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COMDTPUB P16700.4
NVIC 4-98
17 MARCH 1998

NAVIGATION AND VESSEL INSPECTION CIRCULAR NO. 4-98

Subj: PORT STATE CONTROL GUIDELINES FOR THE ENFORCEMENT OF AND COMPLIANCE WITH CHAPTER IX OF THE INTERNATIONAL CONVENTION FOR THE SAFETY OF LIFE AT SEA, 1974 (SOLAS), "MANAGEMENT FOR THE SAFE OPERATION OF SHIPS."

Ref:
(a) Chapter IX, Management for the Safe Operation of Ships, International Convention for the Safety of Life at Sea, 1974 (SOLAS)
(b) International Maritime Organization Assembly Resolution A.741(18), International Safety Management (ISM) Code
(c) International Maritime Organization Assembly Resolution A.788(19), Guidelines on the Implementation of the International Safety Management (ISM) Code
(d) Marine Safety Manual, Volume II, Materiel Inspection, COMDTINST M16000.7
(e) Title 46, United States Code, Chapter 32, "Management of Vessels."

1. PURPOSE. This Navigation and Vessel Inspection Circular (NVIC) provides guidance for U.S. Coast Guard Officers in Charge, Marine Inspection (OCMIs), Captains of the Port (COTPs), and Port State Control Officers (PSCOs), vessel owners, operators, flag States, and classification societies concerning enforcement of and compliance with the requirements of Chapter IX of the International Convention for the Safety of Life at Sea, 1974 (SOLAS), under the U.S. Coast Guard's Port State Control (PSC) Program.

2. ACTION.

A. U.S. Coast Guard OCMIs and COTPs will refer to the enclosed guidance when ensuring compliance of foreign vessels with requirements of SOLAS Chapter IX under the Port State Control Program. Enclosure (1) contains a checklist that PSCOs may use as an addendum to foreign vessel examination books. The checklist is designed as an aid for checking and documenting compliance of SOLAS Chapter IX requirements during general and expanded Port State Control examinations.

B. Because of the general and non-prescriptive nature of these requirements, U.S. Coast Guard PSCOs shall use discretion when evaluating compliance and considering enforcement action. A vessel should not be delayed and civil penalty action should not be initiated unless major non-conformities are identified. Requirements for corrective action should offer adequate time to allow for full compliance.

C. OCMIs and COTPs shall bring the enclosed guidance to the attention of appropriate individuals in the marine industry within their zones. Early publication and communication is essential to remind all interested marine industry representatives, both U.S. and foreign, that compliance dates will not be extended. Interested owners, operators, flag Administrations and classification societies are encouraged to review the guidance contained in this circular.

3. DIRECTIVES AFFECTED. None.

4. BACKGROUND.

A. On November 4, 1993, the International Maritime Organization (IMO) adopted Resolution A.741(18), entitled "*International Management Code for the Safe Operation of Ships and for Pollution Prevention (International Safety Management [ISM] Code)*." To further enhance the safety of ships and pollution prevention, the IMO amended the Convention for the Safety of Life at Sea (SOLAS), 1974, by adopting Chapter IX, *Management for the Safe Operation of Ships*, making compliance with the requirements of the ISM Code mandatory. SOLAS Chapter IX and the ISM Code are provided in enclosures (2) and (3) respectively. Amplifying guidance on implementation of the requirements of SOLAS Chapter IX was provided by the IMO in Resolution A.788(19), "*Guidelines on the Implementation of the International Safety Management (ISM) Code by Administrations,*" (enclosure (4)).

B. General Applicability. Compliance with SOLAS Chapter IX and the ISM Code will become mandatory for ships engaged on international voyages on the following dates:

- July 1, 1998 - for passenger ships, including passenger high speed craft.
- July 1, 1998 - for oil tankers, chemical tankers, gas carriers, bulk carriers, and cargo high speed craft of 500 gross tons or more.
- July 1, 2002 - for other cargo ships and self-propelled mobile offshore drilling units (MODUs) of 500 gross tons or more.

The requirements of SOLAS Chapter IX and the ISM Code do not apply to government-operated ships used for non-commercial purposes.

C. To maintain consistency with other U.S. shipping laws and regulations, the terms used to describe ship types in the U.S. law and regulations differ from those used in SOLAS Chapter IX and the ISM Code. However, the difference applies only to the terminology use; it does not affect the types of ships that must comply. Table 1 provides a cross reference between ship types used in U.S. law and those used in SOLAS Chapter IX. Since the focus of the U.S. Coast Guard's Port State Control Program is to ensure that foreign ships are in compliance with international safety conventions and standards, the terms used in SOLAS, Chapter IX, will be used in this circular.

Table 1 - Terms used in U.S. law/regulation and their SOLAS equivalents for the ISM Code

| Term used in U.S. law/regulations | | Term used in SOLAS Chapter IX |
|---|---|---|
| vessel transporting more than 12 passengers | is equivalent to | passenger ship |
| tanker | is equivalent to | oil tanker, chemical tanker and gas carrier |
| bulk freight vessel | is equivalent to | bulk carrier |
| freight vessel | is equivalent to | cargo ship |

D. In November 1997, the SOLAS Conference on the Safety of Bulk Carriers was held at the IMO's headquarters in London. At that conference a clarification of the definition of "bulk carriers" provided in SOLAS Chapter IX, Regulation 1.6 was established. This clarification has been adopted for use by the U.S. Coast Guard in determining which ships must meet the July 1, 1998, deadline for compliance with the ISM Code. Therefore, only those ships which meet any of the following three definitions will be considered a "bulk carrier" for purposes of compliance with the ISM Code. Typical cross sections of these types of ships are provided in Figure 1.

(1) *general bulk carrier* - is a ship which is:

(a) constructed with a single deck;

(b) constructed with top-side tanks and hopper side tanks in cargo spaces; and

(c) intended primarily to carry dry cargo in bulk.

(2) *ore carrier* - is a ship which is:

(a) a single deck ship;

(b) constructed with two longitudinal bulkheads;

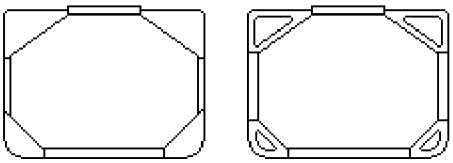
(c) constructed with a double bottom throughout the cargo region; and

(d) intended for the carriage of ore cargoes.

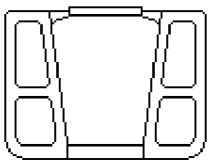
(3) *combination carrier* - a ship which is a tanker designed to carry oil or alternatively solid cargoes in bulk (SOLAS 74, Chapter II-2, regulation 3.27)

Figure 1 - Typical cross sections for the three types of bulk carriers under the ISM Code

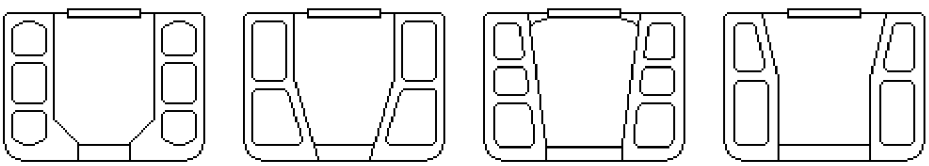
- General Bulk Carrier -



- Ore Carrier -



- Combination Carrier -



5. DISCUSSION.

A. The objectives of SOLAS Chapter IX and the ISM Code are to ensure safety at sea, prevent the occurrence of human injury or loss of life, and avoid environmental and property damage. Specifically, the ISM Code seeks to address the issues of human error and human omissions. To accomplish its objectives, the ISM Code requires owners of ships, or other organizations such as the managers, or bareboat charterers, who have assumed responsibility for ship operations, to implement Safety Management Systems (SMS) for their companies and ships.

B. Key elements of the SMS include documented company guidelines establishing:

(1) a company safety and environmental protection policy;

(2) instructions and procedures to ensure vessels are operated in accordance with relevant flag State and international regulations;

(3) defined levels of authority and lines of communication between, and amongst, shore and shipboard personnel;

(4) procedures for reporting accidents and non-conformities with the provisions of the ISM Code;

(5) procedures for preparing for and responding to emergencies; and,

(6) procedures for internal audits and management reviews.

C. The implementation of a SMS requires a company to document its management procedures to ensure that conditions, activities, and tasks, both ashore and on board, affecting safety and environmental protection are planned, organized, executed, and checked in accordance with statutory and company requirements. For many companies, this may be a relatively simple job of formalizing long established processes and placing the associated documents under a greater degree of control. For others, this process will be much more comprehensive. It may take twelve to eighteen months to develop and implement a SMS under even the best of conditions. The mandatory compliance dates noted in paragraph 4.B. are the dates by which owners are to have completed the process of implementing and receiving certification of their SMS for their companies and ships; they are not the dates by which to begin the process.

D. The documents used to describe and implement the SMS may be referred to as the "Safety Management Manual." However, companies are not required to keep the documentation in a manual form; but may instead choose to maintain the documentation in some other form they consider more effective. Companies are required to establish and maintain procedures for the control of their SMS documentation. These controls shall ensure that:

(1) valid documents are available at all relevant locations (including the ships);

(2) changes to documents are reviewed and approved by authorized personnel; and,

(3) obsolete documents are promptly removed.

E. Certification of a SMS for a ship requires two determinations to be made by the ship's flag State: 1) that the company responsible for the ship has implemented a SMS that complies with the requirements of the ISM Code and 2) that the ship is being operated in accordance with the approved SMS. Upon approval of its SMS, a company is issued a Document of Compliance (DOC). Individual ships that have been found to be operating in accordance with an approved SMS are issued a Safety Management Certificate (SMC). For a ship to be in compliance with SOLAS Chapter IX and the ISM Code, it must be operated by a company holding a valid DOC, a copy of which is required to be maintained on the ship, and must hold a valid SMC. Reference (c) contains the IMO requirements for the issuance of these certificates, including specific guidelines for the issuance of interim certificates.

(1) Document of Compliance (DOC). The DOC is issued to an owner, manager, or bareboat charterer following an audit of their company's safety management system (SMS). The audit determines whether the SMS complies with the requirements of the ISM Code, is effectively implemented and is in use by the company's personnel. The DOC is valid for the types of ships on which the company's initial verification was based. It should be issued for no more than five years and is subject to annual verifications which should be recorded through an endorsement on the DOC within a three month window of each anniversary of the issue date.

(2) Safety Management Certificate (SMC). The SMC is issued to a ship following an initial verification that its SMS is in compliance with the requirements of the ISM Code, that the DOC of the responsible company is applicable to that ship type and that the SMS has been effectively implemented and is in use. The SMC is valid for five years and requires an intermediate endorsement at two and a half years.

(3) Interim Certificates.

(a) An interim DOC, valid for no more than twelve months, may be issued to facilitate implementation of the ISM Code when a company is newly established, there is a change of flag or when new ship types are added to an existing DOC. The interim DOC certificate should be issued only after the company has demonstrated that it has an SMS that, at a minimum, meets the objectives for an SMS provided in Section 1.2.3 of the ISM Code and that the company plans to implement an SMS meeting the full requirements of the ISM Code within the period of validity of the interim DOC certificate.

(b) An interim SMC, valid for no more than six months, may be issued to new ships on delivery and when a company takes responsibility for an existing ship which is new to the company. The validity of an interim SMC may be extended for an additional six months by the flag Administration in special cases. The interim SMC should only be issued when the flag Administration has verified the following:

(i) The responsible company's DOC, or interim DOC, is relevant to that ship;

(ii) The SMS includes key elements of the ISM Code, and has been assessed during an audit for issuance of the responsible company's DOC or demonstrated for issuance of the responsible company's interim DOC;

(iii) The master and relevant senior officers are familiar with the SMS and the plans for its implementation;

(iv) Instructions identified as essential to be provided prior to sailing have been given;

(v) The responsible company has plans for an audit of the ship within three months; and,

(vi) The relevant information of the SMS is in a working language or languages understood by the ship's crew.

F. The U.S. Coast Guard intends to fully enforce the provisions of SOLAS Chapter IX and the ISM Code through its Port State Control (PSC) Program. The U.S. Coast Guard will not conduct special "ISM Code" boardings solely to verify compliance with ISM Code requirements. Instead, compliance will be verified as part of all general PSC examinations. As is true for any international standard, general examinations may become "expanded" and focus on compliance with the requirements of the ISM Code if "clear grounds" are identified that indicate substantial non-conformities.

G. As mentioned in section 5.B, one of the functional requirements of a SMS is to provide instructions and procedures to ensure safe operation of ships and protection of the environment in compliance with relevant international and flag State legislation. Although not required, companies may find it beneficial to enhance the effectiveness of their ships' safety management systems (SMS) by also including similar instructions and procedures to ensure awareness of and compliance with relevant port State legislation, particularly if their ships regularly call on the same port State(s). This is particularly true for foreign ships routinely calling on U.S. ports as there are many U.S. requirements that apply to them while they operate in U.S. waters. Among these requirements are laws and regulations for navigation, pollution prevention and protection of the environment and endangered species (e.g. Port and Waterways Safety Act, Oil Pollution Act, Federal Water Pollution Control Act, Endangered Species Act, etc.). While the omission of instructions or procedures related to U.S. national requirements will not invalidate the SMS of a foreign ship, the U.S. Coast Guard encourages the inclusion and education of such instructions and procedures in the SMS of foreign ships routinely operating in U.S. waters as a means of enhancing the effectiveness and ability of the SMS to ensure marine safety and protection of the environment.

6. PROCEDURES.

A. Pre-Enforcement Program. On December 15, 1997, PSCOs began conducting checks for compliance with SOLAS Chapter IX and the ISM Code as part of all general PSC examinations on those ships which must be in compliance by July 1, 1998. The goal of this program is to provide PSCOs with an opportunity to familiarize themselves with enforcement of SOLAS Chapter IX and the ISM Code requirements. It is also intended to document current compliance levels and publicize the approaching enforcement dates and the Coast Guard's commitment to strictly enforce these requirements. Until July 1, 1998, PSCOs will only check for compliance; no enforcement action will be taken.

(1) Vessels not in Compliance. If it is found that a vessel is not in compliance with SOLAS Chapter IX and the ISM Code, the PSCO shall ensure the master is made aware of the compliance dates and the Coast Guard's enforcement policy by giving the master a copy of the "ISM Code Enforcement Notification letter." A sample letter is provided in Enclosure (5).

(2) Vessels in Compliance. If the vessel claims to have achieved compliance with ISM Code requirements, the PSCO shall review the ship's ISM Code certificates, noting and recording the following information (see section 6.C(1) on page 11 for reporting requirements).

(a) Document of Compliance (DOC).

(i) Issue and expiration dates.

(ii) Last annual endorsement.

(iii) Issuing organization.

(iv) Company name and address.

(v) Vessel type(s) listed.

(b) Safety Management Certificate (SMC).

(i) Issue and expiration dates.

(ii) Intermediate endorsement.

(iii) Issuing organization.

B. Enforcement of Compliance with SOLAS Chapter IX and ISM Code Requirements. Beginning July 1, 1998, all OCMIs/COTPs will begin enforcing the requirements of SOLAS Chapter IX and the ISM Code on all **applicable** foreign vessels operating in U.S. waters.

(1) Pre-Arrival Screening. On December 11, 1997, the U.S. Coast Guard published an Interim Rule which amended 33 CFR 160.207 by requiring ISM Code certification information to be included in a ship's advance notice of arrival. The requirement

became effective on January 26, 1998, for those ships which must comply with the ISM Code by July 1, 1998. Therefore, prior to entry, these foreign vessels must provide the date of issuance of their DOC and SMC and the name of the flag Administration, or the recognized organization(s) acting on its behalf, that issued those certificates. For those ships that do not have to comply with the ISM Code until July 1, 2002, the requirement to include ISM Code certification information in the advance notice of arrival does not become effective until January 1, 2000. While ships participating in Automated Mutual Assistance Vessel Rescue Network (AMVER) are exempt from these requirements, they may include this information in their AMVER arrival reports on lines "X" and "Y."

(a) If the information indicates compliance with SOLAS Chapter IX and the ISM Code, the COTP/OCMI shall evaluate the vessel on the PSC Boarding Priority Matrix and conduct a PSC boarding when necessary.

(b) If the information indicates non-compliance with SOLAS Chapter IX and the ISM Code, the COTP shall issue a COTP Order denying entry of the vessel until such time as adequate proof is provided to the cognizant OCMI/COTP that the vessel has achieved compliance (i.e. proof indicating that the ship's SMS has been certified, and a DOC and a SMC have been issued by the Administration or authorized classification society).

(c) If information is not available to indicate compliance (e.g. the vessel does not provide any information on its ISM compliance status), assign the vessel a Priority I boarding status and conduct a PSC examination in accordance with the procedures in reference (d).

(2) Including ISM Code Compliance in the PSC Examination. As part of all PSC examinations conducted in accordance the reference (d), PSCOs will check to verify compliance with SOLAS Chapter IX and the ISM Code. This will consist of the document check described in the pre-enforcement procedures in paragraph 6.A(2). In addition, while conducting the rest of the PSC examination, PSCOs should be alert for indications that the SMS has not been implemented or not being used by the ship's personnel.

(3) Ship Discovered in Port Without ISM Code Certificates. The following enforcement actions shall be taken if ships are found to be without the certificates required by SOLAS Chapter IX and the ISM Code.

(a) The vessel shall be detained under SOLAS Regulation I/19 for non-compliance with SOLAS Chapter IX.
(b) Cargo operations may be prohibited or suspended, as applicable.
(c) Civil penalty action shall be commenced.
(d) The COTP/OCMI will investigate the situation to determine whether there has been a violation under Title 18, Untied States Code, Section 1001 (18 USC 1001) with respect to the ship knowingly and willfully providing false information regarding its ISM Code compliance status in its advance notice of

arrival. If this is the case, the person providing the false information may be subject to criminal prosecution and subject to fines and/or imprisonment for up to five years.

(e) The vessel's flag State and classification society shall be notified.

(f) An expanded PSC examination shall be conducted. If the only deficiencies identified relate to the ISM Code certificates and a bond or other surety has been filed to cover the amount equal to the maximum civil penalty that may be assessed, the ship may be allowed to conduct cargo operations, released from detention and issued a COTP order directing the vessel to depart. In addition, the COTP/OCMI shall inform the master that the ship will be denied entry into all U.S. ports until adequate proof of compliance with the ISM Code is provided to the cognizant COTP/OCMI (see section 6.B(1)(b) above).

(4) Including ISM Code Compliance in an Expanded Examination. PSCOs may encounter one of two basic situations that will necessitate verifying ISM Code compliance in an expanded examination. The first situation is when clear grounds have been identified that lead the boarding team to believe that the ship does not have a valid SMS properly implemented on board. Examples of clear grounds include, but are not limited to, improperly endorsed or expired ISM certificates; lack of SMS documentation; crewmembers have insufficient knowledge of their required duties under the SMS, and/or the level of non-compliance with international safety requirements is so extreme that it is evident that no safety management system is in place (e.g. numerous and/or recurring deficiencies that indicate a lack of maintenance, improper training or failure to correct previously identified deficiencies). In these situations, the PSCO will conduct an expanded examination of the SMS, as described in paragraph (5). The second situation that may occur is that a PSCO believes that a ship has a valid SMS, but limited non-compliance with other international requirements has been identified which warrant an expanded examination. In this situation, the boarding team would include a review of the SMS, as described in paragraph (6), in the expanded examination.

(5) Conducting an Expanded Examination of the SMS. The expanded examination of the SMS is not an audit. It is a spot-check to see if the basic components of a SMS are present and that the Master and crew have a basic understanding of the SMS and their responsibilities. When an expanded examination of a ship's SMS is deemed necessary to verify that a valid SMS has been properly implemented and certified, the following items should be verified by the PSCO as is applicable:

(a) Copies of the SMS documentation (may be in the form of a "Safety Management Manual") is on board and:

(i) the documentation consists of controlled documents with revision and/or issue dates or other means of control (ISM Code 11.1);

(ii) there is documentation which identifies the safety and environmental protection policy (ISM Code 2);

(iii) the Master is familiar with the SMS (ISM Code 6.1.2);

(iv) there is documentation which clearly identifies the authority of the master (ISM Code 5);

(v) the documentation is in a language understood by the ship's personnel (ISM Code 6.6);

(vi) there is documentation which identifies essential or critical equipment (ISM Code 10.3);

(vii) there is documentation which identifies the name(s) or title(s) of the company's designated person(s) (ISM Code 4) ; and,

(viii) there is documentation which identifies procedures for reporting and analyzing non-conformities, accidents and hazardous occurrences (ISM Code 9).

(b) The company's training program is in place for all personnel, including newly assigned or transferred persons, to enable all personnel to be familiar with their duties. The company's vessel familiarization training should be conducted in accordance with the STCW Convention and documented before the seafarer is assigned shipboard duties.

(c) The Master and Chief Engineer are familiar with the company's internal audit procedures, e.g. they know how many audits the company requires per year.

(d) Shipboard personnel involved with the SMS have an adequate understanding of the process. The ship's officers should:

(i) have knowledge of documented procedures to be followed;

(ii) be familiar with documented preventative procedures for essential equipment; and,

(iii) have knowledge of reporting requirements of a non-conformity.

(e) The vessel has a documented maintenance system in which:

(i) procedures are documented in writing;

(ii) procedures are readily available, in a working language(s) understood by those who must use them; and,

(iii) procedures are followed and records of maintenance are maintained.

(f) The vessel has written procedures for shipboard operations covering the following areas (It is not mandatory that the list below be specifically followed.

The PSCO should note which procedures are documented and ensure the major elements listed below are included):

(i) Preventative Maintenance;

(ii) Navigation Procedures;

(iii) Bunkering Operations;

(iv) Emergency Preparedness;

(v) Pollution Prevention Procedures;

(vi) Technical Systems Operations; and,

(vii) Communications Procedures.

(g) Audits are conducted as required by the ISM Code.

(i) Internal Audit. This audit is conducted by the company to verify safety and pollution prevention activities comply with the SMS. These audits demonstrate the implementation of an effective SMS. The PSCO should only seek evidence that internal audits are being conducted at intervals specified in the company's SMS documentation. The records which result from the audits should not be examined for specific non-conformities. These non-conformities have been identified by the company and are being evaluated for corrective action. They are objective evidence the ISM Code is being complied with and the company is finding, correcting and preventing the reoccurrence of any deficiencies. The PSCO may ask the master if identified non-conformities were SOLAS-related.

(ii) External Audit. This audit is conducted by the flag State or the authorized organization acting on behalf of the flag State responsible for issuing the ISM Code certificates. The goal of this audit is to provide a systematic and independent examination to determine whether the SMS activities comply with planned arrangements and whether these arrangements are implemented effectively and are suitable to achieve the objectives of the SMS. If possible, the results of such external audits should be reviewed during the expanded examination. Any repetitive or outstanding non-conformities should be noted, with particular attention paid to non-conformities relating to the deficiencies noted during the general examination.

(6) Review of the SMS in conjunction with an Expanded PSC Examination. In most cases, a properly implemented SMS should prevent substantial non-compliance with international requirements. However, it is also understood that procedures in a ship's SMS may require refinement and updating over time. To address these situations the

ISM Code requires the SMS to have procedures for reporting, investigating and analyzing non-conformities, accidents and hazardous situations. In addition, the SMS is also required to have procedures for the implementation of any resulting corrective action. Therefore, in situations where the ship appears to have a valid SMS, but other deficiencies have been identified that warrant an expanded examination, the PSCO shall ensure that a review of the SMS is conducted. The role of the PSCO in this situation is to oversee the review process, ensuring that the procedures for the reporting and analysis of non-conformities provided in the SMS are used (e.g. that the Master reviews the SMS, investigates where the breakdown is, what its cause is, and reports the problem to the Company to prompt the development of any necessary corrective action). The scope of the review will depend on the extent of the non-conformities. In most cases, the situation can be resolved by this method without having to call in the flag State and/or certifying organization. However, in situations where it becomes evident that a valid SMS has not been implemented, either through the Master's inability to conduct a review of the SMS or the results of the review indicate that a valid SMS has not been properly implemented, the PSCO will contact the flag and/or certifying organization and conduct the expanded examination of the SMS as described in paragraph (5).

(7) Enforcement Actions for Non-Conformities with the ISM Code.

(a) If major non-conformities are identified during an expanded examination of a ship's SMS that indicate that the SMS has not been implemented, the ship shall be detained and the ship's flag State, or the recognized organization authorized to carry out ISM Code surveys on its behalf, shall then be notified by the COTP/OCMI that the validity and/or implementation of the ship's SMS is in question and requested to attend the ship to determine if it is actually in compliance with the ISM Code. Cargo/passenger operations may be prohibited or terminated only if the non-conformities are such as to make such operations hazardous. The ship may be released after the COTP/OCMI has received a report from the flag State, or the recognized organization authorized to carry out ISM Code surveys on its behalf, of the ship's status of compliance with the ISM Code. If the ship is found in compliance, it will be released from detention after all deficiencies and non-conformities have been properly addressed. If the ship is found to not be in compliance, then civil penalty action will be commenced. The ship will be released once all deficiencies and non-conformities have been properly addressed and a bond or other surety has been filed to cover the amount equal to the maximum civil penalty that may be assessed. In addition, the Master of the ship will be informed that the ship will be denied entry into all U.S. ports until adequate proof of compliance with the ISM Code is provided to the cognizant COTP/OCMI.

(b) If it appears the ship has a valid SMS, but it is detained due to deficiencies associated with other international requirements, the PSCO will ensure that the procedures provided in the SMS are used to identify and address any non-conformities. Prior to releasing the ship from detention, the material

deficiencies that led to detention shall be corrected and any non-conformities identified in the ship's SMS shall be addressed with a written "report of a non-conformity, accident or hazardous situation" prepared by the ship's Master. In addition, the responsible company must establish a set course of action for updating or correcting the ship's SMS in accordance with its documented procedures.

(c) Cases where ships have been denied entry, either when attempting to enter port or after being discovered in port and ordered to depart, due to non-compliance with the ISM Code will be considered equivalent to a detention for development of the Owner/Operator Target Lists and evaluation of individual ships using the Port State Control Boarding Priority Matrix. For owners and operators this means they will be placed on the target list if they have one ship denied entry due to non-compliance with the ISM Code and at least one detention or another ship denied entry due to non-compliance with the ISM Code within the previous twelve months. For individual ships, it means the addition of five points in column 4 (History) for each denial of entry due to non-compliance with the ISM Code in the previous twelve months.

C. Reporting and Documentation Obligations and Procedures.

(1) Pre-Enforcement Program. PSCOs shall update the VFLD product in MSIS with ISM Code certificate information for those ships identified as already in compliance with ISM Code requirements. In addition, COTPs/OCMIs will provide ISM Code compliance information to Commandant (G-MOC) for use in an ISM Code compliance database. The purpose of this database is to allow the U.S. Coast Guard to evaluate compliance levels leading up to the entry into force of the ISM Code and share this information with other Port State Control authorities.

(2) After Entry-Into-Force. PSCOs shall follow the reporting and notification requirements provided in the Marine Safety Manual, Volume II, Chapter 24, for detentions of ships due to non-compliance with the ISM Code. When citing ISM Code deficiencies on the detention report, PSCOs shall cite the appropriate regulation of SOLAS Chapter IX (see enclosure (2)). For processing civil penalty cases, cite the applicable regulation in 33 CFR Part 96. Upon release from detention, ships that were found without ISM Code certification will be issued a Captain of the Port (COTP) Order banning them from reentering U.S. waters until such time that adequate proof is provided verifying that certification has been achieved. A copy of the COTP Order should be sent to Commandant (G-MOC). In addition, OCMIs/COTPs shall enter a VPI notice in MSIS indicating that the ship was discovered without certification and is banned from U.S. waters until it receives ISM Code certification.

(3) Commandant (G-MOC). G-MOC will report all detentions of ships due to ISM Code deficiencies to the International Maritime Organization (IMO) in accordance with

SOLAS Chapter I, Regulation 19. In addition, a list of banned vessels will be included in the monthly targeting message and posted on the U.S. Coast Guard's Port State Control website:

http://www.uscg.mil/hq/g-m/psc/psc.htm.

R. C. NORTH
Assistant Commandant for
Marine Safety and Environmental Protection

Encl: (1) Addendum to Foreign Vessel Examination Books for International Safety Management (ISM) Code
(2) SOLAS Chapter IX, Management for the Safe Operation of Ships
(3) IMO Assembly Resolution A.741(18), International Safety Management (ISM) Code.
(4) IMO Assembly Resolution A.788(19), Guidelines on the Implementation of the International Safety Management (ISM) Code.
(5) Sample ISM Code Enforcement Notification Letter.

Non-Standard Distribution:

C:e New Orleans (90); Hampton Roads (50); Houston-Galveston, San Francisco Bay, Puget Sound (40); Philadelphia, Port Arthur, Honolulu (35); Miami, Mobile, Long Beach, Morgan City, Portland OR (25); Jacksonville (20); Boston, Portland ME, Charleston, Anchorage (15); Cleveland (12); Louisville, Memphis, Paducah, Pittsburgh, St. Louis, Savannah, San Juan, Tampa,

Buffalo, Chicago, Detroit, Duluth, Milwaukee, San Diego, Anchorage, Juneau, Valdez (10); Providence, Huntington, Wilmington, Corpus Christi, Toledo, Guam, Sault Ste. Marie (5).

C:m ACTEUR, FEACT, National Maritime Center (2).

C:n New York (70); Baltimore (45).

D:d Except Moriches and Grand Haven.

CG Liaison Officer MILSEALIFTCOMD (Code N-7CG), CG Liaison Officer RSPA (DHM-22), CG Liaison Officer MARAD (MAR-742), CG Liaison Officers JUSMAGPHIL, CG Liaison Officer World Maritime University, CG Liaison Officer ABS, Maritime Liaison Officer Commander U.S. Naval Forces Central Command (1)

NOAA Fleet Inspection Officer (1)

U.S. Merchant Marine Academy (1)

**Addendum to the Foreign Vessel Examination Books**
**for**
**International Safety Management (ISM) Code Requirements**

The following checklist should be used to verify compliance with the ISM Code as mandated by SOLAS Chapter IX, *Management for the Safe Operation of Ships*, during Port State Control (PSC) examinations. The requirements of SOLAS Chapter IX apply to ships regardless of the date of construction as follows:

| | |
|---|---|
| Passenger ships including high-speed craft | 1 July 1998 |
| Oil tankers, chemical tankers, gas carriers, bulk carriers and cargo high speed craft of 500 gross tons or more | 1 July 1998 |
| Other cargo ships and mobile offshore drilling units of 500 gross tons or more | 1 July 2002 |

SOLAS Chapter IX does not apply to government-operated ships used for non-commercial purposes.

## A. GENERAL EXAMINATION

I. ___ Document of Compliance (DOC)
(SOLAS Chapter IX, Regulations 3.2, 4.1 & 4.2)

- Issue Date: _____
- Expiration Date: _____
  (maximum 5 yrs from date of issue)
- Last Annual Verification/Endorsement: _____
  (+ or - 3 months from anniversary date)
- Listed Responsible Company correct
- Vessel type is listed on the DOC

II. ___ Safety Management Certificate (SMC)
(SOLAS Chapter IX, Regulation 4.3)

- Issue date: _____
- Expiration date: _____
  (maximum 5 yrs from date of issue)
- Intermediate verification: _____
  (between the 2nd and 3rd anniversary of the issue date)

III. Interim Certificates
(SOLAS Chapter IX, Regulation 4)

A. ___ Interim DOC
(for newly established companies, where new ship types are added to an existing DOC or there is a change of flag)

- Issue Date: _____
- Expiration Date: _____
  (maximum 1 yr from date of issue)
- Listed Responsible Company correct
- Vessel type is listed on the DOC

## A. GENERAL EXAMINATION (*contd.*)

B. ___ Interim SMC
(issued for newbuilds on delivery, when a company takes responsibility for a ship which is new to the company or there is a change

of flag)

- Issue date: _____
- Expiration date: _____
  (maximum 6 months from date of issue; may be extended additional six months by flag administration in special cases)
- Date of company audit: _____
  (within 3 months of date of issue)

**B. EXPANDED EXAMINATION OF SAFETY MANAGEMENT SYSTEM (SMS)**

I. ___ Documentation
(May be in the form of a "Safety Management Manual)

- Consists of controlled documents
  (issue and/or revision dates or other means of control)
- Identifies Quality Policy
- Master is familiar with SMS
- Identifies authority of Master
- In language understood by ship's personnel
- Identifies written procedures to be kept on board
- Identifies essential or critical equipment or separate manual containing this information
- Identifies procedures for reporting non-conformities
- Identifies company's designated person(s):
  name or title and address/phone:

II. ___ Company's Training Program
(Documented procedures established to ensure new personnel and personnel transferred to new assignments are given proper familiarization with their duties)

- Conducted in accordance with STCW, Regulation I/14
- Training is documented
- Conducted before crewmember(s) are assigned shipboard duties
- Essential instructions to be provided before sailing are, identified documented and given

**B. EXPANDED EXAMINATION OF SAFETY MANAGEMENT SYSTEM (SMS)**
***(contd.)***

III. Crew Familiarization with the SMS

A. ___ Ship's Officers

- familiar with documented procedures to be followed
- familiar preventative procedures for essential equipment
- familiar with reporting requirements for non-conformities and able to identify typical scenarios that may result in a documented non-conformity

B. ___ Master and Chief Engineer
(in addition to requirements for Ship's Officers)

- Familiar with internal audit procedures
(e.g. know how many audits required per year and have participated in at least one)

IV. ___ Documented Maintenance System

- Documented in writing (includes computerized versions)
- Readily available and in language understood by those who must use them
- Procedures are followed
- Records maintained

V. ___ Vessel Specific Procedures

- Documented in writing
- Covering the following areas:
(not mandatory that they follow the exact format listed below)
  - ♦ Preventative Maintenance
  - ♦ Navigation
  - ♦ Bunkering Operations
  - ♦ Emergency Preparedness
  - ♦ Pollution Prevention
  - ♦ Technical Procedures
  - ♦ Communications

VI. Audits

A. ___ Internal Audits - conducted as specified by SMS
(DO NOT examine internal audit records)

B. ___ External Audits - review results

- Status of open non-conformities relevant to deficiencies leading to detention
- Status of implementation of corrective and preventative

measure

## C. REVIEW OF SMS IN CONJUNCTION WITH AN EXPANDED PSC EXAMINATION

I. ___ SMS Review Conducted By Ship's Master

- Conducted in accordance with procedures in SMS _____
- Non-conformities identified _____
- Report of Non-Conformity prepared and sent in accordance with procedures established by SMS _____

**Annex to the International Convention for the Safety of Life at Sea, 1974 (SOLAS)**

# CHAPTER IX

## Management for the safe operation of ships

**Regulation 1**
*Definitions*

For the purpose of this chapter, unless expressly provided otherwise:

**1** *International Safety Management (ISM) Code* means the International Management Code for the Safe Operation of Ships and for Pollution Prevention adopted by the Organization by resolution A.741(18), as may be amended by the Organization, provided that such amendments are adopted, brought into force and take effect in accordance with the provisions or article VIII of the present Convention concerning the amendment procedures applicable to the annex other than chapter I.

**2** *Company* means the owner of the ship or any other organization or person such as the manager, or the bareboat charterer, who has assumed the responsibility for the operation of the ship from the owner of the ship and who on assuming such responsibility has agreed to take over all the duties and responsibilities imposed by the International Safety Management Code.

**3** *Oil tanker* means an oil tanker as defined in regulation II-1/2.12.

**4** *Chemical tanker* means a chemical tanker as defined in regulation VII/8.2.

**5** *Gas carrier* means a gas carrier as defined in regulation VII/11.2.

**6** *Bulk carrier* means a ship which is constructed generally with single deck, top-side tanks and hopper side tanks in cargo spaces, and is intended primarily to carry dry cargo in bulk, and includes such types as ore carriers and combination carriers.

7 *Mobile offshore drilling unit (MODU)* means a vessel capable of engaging in drilling operations for the exploration for or exploitation of resources beneath the sea-bed such as liquid or gaseous hydrocarbons, sulfur or salt.

**8** *High-speed craft* means a craft as defined in regulation X/1.2.

**Regulation 2**
*Application*

**1** This chapter applies to ships, regardless of the date of construction, as follows:

**.1** passenger ships including passenger high-speed craft, not later than 1 July 1998;

**.2** oil tankers, chemical tankers, gas carriers, bulk carriers and cargo high-speed craft of 500 gross tonnage and upwards, not later than 1 July 1998; and

**.3** other cargo ships and mobile offshore drilling units of 500 gross tonnage and upwards, not later than 1 July 2002.

**2** This chapter does not apply to government-operated ships used for non-commercial purposes.

**Regulation 3**
*Safety management requirements*

**1** The company and the ship shall comply with the requirements of the International Safety Management Code.

**2** The ship shall be operated by a company holding a Document of Compliance referred to in regulation 4.

**Regulation 4**
*Certification*

**1** A Document of Compliance shall be issued to every company which complies with the requirements of the International Safety Management Code. This document shall be issued by the Administration, by an organization recognized by the Administration, or at the request of the Administration by another Contracting Government.

**2** A copy of the Document of Compliance shall be kept on board the ship in order that the master can produce it on request for verification.

**3** A Certificate, called a Safety Management Certificate, shall be issued to every ship by the Administration or an organization recognized by the Administration. The Administration or organization recognized by it shall, before issuing the Safety Management Certificate, verify that the company and its shipboard management operate in accordance with the approved safety-management system.

**Regulation 5**
*Maintenance of conditions*

The safety-management system shall be maintained in accordance with the provisions of the International Safety management Code.

**Regulation 6**

*Verification and control*

**1** The Administration, another Contracting Government at the request of the Administration or an organization recognized by the Administration shall periodically verify the proper functioning of the ship's safety-management system.

**2** Subject to the provision of paragraph 3 of this regulation, a ship required to hold a certificate issued pursuant to the provisions of regulation 4.3 shall be subject to control in accordance with the provisions of regulation XI/4. For this purpose such certificate shall be treated as a certificate issued under regulation I/12 or I/13.

**3** In cases of change of flag State or company, special transitional arrangements shall be made in accordance with the guidelines developed by the Organization.*

*Refer to the Guidelines on the Implementation of the ISM Code by Administrations, to be adopted by the Organization.

# The International Safety Management (ISM) Code

## IMO Assembly Resolution A.741(18) - 1993

**THE ASSEMBLY,**

**RECALLING** Article 15(j) of the Convention on the International Maritime Organization concerning the functions of the Assembly in relation to regulations and guidelines concerning maritime safety and the prevention and control of marine pollution from ships,

**RECALLING ALSO** resolution A.680(17), by which it invited Member Governments to encourage those responsible for the management and operation of ships to take appropriate steps to develop, implement and assess safety and pollution prevention management in accordance with the IMO Guidelines on management for the safe operation of ships and for pollution prevention,

**RECALLING ALSO** resolution A.596(15), by which it requested the Maritime Safety Committee to develop, as a matter of urgency, guidelines, wherever relevant, concerning shipboard and shore-based management and its decision to include in the work programme of the Maritime Safety Committee and the Marine Environment Protection Committee an item on shipboard and shore-based management for the safe operation of ships and for the prevention of marine pollution, respectively,

**RECALLING FURTHER** resolution A.441(XI), by which it invited every State to take the necessary steps to ensure that the owner of a ship which flies the flag of that State provides such State with the current information necessary to enable it to identify and contact the person contracted or otherwise entrusted by the owner to discharge his responsibilities for that ship in regard to matters relating to maritime safety and the protection of the marine environment,

**FURTHER RECALLING** resolution A.443(XI), by which it invited Governments to take the necessary steps to safeguard the shipmaster in the proper discharge of his responsibilities in regard to maritime safety and the protection of the marine environment,

**RECOGNIZING** the need for appropriate organization of management to enable it to respond to the need of those on board ships to achieve and maintain high standards of safety and environmental protection,

**RECOGNIZING** ALSO that the most important means of preventing maritime casualties and pollution of the sea from ships is to design, construct, equip and maintain ships and to operate them with properly trained crews in compliance with international conventions and standards relating to maritime safety and pollution prevention,

**NOTING** that the Maritime Safety Committee is developing requirements for adoption by Contracting Governments to the International Convention for the Safety of Life at Sea (SOLAS) 1974, which will make compliance with the Code referred to in operative paragraph 1 mandatory,

**CONSIDERING** that the early implementation of that Code would greatly assist in improving safety at sea and protection of the marine environment,

**NOTING FURTHER** that the Maritime Safety Committee and the Marine Environment Protection Committee have reviewed resolution A.680(17) and the Guidelines annexed thereto in developing the Code,

**HAVING CONSIDERED** the recommendations made by the Maritime Safety Committee at its sixty-second session and by the Marine Environment Protection Committee at its thirty-fourth session,

1. **ADOPTS** the International Management Code for the Safe Operation of Ships and for Pollution Prevention, (International Safety Management (ISM) Code), set out in the Annex to the present resolution;

2. **STRONGLY URGES** Governments to implement the ISM Code on a national basis, giving priority to passenger ships, tankers, gas carriers, bulk carriers and mobile offshore units, which are flying their flags, as soon as possible but not later than 1 June 1998, pending development of the mandatory applications of the Code;

3. **REQUESTS GOVERNMENTS** to inform the Maritime Safety Committee and the Marine Environment Protection Committee of the action they have taken in implementing the ISM Code;

4. **REQUESTS** the Maritime Safety Committee and the Marine Environment Protection Committee to develop Guidelines for the implementation of the ISM Code;

5. **REQUESTS ALSO** the Maritime Safety Committee and the Marine Environment Protection Committee to keep the Code and its associated Guidelines, under review and to amend them, as necessary;

6. **REVOKES** resolution A.680(17).

# The International Safety Management (ISM) Code

**Annex to IMO Assembly Resolution A.741(18) - 1993**

## PREAMBLE

1. The purpose of this Code is to provide an international standard for the safe management and operation of ships and for pollution prevention.

2. The Assembly adopted resolution A.443(XI) by which it invited all Governments to take the necessary steps to safeguard the shipmaster in the proper discharge of his responsibilities with regard to maritime safety and the protection of the marine environment.

3. The Assembly also adopted resolution A.680(17) by which it further recognized the need for appropriate organization of management to enable it to respond to the need of those on board ships to achieve and maintain high standards of safety and environmental protection.

4. Recognizing that no two shipping companies or shipowners are the same, and that ships operate under a wide range of different conditions, the Code is based on general principles and objectives.

5. The Code is expressed in broad terms so that it can have a widespread application. Clearly, different levels of management, whether shore-based or at sea, will require varying levels of knowledge and awareness of the items outlined.

6. The cornerstone of good safety management is commitment from the top. In matters of safety and pollution prevention it is the commitment, competence, attitudes and motivation of individuals at all levels that determines the end result.

# 1. GENERAL

## 1.1 Definitions

1.1.1 "*International Safety Management (ISM) Code*" means the International Management Code for the Safe Operation of Ships and for Pollution Prevention as adopted by the Assembly, as may be amended by the Organization.

1.1.2 "*Company*" means the Owner of the ship or any other organization or person such as the Manager, or the Bareboat Charterer, who has assumed the responsibility for operation of the ship from the Shipowner and who on assuming such responsibility has agreed to take over all the duties and responsibility imposed by the Code.

1.1.3 "*Administration*" means the Government of the State whose flag the ship is entitled to fly.

## 1.2 Objectives

1.2.1 The objectives of the Code are to ensure safety at sea, prevention of human injury or loss of life, and avoidance of damage to the environment, in particular, to the marine environment, and to property.

1.2.2 Safety management objectives of the Company should, inter alia:

.1 provide for safe practices in ship operation and a safe working environment;

.2 establish safeguards against all identified risks; and

.3 continuously improve safety management skills of personnel ashore and aboard ships, including preparing for emergencies related both to safety and environmental protection.

1.2.3 The safety and management system should ensure:

.1 compliance with mandatory rules and regulations; and

.2 that applicable codes, guidelines and standards recommended by the Organization, Administrations, classification societies and maritime industry organizations are taken into account.

## 1.3 Application

The requirements of this Code may be applied to all ships.

## 1.4 Functional requirements for a Safety Management System (SMS)

Every Company should develop, implement and maintain a Safety Management System (SMS) which includes the following functional requirements:

.1 a safety and environmental protection policy;

.2 instructions and procedures to ensure safe operation of ships and protection of the environment in compliance with relevant international and flag State legislation;

.3 defined levels of authority and lines of communication between, and amongst, shore and shipboard personnel;

.4 procedures for reporting accidents and non-conformities with the provisions of this Code;

.5 procedures to prepare for and respond to emergency situations; and

.6 procedures for internal audits and management reviews.

## 2. SAFETY AND ENVIRONMENTAL PROTECTION POLICY

2.1 The Company should establish a safety and environmental protection policy which describes how the objectives, given in paragraph 1.2, will be achieved.

2.2 The Company should ensure that the policy is implemented and maintained at all levels of the organization both ship based as well as shore based.

## 3. COMPANY RESPONSIBILITIES AND AUTHORITY

3.1 If the entity who is responsible for the operation of the ship is other than the owner, the owner must report the full name and details of such entity to the Administration.

3.2 The Company should define and document the responsibility, authority and interrelation of all personnel who manage, perform and verify work relating to and affecting safety and pollution prevention.

3.3 The Company is responsible for ensuring that adequate resources and shore based support are provided to enable the designated person or persons to carry out their functions.

## 4. DESIGNATED PERSON(S)

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. The responsibility and authority of the designated person or persons should include monitoring the safety and pollution prevention aspects of the operation of each ship and to ensure that adequate resources and shore based support are applied, as required.

## 5. MASTER'S RESPONSIBILITY AND AUTHORITY

5.1 The Company should clearly define and document the master's responsibility with regard to:

.1 implementing the safety and environmental protection policy of the Company;

.2 motivating the crew in the observation of that policy;

.3 issuing appropriate orders and instructions in a clear and simple manner;

.4 verifying that specified requirements are observed; and

.5 reviewing the SMS and reporting its deficiencies to the shore based management.

5.2 The Company should ensure that the SMS operating on board the ship contains a clear statement emphasizing the Master's authority. The Company should establish in the SMS that the master has the overriding authority and the responsibility to make decisions with respect to safety and pollution prevention and to request the Company's assistance as may be necessary.

## 6. RESOURCES AND PERSONNEL

6.1 The Company should ensure that the master is:

.1 properly qualified for command;

.2 fully conversant with the Company's SMS; and

.3 given the necessary support so that the Master's duties can be safely performed.

6.2 The Company should ensure that each ship is manned with qualified, certificated and medically fit seafarers in accordance with national and international requirements.

6.3 The Company should establish procedures to ensure that new personnel and personnel transferred to new assignments related to safety and protection of the environment are given proper familiarization with their duties. Instructions which are essential to be provided prior to sailing should be identified, documented and given.

6.4 The Company should ensure that all personnel involved in the Company's SMS have an adequate understanding of relevant rules, regulations, codes and guidelines.

6.5 The Company should establish and maintain procedures for identifying any training which may be required in support of the SMS and ensure that such training is provided for all personnel concerned.

6.6 The Company should establish procedures by which the ship's personnel receive relevant information on the SMS in a working language or languages understood by them.

6.7 The Company should ensure that the ship's personnel are able to communicate effectively in the execution of their duties related to the SMS.

## 7. DEVELOPMENT OF PLANS FOR SHIPBOARD OPERATIONS

The Company should establish procedures for the preparation of plans and instructions for key shipboard operations concerning the safety of the ship and the prevention of pollution. The various tasks involved should be defined and assigned to qualified personnel.

## 8. EMERGENCY PREPAREDNESS

8.1 The Company should establish procedures to identify, describe and respond to potential emergency shipboard situations.

8.2 The Company should establish programmes for drills and exercises to prepare for emergency actions.

8.3 The SMS should provide for measures ensuring that the Company's organization can respond at any time to hazards, accidents and emergency situations involving its ships.

## 9. REPORTS AND ANALYSIS OF NON-CONFORMITIES, ACCIDENTS AND HAZARDOUS OCCURRENCES

9.1 The SMS should include procedures ensuring that non-conformities, accidents and hazardous situations are reported to the Company, investigated and analyzed with the objective of improving safety and pollution prevention.

9.2 The Company should establish procedures for the implementation of corrective action.

## 10. MAINTENANCE OF THE SHIP AND EQUIPMENT

10.1 The Company should establish procedures to ensure that the ship is maintained in conformity with the provisions of the relevant rules and regulations and with any additional requirements which may be established by the Company.

10.2 In meeting these requirements the Company should ensure that:

.1 inspections are held at appropriate intervals;

.2 any non-conformity is reported with its possible cause, if known;

.3 appropriate corrective action is taken; and

.4 records of these activities are maintained.

10.3 The Company should establish procedures in SMS to identify equipment and technical systems the sudden operational failure of which may result in hazardous situations. The SMS should provide for specific measures aimed at promoting the reliability of such equipment or systems. These measures should include the regular testing of stand-by arrangements and equipment or technical systems that are not in continuous use.

10.4 The inspections mentioned in 10.2 as well as the measures referred to 10.3 should be integrated in the ship's operational maintenance routine.

## 11. DOCUMENTATION

11.1 The Company should establish and maintain procedures to control all documents and data which are relevant to the SMS.

11.2 The Company should ensure that:

.1 valid documents are available at all relevant locations;

.2 changes to documents are reviewed and approved by authorized personnel; and

.3 obsolete documents are promptly removed.

11.3 The documents used to describe and implement the SMS may be referred to as the "Safety Management Manual". Documentation should be kept in a form that the Company considers most effective. Each ship should carry on board all documentation relevant to that ship.

## 12. COMPANY VERIFICATION, REVIEW AND EVALUATION

12.1 The Company should carry out internal safety audits to verify whether safety and pollution prevention activities comply with the SMS.

12.2 The Company should periodically evaluate the efficiency and when needed review the SMS in accordance with procedures established by the Company.

12.3 The audits and possible corrective actions should be carried out in accordance with documented procedures.

12.4 Personnel carrying out audits should be independent of the areas being audited unless this is impracticable due to the size and the nature of the Company.

12.5 The results of the audits and reviews should be brought to the attention of all personnel having responsibility in the area involved.

12.6 The management personnel responsible for the area involved should take timely corrective action on deficiencies found.

## 13. CERTIFICATION, VERIFICATION AND CONTROL

13.1 The ship should be operated by a Company which is issued a document of compliance relevant to that ship.

13.2 A document of compliance should be issued for every Company complying with the requirements of the ISM Code by the Administration, by an organization recognized by the Administration or by the Government of the country, acting on behalf of the Administration in which the Company has chosen to conduct its business. This document should be accepted as evidence that the Company is capable of complying with the requirements of the Code.

13.3 A copy of such a document should be placed on board in order that the Master, if so asked, may produce it for the verification of the Administration or organizations recognized by it.

13.4 A Certificate, called a Safety Management Certificate, should be issued to a ship by the Administration or organization recognized by the Administration. The Administration should, when issuing a certificate, verify that the Company and its shipboard management operate in accordance with the approved SMS.

13.5 The Administration or an organization recognized by the Administration should periodically verify the proper functioning of the ship's SMS as approved.

# Guidelines on the Implementation of the International Safety Management (ISM) Code

**IMO Assembly Resolution A.788(19) - 1995**

**THE ASSEMBLY,**

**RECALLING** Article 15(j) of the Convention on the International Maritime Organization concerning the functions of the Assembly in relation to regulations and guidelines concerning maritime safety and the prevention and control of marine pollution from ships,

**RECALLING ALSO** resolution A.741(18), by which the Assembly adopted the International Management Code for the Safe Operation of Ships and for Pollution Prevention (International Safety Management (ISM) Code)

**NOTING** that the ISM Code is expected, under the provisions of chapter IX of the International Convention for the Safety of Life at Sea (SOLAS), 1974, to become mandatory for companies operating certain types of ships, as from 1 July 1998,

**RECOGNIZING** that an Administration, in establishing that safety standards are maintained, has a responsibility to ensure that Documents of Compliance have been issued in accordance with the Guidelines.

**RECOGNIZING ALSO** that there may be a need for Administrations to enter into agreements in respect of issuance of certificates by other Administrations in compliance with chapter IX of SOLAS, 1974 and in accordance with resolution A.741(18),

**HAVING CONSIDERED** the recommendations made by the Maritime Safety Committee at its sixty-fifth session and by the Marine Environmental Protection Committee at its thirty seventh session,

1. **ADOPTS** the Guidelines on the Implementation of the International Safety Management (ISM) Code by Administrations as set out in the Annex to the present resolution;

2. **URGES** Governments, when implementing the ISM Code, to adhere to the Guidelines, in particular with regard to the validity of the Document of Compliance and Safety Management Certificate required by the ISM Code;

3. **URGES ALSO** Governments to request the companies concerned to apply for certification under the ISM Code as soon as possible but not later than trwelve months prior to the ISM Code becoming mandatory for ships belonging thereto,

4. **REQUESTS** Governments to inform the Organization of any difficulties they have experienced in using the annexed Guidelines;

5. **REQUESTS ALSO** the Maritime Safety Committee and the Marine Environment Protection Committee to keep the annexed Guidelines under review and to amend them as necessary;.

# Guidelines on the Implementation of the International Safety Management (ISM) Code

**Annex to IMO Assembly Resolution A.788(19) - 1995**

## INTRODUCTION

### The ISM Code

The International Management Code for the Safe Operation of Ships and for Pollution Prevention (International Safety Management (ISM) Code was adopted by the Organization by resolution A.741(18) and will be made mandatory by virtue of the entry into force on 1 January 1998 of SOLAS chapter IX "Management for the Safe Operation of Ships". The ISM Code provides an international standard for the safe management and operation of ships and for pollution prevention.

The ISM Code requires that Companies establish safety objectives as described in section 1.2 of the ISM Code, and in addition that the Companies develop, implement and maintain a Safety Management System (SMS) which includes functional requirements as listed in section 1.4 of the ISM Code.

The application of the ISM Code should support and encourage the development of a safety culture in shipping. Success factors for the development of a safety culture are, inter alia, commitment, values and beliefs.

### Mandatory Application of the ISM Code

The appropriate organisation of management, ashore and on board, is needed to ensure adequate standards of safety. A systematic approach to management by those responsible for management of ships is therefore required. The objectives of the mandatory application of the ISM Code are to ensure:

.1 compliance with mandatory rules and regulations related to the safe operation of ships and protection of the environment; and

.2 the effective implementation and enforcement thereof by Administrations.

Effective enforcement by Administrations must include verification that the Safety Management System (SMS) complies with the requirements as stipulated in the ISM Code, as well as verification of compliance with mandatory rules and regulations.

The mandatory application of the ISM Code should ensure, support and encourage that applicable codes, guidelines and standards recommended by the Organization, Administrations, classification societies and maritime industry organisations are taken into account.

**Verification and Certification Responsibilities**

The Administration is responsible for verifying compliance with the requirements of the ISM Code and issuing Documents of Compliance (DOC) to Companies and Safety Management Certificates (SMC) to ships.

Resolution A.739(18) "Guidelines for the Authorization of Recognized Organizations acting on behalf of the Administrations", which was made mandatory by the new SOLAS chapter XI and resolution A.740(18) "Interim Guidelines to assist flag States" are applicable when Administrations authorize organizations to issue DOC and SMC on their behalf.

## 1. SCOPE AND APPLICATION

1.1 Definitions

1.1.1 "*International Safety Management (ISM) Code*" means the International Management Code for the Safe Operation of Ships and for Pollution Prevention as adopted by the Organization by resolution A.741(18), as may be amended by the Organization.

1.1.2 "*Company*" means the Owner of the ship or any other organization or person such as the Manager, or the Bareboat Charterer, who has assumed the responsibility for operation of the ship from the Shipowner and who on assuming such responsibility has agreed to take over all the duties and responsibilities imposed by the ISM Code.

1.1.3 "*Administration*" means the Government of the State whose flag the ship is entitled to fly.

1.1.4 "*Safety Management System*" (SMS) means a structured and documented system enabling Company personnel to effectively implement the Company Safety and Environmental Protection Policy.

1.1.5 "*Document of Compliance*" (DOC) means a document issued to a Company which complies with the requirements of the ISM Code.

1.1.6 "*Safety Management Certificate*" (SMC) means a document issued to a ship which signifies that the Company and its shipboard management operate in accordance with the approved SMS.

1.1.7 "*Safety management audit*" means a systematic and independent examination to determine whether the SMS activities and related results comply with planned

arrangements and whether these arrangements are implemented effectively and are suitable to achieve objectives.

1.1.8 "Observation" means a statement of fact made during a Safety Management Audit and substantiated by objective evidence.

1.1.9 "Objective evidence" means quantitative or qualitative information, records or statements of fact pertaining to safety or to the existence and implementation of a SMS element, which is based on observation, measurement or test and which can be verified.

1.1.10 "Non conformity" means an observed situation where objective evidence indicates the non fulfilment of a specified requirement.

1.1.11 "Major non conformity" means an identifiable deviation which poses a serious threat to personnel or ship safety or a serious risk to the environment and requires immediate corrective action; in addition the lack of effective and systematic implementation of a requirement of the ISM Code, is also considered as a major non conformity.

1.2 Scope and application

1.2.1 These guidelines establish basic principles:

.1 for verifying that the Safety Management System (SMS) of a Company responsible for the operation of ships or the SMS for the ship or ships controlled by the company complies with the ISM Code; and

.2 for the issue and periodical verification of the DOC and SMC.

1.2.2 These Guidelines are applicable to Administrations.

## 2. VERIFYING COMPLIANCE WITH THE ISM CODE

2.1 General

2.1.1 To comply with the requirements of the ISM Code, Companies should develop, implement and maintain an SMS to ensure that the safety and environmental protection policy of the Company is implemented. The Company policy should include the objectives defined by the ISM Code.

Note: ICS/ISF Guidelines on the application of the International Safety Management Code" (A.18/INF.5) gives useful guidance on important individual element of an SMS and its development by Companies.

2.1.2 Administrations should verify compliance with the requirements of the ISM Code by determining:

.1 the conformity of the Company's safety management system (SMS) with the requirements of the ISM Code; and

.2 that the SMS ensures that the objectives defined in Section 1.2.3 of the ISM Code are met.

2.1.3 Determining conformity or non conformity of the SMS elements with the requirements specified by the ISM Code may demand that criteria for assessment be developed. Administrations are recommended to limit the development of criteria in the form of prescriptive management system solutions. Criteria for assessment in the form of prescriptive requirements may have the effect that safety management in shipping results in Companies implementing solutions prepared by others, it may then be difficult for a Company to develop the solutions which best suit that particular Company, that particular operation or that specific ship.

2.1.4 Therefore, Administrations are recommended to ensure that these assessments are based on determining the effectiveness of the SMS in meeting specified objectives, rather than conformity with detailed requirements in addition to those contained in the ISM Code so as to reduce the need for developing criteria to facilitate assessment of the Companies' compliance with the ISM Code.

2.2 The ability of the SMS in meeting general safety management objectives

2.2.1 The ISM Code identifies general safety management objectives. These objectives are:

- to provide for safe practices in ship operation and a safe working environment,
- to establish safeguards against all identified risks; and
- to continuously improve the safety management skills of personnel ashore and aboard, including preparing for emergencies related both to safety and environmental protection.

The verification should support and encourage Companies in achieving these objectives.

2.2.2 These objectives provide clear guidance to Companies for the development of SMS elements in compliance with the ISM Code. Since, however, the ability of the SMS in achieving these objectives cannot be determined beyond whether the SMS complies with the requirements of the ISM Code, they should not form the basis for establishing detailed interpretations to be used for determining conformity or non conformity with the requirements of the ISM Code.

2.3 The ability of the SMS in meeting specific requirements of safety and pollution prevention

2.3.1 The main criteria which should govern the development of interpretations needed for assessing compliance with the requirements of the ISM Code should be the ability of the SMS in meeting the specific requirements defined by the ISM Code in terms of specific standards of safety and pollution prevention.

The specific standards of safety and protection of the environment specified by the ISM Code are:

- compliance with mandatory rules and regulations; and
- that applicable codes, guidelines and standards recommended by the Oganization, Administrations, classification societies and other maritime industry organizations are taken into account.

2.3.2 All records having the potential to facilitate verification of compliance with the ISM Code should be open to scrutiny during an examination. For this purpose the Administration should ensure that the Company provide auditors with statutory and classification records relevant to the actions taken by the Company to ensure that compliance with mandatory rules and regulations is maintained. In this regard the records may be examined to substantiate their authenticity and veracity.

2.3.3 Some mandatory requirements may not be subject to statutory or classification surveys, such as:

.1 maintaining the condition of ship and equipment between surveys; and

.2 certain operational requirements.

Specific arrangements may be required to ensure compliance and to provide for the objective evidence needed for verification in these cases, such as:

.1 documented procedures and instructions; and

.2 documentation of the verification carried out by senior officers of day to day operation when relevant to ensure compliance.

2.3.4 The verification of compliance with mandatory rules and regulations, which is part of the ISM Code certification, neither duplicates nor substitutes surveys for other maritime certificates. The verification of compliance with the ISM Code does not relieve the Company, the Master or any other entity or person involved in the management or operation of the ship of their responsibilities.

2.3.5 Administrations should ensure that the Company has:

.1 taken into account the recommendations, as referred to in 1.2.3.2 of the ISM Code, when establishing the SMS; and

.2 developed procedures to ensure that these recommendations are implemented on shore and on board.

2.3.6 Within an SMS, implementation of codes, guidelines and standards recommended by the Organization, Administrations, classification societies and other maritime industry organizations does not make these recommendations mandatory under the ISM Code. Nevertheless auditors should encourage companies to adopt these recommendations whenever applicable to the Company.

## 3. ISSUANCE AND VALIDITY OF DOC AND SMC

3.1 Issuance and validity of the DOC

3.1.1 The DOC should be issued to a Company following an initial verification of compliance with the requirements of the ISM Code.

3.1.2 The DOC should be issued following verification that the SMS of the Company complies with the requirements of the ISM Code and determination of objective evidence proving that it is effectively implemented. The verification should include objective evidence demonstrating that the Company SMS has been in operation for at least three months, and an SMS has been in operation on board at least one ship of each type operated by the Company for at least three months. The objective evidence should, inter alia, include records from the internal annual audit performed by the Company, ashore and on board.

3.1.3 The DOC is valid for the types of ships on which the initial verification was based.

3.1.4 The validity of a DOC may be extended to cover additional ship types after verification of the Company's capability to comply with the requirements of the ISM Code for such ship types of ships. In this context, types of ships refers to those stated in SOLAS chapter IX.

3.1.5 The DOC is valid for a period of five years.

3.1.6 The validity of the DOC is subject to annual verification within three months before or after the anniversary date to confirm the effective functioning of the SMS. This should include examining and verifying the correctness of the statutory and classification records presented for at least one ship of each type to which the DOC applies. Corrective actions and modifications to the SMS carried out since the previous verification should be verified.

3.1.7 Renewal of the DOC for further period of five years should include assessment of all the elements of the SMS regarding its effectiveness in meeting the objectives specified in the ISM Code.

3.1.8 Only the issuing Administration may withdraw the DOC. The issuing Administration should withdraw the DOC if the periodical verification is not requested or there is evidence of major non conformity with the ISM Code. The SMCs associated with the DOC should also be invalidated and withdrawn.

3.2 Issuance and validity of the SMC

3.2.1 The SMC should be issued to a ship following an initial verification of compliance with the requirements of the ISM Code. This includes the verification that the DOC for the Company responsible for the operation of the ship is applicable to that particular type of ship, and assessment of the shipboard SMS to verify that it complies with the requirements of the ISM Code, and that it is implemented. Objective evidence demonstrating that the Company's SMS has been functioning effectively for at least three months on board the ship should be available, including, inter alia, records from the internal audit performed by the Company.

3.2.2 The SMC is valid for a period of five years.

3.2.3 The validity of the SMC is subject to at least one intermediate verification, confirming the effective functioning of the SMS, and that any modifications carried out since the previous verification comply with the requirements of the ISM Code. In certain cases, particularly during the initial period of operation under the SMS, the Administration may find it necessary to increase the frequency of the intermediate verification. Additionally, the nature of non conformities may also provide a basis for increasing the frequency of intermediate verifications.

3.2.4 Renewal of the SMC for a further period of five years should include an assessment of all elements of the SMS pertaining to that ship and regarding its effectiveness of the SMS in meeting the objectives specified in the ISM Code.

3.2.5 Only the issuing Administration may withdraw the SMC. The issuing Administration should withdraw the SMC, if intermediate verification is not requested or there is evidence of major non conformity with the ISM Code.

3.3 Interim DOC and SMC

3.3.1 In cases of change of flag or Company, special transitional arrangements should be made in accordance with these guidelines.

3.3.2 An Interim DOC may be issued to facilitate initial implementation of the ISM Code and implementation where a Company is newly established or where new ship types are added to an existing DOC.

3.3.3 An Administration may issue an Interim DOC, valid for no more than twelve months, to a Company following a demonstration that the Company has an SMS that meets the objectives of section 1.2.3 of the ISM Code. The Administration should require the Company to demonstrate plans to implement an SMS meeting the full requirements of the ISM Code within the period of validity of the Interim DOC.

3.3.4 An Interim SMC, valid for not more than six months, may be issued to new ships on delivery, and when a Company takes on the responsibility for the management of a ship which is new to the Company. In special cases the Administration may extend the validity of the Interim SMC for a further six months.

3.3.5 Before issuing an Interim SMC, the Administration should verify that:

.1 the DOC, or the Interim DOC, is relevant to that ship;

.2 the SMS provided by the Company for the ship includes key elements of the ISM Code and has been assessed during the audit for issuance of the DOC or demonstrated for issuance of the Interim DOC (see 3.3.3);

.3 the master and relevant senior officers are familiar with the SMS and the planned arrangements for its implementation;

.4 instructions which have been identified as essential to be provided prior to sailing have been given;

.5 plans for Company audit of the ship within three months exist; and

.6 the relevant information on the SMS is given in a working language or languages understood by the ship's personnel.

## 4. THE CERTIFICATION PROCESS

4.1 Certification activities

4.1.1 The certification process relevant for the issuance of a DOC for a Company and an SMC to a ship will normally involve the following steps:

.1 initial verification

.2 periodical or intermediate verification

.3 renewal verification

These verifications are carried out at the request of the Company to the Administration, or to the organization recognized by the Administration to perform certification functions under the ISM Code.

The verifications will include an audit of the SMS.

4.2 Initial Verification

4.2.1 The Company should apply for ISM Code certification to the Administration.

4.2.2 An assessment of the shore side management system undertaken by the Administration would necessitate assessment of the offices where such management is carried out and possibly other locations depending on the Company's organization and functions of the various locations.

4.2.3 On satisfactory completion of the assessment of the shore side SMS, arrangements/planning may commence for the assessment of the Company's ships.

4.2.4 On satisfactory completion of the assessment, a DOC will be issued to the Company, copies of which should be forwarded to each shore side premises and each ship in the Company's fleet. As each ship is assessed and issued with an SMC, a copy of it should also be forwarded to the Company's head office.

4.2.5 In cases where certificates are issued by a recognized organization, copies of all certificates should also be sent to the Administration.

4.2.6 The safety management audit for the Company and for a ship will involve the same basic steps. The purpose is to verify that a Company or a ship comply with the requirements of the ISM Code. The audits include:

.1 the conformity of the Company's SMS with the requirements of the ISM Code; and

.2 that the SMS ensures that the objectives defined in section 1.2.3 of the ISM Code are met.

4.3 Periodical Verification of DOC

4.3.1 Periodical Safety Management Audits are to be carried out to maintain the validity of the DOC. The purpose of these audits is to verify the effective functioning of the SMS, and that any modifications made the SMS comply with the requirements of the ISM Code.

4.3.2 Periodical verification is to be carried out within three months before and after each anniversary date of DOC. A schedule not exceeding three months is to be agreed for completion of the necessary corrective actions.

4.3.3 Where the Company has more than one shore side premises, each of which may not have been visited at the initial assessment, the periodical assessments should endeavour to ensure that all sites are visited during the period of validity of the DOC.

4.4 Intermediate verification of SMC

4.4.1 Intermediate safety management audits should be carried out to maintain the validity of the SMC. The purpose of these audits is to verify the effective functioning of the SMS and that any modifications made to the SMS comply with the requirements of the ISM Code.

4.4.2 If only one intermediate verification is to be carried out, it should take place between the second and third anniversary date of the issue of the SMC.

4.5 Renewal verification

4.5.1 Renewal verifications are to be performed before the validity of the DOC or the SMC expires. The renewal verification will address all the elements of the SMS and the activities to which the requirements of the ISM Code apply. Renewal verification may be carried out from six months before the expiry date of the DOC or the SMC and should be completed before their expiry date.

4.6 Safety management audits

4.6.1 The procedure for safety management audits outlined in the following paragraphs include all steps relevant for initial verification. Safety management audits for periodical verification and renewal verification should be based on the same principles even if their scope may be different.

4.7 Application for audit

4.7.1 The Company should submit a request for audit to the Administration or to the organization recognized by the Administration for issuing DOC or SMC on behalf of the Administration.

4.7.2 The Administration or the recognized organization should then nominate the lead auditor and, if relevant, the audit team.

4.8 Preliminary review

4.8.1 As a basis for planning the audit, the auditor should review the safety management manual to determine the adequacy of the SMS in meeting the requirements of the ISM Code. If this review reveals that the system is not adequate, the audit will have to be delayed until the Company undertakes corrective action.

4.9 Preparing the audit

4.9.1 The nominated lead auditor should liaise with the Company and produce an audit plan.

4.9.2 The auditor should provide the working documents which are to govern the execution of the audit to facilitate the assessments, investigations and examinations in accordance with the standard procedures, instructions and forms which have been established to ensure consistent auditing practices.

4.9.3 The audit team should be able to communicate effectively with auditees.

4.10 Executing the audit

4.10.1 The audit should start with an opening meeting in order to introduce the audit team to the Company's senior management, summarize the methods for conducting the audit, confirm that all agreed facilities are available, confirm time and date for a closing meeting and clarify possible unclear details relevant to the audit.

4.10.2 The audit team should assess the SMS on the basis of the documentation presented by the Company and objective evidence as to its effective implementation.

4.10.3 Evidence should be collected through interviews and examination of documents. Observation of activities and conditions may also be included when necessary to determine the effectiveness of the SMS in meeting the specific standards of safety and protection of the environment required by the ISM Code.

4.10.4 Audit observations should be documented. After activities have been audited, the audit team should review their observations to determine which are to be reported as non conformities. Non conformities should be reported in terms of the general and specific provisions of the ISM Code.

4.10.5 At the end of the audit, prior to preparing the audit report, the audit team should hold a meeting with the senior management of the Company and those responsible for the functions concerned. The purpose is to present the observations to ensure that the results of the audit are clearly understood.

4.11 Audit report

4.11.1 The audit report should be prepared under the direction of the lead auditor, who is responsible for its accuracy and completeness.

4.11.2 The audit report should include the audit plan, the identification of audit team members, dates and identification of the Company, observations on any non

conformities and observations on the effectiveness of the SMS in meeting the specified objectives.

4.11.3 The Company should receive a copy of the Audit Report. The Company should be advised to provide a copy of the shipboard audit reports to the ship.

4.12 Corrective action follow up

4.12.1 The Company is responsible for determining and initiating the corrective action needed to correct a non conformity or to correct the cause of the non conformity. Failure to correct non conformities with specific requirements of the ISM Code may affect the validity of the DOC and related SMCs.

4.12.2 Corrective actions and possible subsequent follow up audits should be completed within the time period agreed. The Company should apply for the follow up audits.

4.13 Company responsibilities pertaining to safety management audits

4.13.1 The verification of compliance with the requirements of the ISM Code does not relieve the Company, management, officers or seafarers of their obligations as to compliance with national and international legislation related to safety and protection of the environment.

4.13.2 The Company is responsible for:

.1 informing relevant employees about the objectives and scope of the ISM Code certification;

.2 appointing responsible members of staff to accompany members of the team performing the certification;

.3 providing the resources needed by those performing the certification to ensure an effective and efficient verification process;

.4 providing access and evidential material as requested by those performing the certification; and

.5 cooperating with the verification team to permit the certification objectives to be achieved.

4.14 Responsibilities of the organization performing the ISM Code certification

4.14.1 The organization performing the ISM Code certification is responsible for ensuring that the certification process is performed according to the ISM Code and these Guidelines. This includes management control of all aspects of the certification according to the Annex to these Guidelines.

4.15 Responsibilities of the Verification Team

4.15.1 Whether the verifications involved with certification are performed by a team or not, one person should be in charge of the verification. The leader should be given the authority to make final decisions regarding the conduct of the verification and any observations. His responsibilities should include:

.1 preparation of a plan for the verification; and

.2 submission of the report of the verification.

4.15.2 Personnel participating in the verification are responsible for complying with the requirements governing the verification, ensuring confidentiality of documents pertaining to the certification and treating privileged information with discretion.

4.16 Forms of DOC and SMC

4.16.1 The DOC, SMC and Interim DOC and Interim SMC should be drawn up in the form corresponding to the models given in annex 2 to these Guidelines. If the language used is neither English or French, the text should include a translation into one of these languages.

## Appendix 1 - STANDARDS ON ISM CODE CERTIFICATION ARRANGEMENTS

### 1. INTRODUCTION

1.1 The audit team, and the organization under which it may be managed, involved with ISM Code certification should comply with the specific requirements stated in this Annex.

### 2. STANDARD OF MANAGEMENT

2.1 Organizations managing verification of compliance with the ISM Code should have, in its own organization competence in relation to:

.1 ensuring compliance with the rules and regulations including certification of seafarers, for the ships operated by the Company;

.2 the approval, survey and certification activities relevant for the maritime certificates;

.3 the terms of reference that must be taken into account under the SMS as required by the ISM Code; and

.4 practical experience of ship operation.

2.2 SOLAS 74 requires that organizations recognized by Administrations for issuing DOC and SMC at their request should comply with resolution A.739(18).

2.3 Any organization performing verification of compliance with the provisions of the ISM Code should ensure that there exists independence between the personnel providing consultancy services and those involved in the certification procedure.

## 3. STANDARDS OF COMPETENCE

3.1 ISM Code certification scheme management

3.1.1 Management of ISM Code certification schemes should be carried out by those who have practical knowledge of ISM Code certification procedures and practices.

3.2 Basic competence for performing verification

3.2.1 Personnel who are to participate in the verification of compliance with the requirements of the ISM Code should have a minimum of formal education according to the following:

.1 qualifications from a tertiary institution recognized by the Administration or by the recognized organization within a relevant field of engineering or physical science (minimum two years programme), or

.2 qualifications from a marine or nautical institution and relevant sea-going experience as a certified ship officer.

3.2.2 They should have undergone training to ensure adequate competence and skills for performing verification of compliance with the requirements of the ISM Code, particularly with regard to:

.1 knowledge and understanding of the ISM Code;

.2 mandatory rules and regulations;

.3 the terms of reference which the ISM Code requires that Companies should take into account;

.4 assessment techniques of examining, questioning, evaluating and reporting;

.5 technical or operational aspects of safety management;

.6 basic knowledge of shipping and shipboard operations; and

.7 participation in at least one marine related management system audit.

3.2.3 Such competence should be demonstrated through written or oral examinations, or other acceptable means.

3.3 Competence for initial verification and renewal verification

3.3.1 In order to assess fully whether the Company or the ship complies with the requirements of the ISM Code, in addition to the basic competence stated under Section 3.2, personnel who are to perform initial verifications or renewal erifications for a DOC or SMC, must possess the competence to:

.1 determine whether the SMS elements conform or do not conform with the requirements of the ISM Code;

.2 determine the effectiveness of the Company's SMS, or that of the ship, to ensure compliance with rules and regulations as evidenced by the statutory and classification survey records;

.3 assess the effectiveness of the SMS in ensuring compliance with other rules and regulations which are not covered by statutory and classification surveys and enabling verification of compliance with these rules and regulations; and

.4 assess whether the safe practices recommended by the Organization, Administrations, classification societies and maritime industry organizations have been taken into account.

3.3.2 This competence can be accomplished by teams which together possess the total competence required.

3.3.3 Personnel who are to be in charge of initial verification or renewal verification of compliance with the requirements of the ISM Code should have at least five years experience in areas relevant to the technical or operational aspects of safety management; and have participated in at least three initial verifications or renewal verifications. Participation in verification of compliance with other management standards may be considered as equivalent to participation in verification of compliance with the ISM Code.

3.4 Competence for periodical, intermediate and interim verification

3.4.1 Personnel who are to perform periodical, intermediate and interim verifications should satisfy basic requirements for personnel participating in verifications and should have participated in a minimum of two periodical, renewal or initial verifications. They should have received special instructions needed to ensure that they possess the competence required to determine the effectiveness of the Company's SMS.

## 4. QUALIFICATION ARRANGEMENTS

Organizations performing ISM Code certification should have implemented a documented system for qualification and continuous updating of the knowledge and competence of personnel who are to perform verification of compliance with the ISM Code. This system should comprise theoretical training courses covering all the competence requirements and the appropriate procedures connected to the certification process, as well as practical tutored training, and it should provide documented evidence of satisfactory completion of the training.

## 5. CERTIFICATION PROCEDURES AND INSTRUCTIONS

5.1 Organizations performing ISM Code certification should have implemented a documented system to ensure that the certification process is performed in accordance with this standard. This system should inter alia, include procedures and instructions for the following:

.1 contract agreements with Companies;

.2 planning, scheduling and performing verification;

.3 reporting results from verification;

.4 issuance of DOC, SMS and Interim DOC and SMC;

.5 corrective action and follow-up of verifications, including actions to be taken in cases of major non-conformity.

# DOCUMENT OF COMPLIANCE

*(Official seal)* *(State)*

Issued under the provisions of the INTERNATIONAL CONVENTION FOR THE SAFETY OF LIFE AT SEA, 1974, as amended

Under the authority of the Government of _____
(name of the State)

by _____
(person or organization authorized)

Name and address of the Company .....
.....

(see paragraph 1.1.2 of the ISM Code)

THIS IS TO CERTIFY THAT the safety management system of the Company has been audited and that it complies with the requirements of the International Management Code for the Safe Operation of Ships and for Pollution Prevention (ISM Code)* for the types of ships listed below (delete as appropriate):

Passenger ship
Passenger high-speed craft
Cargo high-speed craft
Bulk carrier
Oil tanker
Chemical tanker
Gas carrier
Mobile offshore drilling unit
Other cargo ship

This Document of Compliance is valid until ....., subject to periodical verification.

Issued at .....
(place of issue of the document)

Date of issue .....

.....
(Signature of the duly authorized official issuing the document)

(Seal or stamp of issuing authority, as appropriate)

* Adopted by the Organization by resolution A.741(18).

## ENDORSEMENT FOR ANNUAL VERIFICATION

THIS IS TO CERTIFY THAT, at the periodical verification in accordance with regulation 6 of chapter IX of the Convention, the safety management system was found to comply with the requirements of the ISM Code.

**1st ANNUAL VERIFICATION**

Signed:.....
(Signature of authorized official)
Place:.....

Date:.....

**2nd ANNUAL VERIFICATION**

Signed:.....
(Signature of authorized official)
Place:.....

Date:.....

**3rd ANNUAL VERIFICATION**

Signed:.....
(Signature of authorized official)
Place:.....

Date: .....

**4th ANNUAL VERIFICATION**

Signed:.....
(Signature of authorized official)
Place: .....

Date: .....

# SAFETY MANAGEMENT CERTIFICATE

*(Official seal)* *(State)*

Issued under the provisions of the INTERNATIONAL CONVENTION FOR THE SAFETY OF LIFE AT SEA, 1974, as amended

Under the authority of the Government of _____
(name of the State)

by _____
(person or organization authorized)

Name of ship:.....
Distinctive number or letters:.....
Port of registry:.....
Type of ship*: .....
Gross tonnage:.....
IMO Number:.....
Name and address of Company:.....
.....
(see paragraph 1.1.2 of the ISM Code)

THIS IS TO CERTIFY THAT the safety management system of the ship has been audited and that it complies with the requirements of the International Management Code for the Safe Operation of Ships and for Pollution Prevention (ISM Code),** following verification that the Document of Compliance for the Company is applicable to this type of ship.

This Safety Management Certificate is valid until ....., subject to periodical verification and the validity of the Document of Compliance.

Issued at .....
(place of issue of the document)
Date of issue .....

.....
(Signature of the duly authorized official issuing the certificate)

(Seal or stamp of issuing authority, as appropriate)

* Insert the type of ship from among the following: passenger ship; passenger high-speed craft; cargo high speed craft; bulk carrier; oil tanker; chemical tanker; gas carrier; mobile offshore drilling unit; other cargo ship.

** Adopted by the Organization by resolution A.741(18).

## ENDORSEMENT FOR PERIODICAL VERIFICATION AND ADDITIONAL VERIFICATION (IF REQUIRED)

THIS IS TO CERTIFY THAT, at the periodical verification in accordance with regulation 6 of chapter IX of the Convention, the safety management system was found to comply with the requirements of the ISM Code.

**INTERMEDIATE VERIFICATION**
(to be completed between the second and the third anniversary date)

Signed:.....
(Signature of authorized official)

Place:.....

Date:.....

---

**ADDITIONAL VERIFICATION***

Signed:.....
(Signature of authorized official)

Place:.....

Date:.....

**ADDITIONAL VERIFICATION***

Signed:.....
(Signature of authorized official)

Place:.....

Date:.....

**ADDITIONAL VERIFICATION***

Signed:.....
(Signature of authorized official)

Place:.....

Date:.....

---

* If Applicable

# INTERIM DOCUMENT OF COMPLIANCE

*(Official seal)* *(State)*

Issued under the provisions of the INTERNATIONAL CONVENTION FOR THE SAFETY OF LIFE AT SEA, 1974, as amended

Under the authority of the Government of _____
(name of the State)

by _____
(person or organization authorized)

Name and address of the Company. .....

.....
(see paragraph 1.1.2 of the ISM Code)

THIS IS TO CERTIFY THAT the safety management system of the Company has been audited and that it complies with the requirements of the International Management Code for the Safe Operation of Ships and for Pollution Prevention (ISM Code)* for the type(s) of ships listed below (delete as appropriate):

Passenger ship
Passenger high-speed craft
Cargo high-speed craft
Bulk carrier
Oil tanker
Chemical tanker
Gas carrier
Mobile offshore drilling unit
Other cargo ship

This Document of Compliance is valid until .....

Issued at .....
(place of issue of the document)

Date of issue .....

.....
(Signature of the duly authorized official issuing the document)

(Seal or stamp of issuing authority, as appropriate)

---

* Adopted by the Organization by resolution A.741(18).

# INTERIM SAFETY MANAGEMENT CERTIFICATE

*(Official seal)* *(State)*

Issued under the provisions of the INTERNATIONAL CONVENTION FOR THE SAFETY OF LIFE AT SEA, 1974, as amended

Under the authority of the Government of _____
(name of the State)

by _____
(person or organization authorized)

Name of ship:.....
Distinctive number or letters:.....
Port of registry:.....
Type of ship*:.....
Gross tonnage:.....
IMO Number:.....
Name and address of Company:.....
.....
(see paragraph 1.1.2 of the ISM Code)

THIS IS TO CERTIFY THAT the safety management system of the ship has been audited and that it complies with the requirements of the International Management Code for the Safe Operation of Ships and for Pollution Prevention (ISM Code),** following verification that the Document of Compliance for the Company is applicable to this type of ship.

This Safety Management Certificate is valid until .....
Issued at .....
(place of issue of the document)
Date of issue .....

.....
(Signature of the duly authorized official issuing the certificate)

(Seal or stamp of issuing authority, as appropriate)

The validity of this Interim Safety Management Certificate is extended to .....

Date of extension .....

.....
(Signature of the duly authorized official extending the validity)

* Insert the type of ship from among the following: passenger ship; passenger high-speed craft; cargo high speed craft; bulk carrier; oil tanker; chemical tanker; gas carrier; mobile offshore drilling unit; other cargo ship.

** Adopted by the Organization by resolution A.741(18).

COTP/OCMI
Marine Safety Office

Unit Address
City, State, Zip Code
Staff Symbol:
Phone:
FAX:

16711

Master/Owners
M/V: _____
IMO #: _____

Dear Sir or Madam:

1. On July 1, 1998, the provisions of the International Safety Management (ISM) Code will enter into force for certain passenger vessels, tank ships, and bulk carriers. At that time, the owners, or other companies responsible for the ship's operation, will be required to have implemented a safety management system on board their ships that have been certified by their flag Administration or an organization authorized to act on their behalf. Evidence of compliance with the ISM Code will be in the form of a Document of Compliance (DOC) issued to the company responsible for the ship's operation and a Safety Management Certificate (SMC) certifying that the company's safety management system has been properly implemented on board. To develop, implement and certify a safety management system is an extensive and time-consuming process, estimated to take anywhere from twelve to eighteen months.

2. On _____ (date) your ship was subject to a Port State Control (PSC) examination which included a check for compliance with the ISM Code. At that time, it was observed that the ship had not yet achieved the necessary certification to indicate compliance with the ISM Code. Although no enforcement action will be taken at this time, I must urge you and your company to take all immediate steps necessary to achieve compliance by the July 1, 1998, deadline.

3. In addition, I will take this opportunity to inform you that if your vessel attempts to enter a U.S. port after July 1, 1998, without being in compliance with the ISM Code, it will be denied entry and banned from all U.S. ports. If the vessel is found in port without being in compliance, it will be detained and prohibited from conducting cargo/passenger operations. In addition, civil penalty action will be initiated against your vessel and your flag Administration notified. Upon completion of a thorough PSC examination to

attest to the vessel's material condition, it will be ordered to leave port, without loading or unloading of cargo/passengers, and banned from further U.S. port calls until evidence of compliance with the ISM Code is received by the U.S. Coast Guard.

Your ship's present lack of ISM Code certification will be entered into the U.S. Coast Guard's computer database and shared with other PSC authorities. If you have any questions regarding the U.S. Coast Guard's enforcement policy for the ISM Code, you may contact the U.S. Coast Guard's Office of Compliance (G-MOC) at:

Commandant (G-MOC)
2100 Second Street, SW
Washington, DC 20593

Telephone: (202) 267-1464
Fax: (202) 267-4394/0506

Sincerely,

F.M. LAST NAME
Rank, U.S. Coast Guard
OCMI/COTP