



PANAMA MARITIME AUTHORITY

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MERCHANT MARINE CIRCULAR MMC-213

To: Ship-owners/Operators, Company Security Officers, Legal Representatives of Panamanian Flagged Vessels, Panamanian Merchant Marine Consulates and Recognized Organizations (RO).

Subject: ISM Code Amendments

Reference: Resolution 106-OMI-77-DGMM of June 28, 2010 through which MSC. 273 (85) is adopted.

1. IMO has adopted a number of amendments to the ISM Code that will enter into force on July 1st, 2010.

2. During the review of these amendments, this Administration has noticed the need to prepare a Merchant Marine Circular providing additional instructions or clarifications in order to assure the proper implementation of the new requirements.

3. The most important changes are:

3.1- Risk Assessment is now explicitly required in the code through the revision of clause 1.2.2.2. Previously, no requirement was included regarding how companies establish safeguards. This revision has prompted questions regarding how companies should respond and what they should do to demonstrate compliance; and how auditors interpret the new requirement as well as what evidence should they look for.

On this respect, IACS has developed a guidance for auditors of ISM Code, Clause 1.2.2.2, "**A GUIDE TO RISK ASSESSMENT IN SHIP OPERATIONS**". With the purpose to insure proper and common implementation of such requirement, this Administration instructs all duly approved Recognized Organizations to issue ISM certification on behalf of the Republic of Panama to use the above mentioned guidance when verifying compliance with the clause 1.2.2.2 of the ISM Code.

3.2- The paragraph 12.1 is replaced by the following: "The company should carry out internal safety audits on board and ashore at intervals not exceeding twelve months in order to verify whether safety and pollution prevention activities comply

with the safety management system. In exceptional circumstances, this interval may be exceeded by no more than three months”.

4. In regard to exceptional circumstances under which the interval may be extended, it is the company who approves such extension. Therefore, the company should establish the criteria for the extension in the management system.

5. We invite all users of our registry to use any of the Segumar Offices for your better convenience.

July, 2010

**Inquiries concerning the subject of this Circular or any request should be directed to:
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