



Republic of the Philippines
Department of Transportation and Communications
OFFICE FOR TRANSPORTATION SECURITY

MEMORANDUM - CIRCULAR No. 02 Series 2013

**SUBJECT : STANDARD GUIDELINE IN THE ACCREDITATION OF
RECOGNIZED SECURITY ORGANIZATION (RSO)**

DATE : 15 NOVEMBER 2013

Pursuant to E.O.No.277; E.O.No.311; Chapter XI-2 (IMO-SOLAS 1974); the IMO-ISPS Code; DOTC-Department Order No.2004 (May 28, 2004); Transportation Security Regulation (OTS-TSR) No. 011-2007 dated October 1, 2007.

I. PURPOSE

To prescribe implementing guideline and procedure in the accreditation of Recognized Security Organization (RSO) performing statutory work on behalf of the Administration in the implementation of the IMO-SOLAS 1974 (Chap XI-2)-ISPS Code.

II. OBJECTIVE

It aims to accredit recognized security organizations (RSO) to implement standard security measures and appropriate security equipment on-board the Philippine registered ship of international voyage as required by Chapter XI-2, SOLAS 74 /ISPS Code (IMO) to attain the required compliance level of ships as required.

III. COVERAGE

Recognized Security Organizations (RSO) accredited to perform statutory certification services for the Administration covering Philippine registered ship for foreign voyage including but not limited to verifications and certifications of ships compliance with the requirements of SOLAS Chapter XI-2, ISPS Code (IMO).

IV. DEFINITION OF TERMS

Administrator - refers to the Administrator, Office for Transportation Security (OTS).

ISPS Code - means the International Code for the security of the ship and port facility.

Office for Transportation Security (OTS) - is the agency responsible for the security of the transportation systems in the country and the designated Administration to implement the SOLAS Chapter XI-2 and the ISPS Code (IMO) and Authority responsible for the implementation of the National Security Program for Sea Transport and Maritime Infrastructure (the Program).

Recognized Security Organization - an organization with appropriate qualification or expertise in maritime security with appropriate knowledge of ship and port operations, authorized by OTS to perform certain security-related activities.

Ship - is a Philippine registered vessel engage in international voyage to which this Circular is applicable.

Ship Security Plan - is a document that contains measures to protect persons on-board, cargo, cargo transport units, ship's stores or the ship from risks of security incident.

V. GUIDELINE FOR ACCREDITATION

a. RSO must be a duly registered business entity with the Securities and Exchange Commission (SEC) or with the appropriate Office of the Department of Trade. Foreign registered/based RSO's may likewise apply for accreditation provided they are authorized to do business in the Philippines and they appoint a Resident Agent (RA) to lawfully represent them in litigation/arbitration if needed. A performance bond equivalent to Php500,000.00 must cover the RA during the validity of the appointment.

b. The RSO must demonstrate organizational effectiveness and capabilities necessary to undertake the specific duties that maybe delegated to them.

c. A formal appointment shall be issued;

- 1) Specifying the scope and duration of the appointment.
- 2) Identifying the respective point of contact within OTS and the RSO.
- 3) Detailing the procedures for communications between OTS and the RSO.
- 4) Detailing the oversight procedures to verify satisfactory activities of the RSO.
- 5) Detailing the procedures for assessing reports received from the RSO.
- 6) Detailing procedures to follow if ship is found not compliant.
- 7) Detailing procedure upon other state imposed measures on ISSC issued ship
- 8) Detailing the data given to OTS to assist in the authority's approval of SSPs.
- 9) Identifying the laws, policies, procedures & instruments provided to RSO.
- 9) Specifying the records to be maintained by the RSO.
- 10) Specifying reports on a regular basis, including changes in capability.
- 11) Specifying a process for resolving performance-related issues.

d) Subject to oversight/audit system based on ISM standard, OTS will undertake audit inspection of port facilities and ships where the RSO performed delegated activities to evaluate their performance.

e) International RSO should provide for the publication and systematic maintenance of procedures in the English language for the conduct of activities to ensure compliance with the delegated authority.

f) The RSO should allow participation in the development of its procedures by representatives from the Administration.

g) RSO shall be able to demonstrate by established procedures and relevant documentation the following capabilities in paragraph 4.5 of part B of the ISPS Code:

- 1) Expertise in relevant aspects of security.
- 2) Appropriate knowledge of ship and port operations.
- 3) Capability to access the security risks that could occur during ship and port facility operations including the ship/port interface to minimize such risks;
- 4) Ability to maintain and improve the expertise of their personnel;
- 5) Ability to monitor the continuing trustworthiness of their personnel;
- 6) Ability to avoid unauthorized disclosure/ access to, security-sensitive material;
- 7) Knowledge of the mandatory requirement of SOLAS chapter XI-2 and part A of the ISPS Code and the guidance contained in part B of the code and relevant national and international laws/legislation and security requirements;
- 8) Knowledge of current security threats and patterns;
- 9) Knowledge of recognition and detection of weapons, dangerous substance and devices;
- 10) Knowledge of recognition, on a non-discriminatory basis, of characteristics and behavioral patterns of persons who are likely to threaten security;
- 11) Knowledge of techniques used to circumvent security measures;
- 12) Knowledge of security and surveillance equipment and systems and their operational limitations.

h) RSO applying accreditation shall submit to OTS the following documents:

1. Company Profile and Capability as defined in SOLAS XI-2, ISPS Code
2. Organizational Structure
3. Profile of Board of Directors and Competency Training on Maritime Security Auditors
4. Company Policies
5. Company Objectives
6. Company Code of Ethics
7. Relevant Company Documents
8. Name of the bonded Resident Agent duly registered with the appropriate government office (SEC, BOI, etc)

VI. Validity

The accreditation certificate shall be valid for five (5) years.

VII. Effectivity

This Circular shall take effect this 15th day of November 2013, Pasay, MM. Philippines



COMMO ROLAND S RECOMONO AFP (RET.)
Administrator
Office for Transportation Security



Republic of the Philippines
Department of Transportation and Communications
OFFICE FOR TRANSPORTATION SECURITY

**DELEGATION OF THE STATUTORY CERTIFICATION SERVICES
FOR VESSELS REGISTERED IN THE PHILIPPINES
ENGAGED IN INTERNATIONAL VOYAGES**

This delegation of "statutory certification services" pursuant to Executive Order No.277 amended by Executive Order No.311 in compliance with International Maritime Organization (IMO) Assembly Resolution A. 739(18), "Guidelines for the Authorization of Organizations Acting on Behalf of the Administration" and the Annexes including Chapter XI-2 of the Annex to the International Convention for life at sea (1974) as referred in Section 2.1 of Part A of the ISPS Code, by the Office for Transportation Security as the Administration, now and hereinafter referred to as the **PRINCIPAL**;

in favor of

now and hereinafter referred to as the **AGENT** in the performance of maritime statutory certification services for the Office for Transportation Security, the designated Philippine Administration together with the issuance of relevant certificates to Philippine registered vessels engaged in international voyages within or outside Philippine territory.

I

PURPOSE

The purpose of this Statutory Delegation is for the Principal to delegate Statutory Authority to perform certification services and to define the scope, terms, conditions and requirements of that delegation. Certification services shall include the issuance of appropriate risk assessment, approval of ship security plan (SSP) and its amendments, verification audit (initial, intermediate, renewal and any additional audit as maybe directed by the Administration) for compliance by ships and the issuance and endorsement of international ship security certificate (interim/full term) in compliance with the applicable requirements (Annex 1) of the international conventions, codes and the Programme.

II

GENERAL CONDITIONS

Statutory services rendered and statutory certificates issued by the Agent shall be accepted as services rendered or certificates issued by the Principal provided that the certificate shall bear the official logo of the Principal and that the Agent shall maintain compliance with the provisions of Assembly Resolutions A.739 (18) and its annexes specifically Section 4.3 of Part A and section 4.3 to 4.7 Part B of the ISPS Code.

III
OBLIGATION OF THE AGENT

1. Agent shall accept the delegation and perform its duties and responsibilities under the conditions herein stipulated. Agent shall ensure that it has the adequate resources in terms of technical, administrative, managerial and operational capabilities to accomplish the tasks being assigned in accordance with the guidelines for Recognized Security Organizations (RSO's) acting in behalf of the Administration;
2. Be able to demonstrate by means of established process procedures and relevant documentation the minimum capabilities as specifically contained in paragraph 4.5 Part B of the ISPS Code;
3. Refrain from approving, verifying or certifying a work that it has developed as an RSO, like preparation of ship security assessment, and preparation of ship security plans or of amendments under review as Agent;
4. Furnish the Principal a list of Ship Security Plans (SSP's) approved, inclusive of needed details as well as copies of the International Ship Security Certificate (ISSC) issued for any Philippine registered ship it has assessed/approved and provide relevant information to the Principal;
5. Maintain records that can provide the Principal with data to assist in the interpretation and implementation of specific convention regulations;
6. Communicate immediately any of its ship found not in compliance with the relevant provisions of international requirements for which it has been issued;
7. Provide the Principal of its publication and systematic maintenance of procedures for the conduct of activities to ensure compliance with delegated authorities pursuant to SOLAS Chapter XI-2;
8. Be governed by the principles of ethical behavior, which should be contained in a Company Code of Ethics and as such recognize the inherent responsibility associated in this delegation to include assurance as to the adequate performance of services as well as the confidentiality of related information as appropriate.
9. The Agent shall not engage in activities that may endanger the trust or compromise its independence of judgment or integrity in relation to its certification duties and obligations. The staff responsible for carrying out assessment or evaluation of a system, product or service should not have been involved at any stage in its design, supply or maintenance and/or their remuneration will not depend on the results of such assessment or evaluation.

IV
APPROVAL OF SECURITY PLAN
AND VERIFICATION AUDIT

1. The Agent shall carry out inspection for security compliance on Philippine flag vessels upon receiving a request from the ship-owner. The Principal shall be informed of the request and final result of the inspection of the security plan, which shall include the eventual issuance of the International Ship Security Certificate (ISSC) for the vessel.
2. Initial verification audit, Intermediate verification audit, Renewal verification audit and additional verification audit (as maybe directed by the Principal) shall be carried out by the Agent as per standard International practice for vessels certified by the Agent of an Administration.
3. Final result of such audit shall be conveyed to the Principal. However, the Principal reserves the right to carry out independent audit anytime by itself or through an independent body of auditors. Such independent audit will not be considered a breach of this delegation and the Agent shall be notified of the independent audit.

V
INTERPRETATION, EQUIVALENTS & EXEMPTIONS

1. Interpretation of the applicable instruments as well as the determination of equivalents or the acceptance of substitutes to the requirements of the applicable instruments is the prerogative of the Principal. However, the Agent may interpret the technical requirements of applicable instruments and may determine the equivalents in accordance with the Agent's technical standards unless otherwise having been instructed by the Principal. The Principal shall be informed of the interpretation and the determination of equivalency.
2. Exemption from the requirements of the applicable instruments shall be the prerogative of the Principal.
3. In instances where, temporarily the requirements of an instrument cannot be met under particular circumstances, the Agent's surveyor will specify such measure or supplementary equipment as may be available to permit the vessel to proceed to a suitable port where permanent repair or rectification can be effected or replacement equipment fitted and all such temporary measures taken should be reported to the Principal or as per provisions in Annex 2 hereof.

VI
REPORTORIAL OBLIGATION & LIAISON

1. The Agent will report to the Principal at such frequency as indicated in Annex 2 of this delegation.
2. The Principal is granted access to all plans and documents including reports on surveys on the basis of which, certificates indicated in Annex 1 hereof are issued or endorsed by the Agent.

3. The Principal will provide the Agent with all necessary documentation for the purpose of the Agent's provisions of statutory certification services.
4. The Agent, recognizing the importance of technical liaison, undertakes to cooperate toward this end and maintain effective dialogue.

VII SUPERVISION

1. The Principal by itself or by an independent body of auditors is given the absolute opportunity to satisfy itself that the Agent's quality system continues to comply with the requirements of the IMO Assembly Resolution A.739 (18).
2. The Principal may choose to recognize those audits performed on the Agent by an independent audit group effectively representing the interest of the Philippines or the International Maritime Organization (IMO).
3. Should the Principal choose to conduct direct auditing of the Agent, the frequency and extent of such audit will be subject to mutual agreement upon notice by the principal.
4. Other important Conditions:
 - a) Remuneration - Remuneration for statutory certification processes carried out by the Agent for the Principal will be charged by the Agent directly to the party requesting such services.
 - b) Confidentiality - Insofar as activities related to this Delegation are concerned, both the Agent is bound by confidentiality provisions by the Principal.
 - c) Surveyors - Inspections shall be carried out by inspectors working exclusively for the Agent. However, the Agent may use inspectors of another organization with which the Agent has a bilateral agreement provided that the other organization (RSO) is recognized by the Principal. In addition, the Agent may use non-exclusive inspectors provided such inspectors and all services and functions performed by such personnel relevant to this agreement, are subject to the quality assurance system of the Agent. These provisions apply to subcontractors and to all other suppliers of support services being relevant to statutory survey and certification.
 - d) Amendments - Amendments to this Delegation and its Annexes shall become effective only after consultation and written agreement between the parties.

VIII SETTLEMENT OF DISPUTES

1. The agreement shall be governed by and construed in accordance with Philippines laws. Any dispute arising in connection with this delegation shall be settled finally by arbitration in accordance with the Rules of the Conciliation and Arbitration of the International Chamber of Commerce in London or other neutral countries mutually agreed upon by the parties. Arbitration maybe commenced by either party giving a written notice of commencement of arbitration to the other party.

2. In the performance of statutory certification services, the Agent, it's officers and employees or other personnel as defined in 6.3 are entitled to all protections of law and the same defenses and/or counterclaims which would be available to the Principal and its own staff inspectors or employees if the latter had conducted the statutory certification services in question.

IX LIABILITY

1. In the context of this delegation, if a liability is finally and definitively imposed on the Administration for loss or damage, which is proven in a court of law to have been caused by a negligent act or omission of the Agent, its officers, employees or others who act on behalf of the Agent under this delegation, the Principal is entitled to seek from the Agent compensation up to but not exceeding the amount of financial liability being collected or as defined in the standard terms and conditions.

2. While acting for the First Party under this Agreement, the Second Party shall be free to create contracts directs with its clients and such contracts may contain the Second Party's normal contractual conditions for limiting its legal liability.

X TERM

This delegation of statutory Certification services has a term of Five (5) year term from date of signing. However, if this delegation is breached by the agent, the latter will be notified of its breach in writing to allow an opportunity to remedy the breach within sixty (60) days from notice, failing which, the Principal has the absolute right to terminate the delegation of State Statutory Certification Services without any need for judicial action/proceedings.

XI COMMENCEMENT

This Agreement Commences on _____ and expires on _____.

IN WITNESS WHEREOF the undersigned, duly authorized by the parties, have signed this Agreement on the dates indicated below.

Agent

OFFICE FOR TRANSPORTATION SECURITY
Principal

General Manager

COMMO ROLAND S RECOMONO
Administrator

Date: _____

Date: _____

SIGNED IN THE PRESENCE OF:

ACKNOWLEDGEMENT

Republic of the Philippines)
_____) ss

BEFORE ME A NOTARY PUBLIC IN THE ABOVE JURISDICTION, personally appeared COMMO ROLAND S RECOMONO, AFP (RET) with Residence Certificate No. _____ issued at/on _____, known to me and to me known to be the same person who execute the foregoing Delegation of Statutory Certification Authority as Undersecretary and Administrator of the Office for Transportation Security, Department of Transportation and Communication, Republic of the Philippines, composed of _____ pages including this page for the Notary.

WITNESS MY HAND & SEAL.

Notary Public

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