

“TRANSLATION”

**PANAMA MARITIME AUTHORITY
DIRECTORATE GENERAL OF MERCHANT MARINE
RESOLUTIONS & CONSULTATIONS**

RESOLUTION No. 106-26-DGMM

Panama, July 2, 2008

**THE UNDERSIGNED DIRECTOR GENERAL OF
THE DIRECTORATE GENERAL OF MERCHANT MARINE
IN EXERCISE OF THE POWERS CONFERRED THERETO BY LAW**

WHEREAS:

That by means of Law Decree **No. 7 of February 10, 1998** arise the Panama Maritime Authority and it was unified the Maritimes competence of the Public Administration.

That in accordance with the article 30 of the Law Decree **7 of February 10, 1998**, correspond to the Directorate General of Merchant Marine, among other functions, to accomplish all management acts privately, relating to the registry and enrollment of vessels in the National Merchant Marine and make comply on the vessels of Panamanian registry the National legal norms and those that belong to the international convention ratified by the **Republic of Panama**, concerning to navigation safety, maritime safety and prevention and control of the pollution at sea.

That also, the article 30 of Law Decree **7 of February 10, 1998**, set forth that is responsibility of the Directorate General of Merchant Marine, to impose sanctions that correspond to those that violate the legal and reglamentary norms concerning to the management of the National Merchant Marine.

That in addition, the numeral 1st, article 2 of the Law **2 of January 17, 1980**, set forth among other functions of the Directorate General of Consular and Shipping, nowadays Directorate General of Merchant Marine, to perform all management acts for the registration of vessels in the National Merchant Marine, authorize changes on such registry and solve the lost of the same for the reasons sated in the law.

That the numeral fifth, article 2 of the Law **2 of January 17, 1980**, acknowledge the power to the Directorate General of Consular and Shipping, nowadays Directorate General of Merchant Marine, to watch for the strict compliance of the legal norms on the Navigation, hygiene and Prevention of Contamination of the environment by Panamanian flag vessels wherever they may be and of any nationality that are found in the Panamanian water, as well as for the development order of the navigation in these waters, and fine the violations or faults of such norms.

That besides, article 17 of Law **2 of January 17, 1980**, set forth that the deletion of the enroll o registry will carry out when it incurs in any of the violations stated in the law.

That in this sense, the article 9 of the **Law 2 of January 17, 1980** determine, between other reasons for cancelled ex-officio a vessel from registry of the National Merchant

Marine, the serious fault of these legal norms regarding to navigation, safety, hygiene, labour norms, and prevention of contamination of marine environment, also to the fault of International Conventions ratified by the Republic of Panama or resolutions issued by the competent organ of the United Nations, in the event that this sanction be completed.

That the Republic of Panama ratified the International Convention for the Safety of Human Life at Sea (**SOLAS 74/78**), by means of Law No. **7 of October 27, 1977**; the International Convention for the Prevention of Pollution from Ships (**MARPOL 73/78**), by means of Law No. **17 of November 9, 1981**; the International Convention of Load Lines (**ILL 66**), by means of Law No. **20 of October 23, 1975**; the Convention on the International Regulations for Preventing Collisions at Sea (**COLREG '72**), by means of Law No. **7 of November 9, 1978**, and the International Convention on Norms of Formation, Titling and Safeguard of the Seafarers (**STCW**) by means of Law No. **4 of May 15, 1992**.

That the paragraph 2 of Article 1 of the Law **39 of June 8, 1976**, set forth that the vessels of External Service that sail under Panamanian flag devoted to international commerce and other lucrative activities will be subject to extraordinary inspections when the Directorate General of Consular and Shipping, nowadays Directorate General Merchant Marine, determines by justifying reasons.

That the annual reports of the Paris Memorandum of Understanding, which bring together Maritime Authorities of Europe for the fulfillment of Port State Control Inspection (Paris MOU), show repeated detentions to certain vessels registered in the National Merchant Marine.

That also, it has identified that the most of the detentions of Panamanian vessels in different Memorandums of Understanding of Officials of Port State Control, are caused by defective vessels that most of them, get over the twenty (20) years of building.

That, according to last statistics from the Secretary of Paris Memorandum of Understanding, which are calculated depending of the average progress of the fleet for three years, place the Panamanian Registry within the blacklist of such Memorandum.

That the fact of the Panamanian Registry is in the blacklist of the Paris Memorandum of Understanding, place our country in a disadvantage position in respect to others registries and it increase the decisive factor that all vessels that hold the National flag be inspected frequently.

That this Directorate General considers it is necessary to accomplish technical measurements, in order to control and improve the performance of the Panamanian Registry in the Paris Memorandum of Understanding (Paris MOU).

RESOLVES:

FIRST: TO ADOPT technical measurements, provisional registry and management, in order to improve the performance of the Panamanian Merchant Marine, and decrease the amount of detentions in the Paris Memorandum of Understanding (Paris MOU).

SECOND: TO REQUIRE an occasional inspection for an Acknowledge Organization, to all the vessels for more than twenty (20) years of building, whose next port of destiny, be in a country member of Paris MOU.

This occasional inspection should be made by an Acknowledge Organization and communicate to this Directorate General, previous the vessel sets sail to a Port of destiny in a country member of Paris MOU.

Such occasional inspection should cover all conditions of security, prevention of contamination, maritime protection and fulfillment of all national and international norms applicable to the vessel, provide that the Acknowledge Organization which carry out such inspection, warrant that the vessel be in true fulfillment of the national and international norms applicable totally.

This occasional inspection will have a validity of six (6) months and it can be advanced in order to make it concurrent with the annual, intermediate or renewal inspections, but it can not be delayed by the same purpose.

The managers and owners are in the obligation to require such inspection in advance to the Acknowledge Organization. The Acknowledge Organization is in the obligation to notify to the manager and the owner of the vessels certified by them, about the necessity to undertake such inspection under conditions established in this Resolution.

THIRD: In the event that vessels of more than twenty (20) years, that are working in the ports of countries members of Paris Memorandum, the occasional inspection should be made before to set sail from the port where the vessel is at the moment of this resolution enter in force.

FOURTH: In the events that the Acknowledge Organization has less than thirty (30) days that the Technical Certifications of the vessel is issued, the Directorate General of Merchant Marine could authorize an Especial Inspection specify by an Inspector of Flag, which it will have a validity of six (6) months.

FIFTH: The General Directorate of Merchant Marine could require as well occasional inspections to be made by an Acknowledge Organization, to any vessel with a high record of fault of international norms.

SIXT: The Directorate General of Merchant Marine could take actions against the Acknowledge Organizations or Inspectors of Flag that make the indicated inspections in this Resolution, when the vessel is detained in the Paris MOU after being made the inspection.

SEVENTH: TO COMMUNICATE that those vessels subject to the indicate requisites in the article second and third of the present resolution, that do not perform the obligatory occasional inspection and be detained for any Maritime Authority member of the Paris Memorandum of

Understanding, they could be cancelled of registry, fulfill with the formalities established in the Law.

EIGHT: **TO WARN** that the vessels of the Panamanian Registry that are detained for inspections of the Port State Control at least two (2) times in a period of six (6) months may be cancelled ex-officio from the Registry.

NINE: **TO ORDER** the deletion from the Panamanian Registry of every vessel older than twenty (20) years detained two (2) times in a period of six (6) months, inside the Paris Memorandum.

TENTH: **TO ESTABLISH** a technical analysis previous for the approval of the registry in the National Merchant Marine, of all the vessels whose building age get over twenty (20) years. This technical analysis should include among other things a revision of the detention record of the vessel, and its performance with other registries.

ELEVENTH: The Directorate General of Merchant marine may reject the registration of any vessel whose detentions shows a high level of default of the International Convention ratify by the Republic of Panama and therefore may emphasize in the performance of the National Merchant Marine.

TWELFTH: **TO INFORM** the vessels subject to the provisions of this Resolution that the following countries are members of the Paris Memorandum of Understanding: Belgium, Canada, Croatia, Cyprus, Denmark, Estonia, Finland, France, Germany, Greece, Iceland, Ireland, Italy, Latvia, Lithuania, Malta, The Netherlands, Norway, Poland, Portugal, The Russian Federation, Slovenia, Spain, Sweden and United Kingdom.

THIRTEENTH: **TO COMMUNICATE** the content of the present resolution to all the Departments of the Directorate General of Merchant Marine, to the Panama Maritime Authority International Offices, to the Permanent Mission of the Republic of Panama before the International Maritime Organization, to the Consulates and users of the Panamanian registry.

FOURTEENTH: **TO INFORM** that this resolution is in force from its signature.


SUPPORTING LAWS: Law No. 2 of January 17, 1980;
Law Decree No. 7 of February 10, 1998;
Law No. 7 of October 27, 1977;
Law No. 17 of November 9, 1981;
Law No. 20 of October 23, 1975;
Law No. 7 of November 9, 1978;
Law No. 4 of May 15, 1992.

BE NOTIFIED AND ENFORCED,

(Sgd.) **Ilegible**
ALFONSO CASTILLERO
Director General of Merchant Marine

IT IS A TRUE AND LAWFUL TRANSLATION INTO ENGLISH OF THE
ATTACHED DOCUMENT WRITTEN IN SPANISH.

Panama, July 18, 2008.


DIOSELINA MARTÍNEZ LORENZU
Authorized Public Translator
Resolution No. 1174 of June 23, 2006
English-Spanish / Spanish-English
Republic of Panama