **from the Registry**.

These vessels must comply with the following:

- **They must show evidence of the adjustments made to the deficiencies** indicated in the Port State Control report inspections, for the last twelve (12) months. Such corrections must be presented in the format established in [Merchant Marine Circular 380](#)
- **They must perform an additional ISM audit** with an initial scope:
 - In case of non-conformities, they must be followed and if a follow-up audit is required, they must be done within a period of no more than (3) three months after the Additional audit and / or,
 - If needed, an additional audit should be coordinated to the Company that operates the vessel with an initial scope. In case of non-conformities, they must be followed and if a follow-up audit is required, they must be done within a period of no more than (3) three months after the Additional audit and / or,
- A flag state survey must be carried out to verify the general conditions of the vessel, by a flag state surveyor
- Any other measure that Administration deems necessary depending on the case.

PMA may reject the registry of any vessel based on the following cases:

- If it has been expelled or the entry has been restricted by any of the Member States of the different Memorandum of Understanding (MOU) and / or by the United States Coast Guard (USCG). . If it belongs to a high-risk list of vessels or sub-standard conditions of any of the Member States of the different Memorandum of Understanding (MOU) and / or by the United States Coast Guard (USCG).
- If the conditions, age, background or the activities carry out by the vessel, are acts may affect the national interests.
- If the vessel or the companies related to it are included in sanction lists of international organizations.

Attachment

[PMA- RESOLUTION No.106-183-DGMM](#)



**GENERAL DIRECTORATE OF MERCHANT MARINE
RESOLUTIONS AND INQUIRIES**

RESOLUTION No.106-183-DGMM

Panama, August 3, 2020

**THE UNDERSIGNED GENERAL DIRECTOR OF THE
GENERAL DIRECTORATE OF MERCHANT MARINE
IN USE OF HIS POWERS CONFERRED BY LAW,**

C O N S I D E R I N G:

That by Decree Law No. 7 of February 10, 1998, the Panama Maritime Authority is created, unifying the different maritime competences of the Public Administration and serving as Supreme Authority of the Republic of Panama, to exercise the rights and comply with the responsibilities of the Panamanian State, within the international conventions framework and other laws and current regulations.

That it is the purpose of the Panama Maritime Authority to recommend policies and actions, exercise administrative acts, and enforce the legal and regulatory standards of the Maritime Sector.

That according to Item 1 of Article 30 of Decree Law 7 of February 10, 1998, modified by Article 187 of Law No. 57 of August 6, 2008, corresponds to the General Directorate of Merchant Marine, among its other functions, to execute the administrative acts related to the ships registry in the National Merchant Marine, authorize changes in such registry and resolve its loss for the reasons indicated in the Law.

That the Republic of Panama adopted the International Convention for the Safety of Life at Sea (SOLAS 74), through Law No. 7 of October 27, 1977; the International Convention for the Prevention of Pollution from Ships, 1973, through Law No. 17, of November 9, 1981, and its Protocol of 1978 (MARPOL 73/78), through Law No. 1 of October 25, 1983; the International Convention on Load Lines (LL'66), through Law No. 20 of October 23, 1975; the Convention on the International Regulations for Preventing Collisions at Sea (COLREG'72), through Law No. 7 of November 9, 1978, and the International Convention on Standards of Training, Certification and Watchkeeping for Seafarers (STCW 78/95), through Law No. 4 of May 15, 1992.

In accordance with Article 5 of Law No. 57 of August 6, 2008, this General Directorate of the Merchant Marine will evaluate the entry into the registry of any ship to the National Merchant Marine, if it determines that its registration is harmful for the interests of Panama or the national and international maritime industry, after taking into account, among other considerations, the conditions and age of the ship, its background and the activities it performs.

That over the years, the General Directorate of the Merchant Marine has been in constant implementation of mechanisms and processes, with the sole objective of reducing and / or minimizing the impact caused by the detentions of Panama flag vessels in the different ports of the United States of America and the different Memorandums of Understanding (MOU), at the time of the Port State Control Inspection.

That through Resolution No. 106-109-DGMM of October 17, 2017, modified by Resolution No. 106-51-DGMM of June 25, 2018, settle to adopt provisional technical, registration and administrative measures, in order to improve the performance of the Panama Merchant Marine, and reduce the number of detentions by the United States of America Coast Guard (USCG) or by the Competent Authorities of the Member States of the Paris Memorandum of Understanding (Paris MOU).

That for the aforementioned, this General Directorate of Merchant Marine, considers it necessary to adapt the measures established previously, in order to adjust them to the new updates established in the international conventions, and international maritime jurisdiction, with an intention to obtain the best performance of the Panama registry vessels within the jurisdictional waters of the United States of America, as well as within the members of the different Memorandums of Understanding (MOU), so that,

RESOLVES:

FIRST: TO ADOPT technical, registry and administrative measures of a permanent nature, in order to improve the performance of the Panama Merchant Marine and reduce the number of detentions by the United States Coast Guard (USCG) or the different Memorandums of Understanding (MOU).

SECOND: The General Directorate of Merchant Marine may also require an occasional inspection that will be performed by a Recognized Organization, to those vessels that are at risk of being detained because their inspection history in the last twenty-four (24) months shows evidence of non-compliance with applicable international regulations, regardless of its year of construction or age.

Occasional inspections will be performed by the Recognized Organization that issued the Cargo Ship Safety Construction Certificate, International Load Line Certificate, Cargo Ship Safety Equipment Certificate or Passenger Ship Safety Certificate.

THIRD: The Recognized Organization must submit to the Navigation and Maritime Safety Department of the General Directorate of Merchant Marine, in a period not to exceed 15 days from the day of the inspection, the Report of the Occasional Inspection that will include the following specifications, but not will be limited to the following coverage:

- **Ship's Particulars** (name of the ship, IMO, call sign, type of vessel, navigation area, operator, owner, last dry dock survey "date and place", number of cargo holds if applicable, number of cargo tanks if applicable)
- **Minimun Safe Manning;**
- **Technical Certification;**
- **Applicable plans and records;**
- **Hull Conditions** (corrosion status; paint, Plimpsol disc, frame conditions);
- **Deck Conditions** (corrosion, paint, watertight doors, vents, lighting and pipes);
- **Mooring and Anchorage Equipment** (anchors, chains, winch, windlasses, ropes and bitts);
- **Cargo Holds and Hatch Cover Condition** (if applicable);
- **Engine Room** (cleaning machine room, main machine, auxiliary machines, alarms, etc.);
- **Navigation Bridge** (Radio equipment, RADAR, EPIRP, Nautical Charts, Nautical Publications, Navigation Log Book, general alarm, etc.);
- **Lifesaving Appliance and Firefighting Equipment** (Life rafts, lifeboats, rescue boat, lifebuoys, life jackets, firefighter suit, ERA equipment, EEBD, Portable and Fixed Extinguishers, etc.);
- **Accomodations** (corridors, cabins and decks);

- **Safety Management System** (record of dumps, maintenance, internal audits, correction of NCR, policies and objectives, DPA company declarations, etc.);
- **MLC** (onboard signed contracts, wages payment, rest and work time, P&I);
- **Annex:** photos and supporting evidence of the inspection;
- **Conclusions:** (indicate your comments about the general conditions of the vessel and if it is advisable to keep it in the registry).

FOURTH: The General Director of Merchant Marine may take action against the Recognized Organization, if the ship is detained after performing the occasional inspection requested in the previous article.

FIFTH: TO WARN all Panama Registry vessels that are detained, at least (2) twice by the Port State Control of any of the Member States of the different Memorandum of Understanding (MOU) or by the United States of America Coast Guard (USCG) within a period of twelve (12) months, which they may be financially sanctioned or canceled ex officio from the Registry, complying with the formalities established by Law.

SIXTH: Vessels subject to the requirements established in articles four and five of this resolution and that wish to continue in the Panama Ship Registry, must comply with the following:

- They must show evidence of the adjustments made to the deficiencies indicated in the Port State Control report inspections, for the last twelve (12) months. Such corrections must be presented in the format established in Merchant Marine Circular 380.
- They must perform an additional audit of the ship's Safety Management System (SMC Certificate), with an initial scope. In case of non-conformities, they must be followed and if a follow-up audit is required, they must be done within a period of no more than (3) three months after the Additional audit and / or,
- If needed, an additional audit should be coordinated to the Company that operates the vessel with an initial scope. In case of non-conformities, they must be followed and if a follow-up audit is required, they must be done within a period of no more than (3) three months after the Additional audit and / or,
- A flag state survey must be carried out to verify the general conditions of the vessel, by a flag state surveyor assigned by the General Directorate of Merchant Marine.
- Any other measure that this Administration deems necessary depending on the case.
- The audits will be performed by the Recognized Organization that issued the Ship's Safety Management Certificate (SMC), and the company's Document of Compliance (DOC), based on the International Safety Management (ISM) Code and must be coordinated in a term no longer than fifteen (15) days, from the date the instruction was generated.
- The audit reports must be delivered to the Navigation and Maritime Safety Department of the General Directorate of Merchant Marine, in a period no more than 15 days, after the survey has been completed, to be analyzed by a technical team from such department, which will be assigned by the Chief of the Department.

- All inspections, audits and expenses generated by these activities must be fully paid by the owner or operator of the vessel.

SEVENTH: When a Panama Flag vessel is detained in the United States of America jurisdictional waters, the Recognized Organization shall perform the corresponding audits and inspections along with a Flag State Surveyor, whom will be appointed by this General Directorate of Merchant Marine. A Recognized Organization duly approved by the United States of America Coast Guard (USCG) are exempt from this requirement.

EIGHT: In the case that a Panama Flag vessel is detained by a Port State Control from a Member State of the different Memorandum of Understanding (MOU), this General Directorate of Merchant Marine may assign a Flag State Surveyor for the audits done by the Recognized Organizations.

NINETH: TO INFORM all vessels that are subject to the provisions of this Resolution, that the following countries are members of the Paris MOU: Germany, Belgium, Bulgaria, Canada, Croatia, Cyprus, Denmark, Slovenia, Spain, Estonia, Russia, Finland, France, Greece, Iceland, Ireland, Italy, Latvia, Lithuania, Malta, the Netherlands, Norway, Poland, Portugal, Romania, Sweden and the United Kingdom, as well as the Member States of the Asia Pacific Memorandum of Understanding (Tokyo MOU) which are Australia, Canada, Chile, China, Russia, Fiji, Philippines, Hong Kong (China), Indonesia, Marshall Islands, Japan, Malaysia, New Zealand, Papua New Guinea, Peru, South Korea, Singapore, Thailand, Vanuatu, Vietnam. The United States of America is understood as the Continental United States and its overseas territories which are: Puerto Rico, the United States Virgin Islands, American Samoa, Guam and the Marianas Islands.

TENTH: The General Directorate of Merchant Marine may reject the registry of any vessel based on the following cases:

- If it has been expelled or the entry has been restricted by any of the Member States of the different Memorandum of Understanding (MOU) and / or by the United States Coast Guard (USCG).
- If it belongs to a high-risk list of vessels or sub-standard conditions of any of the Member States of the different Memorandum of Understanding (MOU) and / or by the United States Coast Guard (USCG).
- If the conditions, age, background or the activities carry out by the vessel, are acts may affect the national interests.
- If the vessel or the companies related to it are included in sanction lists of international organizations.

ELEVENTH: Vessels subject to the provisions of the tenth article of this Resolution and wishing to enter the Panama Registry, must comply with any measure that this Administration deems necessary depending on the case.

TWELFTH: TO ABOLISH in all of its parts Resolution No. 106-24-DGMM of March 24, 2011, Resolution No. 106-09-DGMM of October 17, 2017 and Resolution No. 106-51-DGMM of June 25, 2018.

THIRTEENTH: TO COMMUNICATE the content of this Resolution to all the General Directorate of Merchant Marine Departments, the international offices of the Panama Maritime Authority, the Permanent Mission of the Republic of Panama at the International Maritime Organization, the Consulates and users of the Panama Flag Registry.

FOURTEENTH: TO INFORM that this Resolution comes into force as of its publication in the Official Gazette.

LEGAL BASIS:

Law No. 7 of October 27, 1977
Decree Law No. 7 of February 10, 1998.
Law No. 57 of August 6, 2008.

COMMUNICATE AND ACCOMPLISH,

ENG. RAFAEL N. CIGARRUISTA G.
General Director