
	<b>PROCESS FOR THE EXECUTION OF SERVICES</b>	<b>P-RS-03</b>
	<b>PROCEDURE FOR VESSELS WITH DEFICIENCIES</b>	<b>Revision 05</b>
		<b>01/07/2021</b>

## PROCEDURE FOR VESSELS WITH DEFICIENCIES

	POSITION	DATE	SIGNATURE
PREPARED BY	TECHNICAL MANAGER		
REVIEWED BY	QUALITY MANAGER		
APPROVED BY	GENERAL MANAGER		

Prepared by:	Reviewed by:	Approved by:
Technical Manager	Quality Manager	General Manager

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**1. TITLE**

**PROCEDURE FOR VESSELS WITH DEFICIENCIES**

**2. OBJECTIVE**

Establish specific rules to coordinate the actions for vessels that do not correct deficiencies, suffer serious damages or reported as detained or with technical deficiencies by surveyors for flag State or Port State Control or exclusive surveyor of the RO.

**3. SCOPE**

This procedure is applicable to all ships that correct deficiencies, suffer serious damages or reported as detained or with technical deficiencies.


**4. RESPONSIBILITY**

- 4.1. The Technical Department is responsible to ensure that the specific standards of this process are enforced in all the cases for surveys to vessels that are reported with technical deficiencies.
- 4.2. The Technical Manager / Quality Manager are responsible to support for all specific standards contained in this process to be enforced in each of the cases for vessels with deficiencies.
- 4.3. All approved surveyors from NASHA are responsible to comply with the specific standards of this process and abide to the instructions from head office for cases of vessels with deficiencies when performing any type of corrective verification to the aforementioned deficiencies.

**5. DEFINITIONS**

- 5.1. NASHA: National Shipping Adjusters, Inc., is a Maritime Recognized Organization to carry out survey and certification works to vessels registered by a Maritime Administration. In some cases it is identified as Recognized Organization (RO) or Recognized Security Officer.
- 5.2. CLASSIFICATION RULES: It refers to those issued by a classification society, which NASHA has signed an agreement to share such rules on surveys and certification of vessels.
- 5.3. FLAG STATE: Is the Maritime Administration of the flag to which the vessel is registered. The flag state may or may not have a periodic inspection program to verify the seaworthiness of their vessels.

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- 5.4. **PORT STATE CONTROL:** Is the entity of each Maritime Administration through which foreign vessels are inspected by means of regional coordination when they arrive at their ports.
- 5.5. **MOU:** A memorandum of understanding (MOU) is a document describing a bilateral or multilateral agreement between the parties. An agreement between the parties is expressed, which indicates a line of common action.

It is often used in cases where parties either do not imply a legal commitment or in situations where the parties cannot create a legally enforceable agreement. It is a more formal alternative than a gentlemen's agreement.

- 5.6. **ADMINISTRATION:** refers to the Maritime Administration of each country.
- 5.7. **RECOGNIZED ORGANIZATION THAT ACCEPTS:** recognized organization that accepts a vessel that meets its requirements only after the recognized organization has conducted or carried out, at its discretion, all overdue surveys and overdue recommendations or conditions of class issues ruled on the ship.
- 5.8. **CLASS CERTIFICATE:** Certificate whereby is stated the full compliance with matters related to class.
- 5.9. **RECOGNIZED ORGANIZATION THAT TRANSFERS:** recognized organization wherefrom matters related to class will be transferred. In the case of vessels accepted by more than one recognized organization and which complies with class requirements by "recognized organization that transfers" are understood as all the recognized organization wherefrom matters related to class will be transferred.
- 5.10. **PENDING:** means that the proceedings have not been concluded yet.
- 5.11. **OVERDUE:** It means overdue on the date on which the recognized organization receives the request of the recognized organization that accepts the information with regards to the current status of a survey in connection to class matters.
- 5.12. **CLASS CONDITIONS AND RECOGNITION:** are requirements respecting the execution of measurements, repairs and specific surveys, etc., which shall be carried out within a specified period in order to maintain the same position in the field of class matters.
- 5.13. **MATTERS RELATED TO CLASS:** responsibilities associated with the verification of enforcement with aspects of design, construction and maintenance of the structural, mechanical and electrical requirements of a classification society recognized by the Administration, in accordance with the provisions of regulation SOLAS XI-1/1 or with applicable national standards of the Administration which provides an equivalent level of safety.

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- 5.14. **SURVEY:** Measurement, examination, testing or calibration activity of one or more characteristics of the entity and comparing the results with the specific requirements for establishing conformity of each characteristic (The surveys provided for in the agreements for respective certificates are: Initial, Renewal, Annual or Periodical, Intermediate and Additional).
- 5.15. **VERIFICATION:** Confirmation by means of survey and provision of objective evidence that specifies that requirements have been met.
- 5.16. **STATUTORY CERTIFICATES:** Are technical certificates, including those certificates of compliance required under the Conventions, international codes and national regulations, which must remain onboard the vessel.
- 5.17. **INTERIM CERTIFICATES:** Those issued for a term not exceeding 5 months and in the case of ISM and ISPS Codes for no longer than 6 months, provided they have met all the requirements; time that is required to issue statutory and class certificates.
- 5.18. **FULL TERM:** Are issued only by the head office of NASHA / Panama Maritime Authority (PMA) or flag state, once the documents are received and after a satisfactory review of all reports, plans, patents, etc.
- 5.19. **CONDITIONAL CERTIFICATE:** it is a certificate with the appropriate expiration dates that is issued when there are deficiencies / defects that cannot be corrected at the port of recognition. The Conditional Certificate is valid only for a period long enough to allow the ship to proceed to the port where the correction will be made. The Recognized Organization, with prior authorization from the Administration, may issue a Conditional Certificate with an effective date as indicated in the authorization. This particular certificate will be identified by the text Conditional Certificate and the authorization number at the bottom.
- 5.20. **ENDORSEMENTS TO CERTIFICATES:** Consists in providing maintenance service during the validity of the statutory and class certificates, annuals and renewals to vessels that have statutory and class certificates.
- 5.21. **INTERNATIONAL REGULATIONS:** requirements and standards contained in International Maritime Code and Conventions, whether ratified or accepted, by the Administration mainly by International Organisms like IMO (International Maritime Organization) and ILO (International Labour Convention).

**5.21.1. IMO REGULATIONS**

- 5.21.1.1. Resolution MSC.349 (92) Recognized Organization Code (RO Code), adopted on June 21st, 2013.

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5.21.1.2. MSC-MEPC.5/Circ.2 Issued related to surveys and certification.


5.21.1.3. IMO CODES AND CONVENTIONS, in their abbreviations in English, that establish requirements and areas to be surveyed:

- SOLAS 74/78: The International Convention for the Safety of Life at Sea 1974, its Protocols of 1978, 1988 and its amendments.
- MARPOL 73/78: International Convention for the Prevention of Pollution from Ships 1973, its Protocols of 1978 and its amendments.
- ILL Convention: International Load Line Convention 1966, its Protocols of 1988 and its amendments.
- ITC-69: International Tonnage Convention, 1969.
- COLREG: International Regulations for preventing collision at sea, 1972 and its amendments.
- BCH Code: Code for the Construction and Equipment of Ships Carrying Dangerous Chemicals in Bulk.
- IBC Code: International Code for the Construction and Equipment of Ships Carrying Dangerous Chemicals in Bulk.
- IGC Code: International Code for the Construction and Equipment of Ships Carrying Liquefied Gases in Bulk.
- Gas Carrier Code: Code for the Construction and Equipment of Ships Carrying Liquefied Gases in Bulk.
- IMSBC Code: International Maritime Solid Bulk Cargo.
- ISM Code: International Management Code for the Safe Operation of Ships and for Pollution Prevention.
- LSA Code: International Life Saving Appliances Code.
- FSS Code: International Code for Fire Safety Systems.
- ISPS Code: International Ships and Port Facility Security Code.

#### 5.21.2. ILO CONVENTIONS

5.21.2.1. ILO Conventions that establishes the requirements and areas to be surveyed.

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- Convention No. 68 in regards to food and catering service (Ship's Crew)
- Convention No. 92 in regards to Crew Accommodation
- Convention No.126 in regards to Crew Accommodation in Fishing Vessels
- Convention No. 32 in regards to the Protection of dockworkers against accidents.
- Convention No. 152 in regards to Safety and Health of dockworkers.
- Convention No. 133 in regards to Crew Accommodation (complementary provisions)

5.22. NATIONAL LEGISLATIONS: requirements and standards that the administration establishes in order to cover those aspects and areas not included in the International Maritime Conventions.

5.22.1. Panama Maritime Authority (PMA) or Flag State

- Resolution No. 106-138-DGMM dated September 10th, 2013 Rules and Regulations for vessels less than 500 gross tonnage, i.e., vessels not covered by SOLAS Convention.
- Decree Law No. 7 dated February 10th, 1998 whereby the Panama Maritime Authority is established and derogates the Consular and Vessel General Directorate (SECNAVES, currently SEGUMAR).
- Decree 18 dated May 30th, 1984, Rules for Security of Pleasure Yachts.
- Technical Letter SCVR 1/84 dated August 01st, 1984, standards for the interpretation and application of regulations for vessels with less than 500 gross tonnage.
- Resolution of the Board of Directors Nº 11 dated July 26th, 2005, whereby regulates in one sole document the issuance of Survey Certificates for Crew Accommodation for Panamanian flagged vessel from 500 gross tonnage onward.
- Resolution No. 603-04-118-ALCN dated October 28th, 1988, Regulation for the Security if Fishing Vessels with more than 24 meters of length.
- Resolution Nº 106-12-DGMM dated February 17th, 2009, Regulation referring to the researches of official claims and maritime accidents

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that shall be carried out by the (DISAM) General Directorate of Marine Merchant.

- Resolution N° 106-34-DGMM dated August 22nd, 2008, whereby the standards and guidelines from the Merchant Marine are adopted and implemented for the compliance of the International Conventions ratified by the Republic of Panama.
- Law 2 dated January 17th, 1980, empowers the Consular and vessel Directorate General to issue Circular from the Merchant Marine with the same effect and application of the regulations.
- Law 39 of 1976, Annual Safety Inspection.
- Law N° 57 dated August 06th, 2008, General of Merchant Marine
- Circular of Merchant Marine issued by the Technical Office of SEGUMAR.

## 6. ACTIVITIES

### 6.1. PROCEDURE FOR VESSELS WITH MINOR DEFICIENCIES FOUND DURING THE SURVEY OR FOR ADDITIONAL AUDIT / CONDITIONAL SURVEY.

#### Exclusive Surveyor

6.1.1. In the case of carrying out a survey and finds out that the state of the vessel and equipment do not comply with all the requirements of International Conventions and national legalization, immediately shall communicate with the Technical Department of **NASHA** for further instructions.

6.1.2. Notifies the condition of the vessel to the Technical Department of **NASHA**.


#### Technical Department

6.1.3. Analyzes the information received from the surveyors, coordinate with the Maritime Authority in order to obtain authorization as the case may be.

#### Note:

1. In the event of a trip due to minor delivery deficiencies, go to the dock or another port to carry out repairs, provided that the ship is in a position to navigate the sea without damaging the ship, the people on board, or without presenting a unreasonable threat of damage to the marine environment in order to process additional / occasional inspection or additional audit, said process can be carried out by an attorney, owner or exclusive inspector always notifying the Head Office.

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2. In cases where a certificate loses its validity due to a delay in the annuity or intermediate endorsement, authorization may be requested from the Administration to issue a Conditional Certificate, as a transitory measure until the corresponding recognition of revalidation is carried out and new ones are issued certificates.

6.1.4. Explains the conditions and details of the authorization to the surveyor.

Note: If proceed with the conditional certification, send the interim certification form, in which must substitute the word "Interim" for "Conditional" and the lower part add the authorization number granted by the State Flag.

Surveyor

6.1.5. Proceeds in accordance to the instructions of the Technical Department when carrying out an occasional survey or audit and issues, if necessary, conditional certificates for a specific period in accordance to the authorization.

**Note:** You must present evidence that demonstrates the corrections of the deficiencies indicated in the inspection reports together with the verification re-inspection report, they must be presented to the Technical Department.

6.1.6. Encode Conditional Certificate and reports according to the authorization number sent by the Technical Department.

Example:

<b>1</b>	REPRESENTATIVE OFFICE
<b>2</b>	TYPE OF CERTIFICATE
<b>3</b>	INTERIM CERTIFICATE
<b>4</b>	AUTHORIZATION NUMBER

Interim Certificate and supplement (as applicable):

**HO-01 AFS IC 1826**  
**1      2      3      4**


Report:

**HO-01 AFS 1826**  
**1      2      4**

**Important note:** No surveyor shall issue conditional certificates unless with prior authorization granted by the Technical Department of **NASHA** and the "Authorization to Proceed" from the respective Maritime Authority. In all these cases, the Procedure for marketing (P-CO-01) must be complied with.

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Technical Department

6.1.7. Follow up from the authorization of the conditional certificate.

**Note:** will ensure that corrective action is taken and notify the Administration in due time. Evidence of corrective actions taken may include, but is not limited to, inspection reports, reissued certificate, or formal written notification. If such corrective action is not taken before the expiration date of the Conditional Certificate, the Certificate will be withdrawn and the Administration will be notified immediately.

In exceptional circumstances and after a comprehensive evaluation by the Maritime Authority, either the extension or reissue of existing Conditional Certificates may be requested.

**6.2. PROCEDURE FOR VESSELS THAT HAVE NOT CORRECTED DEFICIENCIES OR SUFFERED SERIOUS DAMAGES:**

Exclusive Surveyor


- 6.2.1. Immediately communicate to Port Authority and **NASHA** Technical Department to take the pertaining measurements for vessels with very serious deficiencies or with damages occurred by an accident that do not allow a safe seaworthiness or affects the safety of the persons onboard.
- 6.2.2. In the case of needing to withdraw any certificate as well as to issue conditional certificates after carrying out a conditional survey, prior instructions shall be requested.
- 6.2.3. Proceeds accordingly to the instructions received by the Technical Department of **NASHA** including the evaluation of the vessel's conditions and the certificates affected due to the vessels that are detected with very serious deficiencies during an annual inspection or periodical inspection or by additional inspection due to damages occurred by an accident or by negligence during the handling of security aspects.

**6.3. PROCEDURE FOR VESSELS DETAINED DUE TO SURVEY BY PORT STATE CONTROL / FLAG STATE**

Technical Department

6.3.1. NASHA's technical department shall verify on a weekly basis the different MOU web pages. In the case that any of the vessels under our surveillance is found to be detained during this MOU weekly verification, the technical department shall contact immediately the surveyor responsible for the vessel and further instruction and requirements from PSC shall be followed.

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**Note:** the inspector is also responsible for reporting the detentions in a period not exceeding 96 hours.

6.3.2. In the case that **NASHA** is notified by the Maritime Administration and/or Port State Control that a vessel certified by the aforementioned has been detained or found with technical deficiencies, it shall be proceeded to verify the file of the affected vessel and research the possible causes and motives of the detention or deficiency.

6.3.3. Ensure full compliance with the instructions and requirements from Flag or Port State Control in order to provide the pertaining instructions to the surveyor that attended the vessel or appoint a surveyor at the port where is detained with the objective to carry out the proper corrective measures and allow the vessel to be freed.

#### Surveyor

6.3.4. Upon receiving instructions from **NASHA** head office, coordinate with the agent / vessel operator of the affected ship in order perform the necessary verifications or corrective measures.

#### Technical Department

6.3.5. Analyzes the detention report that has been received and authorization is requested to perform an additional ISM / ISPS/ MLC/ DOC audit or an occasional survey if necessary.


6.3.6. The appointed surveyor shall ensure that all the instructions and requirements from Flag / Port State Control are fulfilled when the necessary surveys/audits are carried out; a "Corrective and preventive actions" and "Monitoring and correction of deficiencies" of the Panama flag shall be filled out and submitted to **NASHA** head office if necessary. In such forms, the possible causes and findings are detailed for the non-conformities, scope of the problems and other similar defects besides the ones already detected.

6.3.7. Analyzed the information received by the appointed surveyor (reports, evidences, photos, mails) in order to confirm the possible causes and responsibilities arising from the deficiencies.

6.3.8. The evaluation shall conclude with the recommendations of the Flag with regards to the actions and fines that are deemed necessary as well as to fulfill any other requirements or formality.

6.3.9. "Monitoring and Correction of Deficiencies" form shall be sent to the flag with evidences and the report requested if necessary.

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6.3.10. Shall keep a complete registry of all the information generated during the case until its conclusion including fines to the identified responsible.

6.3.11. After the end of the detention case, the inspector will be contacted within a period of no more than 2 months to conduct an occasional inspection.

**Note:** If the occasional survey it's not conducted an analysis of the case involve will be necessary to determine if the cancellation of the ship proceeds.

6.3.12. File the information generated during the period of detention and notations from the surveyor if necessary.

## 7. RELATED DOCUMENTS:

- 7.1. Corrective and Preventive Actions F-RS-03-01
- 7.2. Procedures for Survey and Interim Certification P-RS-01
- 7.3. Procedure for the Revision of Full Term Certifications and Monitoring of Endorsements P-RS-02
- 7.4. IMO Supporting documents
- 7.5. Supporting documents from the Panama Maritime Authority
- 7.6. Procedure for marketing (P-CO-01)

## 8. REFERENCE

Quality Manual MAN-01

## 9. RECORD OF CHANGES

Revision	Date	Summary of the change from the previous revision
01	30/08/2018	Is added "Note" in point 6.3.1.
02	30/11/2018	Is added "note" in point 6.1.4.
03	01/08/2019	Is added point 6.3.11.
04	01/11/2019	Is added: NOTE in point 6.3.11
05	01/07/2021	Definition of conditional certificate is added in section 5.0.  Section 6.0 activities, the points are updated: 6.1.3 point 2 is included in the note, 6.1.5 a note is added, 6.1.6 the note refers to the marketing procedure, point 6.1.7 is included and 6.2.1 is removed.  Section 7. Related documents, 7.6 is included.

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