

# Guidance for Convention Audit



## **Korean Register**

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## <Revision Records>

Rev. No.	Effective Date	Content
0	2017-12-18	<p>Established</p> <p>The following documents were totally revised and combined as 'Guidance for Convention Audit (GD-01)' for convenience of auditors and customers related to ISM/ISPS Audit and MLC Inspection.</p> <ul style="list-style-type: none"> <li>- Rules for the Certification of Safety Management System Part I (SMS-01, Rev. No. 22)</li> <li>- Rules for the Certification of Safety Management System Part II (SMS-02, Rev. No. 8)</li> <li>- Procedures for Certification of International Code for the Security of Ships and of Port Facilities (ISPS-01, Rev. No. 5)</li> <li>- Guidance on Certificate of Maritime Labour Convention (MLC-01, Rev. No. 2)</li> </ul> <p>Main Amended Contents</p> <ol style="list-style-type: none"> <li>1. documents integration</li> <li>2. Subdivided the arrangements on audit's kind</li> <li>3. Added the audit time(M/D)</li> <li>4. Added Certification Scenarios</li> <li>5. Revised the procedures to deal with non-conformities</li> <li>6. Revised the application on ISM Code 12.2</li> <li>7. Definitized the objective and scope of this Guidance</li> </ol>
1	2018-01-01	<p>Revised</p> <ul style="list-style-type: none"> <li>- Form 1. Application for Company Audit, added disclaimer</li> <li>- Form 2. Application for Ship Audit/Inspection, added disclaimer</li> </ul>
2	2018-07-01	<p>Revised</p> <ul style="list-style-type: none"> <li>- Part.1 Chapter 2, 2.3.3 Revise the case of invalidation of DOC</li> </ul>

3	2019-01-01	<ul style="list-style-type: none"> <li>- Part.1 Chapter 3, 3.2.7 Added note for the case of ship name change and change type of ship to single type</li> <li>- Part.2 Chapter 3, 3.4.2 Revised wording for dealing with failure</li> <li>- Part.2 Chapter 3, 3.4.3.5 Removed wording 'Major Failure' for Korean flagged vessel.</li> </ul> <p>Revised</p> <ul style="list-style-type: none"> <li>- Part 1 Chapter 1, 1.1.2 o Added to prevent misunderstanding of application of this Guidance</li> <li>- Part.1 Chapter 1, 1.1.4 Added the audit case for non-mandatory ship</li> <li>- Part.1 Chapter 1, 1.2.19 Added definition for Electronic Document of Compliance and 1.2.20 Added definition for Electronic Safety Management Certificate</li> <li>- Part 1 Chapter 2, 2.2.2.2 Clarification of the sentence</li> <li>- Part 1 Chapter 2, 2.2.7 Clarification of the sentence</li> <li>- Part. 1 Chapter 2, 2.3.4 Added procedure for 'Issuance, Endorsement and Maintenance of electronic DOC'</li> <li>- Part.1 Chapter 3, 3.2.7 Remove the case 'Change ship from non-convention to convention'</li> <li>- Part. 1 Chapter 3, 3.3.5 Added procedure for 'Issuance, Endorsement and Maintenance of an electronic SMC'</li> <li>- Part. 1 Chapter 4, K10.7.2.29 Added 'Safety device and change-over system for important equipment'</li> <li>- Part 2 Chapter 1, 1.1.2 Added to prevent misunderstanding of application of this Guidance</li> <li>- Part. 2 Chapter 1, 1.2.19 Added definition for Electronic International Ship Security Certificate</li> <li>- Part. 2 Chapter 3, 3.3.5 Added procedure for 'Issuance, Endorsement and Maintenance of electronic ISSC'</li> <li>- Part. 3 Chapter 1, 1.1.2, 1.1.5 Application of corrective actions against findings identified during the 2018 MLC external</li> </ul>
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4	2019-06-01	<p>audit by Korean Administration</p> <ul style="list-style-type: none"> <li>- Part 3 Chapter 1, 1.2.14 Added definition for Electronic Maritime Labour Certificate</li> <li>- Part 2 Chapter 2, 2.2.1 Added standard of issuance date for DMLC Part I &amp; II (PR40 3.4.2)</li> <li>- Part 3 Chapter 3 3.2.7 Revised case 7 &amp; Deleted case 8</li> <li>- Part 3 Chapter 3, 3.3.5 Added procedure for 'Issuance, Endorsement and Maintenance of electronic MLC</li> </ul>
5	2019-07-01	<p>Revised</p> <ul style="list-style-type: none"> <li>- Part. 1 Chapter 1, 1.3.2 Specify the company responsibilities of providing information</li> </ul>
6	2020.01.01	<p>Established</p> <ul style="list-style-type: none"> <li>- Part. 3 Chapter 3, 3.3.2.3 extension of existing MLC certificate after completion of renewal inspection</li> </ul>
7	2020.07.01	<p>Revised</p> <ul style="list-style-type: none"> <li>- Part. 1 Chapter 3 3.2.7, Scenario No. 12 deletion of procedure for certificate endorsement</li> </ul> <p>Established</p> <ul style="list-style-type: none"> <li>- Part. 1 Chapter 3 3.2.7, Scenario No. 19 addition of new scenario regarding audit by the result of PSC/FSC inspection</li> </ul>
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8	2021.01.01	<ul style="list-style-type: none"> <li>- Part III Ch.3 ship MLC Inspection, 3.3.2.1 &amp; 3.3.2.2, deletion of procedure for MLC Cert. extension</li> </ul> <p>Revision</p> <ul style="list-style-type: none"> <li>- Overall part of 'Guidance for Convention Audit', revision of company's name as Koren Register</li> </ul> <p>Revised</p> <ul style="list-style-type: none"> <li>- Part I Ch.1 1.1.3 : Clarification of requirements for ship's audit holding Non-IACS DOC</li> <li>- Part I Ch,2 2.2.4.3.3) &amp; 2.2.5.2.3) : Clarification audit items for annual &amp; renewal audit</li> </ul> <p>Part I, Ch.3 3.4.3.3 : Clarification for receipt of major N/C</p> <p>Part III, Ch.3 3.2.2.1.2) : Clarification of minimum implementation period for Korean flagged ship</p> <p>Newly established</p>
9	2021.07.01	<ul style="list-style-type: none"> <li>- Part I Ch.3 3.4.3.4 Clarification for receipt of major N/C</li> </ul> <ul style="list-style-type: none"> <li>- Part I, Ch.3, 3.3.1.5 : Clarification of methods for validation by Example</li> <li>- Part I, Ch.3, 3.3.4.2 : Adopted the amendment of Instruction for Control of Certification Steering Committee for Convention Audit regarding suspension of certificate (QI-18, Rev.18, 2021.04.25)</li> <li>- Part I, Ch.4, K5.1.131 : Clarification of frequency for Master's review</li> <li>- Part II, Ch.3, 3.3.1.6 : Clarification of methods for validation by Example</li> <li>- Part II, Ch.3, 3.3.4.2 : Adopted the amendment of Instruction for Control of Certification Steering Committee for Convention Audit regarding suspension of certificate (QI-18, Rev.18, 2021.04.25)</li> <li>- Part III, Ch.2, 2.3.4 : Clarify criteria for re-approving entity in DMLC Part II on a case-by-case basis.</li> </ul>

10	2022.07.01	<ul style="list-style-type: none"> <li>- Part III, Ch.3, 3.2.7 Case 1, 9, 14 : Addition of Scenarios cases and Clarify criteria for re-approving entity in DMLC Part II on a case-by-case basis.</li> <li>- Part III, Ch.3, 3.3.1.6 : Clarification of methods for validation by Example</li> <li>- Part III, Ch.3, 3.3.4.2 : Adopted the amendment of Instruction for Control of Certification Steering Committee for Convention Audit regarding suspension of certificate (QI-18, Rev.18, 2021.04.25)</li> <li>- Part I, Ch.1, 1.1.4 Establishment of the registration procedure for a non-KR classed ship over the age of 20 years</li> <li>- Part I, Ch.1, 1.1.8 Addition of auditor's confidentiality by Streamlined Audit</li> <li>- Part I, Ch.1, 1.2.21~1.2.24 Addition of definitions for Integrated, Continuous, Streamlined and Remote audit</li> <li>- Part I, Ch.2, 2.2.2.7, 3) Deletion of M/D for Document Audit (adding flag)</li> <li>- Part I, Ch.2, 2.2.8 Addition of new certification Scenarios for company</li> <li>- Part I, Ch.3, 3.2.7 Establishment of procedure for Streamlined Audit</li> <li>- Part I, Ch.3, 3.2.8 Addition of new certification Scenarios for ship</li> <li>- Part I, Ch.4, K12.4.26 Addition of item for Management Review</li> <li>- Part II, Ch.1, 1.1.4 Establishment of requirement for SOF issuance by company's request</li> <li>- Part II, Ch.1, 1.1.7 Addition of auditor's confidentiality by Streamlined Audit</li> <li>- Part II, Ch.1, 1.2.20~1.2.23 Addition of definitions for Integrated, Continuous, Streamlined and Remote audit</li> <li>- Part II, Ch.3, 3.2.7 Establishment of procedure for</li> </ul>
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11	2023.01.01	<p>Streamlined Audit</p> <ul style="list-style-type: none"> <li>- Part III, Ch.1, 1.1.6 Addition of auditor's confidentiality by Streamlined Audit</li> <li>- Part III, Ch.3, 3.2.7 Establishment of procedure for Streamlined Audit</li> <li>- Part I, Ch.2, 2.1.1 Amendment by the permission of use of the KR application form for the Company ISM audit under Korean flag.</li> <li>- Part I, Ch.2, 2.2.8 Correction of clerical error</li> <li>- Part I, Ch.2, 2.4.3 Amendment of procedure for major N/C by IACS PR9 &amp; corrective action for SGS audit deficiency</li> <li>- Part I, Ch.3, 3.1.1 Amendment by the permission of use of the KR application form for the shipboard ISM audit under Korean flag.</li> <li>- Part I, Ch.3, 3.2.1.2, 3) Addition of items for SMS implementation plan</li> <li>- Part I, Ch.3, 3.4.3.4 Amendment of procedure for major N/C by IACS PR9 &amp; corrective action for SGS audit deficiency</li> <li>- Part III, Ch.3, 3.4.3.6 Amendment of procedure for serious deficiency by IACS PR40 &amp; corrective action for SGS audit deficiency</li> <li>- Form, Revision of GD-01-04 Corrective Action Plan and Summary</li> </ul>
12	2023.07.01	<ul style="list-style-type: none"> <li>- Part I Ch.2, 2.1.2 Addition of Company registration procedure</li> <li>- Part I Ch.2, 2.1.3 Addition of Company registration &amp; refusal of audit procedure</li> <li>- Part I Ch.2, 2.2.1.1 Clarification for condition of Interim Audit</li> <li>- Part I Ch.2, 2.2.1.4 Revision by actual M/D for Interim Audit</li> <li>- Part I Ch.2, 2.2.2.1 Clarification for condition of Document Audit</li> <li>- Part I Ch.2, 2.2.2.7, 2) Clarification for time of Document Audit</li> <li>- Part I Ch.2, 2.2.3.5, 1) Clarification for time of Document Audit</li> </ul>

		<ul style="list-style-type: none"> <li>- Part I Ch.2, 2.2.8, 15 Clarification for time of Document Audit</li> <li>- Part I Ch.2, 2.4.3.3 Clarification of procedure for Major NC</li> <li>- Part I Ch.3, 3.1.2 Addition of Ship registration &amp; refusal of audit procedure</li> <li>- Part I Ch.3, 3.2.8, No.14 Deletion by same case of No. 11</li> <li>- Part I Ch.4, K4.2.4 Clarification of procedure for visit of ship by D.P</li> <li>- Part I Ch.4, K5.1.1324 Addition of Master's responsibility</li> <li>- Part II Ch.1, 1.1.3 Clarification of application for Korean vessel</li> <li>- Part II Ch.2, 2.2.1 Clarification of procedure for Korean vessel</li> <li>- Part II Ch.3, 3.1.1 Clarification of procedure for Korean vessel</li> <li>- Part II Ch.3, 3.1.2 Addition of Ship registration &amp; refusal of audit procedure</li> <li>- Part II Ch.3, 3.2.1.2, 13) Addition of item to be verified during interim security audit</li> <li>- Part II Ch.3, 3.4.4 Clarification of failure procedure for Korean Vessel</li> <li>- Part III Ch.3, 3.1.2 Addition of Ship registration &amp; refusal of inspection procedure</li> <li>- Part III Ch.3, 3.2.1, 3) Clarification of Procedure for receipt for DMLC Part II</li> <li>- Part III Ch.3, 3.2.8, No.1 Reflection of PR40</li> </ul>
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		<ul style="list-style-type: none"> <li>- <u>Part I Ch.2 2.3.1.1 Corrective action for SGS deficiency</u></li> <li>- <u>Part I Ch.2 2.3.1.3 Corrective action for SGS deficiency</u></li> <li>- <u>Part I Ch.2 2.3.3.4 Addition of electronic Certificate procedure</u></li> <li>- <u>Part I Ch.2 2.4.1.2 Deletion of numbering and corrective action for the SGS deficiency</u></li> <li>- <u>Part I Ch.3 3.1.2 Addition and clarification of present procedure</u></li> <li>- <u>Part I Ch.3 3.2.1.1 Edition of wording</u></li> <li>- <u>Part I Ch.3 3.2.3.3 4)~6) Addition of items about intermediate audit</u></li> <li>- <u>Part I Ch.3 3.2.6 Preliminary Audit, Deletion due to the firmly setting of ISM &amp; non-requisition by ISM Company</u></li> <li>- <u>Part I Ch.3 3.2.7, Re-numbering to 3.2.6</u></li> <li>- <u>Part I Ch.3 3.2.8, Re-numbering to 3.2.7 &amp; Edition of wording</u></li> <li>- <u>Part I Ch.3 3.4.3.3 Deletion of reporing time for major N/C</u></li> <li>- <u>Part I Ch.4, K4.4 Refection of flag requirement</u></li> <li>- <u>Part II Ch.3 3.2.2.2, 3) Addition of verification procedur for internal audit and internal auditor of Korean flag ship</u></li> <li>- <u>Part II Ch.3 3.2.3.2, 3) Addition of verification procedur for internal audit and internal auditor of Korean flag ship</u></li> <li>- <u>Part II Ch.3 3.2.4.2, 3) Addition of verification procedur for internal audit and internal auditor of Korean flag ship</u></li> </ul>
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## <Contents>

# Part I ISM Audit

### Chapter 1. General

1.1 Objectives and Scope .....	14
1.2 Definitions .....	16
1.3 Responsibilities of Company.....	19
1.4 Transfer of Certification Body.....	20
1.5 Objection and Complaints.....	21

### Chapter 2. Company Audit

2.1 Application for Audit.....	22
2.2 Audit Kind and Procedures .....	24
2.2.1 Interim Audit .....	24
2.2.2 Document Audit (Review) .....	25
2.2.3 Initial Audit.....	26
2.2.4 Annual Audit .....	29
2.2.5 Renewal Audit.....	30
2.2.6 Additional Audit.....	33
<del>2.2.7 Preliminary Audit .....</del>	<del>33</del>
2.2.7 Company Certification Scenarios .....	31
2.3 Issuance, Endorsement and Maintenance of Certificates .....	36
2.3.1 Issuance of DOC .....	36
2.3.2 Endorsement of DOC .....	37
2.3.3 Maintenance of DOC.....	37
2.4 Dealing with NC(s) .....	39
2.4.1 Confirmation of NC(s).....	39
2.4.2 Dealing with Minor NC .....	39
2.4.3 Dealing with Major NC.....	40
2.4.4 Dealing with Failed Audit .....	40

### Chapter 3. Shipboard Audit

3.1 Application for Audit.....	41
3.2 Audit Kind and Procedures .....	43
3.2.1 Interim Audit .....	43
3.2.2 Initial Audit.....	44
3.2.3 Intermediate Audit.....	44
3.2.4 Renewal Audit.....	45

3.2.5 Additional Audit.....	46
<del>3.2.6 Preliminary Audit.....</del>	<del>47</del>
3.2.6 Streamlined Audit.....	47
3.2.7 Ship Certification Scenarion .....	48
3.3 Issuance, Endorsement and Maintenance of Certificates .....	50
3.3.1 Issuance of SMC .....	50
3.3.2 Extension of SMC.....	51
3.3.3 Endorsement of SMC .....	51
3.3.4 Maintenance of SMC.....	51
3.4 Dealing with NC(s) .....	54
3.4.1 Confirmation of NC(s).....	54
3.4.2 Dealing with Minor NC .....	54
3.4.3 Dealing with Major NC.....	54
3.4.4 Dealing with Failed Audit.....	55

## Chapter 4. Application of ISM Code

K1 GENERAL.....	56
K2 SAFETY AND ENVIRONMENTAL PROTECTION POLICY.....	60
K3 COMPANY RESPONSIBILITIES AND AUTHORITY.....	61
K4 DESIGNATED PERSON(S).....	62
K5 MASTER'S RESPONSIBILITY AND AUTHORITY .....	63
K6 RESOURCES AND PERSONNEL.....	66
K7 SHIPBOARD OPERATIONS .....	74
K8 EMERGENCY PREPAREDNESS.....	75
K9 REPORTS AND ANALYSIS OF NON-CONFORMITIES, ACCIDENTS AND HAZARDOUS OCCURRENCES.....	77
K10 MAINTENANCE OF THE SHIP AND EQUIPMENT .....	79
K11 DOCUMENTATION .....	83
K12 COMPANY VERIFICATION, REVIEW AND EVALUATION.....	85

## Part II. ISPS Audit

### Chapter 1. General

1.1 Objectives and Scope .....	89
1.2 Definitions .....	90
1.3 Responsibilities of Company.....	93
1.4 Transfer of Certification Body.....	95
1.5 Objection and Complaints.....	96

### Chapter 2. Approval of SSP

2.1 General.....	97
2.2 Application for SSP approval.....	98
2.3 SSP Approval Scenarios .....	99
2.4 Approval and Maintenance of SSP.....	100

### Chapter 3. Ship Security Audit

3.1 Application for security audit.....	101
3.2 Security Audit Kind and Procedures.....	102
3.2.1 Interim Security Audit.....	102
3.2.2 Initial Security Audit.....	103
3.2.3 Intermediate Security Audit .....	103
3.2.4 Renewal Security Audit.....	104
3.2.5 Additional Security Audit .....	104
3.2.6 Preliminary Security audit .....	105
3.2.7 Streamlined audit.....	105
3.2.8 Ship Security Audit Scenarios .....	106
3.3 Issuance, Endorsement and Maintenance of Certificates .....	108
3.3.1 Issuance of ISSC.....	108
3.3.2 Extension of ISSC .....	109
3.3.3 Endorsement of ISSC.....	109
3.3.4 Maintenance of ISSC .....	110
3.4 Dealing with Failure .....	112
3.4.1 Confirmation of Failure.....	112
3.4.2 Dealing with Failure .....	112
3.4.3 Dealing with Major Failure.....	113

## Part III. MLC Inspection

### Chapter 1. General

1.1 Objectives and Scope .....	116
1.2 Definitions .....	117
1.3 Responsibilities of Shipowner .....	119
1.4 Transfer of Certification Body.....	120
1.5 Objection and Complaints.....	121

### Chapter 2. Approval of DMLC Part II

2.1 General.....	122
2.2 Application for DMLC Part II Approval .....	123
2.3 Approval and Maintenance of DMLC part II.....	124

### Chapter.3 Ship MLC Inspection

3.1 Application for Inspection .....	125
3.2 Inspection Kind and Procedures.....	126
3.2.1 Interim Inspection.....	126
3.2.2 Initial Inspection .....	126
3.2.3 Intermediate Inspection .....	127
3.2.4 Renewal Inspection .....	128
3.2.5 Additional Inspection .....	128
3.2.6 Preliminary MLC inspection.....	129
3.2.7 Streamlined Inspection.....	129
3.2.8 Ship Inspection Certification Scenarios .....	131
3.3 Issuance, Endorsement and Maintenance of Certificates .....	133
3.3.1 Issuance of MLC Cert.....	133
3.3.2 Extension of MLC Cert.....	134
3.3.3 Endorsement of MLC Cert. ....	134
3.3.4 Maintenance of MLC Cert.....	134
3.4 Dealing with Deficiencies.....	137
3.4.1 Confirmation of Deficiency.....	137
3.4.2 Dealing with Deficiency.....	137
3.4.3 Dealing with serious deficiency.....	137

<b>Forms .....</b>	<b>139</b>
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# Part I. ISM Audit

“Providing the **best services**,  
Creating a **better world**”

## Chapter 1. General

### 1.1 Objectives and Scope

- 1.1.1 This Guidance provides a standard related to the audit for the Safety Management System of the Company and ship in accordance with International Safety Management Code (hereinafter referred to as 'ISM Code').
- 1.1.2 This Guidance applies to a Company or ship that is to be certified by Korean Register (hereinafter referred to as "The Society") in accordance with ISM Code. If there are specific requirements of the Administration<sup>1</sup>, those should be applied preferentially.
- 1.1.3 If the company & ship are registered in a Classification Society that is not subject to verification of compliance with QSCS, the Society does not execute the audit, unless otherwise the Administration sets forth additional instructions.
- 1.1.4 For such a ship which is NOT classed to the Society and the age of the ship exceeds 20 years, it is subject to pre-verification for the sake of qualification by SSC Team.
- 1.1.5 In principle, the Society will not execute the audit if the ship is not subject to the SOLAS and/or flag requirement. Contrastly, in the case where the Company applies, the Society may issue a Statement of Fact (SOF), not a formal certificate issued under the name of the Flag, using the Guidance for Convention Audit and the Instructions for Convention Audit.
- 1.1.6 This Guidance provides the general standards relating to the audit on the application of ISM Code, the request and scope of the audit, procedures of the verification and issuance-maintenance of the certificates.
- 1.1.7 Since the audit, aiming to verify the fact that the Safety Management System of the Company or a ship is effectively implemented, is carried out on a random sampling basis due to the audit time and space constraints, even if the Company or a ship is certified by the Society, certification or audit does not guarantee that the Company or a ship has satisfied the compliance with all mandatory requirements in accordance with Conventions and/or Acts of the Administration, etc. The Company shall bear complete and sole responsibility for operating and maintaining the Safety Management System of the Company and ship.

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<sup>1</sup> (Example) In case of Korean ships or Companies, the Maritime Safety ACT and relative regulations should be separately applied.

1.1.8 The audit is applied to verify all requirements of the ISM Code through a review of documents and records, interviews, observation of activities, examination on-site, etc., and a random sampling process for extracting documents and records should be applied. An auditor shall be required to keep all documents and records for the audit confidential.



## 1.2 Definitions

1.2.1 'The ISM Code' means the International Management Code for the Safe Operation of Ships and for Pollution Prevention as adopted by the Assembly Res.741.<sup>2</sup>

1.2.2 '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 Code.

1.2.3 'Administration' means the Government of the State whose flag the ship is entitled to fly.

1.2.4 'Safety Management System (hereinafter referred to as 'SMS')' means a structured and documented system enabling Company personnel to effectively implement the Company safety and environmental protection policy.

1.2.5 'Certificate' means 'Document of Compliance' or 'Safety Management Certificate'.

1.2.6 'Document of Compliance (hereinafter referred to as 'DOC')' means a document issued to a Company which complies with the requirements of the ISM Code.

1.2.7 'Safety Management Certificate (hereinafter referred to as 'SMC')' means a document issued to a ship which signifies that the Company and its shipboard management operate in accordance with the approved SMS.

1.2.8 'Non-Conformity (hereinafter referred to as 'NC')' means an observed situation where objective evidence indicates that the SMS required by the ISM Code is not properly fulfilled and signifies a major NC and a minor NC.

1.2.9 'Major NC' means any of the followings:

- An identifiable deviation that poses a serious threat to the safety of personnel or the ship or a serious risk to the environment that requires immediate corrective action; and
- The lack of effective and systematic implementation of the requirements of the ISM Code.

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<sup>2</sup> The Assembly Res. 741 may be amended by the Organization, and it was amended by resolution MSC.104(73), resolution MSC.179(79), resolution MSC.195(80), resolution MSC.273(85) and resolution MSC.353(92)

- 1.2.10 'Minor NC' means a NC except major NC(s).
- 1.2.11 'Observation' means a statement of fact made during the audit which may be led to a NC in the future.
- 1.2.12 'Corrective Action' means a necessary measure to remove the reason for preventing recurrence of the (major) NC which was identified during the audit.
- 1.2.13 'Technical Deficiency' means a defect in, or failure in the operation of, a part of the ship's structure or its machinery, equipment or fittings which identified during the audit.
- 1.2.14 'Objective Evidence' means information, records or statements pertaining to the existence and implementation of a SMS requirement, which is based on observation, measurement, or test and which can be verified.
- 1.2.15 'Head Office' means an office which is implementing main works related to the SMS of the Company for all duties and responsibility imposed by the ISM Code
- 1.2.16 'Branch Office' means an external office which is implementing works related to the SMS as a part of the Company's organization.
- 1.2.17 'ISM Audit' means an audit to certify the conformity of SMS of the Company or a ship in accordance with the ISM Code.
- 1.2.18 The definitions which were not defined in above 1.2 should comply with SOLAS Chapter 9, the ISM Code, Resolution, etc.
- 1.2.19 'Electronic Document of Compliance' means DOC which is issued and provided by secured 'pdf' format, replacing traditional paper certificate.
- 1.2.20 'Electronic Safety Management Certificate' means an SMC which is issued and provided by secured 'pdf' format, replacing traditional paper certificate.
- 1.2.21 "Integrated Audit" means audit/inspection in which ISM/ISPS/MLC audit/inspection is conducted by each auditor on a single ship.
- 1.2.22 "Continuous Audit" means audit/inspection in which audit/inspection is continuously conducted on a single ship by an auditor/inspector.
- 1.2.23 "Streamlined Audit" means audit/inspection reducing M/D on-board by conducting some part of

audit/inspection ashore.

- 1.2.24 "Remote Audit" means audits in which any verification of a company or a ship does not involve any on-site attendance by auditor/Inspector then, conducted by means of remote (ICT method, such as live streaming video, video recorded, images captured and tele-communication with acceptance of Administrations.

## 1.3 Responsibilities of Company

### 1.3.1 Progress of Audit

1.3.1.1 The Company should provide the necessary human and material resources to an auditor to ensure smooth progress of the audit as follows:

- 1) arrange personnel for interview;
- 2) designate a personnel in charge who accompanies the audit team;
- 3) arrange a site for auditing;
- 4) ensure to be provided of evidential matters or be approached to them;
- 5) implement the corrective actions as a result of the audit; and
- 6) provide resources else to ensure the effective and efficient progress of the audit.

1.3.1.2 The Society may refuse or suspend an audit if the cooperation of Company for above 1.3.1.1 is not properly provided or the potential hazard is found during an audit.

### 1.3.2 Providing Information

The Company should notify the Society of the following information related to keeping the certification without delay:

- 1) when any information of the Company or a ship necessary for certification is changed;
- 2) When an event that could affect the maintenance of ship's classification such as marine casualties and structural/machinery failures happens;
- 3) when an event that could affect the certification of SMS such as critical marine accident, capture, detention and PSC deficiencies happens;
- 4) when the ship's Classification Society is transferred to another Classification Society not holding QSCS certificate except the Administration solely gives an authorization to the Society; and
- 5) when significant changes of SMS happen; and
- 6) when the classification of ship is suspended or withdrawn, or the convention certificate is invalid.

### 1.3.3 Maintaining Audit records

The Company should maintain the audit records in the Company or a ship to ensure the validity of audit.

### 1.3.4 Payment of Audit Fee

The Company should pay the audit fee according to the relevant rules as provided by the Society.

## 1.4 Transfer of Certification Body

### 1.4.1 Application

It is applied when the certification body is changed from a Classification Society subject to verification of compliance with QSCS to the Society.

### 1.4.2 The transfer of certification body can be only accepted after followings are confirmed that:

- 1) the existing certificate has not been withdrawn or otherwise invalidated;
- 2) any major NC have been closed out or downgraded (if applicable); and
- 3) all verifications initiated by the previous society (Loosing Society, LS) have been satisfactorily completed unless otherwise agreed between Societies.

### 1.4.3 Scope of Audit

An audit for transfer of certification body should be carried out as an additional audit on-site, and it can be implemented with a periodical audit.

### 1.4.4 Issuance of certificate

When an audit for the transfer of the certification body has been successfully completed, the Society will issue a new certificate in accordance with the relevant procedures. A new certificate will succeed the validity of the existing certificate. Where the Flag State has issued the certificate, the auditor may endorse the certificate on behalf of the Flag Administration if authorized to do so.

However, when the audit cannot be successfully completed due to major NC(s) identified, the Society should inform such fact to the current certification body.

## 1.5 Objection and Complaints

- 1.5.1 The Company may raise objections and complaints concerning the audit to the Society. Although a verbal communication of objections and complaints is possible, in principle, the Society recommends the Company submit through a written letter in 'Objection and Complaints (Form No. GD-01-03)' within 30 days of the receipt of the audit results. Significantly, to raise objections and complaints related to the issuance and endorsement of the certificate, the Company shall submit a written letter to clarify the facts.
- 1.5.2 The Society will officially notify the Company of the results of submitted objections and complaints within 30 days of the receiving of objections and complaints.

## Chapter 2. Company Audit

### 2.1 Application for Audit

2.1.1 The Company should send an application (form no. GD-01-01)<sup>3</sup> with the following documents to the branch office located in the district of the Company's head office, or the Company could apply it via KR e-fleet. However, in the case of the Korean Flag, an application and relevant documents required by the Administration can be submitted to the branch office or attached via KR e-fleet.

- an organization chart of Company which shows relevant departments of SMS; and
- a Company's declaration to the Administration or a power of attorney from the ship owner if the Company is not the ship owner (only for an interim and initial audit).

2.1.2 In the case of a company registering with the Society for the first time, the registration shall be made after reviewing the opinion of the jurisdictional branch manager on the following matters;

- Entity to be certified.
- Delegation status of Flag administration
- Capacity of Safety management
- PSC history of the managed vessels

2.1.3 The Society may refuse to register or audit the Company if it is found to have the following matters.

- Violation or under suspicion of violating any sanctions, prohibitions, restrictions or limitations imposed by any national, supranational or international governmental organization.
- If the Society believe that the company or the vessels belonging to the company may expose our society to a loss of social credibility or other unfavorable circumstances.

2.1.4 The Company should notify the Society of revised information prior to the start of an audit if the followings differ from the first application:

- the number of employees;
- the Ship type and the Flag;
- the Owner of the Ship; and
- the Classification Society of Ship.

2.1.5 The audit plan will be notified to the Company at least 1 week prior to an audit; however, when the schedule is imminent, it may be notified before an audit.

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<sup>3</sup> Refer to the attached application form

2.1.6 A provisional auditor may join the audit team under the consent of the Company.



## 2.2 Audit Kind and Procedures

### 2.2.1 Interim Audit

2.2.1.1 The interim audit is to be implemented for temporary operation of a ship prior to carrying out an initial audit, and it is applied for the Company in the following cases:

- 1) where the Company is newly established;
- 2) where a ship type is newly added; and
- 3) where the Flag is newly added.

2.2.1.2 The followings are to be audited during the interim audit:

- 1) verification of the established SMS required by ISM Code, the requirements of the Flag and the standards of the Classification Society and its plan;
- 2) verification of the plans of the Company to include at least the followings:
  - the training plan for the established SMS;
  - the plan for the internal audit of the Company and ship (the plan to be implemented within 3 months after a ship is operated);
  - the plan for the Management Review;
  - the plan for an initial audit;
  - the job assignment for implementing the plans; and
- 3) review of the SMS documentation of the Company.

2.2.1.3 The key personnel for interviews are as follows:

- 1) the top Management (CEO);
- 2) the designated person (s);
- 3) personnel in departments related to SMS (it includes the relevant departments which are responsible for safety quality, crewing, technical support and operation); and
- 4) personnel having a duty to respond in emergencies.

2.2.1.4 The man-day of the interim audit is as follows:

- 1) In case where the Company is newly established – 2 M/D<sup>4</sup>;
- 2) In case where a ship type is newly added – 0.5 M/D;
- 3) In case where the Flag is newly added – 0.5 M/D; and
- 4) In case where the Flag and ship type are newly added – 0.5 M/D.

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<sup>4</sup> 1 M/D means an auditor implements the verification for 8 hours except mealtime and travel time. 1 M/D reduction is available if the audit is conducted simultaneously with the company document audit.

## 2.2.2 Document Audit (Review)

2.2.2.1 The document audit is required in the following initial or additional audit:

- 1) where the Company is newly established;
- 2) where a ship type is newly added;
- 3) where the certification body is transferred; and
- 4) where significant changes are made to SMS such as the organization, etc.

2.2.2.2 In the case where the NC is found during a document audit in the state of an initial audit, the NC should be rectified prior to an initial audit on-site. At the request of the Company, the Society could implement the documents audit after an interim audit.

2.2.2.3 The document audit is carried out at the office of the Company, and the overall situation such as the implementation of SMS, entity who is responsible for the operation of the ship and proposed date of initial audit on-site should be reviewed.

2.2.2.4 It should be verified during a document audit that the SMS of the Company has been documented to ensure the followings according to the ISM Code:

- 1) compliance with mandatory rules and requirements; and
- 2) consideration of applicable codes, guidelines and standards recommended by the Organization, Administrations, classification societies and maritime industry.

2.2.2.5 If the manuals of the Company are revised in an initial audit or after one, on the next audit, the amendments should be submitted to the audit team leader to confirm it.

2.2.2.6 The following documents should be verified during a document audit; however the title of documents could be different:

- 1) manual: a top level document describing the overall SMS;
- 2) procedure: a document describing the procedures related to the SMS; and
- 3) Instruction: a document describing the detailed instructions and measures for specific works. It is limited to make if the above 1) and 2) are not satisfied to cover the SMS of the Company.

2.2.2.7 The man-day of Document Audit is as follows:

- 1) In the case where the Company is newly established – 4 M/D (not more than 4 ship type)  
5 M/D (more than 5 ship type);
- 2) In the case where a ship type is newly added – 0.5 M/D;
- 3) In the case where a certification body is transferred – 0.5 M/D; and
- 4) in cases where significant changes in SMS such as the organization, etc. have happened – at least 0.5 M/D

~~However, the man-day for audit on scene could be shorten if the document audit is carried out after an audit on scene.~~

5) Document audit of company transferring certification authorities from non-IACS : 4 M/D

## 2.2.3 Initial Audit

2.2.3.1 The Initial Audit is to be implemented to verify on the establishment and implementation of SMS when the Company or Owner applies a DOC for the first time, and an on-site audit and a documentation audit configure the Initial Audit. The Society carries out an on-site audit of the Company after the followings have been completed or confirmed:

- 1) The completion of the document audit including rectification of NC (if applicable);
- 2) The operation records of SMS for the Company and ship (at least one ship of each type and Flag) for at least 3 months;
- 3) The internal audit for the Company and a ship (at least one ship of each type and Flag);
- 4) The management review for the Company and a ship
- 5) The valid compulsory certificates for at least one ship of each type and the Flag operated by the Company; and

6) Company managing ships classed by another society, or for which the Administration or another RO performs the statutory surveys, the auditor shall review the statutory and classification survey records for at least on ship of each ship type to which the DOC is to apply.

2.2.3.2 During the Initial Audit after an interim audit for a new Company, the Society will audit the followings:

- 1) Verification that the SMS required by the ISM Code, the Flag State's requirements and standards of Classification Society including paragraph 2.2.3.1 above is effectively implemented; and
- 2) Verification of the head office and branch offices of the Company:
  - In the case where the Company assigns SMS responsibilities to branch offices, the verification should include a representative sample of those offices, as shown in the table below. However, where a branch office has independent SMS works (e.g. the whole technical support is implemented by a branch office), while not included in the table below, the branch office should be included in the scope of the audit;

The Number of Branch Office	Representative Sampling Office
1	1
2	2
3	2
4 ~ 6	3
7 ~ 9	4
10	5

11 ~ 17	6
18 ~ 24	40% (cut below the decimal point)
More than 25	40% (cut below the decimal point)

- prior to the Renewal Audit, the Society should verify all branch offices at least once on the premise of the Company has completed internal audits for all branch offices;
- if the Company adds a branch office within the period of validity of the DOC, the next scheduled audit should include the newly added branch office.

2.2.3.3 The key personnel for interviews are as follows:

- 1) top management (CEO);
- 2) designated person (s);
- 3) personnel in departments related to SMS (it includes the relevant departments which are responsible for safety quality, crewing, technical support, and safety operation); and
- 4) personnel having a duty to respond in emergencies.

2.2.3.4 The man-day of initial audit for a new Company is as follows. However, each man-day for a head office and a branch office could be adjusted within the fixed man-day.

(Example) If the man-day is 5 M/D for a head office and 1.5 MD for a branch office, it could be adjusted to 5.5 M/D for a head office and 1.0 M/D for a branch office.

The Number of Employee	Head Office	Branch Office
Not more than 30P	4 M/D	1.5 M/D (Independent SMS works from HO *1) 1.0 M/D (dependent SMS works from HO)
31P – 60P	5 M/D	2 M/D (Independent SMS works from HO ) 1.5 M/D (dependent SMS works from HO)
61P – 100P	7 M/D	
More than 101	Add 1 M/D in every 50 P	

\*1 where the independent SMS work is carryout out in a branch office (e.g. . the whole technical support is implemented by a branch office)

2.2.3.5 The man-day of initial audit for adding a new ship type or the Flag after the completion of an interim audit is as follows, and the above 2.2.3.2 par. 2) is not applied:

- 1) In the case where a ship type is newly added – 0.5 M/D;

- 2) In the case where the Flag is newly added – 0.5 M/D; and
- 3) In the case where a ship type and the Flag are newly added – 1 M/D.

## 2.2.4 Annual Audit

2.2.4.1 The Annual Audit is to be implemented between the Initial Audit and Renewal Audit or the Renewal Audit and another Renewal Audit, and the Annual Audit should be carried out within 3 months before and after each anniversary date of DOC.

2.2.4.2 In case the annual audit is carried out earlier than 3 months from the anniversary date of DOC, the anniversary date is newly re-designated as the date of completion of the audit. In this case, the remaining period of validity of DOC is counted from the date of completion of the audit, and a DOC is also to be re-issued.

2.2.4.3 The followings are to be audited during an annual audit:

- 1) Verification that the SMS required by ISM Code, the Flag State's requirements and standards of Classification Society is effectively implemented and maintained;
- 2) Verification that the SMS has been not changed since the last audit and the validity of certificates has been effective;
- 3) Random sampling verification that the corrective actions and measures to prevent a recurrence on NC found in the previous company & ship internal/external audit has been properly implemented;
- 4) Verification that the shipboard safety works are complied with the safety management procedures; and
- 5) Verification of a head office and branch offices of the Company:
  - where the Company assigns SMS responsibilities to the branch offices, the verification should include a representative sample of those offices, as shown in the table below. However, where a branch office has the independent SMS works (e.g. the whole technical support is implemented by a branch office), while not included in the table below, this branch office should be included in the scope of audit.
- 6) the operation records of SMS for the Company and ship(at least one ship of each type and Flag) for at least 3 months;
- 7) the internal audit for the Company and ship(at least one ship of each type and Flag);
- 8) the management review for the Company and ship;
- 9) the company managing ships classed by another society, or for which the Administration or another RO performs the statutory surveys, the auditor shall review the statutory and classification survey records for at least on ship of each ship type to which the DOC is to apply.
- 10) the valid compulsory certificate for ships surveyed or audited from another classification society.

The Number of Branch Office	Representative Sampling Office
1 ~ 2	1
3 ~ 6	2

7 ~ 10	3
11 ~ 24	4
More than 25	20% (cut below the decimal point)

- Prior to a Renewal Audit, the Society should verify all branch offices at least once on the premise of the Company has completed internal audits for all branch offices;
- If the Company adds a branch office within the period of validity of the DOC, the next scheduled audit should include the newly added branch office.

2.2.4.4 The key personnel for interviews are as follows:

- 1) top management (CEO);
- 2) designated person(s);
- 3) personnel in departments related to SMS (it includes the relevant departments which are responsible for safety quality, crewing, technical support, and operation); and
- 4) personnel having a duty to respond in emergency situations.

2.2.4.5 The man-day of annual audit for the Company is as follows. However, each man-day for a head office and a branch office could be adjusted within the fixed man-day.

The Number of Employee	Head Office	Branch Office
Not more than 30 P	2 M/D	1 M/D
31 P – 60 P	2.5 M/D	1.5 M/D
61 P – 100 P	3.5 M/D	1.5 M/D
More than 101 P	Add 0.5 M/D in every 50 P	1.5 M/D

## 2.2.5 Renewal Audit

2.2.5.1 The Renewal Audit is to be implemented at the end of the validity period of DOC, and the audit could be carried out within 3 months prior to the expiry date of DOC

2.2.5.2 The followings are to be audited during the Renewal Audit:

- 1) Verification that the SMS required by ISM Code, the Flag's requirements, and the standards of the Classification Society are effectively implemented and maintained;
- 2) Verification that the SMS has not been changed since the last audit, and the validity of certificates has been effective;
- 3) Random sampling verification that the corrective actions and measures to prevent a recurrence on NC found in the previous company & ship internal/external audit has been properly implemented;

- 4) Verification that the shipboard safety works are complied with the safety management procedures;  
and
- 5) Verification of a head office and branch offices of the Company:
  - where the Company assigns SMS responsibilities to branch offices, the verification should include a representative sample of those offices as shown in the table below. However, where a branch office has the independent SMS works (e.g. the whole technical support is implemented by a branch office), while not included in the table below, the branch office should be included in the scope of audit ;
- 6) the operation records of SMS for the Company and ship(at least one ship of each type and Flag) for at least 3 months;
- 7) the internal audit for the Company and ship(at least one ship of each type and Flag);
- 8) the management review for the Company and ship;
- 9) the company managing ships classed by another society, or for which the Administration or another RO performs the statutory surveys, the auditor shall review the statutory and classification survey records for at least on ship of each ship type to which the DOC is to apply.
- 10) the valid compulsory certificate for ships surveyed or audited from another classification society.

The Number of Branch Office	Representative Sampling Office
1	1
2	2
3	2
4 ~ 6	3
7 ~ 9	4
10	5
11 ~ 17	6
18 ~ 24	40% (cut below the decimal point)
More than 25	40% (cut below the decimal point)

- Prior the Renewal Audit, the Society should verify all branch offices at least once on the premise of the Company has performed internal audits for all branch offices;
- If the Company adds a branch office within the period of validity of the DOC, the next scheduled audit should include the newly added branch office.

## 2.2.5.3 The key personnel for interviews are as follows:

- 1) top management (CEO);
- 2) designated person(s);
- 3) personnel in departments related to SMS (it includes the relevant departments which are responsible



for safety quality, crewing, technical support, and operation); and

4) personnel having a duty to respond in emergency situations.

2.2.5.4 The man-day of renewal audit for a Company is as follows. However, each man-day for a head office and a branch office could be adjusted within fixed man-day.

The Number of Employee	Head Office	Branch Office
Not more than 30 P	4 M/D	1.5 M/D
31 P – 60 P	5 M/D	2 M/D
61 P – 100 P	7 M/D	2 M/D
More than 101 P	Add 1 M/D in every 50 P	2 M/D

## 2.2.6 Additional Audit

2.2.6.1 The additional audit means an audit except the interim, initial, annual and renewal audits, and it is applied in the following cases:

- 1) When an audit is requested by the Administration against marine accidents or to prevent the detention by PSC;
- 2) When it is deemed necessary by the Society as follows:
  - a major NC was found during an audit or a ship was detained due to PSC or FSC inspection;
  - the major deficiencies were found during a class survey and additional verifications on the effectiveness of SMS is required;
  - the public censure caused by the serious marine accident occurs, then additional verifications on the effectiveness of SMS is required;
- 3) When the certification body is transferred;
- 4) When the audit for the Company is required in the process of reinstating the SMC withdrawn due to a major NC;
- 5) When the organization of Company or SMS is significantly changed;
- 6) When the major NC is downgraded;
- 7) When the address or name of Company is changed; and
- 8) When the Company or Administration requests it other than above cases.

2.2.6.2 In the case where the Company request s for the re-issuance of DOC subject to minor revisions of particulars, it is re-issued through the document review.

## ~~2.2.7 Preliminary Audit~~

~~2.2.7.1 The Company can apply for a Preliminary Audit to verify the overall SMS of the Company in preparation for an initial audit.~~

~~2.2.7.2 The results of a Preliminary Audit are submitted as 'non-conformity reports', and the Company is not obliged to take a corrective action.~~

~~2.2.7.3 The results of a Preliminary Audit do not ensure the certification of an initial audit, and the Society does not involve in making documents of SMS for the Company.~~

## 2.2.7 Company Certification Scenarios

No.	Scenarios	Type of Audit	Minimum Scope of Audit	Man-day (except document audit)	Certificates issued
1	Establishment of Company	Interim Audit	Refer to Guidance Part I, 2.2.1	2 M/D	Interim DOC (1 year)
2	Document Review in case of New company	Document Review	Refer to Guidance Part I, 2.2.2	Not less than 4 M/D	Document Review Report
3	Additional ship type	Interim Audit	Refer to Guidance Part I, 2.2.1	0.5 M/D	Interim DOC (1 year)
4	Initial DOC	Initial Audit	Refer to Guidance Part I, 2.2.3	Not less than 4 M/D	Issue of DOC (5 year)
5	Within due date of DOC (Subject to Annual audit)	Annual Audit	Refer to Guidance Part I, 2.2.4	Not less than 2 M/D	Endorse DOC
6	Within due date of DOC (Subject to Renewal audit)	Renewal Audit	Refer to Guidance Part I, 2.2.5	Not less than 4 M/D	Issue of DOC (5 year)
7	Additional Flag	Interim Audit	Refer to Guidance Part I, 2.2.1	0.5 M/D	Interim DOC (1 year)
8	Additional Flag and ship type	Interim Audit	Refer to Guidance Part I, 2.2.1	0.5 M/D	Interim DOC (1 year)
9	Document Review in case of Adding Ship type	Document Review	Refer to Guidance Part I, 2.2.2	0.5 M/D	Document Review Report
10	Change of address or name of Company	Additional Audit	- verify the changed SMS	0.5 M/D	Reissue DOC (expiry date as previous DOC)
11	Change to RO (From a Classification Society holding a QSCS cert.)	Additional Audit	- verify all element of the ISM Code and previous audit reports	0.5 M/D	Reissue DOC (expiry date as previous DOC)
12	Document Review In case of Change to RO (from a Classification Society holding a QSCS cert.)	Document Review	Refer to Guidance Part I, 2.2.2	0.5 M/D	Document Review Report
13	Change to RO (From a Classification Society not holding a QSCS cert.)	Initial Audit	Refer to Guidance Part I, 2.2.3	Not less than 4 M/D (Refer to Guidance Part I, 2.2.3.4)	Issue DOC (5 years)

14	Document Review In case of Change to RO (From a Classification Society not holding a QSCS cert.)	Document Review	Refer to Guidance Part I, 2.2.2	Not less than 4 M/D	Document Review Report
15	Change from interim DOC to full DOC due to additional ship type	Initial Audit	Refer to Guidance Part I, 2.2.3	0.5 M/D	Reissue DOC (expiry date as previous DOC)
16	Change from interim DOC to full DOC due to additional flag	Initial Audit	Refer to Guidance Part I, 2.2.3	0.5 M/D	Issue DOC (expiry date as other Flag's DOC)
17	Major change to SMS (Organization, etc.)	Additional Audit	- verify the changed SMS	Not less than 0.5 M/D	No action
18	Revisit to verify a downgraded major N/C	Additional Audit	- verify the corrective action/measures to prevent recurrence	Not less than 0.5 M/D	No action
19	When the audit for the Company is required in the process of reinstating the SMC withdrawn due to a major NC	Additional Audit	Refer to Guidance Part I, 2.2.4	apply M/D of annual audit (only for Head Office)	No action
20	Request of the Administration	Additional Audit	- verify raised issues (it may be extended to the scope of a periodical audit)	Not less than 0.5 M/D	No action
21	Request of the Company	Additional Audit	- verify raised issues (it may be extended to the scope of a periodical audit)	Not less than 0.5 M/D	No action

**Note: The above should apply in the absence of any instructions to the contrary from the Flag Administration**

## 2.3 Issuance, Endorsement and Maintenance of Certificates

### 2.3.1 Issuance of DOC

2.3.1.1 The interim DOC could be issued if an interim audit is completed without any (major) NC or if the measures in accordance with Guidance 2.4 in Part 1 have been satisfactorily implemented for any identified (major)NCs.

2.3.1.2 The validity period of the interim DOC is 1 year from the date of completion of the audit as follows:

(Example) – the date of completion of the audit: 2018-01-02;

- the beginning date of validity: 2018-01-02; and
- the expiry date of validity: 2019-01-01.

2.3.1.3 The short-term DOC (3-Month) could be issued if the initial, renewal or additional audit is completed without any (major) NC(s) or if the measures in accordance with Guidance 2.4 in Part 1 have been satisfactorily implemented for any identified (major)NCs, then a full-term DOC is to be issued after verifying the audit reports and certificate in Headquarters of the Society. The validity period of the full-term DOC is 5 years, however the expiry date of DOC issued after an additional audit is same as the existing DOC. Examples of the validity period of DOC are as follows:

(Example 1) - the date of completion of the initial audit: 2018-01-02;

- the validity period of the short-term DOC: 2018-01-02 ~ 2018-04-01;
- the validity period of the full-term DOC: 2018.01.02 ~ 2023.01.01;
- however, in the case of an initial audit for adding new ship type or Flag, the expiry date of a DOC is same as the existing DOC;

(Example 2) - the date of completion of the renewal audit: 2018-01-02;

- the validity period of the previous DOC: 2018-02-02;
- the validity period of the short-term DOC: 2018-01-02 ~ 2018-04-01;
- the validity period of the full-term DOC: 2018-01-02 ~ 2023-02-02<sup>5</sup>;

(Example 3) - the date of completion of the additional audit: 2018-01-02;

- the validity period of the previous DOC: 2020-02-02;
- the validity period of the short-term DOC: 2018-01-02 ~ 2018-04-01; and

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<sup>5</sup> In case of Korean Flag, the validity period of the full-term DOC is 5 years from the next date of expiry date of the previous DOC. E.g. the validity period of the full-term DOC: 2018-02-03 ~ 2023-02-02

- the validity period of the full-term DOC: 2018-01-02 ~ 2020-02-02.

2.3.1.4 In the case where the renewal audit is carried out within 3 months from the expiry date of DOC, a new DOC is to be issued from the date of completion of the audit, the new validity period is 5 years from the expiry date of the previous DOC.

2.3.1.5 In the case where the renewal audit is carried out earlier than 3 months from the expiry date of the DOC, the validity period of the new DOC is 5 years from the date of completion of the audit.

2.3.1.6 In the case where the renewal audit is carried out exceeding the expiry date of the DOC, the new DOC is issued from the date of completion of the audit, and the validity period is 5 years from the expiry date of the previous DOC.

2.3.1.7 In the case where the DOC is reissued because it is missed or damaged or revised, the validity period of the DOC is same as an original one, however the issued date is just changed as the actual issued date.

## 2.3.2 Endorsement of DOC

2.3.2.1 The DOC could be endorsed if an annual or additional audit is completed without any major NC(s) or if all major NC(s) identified during the audit is closed out or downgraded.

2.3.2.2 The endorsed DOC is effective until the next anniversary date of the DOC.

## 2.3.3 Maintenance of DOC

2.3.3.1 In the case where the DOC becomes invalid, the relevant SMC in the Company is also to be invalidated. In addition, the DOC may be invalidated if any of the followings occurs:

- 1) when the business license or registration of the Company is canceled.
- 2) when a major NC identified during an audit is not closed out or downgraded within the audit period (proposed date);
- 3) when the corrective action of a NC is not completed within the agreed date;
- 4) when the necessary audits (initial-annual-renewal audit) to maintain a certificate is not carried out;
- 5) when the Company requests cancellation; and
- 6) when the Company no longer operates the relevant ship type listed on the DOC for a period exceeding 1 year except for the combined ship (example, oil-chemical tanker) having the operation records for one ship type.
- 7) if the auditor discovers that the Company no longer operates a ship under certain Flag State at the annual/renewal audit.

2.3.3.2 In the following cases, it may be invalidated through deliberation of the Certification Steering Committee for Convention Audit of the Society:

- 1) where it is brought to public censure due to marine accident or pollution;
- 2) where the Company does not implement the responsibility to provide the information required according to Guidance Part I-1.3.2; and
- 3) where a ship is detained by the PSC, and in this case the Company does not effectively implement the SMS, or the Administration or Port Authority does not trust the effectiveness of relevant SMS considering the seriousness or frequency of her detention.

2.3.3.3 When the DOC is invalidated, the Society will inform the Company, Flag State and parties concerned (if necessary), unless otherwise requested by the Administration.

2.3.3.4 When the Administration withdraws a DOC after it is invalidated or cancels it by the other grounds, the Company should return the DOC to this Society without delay. However, this is not the case if the Certificate is issued electronically.

2.3.3.5 An initial audit of the Guidance Part I-2.2.3 is applied to reinstate the DOC withdrawn after it is invalidated according to above 2.3.3.1 paragraph 2) and 3). In this case, an additional audit to the scope of an initial audit for at least one ship of each type should be carried out to reinstate the SMC.

2.3.3.6 Where the certificates are newly issued according to above 2.3.3.5, the expiry date of certificates is the same as the previous certificates.

### 2.3.4 Issuance, Endorsement and Maintenance of electronic Certificates

2.3.4.1 The e-DOC may be issued and endorsed by authorization of each flag state.

2.3.4.2 The procedure for Issuance, Endorsement and Maintenance of e-DOC is applied in the same way as Part 1, Ch. 2, paragraph 2.3.1, 2.3.2 and 2.3.3 above.

2.3.4.3 The issued and endorsed e-DOC shall be downloaded from the KR e-Fleet system (<http://e-fleet.krs.co.kr>) and managed by the Company.

2.3.4.4 In the case where the Company print the e-DOC, it should be printed in color, while the KR sealing sticker and watermarked certificate paper are not required.

2.3.4.5 The validity of issued and endorsed e-DOC can be confirmed by visiting KR e-Cert. verification site : <http://e-cert.krs.co.kr>) and input tracking/certificate number on the e-DOC, or scanning of QR Code on the bottom of e-certificate.

## 2.4 Dealing with NC (s)

### 2.4.1 Confirmation of NC (s)

2.4.1.1 The NC(s) identified during an audit needs the consent of the Company's representatives. If they do not accept it, the relevant statements will be prepared and confirmed to the Company's representatives. In this case, any decision for certification will be shelved.

~~2.4.1.2~~ - In the case where the relevant statements are made, the Company is notified of the results of review on the NC(s) and certification within 15 days via an official letter.

~~2.4.1.3~~ - When it is concluded as a NC, and the due date is considered from the completion date of the audit, and the next procedure should be followed by NC handling procedures.

2.4.1.2 If a minor NC is identified, the audit completion date means the date the audit is completed, and the certificate can be issued or endorsed regardless of whether a corrective action plan has been submitted.

### 2.4.2 Dealing with Minor NC

2.4.2.1 The due date of corrective actions for the minor NC(s) identified during an audit (except a document audit) should be designated within 3 months from the date of completion of the audit, and the Company should submit a corrective action plan<sup>6</sup> to the auditor within the audit period or agreed period (max. 1 week).

2.4.2.2 The Company should implement corrective actions within the due date according to paragraph 2.4.2.1, and submit the results of corrective actions<sup>7</sup> and its evidence to the auditor.

2.4.2.3 The auditor could request the corrective action plans or corrective actions again if the plans submitted according to paragraph 2.4.2.1 or the actions according to paragraph 2.4.2.2 are not sufficient to rectify them, and the due date of corrective actions could be also extended within the limit of not exceeding period according to paragraph 2.4.2.1.

2.4.2.4 The 'Notice of Corrective Action' will be sent to the Company after the auditor verifies the effectiveness of the corrective actions,

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<sup>6</sup> Refer to attached form 'Corrective Action Plan and Summary'

<sup>7</sup> Refer to attached form 'Corrective Action Plan and Summary'



## 2.4.3 Dealing with Major NC

2.4.3.1 In the case where the Company implements immediate corrective actions on the major NC(s) identified during an audit, those NC(s) may be closed out or downgraded. In this case, these actions should be carried out within the audit period (before the close of the audit).

2.4.3.2 Where the major NC is not closed out or downgraded within the audit period (before the close of the audit), it is handled according to the Guidance Part I-2.4.4.

2.4.3.3 Following the downgrading of a major NC, at least one additional audit should be carried out within the agreed period to verify the effectiveness of correction action, and all major NC(s) should be reported to the corresponding Administration, General Manager of Statutory System Certification Team and parties concerned.

## 2.4.4 Dealing with Failed Audit

2.4.4.1 Where the major NC is not closed out or downgraded within the audit period (before the close of the audit), it should be deemed that the audit has failed, thus the validity of existing DOC is suspended, and a DOC cannot be issued or endorsed.

2.4.4.2 Since then the audit has failed, where the Company wishes to apply for the audit, the Company should sufficiently take corrective actions and arrange for the audit before applying for the intended audit again.

## Chapter 3. Shipboard Audit

### 3.1 Application for Audit

3.1.1 The Company should send an application (form no. GD-01-02)<sup>8</sup> with the following documents to the branch office in jurisdiction of the audit (hereinafter referred to as 'branch office'), or the Company could apply it via KR e-fleet. However, in case of the Korean Flag, the application and relevant documents required by the Administration can be submitted to the branch office or attached via KR e-fleet:

- a copy of DOC (if it is not issued by the Society); and
- a Company's declaration to the Administration or a power of attorney from the Ship Owner if an applicant is not the ship owner (in the case of an interim and initial audit).<sup>9</sup>

3.1.2 The Society, Korean Register, may refuse to register or audit the ship if:

- it is found to violates or is suspected of violating any sanctions, prohibitions, restrictions, or limitations imposed by any national, supranational, or international governmental organization.
- the Society believes that the company or the vessels belonging to the company may expose our society to a loss of social credibility or other unfavorable circumstances.
- the Company is registered in a Classification Society not holding QSCS certificate, this Society does not execute the audit.

3.1.3 The Company should notify the revised information prior to starting an audit if the followings were changed unlike the first application:

- Ship types and the Flag;
- Ship Owner; and
- the Classification Society of ship.

3.1.4 In the case of the shipboard audits, the audit should be performed only under normal operating conditions, e.g. when the ship is not in dry dock or laid up. However, interim audits may be conducted in circumstance other than the normal operating conditions, provided that the ship is fully manned in accordance with its Safe Manning Certificate.

3.1.5 At least the interim DOC valid for the corresponding ship type and Flag should be issued prior to implementing an interim shipboard audit, and the short-term or full-term DOC valid for the

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<sup>8</sup> Refer to the attached application form

<sup>9</sup> In case of Korean flagged ships, the additional requirements is applied.

corresponding ship type and Flag should be issued prior to implementing an initial shipboard audit.

3.1.6 The audit plan will be notified to the Company at least 2 days before an audit, however it may be notified before an audit if the schedule is imminent.

3.1.7 A provisional auditor may join in the audit team under the consent of the Company.

## 3.2 Audit Kind and Procedures

### 3.2.1 Interim Audit

3.2.1.1 The Interim Audit is to be implemented for ~~temporary~~ operation of a ship prior to carrying out an Initial Audit for the following reasons, and the interim audit of ship is conducted in the following cases. However, the company must have a (Interim) DOC for the Ship type and flag.

- 1) where a new ship is delivered;
- 2) where the Company assumes responsibility for the operation of ship which is new to that the Company;
- 3) where the ship type is changed or added according to the ship's reconstruction, etc. except the change from dual to a single type;
- 4) where a ship changes the Flag; and
- 5) where a ship resumes the operation after it is out of service more than 6 months due to lay-up, etc.

3.2.1.2 The followings are to be audited during an Interim Audit:

- 1) verification of the established and planed shipboard SMS in accordance with ISM Code;
- 2) verification of the established state of the shipboard SMS including at least the followings:
  - the (interim) DOC valid for the corresponding ship type and Flag;
  - the documents related to the SMS on board;
  - conversance of master and shipboard personnel with the shipboard SMS and a plan to implement SMS;
  - the provision for essential information to seafarers prior to sailing;
  - familiarity with emergency response drills of seafarers; and
- 3) verification of the implementing plans for the shipboard SMS including at least the followings:
  - the plan for an internal audit within 3 months after a ship is operated;
  - the training plans for the shipboard SMS;
  - the job assignment for implementing the plans;
  - Master's Review/Management Review;
  - the plan for external audit.

3.2.1.3 The key personnel for interviews are as follows:

- 1) master;
- 2) officers at the management level and operation level;
- 3) personnel having duties in an emergency situation; and
- 4) ratings.

3.2.1.4 The man-day of Interim Audit for a ship is as follows:

- 1) In the case where a new ship is delivered – 0.5 M/D<sup>10</sup>;
- 2) In the case where the Company assumes responsibility for the operation of ship which is new to that Company, a ship changes her Flag, etc. other than above paragraph 1) – 1 M/D.

## 3.2.2 Initial Audit

3.2.2.1 The Initial Audit is to be implemented to verify on the establishment and implementation of SMS when an SMC is issued for the first time, and it should be carried out after the followings are completed or confirmed:

- 1) the DOC valid for the corresponding ship type and the Flag;
- 2) the valid compulsory certificates required by the Flag Administration or Classification Society;
- 3) the internal audit for the ship; and
- 4) the operation records of SMS for the ship for at least 3 months.

3.2.2.2 The Initial Audit should verify that the SMS required by the ISM Code, Flag State's requirements and standards of Classification Society including paragraph 3.2.2.1 is effectively implemented.

3.2.2.3 The key personnel for interviews are as follows:

- 1) master;
- 2) officers at the management level and operation level;
- 3) personnel having duties in an emergency situation; and
- 4) ratings.

3.2.2.4 The man-day of initial audit for a ship is as follows:

- 1) category A : 1 M/D, ships such as tanker, bulk carrier, gas carrier, etc. other than category B; and
- 2) category B : 2 M/D, passenger ship, passenger high-speed craft and mobile offshore drilling unit.

## 3.2.3 Intermediate Audit

3.2.3.1 The Intermediate Audit is to be implemented between the Initial Audit and Renewal Audit or the Renewal Audit and another Renewal Audit, and the Intermediate Audit should be carried out between 2<sup>nd</sup> anniversary date and 3<sup>rd</sup> anniversary date of the SMC. However, if the Administration or the Company requests, the Annual Audit could be applied in place of the Intermediate Audit. In this case, then Intermediate Audit is not required.

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<sup>10</sup> 1 M/D means that an auditor implements the verification for 8 hours except mealtime and travel time

3.2.3.2 If the Company wishes to change the audit type from an annual term to an intermediate term, an Intermediate Audit should be carried out regardless of the previously implemented Annual Audit.

3.2.3.3 The following are to be audited during an Intermediate Audit:

- 1) Verification that the SMS required by the ISM Code, Flag State's requirements and standards of Classification Society is effectively implemented;
- 2) Verification that the SMS has not changed since the last audit or amended SMS has been effective if changed; and
- 3) Verification that the corrective actions and measures to prevent a recurrence of NC (s) found in the previous audit have been properly implemented.

4) the DOC valid for the corresponding ship type and Flag;

5) the valid compulsory certificates required by the Flag Administration or Classification Society; and

6) the internal audit for the ship.

3.2.3.4 The key personnel for interviews are as follows:

- 1) master;
- 2) officers at the management level and operation level;
- 3) personnel having duties in an emergency situation; and
- 4) ratings.

3.2.3.5 The man-day of intermediate audit for a ship is as follows:

- 1) category A : 1 M/D, ships such as tanker, bulk carrier, gas carrier, etc. other than category B; and
- 2) category B : 2 M/D, passenger ship, passenger high-speed craft and mobile offshore drilling unit.

But, the man-day could be shorten if an annual audit is applied in place of an intermediate audit.

## 3.2.4 Renewal Audit

3.2.4.1 The audit is to be implemented at the end of the validity period of SMC, and it could be carried out within 3 months before the expiry date of SMC.

3.2.4.2 The following should be verified during a renewal audit:

- 1) verification that the SMS required by ISM Code, Flag's requirements and standards of Classification Society is effectively implemented;
- 2) verification that the SMS has not changed since the last audit or amended SMS has been effective if changed;
- 3) verification that the corrective actions and measures to prevent a recurrence on NC(s) found in the previous audit have been properly implemented;

4) the DOC valid for the corresponding ship type and Flag;

- 5) the valid compulsory certificates required by the Flag Administration or Classification Society; and
- 6) the internal audit for the ship.

3.2.4.3 The key personnel for interviews are as follows:

- 1) master;
- 2) officers at the management level and operation level;
- 3) personnel having duties in an emergency situation; and
- 4) ratings.

3.2.4.4 The man-day of renewal audit for a ship is as follows:

- 1) category A : 1 M/D, ships such as tanker, bulk carrier, gas carrier, etc. other than category B; and
- 2) category B : 2 M/D, passenger ship, passenger high-speed craft and mobile offshore drilling unit.

### 3.2.5 Additional Audit

3.2.5.1 The additional audit means an audit other than the interim, initial, annual and renewal audits, and it is applied in the following cases:

- 1) when an audit is requested by the Administration against marine accidents or to prevent the detention by PSC;
- 2) when an audit is requested by the Company against PSC deficiency (if applicable, prior approval from the Administration is required);
- 3) when the major NC is downgraded;
- 4) when the certification body is transferred;
- 5) when the ship name is changed, however it is replaced with document review if checked by verification on-site from the Society;
- 6) when it is deemed necessary by the Society as follows:
  - a major NC was found during an audit or a ship was detained due to PSC or FSC inspection;
  - the major deficiencies were found during a class survey and additional verifications on the effectiveness of SMS is required;
  - the public censure caused by the serious marine accident occurs, then additional verifications on the effectiveness of SMS is required;
- 7) when the shipboard audit is required in the process of reinstating the withdrawn DOC; and
- 8) when the Company or Administration requests it other than above cases.

3.2.5.2 In the case where the Company requests for the re-issuance of SMC subject to minor revisions of particulars, it is re-issued through the document review.

## ~~3.2.6 Preliminary Audit~~

~~3.2.6.1 The Company can apply for a preliminary audit to verify the overall SMS of a ship in preparation for an initial audit.~~

~~3.2.6.2 The result of a preliminary audit is submitted as 'non-conformity reports', and the Company is not obliged to take a corrective action.~~

~~3.2.6.3 The results of a preliminary audit do not ensure the certification of an initial audit, and the Society does not involve in making documents of SMS for the Company.~~

## 3.2.6 Streamlined Audit

3.2.6.1 Initial · Intermediate · Annual · Renewal Audit, except Additional and Interim Audit, may be conducted as Streamlined Audit only in the following cases;

- 1) All flagged ship (Excluding Korean-flagged ships)
- 2) In the case it is difficult to comply with mandatory M/D due to the ship's schedule and port situation etc. (relevant evidence shall be attached when applying for audit)

3.2.6.2 For the Streamlined Audit, the Company sends the audit application (Form No. GD-01-02) in specifying the Streamlined Audit with following mandatory submission documents and records, to the brach office in jurisdiction of the audit or via the KR e-fleet no later than 10 (ten) days before desired audit date.

Mandatory submission documents	SMS Documents (Manual, Procedure, Instruction) / DOC with latest endorsement (s) & SMC with latest endorsement (s) / List of Class and Statutory (trading) certificate with expiry date, Class and Statutory (trading) certificates / Minimum Safety Manning Certificate / All Crew personal license and medical certificate / Crew list / ISM Company declaration by the ISM Code 3.1 (if any), Declaration of Designated Person (s) ashore (if any)
Mandatory submission Records*	Deck Department
	SMS documents master list / Crew training records / Standing (including night & daily order) order book / Management review / Master's review / Master's hand-over report / Internal audit report & evidence of corrective actions / Emergency drill plan & records / PSC inspection records / Risk assessment / Records of hours of rest / C/O's hand-over report / Cargo operation records / Stowage plan / Cargo manifest / Ship/shore safety checklist / Loading & discharging plan, Cargo operation log / MSDS / Ballast water record / Deck maintenance plan and records / Supply and repair requisition and results / Maintenance record of lashing materials / Garbage disposal log / Passage plans / Check list for safe navigation / Inspection records for safety equipment / Checklist for safe navigation / Medical log / Fire-fighting appliance inspection records / Port arrival & departure check list
	Engine Department
	Maintenance history book-PMS / Repair & supply request including result, Technical information, Accident report / Chief engineer's hand-over report / Inventory list / Oil record book / Non-conformities report / Work permit file / Inspections report including class survey / Bunker delivery note or receipt note / Ozone depletion material record / MSDS / Safety device check record / Nox technical file including engine parameter record / Lubricating oil analyzing reports / Bunkering records – bunkering plan



\* : Records for 3 months from the desired date of audit, but at least 1 (one) record must be included. If not applicable, exclusion is permissible

3.2.6.3 The time allocation on-ashore and on-board, and procedure for the Streamlined Audit shall follow the "Instruction for Convention Audit".

3.2.6.4 If the mandatory submission documents and records are not provided no later than 10 (ten) days before the desired audit date, the Streamlined Audit shall not be conducted.

## 3.2.7 Ship Certification Scenarios

No.	Scenarios	Type of Audit	Minimum Scope of Audit	Man-day	Certificates issued
1	New building ship or Company newly assumes responsibility for the operation of ship	Interim Audit	Refer to Guidance Part I, 3.2.1	0.5 M/D or 1.0 M/D	Interim SMC (validity period 6 months)
2	Change of Flag	Interim Audit	Refer to Guidance Part I, 3.2.1	1 M/D	Interim SMC (6 months)
3	Change of Company	Interim Audit	Refer to Guidance Part I, 3.2.1	1 M/D	Interim SMC (6 months)
4	Change (or add) of ship type	Interim Audit	Refer to Guidance Part I, 3.2.1	1 M/D	Interim SMC (6 months)
5	Change of ship type from dual to single	Additional Audit or Verification on site	<ul style="list-style-type: none"> <li>- review the change of ship type in all certificates/documents</li> <li>- evidence of surrender of SOLAS or MARPOL related certificates for the original ship type (e.g. surrender of IOPP supplement form B when going from OBO to bulk on permanent basis)</li> <li>- if a ship is registered in KR, it is replaced with verification on-site*1</li> </ul>	0.5 M/D	Reissue SMC (expiry date as previous SMC)
6	Change of name	Additional Audit or Verification on-site	<ul style="list-style-type: none"> <li>- verify the change of name in all certificated and documents</li> <li>- if a ship is registered in KR, it is replaced with verification on-site*1</li> </ul>	0.5 M/D	Reissue SMC (expiry date as previous SMC)
7	Change ship from non-convention (Non international voyage) to convention (International voyage)	Interim Audit	Refer to Guidance Part I, 3.2.1	1.0 M/D	Interim SMC (6 months)
8	Change of ship owner	Verification at next audit	- a Company's declaration to the Administration or a power of attorney from the ship owner	-	No actions

No.	Scenarios	Type of Audit	Minimum Scope of Audit	Man-day	Certificates issued
9	Change to RO from a Classification Society holding a QSCS cert.	Additional Audit	- verify all element of the ISM Code and previous audit reports	0.5 M/D	Reissue SMC (expiry date as previous SMC)
10	Change to RO from a Classification Society not holding a QSCS cert.	Initial Audit	Refer to Guidance Part I, 3.2.2	at least 1 M/D refer to Guidance Part I, 3.2.2.4	Issue SMC (5 years)
11	Change to a full SMC in Scenario 1), 2) and 3)	Initial Audit	Refer to Guidance Part I, 3.2.2	Not less than 1 M/D	Issue SMC (5 years)
12	Within due date of Intermediate audit	Intermediate Audit	Refer to Guidance Part I, 3.2.3	Not less than 1 M/D	Endorse SMC
13	Within due date of Intermediate audit	Renewal Audit	Refer to Guidance Part I, 3.2.4	Not less than 1 M/D	Issue SMC (5 years)
14	Revisit to verify a downgraded major N/C	Additional Audit	- verify the corrective action/measures to prevent recurrence	at least 0.5 M/D	No actions
15	Ship more than 3 months out of service	Intermediate-Renewal Audit or Interim Audit	- renewal or intermediate audit if the date is within the audit time window of them, or - interim audit if the certificate is overdue or the window of intermediate audit passed period	apply M/D of renewal or intermediate audit But, in case of interim audit, apply M/D of interim audit	Endorse SMC or Interim SMC (if interim audit)
16	Ship more than 6 months out of service	Interim Audit	Refer to Guidance Part I, 3.2.1	1 M/D	Interim SMC (6 months)
17	Intermediate audit requested after the end of the audit time window (before invalidation)	Intermediate Audit	- Major NC raised that may be downgraded based on completion of audit - Additional audit within 3 months required	at least 1 M/D Refer to Guidance Part I, 3.2.2.4	Endorse SMC
18	When the shipboard audit is required in the process of reinstating the withdrawn DOC	Additional Audit	Refer to Guidance Part I, 3.2.2 (at least 1 ship of each ship type)	apply M/D of initial audit	Endorse SMC
19	Request of the Administration	Additional Audit	- verify raised issues (it may be extended to the scope of a periodical audit)	at least 0.5 M/D	Endorse SMC
20	Request of the Company	Additional Audit	- verify raised issues (it may be extended to the scope of a periodical audit)	at least 0.5 M/D	Endorse SMC
21	Audit by the result of PSC/FSC inspection	Additional Audit	-verify the suitability of corrective/preventive actions for PSC/FSC deficiencies	at least 0.5 M/D	Endorse SMC

**Note: The above should apply in the absence of any instructions to the contrary from the Flag Administration**

\*1 If the ship is not on the survey register of KR, the SMC certificate can be reissued using a report from a classification society on the survey register, with separate permission from the Administration.

## 3.3 Issuance, Endorsement and Maintenance of Certificates

### 3.3.1 Issuance of SMC

3.3.1.1 The interim SMC could be issued if an interim audit is completed without any major NC (s) or if all major NC (s) identified during the audit is closed out or downgraded.

3.3.1.2 The validity period of the interim SMC is 6 months from the date of completion of the audit as follows:

(Example) - the date of completion of the audit: 2018-01-02;

- the beginning date of validity: 2018-01-02; and

- the expiry date of validity: 2018-07-01.

3.3.1.3 The full-term SMC could be issued if the initial or renewal or additional audit (if necessary) is completed without any major NC (s) or if all major NC (s) identified during the audit is closed out or downgraded. The validity period of the full-term SMC is 5 years, however the expiry date of the SMC issued after an additional audit is same as the existing SMC. Examples of the validity period of the SMC are as follows:

(Example 1) - the date of completion of the initial audit: 2018-01-02;

- the validity period of the full-term SMC: 2018.01.02 ~ 2023.01.01;

(Example 2) - the date of completion of the renewal audit: 2018-01-02;

- the validity period of the previous SMC: 2018-02-02;

- the validity period of the full-term SMC: 2018-01-02 ~ 2023-02-02<sup>11</sup>;

(Example 3) - the date of completion of the additional audit: 2018-01-02;

- the validity period of the previous SMC: 2020-02-02; and

- the validity period of the full-term SMC: 2018-01-02 ~ 2020-02-02.

3.3.1.4 In the case where the renewal audit is carried out within 3 months from the expiry date of the SMC, a SMC is to be newly issued from the date of completion of the audit, and the new validity period is 5 years from the expiry date of the previous SMC.

3.3.1.5 In the case where the renewal audit is carried out earlier than 3 months from the expiry date of the SMC, the validity period of the new SMC is 5 years from the date of completion of the audit.

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11 In the case of Korean Flag, the validity period of the full-term SMC is 5 years from the next date of expiry date of the previous SMC. (Example) the validity period of the full-term SMC: 2018-02-03 ~ 2023-02-02

(Example)

- Valid date of previous full term SMC : 01 July 2021
- Completion date of renewal audit : 01 March 2021
- Valid duration for a new SMC : 01 Mar. 2021 ~ 28 Feb. 2026

3.3.1.6 In the case where the renewal audit is carried out exceeding the expiry date of the SMC, the new SMC is issued from the date of completion of the audit, and the validity period is 5 years from the expiry date of the previous SMC.

3.3.1.7 In the case where the SMC is reissued because it is missed or damaged or revised, the validity period of the SMC is same as an original one, however the issued date is just changed as the actual issued date.

### 3.3.2 Extension of SMC

3.3.2.1 If a ship at the time when an SMC expires is not in a port in which it is to be verified, the Company can apply for the extension of an SMC to the Flag Administration. However, the extension should not exceed 3 months, and the SMC will be invalidated if the audit is not carried out at the port in which it is to be verified.

3.3.2.2 If an interim SMC needs to be extended in special cases as follows, the Company should apply for the extension of a SMC to the Flag Administration, and the validity of an Interim SMC for a further period should not exceed 6 months from the expiry date:

- where it is irresistible to implement an audit due to a natural disaster, strikes, etc.; or
- where it is irresistible to implement an audit due to the capture, detention, or accidents

### 3.3.3 Endorsement of SMC

3.3.3.1 The SMC could be endorsed if an intermediate or additional audit (if applicable) is completed without any major NC(s) or if all major NC(s) identified during the audit is closed out or downgraded.

3.3.3.2 The endorsed SMC is effective until the next anniversary date of the SMC.

### 3.3.4 Maintenance of SMC

3.3.4.1 The SMC may be invalidated if any of the followings occurs:

- 1) when the business license or registration of the Company is canceled;
- 2) when the Company is changed;
- 3) when the Flag is changed;

- 4) when the DOC is invalidated;
- 5) when the corrective action of a NC is not completed within the agreed date;
- 6) when the necessary audits (initial-intermediate-renewal audit) to maintain a certificate are not carried out;
- 7) when the Company requests the cancellation;
- 8) when the certificates required by Convention, Classification Society, etc. is not valid;
- 9) when the ship is transferred to a Classification Society not holding QSCS certificate, except in case where there is the additional instruction from the Administration; or
- 10) where the ship is out of service more than 6 months due to lay-up, etc.

3.3.4.2 In the following cases, it may be invalidated through deliberation of the Certification Steering Committee for Convention Audit of the Society:

- 1) where it is brought to public censure due to marine accident or pollution;
- 2) where the Company does not implement the responsibility to provide the information required according to Guidance Part I-1.3.2; and
- 3) where a ship is detained by the PSC, and in this case the Company does not effectively implement the SMS, or the Administration or Port Authority does not trust the effectiveness of relevant SMS considering the seriousness or frequency of her detention.
- 4) A ship which is in the process of suspension or withdrawal from the Society or a Classification Society subject to verification of compliance with QSCS, due to the ship is detained by Port State Control Inspection (PSC) or Flag State Inspection (FSC) because of its violation of Ship safety management system (ISM).
- 5) Ships which belong to a management company where the company's degree of compliance for the implementation of the relevant requirements is unreliable because ships managed by the company have been accumulatively detained due to their violation of the relevant requirements of ship safety management system (ISM).

3.3.4.3 When the SMC is invalidated, the Society will inform the Company, the Flag State and parties concerned (if necessary), unless otherwise requested by the Administration.

3.3.4.4 When the Administration decides to withdraw an SMC after it is invalidated or to cancel it caused by the other grounds, the Company should return the SMC to the Society without delay.

3.3.4.5 An initial audit is applied to reinstate the DOC withdrawn after it is invalidated. In this case, an additional audit to the scope of an initial audit for at least one ship of each type should be carried out to reinstate the SMC.

3.3.4.6 Where the certificates are newly issued according to paragraph 3.3.4.5, the expiry date of certificates is same as the previous certificates.

### **3.3.5 Issuance, Endorsement and Maintenance of electronic Certificates**

3.3.5.1 The e-SMC, by the permission of the relevant Flag State, may be issued for the Company which is desired to issue the e-SMC.

3.3.5.2 The procedure for Issuance, Extension, Endorsement and Maintenance of e-SMC is applied in the same way as Part 1, Ch. 3, paragraphs 3.3.1, 3.3.2, 3.3.3 and 3.3.4 above.

3.3.5.3 The issued and endorsed e-SMC shall be downloaded from the KR e-Fleet system (<http://e-fleet.krs.co.kr>) and managed by the Company.

3.3.5.4 In the case where the Company print the e-SMC, color print is recommended, and KR sealing sticker and watermarked certificate paper are not required.

3.3.5.5 The validity of issued and endorsed e-SMC can be confirmed by visiting KR e-Cert. verification site (<http://e-cert.krs.co.kr>) and input tracking/certificate number on the e-SMC, or scanning of QR Code on the bottom of e-certificate.

## 3.4 Dealing with NC(s)

### 3.4.1 Confirmation of NC(s)

3.4.1.1 The technical deficiencies or NC(s) identified during an audit need the consent of Company's representatives. If they do not accept it, the relevant statements will be prepared and confirmed to Company's representatives. In this case, any decision for certification will be shelved.

3.4.1.2 In the case where the relevant statements are made, the Company is notified of the results of review on the NC (s) and certification within 15 days via an official letter.

3.4.1.3 When it is concluded as a NC, and the due date is considered from the completion date of the audit, and the next procedure should be followed by NC Handling procedures.

### 3.4.2 Dealing with Minor NC

3.4.2.1 The due date of corrective actions for the minor NC (s) identified during an audit should be designated within 3 months from the date of completion of the audit, and the Company should submit a corrective action plan<sup>12</sup> to the auditor within the audit period or agreed period (max. one week)

3.4.2.2 The Company should implement corrective actions within the due date according to paragraph 3.4.2.1, and submit the results of corrective actions<sup>13</sup> and its evidence to the auditor.

3.4.2.3 The auditor could request the corrective action plans or corrective actions again if the plans submitted according to paragraph 3.4.2.1 or the actions according to paragraph 3.4.2.2 are not sufficient to rectify them, and the due date of corrective actions could be also extended within the limit of not exceeding period according to paragraph 3.4.2.1.

3.4.2.4 The 'Notice of Corrective Action' will be sent to the Company after the auditor verifies the effectiveness of the corrective actions,

### 3.4.3 Dealing with Major NC

3.4.3.1 In the case where the Company implements immediate corrective actions on the major NC (s) identified during an audit, those NC (s) may be closed out or downgraded. In this case, these actions

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<sup>12</sup> Refer to attached form 'Corrective Action Plan and Summary'

<sup>13</sup> Refer to attached form 'Corrective Action Plan and Summary'

must be carried out before the ship can sail.

3.4.3.2 Where the major NC is not closed out or downgraded within the audit period (before the close of the audit), it is handled according to the Guidance Part I-3.4.4.

3.4.3.3 Following the downgrading of a major NC, at least one additional audit should be carried out within the agreed period to verify the effectiveness of corrective action, and all major NC(s) should be reported to the corresponding Administration of the ship concerned and General Manager of Statutory System Certification Team. ~~before the completion of the audit.~~

3.4.3.4 In addition, where the DOC has been issued by a RO other than the Society, major non-conformities identified during shipboard audits shall be reported to that RO and the Administration before the completion of the audit.

## 3.4.4 Dealing with Failed Audit

3.4.4.1 Where the major NC is not closed out or downgraded within the audit period (before the close of the audit), it should be deemed that the audit has failed, thus the validity of existing SMC is suspended, and a new SMC is neither issued nor endorsed.

3.4.4.2 Since then the audit has failed, where the Company wishes to apply for the audit, the Company should sufficiently take corrective actions and arrange for the audit before applying for the intended audit again.



## Chapter 4. Application of ISM Code

### K1 GENERAL

**K1.1 Definitions** – Refer to Guidance Part 1 1.2 'definitions of terms'

#### K1.2 Objectives

ISM Code 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 assess all identified risks to its ships, personnel and the environment and establish appropriate safeguards; 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-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 The Company should establish and document the Safety Management Objectives that can ensure ISM Code 1.2.2.
- .2 The Safety Management Objectives of the Company should be approved by the top management (CEO).
- .3 The Company should establish, implement, and maintain a documented procedure to consistently identify, assess the risks and ensure compliance with risk management attributable to the assessment outcome.
- .4 Compulsory laws and regulations should include compulsory laws and regulations required by the International Maritime Organization and the State Government.
- .5 The Company, among applicable codes, guidelines and standards recommended by IMO, Flag states, Classification Societies and maritime industry organizations, should identify and implement the items need to be reflected in the Company's SMS.

## K1.3 Application

ISM Code 1.3 Application

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

.1 This Code may be applied to all ships unless otherwise specified by the Administration.

## K1.4 Functional requirements for a Safety Management System

### ISM Code 1.4 Functional requirements for a Safety Management System

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.

#### .1 Establishment of a Safety Management System

- .11 The Company should establish and document a Safety Management System in compliance with the requirements of the ISM Code and this Guidance.
- .12 The documentation framework for the safety management system can be structured in the form of manuals, procedures and instructions
- .13 The safety management manual, as the top level document, should meet the following requirements:
  - .131 All requirements of ISM Code should be accepted;
  - .132 The safety management objectives and policies should be included;
  - .133 All procedures of the safety management system should be included or referred to; and
  - .134 The relationship between the documents used in the safety management system should be specified.
- .14 The scope and details of documented procedures and instructions should be determined according to the complexity and work process method of the task, and skills and training required by the relevant personnel performing the tasks.

#### .2 Keeping the records of the implementation of the safety management system

- .21 The Company should maintain the relevant records to ensure compliance with the stipulated requirements and the effective implementation of the safety management system.

- .22 The Company should establish and maintain documented procedures on keeping records for identifying, gathering, indexing, accessing, filing, storage, retention, and disposal.
- .23 Records should be legible, and it should be stored and retained in a manner that is readily retrievable in a facility equipped with adequate environmental conditions to prevent damage or deterioration and loss.
- .24 The retention period for records should be set.
- .25 In case of records being filed to file folders, an index (list of records) should be maintained indicating the contents of files that the Company possesses.
- .26 Records can be made in any form, such as print (hard copy) or electronic media.

## K2 SAFETY AND ENVIRONMENTAL PROTECTION POLICY

### ISM Code 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 and shore-based.

K2.1 The top management (CEO) should establish and document the safety and environmental protection policies.

Note 1. This policy should be presented with the direction of the safety management objectives and should include the will of top management (CEO).

Note 2. The Company can additionally establish and implement the yearly plan with overriding priority to achieve the safety management objectives and to implement its policies.

K2.2 The Company should familiarize the entire organization with this policy and ensure that the policy is fulfilled and maintained.

## K3 COMPANY RESPONSIBILITIES AND AUTHORITY

### ISM Code 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.

K3.1 The responsibility, authority and interrelation of all personnel related to the ISM Code Chapter III, 3.2, should at least include the followings:

- .1 Individual job assignment with responsibility and authority;
- .2 Reporting system and cooperative relationship;
- .3 Delegation, and matter of arbitrary decision; and
- .4 Acting director in the event of absence.

K3.2 The top management (CEO) should evaluate on human resources and shore-based assistance which requested by the safety control manager (s), and make proper decision.

## K4 DESIGNATED PERSON(S)

### ISM Code 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 ensuring that adequate resources and shore-based support are applied, as required.

K4.1 The designated person (s) (hereinafter referred to as 'DP') should have the following proper knowledge and experience for the safe operation of ships and for pollution prevention in order to effectively carry out their responsibilities:

- .1 Experience on board ships or in ship operation activities;
- .2 Knowledge of the ISM Code;
- .3 Knowledge of the Safety Management System (SMS) of the Company; and
- .4 Knowledge of mandatory rules and regulations.

K4.2 The Company should establish and maintain a documented procedure for at least the following tasks of DP to ensure effective supervision of safe operation of ships and pollution prevention:

- .1 Effective management of accidents, hazardous occurrences and non-conformities;
- .2 Supervision of internal audits;
- .3 Evaluation of master's review; and
- .4 A regular visit to ships and keep to its result at least one ship per year.

K4.3 The Company should clearly define the responsibility and authority of DP in the Company's safety management manual, the Company's top-level document.

K4.4 If required by the flag state, the Designated person shall report to the flag state.

## K5 MASTER'S RESPONSIBILITY AND AUTHORITY

### ISM Code 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 periodically reviewing the SMS and reporting its deficiencies to the shore-based management.

#### K5.1 Master's responsibility

.1 For the master's responsibility defined the ISM Code Chapter V, 5.1, the Company should establish and maintain the documented procedures including at least the followings:

.11 Command and issue of instructions in a clear and simple manner;

Note 1. Master's commands and instructions should be verified whether they been issued clearly and correctly.

Note 2. Commands and instruction should be documented, and the target objects should be identified.  
Example) Standing Order, Night Order, etc.

.12 Verify on whether the prescribed requirements comply with the followings:

.121 The scope of verification includes the tasks he or she needs to verify among the tasks that the master needs to approve and those delegated; and

.122 The tasks subject to verification include periods, methods, keeping records, etc.

.13 Review the safety management system and report deficiencies to the Company as follows:

.131 The master should review the safety management system at least once a year to ensure continuous suitability and validity of the ship's SMS, and the relevant records should be kept; and

.132 When the master's review of safety system management is necessary, the following should at least be included;

.1321 Performance satisfaction on the safety management objectives and policy;

.1322 Analysis results on accidents and hazardous occurrences;

.1323 Corrective and preventive action regarding non-conformities, and

.1324 Review of SMS (Ship Security Assessment, Risk Assessment, etc.)

.133 The results of the master's review on



of the safety management system should be reported to DP, and appropriate corrective actions should be taken under the supervision of DP for items requiring shore-based support and corrective actions.

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.

### K5.2 Guarantee of master's authority

- .1 The Company should ensure that the master's overriding authority is applied to all situations related to safety and marine environment protection.
- .2 The Company should clearly define the responsibility and authority of the master in compliance with IMO Resolution A.443 (XI) 'Decision of the Shipmaster with regard to Maritime Safety and Marine Environment Protection' in the Company's safety management manual, the Company's top level document, to ensure the master's overriding authority.

## K6 RESOURCES AND PERSONNEL

### ISM Code 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.

#### K6.1 Master's capability of command leadership

- .1 The Company should establish and maintain a documented procedure to verify the competence of the master to ensure that he/she is competent to command the ship.
- .2 The procedures for verifying the competence of the master should include the followings:
  - .21 Confirmation of qualification in compliance with mandatory rules and regulations as required by the Administrations, STCW Conventions, etc.;
  - .22 Review of on-board experience on the same ship type;
  - .23 Review of on-board experience including master's career; and
  - .24 The Company to establish specific requirements for the master.

Note. The Company should consider especially the above .21, .22, .23 when a master is newly recruited or promoted.

#### K6.2 Master's Conversancy with the Company's SMS

- .1 The Company should establish and maintain documented procedures to ensure that the master is fully conversant with the Company's SMS as follows:
  - .11 The Company should evaluate the master's conversancy with the Company's SMS and maintain relevant record; and
  - .12 The master should be fully conversant with the Company's SMS prior to joining a ship, excluding some particular circumstances.

Note 1. A particular circumstance means that the master cannot become familiar with the Company's SMS prior to getting onboard the vessel with sufficient time due to unexpected vessel schedule or others.

Note 2. In case of the above Note 1, the Company should provide means to ensure that the master is fully conversant with the Company's SMS.

#### K6.3 The Company's support to the master

.1 The Company should establish and maintain a documented procedure including at least the followings to ensure that the master can safely perform the mission:

.11 Providing human resources as follows:

Manning (assignment) of crew in compliance with the ISM Code 6.2;

.12 Providing material resource as follows:

.121 Issues to be contained in the procedures for providing material resource is as follows:

- Provision (support) criteria considering ship type, sailing route, ship's age and etc.;  
Note. When establishing the criteria, the master's request should be considered first.
- Clear purchase requirements for material resources to be provided;
- Acceptance test on the provided material resources and handling of defective products;

.122 Material resources should include equipment, spare parts, fuel oil, lubricating oil, medicine, fresh water, food provisions, software and other materials required for safety and pollution prevention;  
and

.13 Provision of information as follows:

.131 Cargo Information;

.132 Port Information;

.133 Technical information and accident reports;

.134 Other information related to the ship's operation.

Example) Navigation warning, sailing direction (if applicable), stowage plan, etc.

6.2 The Company should ensure that each ship is:

- .1 manned with qualified, certificated and medically fit seafarers in accordance with national and international requirements; and
- .2 appropriately manned in order to encompass all aspects of maintaining safe operations on board.

## K6.4 Criteria for manning (assignment) and recruitment of crew

.1 The Company should establish and maintain documented procedures on criteria for manning (assignment) and recruitment of crew.

.11 The followings should be included in the procedures on criteria for manning (assignment) and recruitment of crew:

.111 Verification on possession of valid licenses or certificates in compliance with mandatory rules and regulations;

.112 Establishment and verification of medical examination standards of the Company that accepted international and national requirements.

Note 1. The Company is required to take necessary measures if the validity of a medical certificate expires in the course of a voyage

Note 2. Control for drug and alcohol is also required.

.113 Establishment of specific conditions required by the Company; and

.114 Verification on suitability of assigned crew and handing of crew disqualified for duties.

.2 The Company should properly evaluate the ship's manning levels as follows:

.21 Ship type, ship's facilities, and equipment, sailing route, emergency preparedness and other operational requirements; and

.22 A sufficient number of seafarers employed onboard to ensure safety of the ships under all conditions in accordance with the Maritime Labour Convention, 2006.

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 opportunity for familiarization with their duties. Instructions which are essential for sailing should be identified, documented and provided prior to sailing.

## K6.5 Familiarization with assigned duties

.1 The Company should establish and maintain documented procedures including the followings to familiarize newly recruited personnel and personnel assigned with new assignments with their new duties:

.11 Assigned tasks; and

.12 Implementing and evaluating method.

Note. 'Personnel assigned with new assignments' means crew who engage in a different ship or take charge of different tasks or is promoted.

.2 The Company should place newly recruited personnel or personnel assigned with new assignments to relevant positions following implementation and evaluation of a particular method, prior to taking on newly assigned duties, to ensure that they are familiarized with their assignments.

Note 1. 'In a particular method' may be considered in the following ways:

- Shore-based training or ship-based training;
- Work transition (taking over); and
- Working with successor, etc.

Note 2. 'Evaluating method' may be considered in the followings ways:

- Verification via interviews or through records, examinations of tasks, etc.

.3 Tasks to be familiarized by newly recruited personnel or personnel assigned with new assignments should include the followings:

.31 Assigned tasks; and

Note: It is to be confirmed that newly recruited personnel or personnel assigned with new assignments is familiar with their duties before they begin those tasks, and a particular method should be provided when it is confirmed they are not familiar with their relevant duties.

.32 Essential instructions provided prior to sailing.

.4 Essential instructions provided prior to sailing should include the followings:

.41 Assigned duty (responsibility, authority and interrelation);

.42 Identified duty in an emergency; and

.43 Safety precaution.

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.

K6.6 Adequate understanding of relevant rules, regulations, codes, and guidelines.

.1 The Company should establish and maintain documented procedures to properly understand the updated mandatory rules and regulations, applicable codes and guidelines related to the Company's safety management system.

.11 The Company should identify mandatory rules and regulations, applicable codes and guidelines related to the Company's safety management system and maintain an updated list. Furthermore, the Company should identify and provide necessary mandatory rules and regulations, applicable codes, and guidelines for the relevant personnel.

.12 The Company should ensure that all personnel related to the SMS properly and adequately understand and implement the necessary requirements of relevant rules, regulations, codes and guidelines.

Examples) - Circularizing after reflecting on necessary regulations to documented procedures and instructions.

- Implementing internal or external training

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.

## K6.7 Training

.1 The Company should at least establish and maintain documented procedures including the followings for training:

.11 Identifying the necessity of training as follows:

.111 The necessity of training should be identified for all personnel concerned in safe operation of ships and pollution prevention;

.112 The followings should be considered to identify the necessity of training;

- Change of safety management system;
- Previous training and experience;
- Proficiency level to implement assigned duty;
- Result of emergency drills;
- Results of internal audits;
- Results of external audits and surveys;
- Results of management review;
- Requirements of mandatory rules and regulations;

.113 The Company should appoint a personnel in charge of identifying the necessity of training;

.12 Implementation of the training;

If necessary, a training plan for implementing the identified training should be established.

.13 Evaluation of training (when applicable); and

For the evaluation of training, evaluation method and standard should be set-up.

.14 Keeping training records.



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.

K6.8 Use of working language and provision of relevant information.

.1 The Company should establish and maintain documented procedures including the followings:

.11 specification of the onboard working language(s); and

Note: at least the officers should be assessed on their understanding of working language(s).

.12 The extent and quantity of information being provided.

Note 1. Information should include SMS documents and other relevant information.

Note 2. The extent and quantity of information should be sufficient to ensure that all crew understand their duties.

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.

### K6.9 Communications

.1 The Company should establish and maintain documented procedures including the followings to ensure effective communication of crew:

.11 Appropriate communication methods according to circumstances:

.111 Methods of communication may include documents, verbal messages, signals, diagrams, etc.;

.112 All crew should be understood of the communication system in emergency situations. However, passengers should be provided the method to respond in emergencies; and

.12 Verification on the crew's clear understanding of instructions and relevant confirmation methods in case it may significantly affect safety and environmental protection.

Note. Confirmation may be done through repetition of given orders, signature, etc.

## K7 SHIPBOARD OPERATIONS

### ISM Code 7. SHIPBOARD OPERATIONS

The Company should establish procedures, plans and instructions, including checklists, as appropriate, for key shipboard operations concerning the safety of the personnel, ship and protection of the environment. The various tasks involved should be defined and assigned to qualified personnel.

K7.1 The Company should establish and maintain documented procedures for identifying key shipboard operations with regard to ship type and trading routes in operation.

.1 The extent of key shipboard operations should include all tasks that could adversely affect safety and pollution prevention if documented procedures were not provided.

K7.2 The Company should establish and maintain documented procedures, plans and instructions including checklists for carrying out key shipboard operations identified in accordance with K7.1. Key shipboard operations requiring documented procedures should include the followings:

- .1 Navigational tasks;
- .2 Watch keeping;
- .3 loading/discharging cargo operation;
- .4 Cargo management;
- .5 Arrival/departure related tasks at ports;
- .6 Pollution prevention;
- .7 Safeguards for passengers;
- .8 Radio operation;
- .9 Safety control;
- .10 Care of health and sanitation;
- .11 Helicopter operation;
- .12 Embarkation/disembarkation of Pilot;
- .13 Piracy and stowaway control; and
- .14 External survey and audit control.

K7.3 The Company should appoint qualified shore and shipboard personnel who have responsibility to develop plans and instructions for key shipboard operations.

Note. Adequate qualifications may be assigned on the basis of education, training, experience, skill, etc.

K7.4 The responsibility and authority of shore organizations performing tasks which may affect key shipboard operations should be clearly specified, and the documented procedures to implement it should be established.

## K8 EMERGENCY PREPAREDNESS

### ISM Code 8. EMERGENCY PREPAREDNESS

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

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.

K8.1 The Company should establish and maintain documented procedures to ensure emergency preparedness.

K8.2 The documented procedures should include the followings:

- .1 The procedures for identifying potential emergencies on shipboard (at sea and in port);
- .2 Types of emergency situations as identified in above paragraph .1 and response procedures for dealing with the identified emergency situations;
- .3 Organization of shore-based and shipboard personnel with duties to be performed in an emergency situations (Muster lists must be posted on board ship);
- .4 Exercises and drills for emergency situations; and
- .5 24 hour emergency contact between the shore and a ship against emergency situations.

K8.3 Exercises and drills for emergency situations should ensure the followings:

- .1 Planning considering the type, cycle and supervisor of drills;
- .2 Preparing the drill scenario;
- .3 Evaluating the results of drills;
- .4 Handling of emergency equipment;
- .5 Training of the personal duty in emergency situations (on muster list);
- .6 Implementing the exercises and drills required by mandatory rules and regulations;
- .7 Implementing the shipboard exercises and drills identified in emergency situations at least once every year; and
- .8 Implementing the joint (shore and ship) emergency response drills at least once every year.

K8.4 the Company should identify the shipboard emergency situations including at least the followings:

- .1 Fire;
- .2 Explosion;
- .3 Collision;

- .4 Grounding;
- .5 Flooding;
- .6 Life rescue;
- .7 Pollution;
- .8 Failure in steering gear;
- .9 Loss of propulsion;
- .10 Loss of life or injury;
- .11 Abandon ship; and
- .12 Entry into enclosed space and rescue training.

## K9 REPORTS AND ANALYSIS OF NON-CONFORMITIES, ACCIDENTS AND HAZARDOUS OCCURRENCES

### ISM Code 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, including measures intended to prevent recurrence.

K9.1 The Company should establish and maintain documented procedures for addressing non-conformities, accidents, and hazardous situations (hereinafter referred to as 'non-conformities'). These procedures should include identifying, recording, reviewing, and taking corrective action and reporting to the relevant personnel for the non-conformities.

K9.2 The responsibility and authority to review and follow up the non-conformities should be established, and the non-conformities should be addressed in accordance with documented procedures.

Note. The followings should be considered when addressing the non-conformities:

- Reimplementation to meet the specified requirements;
- Acceptance based on revision or no revision; and
- Rejection or disuse.

K9.3 The identified non-conformities should be properly notified to the Company.

K9.4 Any corrective or preventive actions taken to remove the causes of the actual or potential non-conformities should be commensurate with the size and degree of risk.

K9.5 The procedures for corrective actions should include the followings:

- .1 Effective handling of non-conformities;
- .2 Identification of root cause of the non-conformities and records of the results;
- .3 Determination of the proper corrective actions to remove the root cause and measure to prevent recurrence; and
- .4 Implementation of management methods to carry out corrective actions and to ensure that it is effective.

K9.6 The procedures for the preventive actions should include the followings:

- .1 Use of appropriate information to identify, analyze and remove the potential root causes of non-conformities;
- .2 Determination of necessary steps to handle all issues that require preventive actions;
- .3 Application of management methods to carry out preventive actions and to ensure that it is effective;  
and
- .4 Ensuring that proper information on actions taken is submitted for management review.

## K10 MAINTENANCE OF THE SHIP AND EQUIPMENT

### ISM Code 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, known;
- .3 appropriate corrective action is taken; and
- .4 records of these activities are maintained.

#### K10.1 Establishment of procedures

- .1 The Company should establish and maintain documented procedures for maintenance of the ship and equipment, including the followings:
  - .11 Performing examination at appropriate intervals;
  - .12 Rectifying non-conformities and taking corrective actions;
  - .13 Providing procedures to identify equipment and technical systems that may cause hazardous situations upon sudden operational failure, and providing specific measures that can promote the reliability of such equipment or system;
  - .14 Performing maintenance of one's own vessel (if applicable);
  - .15 Supporting shore-based maintenance including dry-docking (if applicable);
  - .16 Controlling spare parts for the maintenance of the ship and equipment; and
  - .17 Maintaining activities records.
- .2 The Company should ensure that the followings are taken into account when establishing procedures for maintenance:
  - .21 Mandatory rules and regulations;
  - .22 Applicable codes, guidelines and standards recommended by the Organization, Administrations, Classification societies and maritime industry organizations;
  - .23 Ship type;
  - .24 Trading routes; and
  - .25 Ship's age.

#### K10.2 Regular examination (test)

The followings should at least be included in the procedures for examination at appropriate intervals:



- .11 Procedures for identifying and setting the objects and cycles for which inspections should be performed at appropriate intervals.

Note: a list to be examined at appropriate intervals includes machinery, system, equipment and structural integrity of the ship.

- .12 Performing examination according to the list and intervals;
- .13 Standard for examination and criteria for acceptance; and
- .14 Maintaining records of examination.

K10.3 Handling procedures for non-conformities and corrective action should be followed in accordance with ISM Code 9.

K10.4 The procedures for maintenance of one's own vessel, if applicable, should at least include the followings:

- .1 Responsibility and authority for maintenance (especially, persons in charge of each machinery should be identified);
- .2 Establishing maintenance plan;
- .3 Conducting maintenance activities;
- .4 Verifying maintenance activities; and
- .5 Recording, reporting and keeping of maintenance activities.

K10.5 The procedures for shore-based maintenance support, if applicable, should at least include the followings:

- .1 Responsibility and authority;
- .2 Establishing plans for the support;
- .3 Informing of the support plans;
- .4 Conducting maintenance activities;
- .5 Verifying maintenance activities; and
- .6 Recording, reporting and keeping of maintenance activities.

K10.6 Procedures for maintaining spare parts should at least include the followings:

- .11 Responsibility and authority;
- .12 Identifying the necessary spare parts and establishing standard amount; and
- .13 Establishing storage procedures for reserve stocks (e.g., storage condition, receipt and usage records, etc.).

10.3 The Company should identify equipment and technical systems the sudden operational failure of which may result in hazardous situations. The SMS should provide for specified 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 in 10.3, should be integrated into the ship's operational maintenance routine.

K10.7 In case of establishing procedures for equipment and technical systems that may cause hazardous situations upon sudden operational failure, the following should be considered:

.1 Establishment of procedures

The documented procedures in relation to Article 10.3 of the ISM Code should include the followings:

.11 Listing the identified equipment and technical systems; and

.12 Providing and conducting specific measures aimed at promoting the reliability of such equipment or systems.

.2 Identifying the equipment and technical systems

When applicable to equipment and technical systems that may cause hazardous situations upon sudden operational failure, the following should at least be included in the equipment and technical systems, the sudden operational failure of which may result in hazardous situations:

.21 Main engine and its auxiliary systems;

.22 Electric generators and their auxiliary systems;

Note: Main engine(s), electric generators and their auxiliary systems should include all equipment which is essential for the operation of main engine (s) and electric generators, such as telegraph, pumps, heat exchanger, fuel lines, lubricating lines, etc.

.23 Safety devices of M/E and D/G;

.24 Steering gears and their auxiliary systems;

.25 Essential nautical equipment (e.g., Gyro compass, radar, etc.);

.26 Windlass and its auxiliary systems;

.27 Fire detecting system; and

.28 Safety equipment and systems in relation to cargo handling (e.g., Cargo gear, IGS system, O<sub>2</sub> meter, gas detector, etc.).

.29 Safety device/system and operation change-over system of equipment

.3 Specific measures aimed at promoting the reliability of equipment or systems.

The specific measures should include the followings, where applicable:

.31 Installing standby equipment;

.32 Periodical test for standby equipment and its changeover system;

.33 Planning and implementation of periodical check by overhaul;

Note: Periodical changes of parts and oil are included; and

.34 Calibration of inspection, measuring and test equipment.

## K11 DOCUMENTATION

### ISM Code 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.

K11.1 The Company should establish and maintain documented procedures to prepare, review, approve, issue, revise and disuse of documents and data (hereinafter referred to as 'documents') regarding the SMS.

- .1 Documents include guidelines such as technical information, accident reports, etc.
- .2 Documents include the Company's safety management manual and other external publications such as applicable codes, guidelines, rules, regulations, conventions, drawings, charts, etc.

K11.2 The document may be maintained in any form, such as hard copy or electronic data storage.

K11.3 Approval and issue of documents.

- .1 The documents should be reviewed and approved for adequacy and accuracy by authorized personnel prior to issuance.
- .2 A master list or equivalent document control procedure identifying the current revision status of documents should be established and be readily available to preclude any possible use of invalid and/or obsolete documents.
- .3 The appropriate documents should be available at all locations where essential operations are performed for effective functioning of the safety management system.
- .4 Invalid and/or obsolete documents are promptly removed from all points of issue or use, or otherwise prevented from unintended use.
- .5 Any obsolete documents retained for legal and/or data preservation purposes are suitably identified.

### K11.4 Revision of documents

- .1 Revising documents should be reviewed and approved by the same organizations that primarily reviewed and approved the original one, unless specially designated otherwise.
- .2 The designated organizations should have access to pertinent background information upon which to base their review and approval.
- .3 Where practicable, the revision records should be indicated in the document or in the appropriate attachments.

## K12 COMPANY VERIFICATION, REVIEW AND EVALUATION

### ISM Code 12. COMPANY VERIFICATION, REVIEW AND EVALUATION

12.1 The Company should carry out internal safety audits on board and ashore at intervals not exceeding twelve months to verify whether safety and pollution-prevention activities comply with the safety management system. In exceptional circumstances, this interval may be exceeded by not more than 3 months.

12.2 The Company should periodically verify whether all those undertaking delegated ISM-related tasks are acting in conformity with the Company's responsibilities under the Code.

12.3 The Company should periodically evaluate the effectiveness of the SMS in accordance with procedures established by the Company.

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

12.5 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.

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

12.7 The management personnel responsible for the area involved should take appropriate and timely corrective action for identified deficiencies.

K12.1 The Company should establish and maintain documented procedures for conducting internal audits which include the followings:

- .1 The extent and scope of internal audit;
- .2 Responsibility and authority of designated person (s) and personnel with regard to conducting audits;
- .3 Intervals and times for audits considering the followings:
  - .31 Audits should be carried out at intervals not exceeding 12 months (however, in exceptional circumstances, it may be extended up to 3 months) in all organizations and for all ships with regard to safety and pollution prevention;
  - .32 Manday for audits should be determined according to the importance and size of business in the organizations;

- .4 Criteria for qualification of internal auditors;
- .5 Planning audit;
- .6 Reporting audit results; and
- .7 Follow-up action.

Note: a checklist for audit is recommended for ensuring effective audits.

K12.2 In cases where some of the tasks are delegated among the works that influence the conformity of the Code, the Company should establish and maintain documented procedures including at least the followings. However, the Company has all duties and responsibility imposed by the Code even if some of the tasks are delegated:

.1 Selection criteria of external entities

.11 Verification of Qualifications

- The person performing the entrusted services should, at least, be qualified to a level equivalent to the standards of the Company, for which his/her educational background, training, experience and skill-level should be considered.

.12 Requirements of Flag Administration

- Upon any requirement by the Flag Administration, it should be considered.

.2 Management method of external entities

.21 Evaluation

- External entities should be evaluated and managed through occasional verification and periodical verification. Verification methods may include document review or on-site audit.

.22 Information Exchange

- Details with regard to the delegated tasks should be frequently exchanged with the external entities.

.3 Scope of delegation

.31 Delegation should be made for those tasks which can be performed by the Company itself.

Note. It must not be the case that the Company is delegating part of the work because it does not have the required competence and knowledge.

.32 It is impossible to delegate the management work of the delegating Company.

K12.3 Top management of the Company should review the suitability and effectiveness of implementation on its safety and environmental protection policy at least once every year.

K12.4 The procedures for management review should include the followings:

- .1 The methods of management review;
- .2 Objects of management review:

- .21 Evaluation on implementation satisfaction of safety management objectives and policy;
- .22 Results of internal/external audits;
- .23 Preventive action;
- .24 Results of statistical analysis of non-conformities;
- .25 Analysis results of the master's review on the SMS; and

Note: The objectives and policies established in the Company's SMS could be evaluated through analyzing the Company's annual plans and achievement records.

- .26 Verification of identified Risk Assessment

### .3 Dealing with results of management review.

The results of management review should be brought to the attention of all personnel having responsibility in the area involved. The management personnel responsible for the area involved should take corrective action timely on identified deficiencies.



## Part II. ISPS Audit

“Providing the **best services**,  
Creating a **better world**”

## Chapter 1. General

### 1.1 Objectives and Scope

- 1.1.1 This Guidance provides a standard related to the ship security audit in accordance with the International Code for the Security of Ships and of Port Facilities (hereinafter referred to as 'ISPS Code').
- 1.1.2 This Guidance applies to the ship which wishes to receive the certification and SSP approval in accordance with ISPS Code from the Society, if there are specific requirements of the Administration, it should be applied preferentially.
- 1.1.3 In principle, where the ship is registered in a Classification Society not holding QSCS certificate, the Society does not execute the security audit and SSP approval, except in case where there is the additional instruction from the Administration. (Except Korean-flagged vessels)
- 1.1.4 In principle, where the ship is not subject to the SOLAS and/or flag requirement, the Society does not execute the audit. However, in case where a company apply, the Society may be applied to issue a Statement of Fact (SOF) rather than a formal certificate issued under the name of the flag.
- 1.1.5 This Guidance provides the general standards related to the Security Audit and SSP approval on the application of ISPS Code such as the request and scope of the Security Audit, procedures of the verification and issuance-maintenance of the certificates.
- 1.1.6 As the Security Audit is carried out on a random sampling basis to verify that the security system of the ship is effectively implemented under audit time and space constraints, even though a ship is certified by the Society, the Security Audit does not guarantee that a ship has satisfied the compliance with all mandatory requirements in accordance with Conventions and/or Acts of the Administration, etc., and the Company has the whole responsibilities for operating and maintaining the security system of the ship.
- 1.1.7 The Security Audit is applied to verify all requirements of the ISPS Code through review of documents and records, interviews, observation of activities, examination on-site, etc., and random sampling process for extracting documents and records should be applied. Auditor shall be required to keep all documents and records for audit confidential.

## 1.2 Definitions

- 1.2.1 'International Ship and Port Facility Security (hereinafter referred to as 'ISPS') Code' means the International Code for the Security of Ships and of Port Facilities consisting of Part A (mandatory) and Part B (recommendatory), as adopted, on 12 December 2002, by Res.2 of the Conference of Contracting Governments to the International Convention for the Safety of Life at Sea, 1974 and as may be amended by the Organization.
- 1.2.2 'Administration' means the government of the state whose Flag the ship is entitled to fly.
- 1.2.3 'Company' means a Company defined in the Guidance Part I, ISM Audit.
- 1.2.4 'Ship Security Assessment (hereinafter referred to as 'SSA')' means identification of threats that may exist against the current security countermeasures, weak points and/or essential shipboard operation business with respect to shipboard infrastructures, policies and/or procedures.
- 1.2.5 'Ship Security Plan (hereinafter referred to as 'SSP')' means a plan developed to ensure the application of measures on board the ship designed to protect persons on board, cargo, cargo transport units, ship's stores or the ship from the risks of a security incident.
- 1.2.6 'Security System' means a security system implemented on board to maintain procedures, documentations and/or relevant records in compliance with the ISPS Code.
- 1.2.7 'Ship Security Officer (hereinafter referred to as 'SSO')' means the person on board the ship, accountable to the master, designated by the Company as responsible for the security of the ship, including implementation and maintenance of the ship security plan and for liaison with the Company security officer and port facility security officers.
- 1.2.8 'Company Security Officer (hereinafter referred to as 'CSO')' means the person designated by the Company for ensuring that the SSA is carried out; that a ship security plan is developed, submitted for approval, and thereafter implemented and maintained and for liaison with port facility security officers and the ship security officer.
- 1.2.9 'Security Incident' means any suspicious act or circumstance threatening the security of a ship, including a mobile offshore drilling unit and a high speed craft, or of a port facility or of any ship/port interface or any ship to ship activity.
- 1.2.10 'Security Level' means the qualification of the degree of risk that a security incident will be attempted

or will occur.

- 1.2.11 'Security Level 1' means the level for which minimum appropriate protective security measures should be maintained at all times.
- 1.2.12 'Security Level 2' means the level for which appropriate additional protective security measures should be maintained for a period of time as a result of heightened risk of a security incident.
- 1.2.13 'Security Level 3' means the level for which further specific protective security measures should be maintained for a limited period of time when a security incident is probable or imminent, although it may not be possible to identify the specific target.
- 1.2.14 'Major Failure' means the non-fulfillment of a specified requirement that compromises the ship's ability to operate at security levels 1, 2 or 3. It may also be referred to as a major NC.
- 1.2.15 'Failure' means the non-fulfillment of a specified requirement that does not compromise the ship's ability to operate at security levels 1, 2 and 3. It may also be referred to as a NC.
- 1.2.16 'Observation' means a statement of fact made during an audit and substantiated by objective evidence. It may also be a statement made by the auditor referring to the SSP which, if not corrected, may lead to a Failure in the future.
- 1.2.17 'ISPS Audit' means an audit to certify the conformity of security system of the ship in accordance with the ISPS Code (hereinafter referred to as 'security audit').
- 1.2.18 The definitions which were not defined in above 1.2 should comply with SOLAS chapter XI-2, the ISPS Code, Resolution, etc.
- 1.2.19 'Electronic International Ship Security Certificate (e-ISSC) means ISSC which is issued and provided by secured 'pdf' format, replacing traditional paper certificate.
- 1.2.20 "Integrated Audit" means audit/inspection in which ISM/ISPS/MLC audit/inspection is conducted by each auditor on a single ship.
- 1.2.21 "Continuous Audit" means audit/inspection in which audit/inspection is continuously conducted on a single ship by an auditor/inspector.
- 1.2.22 "Streamlined Audit" means audit/inspection reducing M/D on-board by the conducting some part of audit/inspection ashore.

- 1.2.23 "Remote Audit" means audits in which any verification of a company or a ship does not involve any on-site attendance by auditor/Inspector then, conducted by means of remote (ICT) method, such as live-streaming video, video recorded, images captured and tele-communication with acceptance of the Administrations.

## 1.3 Responsibilities of Company

### 1.3.1 Progress of Security Audit

1.3.1.1 The Company should provide the necessary human and material resources to a security auditor to ensure smooth progress of the security audit as follows:

- 1) Arrange personnel for interview;
- 2) Designate a personnel in charge who accompanies the security audit team;
- 3) Arrange a site for auditing;
- 4) Ensure to be provided of evidential matters or be approached to them;
- 5) Implement the corrective actions as a result of the security audit; and
- 6) Provide resources else to ensure the effective and efficient progress of the audit.

1.3.1.2 When the SSAS is initially installed on board, the Company should arrange a Radio Technician to test the conformity of equipment and make a test report.

1.3.1.3 The Society may refuse or suspend a security audit if the cooperation of Company for above 1.3.1.1 is not properly provided or the potential hazard is found during a security audit.

### 1.3.2 Internal security audit and review of security activities

1.3.2.1 The Company should carry out an internal security audit and review security activities of each ship in its fleet at least once a year. The following records should be available during the Security Audit:

- 1) The record of failures identified;
- 2) The corrective action taken against the failures; and
- 3) The copies of internal security audit record kept on board.

### 1.3.3 Providing Information

1.3.3.1 The Company should notify the Society of the following information related to keeping certification without delay:

- 1) when any information of the ship necessary for certification is changed;
- 2) when the ship's Classification Society is transferred to another Classification Society not holding QSCS certificate except the Administration solely gives an authorization to the Society; and
- 3) when significant changes such as security system, etc. happen.

1.3.3.2 Where the major failure affecting the ship's security system is identified after the International Ship Security Certificate (hereinafter referred to as 'ISSC') is issued, the Company should report, without delay, to the Society with the immediate actions and corrective action plan. Whilst in a port facility, the Company should report such a major failure to the Port Authority, and where the ship is intended to pass through the territorial sea, the Company should report it to nearby coastal States.

#### **1.3.4 Maintaining Security Audit records**

The Company should keep all records on the internal and external security audit on board for at least 5 years, unless otherwise requested by the Administration.

#### **1.3.5 Payment of Security Audit Fee**

The Company should pay the audit fee according to the relevant rules as provided by the Society.

## 1.4 Transfer of Certification Body

### 1.4.1 Application

It is applied when the certification body is changed from another Society holding QSCS certificate to the Society.

### 1.4.2 The transfer of certification can be only accepted after it has received confirmation that:

- 1) The existing certificate has not been withdrawn or otherwise invalidated;
- 2) Any failures have been closed out (if applicable); and
- 3) All verifications initiated by the previous society (Loosing Society, LS) have been satisfactorily completed unless otherwise agreed between Societies.

### 1.4.3 Scope of Security Audit

An audit for transfer of certification body should be carried out as an additional security audit on-site, and it can be implemented with a periodical security audit.

### 1.4.4 Issuance of certificate

When a security audit has been successfully completed, the Society will issue a new certificate in accordance with the relevant procedure. A new certificate will succeed the validity of the existing certificate. Where the certificate has been issued by the Flag, the security auditor may endorse the certificate on behalf of the Administration if authorized to do so.

However, When the security audit is not successfully completed because failures have been identified, the Society inform such fact to the current certification body.



## 1.5 Objection and Complaints

1.5.1 The Company could raise objection and complaints in relation to the security audit to the Society, and these are possible to communicate verbally, however it is recommended to be submitted through a written letter in 'Objection and Complaints (Form No. GD-01-03)' within 30 days of the receipt of security audit's result in principle. Especially, the issues related to the issuance and endorsement of certificate should be submitted through a written letter to clarify the fact.

1.5.2 The Company will be officially notified of the processing result within 30 days after the receipt.

## Chapter 2. Approval of SSP

### 2.1 General

2.1.1 A SSP should be approved when it is initially established or amended. In addition, where the certification body is changed, it may be approved on request of the Company.

2.1.2 When the Company applies for the approval of SSP as described in the above 2.1.1, the result of SSA should also be submitted.

2.1.3 The SSA should be carried out by persons with appropriate skills to evaluate the security issues and risks of a ship.

2.1.4 The SSA should include an on-scene security survey and following requirements:

- identification of existing security measures, procedures and operations;
- identification and evaluation of key shipboard operations that it is important to protect;
- identification of possible threats to the key shipboard operations and the likelihood of their occurrence, in order to establish and priorities security measures; and
- identification of weaknesses, including the human factors in the infrastructure, policies and procedures.

2.1.5 The SSA should be performed based on the investigation of specific threat scenarios, including regular operating patterns, with consideration of the vulnerability of the ship and the consequence of those scenarios.

2.1.6 The Company should implement the SSA and develop the SSP reflecting ISPS Code Part A and B from Par. 8.1 to Par.13.8 and these must take into account relevant security-related guidance and best management practices, including the latest IMO Circulars concerning piracy, hijacking and armed robbery.

## 2.2 Application for SSP approval

2.2.1 The Company send an application (form no. GD-01-02)<sup>14</sup> with the following documents to Statutory System Certification Team, KR Headquarter (e-mail: kr-ssp@krs.co.kr), or the Company could apply it via KR e-fleet (Excluding Korean-flagged vessels):

- SSP (English version) PDF format;
- SSA (English version);
- Company Declaration described in SOLAS Reg. Ch.9/1 if the Company is not the shipowner;
- CSO training certificate in accordance with the ISPS Code A/13.1;
- Registry certificate; and
- General Arrangement Plan.

2.2.2 Once any of the following instances occurs after the SSP is approved, the Company has to submit the relevant documents as described in paragraph 2.2.1 for the re-approval of SSP. However, it is applied only where the SSP is initially approved by the Society:

- alteration of security system;
- change of security equipment;
- amendment of the parts related to the regulations of the ISPS Code Part A/9.4.1 to 9.4.18;
- change of ship's name or Company name;
- change in IMO ship type; or
- other minor revisions except for regulations of the ISPS Code Part A/9.4.1 to 9.4.18.

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<sup>14</sup> Refer to the attached application form

## 2.3 SSP Approval Scenarios

No.	Scenarios	Type of Approval	Scope of review	Documents issued
1	New ship Newly introduced ship	Initial approval	ISPS Code A & B 8.1~13.8 & Flag requirements	SSP Approval, SSP Approval Letter
2	Change of Flag	Initial approval	ISPS Code A & B 8.1~13.8 & Flag requirements	SSP Approval, SSP Approval Letter
3	Change of Company	Initial approval	ISPS Code A & B 8.1~13.8 & Flag requirements	SSP Approval, SSP Approval Letter
4	Change to RSO from a Classification Society holding a QSCS cert.	Initial approval (on request of Company)	ISPS Code A & B 8.1~13.8 & Flag requirements	SSP Approval, SSP Approval Letter
5	Change to RSO from a Classification Society not holding a QSCS cert.	Initial approval	ISPS Code A & B 8.1~13.8 & Flag requirements	SSP Approval, SSP Approval Letter
6	Change in IMO ship type	Re-approval	ISPS Code A & B 8.1~13.8 & Flag requirements	SSP re-approval, Amended SSP Approval letter
7	Change of security equipment	Re-approval	Changed part	SSP re-approval, Amended SSP Approval letter
8	Change of description related to ISPS Code A 9.4	Re-approval	Changed part	SSP re-approval, Amended SSP Approval letter
9	Change of ship's name	Re-approval	Changed part	SSP re-approval, Amended SSP Approval letter
10	Change of Company name and/or address	Re-approval	Changed part	SSP re-approval, Amended SSP Approval letter
11	Minor revisions except for regulations of ISPS Code Part A/9.4.1 to 9.4.18	Re-approval	Changed part	SSP re-approval, Amended SSP Approval letter

**Note: The above should apply in the absence of any instructions to the contrary from the Flag Administration**

### 2.4 Approval and Maintenance of SSP

2.4.1 Where any findings are not identified on review of SSP, the approved SSP and approval letter will be sent to the Company.

2.4.2 Where any findings are identified on review of SSP, the 'SSP Review Result' is sent to the Company, then the Company should submit it again after they rectify the findings.

2.4.3 As a result of above 2.4.2, the approved SSP and approval letter will be sent to the Company.

## Chapter 3. Ship Security Audit

### 3.1 Application for security audit

3.1.1 The Company should send an application (form no. GD-01-02)<sup>15</sup> with the following documents to the branch office in jurisdiction of the security audit (hereinafter referred to as 'branch office'), or the Company could apply it via KR e-fleet (Excluding Korean-flagged vessels):

- a Company's declaration to the Administration or a power of attorney from the ship owner if an applicant is not the ship owner (only for interim and initial security audit)<sup>16</sup>. However, it may be omitted, provided that a SMC is issued by the Society and the Company name described in both SMC and ISSC is same.

3.1.2 The Society, Korean Register, may refuse to register or audit the ship if:

- It is found to violates or is suspected of violating any sanctions, prohibitions, restrictions or limitations imposed by any national, supranational or international governmental organization.
- If the Society believe that the company or the vessels belonging to the company may expose our society to a loss of social credibility or other unfavorable circumstances.

3.1.3 The Company should notify the revised information prior to starting a security audit if the followings were changed unlike the first application:

- ship type and the Flag;
- Ship Owner; and
- the Classification Society of ship.

3.1.4 In case of the shipboard security audits, the audit should be performed only under normal operating conditions, e.g., when the ship is not in dry dock or laid up. However, interim security audits may be conducted in circumstance other than the normal operating conditions, provided that the ship is fully manned in accordance with its Safe Manning Certificate.

3.1.5 The security audit plan will be notified to the Company at least 2 days before a security audit, but it may be notified before the security audit if the schedule is imminent.

3.1.6 A provisional auditor may join in the security audit team under the consent of the Company.

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<sup>15</sup> Refer to the attached application form

<sup>16</sup> In case of Korean flagged ships, the additional requirements is applied.

## 3.2 Security Audit Kind and Procedures

### 3.2.1 Interim Security Audit

3.2.1.1 The interim security audit is to be implemented for temporary operation of a ship prior to carrying out an initial security audit, and it is applied for a ship in the following cases:

- 1) a ship without a certificate, on delivery or prior to entry or re-entry into service;
- 2) transfer of a ship from one Administration to the Flag of another Administration;
- 3) transfer of a ship to a signatory Administration from one that is not a signatory Administration;
- 4) change of a Company which assumes the responsibility for the operation of a ship;
- 5) change in IMO ship type; and
- 6) where the ship resumes the operation after it is out of service more than 6 months due to lay-up, etc.

3.2.1.2 In an interim security audit, the following should be audited in accordance with ISPS Code:

- 1) verification that the SSA has been completed in accordance with ISPS Code Part A;
- 2) verification that the SSP has been submitted for a review and approval;
- 3) verification that a copy of the SSP submitted for an approval is provided on board and the submitted SSP is being implemented on the ship;
- 4) verification that a SSAS is equipped on board (if available) and normal operation;
- 5) verification that a plan for drills, exercises and internal audits to carry out an initial audit within 6 months after an interim audit;
- 6) verification that a plan for Initial ISPS audit is established;
- 7) verification that a SSO is designated in accordance with ISPS Code Part A;
- 8) verification that a SSO has knowledge and has received training on the ISPS Code;
- 9) verification that a SSP is written in the working language of the ship;
- 10) verification that the Master, SSO and other ship's personnel with specific security duties are familiar with their duties and responsibilities as specified in the ISPS Code Part A and relevant provisions of the SSP;
- 11) verification that seafarers are familiar with security drill and exercise; and
- 12) verification that security equipment specified in the SSP have been maintained in accordance with maintenance procedure.
- 13) Whether CSO (Company security officer) is familiar with competency and security management system (Depending to the circumstances of the audit, it can be confirmed by face-to-face, video, audio, or qualification documents confirmation etc)

3.2.1.3 The key personnel for interviews are as follows:

- 1) Master;
- 2) SSO; and

- 3) Shipboard personnel having specific security duties.

3.2.1.4 The man-day of interim security audit for a ship is 0.5 M/D<sup>17</sup>.

## 3.2.2 Initial Security Audit

3.2.2.1 The initial security audit is to be implemented when an ISSC is issued for the first time, and it should be carried out after the followings are completed or confirmed:

- 1) the approved SSP has been provided on board; and
- 2) the operation records of security system in accordance with approved SSP.

3.2.2.2 The followings are to be audited during an initial security audit:

- 1) verification that the security system and related security equipment including paragraph 3.2.2.1 are effectively implemented and maintained in accordance with SOLAS chapter 11-2, the ISPS CODE and approved SSP;
- 2) verification of ship identification number, SSAS, relevant inspection records of radio technicians and Continuous Synopsis Record (hereinafter referred to as 'CSR')

3) The implementation of internal security audit in accordance with relevant procedure and the qualification of internal security auditor (Equivalent to CSO) shall be confirmed during the audit.(KOREA flagged ship)

3.2.2.3 The key personnel for interviews are as follows:

- 1) Master;
- 2) SSO; and
- 3) Shipboard personnel having specific security duties.

3.2.2.4 The man-day of interim security audit for a ship is 1 M/D.

## 3.2.3 Intermediate Security Audit

3.2.3.1 The security audit is to be implemented between an initial (or renewal) audit and renewal audit, and it should be carried out between 2<sup>nd</sup> anniversary date and 3<sup>rd</sup> anniversary date of ISSC.

3.2.3.2 The followings are to be audited during an Intermediate security audit:

- 1) verification that the security system and related security equipment are effectively maintained in accordance with SOLAS chapter 11-2, the ISPS CODE and approved SSP; and

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<sup>17</sup> 1 M/D means that a security auditor implements the verification for 8 hours except mealtime and travel time.



2) verification of ship identification number, SSAS, relevant inspection records of radio technicians and CSR.

3) The implementation of internal security audit in accordance with relevant procedure and the qualification of internal security auditor (Equivalent to CSO) shall be confirmed during the audit.(KOREA flagged ship)

3.2.3.3 The key personnel for interviews are as follows:

- 1) Master;
- 2) SSO; and
- 3) Shipboard personnel having specific security duties.

3.2.3.4 The man-day of interim security audit for a ship is 1 M/D.

## 3.2.4 Renewal Security Audit

3.2.4.1 The audit is to be implemented at the end of the validity period of ISSC, and it could be carried out within 3 months before the expiry date of ISSC.

3.2.4.2 The followings are to be audited during a Renewal security audit:

- 1) verification that the security system and related security equipment are effectively maintained in accordance with SOLAS chapter 11-2, the ISPS CODE and approved SSP; and
- 2) verification of ship identification number, SSAS, relevant inspection records of radio technicians and CSR.
- 3) The implementation of internal security audit in accordance with relevant procedure and the qualification of internal security auditor (Equivalent to CSO) shall be confirmed during the audit.(KOREA flagged ship)

3.2.4.3 The key personnel for interviews are as follows:

- 1) Master;
- 2) SSO; and
- 3) Shipboard personnel having specific security duties.

3.2.4.4 The man-day of interim security audit for a ship is 1 M/D.

## 3.2.5 Additional Security Audit

The additional security audit means a security audit except the interim, initial, annual and renewal security audits, and it is applied in the following cases:

- 1) when a security audit is requested by the Administration against security incidents or to prevent the

detention by PSC;

- 2) when an audit is requested by the Company against PSC deficiency;
- 3) when the certification body is transferred;
- 4) when the Company wishes to remain the existing expiry date of ISSC after an intermediate security audit is carried out earlier than 2<sup>nd</sup> Anniversary date of ISSC, thus the expiry date is moved up;
- 5) when major failure is closed out or downgraded. However, it may be applicable for closed failure;
- 6) when the ship name is changed, however it is replaced with document review if checked by verification on-site from the Society;
- 7) when the ship resumes the operation after it is out of service between 3 and 6 months due to lay-up, etc. (on request of the Administration); and
- 8) when the Company or Administration requests it other than above cases.

## 3.2.6 Preliminary Security audit

3.2.6.1 The Company can apply for a preliminary security audit to verify the overall security system of a ship in preparation for an initial security audit.

3.2.6.2 The results of a preliminary audit is submitted as 'failure reports', and the Company is not obliged to take a corrective action

3.2.6.3 The results of a preliminary audit do not ensure the certification of an initial security audit, and the Society does not involve in making documents of SSP for the Company.

## 3.2.7 Streamlined Audit

3.2.7.1 Initial · Intermediate · Renewal Audit, except Additional and Interim Audit, may be conducted as Streamlined Audit only in the following cases;

- 1) All flag ship (excluding Korean-flag ship)
- 2) In case it is difficult to comply with mandatory M/D due to the ship's schedule and port situation, etc. (relevant evidence shall be attached when applying for audit)

3.2.7.2 For the Streamlined Audit, the Company sends the audit application (Form No. GD-01-02) specifying a Streamlined Audit with the following mandatory submission documents and records, to the branch office in jurisdiction of the audit or via the KR e-fleet no later than 10 (ten) days before desired audit date.

Mandatory submission documents	Ship Security Plan (SSP) with approval letter / ISSC with latest endorsement (s) / Latest CSR / SSO Certificate / Security Training cert. for all crew / Acknowledgement receipt of SSAS test, Crew list
Mandatory	Training, drills and exercise record / Security threats and security incident record / Breaches of security record

submission Records*	/ Changes in security level record / Communications relating to the direct security of the ship such as specific threats to the ship or to port facilities the ship calls, or berths record / Internal audits and reviews of security activities record / Periodic review of the ship security assessment record / Periodic review of the ship security plan record / Implementation of any amendments to the plan record / Maintenance, calibration and testing of security equipment, if any including acknowledgement receipt of SSAS test / Last 10 port of call record / Declaration of Security
* : Records for 3 months from the desired date of audit, however at least 1 (one) record must be included. If not applicable, exclusion is permissible	

3.2.7.3 The time allocation on-ashore and on-board and procedure for the Streamlined Audit shall follow the "Instruction for Convention Audit".

3.2.7.4 A Streamlined Audit shall not be conducted, if the mandatory submission documents and records are provided no later than 10 (ten) days before a desired audit date.

## 3.2.8 Ship Security Audit Scenarios

No.	Scenarios	Type of Security Audit	Minimum Scope of Security Audit	Man-day	Certificates issued
1	New ship Newly introduced ship	Interim Security Audit	Refer to Guidance Part II, 3.2.1	0.5 M/D	Interim ISSC (6 months)
2	Change of Flag	Interim Security Audit	Refer to Guidance Part II, 3.2.1	0.5 M/D	Interim ISSC (6 months)
3	Change of Company	Interim Security Audit	Refer to Guidance Part II, 3.2.1	0.5 M/D	Interim ISSC (6 months)
4	Change in IMO ship type	Interim Security Audit	Refer to Guidance Part II, 3.2.1	0.5 M/D	Interim ISSC (6 months)
5	Change of ship's name	Additional Security Audit or Verification on-site	- verify the change of name in all certificated and documents - if a ship is registered in KR, it is replaced with verification on-site	0.5 M/D	Reissue ISSC (expiry date as previous ISSC)
6	Change to RSO from a Classification Society holding a QSCS cert.	Additional Security Audit	Refer to Guidance Part II, 3.2.5	0.5 M/D	Reissue ISSC (expiry date as previous ISSC)
7	Change to RSO from a Classification Society not holding a QSCS cert.	Initial Security Audit	Refer to Guidance Part II, 3.2.2	1 M/D	Issue ISSC (5 years)
8	Change from interim ISSC to full ISSC in Scenario 1), 2) and 3)	Initial Security Audit	Refer to Guidance Part II, 3.2.2	1 M/D	Issue ISSC (5 years)
9	Revisit to verify a major failure	Additional Security Audit	verify the corrective action/measures to prevent recurrence	at least 0.5 M/D	Endorse ISSC
10	Ship more than 3 months out of service	Additional Security Audit	verify raised issues	at least 0.5 M/D	Endorse ISSC

No.	Scenarios	Type of Security Audit	Minimum Scope of Security Audit	Man-day	Certificates issued
		(on request of the Administration)			
11	Ship more than 6 months out of service	Interim Security Audit	Refer to Guidance Part II, 3.2.1	0.5 M/D	Interim ISSC (6 months)
12	Intermediate security audit requested after the end of the audit time window	Intermediate Security Audit	<ul style="list-style-type: none"> <li>- Refer to Guidance Part II, 3.2.3</li> <li>- If reinstated, ISSC to be endorsed with a statement (e.g. Validity reinstated with scope as initial). If re-issued, ISSC to have same expiry date as previous certificate.</li> <li>- Issue ISPS deficiency if ISM audit is not held at the same time.</li> <li>- Issue PR17 report if ISM audit is not held at the same time.</li> </ul>	1 M/D	Endorse ISSC
13	Request of the Administration	Additional Security Audit	- verify raised issues (it may be extended to the scope of a periodical security audit)	at least 0.5 M/D	Endorse ISSC
14	Request of the Company	Additional Security Audit	- verify raised issues (it may be extended to the scope of a periodical security audit)	at least 0.5 M/D	Endorse ISSC

**Note: The above should apply in the absence of any instructions to the contrary from the Administration**

## 3.3 Issuance, Endorsement and Maintenance of Certificates

### 3.3.1 Issuance of ISSC

3.3.1.1 The interim ISSC could be issued if an interim security audit is completed without any (major) failures or if the measures for all (major) failures identified during the security audit are satisfactorily implemented in accordance with the Guidance Part II, 3.4.

3.3.1.2 The validity period of the interim ISSC is 6 months from the date of completion of the security audit as follows, unless otherwise requested by the Administration:

- (Example) - the date of completion of the audit: 2018-01-02;
- the beginning date of validity: 2018-01-02; and
  - the expiry date of validity: 2018-07-01.

3.3.1.3 The full-term ISSC could be issued if the initial or renewal or additional security audit (if necessary) is completed without any (major) failures or if the measures for all (major) failures identified during the security audit are satisfactorily implemented in accordance with the Guidance Part II, 3.4. The validity period of the full-term ISSC is 5 years, but the expiry date of ISSC issued after an additional audit is same as the existing ISSC. Examples of the validity period of ISSC are as follows, unless otherwise requested by the Administration:

- (Example 1) - the date of completion of the initial audit: 2018-01-02;
- the validity period of the full-term ISSC: 2018-01-02 ~ 2023-01-01;

- (Example 2) - the date of completion of the renewal audit: 2018-01-02;
- the validity period of the previous ISSC: 2018-02-02;
  - the validity period of the full-term ISSC: 2018-01-02 ~ 2023-02-02;

- (Example 3) - the date of completion of the additional audit: 2018-01-02;
- the validity period of the previous ISSC: 2020-02-02; and
  - the validity period of the full-term ISSC: 2018-01-02 ~ 2020-02-02.

3.3.1.4 At the request of the Company, the expiry date of the ISSC may be harmonized with the expiry date of the SMC. However, the validity period of certificate should not exceed 5 years.

3.3.1.5 In the case where a Renewal Security Audit is carried out within 3 months from the expiry date of the ISSC, an ISSC is to be newly issued from the date of the completion of the audit, and the new validity

period is 5 years from the expiry date of the previous ISSC.

3.3.1.6 In the case where a Renewal Security Audit is completed earlier than 3 months from the expiry date of the ISSC, the validity period of the new ISSC is 5 years from the date of completion of the audit.

(Example)

- Expiry date of previous full term ISSC : 01 July 2021
- Completion date of renewal audit : 01 March 2021
- Validity period of new ISSC : 01 Mar. 2021 to 28 Feb. 2026

3.3.1.7 In the case where the renewal security audit is carried out exceeding the expiry date of the ISSC, the new ISSC is issued from the date of completion of the audit, and the validity period is 5 years from the expiry date of the previous ISSC.

3.3.1.8 In the case where the ISSC is reissued because it is missed or damaged or revised, the validity period of the ISSC is same as an original one, however the issued date is just changed as the actual issued date.

### 3.3.2 Extension of ISSC

3.3.2.1 If a ship at the time when an ISSC expires is not in a port in which it is to be verified, the Company may apply for the extension of an ISSC to the Flag Administration. However, this extension shall be granted only for the purpose of allowing the ship to complete its voyage to the port in which it is to be verified, and then only in cases where it appears proper and reasonable to do so. The ISSC should not be extended for a period longer than 3 months, and the ship to which an extension is granted shall not, on its arrival in the port in which it is to be verified, be entitled by virtue of such extension to leave that port without having a new certificate. The Company should submit the authorization letter issued by Administration to the Society in order to get the endorsement for extension of ISSC. When the renewal security audit is completed, the new certificate should be valid to a date not exceeding five years from the expiry date of the existing certificate before the extension was granted.

3.3.2.2 If a renewal security audit has been completed and a new certificate cannot be issued or placed on board the ship before the expiry date of existing certificate, the certificate may be endorsed and should be accepted as valid for a further period which should not exceed five months from the expiry date.

3.3.2.3 The interim ISSC may not be extended under any circumstances.

### 3.3.3 Endorsement of ISSC

3.3.3.1 The ISSC could be endorsed if an intermediate or additional security audit is completed without any

(major) failures or if the measures for all (major) failures identified during the security audit are satisfactorily implemented in accordance with the Guidance Part II, 3.4.

3.3.3.2 In the case where an intermediate security audit is carried out before the period specified in the Guidance Part II 3.2.3.1, the expiry date of ISSC should be amended by endorsement to date which should not be more than 3 years later than the date on which the intermediate security audit was completed. However, the expiry date may remain unchanged provided one or more additional verification are carried out.

### 3.3.4 Maintenance of ISSC

3.3.4.1 The ISSC may be invalidated if any of the followings occurs:

- 1) when the business license or registration of the Company is canceled;
- 2) when the Company is changed;
- 3) when the Flag is changed;
- 4) when the corrective action of a failure is not completed within the agreed date;
- 5) when the necessary security audits (initial-intermediate-renewal security audit) to maintain a certificate are not carried out within audit window;
- 6) when the Company requests cancellation;
- 7) when the ship is transferred to a Classification Society not holding QSCS certificate, except in case where there is the additional instruction from the Administration; and
- 8) where the ship is out of service more than 6 months due to lay-up, etc.

3.3.4.2 In the following cases, the ISSC may be invalidated through deliberation of the Certification Steering Committee for Convention Audit of the Society:

- 1) where it is brought to public censure due to marine accident or pollution;
- 2) where the Company does not implement the responsibility to provide the information required according to the Guidance Part II, 1.3.2; and
- 3) where a ship is detained by the PSC, and in this case the Company does not effectively implement the ISPS Code and SSP, or the Administration or Port Authority does not trust the effectiveness of security system considering the seriousness or frequency of her detention.
- 4) A ship which is in the process of suspension or withdrawal from the Society or the Classification Society under QSCS management system, due to the ship is detained by Port State Control Inspection (PSC) or Flag State Inspection (FSC) because of its violation of ship security system (ISPS).
- 5) Ships which belong to a management company where the company's degree of compliance for the implementation of the relevant requirements is unreliable because ships managed by the company have been accumulatively detained due to their violation of the relevant requirements of ship security system (ISPS).

- 3.3.4.3 When the ISSC is invalidated, the Society will inform the Company, Flag State and parties concerned (if necessary), unless otherwise requested by the Administration.
- 3.3.4.4 When the Administration decides to withdraw an ISSC after it is invalidated or to cancel it caused by the other grounds, the Company should return the ISSC to the Society without delay.
- 3.3.4.5 When an ISSC has been withdrawn, a new ISSC may be issued only after the successful completion of an initial security audit. The new ISSC has the same expiry date as the ISSC that was withdrawn.
- 3.3.5 Issuance, Endorsement and Maintenance of electronic Certificates.
- 3.3.5.1 The e-ISSC, by the permission of the relevant Flag State, may be issued for the Company which is desired to issue the e-ISSC.
- 3.3.5.2 The procedure for Issuance, Extension, Endorsement and Maintenance of e-ISSC is applied in the same way as Part II, Ch.3, paragraphs 3.3.1, 3.3.2, 3.3.3 and 3.3.4 above.
- 3.3.5.3 The issued and endorsed e-ISSC shall be downloaded from the KR e-Fleet system (<http://e-fleet.krs.co.kr>) and managed by the Company.
- 3.3.5.4 In the case where the Company print the e-ISSC, color print is recommended, and the KR sealing sticker and watermarked certificate paper are not required.
- 3.3.5.5 The validity of issued and endorsed e-ISSC can be confirmed by visiting KR e-Cert. verification site (<http://e-cert.krs.co.kr>) and input tracking/certificate number on the e-ISSC, or scanning of QR Code on the bottom of e-certificate.



## 3.4 Dealing with Failure

### 3.4.1 Confirmation of Failure

3.4.1.1 Any findings identified during a security audit needs the consent of Company's representatives. If they do not accept it, the relevant statements will be prepared and confirmed to Company's representatives. In this case, any decision for certification will be shelved.

3.4.1.2 In the case where the relevant statements are made, the Company is to be notified of the results of review on the failures and certification within 15 days via an official letter.

3.4.1.3 When it is concluded as a failure, and the due date is considered from the completion date of the audit, and the next procedure should be followed by failure handling procedures.

### 3.4.2 Dealing with Failure

3.4.2.1 An ISSC should not be issued or renewed until all identified failures have been resolved and compliance has been restored. In addition, depending on the nature and seriousness of the failure identified, a schedule for the implementation of preventative action may need to be agreed between the Company and the auditor to prevent recurrence. Additional security audits may be carried out as necessary.

3.4.2.2 In the case of the above 3.4.2.1, the grounds for correction and closed out date should be written in failure report after the auditor verifies the effectiveness of the corrections.

3.4.2.3 An ISSC may be endorsed following identification of a failure, provided that a corrective action plan<sup>18</sup> has been agreed between the Company and the auditor for the completion of corrective action to restore compliance and to prevent recurrence. Additional security audits may be carried out as necessary.

3.4.2.4 In such a case concerning paragraph 3.4.2.3, the 'Notice of Corrective Action' will be sent to the Company after the auditor verifies the effectiveness of the corrective actions.

3.4.2.5 The time period for corrective actions should be at most 3 months from the date of identifying such failures under any circumstances.

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<sup>18</sup> Refer to attached form 'Corrective Action Plan and Summary'

### 3.4.3 Dealing with Major Failure

3.4.3.1 In the case where a major failure exists in the Security Audit for issuing an ISSC, the certificate should not be issued or renewed, and immediate actions are required to restore compliance. The auditor should verify the implementation of these measures before the ship sails. A schedule for the implementing preventative action should be agreed between the Company and the auditor to prevent recurrence. At least, one additional Security Audit should be carried out within the period agreed for implementing the corrective action.

3.4.3.2 In the case where immediate actions for a major failure is completed as a result of paragraph 3.4.3.1, the auditor will send a failure report with filled out the completion date and summary of immediate action to the Company.

3.4.3.3 In the case where a major failure exists in the Security Audit for endorsing an ISSC, the certificate should not be endorsed, and immediate actions are required to restore compliance, thereby permitting the major failure to be downgraded. The auditor shall verify the implementation of these measures before the ship sails and a schedule for implementing preventative action shall be agreed between the Company and the auditor to prevent recurrence. At least, one additional audit shall be carried out within the period agreed for the corrective action.

3.4.3.4 In the case where immediate actions for a major failure are completed as a result of paragraph 3.4.3.3, the auditor will send a failure report with the completion date and summary of immediate action to the Company.

3.4.3.5 All major failure (s) should be reported to the corresponding Administration and parties concerned.

### 3.4.4 Dealing with Failure for Korean-flagged vessels

3.4.4.1 If failure is identified during the audit, corrective measures shall be taken in principle before departure and may be terminated during the audit period. However, if it is unavoidable, a corrective action period may be given at the discretion of the leader of security audit team.

3.4.4.2 If the period of corrective action for failure is given, the audit team leader shall ensure that the action has been taken within the period, and if the corrective action is not completed, the validity of the international ship security certificate (ISSC) shall be suspended.

3.4.4.3 In the event that the validity of the ISSC (International Ship Security Certificate) is suspended pursuant to Section 3.4.4.2, the audit team leader shall notify the Statutory System Certificate Team without delay

so that it can be reported (notified) to the competent authorities, company, and ship.

## Part III. MLC Inspection

“Providing the **best services**,  
Creating a **better world**”

## Chapter 1. General

### 1.1 Objectives and Scope

- 1.1.1 This Guidance provides a standard related to the inspection for a ship in accordance with the Maritime Labour Convention, 2006.
- 1.1.2 This Guidance applies to a ship which wishes to receive the inspection and approval of Declaration of Maritime Labour Compliance Part II in accordance with the Maritime Labour Convention, 2006 from the Society. If there are specific requirements of the Administration<sup>19</sup>, those should be applied preferentially.
- 1.1.3 In principle, where the ship is registered in the Classification Society not holding QSCS certificate, the Society does not execute the inspection and approval of Declaration of Maritime Labour Compliance Part II, except in case where there is the additional instruction from the Administration.
- 1.1.4 This Guidance provides the general standards related to inspection and approval of Declaration of Maritime Labour Compliance Part II under the Maritime Labour Convention, 2006 such as the request and scope of the inspection, procedures of the verification and issuance-maintenance of the certificates.
- 1.1.5 As the inspection is carried out on a random sampling basis to verify that the ship is effectively implemented in accordance with the Maritime Labour Convention, 2006 under inspection time and space constraints. Even though a ship is certified by the Society, the Shipowner has the whole responsibilities for operating and maintaining the ship under Maritime Labour Convention, 2006.
- 1.1.6 The inspection is applied to verify all requirements of the Maritime Labour Convention, 2006 through review of documents and records, interviews, observation of activities, examination on-site and etc., and random sampling process for extracting documents and records should be applied. Inspector shall be required to keep all documents and records for inspection confidential.

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<sup>19</sup> In case of Korean flag ship, Seafarers Act. and Regulation of processing of the MLC are applied

## 1.2 Definitions

- 1.2.1 'Maritime Labour Convention, 2006 (hereinafter referred to as MLC, 2006)' means the Convention adopted by the International Labour Organization on 23 Feb. 2006 at its International Labour Conference (94<sup>th</sup> session) for providing the decent working and living conditions on board.
- 1.2.2 'Maritime Labour Certificate (hereinafter referred to as MLC Cert.)' means a certificate issued to a ship which complies with the requirement of MLC, 2006.
- 1.2.3 'Interim Maritime Labour Certificate (hereinafter referred to as interim MLC Cert.)' means a certificate issued to a ship after the interim inspection is satisfactorily completed before the initial inspection when a ship is newly delivered, or a ship changes her Flag or the Shipowner is changed.
- 1.2.4 'Declaration of Maritime Labour Compliance (hereinafter referred to as DMLC)' means a document declaring the statement of national requirements by references to the legislative provisions and the measures adopted to ensure the ongoing compliance with particular national requirements, and it consists of DMLC Part I and DMLC Part II.
- 1.2.5 'Shipowner' means the owner of the ship or another organization or person, such as the manager, agent or bareboat charterer, who has assumed the responsibility for the operation of the ship from the owner and who, on assuming such responsibility, has agreed to take over the duties and responsibilities imposed on Shipowners in accordance with MLC, 2006, regardless of whether any other organization or persons fulfill certain of the duties or responsibilities on behalf of the Shipowner.
- 1.2.6 'Seafarer' means any person who is employed or engaged or works in any capacity on board a ship to which the MLC, 2006 applies.
- 1.2.7 "Serious deficiency" means a deficiency that constitute a serious or repeated breach of the requirements of the MLC, 2006 (including seafarer's rights) or that represent a significant danger to seafarer's health, safety or security.
- 1.2.8 'Deficiency' means an observed situation that the objective evidence of non-compliance with the requirement of the Convention and the measure on the DMLC for the decent working and living condition for all seafarers has been found.
- 1.2.9 'Observation' means a statement of fact made during an inspection and substantiated by objective evidence. It may also be a statement made by the inspector referring to a weakness in MLC procedures that if not addressed may lead to a deficiency in the future.

- 1.2.10 'Substantial Changes' means a change of the structure of the accommodation and facilities such as heating, ventilation, noise, vibration and ambient factor, sanitary, lighting and hospital which affects to the seafarers' working and living condition.
- 1.2.11 'Anniversary Date' means the day and month of each year which will correspond to the date of expiry of the MLC Cert.
- 1.2.12 'MLC Inspection' means an inspection to certify the conformity of the seafarers' work and living conditions on board in accordance with the MLC, 2006.
- 1.2.13 The definitions which were not defined in above 1.2 should comply with MLC, 2006, Resolution, etc.
- 1.2.14 'Electronic Maritime Labour Certificate (e-MLC)' means MLC which is issued and provided by secured 'pdf' format, replacing traditional paper certificate.
- 1.2.15 "Integrated Audit" means audit/inspection in which ISM/ISPS/MLC audit/inspection is conducted by each auditor on a single ship.
- 1.2.16 "Continuous Audit" means audit/inspection in which audit/inspection is continuously conducted on a single ship by an auditor/inspector.
- 1.2.17 "Streamlined Audit" means audit/inspection reducing M/D on-board by the conducting some part of audit/inspection ashore.
- 1.2.18 "Remote Audit" means audits in which any verification of a company or a ship does not involve any on-site attendance by auditor/Inspector then, conducted by means of remote (ICT) method, such as live-streaming video, video recorded, images captured and tele-communication with acceptance of the Administrations.

## 1.3 Responsibilities of Shipowner

### 1.3.1 Progress of Inspection

1.3.1.1 The Shipowner should provide the necessary human and material resources to an inspector to ensure smooth progress of the inspection as follows:

- 1) arrange personnel for interview;
- 2) designate a personnel in charge who accompanies the inspection team;
- 3) arrange a site for inspecting;
- 4) ensure to be provided of evidential matters or be approached to them;
- 5) implement the corrective actions as a result of the inspection; and
- 6) provide resources else to ensure the effective and efficient progress of the inspection.

1.3.1.2 The Society may refuse or suspend an inspection if the cooperation of Shipowner for above 1.3.1.1 is not properly provided or the potential hazard is found during an inspection.

### 1.3.2 Providing Information

The Shipowner should notify the Society of the following information related to keeping certification without delay:

- 1) when any information of the ship necessary for certification is changed;
- 2) when the ship's Classification Society is transferred to another Classification Society not holding QSCS certificate except the Administration solely gives an authorization to the Society; and
- 3) when significant changes of DMLC, ship's accommodation, etc. happen.

### 1.3.3 Maintaining Inspection records

The Shipowner should maintain the inspection records in a ship to ensure the validity of inspection.

### 1.3.4 Payment of Inspection Fee

The Shipowner should pay the inspection fee according to the relevant rules as provided by the Society.



## 1.4 Transfer of Certification Body

### 1.4.1 Application

It is applied when the certification body is changed from another Society holding QSCS certificate to the Society.

### 1.4.2 The transfer of certification can be only accepted after it has received confirmation that:

- 1) the existing certificate has not been withdrawn or otherwise invalidated;
- 2) any major deficiencies (s) have been closed out or downgraded (if applicable);
- 3) all verifications initiated by the previous Society (Loosing Society, LS) have been satisfactorily completed unless otherwise agreed between Societies; and
- 3) DMLC Part II is reviewed or approved by the Society.

### 1.4.3 Scope of Inspection

An inspection for transfer of certification body should be carried out as an additional inspection on-site, and it can be implemented with a periodical inspection.

### 1.4.4 Issuance of certificate

When an inspection has been successfully completed, the Society will issue a new certificate in accordance with the relevant procedure. A new certificate will succeed the validity of the existing certificate. Where the certificate has been issued by the Flag, the inspector may endorse the certificate on behalf of the Administration if authorized to do so.

However, when the inspection is not successfully completed because major deficiencies have been identified, the Society inform such fact to the current certification body.

## 1.5 Objection and Complaints

1.5.1 The Shipowner could raise objection and complaints in relation to the inspection to the Society, and these are possible to communicate verbally, however it is recommended to be submitted through a written letter in 'Objection and Complaints (Form No. GD-01-03)' within 30 days of the receipt of inspection's result in principle. Especially, the issues related to the issuance and endorsement of certificate should be submitted through a written letter to clarify the fact.

1.5.2 The Shipowner will be officially notified of the processing result within 30 days after the receipt.

## Chapter 2. Approval of DMLC Part II

### 2.1 General

2.1.1 The Shipowner should draw up the DMLC Part II to identify the measures adopted to ensure ongoing compliance with the Appendix A5-1 of MLC, 2006 and national requirement and to ensure its continuous improvement.

2.1.2 The Shipowner should apply for the approval of DMLC Part II when it is initially established or amended (e.g., where relevant procedures or ship name or address is changed), or when the ship changes her certification body (RO).

2.1.3 DMLC Part II should be written in the ship's working language and in English.

## 2.2 Application for DMLC Part II Approval

2.2.1 The Shipowner should send an application (form no. GD-01-02)<sup>20</sup> with the following documents to Statutory System Certification Team, KR Headquarter (e-mail: kr-dmlc@krs.co.kr), or the Shipowner could apply it via KR e-fleet:

- a proof data of entitlement of the Shipowner under MLC, 2006, if the applicant is not the owner of ship;
- DMLC PART I issued by the competent authority;
- DMLC PART II established by the Shipowner\* ;
- the latest version of Continuous Synopsis Record;
- the relevant parts of the ISM document, provided that ISM system documents are referred to DMLC part I;
- a copy of collective bargaining agreement which applicable to the ship's seafarers (if applicable);
- a copy of a standard form of Seafarer Employment Agreement applicable to the ship's seafarers; and
- on-board complaint procedures.

\* The Shipowner's date of issue of the DMLC Part II shall be on or after the DMLC Part I issue date by the Administration. This does not apply to cases where the Administration re-issues DMLC Part I, which does not require any amendments to the existing DMLC Part II

2.2.2 Where the Shipowner applies for the re-approval of DMLC Part II, an application of above 2.2.1 with following documents should be submitted:

- newly re-issued DMLC part I by the competent authority (if applicable);
- revised DMLC Part II; and
- proof documents to verify revisions of DMLC Part II.

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<sup>20</sup> Refer to the attached application form

### 2.3 Approval and Maintenance of DMLC part II

- 2.3.1 Where the DMLC Part II is reviewed without any findings, the stamped DMLC Part II with a review letter is forwarded to the Shipowner.
- 2.3.2 Where the DMLC Part II is reviewed with any findings, the review result is forwarded to the Shipowner for correction, then the Shipowner should re-submit for the approval after all findings is corrected.
- 2.3.3 Where the DMLC Part II submitted according to paragraph 2.3.2 deems satisfactory, the stamped DMLC Part II with a review letter is forwarded to the Shipowner.
- 2.3.4 Where the DMLC Part II is reviewed according to paragraphs 2.3.1 or 2.3.3, an inspector on-site will finally (re)approve it through a verification. (Exceptionally, for document review only or, in case of a ship is registered in the Society and it is replaced with verification on-site and the manager of branch office request, it can be re-approved by the Headquarters)

## Chapter.3 Ship MLC Inspection

### 3.1 Application for Inspection

3.1.1 The Shipowner should send an application (form no. GD-01-02)<sup>21</sup> to the branch office in jurisdiction of the inspection (hereinafter referred to as 'branch office'), or the Shipowner could apply it via KR e-fleet.

3.1.2 The Society, Korean Register, may refuse to register or inspect the ship if:

- If it is found to violates or is suspected of violating any sanctions, prohibitions, restrictions or limitations imposed by any national, supranational or international governmental organization.
- If the Society believes that the company or the vessels belonging to the company may expose our society to a loss of social credibility or other unfavorable circumstances.

3.1.3 The Shipowner should notify the revised information prior to starting an inspection if the followings were changed unlike the first application:

- ship type and Flag;
- owner of ship; and
- Classification Society of ship.

3.1.4 An inspection should be performed only under normal operating conditions, e.g. when the ship is not in dry dock or laid up. However, an interim inspection may be conducted in circumstance other than the normal operating conditions, provided that the ship is fully manned in accordance with its Safe Manning Certificate.

3.1.5 The inspection plan will be notified to the Shipowner at least 2 days before an inspection, but it may be notified before an inspection if the schedule is imminent.

3.1.6 A provisional inspector may join in the inspection team under the consent of the Shipowner.

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<sup>21</sup> Refer to the attached application form

## 3.2 Inspection Kind and Procedures

### 3.2.1 Interim Inspection

3.2.1.1 The interim inspection is to be implemented for temporary operation of a ship prior to carrying out an initial inspection, and it is applied for a ship in the following cases:

- 1) where a new ship is delivered;
- 2) where a ship changes Flag;
- 3) where a Shipowner assumes responsibility for the operation of a ship which is new to that Shipowner;
- 4) where a ship resumes the operation after it is out of service more than 6 months due to lay-up, etc.;  
and
- 5) where the ship type is changed or added.

3.2.1.2 The followings should be confirmed during an interim inspection:

- 1) verification that the Shipowner has adequate procedures to comply with MLC, 2006 (if necessary, a copy of DMLC);
- 2) verification that the master is familiar with the requirements of MLC, 2006 and the responsibilities for implementation;
- 3) verification that relevant information for the approval of DMLC Part II have been submitted to the competent authority or recognized organization (Confirmation of receipt for DMCL Part II);
- 4) verification of seafarers' working and living conditions according to the requirements of Appendix A5-1 of MLC, 2006 and Flag Administration, as far as practicable; and
- 5) verification of accommodation and recreational facilities, however, in case of an inspection for the first installation, it may be substituted to check the certificate of accommodation or statement of compliance issued by Flag State or recognized organization.

3.2.1.4 The key personnel for interviews are as follows:

- 1) master;
- 2) ship safety representative(s); and
- 3) other seafarers.

3.2.1.5 The man-day of interim inspection for a ship is 0.5 M/D. However, 0.75 M/D (6 hours) shall be applied to Korean flagged passenger ship and Mobile offshore drilling unit.

### 3.2.2 Initial Inspection

3.2.2.1 The initial inspection is to be implemented when a MLC Cert. is issued for the first time, and it should be carried out after the followings are completed or confirmed:

- 1) the reviewed DMLC Part II and Letter of review have been provided on board; and
- 2) the Shipowner's measures specified in the DMLC Part II have been implemented more than at least 1 month (However, 3 months for Korean-flagged vessel).

3.2.2.2 The followings should be confirmed during an initial inspection:

- 1) verification that seafarers' working and living conditions is properly complied with the requirements of Appendix A5-1 of MLC, 2006 and Flag Administration; and
- 2) verification of accommodation and recreational facilities, however, in case of an inspection for the first installation, it may be substituted to check the certificate of accommodation or statement of compliance issued by Flag State or recognized organization.

3.2.2.3 The reviewed DMLC Part II is finally approved after the suitability of DMLC is verified during an initial inspection.

3.2.2.4 The key personnel for interviews are as follows:

- 1) master;
- 2) ship safety representative (s); and
- 3) other seafarers.

3.2.2.5 The man-day of initial inspection for a ship is as follows:

- 1) category A : 1 M/D, ships such as tanker, bulk carrier, gas carrier, passenger high-speed craft, etc. other than category B; and
- 2) category B : 1.5 M/D, passenger ship and mobile offshore drilling unit.

### 3.2.3 Intermediate Inspection

3.2.3.1 The intermediate inspection is to be implemented between an initial (or renewal) inspection and renewal inspection, and it should be carried out between 2<sup>nd</sup> anniversary date and 3<sup>rd</sup> anniversary date of the MLC Cert.

3.2.3.2 The intermediate inspection should verify that the seafarers' working and living conditions is properly complied with the requirements of Appendix A5-1 of MLC, 2006 and Flag Administration.

3.2.3.3 The key personnel for interviews are as follows:

- 1) master;
- 2) ship safety representative (s); and
- 3) other seafarers.

3.2.3.4 The man-day of intermediate inspection for a ship is as follows:



- 1) category A : 1 M/D, ships such as tanker, bulk carrier, gas carrier, passenger high-speed craft, etc. other than category B; and
- 2) category B : 1.5 M/D, passenger ship and mobile offshore drilling unit.

### 3.2.4 Renewal Inspection

3.2.4.1 The Renewal Inspection is to be implemented at the end of the validity period of MLC Cert., and it could be carried out within 3 months before the expiry date of certificate.

3.2.4.2 The Renewal Inspection should verify that seafarers' working and living conditions is properly complied with the requirements of Appendix A5-1 of MLC, 2006 and Flag Administration.

3.2.4.3 The key personnel for interviews are as follows:

- 1) master;
- 2) ship safety representative (s); and
- 3) other seafarers.

3.2.4.4 The man-day of renewal inspection for a ship is as follows:

- 1) category A : 1 M/D, ships such as tanker, bulk carrier, gas carrier, passenger high-speed craft, etc. other than category B; and
- 2) category B : 1.5 M/D, passenger ship and mobile offshore drilling unit.

### 3.2.5 Additional Inspection

The Additional Inspection means an inspection except the Interim, Initial, Intermediate and Renewal Inspections, and it is applied in the following cases:

- 1) when substantial changes of accommodation have been made;
- 2) when an inspection is requested by the Shipowner against PSC deficiency (if necessary, it requests prior approval from the Administration);
- 3) when the certification body is transferred;
- 4) when the measures on DMLC Part II are amended which needed to be verified by on-scene inspection;
- 5) when the ship has been out of service between 3 and 6 months due to lay up, etc. (if required by the Flag State);
- 6) when the serious deficiency is downgraded;
- 7) when the ship's name is changed, however it is replaced with document review if checked by verification on-site from the Society; and
- 8) when the Shipowner or Administration requests it other than above cases.

## 3.2.6 Preliminary MLC inspection

3.2.6.1 The Shipowner can apply for a preliminary MLC inspection to verify the overall implementation of MLC, 2006 of a ship in preparation for an initial inspection.

3.2.6.2 The result of a Preliminary Inspection is submitted as 'deficiency reports', and the Shipowner is not obliged to take a corrective action.

3.2.6.3 The results of a Preliminary Inspection do not ensure the certification of an Initial Inspection and the Society does not involve in making relevant documents of MLC, 2006 for the Shipowner.

## 3.2.7 Streamlined Inspection

3.2.7.1 Initial · Intermediate · Renewal Audit, except Additional and Interim Inspection, may be conducted as Streamlined Inspection only in the following cases;

- 1) All Flag ship (Excluding Korean-flagged ships)
- 2) In the case, it is difficult to comply with mandatory M/D due to the ship's schedule and port situation etc. (relevant evidence shall be attached when applying for audit)

3.2.7.2 For the Streamlined Inspection, the company sends the inspection application (Form No. GD-01-02) specifying Streamlined Inspection with the following mandatory submission documents and records, to the branch office in jurisdiction of the audit or via the KR e-fleet no later than 10 (ten) days before desired inspection date.

Mandatory submission documents	DMLC Part I & II / Maritime Labour Certificate with last endorsement (s) / Minimum Safe Manning Certificate / All crew personal license and medical certificate / CBA / SRPS certificate / Seafarers' Employment Agreement (All crew) / Working arrangement / Financial security for seafarers repatriation / Ship's cook license / Procedure for property that is left on board by sick, injured or deceased seafarers / Financial security for death or long-term disability due to the occupational injury, illness or hazard / On-board compliant handling procedure
Mandatory submission Records*	Wage slip (All Crew) / Records of hours of rest & work (All Crew) / Record for observation of seafarers' on-board accommodation and recreational facilities / Record for observation of catering facilities, including galleys and store rooms / (Standard ) Medical report / Medicine & medical inventory list / Risk assessment / Safety committee record / On-board compliant handling record
* : Records for 3 months from the desired date of audit, however at least 1 (one) record must be included. If not applicable, exclusion is permissible	

3.2.7.3 The time allocation on-ashore and on-board and procedure for the Streamlined Inspection shall follow the "Instruction for Convention Audit".

3.2.7.4 If the mandatory submission documents and records are not provided no later than 10 (ten) days

before desired audit date, Streamlined Inspection shall not be conducted.

## 3.2.8 Ship Inspection Certification Scenarios

No.	Scenarios	Type of Inspection	Minimum Scope of Inspection	Man-day	Certificates issued
1	Change of ship's name	Additional Audit/Inspection or Verification on-site	<ul style="list-style-type: none"> <li>- verify the change of name in all certificated and documents</li> <li>- if a ship is registered in KR, It is replaced with verification on-site by auditor/inspector</li> </ul>	0.5 M/D	<ul style="list-style-type: none"> <li>-Reissue MLC Cert. (same expiry date as previous MLC Cert.)</li> <li>-Re-approval of DMLC Part II (See 2.3.4)</li> </ul>
2	Change of Flag	Interim Inspection	Refer to Guidance Part III, 3.2.1	0.5 M/D	Interim MLC Cert. (6 months)
3	Change in IMO ship type	Interim Inspection	Refer to Guidance Part III, 3.2.1	0.5 M/D	Interim MLC Cert. (6 months)
4	Change to RO from a Classification Society not holding a QSCS cert.	Initial Inspection	Refer to Guidance Part III, 3.2.2	1 M/D	<ul style="list-style-type: none"> <li>-Issue MLC Cert. (5 years)</li> <li>-Approval of DMLC Part II</li> </ul>
5	Flag State ratify MLC, 2006	Initial Inspection	Refer to Guidance Part III, 3.2.2	1 M/D	<ul style="list-style-type: none"> <li>-Issue MLC Cert. (5 years)</li> <li>-Approval of DMLC Part II</li> </ul>
6	Ship more than 3 months out of service*	Additional Inspection (if required by the flag State)	MLC Appendix A5-I	at least 0.5 M/D	Endorse MLC Cert.
7	Ship more than 6 months out of service*	Interim Inspection	Refer to Guidance Part III, 3.2.1	0.5 M/D	Interim MLC Cert (6 months)
8	Intermediate inspection requested after the end of the inspection time window (before invalidation)	Intermediate inspection	<ul style="list-style-type: none"> <li>- Refer to Guidance Part III, 3.2.3</li> <li>- If reinstated, MLC to be endorsed with a statement (e.g., validity reinstated with scope as initial). If reissued, MLC to have same expiry date as previous certificate</li> <li>- Issue MLC deficiency if ISM audit is not held at the same time</li> <li>- Issue PR 17 report if ISM audit is not held at the same time</li> </ul>	1.0 M/D	Endorse MLC Cert.
9	Change of shipowner's name, address, ship's gross tonnage or other changes not requiring attendance	Document review	<ul style="list-style-type: none"> <li>- verify proof evidence</li> <li>- verify the revisions of DMLC Part II, place and date for the re-approval, etc.</li> </ul>	-	<ul style="list-style-type: none"> <li>-Reissue MLC Cert. (Same expiry date as previous MLC Cert.)</li> <li>-Re-approval of DMLC Part II (See 2.3.4)</li> </ul>
10	Request of the Competent Authority	Additional Inspection	- verify raised issues (it may be extended to the scope of a periodical inspection)	at least 0.5 M/D	Endorse MLC Cert.
11	Request of the Shipowner	Additional Inspection	- verify raised issues (it may be extended to the scope of a periodical inspection)	at least 0.5 M/D	Endorse MLC Cert.
12	substantial changes of accommodation	Additional Inspection	Verify substantial changes	at least 0.5 M/D	Endorse MLC Cert.

No.	Scenarios	Type of Inspection	Minimum Scope of Inspection	Man-day	Certificates issued
13	when the certification body is transferred	Additional Inspection	MLC Appendix A5-I and reports issued by losing society	0.5 M/D	-Issue MLC Cert. (Same expiry date as previous MLC Cert.) -Approval of DMLC Part II
14	when the measures on DMLC Part II are amended (if necessary)	Additional Inspection	Measures on DMLC Part II which are needed to be verified by on-scene inspection	at least 0.5 M/D	-Reissue MLC Cert. (Same expiry date as previous MLC Cert.) -Re-approval of DMLC Part II (See 2.3.4).
15	when the serious deficiency is downgraded	Additional Inspection	verify the corrective action/measures	at least 0.5 M/D	N/A

**Note: The above should apply in the absence of any instructions to the contrary from the Flag Administration**

\*: These instructions do not apply to ships for which seasonal lay-ups are a normal part of their operational routine.

## 3.3 Issuance, Endorsement and Maintenance of Certificates

### 3.3.1 Issuance of MLC Cert.

3.3.1.1 The interim MLC Cert. could be issued if an Interim Inspection is completed without any (serious) deficiencies or if the measures for all (serious) deficiencies identified during the inspection is satisfactorily implemented in accordance with the Guidance Part III, 3.4

3.3.1.2 The validity period of the Interim MLC Cert. is 6 months from the date of completion of the inspection as follows:

- (Example) - The date of completion of the inspection: 2018-01-02;
- The beginning date of validity: 2018-01-02; and
  - The expiry date of validity: 2018-07-01.

3.3.1.3 The full-term MLC Cert. could be issued if the Initial or Renewal or additional Inspection (if necessary) is completed without any (serious) deficiencies or if the measures for all (serious) deficiencies identified during the inspection are satisfactorily implemented in accordance with the Guidance Part III, 3.4. The validity period of the full-term MLC Cert. is 5 years, however the expiry date of certificate issued after an additional inspection is same as the existing certificate. Examples of the validity period of certificate are as follows, unless otherwise requested by the Administration:

- (Example 1) - The date of completion of the initial inspection: 2018-01-02;
- The validity period of the full-term certificate: 2018-01-02 to 2023-01-01;

- (Example 2) - The date of completion of the renewal inspection: 2018-01-02;
- The validity period of the previous certificate: 2018-02-02;
  - The validity period of the full-term certificate: 2018-01-02 to 2023-02-02

- (Example 3) – The date of completion of the additional inspection: 2018-01-02;
- The validity period of the previous certificate: 2020-02-02; and
  - The validity period of the full-term certificate: 2018-01-02 to 2020-02-02.

3.3.1.4 At the request of the Shipowner, the expiry date of MLC Cert. may be harmonized with the expiry date of the SMC. However, the validity period of certificate should not exceed 5 years.

3.3.1.5 In the case where the renewal inspection is carried out within 3 months from the expiry date of MLC Cert., a new certificate is to be issued from the date of completion of the inspection, the new validity period is 5 years from the expiry date of the previous certificate.

3.3.1.6 In the case where the renewal inspection is carried out earlier than 3 months from the expiry date of the certificate, the validity period of the new certificate is 5 years from the date of completion of the inspection.

(Example)

- Expiry date of previous full term MLC: 01 July 2021
- Completion date of renewal audit: 01 March 2021
- Validity period for new MLC: 01 Mar. 2021 to 28 Feb. 2026

3.3.1.7 In case where the renewal inspection is carried out exceeding the expiry date of MLC Cert., the new certificate is issued from the date of completion of the inspection, and the validity period is 5 years from the expiry date of the previous certificate.

3.3.1.8 In case where the MLC Cert. is reissued because it is missed or damaged or revised, the validity period of the certificate is same as an original one, and the issuance date is newly changed as the actual issued date.

### 3.3.2 Extension of MLC Cert.

After a renewal inspection completed prior to the expiry of a maritime labour certificate, the ship is found to continue to meet national laws and regulations or other measures implementing the requirements of this Convention. In case the new certificate cannot immediately be issued to and made available on board that ship, the validity of the certificate shall be extended for a further period not exceeding five months from the expiry date of the existing certificate, and endorse the certificate accordingly. The new certificate shall be valid for a period not exceeding 5 years starting from the expiry date of the current certificate.

### 3.3.3 Endorsement of MLC Cert.

3.3.3.1 The MLC Cert. could be endorsed if an intermediate or additional inspection is completed without any (serious) deficiencies or if the measures for all (serious) deficiencies identified during the inspection are satisfactorily implemented in accordance with the Guidance Part III, 3.4.

3.3.3.2 In the case where an Intermediate Inspection is completed before the period specified in the Guidance Part III, 3.2.3.1, the expiry date of MLC Cert. should be amended by endorsement to date which should not be more than 3 years later than the date on which the intermediate inspection was completed.

### 3.3.4 Maintenance of MLC Cert.

3.3.4.1 The MLC Cert. may be invalidated if any of the followings occurs:

- 1) When the business license or registration of the Shipowner is canceled;
- 2) When the Shipowner is changed;
- 3) When the Flag is changed;
- 4) When the corrective action of a deficiency is not completed within the agreed date;
- 5) when the necessary inspections (initial-intermediate-renewal inspection) to maintain a certificate is not carried out;
- 6) When the Shipowner requests cancellation;
- 7) When the ship transferred a Classification Society not holding QSCS certificate, except in case where there is the additional instruction from the Administration;
- 8) When substantial changes of accommodation have been made to the structure or equipment covered in Title 3 of MLC, 2006; and
- 9) When the ship is out of service more than 6 months due to lay-up, etc.

3.3.4.2 In the following cases, the MLC Cert. may be invalidated through deliberation of the Certification Steering Committee for Convention Audit of the Society:

- 1) Where it is brought to public censure due to serious labor dispute;
- 2) Where the Shipowner does not implement the responsibility to provide the information required according to the Guidance Part III, 1.3; and
- 3) Where a ship is detained by the PSC, and in this case the Shipowner does not effectively implement the MLC, 2006 and DMLC Part II, or the Administration or Port Authority does not trust the effectiveness of relevant fitness for the status of maritime labour considering the seriousness or frequency of her detention.
- 4) A ship which is in the process of suspension or withdrawal from the Society or a Classification Society under QSCS management system, due to the ship is detained by Port State Control Inspection (PSC) or Flag State Inspection (FSC) because of its violation of maritime labour convention (MLC)..
- 5) Ships which belong to a management company where the company's degree of compliance for the implementation of the relevant requirements is unreliable because ships managed by the company have been accumulatively detained due to their violation of the relevant requirements of maritime labour convention (MLC).

3.3.4.3 When the MLC Cert. is invalidated, the Society will inform the Shipowner, Flag State and parties concerned (if necessary), unless otherwise requested by the Administration.

3.3.4.4 When the Administration decides to withdraw the MLC Cert. after it is invalidated or to cancel it caused by the other grounds, the Shipowner should return a certificate to the Society without delay.

3.3.4.5 When an MLC Cert. has been withdrawn, a new certificate may be issued only after the successful completion of an initial inspection including confirmation with the approved DMLC Part II, and the new



certificate has the same expiry date of previous one.

### 3.3.5 Issuance, Endorsement and Maintenance of electronic Certificates.

3.3.5.1 The e-MLC, by the permission of the relevant Flag State, may be issued for the Company which is desired to issue the e-MLC.

3.3.5.2 The procedure for Issuance, Extension, Endorsement and Maintenance of e-MLC is applied in the same way as Part III, Ch.3, paragraph 3.3.1, 3.3.2, 3.3.3 and 3.3.4 above.

3.3.5.3 The issued and endorsed e-MLC shall be downloaded from the KR e-Fleet system (<http://e-fleet.krs.co.kr>) and managed by the Company.

3.3.5.4 In case where the Company print the e-MLC, color print is recommended and, KR sealing sticker and watermarked certificate paper is not required.

3.3.5.5 The validity of issued and endorsed e-MLC can be confirmed by visiting KR e-Cert. verification site (<http://e-cert.krs.co.kr>) and input tracking/certificate number on the e-MLC, or scanning of QR Code on the bottom of e-certificate.

## 3.4 Dealing with Deficiencies

### 3.4.1 Confirmation of Deficiency

3.4.1.1 The deficiencies identified during an inspection need the consent of Shipowner's representatives. The relevant statements will be prepared and confirmed with the Company's representatives, if they do not accept it. In this case, any decision for certification will be shelved.

3.4.1.2 In the case where the relevant statements are made, the Shipowner is to be notified of the results of the review on the deficiencies and certification within 15 days via an official letter.

3.4.1.3 When it is concluded as a deficiency, and the due date is considered from the completion date of the inspection, and the next procedure should be followed by deficiency handling procedures.

### 3.4.2 Dealing with Deficiency

3.4.2.1 Where the deficiencies are identified during an inspection, these deficiencies should be rectified or a plan<sup>22</sup> for corrective actions should be submitted at the time of inspection, then a MLC Cert. could be issued or endorsed.

3.4.2.2 The due date of corrective actions for the deficiencies identified during an inspection should be designated within 3 months from the date of completion of the inspection, and the Shipowner should submit the results of corrective actions<sup>23</sup> and its evidence to the inspector.

3.4.2.3 The inspector could request the corrective action plans or corrective actions again if the plans submitted according to above 3.4.2.1 or the corrective actions according to above 3.4.2.2 are not sufficient to rectify them, and the due date of corrective actions could be also extended within the limit of not exceeding period according to above 3.4.2.1.

3.4.2.4 The 'Notice of Corrective Action' will be sent to the Shipowner or master after the inspector verifies the effectiveness of the corrective actions,

### 3.4.3 Dealing with serious deficiency

3.4.3.1 A serious deficiency raised on a ship should be rectified or downgraded before a certificate is issued

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<sup>22</sup> Refer to attached form 'Corrective Action Plan and Summary'

<sup>23</sup> Refer to attached form 'Corrective Action Plan and Summary'

and the ship can sail.

3.4.3.2 Downgrading can only occur after verifiable action in removing any significant danger to the seafarer's safety, health or security (including the seafarer's rights) has been processed.

3.4.3.3 Where a serious deficiency is downgraded, a plan for corrective action should be approved by an Inspector, and the approved plan should be implemented within a time period not exceeding 3 months from the date of inspection.

3.4.3.4 Where a serious deficiency has been downgraded, as least one additional inspection should be carried out within an agreed time frame according to above 3.4.3.3.

3.4.3.5 The 'Notice of Corrective Action' will be sent to the Shipowner or master after the inspector verifies the effectiveness of the corrective actions,

3.4.3.6 All serious deficiencies, including downgraded serious deficiencies, shall be reported to the corresponding Administration and parties concerned before the completion of the inspection

## Forms

1. Application for Company Audit
2. Application for Ship Audit/Inspection
3. Objection and Complaints
4. Corrective Action Plan and Summary



# APPLICATION FOR COMPANY AUDIT

To : KOREAN REGISTER

Application Date :

## APPLICANT

Company Name				Signature or Official Stamp
Address				
	Tel :	Fax :	E-mail :	
Person in Charge		M.P. :	E-mail :	

We acknowledge the provisions of relevant Guidance of Korean Register and accept the conditions of the attached hereto, and request Korean Register to carry out the audit(s) as below, and also agree to pay all audit fees and expenses which will be incurred as a result of the audit(s)

## COMPANY INFORMATION

IMO Company No.* :			Branch Office	Place	No. of Department	No. of Personnel
Head Office	Total number of personnel relating to ISM					
	Total number of department relating to ISM					
	Name of Designated Person(s) :					
Attachments: 1. Organization chart of Company 2. Company's declaration to the Administration if not ship owner						
* IMO Company number is required to be posted on DOC, SMC and ISSC. For more Information you can find your Company IMO number visiting website <a href="http://imonumbers.lrfairplay.com/">http://imonumbers.lrfairplay.com/</a>						

## COMPANY AUDIT/ REQUEST (Check '✓' as applicable )

Audit	Document	Interim	Initial	Annual	Renewal	Additional*
DOC	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
* Reason of additional audit :						
* If you select an additional audit, you have to write the reason considering the below examples : Example) change of RO / request of PSC or FSC / change of Company's name / change of address / revisit caused by down-graded major N/C / other						
Ship Type	Passenger Ship	<input type="checkbox"/>	Passenger Ship HSC	<input type="checkbox"/>	Oil Tanker	<input type="checkbox"/>
	Chemical Tanker	<input type="checkbox"/>	Gas Carrier	<input type="checkbox"/>	Bulk Carrier	<input type="checkbox"/>
	Cargo HSC	<input type="checkbox"/>	Other Cargo Ship	<input type="checkbox"/>	MODU	<input type="checkbox"/>
Flag of Ship						
Desired verification date :		Expiry date of DOC :		Internal Audit Date :		
Other request if any :						

## INVOICE CHARGE (Check '✓' as applicable )

Kind of Invoice :	<input type="checkbox"/> Invoice (Except Korean Company)	<input type="checkbox"/> Tax invoice (incl. VAT)	<input type="checkbox"/> Tax invoice (excl. VAT)
BILLING CONTACT: When the billing contact and applicant are different, please fill out the followings.			
Company Name :			
Address :			
Tel :		Fax :	
		E-mail :	

# General Conditions

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## 1. Applicant's declaration

- 1) By sending the signed application form by the Company\* (hereafter Client) and accept by the KR, the contract between the Client and the KR comes into force. The Client accepts the following terms and conditions.

\* : Company in accordance with the ISM Code Part A, 1.1.2

## 2. Duties of Company and Shipowner

- 1) It is incumbent upon the Client to maintain the condition of the company after ISM audit and to inform the KR without delay of circumstances which may affect the given appraisal or cause to modify its scope.
- 2) Any information and documents etc. required for the performance of the Services must be made available in due time.
- 3) The Client is to give to the KR all access and information necessary for the safe and efficient performance of the requested Services.

## 3. Cooperation of audit

- 1) All such preparations as required for audit are to be made by the applicant in accordance with the requirements of the Guidance of Convention Audit issued by KR. To provide safe and effective audit, such preparations are to include the provision of the work environment and safety measures.
- 2) The Company or their representatives are to attend the audit according to the items to be examined and are to give necessary assistances.
- 3) The client of the audit is to ensure that there is no falsehood in the description on the application form, the notice and the presented data, etc. to the KR.

## 4. Health, Safety and Environment

- 1) Client shall inform KR without under delay of:
  - (i) any actual or potential HSE risk which Client is aware of and which is reasonably relevant to the performance of the Work; and
  - (ii) any of Client's implemented or planed measures against such risk that Client requires KR's personnel to adhere to.
- 2) Whenever KR's performance of the services involves visits to or work on Client controlled facilities or sites, Client is responsible for the adequacy, stability, safety and legal compliance of the working environment, including responsible measures to mitigate or control relevant risks.
- 3) Whenever KR's personnel shall adhere to Client's HSE instructions.
- 4) KR or its personnel may refuse to carry out any activity, or visit any area or site, if KR or its personnel in their sole discretion consider that relevant risks are unacceptable or not adequately addressed, contained or otherwise mitigated.

## 5. Audit Execution

- 1) When providing services KR does not assess compliance with any standard other than the applicable Guidance of Convention Audit, KR Rules, international conventions and/or flag administration requirements and other standards, to the extent agreed in writing.
- 2) KR only is qualified to apply its Guidance of Convention Audit and to interpret them. Any reference to them has no effect unless it involves the KR's intervention.
- 3) The Services of KR are carried out by qualified auditors according to the applicable Guidance of Convention Audit and to the Code of Ethics of KR. Auditors have authority to decide locally on matters related to certification of the company unless the Guidance of Convention Audit provide otherwise.
- 4) KR will provide suitably qualified personnel to carry out the Work. Unless otherwise agreed, KR may at any time substitute personnel assigned to the Work, provided that any replacement personnel are suitably qualified.

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- 5) The KR accepts no responsibility for the use of information related to its Services which was not provided for the purpose by the KR or with its assistance.

## **6. Audit Fees**

- 1) When the audits are carried out by the auditor, fees will be charged for the audits, and the certificates issued in accordance with separately established Tariff of Fees.
- 2) When travelling is required on account of an audit, the travelling expenses, communication expenses, and other expenses incurred by such travel will be charged.
- 3) When the attendance of an audit required to suit the convenience of the Clients, outside of normal working hours or on holidays, an extra fee will be charged.

## **7. Competence of Auditors**

- 1) The auditor can attend the companies which are certified or to be certified, according to the audit plan.
- 2) The auditor may suspend audits when the necessary preparations required in the Guidance of Convention Audit have not been made or any appropriate attendant is not present.
- 3) In case where (major) non-conformities are identified during the audit, the auditor will notify the client of corrective actions in accordance with the requirement of the Guidance of Convention Audit

## **8. Liability of the Classification KR**

- 1) (Liability) KR shall be responsible for damage or loss incurred by the Client arising from a negligence of KR. The liability will be limited to the greater of an amount equal to 10 times the sum actually paid for services alleged to be deficient.
- 2) The limitation on liability specified in Par 1 does not apply in the case of a willful act or imprudent feascance despite being cognizant of the fact that there is a concern for damages or non-feascance.
- 3) (Time bar) Rights of claims against the audit provided by the KR shall become nullified after 6 months from the date when the Owner had notice of the damage.
- 4) Personal liability of the organs of KR or persons to whom KR resorts to performing its obligations are excluded except in the case of their willful misconduct or gross negligence.
- 5) KR is only responsible for the Work it has performed directly.
- 6) Client shall indemnify and hold harmless KR from and against any Claims in respect of:
- (i) Client's breach of Obligations
  - (ii) Any abuse of the Deliverable issued under this Contract.

## **9. Force Majeure**

- 1) Neither party shall be in breach of this Contract, nor liable for any failure or delay in performance hereunder if the cause of such failure or delay is attributable to events beyond the reasonable control of the affected party, including however not limited to armed conflict, terrorist attack, civil war, riots, toxic hazards, epidemics, natural disasters, extreme weather, fire, explosion, failure of utility service, labour disputes, breakdown of infrastructure, transport delays, or any public restrictions following any of the incidents above, or any other force majeure occurrence.
- 2) In the event of a force majeure occurrence, the affected party shall notify the other party without undue delay of the particulars of the situation and the estimated duration. Either party shall be entitled to terminate the Contract with immediate effect should the force majeure occurrence endure for more than thirty (30) days.
- 3) KR shall continue to be entitled to payment and its remuneration, i.e., all fees, additional expenses and costs incurred up to the date of termination.

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## **10. Independence of the Classification KR**

- 1) KR and its staff shall not be affected by designer, manufacturer, supplier, installer, purchaser, owner, user, maintainer and any other individuals of the item subject to the service and shall perform its works for the Clients fairly from independent position.
- 2) As the ISO 37001 (Anti-Bribery Management System) certified organization, KR has been promoting the international standard established for the practice of anti-bribery, integrity and ethical management. Employees of KR shall not accept or request any illegal solicitation or any un-proper requests from customers.

## **11. Use of company's and ship's information**

- 1) KR may release company specific information related to the ISM certification. This information may be published on the KR's web-site or by other media and may include the information related the company's certification, the names, dates and locations of all audits performed by KR, the expiration date of ISM certification issued by KR, audit due dates, transfer, withdrawals and reinstatements of certification.
- 2) KR may provide the copy of the submitted plans and documents as considered necessary by KR at the request of the Client.

## **12. Law and Jurisdiction**

- 1) This Contract shall be governed by and construed exclusively in accordance with the laws of the Republic of Korea, without regard to principles of conflicts of law.
- 2) The parties shall use their reasonable efforts to resolve any claim or dispute arising in relation to this Contract by negotiations within a reasonable time. Should the parties fail to resolve any claim or dispute by negotiations, the dispute shall be exclusively subject to the jurisdiction of the courts of Korea.

**The person who signed application, being aware of and accepting the Guidance of Convention Audit and regulations and the general conditions given hereabove, declares to be willing to maintain the company.**

**The undersigned declares also being aware the Guidance of Convention Audit relating to the audits and inspections to be carried out for the maintenance of ISM certification.**





# APPLICATION FOR SHIP AUDIT / INSPECTION

To : KOREAN REGISTER

Application Date :

## ■ APPLICANT

Company Name			Signature or Official Stamp
Address			
	Tel :	Fax :	E-mail :
Person in Charge		M.P. :	E-mail :

We acknowledge the provisions of relevant Guidance of Korean Register and accept the conditions of the attached hereto, and request Korean Register to carry out the audit(s) as below, and also agree to pay all audit fees and expenses which will be incurred as a result of the audit(s)

## ■ SHIP INFORMATION

Ship's Name :	IMO No. :
Ship type :	Registry date :
Flag :	Port of Registry :
Class :	Class No :
Gross Tonnage :	Nationality of crew :
DOC Issued by:	Expiry date of DOC :

## ■ SHIPBOARD AUDIT/INSPECTION REQUEST (Check '✓' as applicable )

Type	Interim	Initial	Interme- diate	Annual	Renewal	Additional	Reason of Additional audit
ISM	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
ISPS	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
MLC	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
SSP	Approval	<input type="checkbox"/>	Re-Approval		<input type="checkbox"/>	Reason of Re-approval :	
DMLC II	Review	<input type="checkbox"/>	Re-review		<input type="checkbox"/>	Reason of Re-review :	

Desired verification date and place :

Expired date of SMC or ISSC or MLC :	SSP approved (or submitted) date :
Internal audit date of ISM or ISPS	DMLC Part II approved (or submitted) date :

## ■ INVOICE CHARGE (Check '✓' as applicable )

INVOICE CHARGE (Check '✓' as applicable )						
Kind of Invoice :	<input type="checkbox"/>	Invoice (Except Korean Company)	<input type="checkbox"/>	Tax invoice (incl. VAT)	<input type="checkbox"/>	Tax invoice (excl. VAT)

**BILLING CONTACT** : When the billing contact and applicant are different, please fill out the followings.

Company Name :		
Address :		
Tel :	Fax :	E-mail :

Agent Information	Company's name		Person in Charge	
			Mobile :	
	Tel :	Fax :	E-mail :	

# Guide for Application

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○ Ship type :

Ship type should be selected below one (s) :

Passenger Ships / Passenger HSC / Oil Tankers / Chemical Tankers / Gas Carriers / Bulk Carriers / Cargo HSC  
/Other Cargo Ships / MODU

○ Registry date :

Registry date can be obtained in the ship's CSR (Continuous Synopsis Record)

○ Class and Class No :

Class and Class No. should be filled out if the Class of ship is not the KR

○ Reason of additional audit

If you select an additional audit, you have to write the reason considering the below examples:

- Change of RO (RSO) / PSC request / change of ship's name / revisit caused by down-graded major N/C / other

○ SSP approved (or submitted) date

Please write SSP approved date in case where you request Initial audit and write SSP submitted date in case where you request Interim ISPS audit.

○ Approved (or submitted) date of DMLC Part II

- Initial MLC inspection : write the approved date of DMLC Part II

- Interim MLC inspection : write the submitted or approved date of DMLC Part II

○ Attachment

● ISM audit attachment

- A copy of DOC if a DOC was issued by other certification body

- A copy of ISM Company Declaration (if applicable)

● ISPS audit attachment

- A copy of ISM Company Declaration (if applicable)

- A copy of letter or an approved front page of SSP if it was approved by other certification body

● MLC audit attachment

- A copy of letter or a reviewed front page of DMLC part II if it was reviewed by other certification body

○ SSP approval

Please send an application by e-mail (kr-ssp@krs.co.kr) with below documents :

- SSP file (PDF) / SSA / CSO training certificate / Ship's registry certificate / ISM Company Declaration (if applicable)

○ DMLC part II review

Please send an application by e-mail (kr-dmlc@krs.co.kr) with below documents :

- DMLC part I & part II (PDF) / On board complaint procedure / C.B.A (if applicable) / BBC Charter party agreement or Ship management agreement / S.E.A /applicable document If the ISM system documents was referred to DMLC Part II / ISM Company Declaration (if applicable)

# General Conditions

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## 1. Applicant's declaration

1) By sending the signed application form by the Company\* or Shipowner\*\* (hereafter Client) and accept by KR, the contract between the Client and KR comes into force. The Client accepts the following terms and conditions.

\* : Company in accordance with ISM Code Part A, 1.1.2

\*\* : Shipowner in accordance with MLC 2006, Article II, 1. (j)

## 2. Duties of Company and Shipowner

1) It is incumbent upon the Client to maintain the condition of the company and ship after ISM/ISPS audit [hereafter audit] and MLC inspections [hereafter inspection] and to inform KR without delay of circumstances which may affect the given appraisal or cause to modify its scope.

2) Any information and documents etc. required for the performance of the Services must be made available in due time.

3) The Client is to give to the KR all access and information necessary for the safe and efficient performance of the requested Services. The Client is the sole responsible for the present conditions of the Ship to conduct audit and inspection

## 3. Cooperation of audit and inspection

1) All such preparations as required for audit and inspection are to be made by the applicant in accordance with the requirements of the Guidance of Convention Audit issued by KR. To provide safe and effective audit and inspection, such preparations are to include the provision of the work environment and safety measures in the way of suitable lighting, ventilation and access condition.

2) The Company, Shipowner, master, chief engineer or their representatives are to attend the audit and inspection according to the items to be examined and are to give necessary assistances.

3) When a ship is to be audited and inspected, it is the duty of the Company and Shipowner to inform the ISM/ISPS auditors [hereafter auditor (s)] and MLC Inspectors [hereafter inspector (s)] of the correct place and items of audit and inspection.

4) The client of the audit and inspection is to ensure that there is no falsehood in the description on the application form, the notice and the presented data, etc. to the KR.

## 4. Health, Safety and Environment

1) Client shall inform KR without under delay of:

(i) any actual or potential HSE risk which Client is aware of and which is reasonably relevant to the performance of the Work; and

(ii) any of Client's implemented or planed measures against such risk that Client requires KR's personnel to adhere to.

2) Whenever KR's performance of the services involves visits to or work on Client controlled facilities or sites, Client is responsible for the adequacy, stability, safety and legal compliance of the working environment, including responsible measures to mitigate or control relevant risks.

3) Whenever KR's personnel shall adhere to Client's HSE instructions.

4) KR or its personnel may refuse to carry out any activity, or visit any area or site, if KR or its personnel in their sole discretion consider that relevant risks are unacceptable or not adequately addressed, contained or otherwise mitigated.

## 5. Ship Audit and Inspection Execution

1) When providing services KR does not assess compliance with any standard other than the applicable Guidance of Convention Audit, KR Rules, international conventions and/or flag administration requirements and other standards, to the extent agreed in writing.

2) KR only is qualified to apply its Guidance of Convention Audit and to interpret them. Any reference to them has no effect unless it involves the KR's intervention.

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- 3) The Services of KR are carried out by qualified auditors and inspectors according to the applicable Guidance of Convention Audit and to the Code of Ethics of KR. Auditors and inspectors have authority to decide locally on matters related to certification of the company and ship, unless the Guidance of Convention Audit provide otherwise.
  - 4) KR will provide suitably qualified personnel to carry out the Work. Unless otherwise agreed, KR may at any time substitute personnel assigned to the Work, provided that any replacement personnel are suitably qualified.
  - 5) KR accepts no responsibility for the use of information related to its Services which was not provided for the purpose by KR or with its assistance.

## **6. Audit and Inspection Fees**

- 1) When the audits and inspections are carried out by the auditor and inspector, fees will be charged for the audits and inspections, and the certificates issued in accordance with separately established Tariff of Fees.
- 2) When travelling is required on account of an audit and inspection, the travelling expenses, communication expenses, and other expenses incurred by such travel will be charged.
- 3) When the attendance of an audit and inspection required to suit the convenience of the Clients, outside of normal working hours or on holidays, an extra fee will be charged.
- 4) In the case of Ship Security Plan (SSP) and Declaration of Maritime Labour Convention (DMLC) Part II approval by KR, fees will be charged in accordance with separately established Tariff of Fees.

## **7. Competence of Auditors and Inspectors**

- 1) The auditor and inspector can attend the companies and ships which are certified or to be certified, according to the audit or inspection plan.
- 2) The auditor and inspector may suspend audits and inspections when the necessary preparations required in the Guidance of Convention Audit have not been made or any appropriate attendant is not present.
- 3) In case where (major) non-conformities are identified during the audit and inspection, the auditor and inspector will notify the client of corrective actions in accordance with the requirement of the Guidance of Convention Audit

## **8. Liability of Classification KR**

- 1) (Liability) KR shall be responsible for damage or loss incurred by the Client arising from a negligence of KR. The liability will be limited to the greater of an amount equal to 10 times the sum actually paid for services alleged to be deficient.
- 2) The limitation on liability specified in Par 1 does not apply in case of a willful act or imprudent feasant despite being cognizant of the fact that there is a concern for damage, or nonfeasance.
- 3) (Time bar) Rights of claims against the audit and inspection provided by KR shall become nullified after 6 months from the date when the Owner had notice of the damage.
- 4) In the case of Ship Security Plan (SSP) and Declaration of Maritime Labour Convention (DMLC) Part II approval by KR, fees will be charged in accordance with separately established Tariff of Fees.
- 5) Personal liability of the organs of KR or persons to whom KR resorts to performing its obligations are excluded except in the case of their willful misconduct or gross negligence.
- 6) KR is only responsible for the Work it has performed directly.
- 7) Client shall indemnify and hold harmless KR from and against any claims in respect of:
  - (i) Client's breach of Obligations, and;
  - (ii) any abuse of the Deliverable issued under this Contract

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## 9. Force Majeure

- 1) Neither party shall be in breach of this Contract, nor liable for any failure or delay in performance hereunder if the cause of such failure or delay is attributable to events beyond the reasonable control of the affected party, including however not limited to armed conflict, terrorist attack, civil war, riots, toxic hazards, epidemics, natural disasters, extreme weather, fire, explosion, failure of utility service, labour disputes, breakdown of infrastructure, transport delays, or any public restrictions following any of the incidents above, or any other force majeure occurrence.
- 2) In the event of a force majeure occurrence, the affected party shall notify the other party without undue delay of the particulars of the situation and the estimated duration. Either party shall be entitled to terminate the Contract with immediate effect should the force majeure occurrence endure for more than thirty (30) days.
- 3) KR shall continue to be entitled to payment and its remuneration, i.e. all fees, additional expenses and costs incurred up to the date of termination.

## 10. Independence of Classification KR

- 1) KR and its staff shall not be affected by designer, manufacturer, supplier, installer, purchaser, owner, user, maintainer and any other individuals of the item subject to the service and shall perform its works for the Clients fairly from independent position.
- 2) As the ISO 37001 (Anti-Bribery Management System) certified organization, KR has been promoting the international standard established for the practice of anti-bribery, integrity and ethical management. Employees of KR shall not accept or request any illegal solicitation or any un-proper requests from customers.

## 11. Use of company's and ship's information

- 1) KR may release company and vessel specific information related to the ISM/ISPS/MLC certification and statutory certification status. This information may be published on the KR's web-site or by other media and may include the information related the company's and vessel's ISM/ISPS/MLC certification, the names, dates and locations of all audits and inspections performed by the KR, the expiration date of all ISM/ISPS/MLC certification and statutory certificates issued by the KR, audit, inspection due dates, transfer, withdrawals and reinstatements of certification.
- 2) KR may provide the copy of the submitted plans and documents as considered necessary by KR for the maintenance of the ship at the request of the Client.

## 12. Law and Jurisdiction

- 1) This Contract shall be governed by and construed exclusively in accordance with the laws of the Republic of Korea, without regard to principles of conflicts of the law.
- 2) The parties shall use their reasonable efforts to resolve any claim or dispute arising with this Contract by negotiations within a reasonable time. Should the parties fail to resolve any claim or dispute by negotiations, the dispute shall be exclusively subject to the jurisdiction of the courts of the Republic of Korea.

**The person who signed application, being aware of and accepting the Guidance of Convention Audit and regulations and the general conditions given hereabove, declares to be willing to maintain the company and vessel in class with KR.**

**The undersigned declares also being aware the Guidance of Convention Audit relating to the audits and inspections to be carried out for the maintenance of ISM/ISPS/MLC certification.**

# Objection and Complaints

Korean Register



Doc. No.

Date :

Company			Department		
Applicant		TEL		FAX	

The Company asks to take action for the following raised objection and Complaints

Subject : \_\_\_\_\_

Attachments	<input type="checkbox"/> Yes <input type="checkbox"/> No	Total Page :
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# Corrective Action Plan and Summary

Korean Register

Work ID

Name of Company/Ship :

N/C (or Def./Fail.) No.:

Due date for corrective action :

Root Cause Analysis

Corrective Action Plan

Company Representative's name & signature :

Corrective Action Summary

Company Representative's name & signature :

## NOTE

- Work ID, N/C (or deficiency or failure) No. and due date should be matched with the non conformity report (or deficiency report) issued by KR.
- The corrective action plan including results of the root cause analysis shall be submitted to an auditor (or inspector) within the agreed time period and accepted by an auditor (or inspector)
- The corrective action summary with its evidence shall be submitted by the Company to an auditor (or inspector) within the due date for corrective action and accepted by an auditor (or inspector)

This record should be retained in the company and on board until next periodical audit at least.

# Guide for Corrective Action Plan and Summary

Root Cause Analysis. It should be considered to prevent recurrence of similar non-conformities by company level if necessary as follows:

Examples:

1. Lack of familiarization with SMS documents;
2. Negligence of relevant personnel;
3. Lack of training (or education) related issues;
4. Insufficient relevant SMS;
5. Insufficient supply from the Company;
6. Violation of regulation;
7. Negligence of reporting;
8. Insufficiency of maintenance;
9. Non-familiarity of operation; and
10. Other

4M (man, machine, method, material) or 5 Why, Fishbone, Pareto Chart

Corrective Action Plan. It should be established in detail plan in a few day after identified to remove the root cause of non-conformity within the due date of corrective action.

Examples:

In case of the problem of maintenance on the critical equipment caused by lack of familiarization with SMS:

1. Personnel will be trained and evaluated by the C/E, and if necessary, the replacement of personnel will be considered; and
2. Maintenance of relevant equipment will be carried out within the due date.
3. Relevant report with corrective action will be sent to company to review the effectiveness of corrective action at the company level.

Corrective Action Summary. It should be drawn up with consideration for the corrective action plan.

Examples

1. Personnel (2/E) was trained on 2022-12-18 by C/E, then he passed evaluation (refer to the attached evaluation sheet).
2. Equipment (safety device of emergency generator) was checked on 2022-12-18 according to the manual, and found in order (refer to the attached checklist)
3. Company should circulate or review the effectiveness of Corrective action, if necessary.