

**REPUBLIC OF PANAMA**

*Ministry of Finance and Treasury*

*Office of the Directorate of Merchant Marine Circular No. 20*

*Consular and Maritime Affairs*

<b>To:</b> Shipowners/Operators, Agents and Masters of Merchant Vessels
<b>Subject:</b> Annual Safety Inspection Program
<b>Reference:</b> Law No. 39 of July 8, 1976 and Executive Decree No. 56 of October 8, 1976

1. Each vessel sailing under the Panamanian flag in foreign service and dedicated to the international commerce and other commercial activities shall be subject to an annual safety inspection, in order to determine whether it complies with the National and International Laws and Regulations currently in force.

In addition, said vessels shall be subject to special inspections whenever circumstances merit this, in order to attain the aforementioned aims.

2. The owner(s)/operator(s), charterers and others responsible for the operation of one or more vessels sailing under the Panamanian flag, as well as their agents or representatives, and the Master of such vessels shall be under obligation to admit the Inspection personnel on board, cooperate with them and allow them to fully carry out the inspection.

3. The owner or Master of a vessel who refuses the Inspection Service to which Law No.39 of July 8, 1976 refers, or who fails to submit the form on which the Inspection is recorded shall be subject to penalty of up to ten thousand dollars (\$10,000.00). In the event of reoccurrence, in addition to the penalty, there may be an immediate cancellation of the Panamanian Registry of the vessel without affecting the compliance with the obligations as set forth by the Laws of the National Merchant Marine.

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