

Merchant Marine Circular

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

MERCHANT MARINE CIRCULAR MMC-176

- To:** Ship-owners/Operators, Designated Persons ashore, Company Security Officers, Legal Representatives of Panamanian Flagged Vessels, Panamanian Merchant Marine Consulates and Recognized Organizations (ROs).
- Subject:** Panama Policy on Implementation of the International Safety Management (ISM) Code.
- Reference:**
- **Law No. 7 of 27 October 1977**, No.12 of 9 November 1981 and No. 31 of 11 July 2007 – SOLAS Convention and its Protocols,
 - **Resolution No.106-OMI-09-DGMM** date 27 November 2007 – Adoption of Amendments to SOLAS IX – Management for the safe operation of ships, ISM Code – Rule 3.1,
 - **Resolution No.106-OMI-56-DGMM** dated 30 October 2008 amendments to the ISM Code,
 - **Resolution 106-OMI-77-DGMM** dated 28 June 2010 through which Res. MSC. 273 (85) is adopted
 - **Resolution No.107-OMI-292-DGMM** of 13 May 2024 adoption of Res. A.1188 (33) – 2023 Guidelines on implementation of the International Safety Management (ISM) Code by Administrations, dated 6 December 2023
 - **MSC/Circ.1059 - MEPC/Circ.401** - Procedures Concerning Observed ISM Code Major Non-Conformities dated 16 December 2002 (as recommendation),
 - **MSC-MEPC.7/Circ.6** - Guidance on the qualifications, training, and experience necessary for undertaking the role of the designated person under the provisions of the international safety management (ISM) Code dated (as recommendation) dated 19 October 2007 (as recommendation),
 - **MSC-MEPC.7/Circ.7** - Guidance on near-miss reporting dated 10 October 2008 (as recommendation),
 - **MSC-MEPC.7/Circ.8** - Revised Guidelines for the Operational Implementation of the International Safety Management (ISM) Code by Companies dated 28 June 2013, revokes MSC-MEPC.7/Circ.5 (as recommendation)
 - **MSC-MEPC.7/Circ.9** - Guidelines for the reactivation of the safety management Certificate following an operational interruption of the safety management system due to Lay-up over a certain period dated 14 July 2014 (as recommendation).

This Merchant Marine Circular replaces **MMC-95, MMC-97, MMC-100, MMC-115, MMC-160, MMC-176 and MMC-213.**



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1. Purpose

- 1.1 This Merchant Marine Circular establishes the mandatory policy for the implementation of the International Safety Management (ISM) Code, in strict alignment with International Maritime Organization (IMO) guidelines. It provides a standardized framework for additional verifications to ensure that safety management systems are not merely documented, but are active and effective in identifying hazards and reducing risks to a level that is As Low As Reasonably Practicable (ALARP). Furthermore, it serves as a critical reminder to all stakeholders of their responsibility to maintain a proactive safety culture to achieve the Code's objectives of maritime safety and pollution prevention.

2. Background

- 2.1 The International Safety Management (ISM) Code was adopted by the Assembly of the International Maritime Organization (IMO) on 4 November 1993 through Resolution A.741 (18). It aims to foster the Safe Operation of Ships and for Pollution Prevention. The 1994 Amendments to the International Convention for the Safety of Life at Sea, 1974, included a new chapter "CHAPTER IX" - Management for the safe operation of ships, making the application of the Code mandatory to ships, regardless of the date of construction.

3. Scope

- 3.1 Since this Flag State Administration is the ultimate responsible for the implementation of the ISM Code for its vessels, this Merchant Marine Circular applies to vessels subject to the application of the ISM Code.

4. Definitions

- 4.1 Observation means a statement of fact made during a safety management audit and substantiated by objective evidence.
- 4.2 Non-conformity means an observed situation where objective evidence indicates the non-fulfillment of a specified requirement.
- 4.3 Major non-conformity¹ means identifiable deviation that poses a serious threat to the safety of personnel or the ship or a serious risk to the environment that requires immediate corrective action or includes the lack of effective and systematic implementation of a requirement of this Code.
- 4.4 Near-miss² is defined as a sequence of events and/or conditions that could have resulted in loss. This loss was prevented only by a fortuitous break in the chain of events and/or conditions. The potential loss could be human injury, environmental damage, or negative business impact (e.g., repair or replacement costs, scheduling delays, contract violations, loss of reputation).

¹ Refer to the *Procedures concerning observed ISM Code major non-conformities* (MSC/Circ.1059-MEPC/Circ.401)

² Refer to the *Guidance on near-miss reporting* (MSC-MEPC.7/Circ.7)

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5. ISM Additional verifications Procedure:

5.1 According to the 2023 Guidelines on implementation of the International Safety Management (ISM) Code by Administrations Res. A.1188(33) paragraph 4.7, the additional verification may be required by the Administration to check if the safety management system (SMS) **still** functions effectively, where there are clear grounds of situations beyond normal procedures such as:

5.1.1 **Port State Control (PSC) Detentions:** Any instance where a vessel is detained by authorities,

5.1.2 **Reactivation of Operations:** When a vessel returns to service after an extended period out of service or interrupted operations.

5.1.3 **Corrective Action Validation:** To verify that effective corrective actions have been properly implemented and remain functional.

5.2 In addition to the IMO Guidelines, this Administration specifically mandates Additional Verification in the following cases:

5.2.1 **Reported Deficiencies³:** When reports indicate deficiencies that may negatively impact the implementation of the ISM Code on board.

5.2.2 **Major Non-Conformities:** Any non-conformities identified for immediate downgrade and follow-up.

5.3 **Additional Audit required in case of Port State control detentions including deficiencies indicating systematic failures of the Safety Management System (ISM)**

5.3.1 The additional verifications shall be carried out at the port where the ship is detained and the scope and depth of the verification shall be as **initial verification**,

5.3.2 Port State Control report shall be presented in case of ship's detentions or ISM related deficiencies,

5.3.3 Request for additional verification due to Port State Control detentions shall be sent to ism@amp.gob.pa, authorizations@segumar.com in Panama or to the nearest SEGUMAR Office. Please refer to the [MMN018/2021](#) - SEGUMAR international offices contact points (24/7 coverage).

5.3.4 The Recognized Organization responsible for ISM Certification shall carry out the additional verification after individual authorization is given by any of the Technical Departments due to PSC detention including deficiencies indicating systematic failures of the ISM Code on board.

³ Refer to IACS PR17

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- 5.3.5 On satisfactory completion of the shipboard assessment, the Safety Management Certificate should be endorsed for additional verification.
- 5.3.6 The Class Society/RO shall submit copy of the additional verification report as soon as possible to the Administration along with the corrective actions plan (CAP) addressing the non-conformities once the Recognized Organization agreed on the corrective actions, to the following email addresses: ism@amp.gob.pa, authorizations@segumar.com and internationaloffices@segumar.com.
- 5.3.7 Corrective actions, preventive actions, additional verifications and any subsequent audits (follow-up) should be completed within the time period agreed (which may vary from case to case) but shall not normally exceed three (3) months.
- 5.3.8 After corrective actions are taken and additional verification has been carried out, a **follow-up audit** shall be carried out with the purpose to verify the **effectiveness** of the actions taken within the time frame indicated in the agreed corrective action plan (which may vary from case to case) but shall not normally exceed three (3) months.
- 5.3.9 The Recognized Organization(s) responsible for the Safety Management Certificate (SMC) and Document of Compliance (DOC) (ISM Code Certification) shall ensure that the Company apply for the follow-up audits to their ships as agreed.
- 5.3.10 Follow-up audits authorizations after detentions shall be requested to ism@amp.gob.pa, authorizations@segumar.com in Panama or to the nearest SEGUMAR Office. Please refer to the [MMN018/2021](#) - SEGUMAR international offices contact points (24/7 coverage).
- 5.3.11 Confirmation of the **effectiveness** of actions implemented shall be informed to the Technical Departments ism@amp.gob.pa, authorizations@segumar.com in Panama or to the nearest SEGUMAR Office. Please refer to the [MMN018/2021](#) - SEGUMAR offices contact points (24/7 coverage).
- 5.3.12 **Failure to take adequate corrective actions** in compliance with the ISM Code, including measures to prevent recurrence, shall be considered as a **major non-conformity**⁴ affecting the validity of the Document of Compliance and related Safety Management Certificates (Reference is made to MSC/Circ.1059 MEPC/Circ.401 Procedures Concerning Observed ISM Code Major Non-Conformities dated 16 December 2002).
- 5.3.13 For further information related to ships under certain risk level please refer to MMC-156, 404 and 405.

⁴ Refer to the *Procedures concerning observed ISM Code major non-conformities (MSC/Circ.1059-MEPC/Circ.401)*

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5.4 Additional Audit required in the case of reactivation after the interruption of operations of the ship and its SMS due to a period out of service (Refer to MSC-MEPC.7/Circ.9)

5.4.1 The Company should, after interruption of the SMS on board a ship, review the SMS. In case that a Company manages a ship, which only operates seasonally, the Company should establish specific procedures for the lay-up period and reactivation, based on their commercial activities.

5.4.2 The Company should notify further the above indicated to the port State or coastal State (if applicable) about the reactivation of the ship. This should include information about the time needed for reactivation of the vessel, any change of ownership or change of Company and the next intended destination after reactivation,

5.4.2 e.g. normal trade, repair yard or scrap yard.

5.4.3 If the interruption period of the SMS on board the ship is more than three (3) months but less than six (6) months, an **additional verification** shall be carried out before the ship re-starts its operations under the scope of an **intermediate verification**.

5.4.4 If the interruption period of the SMS on board the ship is more than six (6) months, then the Company should request its Recognized Organization responsible for ISM Certification an **interim verification** before the ships re-start its operations.

5.4.5 Request for additional verification due to reactivations after the interruption of operations of the ship and its SMS shall be sent to authorizations@segumar.com Segumar Panama or to the nearest SEGUMAR Office. Please refer to the [MMN018/2021](#) - SEGUMAR offices contact points (24/7 coverage).

5.4.6 The Recognized Organization responsible for ISM Code Certification shall carry out the additional verification after individual authorization is given by SEGUMAR Offices due to reactivations after the interruption of operations of the ship and its SMS.

5.4.7 On satisfactory completion of the shipboard assessment, the Safety Management Certificate(SMC) should be endorsed for additional verification.

5.4.8 In case that non-conformities are found, the Recognized Organization shall submit copy of the additional verification report as soon as possible to the Administration along with the corrective action plan approved by them to the email address authorizations@segumar.com Segumar Panama or to the nearest SEGUMAR Office. Please refer to the [MMN018/2021](#) - SEGUMAR offices contact points (24/7 coverage).

5.5 Additional Audit required in case of reporting deficiencies possibly affecting the implementation of the ISM Code on board⁵

⁵ Refer to IACS PR17



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- 5.5.1 Class Societies / Recognized Organizations responsible for statutory and class certificates when detecting deficiencies possibly affecting the implementation of the ISM Code on board during surveys, inspections related to statutory or class items or when deficiencies are raised due a Port State Control Inspection, shall report to this Administration at the earliest opportunity to the following email addresses ism@amp.gob.pa; authorizations@segumar.com in Panama or to the nearest SEGUMAR Office (refer to the [MMN018/2021](#) - SEGUMAR offices contact points (24/7 coverage). Also refer to MMC-307 (b.) for reporting through IACS PR17 to ro-monitoring@segumar.com.
- 5.5.2 After evaluation of each case, the Recognized Organization responsible for ISM Certification can be granted with individual authorization by the Technical Departments to carry out the additional verification due to deficiencies possibly affecting the implementation of the ISM Code on board.
- 5.5.3 On satisfactory completion of the shipboard assessment, the Safety Management Certificate should be endorsed for additional verification.
- 5.5.4 The Recognized Organization responsible of ISM Certification shall submit copy of the additional verification **report** as soon as possible to the Administration along with the corrective actions addressing the non-conformities to the following email addresses: authorizations@segumar.com and internationaloffices@segumar.com.
- 5.5.5 Corrective actions, preventive actions, additional verifications and any subsequent audits (follow-up) should be completed within the time period agreed (which may vary from case to case) but shall not normally exceed three (3) months.
- 5.5.6 After corrective actions are taken and additional verification has been carried out, a **follow-up audit** shall be carried out with the purpose of verifying the **effectiveness** of the actions taken within the time frame indicated in the agreed corrective action plan (which may vary from case to case) but shall not normally exceed three (3) months.
- 5.5.7 The Recognized Organization(s) responsible for the Safety Management Certificate (SMC) and Document of Compliance (DOC) (ISM Code Certification) shall ensure that the Company apply on due time for the follow-up audits to their ships as agreed.
- 5.5.8 Follow-up audits authorizations shall be requested to ism@amp.gob.pa, authorizations@segumar.com in Panama or to the nearest SEGUMAR Office. Please refer to the [MMN018/2021](#) - SEGUMAR international offices contact points (24/7 coverage).
- 5.5.9 Confirmation of the effectiveness of actions implemented and follow/up audit report shall be informed to the following Technical Departments email addresses ism@amp.gob.pa, authorizations@segumar.com in Panama or to the nearest SEGUMAR Office. Please refer to the [MMN018/2021](#) - SEGUMAR offices contact points (24/7 coverage).



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5.5.10 Failure to take adequate corrective actions in compliance with the ISM Code, including measures to prevent recurrence, shall be considered as a **major non-conformity** affecting the validity of the Document of Compliance and related Safety Management Certificates (Refer to MSC/Circ.1059 MEPC/Circ.401 Procedures Concerning Observed ISM Code Major Non-Conformities dated 16 December 2002).

5.5.11 Recognized Organizations are encouraged to report possible systematic failures of the Safety Management System if there is an increase in hazardous occurrences related to DOC.

5.5.12 If a major non-conformity is identified that relates to the effective functioning of the Safety Management System (SMS) or a serious threat to safety/environment is detected, and not corrected, the DOC should be withdrawn with immediate notification to this Administration.

5.6 Additional audit in case of non-conformities found during ISM verifications

5.6.1 Request for additional verification in case of non-conformities found during ISM verifications by Recognized Organization responsible for the ISM Certification shall be sent to authorizations@segumar.com Segumar Panama or to the nearest SEGUMAR Office. Please refer to the [MMN018/2021](#) - SEGUMAR offices contact points (24/7 coverage).

5.6.2 On satisfactory completion of the shipboard assessment, the Safety Management Certificate should be endorsed for additional verification.

5.6.3 The Recognized Organization responsible for the ISM Certification shall submit copy of the additional verification report as soon as possible to the Administration along with the corrective actions addressing the non-conformities to the following email addresses: authorizations@segumar.com and internationaloffices@segumar.com.

6. Corrective Action follow up (Verifying the effectiveness of actions taken).

6.1 After corrective actions are taken and additional verification has been carried out, a **follow-up audit** shall be carried out with the purpose of verifying the **effectiveness** of the actions taken within the time frame indicated in the agreed corrective action plan (which may vary from case to case) but shall not normally exceed three (3) months.

6.2 The Recognized Organization(s) responsible for the Safety Management Certificate (SMC) and Document of Compliance (DOC) (ISM Code Certification) shall ensure that the Company apply in due time for the follow-up audits to their ships as agreed.

6.3 **Follow-up audits** authorizations for **corrective action validation** shall be requested to ism@amp.gob.pa, authorizations@segumar.com in Panama or to the nearest SEGUMAR Office. Please refer to the [MMN018/2021](#) - SEGUMAR international offices contact points (24/7 coverage).

6.4 Confirmation of the **effectiveness** of actions implemented shall be informed to the



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Technical Departments in Panama ism@amp.gob.pa, authorizations@segumar.com in Panama or to the nearest SEGUMAR Office. Please refer to the [MMN018/2021](#) - SEGUMAR offices contact points (24/7 coverage).

6.5 **Failure to take adequate corrective actions** in compliance with the ISM Code, including measures to prevent recurrence, shall be considered as **a major non-conformity**⁶ affecting the validity of the Document of Compliance and related Safety Management Certificates (Reference is made to MSC/Circ.1059 MEPC/Circ.401 Procedures Concerning Observed ISM Code Major Non-Conformities dated 16 December 2002).

7. Companies' responsibilities with regard to reporting and analyzing of non-conformities, observations, accidents and hazardous occurrences (near-misses)

7.1 The Company responsible for the operation of ship shall ensure that the SMS contain procedures to guarantee that non-conformities, observations and hazardous occurrences are reported, recorded, investigated, evaluated, reviewed and analyzed, and that appropriate actions are taken.

7.2 These procedures involve the person responsible of the management (DPA) who shall properly monitor the **follow-up and closing-out** of the non-conformities/deficiency reports. The receipt of reports should be acknowledged to those persons who have raised the reports. This should include the status of the report and any decisions made. (Refer to MSC-MEPC.7/Circ.8 - Revised Guidelines for the operational implementation of the International Safety Management (ISM) Code by Companies dated 28 June 2013).

7.3 This Administration encourages Companies responsible for ship's operation to report near-misses occurrences in their fleet to maintain and improve safety awareness. The report and analysis of such occurrences are essential for an effective risk assessment by the Company, especially where accident information is not available. (Refer to MSC-MEPC.7/Circ.7 Guidance on Near-Miss Reporting, dated 10 October 2008).

7.4 The system should ensure such reports are reviewed and evaluated by the responsible person(s) in order to determine appropriate corrective action and to ensure that recurrences are avoided.

8. **Qualifications, training and experience of the Designated Person (MSC-MEPC.7/Circ.6 dated 19 October 2007)**

8.1 To ensure the safe operation of each ship and to provide a link between the Company and those on board, every company, as appropriate, should designate a person or persons ashore having direct access to the highest level of management.

⁶ Refer to the *Procedures concerning observed ISM Code major non-conformities* ((**MSC/Circ.1059-MEPC/Circ.401**))

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- 8.2 Considering that the Designated person has a key role in the development and implementation of the safety management system within a shipping company with a view of ensuring safety at sea, prevention of human injury, loss of life, damage to the environment, in particular to the marine environment, the International Maritime Organization has provided guidance on the qualifications, training and experience for undertaking the role of Designated Person under provisions of the International Safety Management Code.
- 8.3 This Administration instruct shipowners/operators of Panamanian flag vessels to comply the guidance on the qualifications, training and experience for undertaking the role of Designated Person under provisions of the International Safety Management Code as set out in the Annex of the **MSC-MEPC.7/Circ.6** dated 19 October 2007.
- 8.4 We remind Companies to provide training courses covering qualification, training and experience and the appropriate procedures connected to compliance with the ISM Code including practical training and continuous updating.
- 8.5 The Company are also instructed to maintain documentary evidence (records) that the Designated Person has the relevant qualifications, training and experience to undertake the duties under the provisions of the ISM Code.

9. Endorsement of ISM Code Declarations

- 9.1 All Company Operators/Owners/Masters shall report to this Administration the Declaration of Company (DC) for the Company Operator, as per ISM Code 3.1, and the Declaration of Designated Person Ashore (DPA).
- 9.2 Starting **September 1, 2025**, the online application for the ISM Declarations (Declaration of Company – DC and Declaration of Designated Person Ashore – DPA) will be available at the following website link: <https://ecertificatespanama.amp.gob.pa>. Users must register in order to access the system and download the User Manual.
- 9.3 Recognized Organizations responsible for ISM Code Certification are instructed to verify, during the initial, renewal, annual-DOC and intermediate-SMC verifications, that every DPA and DC has been endorsed by this Administration.
- 9.4 To obtain the required endorsement of the declaration of Designated Person Ashore and the Declaration of the Operating Company, copy of the Interim or Short-Term Safety Management Certificate shall be presented.
- 9.5 The ISM Declarations (Declaration of Company – DC and Declaration of Designated Person Ashore – DPA) issued without an electronic signature or QR Code shall remain fully valid until a modification or replacement is required.

10. Companies operating multi-flagged fleets (MSC/Circ.762, of 1996)

- 10.1 For companies with multi-fleets (vessels under different flags), duplication of DOCs can be avoided by agreement of the Flag State Administrations involved.

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- 10.2** Companies should approach the relevant flag Administrations, proposing a plan of action and requesting agreement by all parties to facilitate the auditing and certification process. This plan should clearly state which entity (the Administration itself; a recognized organization authorized by the Administration; or at the request of the Administration, by another Contracting Government, according to SOLAS IX/4.1) is to conduct which part of the process.
- 10.3** This approach by companies should be taken at least 12 months prior to the mandatory application date for the particular ship type or types involved.
- 10.4** In order to facilitate the auditing and certification process and to avoid unnecessary duplication of work, a Company operating a multi-flagged fleet may approach this Administration with the purpose to enter into a positive dialogue with other involved Administrations. Relevant agreements may be reached with other Administrations involved.
- 10.5** In case of Companies operating multi-flagged fleet and its major number of ships is under a DOC issued by a Recognized Organization already approved by this Administration, a concurrence letter shall be requested to this Administration. Request shall be made to authorizations@segumar.com in Panama or to the nearest SEGUMAR Office. Please refer to the [MMN018/2021](#) - SEGUMAR offices contact points (24/7 coverage).
- 10.6** The need for establishing a clear link between the shore-based part of the Safety Management System of the company and the shipboard parts should be clearly recognized; following the procedure indicated in point 9 above.

11. Risk Assessment

- 11.1** In accordance with the revised ISM Code, from 1 July 20210 the Company shall establish safeguards against all identified risks. In consequence Risk Management shall be a continual and flexible process consisting of hazard identification, risk assessment, control application, and effectiveness monitoring.
- 11.2** Risk assessments shall involve the operational staff most familiar with the tasks, as their experience is vital to accurate hazard identification and the practical application of controls.
- 11.3** The company are reminded of its responsibility for informing relevant employees and those undertaking delegated safety management system tasks about the objectives and scope of the ISM Code certification.
- 11.4** As hazard identification must be systematic and based on the observation of activities, the Company is recommended to utilize "A Guide to Risk Assessment in Ship Operations" (IACS Rec. 127) as a reference standard for verifying compliance.



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12. Penalty

- 12.1 Panama emphasizes the importance of the correct implementation of the ISM Code which is crucial for the safety, development, and future of the world's fleet. As a consequence, after July 1, 1998 (1st phase for the implementation of the Code) all Panamanian flag vessels not in possession of a valid SMC and DOC for its company will be subject to a severe fine, as set forth in Panama's Law No. 2 from 1980. In addition, the vessel not complying is subject maximum penalty imposed by the Registry.

13. Contact Points

- 13.1 **ISM station** Navigation and Maritime Safety Department:
Monday to Friday from **0830 to 1630** (Panama local time GMT-5)
Phone: (507) 501-5092
Email: ism@amp.gob.pa
- 13.2 **Segumar Panama**
Monday to Friday from **0600 to 2200** (Panama local time GMT-5)
Phone: (507) 501- 5361 / 5352 / 5360
Email: authorizations@segumar.com; segumar.headoffice@segumar.com; tec-pma@segumar.com
- 13.3 **Segumar International Offices:**
Monday to Fridays (according to local time and regular Office hours).
Please refer to the [MMN018/2021](#) - SEGUMAR offices contact points (24/7 coverage).

April, 2026 – Content underwent a full review.

September, 2023 – Merge of Merchant Marine Circulars 95, 97, 100, 115, 160, 176, and 213.

December, 2015 – amendment to: Subject, paragraph 3, reference 1 added, word audit replaced for “verification” through the circular, point 5 re-numbered to 4.5, point 6 added, 6.1 amended to include SEGUMAR Offices, 6.2 amended, 6.3 added.

August, 2008.

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

SEGUMAR Panama
Directorate General of Merchant Marine
Panama Maritime Authority

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