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CIRCULAR

# Measures to reduce PSC Detentions and improve the Performance on Panamanian Vessels – MMC-380

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

The Panama Maritime Authority, through its General Directorate of Merchant Marine Control and Compliance Department, has issued the Merchant Marine Circular **MMC-380**, *“Measures to Reduce PSC Detentions and improve the performance on Panamanian Vessels”*.

This Merchant Marine Circular replaces MMC-172 and its formats.

## 1. Purpose

Purpose of this circular is to establish measures to reduce Port State Control (PSC) detentions and improve the performance of Panama flagged vessels, with the cooperation of Recognized Organizations, shipowners, and ship operators as well as other interested parties.

The Panama Maritime Authority, to meet the obligation as it is required by the III Code, has implemented methods to evaluate the performance of the Panamanian Fleets within Port State Control Memorandums of Understanding (MoUs), considers necessary to improve the identification of any poorly maintained ship, categorized or have reached a condition that could be judged as a sub-standard ship, to reduce deficiencies and detentions.

The Panama Maritime Authority would like to highlight that to comply with safety, security, and environmental regulations, is important for the Authority to enhance and improve policies as a Flag State under the III Code Standards.

## 2. Definitions

### ***Port State Control Officer (PSCO)***

A person duly authorized by the competent authority of a Party to a relevant convention to carry out port State Control Inspections, and responsible exclusively to that Party.

### ***Recognized Organization (RO)***

An organization which meets the relevant conditions set forth in the Code for Recognized Organizations (RO Code) (MSC.349(92) and MEPC.237(65)) and has been assessed and authorized by the Flag State Administration in accordance with provisions of the RO Code to provide the necessary statutory services and certification to vessels entitled to fly its flag.

### ***Deficiency***

A condition found not to be in compliance with the requirements of the relevant conventions.

### ***Detention***

Intervention action was taken by the Port State when the condition of the vessel or its crew did not correspond substantially with the relevant conventions, to ensure that the vessel would not sail until it can proceed to sea without presenting a danger to the vessel or persons on board, or without presenting an unreasonable threat of harm to the marine environment, whether or not such action would affect the normal schedule of the departure of the vessel.

### ***Initial inspection***

A visit on board a vessel to verify the validity of the relevant certificates and other documents, the overall condition of the vessel condition, its equipment, and its crew.

### ***More detailed inspection***

An inspection conducted when there are "clear grounds".

### ***Clear grounds***

Evidence that the vessel, its equipment, or its crew do not correspond substantially with the requirements of the relevant conventions or that the master or crew members are not familiar with essential shipboard procedures relating to the safety of the ships (vessel) or the prevention of pollution.

### ***Stoppage of an operation***

Formal prohibition against a vessel to continue operation due to an identified deficiency or deficiencies which, singly or together, render the continuation of such operation hazardous.

### ***Substandard vessel***

A vessel whose hull, machinery, equipment, or operational safety is substantially below the standards required by the relevant convention or whose crew is not in conformity with the safe manning document.

### ***Nearest appropriate and available repair yard***

A port where follow-up action can be taken, and it is in, or closest to, the port of detention or the port where the ship is authorized to proceed taking into account the cargo on board, that the Port State Authority may allow the vessel concerned to proceed, as chosen by the Master or vessel operator and agreed to by that Authority, provided that the conditions agreed between the Port State Authority and the Flag State are complied with.

### ***Valid certificates***

A certificate that has been issued, electronically or on paper, directly by a Party to a relevant convention or on its behalf by an RO, that contains accurate and effective dates, meets the provisions of the relevant convention and to which the particulars of the ship, its crew and its equipment correspond.

### ***Occasional Survey***

An Occasional Survey must cover all conditions related to security, pollution prevention, maritime safety, living condition and compliance with all national and international regulations applicable to the vessel, equivalent to Mandatory Annual Surveys. If deficiencies are found at the time of the Occasional Survey, such deficiencies shall be rectified as soon as possible.

### 3. Measures to be applied as preventive-corrective actions to reduce PSC detentions.

#### 3.1 Ship-Owners/Operators, technical managers, Company Designated Person Ashore (DPA) responsibilities:

- 3.1.1 Ship-Owners, operators, technical managers and Company Designated Person Ashore (DPA) together with Ship's Master are responsible to establish on board a pre-arrival verification, having considered the items mentioned in the previous paragraph, which must be verified at least 24 hours before arrival at ports to avoid deficiencies and detentions. The objective evidence about these pre-arrival verifications conducted by the vessel shall be always maintained on board the vessel as evidence, which can be presented upon request by the Flag State Inspector during the Annual Safety Inspection (ASI).
- 3.1.2 If an extraordinary issue/ issues, such as equipment failures or any other situations cannot be resolved on board the vessel immediately, Ship-Owners, operators, technical managers, DPA together or in coordination with the vessel's Master (or individually), shall immediately coordinate the effective corrective actions, together with the vessel's Recognized Organization (R.O.) and Segumar Offices. At the same time, PSC Authority shall be informed as requested by regulation 11 "Maintenance of conditions after survey", SOLAS Chapter I.
- 3.1.3 In order to improve the information exchange regarding Port State Control (PSC) Inspections to Panamanian Flagged vessels, the Panama Maritime Authority requires that all Masters, Ship-Owners, Operators, technical managers, DPA and Recognized Organizations (RO) send immediately to the Authority's Port State Control Section, all PSC inspections reports to [psc@amp.gob.pa](mailto:psc@amp.gob.pa).
- 3.1.4 Relating to all deficiencies detected during a Port State Control Inspection; the corrective actions taken by the vessel shall be sent as soon as possible and duly documented, to Panama Port State Control Section using the format in Annex 1 of this Merchant Marine Circular "[Correction of Deficiencies Reports](#)" Form (F-27)
- 3.1.5 The PSC section also accepts as corrective actions:
  - (a) The format used by the company's safety management system, describing the deficiencies, corrective actions, root cause analysis and preventive actions taken.
  - (b) The Survey report format issued by the RO, who performed the visit to the vessel to verify the deficiencies raised and the corrective actions.

#### 3.2 Recognized Organization (RO) responsibilities related to the detention:

- 3.2.1 ROs are responsible for a permanent verification of MoUs' websites to determine the status of vessels under their supervision.
- 3.2.2 ROs are responsible for the handling of detentions, including the investigation, analysis and determination of deficiencies root-cause, recommendations including preventive/corrective actions and follow-up of actions to avoid future occurrence of major detentions' deficiencies; all information shall be sent to the Port State Control Section [psc@amp.gob.pa](mailto:psc@amp.gob.pa) as soon as possible to avoid delays to the vessel.
- 3.2.3 ROs' surveyors on board Panama flagged vessels shall pay attention to the following main items including the "Top Deficiencies" (most frequent detainable deficiencies) on MoUs' annual reports, but not limited to:
  - (a) Validity of all Statutory Certificates (including annual/intermediate endorsements).
  - (b) Life-Saving Appliances (LSA) in general.
  - (c) Lifeboat falls (including renewal and reversal dates).
  - (d) Liferrafts servicing (dates).
  - (e) Fire Fighting Systems & Equipment (in general).
  - (f) Emergency Fire Pumps (last test).
  - (g) Fire detection & alarm system (last service).
  - (h) Pyrotechnics (expiry date or expiration date).
  - (i) Records of weekly/monthly drills and equipment inspections (logbook's entries, SMS records).

- (j) Nautical Publications & Charts (up to date).
- (k) Oil Record Book + Oil Filtering Equipment (MARPOL 73/78 Annex I).
- (l) Any outstanding statutory items and/or conditions of class (verify last class survey).
- (m) Personnel Familiarization & Responsibility (ISM Code – Section 6).
- (n) Maintenance of the Ship and Equipment (ISM Code – Section 10).
- (o) Working & Living Conditions (MLC, 2006).

3.2.4 The Panama Maritime Authority accepts the RO responsibility criteria of the Tokyo MoU (as a permanent member) and Paris MoU, defined as follows and detailed, as a detainable deficiency to be associated with the RO if it is:

- (a) A serious structural deficiency including corrosion, wastage, cracking and buckling unless it is clear that the deficiency has occurred since the last survey conducted by the RO; or
- (b) A serious deficiency in equipment or non-structural fittings (such as fire main line, air pipes, cargo hatches, rails, masts, ventilation trunks/ducts, accommodation, and recreational facilities etc.) and it is less than ninety (90) days since the last survey conducted by the RO, unless it is clear that the deficiency has occurred since the last survey conducted by the RO; or
- (c) A serious deficiency in equipment or non-structural fittings which clearly would have existed at the time of the last survey; or
- (d) A serious deficiency associated with out-of-date equipment which was out-of-date at the time of the last survey; or
- (e) A missing approval or endorsement of Plans and Manuals if required to comply with the provisions for issuance of statutory certificates which clearly would have existed at the time of the last survey; or
- (f) A major non-conformity where there is clear evidence of a lack of effective and systematic implementation of a requirement of the ISM Code AND there is clear evidence that it existed at the last audit conducted by the RO provided that the audit took place within the last ninety (90) days. It may also include operational drills and operational control and there is clear supporting evidence of failure.
- (g) A detainable MLC-deficiency where there is clear evidence of a lack of implementation of a requirement of the MLC Code with respect to the accommodation and recreation facilities detailed in Regulation 3.1 in Title 3 and that it existed at the last inspection conducted by the RO.

3.2.5 The RO must have established procedures for the cases where, as a result of PSC inspection, there are deficiencies relating to RO responsibility and statutory certificates issued by the organization, detailing the actions to be followed to prevent and avoid recurrence, including actions as Warning Notes, Suspensions or Cancellations, against surveyors that conducted surveys to issue or endorse these statutory certificates. The consultation of RO responsibility criteria established by MOU's (Tokyo, Paris) is recommended. Refer to Annex 2, Annex 3 and RO Code, chapter 6: Performance measurement, analysis, and improvement.

3.2.6 The Panama Maritime Administration may also be monitoring constantly the ROs' performance through the result of PSC inspections and where ROs' responsibility has been detected; it could be sanctioned on a case-by-case basis, according to the internal malpractice procedures.

## 4. Additional Measures adopted to reduce PSC detentions (shall be implemented by the ROs' as of April 15<sup>th</sup>, 2023:

### 4.1. Preventive Measures

- 4.1.1. Each ship that is at risk of being detained, due to the fact that its history of Port State Control Inspections in the last twenty-four (24) months, evidencing a breach on the applicable international regulations, regardless of its year of construction, may undergo an Occasional Survey carried out by the RO that issued the SMC Certificate, if it is required by the General Directorate of Merchant Marine of Panama.
- 4.1.2. Each ship older than fifteen (15) years of construction and considered with a high-risk factor by the United States Coast Guard (USCG), Paris MOU and the Tokyo MOU, shall be subject to an Occasional Survey, carried out by the RO that issued the SMC Certificate.

- 4.1.3. This Occasional Survey must be carried out prior to arrival or at the time of arrival to the United States Coast Guard (USCG), to the Paris MOU, Australian ports (AMSA-Australian Maritime Safety Authority) or Chinese ports (MSA-Maritime Safety Administration).
- 4.1.4. When the Occasional Survey is completed, the Recognized Organization must issue a Declaration of Compliance as a result of the Occasional Survey, valid for six (6) months and it shall be submitted to Navigation & Maritime Safety Department of the Panama Maritime Authority, in a period not exceeding five (5) days from the completion of the survey, along with the inspection report. The inspection report will include the following items, but not limited to:
- (a) Ship Particulars:  
name of the ship, IMO number, call sign, type of ship, navigation area, operator, owner, last dock "date and place", number of cargo holds if applicable, number of cargo tanks if applicable
  - (b) Minimum Manning on board is in compliance with Minimum Safe Manning Certificate issued by the Administration.
  - (c) Certificate of Competence of the crew.
  - (d) Technical Certification:  
verify the validity of the ship's statutory certificates, class status and if there are pending class conditions;
  - (e) Applicable Plans and Records:  
Oil Record Book, Ballast Record Book, Garbage Record Book.
  - (f) Hull Conditions: (corrosion state; paint, Plimsol disc, frame conditions);
  - (g) Deck conditions: (structural condition, corrosion, paint, watertight doors, vents, lighting and pipes);
  - (h) Mooring and anchoring equipment: (anchors, chains, winch, windlasses, ropes and bits);
  - (i) Condition of Cargo Holds & Hatch Covers (if applicable);
  - (j) Engine: (engine room, cleaning, main engine, auxiliary engines, alarms, etc.);
  - (k) Navigation Bridge:  
(Radio equipment, RADAR, EPIRB, Nautical Charts, Nautical Publications, Navigation Log book, general alarm, etc.);
  - (l) Rescue, Fire Fighting & Life Saving Appliance Equipment ready for use.  
(Muster list, liferafts, lifeboats, rescue boat, liferings, immersion suit, life jackets, fire door conditions, alarms and fire detection system, fire-fighting devices, quick-closing fire damper, fire pumps, CO2 fixed fire-fighting system, EEBD, Portable Fire Extinguishers;
  - (m) Safety Management System: compliance with maintenance plans and inspections, familiarization and crew drill training and its entries, internal audits, closure of non-Conformities (including previous PSC deficiencies), declaration of the designated person and declaration of the company, etc.
  - (n) ISPS: vessel access control, updated CSR.
  - (o) MLC: on-board contracts properly signed, payment of wages, hours of rest and work, insurance according to rule 4.2 and 2.5 of this convention, maintenance and cleaning in accommodations, corridors, cabins, decks, cold room, dining rooms, galley, fans, and air condition systems.
  - (p) Conclusions: comments on the general condition of the ship.  
It will indicate to the General Directorate of Merchant Marine its comments on the general condition of the ship and whether it is advisable to issue a conditional certification.
  - (q) Annex: photos and supporting evidence of the inspection, as follows but not limited:
    - I. Emergency Generator (also photograph leaks and visible damage).
    - II. Main Generators (also photograph visible leaks and damage).
    - III. Main Engine (also photograph leaks and visible damage).
    - IV. Engine room (general cleaning).
    - V. Wastewater plant (general condition and alarms).
    - VI. Incinerator (ignition evidence).
    - VII. Purifiers (cleanliness condition of the area where they are located).
    - VIII. OWS & Dump Valve.
    - IX. Photos of tests of the alarm panel in the control room of bilge machinery, leaks in generators and main engine when practicable.
    - X. Engines control system.
    - XI. Emergency fire pump and photos of hoses that show the pressure.
    - XII. Machine fans (opening and closing mechanism and its condition).
    - XIII. Smoke detector test & the equipment used for the test.
    - XIV. Lifeboats and rescue boat and their engines.
    - XV. Condition of holds covers and their closing mechanisms in Cargo Ships.

- XVI. Freeboard marks.
- XVII. ISM - photos of the NCR closed by the company in case the ship has reports of PSC with Deficiencies or Detentions.
- XVIII. Evidence of the inspections carried out on the fire-fighting and life-saving devices ashore by companies authorized by the RO or the Administration.

(Complete list of the items to be inspected can also be found in [Resolution No. 019-DGMM](#))

## 4.2 Corrective Measures

- 4.2.1. All detained vessels of the Panama Flag Registry that, by virtue of the result of the technical evaluation of the General Directorate of Merchant Marine, the following may be required:
  - (a) Additional audit of the Ship's Safety Management Certificate (SMC), with an initial scope. In the event of non-conformities, they will be followed and if a follow-up audit is required, it must be done within a period of no more than three (3) months from the date of the last Additional Audit and/or,
  - (b) Additional Audit to the company that implemented the Safety Management System. This Additional Audit will be carried out on companies that register three (3) or more detentions in the history of their fleet in a period of twenty-four (24) months.
- 4.2.2. Vessels detained by the United States Coast Guard (USCG) or by the Member States of the Paris MOU, Australian Maritime Safety Authority and by China – Maritime Safety Administration must do the following:
  - (a) Submit evidence that demonstrates the corrections of the deficiencies indicated in the inspection reports of the Port State Control, in the last twelve (12) months. Such corrections must be presented in the format established on [MMC-380](#).
  - (b) Carry out an Additional Audit of the ship's Safety Management Certificate (SMC), with an initial scope. If there are non-conformities, they will be followed and if a follow-up audit is required, it must be done within a period of no more than three (3) months from the last Additional Audit and/or,
  - (c) If required, an Additional Audit must be coordinated with the Company that implements the Ship's Safety Management System, with an initial scope. If there are non-conformities, they will be followed, and a follow-up audit is required. They must be done within a period not exceeding three (3) months from the Additional Audit and/or,
  - (d) A Flag Inspection may be carried out to verify the general conditions of the ship, by a Flag Inspector appointed by the General Directorate of Merchant Marine.
  - (e) Any other measure that the General Directorate of Merchant Marine deems necessary depending on the case.
- 4.2.3. When a Panama flag vessel is detained within the United States Coast Guard (USCG), the Recognized Organization must perform the corresponding Audits and inspections together with a Flag State Inspector, who will be appointed by the General Directorate of Merchant Marine. All Recognized Organizations duly approved by the United States Coast Guard (USCG) are excepted from this requirement.
- 4.2.4. These Additional Audits shall be performed by the Recognized Organizations that issued the Safety Management Certificates, based on the International Safety Management Code (ISM) and shall be coordinated with no more than fifteen (15) days from the written notification.
- 4.2.5. The audit reports must be delivered to Navigation and Maritime Safety Department of the General Directorate of Merchant Marine within a period of no more than fifteen (15) days, after the last day of inspection, in order to be evaluated.

## Act now

Ship Owners/ Managers/ Operators should take into consideration all the above and ensure that:

- ✓ vessels under their management comply with the requirements of the **MMC-380** as issued by the PMA and keep in mind especially the need of an Occasional Survey in the relevant cases and the subsequent Declaration of Compliance issued be always kept on board, with validity of six (6) months.
- ✓ special attention must be paid to the obligation of sending as soon as possible and duly documented, to Panama Port State Control Section at [psc@amp.gob.pa](mailto:psc@amp.gob.pa), the “**Correction of Deficiencies Reports**” **Form (F-27)** along with the PSC inspection report regardless if the vessel is detained or not.
- ✓ in the cases where assistance is requested to Segumar Office, to submit the “**Correction of Deficiencies Reports**” **Form (F-27)**, PSC Survey (inspection) report, related Statutory Certificates copy, and RO survey report (i.e. Conditional or Single Voyage authorization). Authorizations granted by Segumar Offices shall not be considered as a “release letter” in case of a PSC detention. Contact details can be found on the original **MMC-380** as attached.

Surveyors/ Auditors are to ensure that:

- ✓ the required items on the checklist, uploaded on myDromon platform to cover the task of the Occasional Survey, are inspected and
- ✓ special attention must be paid to the items to be inspected as detailed in points 3.2.3 and 4.1.4 of this circular. **Resolution No. 019-DGMM**, as attached to this circular, can also be accessed.
- ✓ the checklist and the subsequent Declaration of Compliance with validity of six (6) months is duly filled and submitted along with any comments deemed necessary. When deficiencies are found, Surveyors shall inform DBS Head office by imposing a Notice of Recommendation, clearly indicating the recommendation and due date for rectification.
- ✓ Adherence to the timeframe of three (3) days for issue a Declaration of Compliance of the Occasional Survey, valid for six (6) months, is of the utmost importance, as DBS Head Office personnel can review and verify the integrity of the documentation and submit the relevant documentation to Navigation & Maritime Safety Department of Panama Maritime Authority by the 5<sup>th</sup> day.