

## GUIDELINES FOR THE ANNOTATION/CANCELLATION OF MORTGAGES AND TRANSFER OF RIGHTS AND OTHER ENCUMBRANCES OF VESSELS

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Pursuant to the provisions of Presidential Decree No. 1521 (otherwise known as the Ship Mortgage Decree of 1978), and Section 12 of Executive Order No. 125, as amended, the following guidelines shall govern the annotation/cancellation of mortgages and transfer of rights and other encumbrances of vessels.

### I

#### Objective

This Circular shall prescribe the guidelines for the annotation/cancellation of mortgages and transfer of rights and other encumbrances of vessels.

### II

#### Coverage

This Circular shall apply to all vessels duly registered with the Maritime Industry Authority with documents which evidence ownership or documents directly/indirectly affecting the title of the vessel.

### III

#### Specific Guidelines

##### A. Documentary Requirements

The following documentary requirements must be submitted to the MARINA Central Office or the Maritime Regional Offices when applying for the annotation/cancellation of mortgages and transfer of rights and other encumbrances of vessels:

1. Letter of Intent/Duly Accomplished Application Form
2. Duly notarized mortgages contract.
3. Proof of payment of documentary stamp tax with BIR
4. Original Certificate of Ownership (CO) and Certificate of Vessel Registry (CVR); or Certificate of Number, if applicable.

##### B. Annotation of Mortgages and Transfer of Rights and Other Encumbrances of Vessels

The Maritime Industry Authority (MARINA) shall record all mortgages, transfer of rights and other encumbrances duly delivered to it in the order of their reception in the book(s) to be kept for that purpose and shall be indexed to show:

1. The name of the vessel

2. The name/postal address of the parties to the mortgage
3. The time and date of reception of instrument
4. The interest of the mortgagor in the vessel being mortgaged
5. The date of the mortgage contract
6. The amount and date of maturity of the mortgage
7. Name, nationality and residence of the owner of the vessel
8. Any material change of condition in respect to any of the preceding items.

Annotations of the mortgage shall likewise be reflected at the back of the CVR and CO or CN, whenever applicable.

#### C. Cancellation of Mortgage

Annotation of mortgages, transfer of rights and other encumbrances shall be cancelled from the book under the following circumstances:

1. Full payment of the mortgage debt
2. Total loss or constructive total loss of the mortgaged vessel
3. Foreclosure Order
4. Court Order to delete all registered mortgages.

### IV

#### Fees and Charges

Recording/annotation of mortgages and transfer of rights and other encumbrances shall be subject to payment of fees and charges prescribed in MARINA Memorandum Circular on the Revised Schedule of Fees and Charges.

### V

#### Saving Clause

Any provision of existing MARINA circulars, rules and regulations which are inconsistent herewith are hereby repealed or modified accordingly.

### VI

#### Effectivity

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

Adopted: 6 Apr. 1995

(SGD.) PACIENCIO M. BALBON, JR.  
Administrator

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