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GUIDELINES FOR THE TEMPORARY UTILIZATION OF INTER-ISLAND VESSELS IN THE OVERSEAS TRADE/OPERATION

MARINA MEMORANDUM CIRCULAR NO. 86, July 20, 1994

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Henceforth, pursuant to the provisions of Presidential Decree No. 474, the following guidelines shall govern the temporary utilization of inter-island/coastwise vessels in the overseas trade or operations:

I
General Provisions

1. Only Philippine-registered vessels may be granted a special permit to temporarily operate in overseas trading;

2. ONLY THOSE VESSELS CLASSED BY GOVERNMENT RECOGNIZED CLASSIFICATION SOCIETY MAY BE GRANTED A SPECIAL PERMIT, EXCEPT WOODEN-HULLED VESSELS WHICH ARE ENGAGED IN BARTER TRADING/BORDER CROSSINGS BETWEEN THE SPECIALLY DESIGNATED POINTS IN THE SOUTHERN PROVINCES OF MINDANAO AND PALAWAN;

3. The crew of the vessel must, prior to the departure of the vessel for overseas trading, possess the necessary STCW certificates; .

4. THE VESSEL SHALL AT ALL TIMES DURING ITS OVERSEAS OPERATIONS BE UNDER THE FULL MANAGEMENT AND OPERATIONAL CONTROL OF THE FILIPINO OWNER/ OPERATOR AND MANNED COMPLETELY BY FILIPINOS;

5. Only lawful cargoes shall be carried on board the vessel and it shall be the duty and responsibility of the owner/operator to make sure that such cargoes have all necessary documents and clearance /approvals required by appropriate government agencies;

6. A vessel with passenger accommodations may be allowed to carry passengers, whether paying or non-paying, up to the maximum capacity;

7. The vessel shall, at all times during its overseas operations, have valid Philippine Coast Guard and international trading certificates and safety documents;

8. Notice of reversion to domestic trading shall be required and such reversion shall automatically revoke the special permit so granted.

II
Restriction on Bareboat Chartered Vessels

A bareboat chartered vessel registered in the Philippines and documented for inter-island/coastwise trading shall not be allowed to operate temporarily in the overseas trade unless said vessel has continuously been deployed in the domestic trade /operation for at least ONE YEAR and the grant of Special Permits covering a particular vessel shall, in totality, be limited to an aggregate period not exceeding ONE-HALF (1/2) of the bareboat charter period as approved by the MARINA.

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III
Vessels Which Will Be Utilized In The East Asean Growth Area (EAGA)

An interisland/coastwise vessel that will be utilized in the East ASEAN Growth Area (EAGA) pursuant to this Circular shall not be covered by the provisions of Paragraph 1.8 and the restrictions under Section II hereof. However, temporary overseas trading of the same vessel outside of the East ASEAN Growth Area during the validity period of the special permit covering Its trading in the EAGA. shall be covered by another Special Permit and shall not be exempted from the provisions of Paragraph 1.8 and from the restrictions under Section II hereof.

IV
Duration of the Special Permit

Each Special Permit shall be valid for the period as requested by the company /applicant, which shall not be more than ONE YEAR for classed vessels, or SIX MONTHS for vessels exempted from the classification requirements.

V
Documentary Requirements For the Issuance of Special Permit

No application for Special Permit shall be accepted unless the following documents are submitted and duly verified by the concerned MARINA offices;

1. Letter of application signed by the Chief Executive Officer or the Chief Operating Officer;

2. Time charter contract/contract affreightment/ fixture notes;

3. CREW UST INDICATING NUMBER AND VALIDITY OF STCW CERTIFICATES (FOR INTERNATIONAL TRADE) OF THE OFFICERS/ CREW REQUIRED TO BE CERTIFICATED;

4. CLEARANCE FROM THE BUREAU OF INVESTMENTS (FOR BOI-REGISTERED VESSELS ONLY).

VI
Fee

A non-refundable processing fee shall be charged by MARINA in accordance with the following table:

Duration of Special Permit	Amount
Three months or less	P2.000.00
Over three months but not more than six months	P4.000.00
Over six months	P6.000.00

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VII
Violations

Any violation of the terms and conditions of the Special Permit or any provision of this Circular shall warrant the revocation/ cancellation of the Special Permit and the imposition of penalties provided for in MARINA Memorandum Circular No. 50-A or any amendment thereto.

VIII
Repealing Clause

Memorandum Circular No. 73 is hereby repealed.

IX
Effectivity

This Circular shall take effect fifteen (15) days after its publication in newspaper of general circulation.

Adopted: 20 July 1994

(Sgd) PACIENCIO M. BALBON, JR.
Administrator

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