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CIRCULAR

The RO Code – Panamanian Flag Requirements

C23036 | 14 July 2023

Notice to: Ship Owners / Managers / Operators / Surveyors / Auditors

This circular is issued to advise that the Panama Maritime Authority (PMA) has updated Circular No [MMC-307, Code for Recognized Organizations \(RO Code\)](#). Recognized Organisations (ROs) that are authorized by the PMA must meet a number of new requirements in order to provide statutory certification and services to Panamanian-flagged ships.

These requirements are designed to ensure that ROs are independent and impartial, and that they have the necessary systems and processes in place to provide high-quality services.

PMA Circulars MMC-272 - List of Exclusive Surveyors, and MMC-309 – Procedures for transfer of Statutory and Class Certification are superseded by the issuance of MMC-307.

MMC-307 notes that the requirements of the code are generic and apply to all Recognised Organizations (ROs), in a manner compatible with the scope of statutory certification and services provided by the RO.

The Circular includes a number of requirements for ROs, relating to Part 2 of the RO Code, such as:

- Transparency (RO Code 2.8).
- Control of Records (RO Code 3.6)
- Communication / Cooperation with Flag State (RO Code 3.9.2),
- Exclusive Surveyors and Auditors (RO Code 4.2.2)
- Cooperation between ROs (RO Code 3.9.3)
- QMS Certification (RO Code 7)
- Authorization of ROs (RO Code 8 Part 3)

Transparency (RO Code 2.8)

Information concerning the status of ships certified by ROs is to be available to the public on the RO's websites, as follows:

- Name of the vessel
- IMO Nr / call sign
- Classification / type of ship

- Gross tonnage and date of build
- Type and name of issued certificate

Additional information regarding Plans, Certificates, Surveys, Audits, Approvals, Reports, Deficiencies / Recommendations and Non-conformities, including corrective and preventive actions is to be made available to the Administration.

Control of Records (RO Code 3.6)

ROs are to:

- maintain records demonstrating achievement of the required standards for statutory certification and services, and the effective operation of the quality management system
- maintain information relating to monitoring, measurement, analysis, and improvement of service delivery concerning statutory certification and services process, i.e.:
 - Reports
 - Non-Conformities, Corrective and Preventive action reports
 - Follow-up reports
 - Records related to personnel, e.g. competence and performance evaluation, monitoring and improvement of competence.
 - Statistics, trends, and risk analysis regarding ship deficiencies, detentions, and marine casualties.
 - The process of outsourcing services or accepting works by a service supplier,

The Administration requires ROs to keep records of stability information of ships (SOLAS II-1/5-1 as amended) available on request by the Administration.

ROs are to maintain records specified in the RO Code, point 3.6.4.2, for a minimum period of three (3) years.

Communication / Cooperation with Flag State (RO Code 3.9.2)

ROs are to establish appropriate communication:

1. Where a ship is found unfit to proceed to sea without danger to the ship or persons onboard or presenting unreasonable threat of harm to the marine environment, this must be communicated to the Segumar Offices, as per:
 - Circular (MMC-156) "Exemption, Conditional, Interim and Full-Term Certificates" and
 - Notice (MMN-18/2021) "Segumar Offices Contact Points 24/7 Coverage".
2. Information on all overdue surveys, audits, recommendations, or conditions, which affect the validity of statutory certificates, are to be communicated to the PMA.

Any statutory certificate suspension / cancellation / withdrawal, with explanation and contact details of the ship-owner / operator, must be communicated to ro-monitoring@segumar.com within twenty-four (24) hours.

3. Complying with the provisions stated in Merchant Marine Circulars:

- ISM / MLC / ISPS certification process:
 - MMC-176 "ISM additional verifications and Declarations endorsement (ISM Code)".
 - MMC-388 "Revised Guidelines on the Implementation of the ISM Code by Administrations".
 - MMC-269 "Maritime Labour Convention 2006, Certification Process".
 - MMC-359 "Guidance for the implementation and certification of the ISPS Code".
- In cases of ship detentions:
 - MMC-380 "Measurements to Reduce PSC Detentions on Panamanian Vessels".
 - MMC-384 "Guidelines for appeals process against Port State Control deficiencies / detentions".
- In case of Casualties:
 - MMC-184 "Maritime Affairs & Casualty Investigation of Panama flagged vessels."
- For monthly and quarterly transfer reports:

MMC 324 – “Control and Administrative Fees imposed by the Republic of Panama to the Technical Documents, Statutory Certificates issued, endorsements and approvals”.

4. Each RO is required to:

- establish, publish, and maintain its rules/regulations for design, construction, and certification for Panamanian-flagged ships, in English.
- plan, control, and document the design and development of statutory certification and services processes, including review, verifications, validations
- communicate to ro-panama@segumar.com any proposed new rules or regulations, established developed or amended.
- assign a contact person to act as a liaison between the organization and the PMA, and to:
 - Report this information at the beginning of each calendar year, and
 - when any changes occur,

5. Each RO & RSO (Recognized Security Organization) must:

- consign guarantee bonds and renew them promptly and under the parameters established within Resolution No. 106-023-DGMM of March 30, 2022. The original guarantee bonds must be deposited at RO – RSO Control & Monitoring Department, General Directorate of Merchant Marine, Panama Maritime Authority.
- keep updated information specified on the Official Delegation Agreement, related to its Legal Representative, Attorney or Law Firm and Head Office physical address.

Report of Deficiencies affecting the implementation of ships' ISM

1. Deficiencies affecting the implementation of the Safety Management System (SMS), found during surveys by ROs not responsible for the Safety Management Certification, are to be reported to ro-monitoring@segumar.com
2. When deficiencies affecting the implementation of the SMS are detected, the RO shall:
 - Inform the ship Master / Company.
 - Report the facts to the PMA, so that the RO responsible for the SMS certification can be instructed to take appropriate actions.
3. ROs not responsible for the SMS, shall report to the Administration, within five (5) days after the survey is completed
 - Ship's name and IMO number.
 - Date and place of survey.
 - Category and Description of deficiencies (IACS PR17 as reference).
4. When ROs responsible for the Safety Management Certificate (SMC), detect a Major Non-Conformity during verification audits, they shall ensure it is downgraded to a Non-Conformity, once satisfied with the effective corrective action taken, before the ship sails, following the procedures stated in MSC/Circ.1059-MEPC/Circ.401.
5. Where more than one RO is involved in the ISM certification process, they shall report to the other RO:
 - any Major NC detected that leads to withdrawal of a DoC, or
 - any major NC that has been downgraded to a NC and effective corrective actions taken have been satisfactorily completed,
6. ROs responsible for the ship's ISM shall report to ro-monitoring@segumar.com, the audit results / approved Action Plan.

Exclusive Surveys and Auditors (RO Code 4.2.2)

1. ROs shall perform statutory certification and services using only exclusive surveyors / auditors and qualified staff, solely employed by the RO, after due verification process of qualifications and training, according to levels of responsibilities.

2. Where ROs are required to hire a non-exclusive surveyor due to non-availability of exclusive surveyors, they shall request authorization on a case-by-case basis, by e-mail to ro-monitoring@segumar.com. They shall make sure that the non-exclusive surveyor is suitably qualified, trained and approved by an RO authorized by the Republic of Panama
3. All ROs must submit the complete list of Exclusive Surveyors, Auditors, appointed to conduct surveys / audits onboard Panamanian flagged vessels to ro-monitoring@segumar.com:
 - Annually
 - In case of any updates or
 - At the request of the Administration,

Cooperation between Recognized Organizations (RO Code 3.9.3)

Transfer of Statutory and Class Certification

1. ROs are required to establish and implement common requirements and procedures covering:
 - sharing relevant experience
 - technical and safety-related cooperation processes regarding statutory certification and services of ships, which may affect the validity of certificates issued by other ROs
 - transfer of certification of a ship from one RO (losing RO) to another (gaining RO). Guidelines established in MSC-MEPC.5 Circ.2 give detailed procedures to ensure the adequacy of transfer of class-related matters between ROs, e.g.:
 - New Certificates can only be issued by the gaining RO after all overdue surveys, recommendations, or conditions of class have been satisfactorily completed, as specified by the losing RO.
 - The gaining RO must advise the losing RO, within one month, details about the new certificates confirming the date, place, and action taken to satisfy any overdue surveys, recommendations, or conditions of class.
2. ROs are required to report to the Administration, whenever the following non-compliances occur:
 - Gaining RO: the losing RO does not provide the required information stated above
 - Losing RO: the gaining RO does not request the required information, stated above
 - Losing RO: the gaining RO does not provide the required advice stated above

Quality Management System Certification (RO Code 7).

1. RO's Quality Systems shall be periodically assessed and certified in accordance with the RO Code and Bodies certifying the ROs shall be accredited according to the RO Code.

Authorizations of Recognized Organizations (RO Code 8 / Part 3).

1. The Administration will carry out Oversight Program for ROs to verify that the ROs authorized to perform statutory certification and services fully meet the applicable International Instruments and National Regulations.

Act now

Surveyors / Auditors should note the contents of the PMA circular and be guided accordingly.