

Merchant Marine Circular

Panama Maritime Authority
General Directorate of Merchant Marine
Control and Compliance Department

MERCHANT MARINE CIRCULAR MMC-307

To: Recognized Organizations (ROs).

Subject: Code for Recognized Organizations (RO Code).

Reference: Resolution MSC.350(92) dated June 21, 2013,
(adopted through Resolution 106-OMI-135-DGMM dated October 24, 2019)
Resolution MEPC.238(65) dated May 17, 2013,
(adopted through Resolution 106-OMI-136-DGMM dated October 24, 2019)
Resolution MSC.356(92) dated June 21, 2013,
(adopted through Resolution 106-OMI-137-DGMM dated October 24, 2019)
Resolution No. J.D. 055-2022 – dated September 22nd, 2022
Resolution 106-023-DGMM- dated March 30, 2022.
Resolutions MSC.349(92) and MEPC.237(65). (as a reference).
IACS PR17 (as a reference).

1. This Marine Circular supersedes:

- 1.1. The MMC-272 - List of Exclusive Surveyors.
- 1.2. The MMC-309 - Procedures for Transfer of Statutory and Class Certification.

2. PURPOSE

- 2.1. The purpose of this Circular is to inform about the Code for Recognized Organizations (RO Code), through which all applicable requirements for recognized organizations are gathered in a single IMO mandatory instrument.
- 2.2. The Code is divided into 3 parts, Part 1 and Part 2 mandatory, while Part 3 is recommendatory, provides a consolidated instrument containing criteria against which ROs are assessed and authorized/recognized, and gives guidance for subsequent monitoring of ROs by flag Administrations.
- 2.3. The RO Code provides flag Administrations with a standard that will assist in achieving a harmonized and consistent global implementation of requirements established by IMO instruments for the assessment and authorization of recognized organizations.



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3. BACKGROUND

3.1. IMO adopted Resolution A.739(18) "Guidelines for the authorization of organizations acting on behalf of the Administration", as amended by resolution MSC.208(81), and resolution A.789(19) "Specifications on the survey and certification functions of recognized organizations acting on behalf of the Administration", which became mandatory under chapter XI-1 of the SOLAS 1974, under chapter I of annex I to annex B of the 1988 Load Lines Protocol, and under Annex I and II of the MARPOL Convention.

3.2. However, recognizing the need to update the foregoing resolutions, the RO Code was adopted by IMO Resolutions MSC.349(92) and MEPC.237(65), which entered into effect on 1 January 2015 upon the entry into force of the respective amendments to the MARPOL annexes I and II, 1974 SOLAS Convention and 1988 Load Line Protocol.

4. APPLICABILITY

4.1. All Organizations recognized by the Republic of Panama shall be in compliance with the RO Code requirements, to perform on our behalf, statutory certification and services under mandatory IMO instruments and national legislation.

4.2. All requirements of the Code are generic and applicable to all Recognized Organizations (ROs), regardless of their type and size and the statutory certification and services provided.

4.3. It is noteworthy that the ROs does not need to provide all types of statutory certification and services and may have a limited scope of recognition, provided that the requirements of the RO Code are applied in a manner that is compatible with the limited scope of recognition.

5. IMPLEMENTATION

5.1. This Administration emphasizes several considerations relating to certain requirements of the RO Code, Part 2, as follows:

5.1.1. Transparency (RO Code 2.8)

- a. The Administration has determined that the information concerning the status of ships certified by Recognized Organizations shall be available to the public on their websites as follows:
 - i. Name of the vessel.
 - ii. IMO Number / Call Sign.
 - iii. Classification / Type of Ship.
 - iv. Ship Gross Tonnage and Date of build.
 - v. Type and name of certificate issued.



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- b. Further to the information stated above the RO shall post the following information available for this Administration only:
- i. Name of Plan / Manual / Drawing. *
 - ii. Number of Certificate / Approval.
 - iii. Type of Survey / Audit (Initial, Annual, Intermediate, Renewal, Additional).
 - iv. Date of Issuance / Survey / Audit / Approval.
 - v. Place of Issuance / Survey / Audit / Approval.
 - vi. Expiration date (as applicable), window range for upcoming inspections.
 - vii. Ship Survey Reports and any outstanding deficiency.
 - viii. Audit Reports and Non Conformities, corrective and preventive action reports, or notations to the ship.

* Note: If these information/documents cannot be posted, they must be available at the Administration's request.

5.1.2. Control of Records (RO Code 3.6)

- a. ROs shall maintain records to demonstrate achievement of the required standards in the terms covered by the statutory certification and services performed as well as the effective operation of the quality management system.
- b. This Administration requires ROs to maintain the following information, related to the monitoring, measurement, analysis, and improvement of service delivery concerning the statutory certification and services process:
- i. Reports.
 - ii. Non-Conformities, Corrective and preventive actions reports,
 - iii. Follow-up reports, if available.
 - iv. Records related to personnel covering subjects, such as:
 - Assigned personnel competence and performance evaluation,
 - Monitoring and improvement of competence.
 - v. Statistics, trends, and risk analysis pertaining to ship deficiencies, detentions, and marine casualties.

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- vi. The process of outsourcing services or accepting works by a service supplier, that affects conformity to statutory requirements, as well as the full control of the performance of services.
- c. Further to the information specified in the RO Code, point 3.6.4.2. This Administration requires Recognized Organizations to keep records of stability information of ships (SOLAS II-1/5-1 as amended) and available to be provided as requested by this Administration.
- d. ROs shall maintain records specified in the RO Code, point 3.6.4.2 for a minimum period of **three (3) years** beyond the period for which statutory certification and services are provided by the RO to ships registered under the Panama flag.

5.1.3. Communication / Cooperation with Flag State (RO Code 3.9.2)

- a. **ROs shall establish the appropriate communication process in relation, but not limited to:**
 - i. The requirements of the RO Code, point 3.9.2.1.3, must be communicated to the Segumar Offices, according to the provisions of Merchant Marine Circular (MMC-156) "*Exemption, Conditional, Interim and Full-Term Certificates*" and Merchant Marine Notice (MMN-18/2021) "*Segumar Offices Contact Points 24/7 Coverage*".
 - ii. The requirements of the RO Code, point 3.9.2.1.4, information on all overdue surveys, audits, recommendations, or conditions, which affect the validity of statutory certificates, should be communicated to this Administration.

In case an overdue leads to a statutory certificate suspension / cancellation / withdrawal or due to any other cause, it must be communicated by the Recognized Organization to the following email ro-monitoring@segumar.com , within twenty-four (24) hours after the RO takes the decision on such suspension / cancellation / withdrawal, including a description of the reasons and contact details of the ship-owner/operator, so that this office can proceed in consequence.

- iii. Pursuant to the RO Code, point 3.9.2.1.5, Recognized Organizations shall comply with the provisions stated in the following 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*".



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- 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*”.
- iv. Each RO shall establish, publish, and maintain its rules/regulations for design, construction, and certification for Panamanian-flagged ships, in English.
- Pursuant to the Design and Development of the statutory certification and services process, it shall be planned, controlled, and documented by the RO, having identified different stages of it, including its review, verifications, validations, responsibilities, and considering applicable IMO instruments and requirements from the flag.
- The requirements of the RO Code, points 3.9.2.2 & 5.2.2, shall be communicated to ro-panama@segumar.com, in case of an RO or Classification Society establishes, develops, or amends new rules or regulations, to get the flag considerations.
- v. Each Recognized Organization is responsible for assigning a contact person to act as a liaison between the organization and this Administration. This information must be reported annually, at the beginning of each calendar year, or in case of any updating, by emailing ro-monitoring@segumar.com, and submitting the following items:

- Contact Names, Title, Telephones, Emails.



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- vi. Each Recognized Organization & Recognized Security Organization shall consign guarantee bonds and renew them in a timely manner 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.

- vii. Recognized Organizations & Recognized Security Organizations duly authorized shall keep updated at every moment the information specified on the Official Delegation Agreement, related to its Legal Representative, Attorney or Law Firm and Head Office physical address.

b. Report of Deficiencies affecting the implementation of ships' ISM by a Recognized Organization approved by Panama.

- i. Recognized Organizations not responsible for the Safety Management Certification (ISM Code – SMC) must report to ro-monitoring@segumar.com, when deficiencies are detected during statutory, class surveys, or surveys relevant to Port State Control, onboard Panamanian flagships, which affect the implementation of the Safety Management System (SMS).
- ii. Recognized Organizations shall inform the ship Master / Company about deficiencies detected, which affect the implementation of the SMS, and the Administration shall be reported thereof so that the Recognized Organization responsible for the SMS certification is contacted and instructed to take the corresponding actions.
- iii. Recognized Organizations not responsible for the SMS, shall report to this Administration, within the next five (5) days after the survey is completed, at least the following information:
- Ship's name and IMO number.
 - Date and place of survey.
 - Category and Description of deficiencies (IACS PR17 as reference).
- iv. Recognized Organizations responsible for the Safety Management Certificate (SMC), after being contacted and authorized by this Administration to perform additional verification, due to deficiencies affecting the SMS, detect a Major Non-Conformity onboard ship, the RO shall ensure it has been downgraded to a Non-Conformity, if satisfied with the effective corrective action taken, before the ship sails, following the procedures stated in MSC/Circ.1059-MEPC/Circ.401.

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- v. If there is more than one Recognized Organization involved in the ISM certification process, any Major Non-Conformity detected on board ship that leads to withdrawal of a Document of Compliance, or that has been downgraded to a Non-Conformity and that effective corrective actions taken have been satisfactorily completed, the involved Recognized Organization shall report such actions to the other Recognized Organization.
- vi. Recognized Organizations responsible for the ship's ISM shall report to this ro-monitoring@segumar.com , the audits results / approved Action Plan.

5.1.4. Exclusive Surveyors and Auditors (RO Code 4.2.2)

- a. The Recognized Organizations authorized by the Republic of Panama, shall perform statutory certification and services by using only exclusive surveyors / auditors and qualified staff, solely employed by the RO after a due verification process of qualification and training according to the level of responsibilities.
- b. Recognized Organizations required to hire a non-exclusive surveyor due to non-availability of exclusive surveyors, shall request authorization, on a case-by-case basis, by emailing ro-monitoring@segumar.com . The RO shall make sure that the non-exclusive surveyor is duly qualified, trained, and approved, within their level of work responsibility, by a Recognized Organization authorized by the Republic of Panama.
- c. All ROs have the obligation to submit annually, in case of any updates or at the request of this Administration, the complete list of Exclusive Surveyors / Auditors, appointed to conduct surveys / audits on board Panamanian flagged vessels, as stated in Resolution No. 106-023-DGMM dated March 30, 2022.

The list of Exclusive Surveyors / Auditors shall be sent to ro-monitoring@segumar.com including:

- i. Surveyor / Auditor name.
- ii. Geographical coverage.
- iii. Scope / Competence.

5.1.5. Cooperation between Recognized Organizations (RO Code 3.9.3)

5.1.5.1. Transfer of Statutory and Class Certification

- a. Each Recognized Organization shall establish and maintain mutual cooperation regarding the statutory certification and services of ships about technical and safety-related matters.



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- b. Recognized Organizations are committed to establishing an appropriate communication process for those cases of transfer of the certification of a ship from one RO (losing RO) to another (gaining RO), in order to ensure with the provisions of the RO Code, point 3.9.3.4, and the required information is provided without undue delay.
- c. In case of transfer of the certification of a ship, having overdue surveys, recommendations, or conditions of class previously issued, the gaining RO can issue new certificates only after all overdue have been satisfactorily completed as specified by the losing RO.
- d. Gaining RO shall advise the losing RO, within one month from the issuance, about the new certificates and confirm the date, place, and action taken to satisfy if any, overdue surveys, recommendations, and conditions of class.
- e. Recognized Organizations are committed to reporting to this Administration, by emailing ro-monitoring@segumar.com, whether the following non-compliances occur in cases of transfer of the certification of a ship:
 - i. Gaining RO: shall report in case of the losing RO does not provide the ship information required in point 3.9.3.4 of the RO Code.
 - ii. Losing RO: shall report in case of the gaining RO does not request the information specified in the RO Code, point 3.9.3.4.
 - iii. Losing RO: shall report in case of the gaining RO does not provide the advice required by the RO Code, point 3.9.3.6.
- f. In accordance with the RO Code, point 3.9.3.7, Recognized Organizations shall establish and implement appropriate common requirements and procedures covering at least the points listed in 3.9.3 of the Code.
- g. Recognized Organizations shall refer to the Guidelines established in MSC-MEPC.5 Circ.2 for detailed procedures to ensure the adequacy of transfer of class-related matters between Recognized Organizations.

5.1.6. Quality Management System Certification (RO Code 7).

- a. The RO's Quality System shall be periodically assessed and certified in accordance with point 7 of the RO Code.
- b. Qualified bodies certifying the ROs shall be accredited according to point 7.2 of the RO Code. ROs shall refer to the International Accreditation Forum (IAF).



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

- a. Oversight Program for Recognized Organizations will be carried out as determined by this Administration to verify that the recognized organizations authorized to perform statutory certification and services on our behalf are fully met the applicable International Instruments and National Regulations.

All Recognized Organizations authorized by the Republic of Panama, are committed to complying with all the above relevant communication instructions and take the corresponding actions therewith..

Inquiries, agreements, contracts, or another handling, including amendments, can be addressed to ro-panama@segumar.com ; ro-legalaffairs@segumar.com ; ro-monitoring@segumar.com .

June, 2023 – Paragraph 1 Amended / Paragraph 5.1.1.a. and 5.1.1.b. amended / Paragraph 5.1.2.b.v and 5.1.2.b.vi, New added / Paragraph 5.1.3.a.ii, amended: ro-monitoring@segumar.com and “twenty four (24) hours after the RO takes the decision on” added / Paragraph 5.1.3.a.iii, amended: MMC-184 New added / Paragraph 5.1.3.a.iv, amended / Paragraph 5.1.3.a vi, vii New added / Paragraph 5.1.3.b, New added / Paragraph 5.1.4.c, amended: ro-monitoring@segumar.com added / Paragraphs 5.1.5.1.e amended: ro-monitoring@segumar.com added & 5.1.5.1.g. New added / Paragraph 5.1.7 entire amended.

January, 2023 – Entirely amended.

December 2014.

Inquiries concerning the subject of this Merchant Marine Circular or any other request should be forward to:

RO – RSO Control & Monitoring Department
General Directorate of Merchant Marine
Panama Maritime Authority

Phone: (507) 501-5351

E-mail: ro-panama@segumar.com / ro-legalaffairs@segumar.com / ro-monitoring@segumar.com

Website: <https://panamashipregistry.com/circulars/>