



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

RESOLUTION No.106-019-DGMM

Panama, February 7, 2023

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

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

That through Decree Law No. 7 of February 10, 1998, the Panama Maritime Authority was created, unifying the different competencies of the Public Administration and function as Supreme Authority of the Republic of Panama to exercise rights and fulfill responsibilities of the Panamanian State within the framework of International Conventions, and other laws and regulations in force.

That it is a function of the Panama Maritime Authority to recommend policies and actions, perform acts of administration, 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 other functions, to execute the administrative acts related to the registration of vessels in the National Merchant Marine, authorize changes in such registry and resolve its loss for the causes indicated by 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 1978 Protocol (MARPOL 73/78), through Law No. 1 of October 25 from 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 Merchant Marine will evaluate the entry into the registry of any ship in the National Merchant Marine, if it determines that its registration is prejudicial to Panamanian interests or the national or international maritime industry, taking into account, among other considerations, Ship condition and age, background and activities conducted.

That over the years, the General Directorate of Merchant Marine has been in constant implementation of mechanisms and processes, with the sole objective of mitigating 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 inspection by Port State Control.

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

That through Resolution No. 106-183-DGMM of August 3, 2020, which pursued to implement measures to strengthen the performance of the Panama Merchant Marine, and reduce the number of detentions by Port State Control, an increase was observed in the number of detentions during the year 2022, in different regions supervised by Port State Control, such as the Paris MOU and the Tokyo MOU, evidencing the need to take new actions that will allow the adoption of preventive measures aiming to discourage the occurrence of detentions .



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That for the foregoing, 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 the international maritime jurisdiction, with a view on obtaining the best performance of the Panama ship registry within the jurisdictional waters of the United States Guard (USCG) and in the Competent Authorities of the Member States of the different Memorandums of Understanding, at the time of inspection by Port State Control,

RESOLVES:

FIRST: TO ADOPT technical, registry and administrative measures of a permanent and/or temporary 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) and the Authorities Competent of the Member States of the different Memorandums of Understanding, at the time of inspection by Port State Control.

SECOND: The General Directorate of Merchant Marine may require an occasional survey that will be done by the Recognized Organization that issued the Safety Management Certificate (SMC), to ships that are at risk of being detained, due to the fact that its history of Port State Control inspections in the last twenty-four (24) months, evidence a breach on the applicable international regulations, regardless of its year of construction.

THIRD: TO WARN all detained vessels of the Panama Flag Registry that, by virtue of the result of the technical evaluation of the General Directorate of Merchant Marine, the following may be required:

- Additional audit of the Ship's Safety Management Certificate (SMC), with an initial scope. In the event of non-conformities, they will be followed and if a follow-up audit is required, they must be done within a period of no more than three (3) months from the Additional audit and/or,
- Additional Audit to the company that implemented the Safety Management System. This Additional Audit will be carried out on companies that register three (3) or more detentions in the history of their fleet in a period of twenty-four (24) months. This Additional Audit will be done by the Recognized Organization that issued the Document of Compliance (DOC), based on compliance with the International Safety Management Code (ISM) and must be coordinated within a term of no more than fifteen (15) days, since the instruction is generated.

FOURTH: The General Directorate of Merchant Marine, will require a mandatory Occasional Survey that will be done by the Recognized Organization, to all vessels older than fifteen (15) years of construction and that is considered with a high risk factor by the United States Coast Guard (USCG), the Paris Memorandum of Understanding (Paris MOU) and the Asia-Pacific Memorandum of Understanding (Tokyo MOU).

This Occasional Survey must be carried out prior to arrival or at the time of arrival at the ports of the United States of America, Member States of the Paris MOU, Australian ports (AMSA-Australian Maritime Safety Authority) or Chinese ports (MSA-Maritime Safety Administration).

When the Occasional Survey is taken place, the Recognized Organization must issue a Declaration of Compliance of the Occasional Survey, valid for six (6) months.

FIFTH: The Recognized Organization must submit to Navigation and Maritime Safety Department of the General Directorate of Merchant Marine, in a period not exceeding five (5) days from the day of the inspection, the Declaration of Compliance of the Occasional Survey,



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attaching the inspection's report, which will include the following specifications, but will not be limited to the following scope:

- **Particulars of the ship** (name of the ship, IMO number, call sign, type of ship, navigation area, operator, owner, last dock "date and place", number of cargo holds if applicable, number of cargo tanks if applicable)
- **Minimum Manning;**
- **Technical Certification:** verify the validity of the ship's statutory certificates, class status and if there are pending class conditions;
- **Applicable Plans and Records:** (Oil Record Book, Ballast Record Book, Garbage Record Book.
- **Hull Conditions:** (corrosion state; paint, Plimpsol disc, frame conditions);
- **Deck conditions:** (structural condition, corrosion, paint, watertight doors, vents, lighting and pipes);
- **Mooring and anchoring equipment:** (anchors, chains, winch, windlasses, ropes and bitts);
- **Condition of Cargo Holds & Hatch Covers** (if applicable);
- **Engine:** (engine room, cleaning, main engine, auxiliary engines, alarms, etc.);
- **Navigation Bridge:** (Radio equipment, RADAR, EPIRB, Nautical Charts, Nautical Publications, Navigation Log book, general alarm, etc.);
- **Rescue and Fire Fighting Equipment:** (Muster list, liferafts, lifeboats, rescue boat, liferings, immersion suit, life jackets, fire door conditions, alarms and fire detection system, fire-fighting devices, quick-closing fire damper, fire pumps, CO2 fixed fire-fighting system, EEBD, Portable Fire Extinguishers;
- **Safety Management System:** (compliance with maintenance plans and inspections, familiarization and crew drill training and its entries, internal audits, closure of Non-Conformities, declaration of the designated person and declaration of the company, etc.);
- **ISPS:** Vessel access control, updated CSR updated;
- **MLC:** (on-board contracts properly signed, payment of wages, hours of rest and work, insurance according to rule 4.2 and 2.5 of this convention, maintenance and cleaning in accommodations, corridors, cabins, decks, cold room, dining rooms, galley, fans and air conditioners);
- **Annex:** photos and supporting evidence of the inspection;
- **Conclusions:** It will indicate to the General Directorate of Merchant Marine its comments on the general condition of the ship and whether it is advisable to issue a conditional certification.

SIXTH: The General Directorate of Merchant Marine, through the Control and Monitoring of Recognized Organization Department, may take measures according to the processes established against the Recognized Organization, if the vessel is detained after the Occasional Inspection required in the previous article.

SEVENTH: TO WARN all vessels of the Panama Registry that are detained at least two (2) times by the United States Coast Guard (USCG) or by any Member State of the different Memorandums of Understanding (MOU), within a period of twenty-four (24) months, may be financially penalized or canceled ex officio from the merchant marine, complying with the formalities established by Law.



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EIGHTH: Vessels that are detained by the United States Coast Guard (USCG) or by the Member States of the Paris MOU and Australia must do the following:

- Present evidence that demonstrates the corrections of the deficiencies indicated in the inspection reports of the Port State Control, in the last twelve (12) months. Such corrections must be presented in the established format in Merchant Marine Circular 380.
- Carry out an additional audit of the ship's Safety Management Certificate (SMC), with an initial scope. If there are non-conformities, they will be followed and if a follow-up audit is required, they must be done within a period of no more than three (3) months from the additional audit and/or,
- If required, an Additional Audit must be coordinated with the Company that implements the Ship's Safety Management System, with an initial scope. If there are non-conformities, they will be followed and a follow-up audit is required. They must be done within a period not exceeding three (3) months from the additional audit and/or,
- A flag inspection may be carried out to verify the general conditions of the ship, by a flag inspector appointed by the General Directorate of Merchant Marine.
- Any other measure that the General Directorate of Merchant Marine deems necessary depending on the case.
- The audits will be carried out by the Recognized Organization that issued the Ship Safety Management Certificate (SMC), and the Company's Document of Compliance (DOC), based on the International Safety Management Code (ISM) and it must be coordinated in a term not exceeding fifteen (15) days, from the given instruction.
- The audit reports must be delivered to the Navigation and Maritime Safety Department of the General Directorate of Merchant Marine, within a period of no more than fifteen (15) days, after the inspection, in order to be analyzed by a technical team of such department, which will be assigned by the Chief of the Department.
- Inspections, audits and the expenses generated from these activities must be paid in full by the owner or operator of the ship.

NINETH: When a Panama flag vessel is detained in jurisdictional waters of the United States of America, the Recognized Organization must perform the corresponding audits and inspections together with a Flag Inspector, who will be appointed by the General Directorate of Merchant Marine. All Recognized Organization duly approved by the United States Coast Guard (USCG) are excepted from this requirement.

TENTH: In those cases where a Panama flag vessel is detained by Port State Control, Member States of the different Memorandums of Understanding (MOU), the General Directorate of Merchant Marine may appoint a Flag Inspector, to supervise the audit carried out by the Recognized Organization.

ELEVENTH: TO INFORM all vessels that are subject to the provision of this Resolution, that the following countries are members of the Paris MOU: Germany, Belgium, Bulgaria, Canada, Croatia, Cyprus, Denmark, Slovenia, Spain, Estonia, Russian Federation, Finland, France, Greece, Iceland, Ireland, Italy, Latvia, Lithuania, Malta, the Netherlands, Norway, Poland, Portugal, Romania, Sweden and the United Kingdom. The Member States of the Asia Pacific Memorandum of Understanding (Tokyo MOU) Australia, Canada, Chile, China, Fiji, Hong Kong (China), Indonesia, Japan, Marshall Islands, Malaysia, New Zealand, Papua New Guinea, Philippines, Peru, Republic of Korea, Singapore, Thailand, Vanuatu, Vietnam.



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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 Mariana Islands.

TWELFTH: The General Directorate of Merchant Marine may reject the registration of any vessel in the following cases:

- If you have been expelled or your entry has been restricted in any of the Member States of the different Memorandums of Understanding (MOU) and from the United States Coast Guard (USCG).
- If it belongs to any list of high risk vessels or sub-standard conditions of any of the Member States of the different Memorandums of Understanding (MOU) and of the United States Coast Guard (USCG).
- If the conditions and age of the ship, its background and the activities it performs are acts that affect national interests.
- If the ship or the companies related to it are included in lists of sanctions from international organizations.

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

FOURTEENTH: REPEAL in all its parts Resolution No. 106-24-DGMM of March 24, 2011, Resolution No. 106-09-DGMM of October 17, 2017, Resolution No. 106-51-DGMM of June 25, 2018 and Resolution No. 106-183-DGMM of August 3, 2020.

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

SIXTEENTH: TO INFORM that this Resolution enters into force as of March 15, 2023, once published 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.

NOTIFY, PUBLISH AND ENFORCE,

Duly Signed
Eng. RAFAEL N. CIGARRUISTA G.
General Director