COUNCIL OF THE EUROPEAN UNION

Brussels, 16 December 2011

18674/11
ADD 1

MAR 165

COVER NOTE

from:	Secretary-General of the European Commission, signed by Mr Jordi AYET PUIGARNAU, Director
date of receipt:	16 December 2011
to:	Mr Uwe CORSEPIUS, Secretary-General of the Council of the European Union
No Cion doc.:	SEC(2011) 1578 final
Subject:	COMMISSION STAFF WORKING PAPER For the Council Shipping Working party IMO – European Union position to be adopted by the Council on maritime safety issues for the 43rd session of the Sub Committee on Standards of Training and Watchkeeping (STW) meeting in London from 30 April - 4 May 2012 on six submissions concerning improvements to the ISM Code and related guidelines **Part 2/2**

Delegations will find attached the Commission document SEC(2011) 1578 final.

Encl.: SEC(2011) 1578 final

EUROPEAN COMMISSION

Brussels, 12.12.2011
SEC(2011) 1578 final

Part 2/2

COMMISSION STAFF WORKING PAPER

For the Council Shipping Working party

IMO - European Union position to be adopted by the Council on maritime safety issues for the 43rd session of the Sub Committee on Standards of Training and Watchkeeping (STW) meeting in London from 30 April - 4 May 2012 on six submissions concerning impovements to the ISM Code and related guidelines

ANNEX 1

INTERNATIONAL MARITIME ORGANIZATION

IMO

E

SUB-COMMITTEE ON STANDARDS OF TRAINING AND WATCHKEEPING
43rd session
Agenda item 10

STW 43/10/x1
xx December 2011
Original: ENGLISH

ROLE OF THE HUMAN ELEMENT

Improving the effectiveness of implementation of the International Safety Management Code

Submitted by Austria, Belgium, Bulgaria, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, the Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden, the United Kingdom and the European Commission

SUMMARY	
Executive summary:	This document describes items for the Sub-Committee on Standards of Training and Watchkeeping with specific amendments to improve the effectiveness of implementation of the International Safety Management (ISM) Code
Strategic direction:	12.2 (and 12.4)
High-level action:	12.2.1
Planned output:	12.2.1.1 and 12.2.1.2
Action to be taken:	Paragraph 13
Related documents:	MSC 81/17/1, MSC.273(85), Res.A.1022(26), Res. A.852(20), MSC-MEPC.7/Circ.5, MSC-MEPC.7/Circ.6, MSC-MEPC.7/Circ.7, MSC/Circ.1059 , MSC.1/Circ.1371, FAL.2/Circ.87

1. This paper considers issues relating to the implementation of the ISM Code and so proposes specific amendments be made to the International Safety Management (ISM) Code in association with the proposal for an unplanned output made in MSC 89/22/9 and accepted at MSC 89 (see 22.40 of MSC 89/25).

2. In pursuance of the above request, the co-sponsors, having considered the necessity of specific amendments to improve the effectiveness of the International Safety Management (ISM) Code, as set out in MSC.273(85) reflecting the newly revised ISM Code, have prepared the document contained in annex.

Background

3. The report MSC 81/17/1 contains an in-depth analysis of the impact and contribution of the ISM Code to ship safety. The study recommends that further studies should be undertaken, to examine the cause and effect between ISM implementation and the flag State safety record. Within this framework, and to take advantage of the current window of opportunity within IMO to promote improvements within the operation of the ISM Code, the co-sponsors agreed that several elements within the ISM Code should be reviewed and clarified, resulting in this joint submission to IMO. It is regrettable that this submission has only become available following the finalisation of the last review at IMO.

4. The EU Member States are required to report to the European Commission on the implementation of the ISM Code every two years under Article 10(1) of Regulation (EC) 336/2006, and evaluate the effectiveness of the measures in place. Within this framework the co-sponsors decided to create an expert group using the strengths and experiences of their maritime administrations, to discuss the effectiveness and proposals to improve the ISM Code and guidelines.

5. The co-sponsors considered issues relating to this audit and enforcement of the ISM Code by Administrations. As a result, a number of suggestions were debated and from them it was agreed to select and submit several significant proposals. While many of those proposals related to the Guidelines for Administrations Res.A.1022(26) , contained in a separate submission, there are several specific amendments to the Code, which are set out in the attached Annex, all of which aim to clarify the Code to make it more effective and user-friendly.

Scope and application

6. This paper considers issues relating to the enforcement of the ISM Code and so proposes specific amendments be made to improve the implementation of the International Safety Management (ISM) Code in order to and make it more effective and user-friendly.

Issues

7. Four issues have been identified that influence the effective implementation of the International Safety Management Code:

- the Company ownership, duties and responsibilities imposed by the Code
- resources and personnel;
- interim certification; and
- specific footnotes referring to the related Guidelines.

Company ownership, duties and responsibilities imposed by the Code

8. If some of the tasks of the Company are delegated, criteria for the delegation and an obligation to monitor compliance with the ISM requirements should be defined. Acceptance criteria should be defined and monitoring must be performed on a regular basis. The provisions in the Code relating to ISM-related tasks which are carried out by independent contractors are rather imprecise, compared to quality standards like ISO9000. A more clear but concise description in the ISM Code of the Company's obligations, when delegating tasks should clarify that the responsibility for operating the ships stays with the ISM-responsible company, even though some of the tasks are delegated to an independent contractor or service provider. Furthermore clear standards for delegating specific tasks to any ISM-related service provider and an obligation to monitor

compliance with the requirements are to be included. Such a delegation of tasks should also be subject to audits carried out by the flag Administration.

9. By way of example, a shipping company that has its DOC withdrawn due to a major non-conformity may transfer the safety management of its fleet to another Company holding a valid DOC for the ship types in question. This provides for a reasonable mechanism to allow the ships to continue safe trading. However, the shipping company that takes over responsibility for implementation of aspects of the ISM Code could then delegate various tasks such as manning and maintenance back to the Company that had its DOC withdrawn. It is important to ensure that the company responsible for implementation of the ISM Code should be able to meet the objectives of the ISM system, and ensure that any specific provisions, which have been transferred back to the previous Company taken into account. With such arrangements it is essential that the Company under which DOC the vessels are (now) operating has full control of all delegated SMS activities. This should include that it has established procedures in accordance with the ISM-Code for delegated activities and that it controls that they are followed e.g. through regular audits of the entity providing the services.

10. There is a general concern that there may be Companies responsible for implementation of the ISM Code, which in reality is not directly involved in the safe operation of the ship. It is considered appropriate that the Company which has taken over all the duties and responsibilities imposed by the Code, should endorse a binding agreement with the owner of the ship or fleet, to maintain adequate resources in terms of technical management, financial resources and technical & maritime know-how. Furthermore, it should be ensured that all branches of the Company and those contractors providing ISM-related activities are clearly described in- and perform their duties in accordance with the SMS-system of the Company.

Resources and personnel

11. At the moment, it is required that the company should ensure that each ship is manned with qualified, certificated and medically fit seafarers, but nothing is mentioned concerning the complement of crews. The proposal requires that the Company evaluate appropriate manning levels relative to the operational requirements, ship's type, equipment and trade and should avoid severely reduced crews. The amendment is based on the requirements of Regulation 2.7 of the Maritime Labour Convention, 2006 (ILO) which requires sufficient personnel for safe and efficient operations on board at all times.

Interim Safety Management Certificate

12. The co-sponsors have considered it necessary to create a guideline for ships in lay-up, due to the increased risk of operational failure when the ship is put back in service and to a lack of a unified guidance. Reactivation after the interruption of the operations due to lay-up should be considered as an operational situation beyond normal procedures, which may require a safety management audit to ensure that the Company has reinstated the SMS accordingly. However, if during the lay-up period the SMC becomes invalid, the ship may need to obtain a new Interim SMC upon re-commissioning.

Action requested of the Committee

13. The Sub-Committee is invited to consider the proposed draft amendments to the ISM Code, as set out in the annex, and issues highlighted and the proposed amendments to the International Safety Management (ISM) Code, Resolution A.741(18), amended by Resolution MSC.104(73) and MSC.273(85), outlined in the Annex, and to take action as appropriate.

DRAFT AMENDMENTS TO THE INTERNATIONAL SAFETY MANAGEMENT CODE

PART A - IMPLEMENTATION

1 GENERAL

1.1 Definitions

The following definitions apply to parts A and B of this Code.

1.1.1 "International Safety Management (ISM) Code" means the International Management Code for the Safe Operation of Ships and for Pollution Prevention as adopted by the Assembly, as may be amended by the Organization.

1.1.2 "Company" means the owner of the ship or any other organization or person such as the manager, or the bareboat charterer, who has assumed the responsibility for operation of the ship from the ship-owner and who, on assuming such responsibility, has agreed to take over all duties and responsibility imposed by the Code.

1.1.3 "Administration" means the Government of the State whose flag the ship is entitled to fly.

1.1.4 "Safety management system" means a structured and documented system enabling Company personnel to implement effectively the Company safety and environmental protection policy.

1.1.5 "Document of Compliance" means a document issued to a Company which complies with the requirements of this Code.

1.1.6 "Safety Management Certificate" means a document issued to a ship which signifies that the Company and its shipboard management operate in accordance with the approved safety management system.

1.1.7 "Objective evidence" means quantitative or qualitative information, records or statements of fact pertaining to safety or to the existence and implementation of a safety management system element, which is based on observation, measurement or test and which can be verified.

1.1.8 "Observation" means a statement of fact made during a safety management audit and substantiated by objective evidence.

1.1.9 "Non-conformity" means an observed situation where objective evidence indicates the non-fulfilment of a specified requirement.

1.1.10 "Major non-conformity"[1] means an identifiable deviation that poses a serious threat to the safety of personnel or the ship or a serious risk to the environment that requires immediate corrective action ~~and~~ or the lack of effective and systematic implementation of a requirement of this Code.

1.1.11 "Anniversary date" means the day and month of each year that corresponds to the date of expiry of the relevant document or certificate.

[1] MSC/Circ.1059 Procedures concerning observed ISM Code major non-conformity

1.1.12 "Convention" means the International Convention for the Safety of Life at Sea, 1974, as amended.

1.2 Objectives

1.2.1 The objectives of the Code are to ensure safety at sea, prevention of human injury or loss of life, and avoidance of damage to the environment, in particular to the marine environment and to property.

1.2.2 Safety management objectives of the Company should, inter alia:

.1 provide for safe practices in ship operation and a safe working environment;

.2 assess all identified risks to its ships, personnel and the environment and establish safeguards against; and

.3 continuously improve safety management skills of personnel ashore and aboard ships, including preparing for emergencies related both to safety and environmental protection.

1.2.3 The safety management system should ensure:

.1 compliance with mandatory rules and regulations; and

.2 that applicable codes, guidelines and standards recommended by the Organization, Administrations, classification societies and maritime industry organizations are taken into account[2].

1.3 Application

The requirements of this Code may be applied to all ships.

1.4 Functional requirements for a safety management system

Every Company should develop, implement and maintain a safety management system which includes the following functional requirements:

.1 a safety and environmental-protection policy;

.2 instructions and procedures to ensure safe operation of ships and protection of the environment in compliance with relevant international and flag State legislation;

.3 defined levels of authority and lines of communication between, and amongst, shore and shipboard personnel;

.4 procedures for reporting accidents and non-conformities with the provisions of this Code;

.5 procedures to prepare for and respond to emergency situations; and

.6 procedures for internal audits and management reviews.

[2] Circular MSC.1/Circ.1371 List of IMO safety-related requirements and recommendations applicable to all ships or to certain types of ships.

2 SAFETY AND ENVIRONMENTAL-PROTECTION POLICY

2.1 The Company should establish a safety and environmental-protection policy which describes how the objectives given in paragraph 1.2 will be achieved.

2.2 The Company should ensure that the policy is implemented and maintained at all levels of the organization, both ship-based and shore-based.

3 COMPANY RESPONSIBILITIES AND AUTHORITY[3]

3.1 If the entity that is responsible for the operation of the ship is other than the owner, the owner must report the full name and details of such entity to the Administration.

3.2 The Company should define and document the responsibility, authority and interrelation of all personnel including those entities undertaking delegated ISM related tasks who manage, perform and verify work relating to and affecting safety and pollution prevention.

3.3 The Company is responsible for ensuring that adequate resources and shore-based support are provided to enable the designated person or persons to carry out their functions.

4 DESIGNATED PERSON(S)[4]

To ensure the safe operation of each ship and to provide a link between the Company and those on board, every Company, as appropriate, should designate a person or persons ashore having direct access to the highest level of management. The responsibility and authority of the designated person or persons should include monitoring the safety and pollution-prevention aspects of the operation of each ship and ensuring that adequate resources and shore-based support are applied, as required.

5 MASTER'S RESPONSIBILITY AND AUTHORITY

5.1 The Company should clearly define and document the master's responsibility with regard to:

.1 implementing the safety and environmental-protection policy of the Company;

.2 motivating the crew in the observation of that policy;

.3 issuing appropriate orders and instructions in a clear and simple manner;

.4 verifying that specified requirements are observed; and

.5 periodically reviewing the safety management system and reporting its deficiencies to the shore-based management.

5.2 The Company should ensure that the safety management system operating on board the ship contains a clear statement emphasizing the master's authority. The Company should establish in the safety management system that the master has the overriding authority and the responsibility

[3] MSC-MEPC.7/Circ.5 Guidelines for the operational implementation of the international safety management (ISM) Code by Companies as amended.
[4] MSC-MEPC.7/Circ.6 Guidelines on the qualifications, training and experience necessary for undertaking the role of the Designated Person under the provisions of the International safety management (ISM) Code as amended.

to make decisions with respect to safety and pollution prevention and to request the Company's assistance as may be necessary.

6 RESOURCES AND PERSONNEL

6.1 The Company should ensure that the master is:

.1 properly qualified for command;

.2 fully conversant with the Company's safety management system; and

.3 given the necessary support so that the master's duties can be safely performed.

6.2 The Company should ensure that each ship is manned with qualified, certificated and medically fit seafarers in accordance with national and international requirements.

6.2.1 The Company should ensure appropriate manning of the ship through established procedures that encompass all aspects of maintaining safe and efficient operations on board at all times[5, 6].

6.3 The Company should establish procedures to ensure that new personnel and personnel transferred to new assignments related to safety and protection of the environment are given proper familiarization with their duties. Instructions which are essential to be provided prior to sailing should be identified, documented and given.

6.4 The Company should ensure that all personnel involved in the Company's safety management system have an adequate understanding of relevant rules, regulations, codes and guidelines.

6.5 The Company should establish and maintain procedures for identifying any training which may be required in support of the safety management system and ensure that such training is provided for all personnel concerned.

6.6 The Company should establish procedures by which the ship's personnel receive relevant information on the safety management system in a working language or languages understood by them.

6.7 The Company should ensure that the ship's personnel are able to communicate effectively in the execution of their duties related to the safety management system.

7 SHIPBOARD OPERATIONS

The Company should establish procedures, plans and instructions, including checklists as appropriate, for key shipboard operations concerning the safety of the personnel, ship and protection of the environment. The various tasks should be defined and assigned to qualified personnel.

8 EMERGENCY PREPAREDNESS[7]

8.1 The Company should identify potential emergency shipboard situations, and establish procedures to respond to them.

---

[5] MSC/Circ.1014 Guidance on fatigue mitigation and management.
[6] MSC-MEPC.2/Circ.3 Guidelines on the basic elements of a shipboard occupational health and safety programme.
[7] Resolution A.852(20) Guidelines for the structure of an integrated system of contingency planning for shipboard emergencies as amended.

8.2 The Company should establish programmes for drills and exercises to prepare for emergency actions.

8.3 The safety management system should provide for measures ensuring that the Company's organization can respond at any time to hazards, accidents and emergency situations involving its ships.

9 REPORTS AND ANALYSIS OF NON-CONFORMITIES, ACCIDENTS AND HAZARDOUS OCCURRENCES[8]

9.1 The safety management system should include procedures ensuring that non-conformities, accidents and hazardous situations are reported to the Company, investigated and analysed with the objective of improving safety and pollution prevention.

9.2 The Company should establish procedures for the implementation of corrective action, including measures intended to prevent recurrence

10 MAINTENANCE OF THE SHIP AND EQUIPMENT

10.1 The Company should establish procedures to ensure that the ship is maintained in conformity with the provisions of the relevant rules and regulations and with any additional requirements which may be established by the Company.

10.2 In meeting these requirements the Company should ensure that:

.1 inspections are held at appropriate intervals;

.2 any non-conformity is reported, with its possible cause, if known;

.3 appropriate corrective action is taken; and
.4 records of these activities are maintained.

10.3 The Company should identify equipment and technical systems the sudden operational failure of which may result in hazardous situations. The safety management system should provide for specific measures aimed at promoting the reliability of such equipment or systems. These measures should include the regular testing of stand-by arrangements and equipment or technical systems that are not in continuous use.

10.4 The inspections mentioned in 10.2 as well as the measures referred to in 10.3 should be integrated into the ship's operational maintenance routine.

11 DOCUMENTATION[9]

11.1 The Company should establish and maintain procedures to control all documents and data which are relevant to the safety management system.

11.2 The Company should ensure that:

.1 valid documents are available at all relevant locations;

.2 changes to documents are reviewed and approved by authorized personnel; and

[8] MSC-MEPC.7/Circ.7 Guidance on near-miss reporting.
[9] FAL.2/Circ.87, MEPC/Circ.426, MSC/Circ.115, Revised list of certificates and documents required to be carried on board ships as amended.

.3 obsolete documents are promptly removed.

11.3 The documents used to describe and implement the safety management system may be referred to as the Safety Management Manual. Documentation should be kept in a form that the Company considers most effective. Each ship should carry on board all documentation relevant to that ship.

12 COMPANY VERIFICATION, REVIEW AND EVALUATION

12.1 The Company should carry out internal safety audits on board and ashore at intervals not exceeding twelve months to verify whether safety and pollution-prevention activities comply with the safety management system. In exceptional circumstances, this interval may be exceeded by not more than three months.

12.2 The Company should periodically verify whether those entities undertaking delegated ISM related tasks are acting in conformity with the safety management system

12.~~2~~3 The Company should periodically evaluate the effectiveness of the safety management system in accordance with procedures established by the Company.

12.~~3~~4 The audits and possible corrective actions should be carried out in accordance with documented procedures.

12.~~4~~5 Personnel carrying out audits should be independent of the areas being audited unless this is impracticable due to the size and the nature of the Company.

12.~~5~~6 The results of the audits and reviews should be brought to the attention of all personnel having responsibility in the area involved.

12.~~6~~7 The management personnel responsible for the area involved should take timely corrective action on deficiencies found.

PART B - CERTIFICATION AND VERIFICATION

13 CERTIFICATION AND PERIODICAL VERIFICATION

13.1 The ship should be operated by a Company which has been issued with a Document of Compliance or with an Interim Document of Compliance in accordance with paragraph 14.1, relevant to that ship.

13.2 The Document of Compliance should be issued by the Administration, by an organization recognized by the Administration or, at the request of the Administration, by another Contracting Government to the Convention to any Company complying with the requirements of this Code for a period specified by the Administration which should not exceed five years. Such a document should be accepted as evidence that the Company is capable of complying with the requirements of this Code.

13.3 The Document of Compliance is only valid for the ship types explicitly indicated in the document. Such indication should be based on the types of ships on which the initial verification was based. Other ship types should only be added after verification of the Company's capability to comply with the requirements of this Code applicable to such ship types. In this context, ship types are those referred to in regulation IX/1 of the Convention.

13.4 The validity of a Document of Compliance should be subject to annual verification by the Administration or by an organization recognized by the Administration or, at the request of the

Administration, by another Contracting Government within three months before or after the anniversary date.

13.5 The Document of Compliance should be withdrawn by the Administration or, at its request, by the Contracting Government which issued the Document when the annual verification required in paragraph

13.4 is not requested or if there is evidence of major non-conformities with this Code.

13.5.1 All associated Safety Management Certificates and/or Interim Safety Management Certificates should also be withdrawn if the Document of Compliance is withdrawn.

13.6 A copy of the Document of Compliance should be placed on board in order that the master of the ship, if so requested, may produce it for verification by the Administration or by an organization recognized by the Administration or for the purposes of the control referred to in regulation IX/6.2 of the Convention. The copy of the Document is not required to be authenticated or certified.

13.7 The Safety Management Certificate should be issued to a ship for a period which should not exceed five years by the Administration or an organization recognized by the Administration or, at the request of the Administration, by another Contracting Government. The Safety Management Certificate should be issued after verifying that the Company and its shipboard management operate in accordance with the approved safety management system. Such a Certificate should be accepted as evidence that the ship is complying with the requirements of this Code.

13.8 The validity of the Safety Management Certificate should be subject to at least one intermediate verification by the Administration or an organization recognized by the Administration or, at the request of the Administration, by another Contracting Government. If only one intermediate verification is to be carried out and the period of validity of the Safety Management Certificate is five years, it should take place between the second and third anniversary dates of the Safety Management Certificate.

13.9 In addition to the requirements of paragraph 13.5.1, the Safety Management Certificate should be withdrawn by the Administration or, at the request of the Administration, by the Contracting Government which has issued it when the intermediate verification required in paragraph 13.8 is not requested or if there is evidence of major non-conformity with this Code.

13.10 Notwithstanding the requirements of paragraphs 13.2 and 13.7, when the renewal verification is completed within three months before the expiry date of the existing Document of Compliance or Safety Management Certificate, the new Document of Compliance or the new Safety Management Certificate should be valid from the date of completion of the renewal verification for a period not exceeding five years from the date of expiry of the existing Document of Compliance or Safety Management Certificate.

13.11 When the renewal verification is completed more than three months before the expiry date of the existing Document of Compliance or Safety Management Certificate, the new Document of Compliance or the new Safety Management Certificate should be valid from the date of completion of the renewal verification for a period not exceeding five years from the date of completion of the renewal verification."

13.12 When the renewal verification is completed after the expiry date of the existing Safety Management Certificate, the new Safety Management Certificate should be valid from the date of completion of the renewal verification to a date not exceeding five years from the date of expiry of the existing Safety Management Certificate.

13.13 If a renewal verification has been completed and a new Safety Management Certificate cannot be issued or placed on board the ship before the expiry date of the existing certificate, the

Administration or organization recognized by the Administration may endorse the existing certificate and such a certificate should be accepted as valid for a further period which should not exceed five months from the expiry date.

13.14 If a ship at the time when a Safety Management Certificate expires is not in a port in which it is to be verified, the Administration may extend the period of validity of the Safety Management Certificate but this extension should be granted only for the purpose of allowing the ship to complete its voyage to the port in which it is to be verified, and then only in cases where it appears proper and reasonable to do so. No Safety Management Certificate should be extended for a period of longer than three months, and the ship to which an extension is granted should not, on its arrival in the port in which it is to be verified, be entitled by virtue of such extension to leave that port without having a new Safety Management Certificate. When the renewal verification is completed, the new Safety Management Certificate should be valid to a date not exceeding five years from the expiry date of the existing Safety Management Certificate before the extension was granted.

14 INTERIM CERTIFICATION

14.1 An Interim Document of Compliance may be issued to facilitate initial implementation of this Code when:

.1 a Company is newly established; or

.2 new ship types are to be added to an existing Document of Compliance,

following verification that the Company has a safety management system that meets the objectives of paragraph 1.2.3 of this Code, provided the Company demonstrates plans to implement a safety management system meeting the full requirements of this Code within the period of validity of the Interim Document of Compliance. Such an Interim Document of Compliance should be issued for a period not exceeding 12 months by the Administration or by an organization recognized by the Administration or, at the request of the Administration, by another Contracting Government. A copy of the Interim Document of Compliance should be placed on board in order that the master of the ship, if so requested, may produce it for
verification by the Administration or by an organization recognized by the Administration or for the purposes of the control referred to in regulation IX/6.2 of the Convention. The copy of the Document is not required to be authenticated or certified.

14.2 An Interim Safety Management Certificate may be issued:

.1 to new ships on delivery;

.2 when a Company takes on responsibility for the operation of a ship which is new to the Company;

.3 when a ship changes flag ; or

.4 upon reactivation after lay-up (subject to duration)[10].

Such an Interim Safety Management Certificate should be issued for a period not exceeding 6 months by the Administration or an organization recognized by the Administration or, at the request of the Administration, by another Contracting Government.

[10] MSC 89/17/x4 Guidelines for the reactivation of the SMC following an operational interruption of the safety management system due to lay-up over a certain period.

14.3 An Administration or, at the request of the Administration, another Contracting Government may, in special cases, extend the validity of an Interim Safety Management Certificate for a further period which should not exceed 6 months from the date of expiry.

14.4 An Interim Safety Management Certificate may be issued following verification that:

.1 the Document of Compliance, or the Interim Document of Compliance, is relevant to the ship concerned;

.2 the safety management system provided by the Company for the ship concerned includes key elements of this Code and has been assessed during the audit for issuance of the Document of Compliance or demonstrated for issuance of the Interim Document of Compliance;

.3 the Company has planned the internal audit of the ship within three months;

.4 the master and officers are familiar with the safety management system and the planned arrangements for its implementation;

.5 instructions, which have been identified as being essential, are provided prior to sailing; and

.6 relevant information on the safety management system has been given in a working language or languages understood by the ship's personnel.

15 VERIFICATION

15.1 All verifications required by the provisions of this Code should be carried out in accordance with procedures acceptable to the Administration, taking into account the guidelines developed by the Organization.

16 FORMS OF CERTIFICATES

16.1 The Document of Compliance, the Safety Management Certificate, the Interim Document of Compliance and the Interim Safety Management Certificate should be drawn up in a form corresponding to the models given in the appendix to this Code. If the language used is neither English nor French, the text should include a translation into one of these languages.

16.2 In addition to the requirements of paragraph 13.3, the ship types indicated on the Document of Compliance and the Interim Document of Compliance may be endorsed to reflect any limitations in the operations of the ships described in the safety management system.

INTERNATIONAL MARITIME ORGANIZATION

IMO

E

SUB-COMMITTEE ON STANDARDS OF TRAINING AND WATCHKEEPING
43rd session
Agenda item 10

STW 43/10/x2
xx December 2011
Original: ENGLISH

ROLE OF THE HUMAN ELEMENT

Amendments to the Revised Guidelines on Implementation of the ISM Code by Administrations (Resolution A.1022(26)).

Submitted by Austria, Belgium, Bulgaria, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, the Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden, the United Kingdom and the European Commission

SUMMARY

Executive summary:	This document describes items for the Sub-Committee on Standards of Training and Watchkeeping on amendments to the Revised Guidelines on Implementation of the ISM Code by Administrations (Res.A.1022(26)).
Strategic direction:	12.2 (and 12.4)
High-level action:	12.2.1
Planned output:	12.2.1.1 and 12.2.1.2
Action to be taken:	Paragraph 17
Related documents:	Res.A.1022(26), MSC/Circ.1059-MEPC/Circ.401, MEPC 59/16/5, FSI 12/7/4,

Introduction

11. This paper considers issues primarily relating to the audit and enforcement of the ISM Code, and provides further guidance to Administrations on verifying compliance with the ISM Code. In line with the concept of continuous improvement, the co-sponsors propose specific amendments to the Revised Guidelines on the implementation of the International Safety Management (ISM) Code by Administrations in association with the proposal for an unplanned output made in MSC 89/22/9 and accepted at MSC 89 (see 22.40 of MSC 89/25).

12. It is recognized that the verification audits undertaken by Administrations, by an organization recognized by the Administration or by another Contracting Government, at the request of the Administration, are based upon a sampling strategy of the Safety Management System be it either on board or ashore.

13. The co-sponsors have considered issues raised relating to the audit and enforcement of the ISM Code by Administrations following a review of the implementation of the Code. A major concern was that the scope and verifications of some of the audits required clarification. Whilst the current approach provides flexibility for the auditor, it requires a risk-based judgement to be made on which elements of the SMS should be audited to assure compliance.

14. In order to clarify the different possibilities of verifications, the co-sponsors propose specific amendments to the existing guidelines to make them more comprehensive and user-friendly. The co-sponsors have taken a holistic approach to the improvements, drawing on the strengths and experiences of the maritime administrations within Member States, the European Commission and the European Maritime Safety Agency.

Background

15. The report MSC 81/17/1 contains an in-depth analysis of the impact and contribution of the ISM Code to ship safety. The study recommends that further studies should be undertaken, to examine the cause and effect between ISM implementation and the flag State safety record. Within this framework, and to take advantage of the current window of opportunity within IMO to promote improvements within the operation of the ISM Code, the co-sponsors agreed that several elements within the ISM Code should be reviewed and clarified, resulting in this joint submission to IMO. It is regrettable that this submission has only become available following the finalisation of the last review at IMO.

16. The EU Member States have evaluated the effectiveness of the measures in place and taken into consideration the previous proposals in papers MEPC 59/16/5 and FSI 12/7/4 to amend the Revised Guidelines on Implementation of the ISM Code by Administrations (Res.A.1022(26)).

17. The co-sponsors considered several issues relating to the audit and enforcement of the ISM Code by Administrations. As a result, a number of suggestions were debated and from them several significant proposals were selected for submission, which are set out in the attached Annex, all of which aim to clarify the Code to make it more effective and user-friendly.

Scope and application

18. The co-sponsors have sought to fill some perceived gaps in the current Guidelines relating to the verification and certification process, clarify company responsibilities and propose some stylistic improvements avoiding simple repetition of the ISM Code in the text.

19. To reflect this, it is proposed that the Revised Guidelines on Implementation of the ISM Code by Administrations (Res.A.1022(26)) be amended to include a requirement for Administrations to consider and seek assurance on the factors identified below.

20. Three issues have been identified that influence the effectiveness of implementation of the ISM Code by Administrations, namely:

- Scope and application of the ISM code
- Verifying compliance with the ISM code
- The certification (and verification) process

Scope and application of the ISM code

21. In the current text the scope and application of interim, initial and additional verifications is not included. In order to bring clarity in scope of all possible verifications and endorsement of the Document of Compliance and Safety Management Certificates, the co-sponsors propose a more

comprehensive approach by amending several sections in this paragraph. This is also reflected in Paragraph 3 on the Certification and Verification process

Verifying compliance with the ISM code

22. The actual wording is amended to clearly define the responsibility of the Company and to ensure compliance with mandatory rules and obligations, and that the objectives of the ISM system are met.

23. The Company, which has agreed to take over from the ship-owner all duties and responsibility required by the Code from the ship-owner, is assumed to be responsible for the operation of the ship and maintain adequate resources. To that extent the Administrations should verify compliance with the requirements of the ISM Code by determining the responsible operator and for all delegated SMS tasks, by requiring proof from the Company that they monitor and audit those activities. The Administration should verify if the Company has established clear standards for delegating specific tasks, the levels of authority and lines of communication between, and amongst, the departments, branches and contractors, even though some of the tasks may be given back to the owner.

24. It has been recognised that a number of ISM Code manuals contain incorrect names, data and references, and updating them is sometimes very limited. Therefore Administrations should verify if the documented system is in order (not simply a copy from a sister ship), and that the particular operations are ship specific and sufficiently reflected in the relevant manuals, procedures and instructions. This together with a clear commitment from the Company to a periodical reassessment of the ISM manuals is one way of ensuring that new mandatory rules and regulations are taken in to account.

The certification (and verification) process

25. The co-sponsors consider that this paragraph could be expanded to provide a comprehensive set of guidelines on all the different types of verification. In addition they propose highlighting the criteria for the certification and verification process to provide better guidance. This should include, in particular, the scope of the shipboard assessment to be undertaken by the Administration to ensure that the ship is provided with a safety management system. The verification process should also take account of the Company's history.

26. Currently, there are no guidelines for the Administration concerning under what conditions and how to carry out an additional verification. The co-sponsors state that additional verifications may be carried out following operational situations beyond the normal procedures e.g. port state control detentions, audits after a lay-up period or to verify that effective corrective actions have been taken and/or properly implemented. The Administration should determine the scope and depth of the verification, which may vary from case to case.

Action requested of the Committee

27. The Sub-Committee is invited to consider the issues highlighted and the proposed amendments to the Revised Guidelines on Implementation of the ISM Code by Administrations Res.A.1022(26)) outlined in the Annex, and to take action as appropriate.

ANNEX TO ANNEX 2

PROPOSED DRAFT AMENDMENTS TO THE REVISED GUIDELINES ON IMPLEMENTATION OF THE ISM CODE BY ADMINISTRATIONS (RESOLUTION A.1022(26))

Table of contents

INTRODUCTION

The ISM Code

The International Management Code for the Safe Operation of Ships and for Pollution Prevention (International Safety Management (ISM) Code) was adopted by the Organization by resolution A.741(18) and became mandatory by virtue of the entry into force on 1 July 1998 of SOLAS chapter IX on Management for the Safe Operation of Ships. The ISM Code provides an international standard for the safe management and operation of ships and for pollution prevention.

The Maritime Safety Committee, at its eighty-ninth session, adopted amendments to sections 3, 6, 12, 14, and footnotes of the ISM Code by resolution MSC[….]. As a result it is necessary to revise the Guidelines contained in Assembly resolution A.1022(26), which is being superseded by the present Guidelines.

The ISM Code requires that Companies establish safety objectives as described in section 1.2 of the ISM Code, and in addition that the Companies develop, implement and maintain a safety management system which includes functional requirements as listed in section 1.4 of the ISM Code.

The application of the ISM Code should *support and encourage* the development of a safety culture in shipping. Success factors for the development of a safety culture which promotes safety and environmental protection are, *inter alia***,** commitment, values, beliefs and clarity of the Safety Management System.

Mandatory application of the ISM Code

The appropriate organization of management, ashore and on board, is needed to ensure adequate standards of safety and pollution prevention. A systematic approach to management by those responsible for management of ships is therefore required. The objectives of the mandatory application of the ISM Code are to ensure:

.1 compliance with mandatory rules and regulations related to the safe operation of ships and protection of the environment; and

.2 the effective implementation and enforcement thereof by Administrations.

Effective enforcement by Administrations must include verification that the safety management system complies with the requirements as stipulated in the ISM Code, as well as verification of compliance with mandatory rules and regulations.

The mandatory application of the ISM Code should ensure, support and encourage the taking into account of applicable codes, guidelines and standards recommended by the Organization, Administrations, classification societies and maritime industry organizations.

Verification and certification responsibilities

The Administration is responsible for verifying compliance with the requirements of the ISM Code and for issuing Documents of Compliance to Companies and Safety Management Certificates to ships.

Resolutions A.739(18) − Guidelines for the authorization of organizations acting on behalf of the Administration and A.789(19) – Specifications on the survey and certification functions of recognized organizations acting on behalf of the Administration, which have been made mandatory by virtue of SOLAS regulation XI/1, and resolution A.847(20) – Guidelines to assist flag States in the implementation of IMO instruments, are applicable when Administrations authorize organizations to issue Documents of Compliance and Safety Management Certificates on their

behalf.

1 SCOPE AND APPLICATION

1.1 Definitions

The terms used in these Guidelines have the same meaning as those given in the ISM Code. Terms that are defined in the Code shall preferably be used and not be exchanged by other abbreviations in reports, or any related correspondence.

1.2 Scope and application

1.2.1 These Guidelines establish basic principles:

.1 for verifying that the safety management system of a Company responsible for the operation of ships, or the safety management system for the ship or ships controlled by the Company, complies with the ISM Code; ~~and~~

.2 ~~for the issue and annual verification of the Document of Compliance and for the issue and intermediate verification of the Safety Management Certificate~~ for carrying out the interim, initial, annual and renewal verification of the Document of Compliance and for the interim , initial, intermediate and renewal verification(s) of the Safety Management Certificate and the issuance/endorsement of corresponding documents;

.3 for the scope of the Additional Verification.

2 VERIFYING COMPLIANCE WITH THE ISM CODE

2.1 General

2.1.1 To comply with the requirements of the ISM Code, Companies should develop, implement and maintain a documented safety management system to ensure that the safety and environmental protection policy of the Company is implemented. The Company policy should include the objectives defined by the ISM Code.[11]

2.1.2 Administrations should verify compliance with the requirements of the ISM Code by determining:

.1 the conformity of the Company's safety management system with the requirements of the ISM Code;

.2 that the safety management system ensures that the objectives defined in paragraph 1.2.3 of the ISM Code are met; and

.3 that the objectives of the Code are achieved by monitoring the history of the Company; and

.4 that the Company having taken over all the duties and responsibilities imposed by the Code, maintain adequate resources; and

.5 that the Company has taken over the responsibility for the operation from the ship-owner for the ships covered by the DOC; and

.6 that the Company maintains responsibility for all SMS activities required by the Code. Should any of this activities be carried out by those other than the Company, the Company will clearly define and monitor this arrangement.

2.1.3 Determining the conformity or non-conformity of safety management system elements with the requirements specified by the ISM Code may demand that criteria for assessment be developed. Administrations are recommended to limit the development of criteria in the form of prescriptive management system solutions. Criteria for assessment in the form of prescriptive requirements may have the effect that safety management in shipping results in Companies implementing solutions prepared by others, and it may then be difficult for a Company to develop the solutions which best suit that particular Company~~, operation or ship~~. Therefore particular operations should be ship specific and fully reflected in manuals, procedures and instructions.

[11] The ICS/ISF Guidelines on the application of the International Safety Management Code provide useful guidance on important individual elements of a safety management system and its development by Companies.

2.1.4 Therefore, Administrations are recommended to ensure that these assessments are based on determining the effectiveness of the safety management system in meeting specified objectives, rather than conformity with detailed requirements in addition to those contained in the ISM Code, so as to reduce the need for developing criteria to facilitate assessment of the Companies' compliance with the Code.

2.2 The ability of the safety management system to meet general safety management objectives

2.2.1 The ISM Code identifies general safety management objectives. These objectives are:

.1 to provide for safe practices in ship operation and a safe working environment;

.2 to assess all identified risks to its ships, personnel and the environment and establish appropriate safeguards; and

.3 to improve continuously the safety management skills of personnel ashore and aboard, including preparing for emergencies related both to safety and to environmental protection.

The verification should support and encourage Companies in achieving these objectives, which 2.2.2 These objectives provide clear guidance to Companies for the development of safety management system elements in compliance with the ISM Code. Since, however, the ability of the safety management system to achieve these objectives cannot be determined beyond whether the safety management system complies with the requirements of the ISM Code, they should not form the basis for establishing detailed interpretations to be used for determining conformity or non-conformity with the requirements of the ISM Code.

2.3 The ability of the safety management system to meet specific requirements of safety and pollution prevention

2.3.1 The main criterion which should govern the development of interpretations needed for assessing compliance with the requirements of the ISM Code should be the ability of the safety management system to meet the specific requirements defined by the ISM Code in terms of specific standards of safety and pollution prevention.

The specific standards of safety and protection of the environment specified by the ISM Code are:

.1 continued compliance with mandatory rules and regulations; and

.2 that applicable codes, guidelines and standards recommended by the Organization, Administrations, classification societies and other maritime industry organizations are taken into account.

2.3.2 All records having the potential to facilitate verification of compliance with the ISM Code should be open to scrutiny during an examination. This includes records from delegated SMS tasks. For this purpose the Administration should ensure that the Company provide auditors with statutory and classification records relevant to the actions taken by the Company to ensure that compliance with mandatory rules and regulations is maintained. In this regard the records may be examined to substantiate their authenticity and veracity.

2.3.3 Some mandatory requirements may not be subject to statutory or classification surveys, such as:

.1 maintaining the condition of ship and equipment between surveys; and

.2 certain operational requirements, (e.g. paragraph 6.2.1 of the ISM code).

Specific arrangements may be required to ensure compliance with the ISM code and to provide for the objective evidence needed for verification in these cases, such as:

.1 documented procedures and instructions;

.2 documentation of the verification carried out by senior officers of day-to-day operations and of delegated SMS tasks when relevant to ensure compliance; and

.3 relevant track records of the ships being operated by the company from e.g. Flag State, Port State Controls, and class reports.

2.3.4 The verification of compliance with mandatory rules and regulations, which is part of the ISM Code certification, neither duplicates nor substitutes surveys for other maritime certificates. The verification of compliance with the ISM Code does not relieve the Company, the master or any other entity or person involved in the management or operation of the ship of their responsibilities.

2.3.5 Administrations should ensure that the Company has:

.1 taken into account the recommendations, as referred to in 1.2.3.2 of the ISM Code, when establishing and maintaining the safety management system; and

.2 developed procedures to ensure that these recommendations are ~~implemented on~~ properly considered and followed-up in all SMS related sections and branches of the organisation ashore and on board.

~~2.3.6 Within a safety management system, implementation of codes, guidelines and standards recommended by the Organization, Administrations, classification societies and other maritime industry organizations does not make these recommendations mandatory under the ISM Code. Nevertheless auditors should encourage Companies to adopt these recommendations whenever applicable to the Company.~~

3 THE CERTIFICATION AND VERIFICATION PROCESS

3.1 Certification and verification activities

3.1.1 The certification process relevant to a Document of Compliance for a Company and a Safety Management Certificate to a ship will normally involve the following steps:

.1 interim verification;

.~~1~~ .2 initial verification;

.~~2~~ .3 annual or intermediate verification;

.~~3~~ .4 renewal verification; and

.~~4~~ .5 additional verification.

These verifications are carried out at the request of the Company to the Administration, or to the organization recognized by the Administration to perform certification functions under the ISM Code, or at the request of the Administration by another Contracting Government to the Convention. The verifications will include an audit of the safety management system.

3.2 Interim verification

Interim certification may be issued under certain conditions as specified by the Code and should facilitate the implementation of a safety management system.

3.2.1 The Company should apply for interim certification to the Administration.

3.2.2 The process of interim verification of the shore side management system undertaken by the Administration would require an assessment of the office where such management is carried out. The verification should ensure that the Company has a SMS that meets the objectives of paragraph 1.2.3 of the Code, and has a plan to implement a SMS which meets the full requirements of the Code within the time specified in the Code. The administration should take account of the interrelationship between Companies and its ships.

3.2.3 On satisfactory completion of the assessment of the shore side safety management system, arrangements/planning may commence for the assessment of applicable Company's ships.

3.2.4 The process of interim verification of the ship should be undertaken by the Administration to ensure that the ship is provided with a safety management system, which includes crucial requirements of the Code, e.g., safety and environmental protection policy, company responsibilities and authority, procedures for key shipboard operations, emergency preparedness, reports and analysis of non-conformities, accidents and hazardous occurrences. The shipboard key personnel should be familiar with the content of the SMS. Furthermore, it should be verified that essential and sufficient information as well as instructions concerning safety and environmental protection is provided to the ship's personnel and understood by them.

3.2.5 On satisfactory completion of the interim verification, an Interim Document of Compliance will be issued to the Company; copies should be made available by the Company to every shore side premises and each applicable ship in the Company's fleet. As each ship is assessed and issued with an Interim Safety Management Certificate, a copy of it should also be forwarded to the Company's head office.

3.~~2~~3 Initial verification

3.~~2~~3.1 The Company should apply for ISM Code certification to the Administration.

3.~~2~~3.2 An assessment of the shore side management system undertaken by the Administration would necessitate assessment of the offices where such management is carried out and possibly of other locations which may include delegated SMS tasks, depending on the Company's organization and the functions of the various locations or entities.

3.~~2~~3.3 On satisfactory completion of the assessment of the shore side safety management system, arrangements/planning may commence for the assessment of the Company's ships.

3.~~2~~3.4 On satisfactory completion of the assessment, a Document of Compliance will be issued to the Company, copies of which should be made available to each shore side premises and each ship in the Company's fleet. As each ship is assessed and issued with a Safety Management Certificate, a copy of it should also be forwarded to the Company's head office. The Administration should take account of the interrelationship between the Company and its ships.

3.~~2~~3.5 In cases where certificates are issued by a recognized organization, copies of all certificates should also be sent to the Administration.

3.~~2~~3.6 The safety management audit for the Company and for a ship will involve the same basic steps. The purpose is to verify that a Company or a ship complies with the requirements of the ISM Code. The audits include:

.1 the conformity of the Company's safety management system with the requirements of the ISM Code, including objective evidence demonstrating that the Company's safety management system has been in operation for at least three months and that a safety management system has been in operation on board at least one ship of each type operated by the Company for at least three months; and

.2 that the safety management system ensures that the objectives defined in paragraph 1.2.3 of the ISM Code are met. This includes verification that the Document of Compliance for the Company responsible for the operation of the ship is applicable to that particular type of ship, and assessment of the shipboard safety management system to verify that it complies with the requirements of the ISM Code, and that it is implemented. Objective evidence demonstrating that the Company's safety management system has been functioning effectively for at least three months on board the ship and ashore should be available, including, *inter alia*, records from the internal audit performed by the Company.

3.~~3~~4 Annual verification of Document of Compliance

3.~~3~~4.1 Annual safety management audits are to be carried out to maintain the validity of the Document of Compliance, and should include examining and verifying the correctness of the statutory and classification records presented for at least one ship of each type to which the Document of Compliance applies. The purpose of these audits is to verify the effective functioning of the safety management system, and that any modifications made the Safety Management System comply with the requirements of the ISM Code.

3.~~3~~4.2 Annual verification is to be carried out within three months before and after each anniversary date of the Document of Compliance.

3.~~3~~4.3 Where the Company has more than one shore side premises and/or delegates SMS tasks, the annual assessments should endeavour to ensure that all sites are assessed during the period of validity of the Document of Compliance.

3.4.4 During the annual verification, administrations should verify if the Company is operating all ship types on the DOC. Appropriate action should be taken if the Company has stopped operating a particular ship type.

3.~~4~~5 Intermediate verification of Safety Management Certificates

3.~~4~~5.1 Intermediate safety management audits should be carried out to maintain the validity of the Safety Management Certificate. The purpose of these audits is to verify the effective functioning of the safety management system and that any modifications made to the safety management system comply with the requirements of the ISM Code. In certain cases, particularly during the initial period of operation under the safety management system, the Administration may find it necessary to increase the frequency of the intermediate verification. Additionally, the nature of non-conformities may also provide a basis for increasing the frequency of intermediate verifications.

3.~~4~~5.2 If only one intermediate verification is to be carried out, it should take place between the second and third anniversary date of the issue of the Safety Management Certificate.

3.~~5~~6 Renewal verification

Renewal verifications are to be performed before the validity of the Document of Compliance or the Safety Management Certificate expires. The renewal verification will address all the elements of the safety management system and the activities to which the requirements of the ISM Code apply. Renewal verification may be carried out from three months before the date of expiry of the

Document of Compliance or the Safety Management Certificate, and should be completed before their date of expiry.

3.7 Additional verification

3.7.1 The Administration may, when in any doubt, increase the frequency of the intermediate verification to verify with an additional verification if the safety management system still functions effectively. Additional verifications may be carried out following operational situations beyond the normal procedures. Examples of such situations include port state control detentions, reactivation after the interruption of the operations due to lay-up period or to verify that effective corrective actions have been taken and/or properly implemented additional verifications may affect the shore-based organization and/or the shipboard management system. The Administration should determine the scope and depth of the verification, which may vary from case to case. The additional verifications should be completed within the time period agreed taking into account guidelines developed by the Organization. The Administration should follow-up on the results of the verification and take appropriate measures, as necessary.

3.7.2 On satisfactory completion of the shipboard assessment, the Safety Management Certificate should be endorsed for additional verification.

3.~~6~~8 Safety management audits

The procedure for safety management audits outlined in the following paragraphs includes all steps relevant for initial verification. Safety management audits for the interim, annual, intermediate, additional and renewal verification should be based on the same principles even if their scope may be different.

3.~~7~~9 Application for audit

3.~~7~~9.1 The Company should submit a request for audit to the Administration or to the organization recognized by the Administration for issuing a Document of Compliance or a Safety Management Certificate on behalf of the Administration.

3.~~7~~9.2 The Administration or the recognized organization should then nominate the lead auditor and, if relevant, the audit team.

3.~~8~~10 Preliminary review

As a basis for planning the audit, the auditor should review the safety management manual to determine the adequacy of the safety management system in meeting the requirements of the ISM Code. Further, the previous history of the company (if applicable) and its willingness to adapt to the prerequisites of the ISM-code through corresponding preventive and corrective procedures and/or processes should be included in the review. If this review reveals that the system is not adequate, the audit will have to be delayed until the Company undertakes corrective action.

3.~~9~~11 Preparing the audit

3.~~9~~11.1 The nominated lead auditor should liaise with the Company and produce an audit plan.

3.~~9~~11.2 The auditor should provide the working documents which are to govern the execution of the audit to facilitate the assessments, investigations and examinations in accordance with the standard procedures, instructions and forms which have been established to ensure consistent auditing practices.

3.~~9~~11.3 The audit team should be able to communicate effectively with auditees.

3.~~10~~12 Executing the audit

3.~~10~~.12.1 The audit should start with an opening meeting in order to introduce the audit team to the Company's senior management, summarize the methods for conducting the audit, confirm that all agreed facilities are available, confirm time and date for a closing meeting and clarify possible unclear details relevant to the audit.

3.~~10~~.12.2 The audit team should assess the safety management system on the basis of the documentation presented by the Company, and objective evidence as to its effective implementation.

3.~~10~~.12.3 The objective evidence should be collected through interviews and examination of documents. Review of the performance of the Company, observation of activities and conditions may also be included when necessary to determine the effectiveness of the safety management system in meeting the specific standards of safety and protection of the environment required by the ISM Code.

3.~~10~~.12.4 Audit observations should be documented. After activities have been audited, the audit team should review the objective evidence collected. This will then be used to determine what is to be reported as major non-conformities, non-conformities or observations, and should be reported in terms of the general and specific provisions of the ISM Code.

3.~~10~~.12.5 At the end of the audit, prior to preparing the audit report, the audit team should hold a meeting with the senior management of the Company and those responsible for the functions concerned. The purpose is to present the observations in such a way as to ensure that the results of the audit are clearly understood.

3.~~11~~13 Audit report

3.~~11~~.13.1 The audit report should be prepared under the direction of the lead auditor, who is responsible for its accuracy and completeness.

33.~~11~~.13.2 The audit report should include the audit plan, identification of audit team members, dates and identification of the Company, observations on any non-conformities and observations on the effectiveness of the safety management system in meeting the specified objectives.

3.~~11~~.13.3 The Company should receive a copy of the audit report. The Company should be advised to provide a copy of the shipboard audit reports to the ship.

3.~~12.~~14 Corrective action follow-up

3.~~12~~.14.1 The Company is responsible for determining and initiating the corrective action needed to correct a non-conformity or to correct the cause of the non-conformity. Failure to correct non-conformities with specific requirements of the ISM Code may affect the validity of the Document of Compliance and related Safety Management Certificates.

3.~~12~~.14.2 Corrective actions and possible subsequent audits should be completed within the time period agreed. For corrective actions this should not exceed three months. The Company should apply for the follow-up audits as agreed.

3.14.3 Repeated lack of compliance with the requirements of the ISM Code for which adequate corrective and preventive actions have not been taken may be considered as a major non-conformity.

3.~~13.~~15 Company responsibilities pertaining to safety management audits

3.~~13.~~15.1 The verification of compliance with the requirements of the ISM Code does not relieve the Company, management, those undertaking delegated SMS tasks, officers or seafarers of their obligations as to compliance with national and international legislation related to safety and protection of the environment.

3.~~13.~~15.2 The Company is responsible for:

.1 informing relevant employees and those undertaking delegated SMS tasks about the objectives and scope of the ISM Code certification;

.2 appointing responsible members of staff to accompany members of the team performing the certification;

.3 providing the resources needed by those performing the certification to ensure an effective and efficient verification process;

.4 providing access and evidential material as requested by those performing the certification; and

.5 co-operating with the verification team to permit the certification objectives to be achieved.

3.~~13.~~15.3 Where major non-conformities are identified, Administrations and recognized organizations (ROs) should comply with the procedures stated in MSC/Circ.1059-MEPC/Circ.401.

3.~~14~~16 Responsibilities of the organization performing the ISM Code certification

The organization performing the ISM Code certification is responsible for ensuring that the verification and certification process is performed according to the ISM Code and these Guidelines. This includes management control of all aspects of the certification according to the appendix to these Guidelines. The Recognised Organisation should also be working as per resolution A.789(19) as amended.

3.~~15~~17 Responsibilities of the verification team

3.~~15~~.17.1 Whether the verifications involved with certification are performed by a team or not, one person should be in charge of the verification. The leader should be given the authority to make final decisions regarding the conduct of the verification and any observations. His responsibilities should include:

.1 preparation of a plan for the verification; and

.2 submission of the report of the verification.

3.~~15~~.17.2 Personnel participating in the verification are responsible for complying with the requirements governing the verification, ensuring confidentiality of documents pertaining to the certification and treating privileged information with discretion.

APPENDIX

STANDARDS ON ISM CODE CERTIFICATION ARRANGEMENTS

1 INTRODUCTION

The audit team involved with ISM Code certification, and the organization under which it may be managed, should comply with the specific requirements stated in this annex.

2 STANDARD OF MANAGEMENT

2.1 Organizations managing verification of compliance with the ISM Code should have, in their own organization, competence in relation to:

1. ensuring compliance with the rules and regulations, including certification of seafarers, for the ships operated by the Company;

2. approval, survey and certification activities;

3. the terms of reference that must be taken into account under the safety management system as required by the ISM Code; and

4. practical experience of ship operation.

2.2 The Convention requires that organizations recognized by Administrations for issuing a Document of Compliance and a Safety Management Certificate at their request should comply with resolutions A.739(18) − Guidelines for the authorization of organizations acting on behalf of the Administration and A.789(19) − Specifications on the survey and certification functions of recognized organizations acting on behalf of the Administration.

2.3 Any organization performing verification of compliance with the provisions of the ISM Code should ensure that there exists independence between the personnel providing consultancy services and those involved in the certification procedure.

3 STANDARDS OF COMPETENCE

3.1 ISM Code certification scheme management

Management of ISM Code certification schemes should be carried out by those who have practical knowledge of ISM Code certification procedures and practices.

3.2 Basic competence for performing verification

3.2.1 Personnel who are to participate in the verification of compliance with the requirements of the ISM Code should have a minimum of formal education comprising the following:

1. qualifications from a tertiary institution recognized by the Administration or by the recognized organization within a relevant field of engineering or physical science (minimum two years programme); or

2. qualifications from a marine or nautical institution and relevant seagoing experience as a certified ship officer.

3.2.2 They should have undergone training to ensure adequate competence and skills for

performing verification of compliance with the requirements of the ISM Code, particularly with regard to:

1. knowledge and understanding of the ISM Code;

2. mandatory rules and regulations;

3. the terms of reference which the ISM Code requires that Companies should take into account;

4. assessment techniques of examining, questioning, evaluating and reporting;

5. technical or operational aspects of safety management;

6. basic knowledge of shipping and shipboard operations; and

7. participation in at least one marine-related management system audit.

3.2.3 Such competence should be demonstrated through written or oral examinations, or other acceptable means.

3.3 Competence for initial verification and renewal verification

3.3.1 In order to assess fully whether the Company or the ship complies with the requirements of the ISM Code, in addition to the basic competence stated under 3.2 above, personnel who are to perform initial verifications or renewal verifications for a Document of Compliance or a Safety Management Certificate must possess the competence to:

.1 determine whether the safety management system elements conform or do not conform with the requirements of the ISM Code;

.2 determine the effectiveness of the Company's safety management system, or that of the ship, to ensure compliance with rules and regulations as evidenced by the statutory and classification survey records;

.3 assess the effectiveness of the safety management system in ensuring compliance with other rules and regulations which are not covered by statutory and classification surveys and enabling verification of compliance with these rules and regulations; and

.4 assess whether the safe practices recommended by the Organization, Administrations, classification societies and maritime industry organizations have been taken into account.

3.3.2 This competence can be accomplished by teams which together possess the total competence required.

3.3.3 Personnel who are to be in charge of initial verification or renewal verification of compliance with the requirements of the ISM Code should have at least five years' experience in areas relevant to the technical or operational aspects of safety management, and should have participated in at least three initial verifications or renewal verifications. Participation in verification of compliance with other management standards may be considered as equivalent to participation in verification of compliance with the ISM Code.

3.4 Competence for annual, intermediate and interim verification

Personnel who are to perform annual, intermediate and interim verifications should satisfy basic requirements for personnel participating in verifications and should have participated in a minimum of two annual, renewal or initial verifications. They should have received special instructions needed to ensure that they possess the competence required to determine the effectiveness of the Company's safety management system.

4 QUALIFICATION ARRANGEMENTS

Organizations performing ISM Code certification should have implemented a documented system for qualification and continuous updating of the knowledge and competence of personnel who are to perform verification of compliance with the ISM Code. This system should comprise theoretical training courses covering all the competence requirements and the appropriate procedures connected to the certification process, as well as practical tutored training, and it should provide documented evidence of satisfactory completion of the training.

5 CERTIFICATION PROCEDURES AND INSTRUCTIONS

Organizations performing ISM Code certification should have implemented a documented system to ensure that the certification process is performed in accordance with this standard. This system should, *inter alia*, include procedures and instructions for the following:

.1 contract agreements with Companies;

.2 planning, scheduling and performing verification;

.3 reporting results from verification;

.4 issuance of Documents of Compliance, Safety Management Certificates and Interim Documents of Compliance and Safety Management Certificates; and

.5 corrective action and follow-up of verifications, including actions to be taken in cases of major non-conformity.

INTERNATIONAL MARITIME ORGANIZATION

IMO

E

SUB-COMMITTEE ONN STANDARDS OF TRAINING AND WATCHKEEPING
43rd session
Agenda item 10

STW 43/10/x3
xx December 2011
Original: ENGLISH

ROLE OF THE HUMAN ELEMENT

Amendments to the Guidelines for the operational implementation of the International Safety Management (ISM) Code by Companies MSC-MEPC.7/Circ.5.

Submitted by Austria, Belgium, Bulgaria, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, the Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden, the United Kingdom and the European Commission

SUMMARY	
Executive summary:	This document describes items for the Sub-Committee on Standards for Training and Watchkeeping to clarify the operational implementation of the International Safety Management (ISM) by Companies (MSC-MEPC.7/Circ.5.)
Strategic direction:	12.2 (and 12.4)
High-level action:	12.2.1
Planned output:	12.2.1.1 and 12.2.1.2
Action to be taken:	Paragraph 12
Related documents:	MSC 81/17/1, MSC.273(85), Res.A.1022(26), MSC-MEPC.7/Circ.5, MSC-MEPC.7/Circ.6, MSC-MEPC.7/Circ.7

Introduction

28. This paper considers issues relating to Company's responsibilities outlined in the ISM Code, and so proposes specific amendments be made to the guideline on operational implementation of the International Safety Management by Companies MSC-MEPC.7/Circ.5.

29. In pursuance of the above request, the co-sponsors have considered the necessity of the amendments on the Guidelines for the operational implementation of the International Safety Management (ISM) by Companies MSC-MEPC.7/Circ.5 in association with the proposal for an unplanned output made in MSC 89/22/9 and accepted at MSC 89 (see 22.40 of MSC 89/25).

Background

30. The report MSC 81/17/1 provides an in-depth analysis of the impact and contribution of the

ISM Code. It recommends that further studies should be undertaken, to examine the cause and effect between ISM implementation and the flag State safety record. Based on the outcome of the data produced, the report recommends that new guidelines should be developed to assist companies to implement the Code and guidelines.

31. The latter case is subject to a separate proposal from the co-sponsors to make specific amendments to improve the implementation of the International Safety Management (ISM) Code, and specific amendments to the guideline on operational implementation of the International Safety Management by Companies MSC-MEPC.7/Circ.5.

Scope and application

32. It is recognized that the Guidelines for Companies are fragmented and incomplete, and the following amended guidelines are intended to clarify some aspects of the Company's responsibilities and authority as set out in the Code.

Issues

33. Four issues have been identified that should be clarified to further improve the operational implementation of the International Safety Management (ISM) by Companies :

- Scope of internal auditor;
- Internal auditor's qualifications;
- Resources and personnel; and
- Responsibilities of the DOC holder.

Scope of internal auditor

34. As per paragraph 12.4 of the ISM code, the internal auditors should be independent and should not audit areas or activities for which they are responsible unless this is impracticable. The Company should appoint a Designated Person Ashore through which the operation of each ship should be verified and monitored. The DPA may delegate somebody to carry-out shipboard audits, as long the person is capable of verifying compliance with the SMS, and has no conflict of interest. The DPA should be fully independent, not auditing his own department, areas or activities. The only exception, where it is impracticable to carry-out shipboard audits, is in the case of a single ship, where a captain-owner is also acting as DPA. However, also here it is important that the internal audit is carried out effectively and hence the Company should be encouraged to employ an external contractor for this purpose.

Internal auditor's qualification

35. The Designated Person Ashore has full time responsibility for the safe operation of the ships, and is required to monitor the operation of each ship under the DOC. The internal audits could be delegated to a Deputy DPA, relief master, technical staff or independent auditors. However, the DPA should ensure that all persons performing internal audits have successfully passed an ISM, ISO or comparable auditor training and have an adequate understanding of the relevant rules, regulations, codes and guidelines. It is recommended that the internal auditor has both academic and ship operational experience and regularly visits the ships for which he has responsibility in order to improve the safety management system and to identify problems in a proactive way.

Resources and personnel

9. The guideline is amended in line with the latest amendments to the ISM Code MSC.273(85). The amendments are to ensure that the master and all other seafarers who are newly employed on board the ship are given a reasonable opportunity to become familiar with the shipboard equipment, operating procedures and other arrangements needed for the proper performance of their duties, before being assigned to those duties.

Responsibilities of the DOC holder

10. Today, there is a general and international acceptance that ships may be operated by "technical management". Nothing prohibits such an arrangement. Although it may seem obvious, some issues need clarification, whenever the owner decides to delegate the duties and responsibilities imposed by the ISM Code. To ensure that there is a genuine link between the company and the fulfillment of the different tasks which are necessary for the safe operation of the ship, the owner of the ship or fleet should endorse an agreement with the company that holds the DOC. The DOC holder should provide clear standards for delegating specific tasks, and establish the levels of authority and lines of communication between, and amongst, the departments, branches and delegated contractors. The DOC holder may delegate parts of the work to independent contractors, however it should be clear that it remains responsible for the operation of the ship(s), even should some of the tasks be given back to the owner (e.g. manning and maintenance), and retains the obligation to monitor and audit compliance with the relevant ISM Code requirements.

11. A company that has its DOC withdrawn, be it, for example, due to a major non-conformity, may transfer the safety management of its fleet to another shipping company holding a valid DOC for the ship types in question. This provides for a reasonable mechanism to allow the ships to continue safe trading. However, the other shipping company should then endorse an exclusive agreement with the owner of the ship or fleet, to take over all the duties and responsibilities imposed by the ISM Code.

Action requested of the Committee

12. The Sub-Committee is invited to consider the issues highlighted and the proposed amendments to the Guidelines for the operational implementation of the International Safety Management (ISM) by Companies MSC-MEPC.7/Circ.5.

GUIDELINES FOR THE OPERATIONAL IMPLEMENTATION OF THE INTERNATIONAL SAFETY MANAGEMENT (ISM) CODE BY COMPANIES

1 INTRODUCTION

1.1 The ISM Code

1.1.1 The International Management Code for the Safe Operation of Ships and for Pollution Prevention (International Safety Management (ISM) Code) was adopted by the Organization by resolution A.741(18) and became mandatory by virtue of the entry into force on 1 July 1998 of SOLAS chapter IX on Management for the Safe Operation of Ships. The ISM Code provides an international standard for the safe management and operation of ships and for pollution prevention.

1.1.2 The Maritime Safety Committee, at its eighty-ninth, adopted, by resolution MSC[….] amendments to sections 3, 6, 12, 14, and footnotes of the ISM Code. As a result it is necessary to revise the Guidelines contained in MSC-MEPC.7/Circ.5 which is being superseded by the present Guidelines.

1.1.3 The ISM Code requires that Companies establish safety objectives as described in section 1.2 of the ISM Code, and in addition that the Companies develop, implement and maintain a safety management system which includes functional requirements as listed in section 1.4 of the ISM Code.

1.1.4 The application of the ISM Code should *support and encourage* the development of a safety culture in shipping. Success factors for the development of a safety culture are, *inter alia*, commitment, values and beliefs.

2 SCOPE AND APPLICATION

2.1 Definitions

The terms used in these Guidelines have the same meaning as those given in the ISM Code. Terms that are defined in the Code shall preferably be used and not be exchanged by other abbreviations in reports, correspondence etc..

2.2 Scope and Application

2.2.1 These Guidelines establish the basic principles for:

.1 reviewing the safety management system by a Company;

.2 the role of the Designated Person under the ISM Code;

.3 reporting and analysing of non-conformities, accidents and hazardous occurrences (including near-misses);

.4 performing internal audits and management reviews.

and do not reduce or replace the Company's responsibilities outlined in the ISM Code.

3 DEVELOPMENT OF THE SAFETY MANAGEMENT SYSTEM

3.1 The ISM Code requires that Companies establish safety objectives as described in section 1.2 of the ISM Code, and in addition that Companies develop, implement and maintain a safety management system (SMS) which includes functional requirements as listed in section 1.4 of the ISM Code.

3.2 Given the self-regulatory principles of the ISM Code, the internal verification and review processes are key elements in the implementation of each SMS. The Company should consider the outcome of internal audits, internal SMS reviews and analysis of non-conformities, accidents and hazardous occurrences to enhance the effectiveness of operations and procedures within their SMS. To comply with the Code, the Company should:

.1 designate a person or persons with direct access to the highest level of management who should monitor the safe operation of each ship (section 4);

.2 ensure that adequate resources and shore-based support are provided to enable the designated person or persons to carry out their functions (section 3.3);

.3 define and document the master's responsibility with regard to reviewing the safety management system and reporting its deficiencies to the shore-based management (section 5.1);

.4 establish procedures for reporting and analysis of non-conformities, accidents and hazardous occurrences (section 9.1);

.5 periodically evaluate the effectiveness of, and when needed, review the safety management system (section 12.2); and

.6 perform internal audits to verify whether safety management activities comply with the requirements of the safety management system (section 12.1).

4 DESIGNATED PERSON

4.1 A key role, as identified by the ISM Code, in the effective implementation of a safety management system is that of the Designated Person. This is the person based ashore whose influence and responsibilities should significantly affect the development and implementation of a safety culture within the Company.

4.2 The designated person should verify and monitor all safety and pollution prevention activities in the operation of each ship. This monitoring should include, at least, the following internal processes:

.1 communication and implementation of the safety and environmental protection policy;

.2 evaluation and review of the effectiveness of the safety management system;

.3 reporting and analysis of non-conformities, accidents and hazardous occurrences;

.4 organizing and monitoring of internal audits including verification of independence and capability of internal auditors;

.5 appropriate revisions to the SMS; and

.6 ensuring that adequate resources and shore-based support as identified in para 4.3 below are provided by the Company.

4.3 To enable the designated person to carry out this role effectively, the Company should provide adequate resources and shore-based support. These include:

.1 personnel resources;

.2 material resources;

.3 any training required;

.4 clearly defined and documented responsibility and authority; and

.5 authority for reporting non-conformities and observations to the highest level of management.

4.4 Designated Person(s) should have the qualifications, training and experience as set out in MSC-MEPC.7/Circ.6, to effectively verify and monitor the implementation of the safety management system in compliance with the ISM Code.

5 REVIEW OF THE SAFETY MANAGEMENT SYSTEM

5.1 The Company should, ~~when needed,~~ periodically review and evaluate the effectiveness of the SMS in accordance with procedures established by the company. Further, it is one of the master's responsibilities to review periodically the safety management system and to report its deficiencies to the shore-based management. ~~Shore based and ship board internal audits should be performed at least once a year.~~

5.2 Management reviews support Companies efforts in achieving the general safety management objectives as defined in section 1.2.2 of the ISM Code. Based upon the results of such reviews, the Company should implement measures to improve further the effectiveness of the system. The review should be performed on a periodical basis as defined by the Company or when needed, e.g., in case of serious system failures. Any deficiencies found during the management review should be provided with appropriate corrective action taking into account the Company's objectives. The results of such reviews should be brought to the attention of all personnel involved in a formal way. The management review should at least take into account the results of the internal audits, any non-conformities reported by the personnel, the master's reviews, analysis of non-conformities, accidents and hazardous occurrences and any other evidence of possible failure of the SMS, like non-conformities by external parties, PSC inspection reports, etc.

6 REPORTING AND ANALYSING OF NON-CONFORMITIES, OBSERVATIONS, ACCIDENTS AND HAZARDOUS OCCURRENCES

6.1 The SMS should contain procedures to ensure that non-conformities, observations and hazardous occurrences are reported to the responsible person of the management. The Company should have a system in place for recording, investigating, evaluating, reviewing and analysing such reports, and to take action as appropriate.

6.2 The system should ensure such reports are reviewed and evaluated by the responsible person(s) in order to determine appropriate corrective action and to ensure that recurrences are avoided. The evaluation of reports may result in:

.1 appropriate corrective actions;

.2 amendments to existing procedures and instructions; and

.3 development of new procedures and instructions.

6.3 The responsible person should properly monitor the follow-up and closing-out of the non-conformities/deficiency reports. The receipt of reports should be acknowledged to those persons who have raised the reports. This should include the status of the report and any decisions made.

6.4 The Company should encourage the reporting of near-misses[12] to maintain and improve safety awareness ~~(see MSC/Circ.1015)~~. A near-miss can be defined as ~~hazardous situation where an accident was avoided~~ a sequence of events and/or conditions that could have resulted in loss. The reporting and analysis of such incidents are essential for an effective risk assessment by the Company, especially where accident information is not available.

7 INTERNAL AUDITS

7.1 Companies should carry out internal shore-based and shipboard audits ~~at least once per year~~ at intervals not exceeding twelve months to verify whether shore-based and shipboard activities comply with the SMS. In exceptional circumstances as documented by the Company, this period may be exceeded by not more than three months. These internal verifications should be prepared and conducted in accordance with procedures established by the Company. The procedures should at least consider the following elements:

.1 responsibilities;

.2 competence and selection of auditors;

.3 audit scheduling;

.4 preparing and planning the audit;

.5 executing the audit;

.6 audit report; and

.7 corrective action follow-up.

[12] MSC-MEPC.7/Circ.7 Guidance on near-miss reporting.

8 QUALIFICATIONS, TRAINING AND EXPERIENCE

8.1 The ISM Code requires the Company to ensure that all personnel involved in the Company's SMS have an adequate understanding of relevant rules, regulations, codes, guidelines, standards and other ship-specific requirements. The Company should ensure appropriate manning of the ship through established procedures that encompass all aspects of maintaining safe and efficient operations on board at all times , and that all personnel on board and ashore have the relevant qualifications, training and experience ~~that may be~~ required in support of the SMS. All persons performing internal audits should have successfully completed a relevant auditor training course.

9 THE COMPANY'S RESPONSIBILITIES

9.1 The Company which has taken over all the duties and responsibilities imposed by the Code, should provide adequate resources: e.g. technical, financial and human resources to ensure that the safety management objectives will be achieved. ISM related tasks being carried out by branches or by external entities should be described in the SMS, and the Company should verify that they are performed in accordance with the established procedures.

INTERNATIONAL MARITIME ORGANIZATION

IMO

E

SUB-COMMITTEE ON STANDARDS OF TRAINING AND WATCHKEEPING
43rd session
Agenda item 10

STW 43/10/x4
xx December 2011
Original: ENGLISH

ROLE OF THE HUMAN ELEMENT

Amendments to the Guidelines for the structure of an integrated system of Contingency planning for shipboard emergencies Res. A.852(20)

Submitted by Austria, Belgium, Bulgaria, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, the Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden, the United Kingdom and the European Commission

SUMMARY

Executive summary:	This document describes items for the Sub-Committee on Standards of Training and Watchkeeping on amendments to the Guidelines for a structure of an integrated system of contingency planning for shipboard emergencies, Resolution A.852(20).
Strategic direction:	12.2 (and 12.4)
High-level action:	12.2.1
Planned output:	12.2.1.1 and 12.2.1.2
Action to be taken:	Paragraph 11
Related documents:	MSC 81/17/1, MSC.273(85), MSC.255(84), MSC.257(84), MEPC.85(44), MEPC.86(44), A.648(16), Res. A.852(20), A.884(21), A.918(22).

Introduction

36. This paper considers issues relating to the identification potential emergency shipboard situations, and so proposes specific amendments be made to the guidelines for the structure of an integrated system of Contingency planning for shipboard emergencies Res. A.852(20) in association with an unplanned output made in MSC 89/22/9 and accepted at MSC 89 (see 22.40 of MSC 89/25).

37. In pursuance of the above request, the co-sponsors, having considered the necessity of amendments to the Guidelines for the structure of an integrated system of contingency planning for shipboard emergencies in Resolution A.852(20).

Background

38. The report MSC 81/17/1 provides an in-depth analysis of the impact and contribution of the ISM Code. It recommends that further studies should be undertaken, to examine the cause and effect between ISM implementation and the flag State safety record. Based on the outcome of the data produced, the report recommends that new guidelines should be developed to assist companies to implement the Code.

39. This initiative forms part of a package of proposals from the co-sponsors to make specific amendments to improve the implementation of the International Safety Management (ISM) Code, and specific amendments to the guidelines for the structure of an integrated system of contingency planning for shipboard emergencies in Resolution A.852(20),

Scope and application

40. Guidelines provide guidance to companies on the scope and application of the ISM Code. It is recognized that the scope is not sufficiently precise enough to cover all identified risks. Whilst this approach provides flexibility for the auditor, it requires a risk-based judgement to be made on which elements of the SMS should be audited to assure compliance.

41. These guidelines are intended to provide a starting point for the preparation of plans for specific ships. The broad spectrum of ships for which plans are required makes it impractical to provide specific guidelines for each ship type. Those drawing up these plans are made aware that they should consider the applicable codes, guidelines and standards and other variables that apply to their ships. Some of these variables include: type and size of ship, cargo, route, and shore based management structure. The guidelines are not intended to be a compilation of general items from which those drawing up the plans may select certain sections and produce a workable plan, but should be so structured as to allow each one to be carefully tailored to the particular ship for which it is intended. Properly used, the guidelines will ensure that all appropriate issues are considered in the development of such plans. Draft text for the proposed amendment is provided in the Annex.

Issues

42. Two issues have been identified that need to be clarified to further improve the guidelines to structure an integrated system of contingency planning for shipboard emergencies, namely:

- Identifying potential emergency situations, and
- emergency situations where external parties are involved in the ship's operation.

Identifying potential emergency situations

43. The ISM Code requires that Companies establish safeguards against all identified risks. Although most Companies do not have problems with preparing and responding to potential shipboard emergency situations, some Companies have difficulties in identifying all possible situations where a shipboard contingency plan is required, if particular ship types, equipment and trade are involved. However, such emergency situations could occur in isolated incidents or as part of a chain of events. Companies should not overlook possible risks, and demonstrate proof of evaluating the emergency procedures recommended by the Organization, Administrations, classification societies and other maritime industry organizations. In their attempt to support Companies, the Administrations and RO's have made several national guidelines to help identifying important risks.

44. To facilitate the identification of all known and potential emergency shipboard situations, and to establish procedures to respond to them amendment (chapter 1.2.2.2 and 8 of the ISM Code as amended by MSC.273(85)), the guideline should at least address the majority of emergency scenarios. To reflect these risk factors, it is proposed that the Guidelines for a structure of an integrated system of contingency planning for shipboard emergencies (Res. A.852(20) be amended to include a requirement for Companies to consider and seek additional assurance on the risk factors identified below.

Emergency situations of external parties involved in the ship's operation

10. When a ship is in operation, it may interact with all kinds of vessels, objects, equipment or persons. The Company has generally no provision in SMS for emergency procedures when the ship is interacting with these external parties. It will probably be the case that the external parties have their own established emergency procedures, but the ship's complement may not necessarily know them. The master (or ship safety officer) has no obligation to take into account such procedures, because responsibility is limited to the ship itself (chapter 8 of the ISM Code). However, when it comes to identifying emergency situations, the Company has to look into all possible shipboard scenarios. By way of example, the Code for safe loading and unloading of Bulk Carriers (BLU code) provides for emergency plans, but does not mention what is expected of the ship, when something goes wrong on the quay side, e.g. conveyor loading, breakage of mooring ropes, divers, bunkering, docking, loss of communication. It is therefore strongly advisable that potential third party emergency procedures should be taken into account. However, emergency procedures of an external party interacting with the ship need only be considered if the Company believes that there is an unknown risk which could affect the ship.

Action requested of the Committee

11. The Sub-Committee is invited to consider the proposed draft amendments to the ISM Code, as set out in the annex, the issues highlighted and the proposed amendments to the Revised Guidelines for a integrated system of contingency planning for shipboard emergencies (Res.A.852(20) outlined in the Annex, and to take action as appropriate

_____.

PROPOSED DRAFT AMENDMENTS TO THE REVISED GUIDELINES FOR A STRUCTURE OF AN INTEGRATED SYSTEM OF CONTINGENCY PLANNING FOR SHIPBOARD EMERGENCIES (RESOLUTION A.852(20))

Contents

PREFACE

These Guidelines, prepared by the Maritime Safety Committee (MSC) of the International Maritime Organization (IMO), contain guidance to assist in the preparation of an integrated system of contingency planning for shipboard emergencies. It is intended to be used for the preparation and use of a module structure of an integrated system of shipboard emergency plans.

The high number of non-harmonized shipboard contingency plans justifies the development of an integrated system and the harmonization of the structure of contingency plans.

Shipboard emergency preparedness is required under chapter 1.2.2.2 and 8 of the ISM Code as amended, referred to in chapter IX of the SOLAS Convention, as amended, under chapter III, regulation 24-4 of the SOLAS Convention, as adopted at the SOLAS Conference November 1995, and under MARPOL 73/78, Annex I, regulation 26.

To implement the SOLAS and MARPOL regulations, there must be shipboard procedures and instructions. These Guidelines provide a framework for formulating procedures for the effective response to emergency situations identified by the company and shipboard personnel.

In this context the main objectives of these Guidelines are:

* to assist companies in translating the requirements of the regulations into action by making use of the structure of the integrated system;

* to integrate relevant shipboard emergency situations into such a system;

* to assist in the development of harmonized contingency plans which will enhance their acceptance by shipboard personnel and their proper use in an emergency situation;

* to encourage Governments, in the interests of uniformity, to accept the structure of the integrated system as being in conformity with the provisions for development of shipboard contingency plans as required by various IMO instruments, and to refer to these Guidelines when preparing appropriate national legislation.

1 General remarks

1.1 The ISM Code establishes an international standard for the safe management and operation of ships by defining elements which must be taken into account for the organization of company management in relation to ship safety and pollution prevention. Since emergencies, as well as cargo spillage, cannot be entirely controlled either through design, or through normal operational procedures, emergency preparedness and pollution prevention should form part of the company's ship safety management. For this purpose, every company is required by the ISM Code to develop, implement and maintain a Safety Management System (SMS).

1.2 Within this SMS, potential emergency shipboard situations should be identified and procedures ~~for describing~~ should be established to respond~~ing~~ to them ~~to potential shipboard emergency situations are required~~.

1.3 If the preparation of response actions for the many possible varying types of emergency situations which may occur are formulated on the basis of a complete and detailed case-by-case consideration, a great deal of duplication will result.

1.4 To avoid duplication, shipboard contingency plans must differentiate between "initial actions" and the major response effort involving "subsequent response", depending on the emergency situation and the type of ship.

1.5 A two-tier course of action provides the basis for a modular approach, which can avoid unnecessary duplication.

1.6 It is recommended that a uniform and integrated system of shipboard emergency plans should be treated as part of the International Safety Management (ISM) Code, forming a fundamental part of the company's individual Safety Management System (SMS).

1.7 An illustration of how such a structure of a uniform and integrated system of shipboard emergency plans with its different modules can be incorporated into an individual SMS is shown in **appendix 1**.

2 Integrated system of contingency plans for shipboard emergencies

2.1 Scope

2.1.1 The integrated system of shipboard emergency plans (hereinafter referred to as the "system") should provide a framework for the many individual contingency plans (hereinafter referred to as the "plans"), tailored for a variety of potential emergencies, for a uniform and modular designed structure.

2.1.2 Use of a modular designed structure will provide a quickly visible and logically sequenced source of information and priorities, which can reduce error and oversight during emergency situations.

2.2 Structure of the system

2.2.1 The structure of the system comprises the following six modules, the titles of which are:

* Module I : Introduction
* Module II : Provisions
* Module III : Planning, preparedness and training
* Module IV : Response actions
* Module V : Reporting procedures
* Module VI : Annex(es).

An example of the arrangement of these modules is shown in **appendix 2**.

2.2.2 Each module should contain concise information to provide guidance and to ensure that all appropriate and relevant factors and aspects, through the various actions and decisions during an emergency response, are taken into account.

2.3 Concept of the system

2.3.1 The system is intended as a tool for integrating the many different plans into a uniform and modular structured frame. The broad spectrum of the many required plans which may be developed by a company will result in the duplication of some elements (e.g. reporting) of these plans. Such duplication can be avoided by using the modular structure of the system referred to in 2.2.1.

2.3.2 Although the initial action taken in any emergency will depend upon the nature and extent of the incident, there are some immediate actions which should always be taken - the so-called "**initial actions**" (see **appendix 4**). Therefore, a distinction within the plans between "**initial actions**" and "**subsequent response**", which depends on variables like the ship's cargo, type of the ship, etc., will help to assist shipboard personnel in dealing with unexpected emergencies and will ensure that the necessary actions are taken in a priority order.

2.3.3 "**Subsequent response**" is the implementation of the procedures applicable to the emergency.

3 System modules

3.1 General principles

3.1.1 As a starting point for the preparation of the system, **appendix 3** provides guidance and a quick overview concerning the kind of information which may be inserted into the individual system modules.

3.1.2 Above all, the system should be developed in a user-friendly way. This will enhance its acceptance by shipboard personnel.

3.1.3 For the system as well as the associated plans to be effective it must be carefully tailored to the individual company and ship. When doing this, differences in ship type, construction, cargo, equipment, manning and route have to be taken into account.

3.2 Details of the individual modules

3.2.1 Module I: **Introduction**

3.2.1.1 The system should contain a module entitled "Introduction".

3.2.1.2 The content of this module should provide guidance and an overview of the subject-matter.

3.2.1.3 The following is an example of an introductory text:

INTRODUCTION

1 The system is intended to prepare shipboard personnel for an effective response to an emergency at sea.

2 The prime objective of the system is to provide guidance to shipboard personnel with respect to the steps to be taken when an emergency has occurred or is likely to occur. Of equal benefit is the experience of those involved in developing the plan.

3 The purpose of the system is to integrate contingency plans for shipboard emergency situations and to avoid the development of different, non-harmonized and unstructured plans which would hamper their acceptance by shipboard personnel and their proper use in an emergency situation. Therefore, the system and its integrated plans should be structured and formatted in their layout and content in a consistent manner.

4 The aim of the system is to ensure the most timely and adequate response to emergencies of varied size and nature, and to remove any threat of serious escalation of the situation. Additionally the system provides a structure to prevent critical steps from being overlooked.

5 The system and associated plans should be seen as dynamic, and should be reviewed after implementation and improved through the sharing of experience, ideas and feedback.

6 It should be kept in mind that there could be problems in communication due to differing language or culture of the shipboard personnel. The system, as well as the integrated plans, will be documents used on board by the master, officers and relevant crew members of the ship, and they must be available in the working language of the crew. Any change in these personnel, which results in a change in the crew's working language requires plans to be issued in the new language. The module should provide information to this effect.

7 The system is to be seen as a tool for implementing the requirements of chapter 1.2.2.2 and 8 of the International Safety Management (ISM) Code, or similar regulations in other IMO instruments[13], in a practical manner.

[13] Reference is made to SOLAS 74 as amended, chapter III, regulation ~~24-4~~ 29, and to MARPOL 73/78 as amended, Annex I, regulation ~~26~~ 37.

3.2.2 Module II: Provisions

3.2.2.1 This module should contain information and explanations on how the system could be developed on the basis of suggestions for improvement made by the individual company and shipboard personnel.

3.2.2.2 The primary objective of shipboard emergency prevention, preparedness and response activities should be to develop and implement an efficient and effective system which will minimize the risks to human life, the marine environment and property, with a continuous effort towards improvement.

3.2.2.3 To achieve this objective, there is a need for co-ordination of, and consistency in, safety procedures between the company and its ships. Therefore, the module should require that company shorebased and shipboard contingency planning and response are consistent and appropriately linked.

3.2.2.4 Safety involves "top-down" and "bottom-up" commitment to active development and application of safety procedures and practices by all persons both ashore and afloat, including management.

3.2.2.5 Free and open communication when evaluating emergency procedures, taking into consideration accidents and near misses when using this system, should be pursued, with the objective of improving accident prevention, preparedness and response aboard ships. The module should take care of this recommendation by providing information for the implementation of an error reduction strategy with appropriate feedback and procedures for modification of plans.

3.2.2.6 In summary, the module should inform the system user about the most important requirements with which, at a minimum, the plans should comply. The following main elements should be addressed in the module:

* procedures to be followed when reporting an emergency;

* procedures for identifying, describing and responding to potential emergency shipboard situations;

* programmes/activities for the maintenance of the system and associated plans.

3.2.3 Module III: Planning, preparedness and training

3.2.3.1 This module should provide for emergency training and education of shipboard personnel with a view to developing general awareness and understanding of actions to be taken in the event of an emergency.

3.2.3.2 The system and plans will be of little value if the personnel who are to use them are not made familiar with them. Module III should therefore provide practical information which enables each key member of the shipboard personnel to know in advance what their duties and responsibilities are and to whom they are to report under the plans. Responsibility should be assigned for each emergency system, and it should be incumbent on the Company that all relevant officers and crew members should understand, be trained and should be capable of operating the emergency systems, such as fixed fire extinguishing systems, emergency generator, emergency steering, fire pumps, etc...

3.2.3.3 Successful management of an emergency or marine crisis situation depends on the ability of the shipboard personnel, the company, and external emergency co-ordinating authorities to muster sufficient resources in the right positions quickly.

3.2.3.4 An important goal of planning, preparedness and training programmes should be to increase awareness of safety and environmental issues.

3.2.3.5 Training ~~and education~~ should be at regular intervals and, in particular, be provided to shipboard personnel transferred to new assignments.

3.2.3.6 Records of all emergency drills and exercises conducted ashore and on board should be maintained and be available for verification. The drills and exercises should be evaluated as an aid to determining the effectiveness of documented procedures and identifying system improvements.

3.2.3.7 When developing plans for drills and exercises, a distinction should be made between full-scale drills involving all the parties that may be involved in a major incident and exercises limited to the ship and/or the company.

3.2.3.8 Feedback is essential for refining emergency response plans and emergency preparedness based on the lessons learned from previous exercises, accident investigations[14] or real emergencies, and provides an avenue for continuous improvement. Feedback should ensure that the company, as well as the ship, is prepared to respond to shipboard emergencies (see summarizing flow diagram in **appendix 1**).

3.2.3.9 In conclusion, the module should, as a minimum, provide information on the procedures, programmes or activities developed in order to:

* familiarize shipboard personnel with the provisions of the system and plans;

* provide training for ~~train and educate~~ shipboard personnel about the system and plans, in particular to personnel transferred to new assignments ~~about the system and plans~~;

* schedule regular drills and exercises to prepare shipboard personnel to deal with potential shipboard emergency situations;

* co-ordinate the shipboard personnel and the company's actions effectively, and include and take note of the aid which could be provided by external emergency co-ordinating authorities;

* prepare a workable feedback system.

3.2.4 Module IV: Response actions

This module should provide guidance for shipboard personnel in an emergency when the ship is underway, berthed, moored, at anchor, in port or dry dock.

[14] Resolution MSC.255(84) and MSC.257(84) Adoption of the code of the international standards and recommended practices for a safety investigation into a marine casualty or marine incident (casualty investigation code), and IMO Resolution A.884(21) Amended code for the investigation of marine casualties and incidents.

3.2.4.1 In an emergency, the best course of action to protect the personnel, ship, marine environment and cargo requires careful consideration and prior planning. Standards for shipboard procedures to protect personnel, stabilize conditions, and minimize environmental damage when an incident occurs should therefore be developed.

3.2.4.2 In this context reference is made to the guidelines already developed by the Organization[15], which contain information to provide a starting point and to assist personnel in the preparation of plans for individual ships.

3.2.4.3 The variety of plans to be incorporated in the system should be simple documents which outline procedures different from those used for daily routine operations. With normal operational procedures very difficult problems can be handled, but an emergency situation, whether on the ship at sea or in a port, can extend those involved beyond their normal capabilities.

3.2.4.4 In order to keep the plans held by ship and shore identical, and to reduce possible confusion in an emergency as to who is responsible for which action, plans should make clear whether the action should be taken by shipboard personnel or shoreside personnel.

3.2.4.5 Taking these particulars into consideration, the module "Response actions" should comprise main groupings of emergency shipboard situations.

3.2.4.6 Potential emergency situations should be identified in the plans, including, but not limited to, the following main groups of emergency:

.1 **Fire**

.2 **Damage to the ship**

.3 **Pollution**

~~.4 **Unlawful acts threatening the safety of the ship and the security of its passengers and crew**~~

~~.5~~.4 **Personnel accidents**

~~.6~~.5 **Cargo related accidents**

~~.7~~.6 **Emergency assistance to other ships**.

In order to give the company the necessary flexibility for identifying, describing and responding to further shipboard emergency situations, more specific types of emergency should be included in the main groups.

[15] Reference is made to ~~"Guidelines for the development of Shipboard Oil Pollution Emergency Plans" (see resolution MEPC.54(32)). Reference is also made to "Guidelines for the development of Shipboard Marine Pollution Emergency Plans" under consideration by the Organization (see BCH 24/WP.8);~~IMO Resolution MEPC.86(44). "Guidelines for the development of Shipboard Oil Pollution Emergency Plans" and IMO Resolution MEPC.85(44) Guidelines for the development of shipboard marine pollution emergency plans for oil and/or noxious liquid substances, as amended.

3.2.4.7 The ~~majority of shipboard emergencies~~ above mentioned main groups can be further ~~classified under~~ subdivided to cover the majority of shipboard emergencies. ~~the above-mentioned main groups. For example, the main group "Damage to ship" can be subdivided to cover other shipboard emergencies, which may require very different responses, such as~~:

~~* collision~~
~~* grounding/stranding~~
~~* heavy weather damage~~
~~* hull/structural failure, etc.~~

The detailed response actions should be formulated so as to set in motion the necessary steps to limit the consequence of the emergency and the escalation of damage following, for example, collision or grounding.

Table 3.2.4.7 – Majority of shipboard emergencies

Main group	Sub group	IMO reference
.1 **Fire or explosion**	Open fire	
	Internal fire	
	Explosion	
.2 **Damage to the ship**	Collision	
	Grounding/stranding	
	Heavy weather/ice damage	
	Hull/structural failure, etc.	
	Machinery failure, etc.	
	Electrical power failure	
	Steering gear failure	
	Flooding	
	Docking	
	Mooring	
.3 **Pollution**	Oil spillage	SOPEP
	Cargo spillage	SOPEP, SMPEP
	Jettison	SOPEP
	Bunkering	SOPEP
~~.4 **Unlawful acts threatening the safety of the ship and the security of its passengers and crew**~~		
~~.5~~.4 **Personnel accidents & incidents**	Fatality, injury, illness	
	Man overboard	Res. A.601 (I5)
	Rescue from enclosed spaces	Res. A.864**(**20**)**
~~.6~~.5 **Cargo related accident**	Shifting of cargo	
	Fire of cargo	
	Loading - discharge	BLU code
	Dangerous goods	IMDG code

.7.6 **Emergency assistance ~~to other ships~~**	Search And Rescue	IAMSAR manual MSC.167(78)
	Emergency Towing	SOLAS Chap II-1- Reg.3-4, MSC.1/Circ.1255
	Helicopter rescue	COMSAR
	Divers operations	
	Pilotage transfer	A 21/Res.889
	Salvage operations	Res. A.657(16)
	Abandoning ship	
	Reactivation after lay-up.	

3.2.4.8 The list is not exhaustive and the Company should identify all possible situations where shipboard contingency planning would be required relative to the operational requirements, ship's type, equipment and trade. Depending on the ship's trade, some of emergency scenarios may be omitted, however, the Company should consider if all shipboard contingency plans should be updated whenever changing trade patterns.

3.2.4.9 Emergency situations of external parties involved in interactions with the ships operation at certain times should be considered, whenever the Company or Master believes that it could lead to a shipboard emergency situation.

3.2.4.~~8~~10 In all cases priority should be given to actions which protect life, the marine environment and property, in that order. This means that "**initial actions**" which are common for all ships, regardless of their type and the cargoes carried, should be fully taken into account when formulating **"subsequent response"** procedures.

3.2.4.~~9~~11 The planning of subsequent response actions should include information relating to the individual ship and its cargo, and provide advice and data to assist the shipboard personnel. Examples of such information are listed below:

.1 Information on:

* the number of persons aboard;

* the cargo carried (e.g. dangerous goods, etc.);

.2 Steps to initiate external response:

* search and rescue co-ordination;

* buoyancy, strength and stability calculations;

* engagement of salvors/rescue towage;

* lightering capacity;

* external clean-up resources;

.3 Ship drift characteristics

.4 General information:

* co-operation with national and port authorities;

* public relations.

3.2.4.~~10~~12 Although shipboard personnel should be familiar with the plan, ease of reference is an important element in compiling and using an effective plan. Allowance must be made for quick and easy access to essential information under stressful conditions.

Appendices 3 and 4 show a detailed picture of the sequence of priorities for "**initial actions**" in an emergency situation and their link with the "**subsequent response**".

3.2.4.~~11~~13 In summary, the module should guide those responsible for developing the system on what should be included in emergency plans, namely:

- co-ordination of response efforts;

- response procedures for the entire spectrum of possible accident scenarios, including methods that protect life, the marine environment and property;

- the person or persons identified by title or name as being in charge of all response activities;

- the communication lines[16] used for ready contact with external response experts;

- information concerning the availability and location of response equipment;

- reporting and communication procedures on board ship.

A seven-step approach flow chart for emergency plan(s) implementation is presented on page 13.

3.2.5 Module V: **Reporting procedures**

A ship involved in an emergency situation, or in a marine pollution incident will have to communicate with the appropriate ship interest contacts and coastal State or port contacts. Therefore the system must specify in appropriate detail the procedures for making the initial report to the parties concerned. This module should take care of the following:

3.2.5.1 Every effort should be made to assure that information regarding:

- ship interest contacts;

- coastal State contacts; and

- port contacts

for reporting emergencies are part of the system and are regularly updated.

[16] IMO Resolution A.918(22) Standard Marine Communication Phrases (SMCP).

3.2.5.2 The establishment and maintenance of rapid and reliable 24-hour communication lines between the ship in danger and emergency control centre(s), company's main office and national authorities (RCC, points of contact), is important.

3.2.5.3 Those managing response operations on board and services assisting ashore should keep each other mutually informed of the situation.

3.2.5.4 Details such as telephone, telex and telefax numbers must be routinely updated to take account of personnel changes. Clear guidance should also be provided regarding the preferred means of communication.

3.2.5.5 In this context, reference is made to the Organization's guidelines[17] and other national specific plans which give sufficient guidance on the following reporting activities necessary:

.1 when to report;

.2 how to report;

.3 whom to contact;

.4 what to report.

3.2.6 Module VI: Annex(es)

3.2.6.1 In addition to the information required to respond successfully to an emergency situation, other requirements that will enhance the ability of shipboard personnel to locate and follow-up operative part 5 of the plan may be required.

4 Example format for a procedure of a selected emergency situation

An example format for a procedure of a selected emergency situation referred to in 3.2.4 is shown on pages 14 to 18. *(not shown in this proposal)*

---

[17] Reference is also made to ~~"Guidelines for the development of Shipboard Oil Pollution Emergency Plans" (see resolution MEPC.54(32)), and to~~ "General principles for ship reporting system and ship reporting requirements, including guidelines for reporting incidents involving dangerous goods, harmful substances and/or marine pollutants" (see resolution A.648(16)). "Guidelines for the development of Shipboard Oil Pollution Emergency Plans" and IMO Resolution MEPC.85(44)) Guidelines for the development of shipboard marine pollution emergency plans for oil and/or noxious liquid substances, as amended.

INTERNATIONAL MARITIME ORGANIZATION

IMO

E

SUB-COMMITTEE ON STANDARDS OF TRAINING AND WATCHKEEPING
43rd session
Agenda item 10

STW 43/10/x5
xx December 2011
Original: ENGLISH

ROLE OF THE HUMAN ELEMENT

Guidelines for the reactivation of the SMC following an operational interruption of the safety management system due to lay-up over a certain period.

Submitted by Austria, Belgium, Bulgaria, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, the Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden, the United Kingdom and the European Commission

SUMMARY

Executive summary:	This document describes items for the Sub-Committee on Standards of Training and Watchkeeping to include in new guidelines for the reactivation of the Shipboard Management Certificate following and operational interruption of the SMS due to lay-up over a certain period
Strategic direction:	12.2 (and 12.4)
High-level action:	12.2.1
Planned output:	12.2.1.1 and 12.2.1.2
Action to be taken:	Paragraph 17
Related documents:	MSC.273(85), Res.A.1022(26), Res. A.852(20).

Introduction

45. This submission seeks to provide guidance to companies and administrations on the scope of the reactivation audit of the SMS of the ship following a lay-up. The co-sponsors consider that the criteria for the scope of a reactivation audit for those ships in lay-up which undergo a related interruption in the operation of their SMS are currently not sufficiently addressed. Whilst a lay-up provides flexibility for the Company, it requires a risk-based judgement to ensure that the SMS is operational once the ship is taken back into service.

46. The co-sponsors therefore consider it necessary to create a guideline in order to bring consistency to the approach to the lay-up periods and the associated ship's audits in association

with the proposal for an unplanned output made in MSC 89/22/9 and accepted at MSC 89 (see 22.40 of MSC 89/25).

Background

3. The economic downturn has led to an oversupply of ships, and the numbers of ships that are in lay-up or are projected to go into lay-up have increased considerably. When the stand-by periods increase a ship may become idle, further operation is then usually evaluated on a cost / benefit basis considering different technical and economical conditions.

4. The ISM Code requires a safety management system that controls the operational aspect of the ship, including stages during which the ship has regularly several stand-by periods as part of its daily routine e.g. waiting for: orders, a weather window, discharging, bunkering, etc.. Alongside such stand-by periods, there are longer periods of idleness or where the ship is deliberately shut down, otherwise known as a lay-up.

5. Laying-up ships interrupts the continued operation of the ship and increases the risk of operational failure when the ship is put back in service. It requires a comprehensive plan to prevent deterioration or damage to machinery and systems and minimize unforeseen problems due to lay-up.

6. Meanwhile, several classification societies and P&I clubs have developed some guidance outlining the major methods and procedures involved in the lay-up of a ship. These guidelines give technical assistance to Companies focusing on the maintenance of class, ship safety, as well as pure maintenance and operability aspects. These guidelines provide useful advice on ships in lay-up. Such guidelines in general consider similar technical issues, but have different interpretation as to the duration of a lay-up (cold, hot and long-term). Due to a lack of unified and hence widely accepted guidance, the co-sponsors have considered it necessary to create a guideline for ships in lay-up.

Objectives

The objective of this guideline is to clarify the scope of the reactivation audit depending on the extent and type of lay-up to ensure that companies take the appropriate steps to maintain or reactivate the Safety Management System of the ship.

Scope and application

7. The duration and condition of lay-up will generally determine the final scope of the arrangements. The guidelines are intended to provide a starting point for the preparation of a ship in lay-up, and should give an answer to the different interpretations of a reactivation audit.

Issues

8. Three issues in particular have been identified that should, when clarified, introduce a common approach to the lay-up periods and the associated ship's audits.

- Lay-up considerations;
- Lay-up requirements; and
- Reactivation requirements.

Lay-up considerations

9. When ships become idle, further operation is usually evaluated on a cost / benefit basis considering different technical and economical conditions. Key considerations for the choice of the lay-up condition are:

- Estimated time in lay-up condition;
- place of lay-up;
- lay-up mode (hot or cold); and
- vessel's personnel.

Lay-up requirements

10. The Companies should be aware of the increased risk of operational failure when the ship is put back in service, and therefore provide the Administration and classification society with an adequate maintenance plan of equipment and technical systems (chapter 10 of the ISM Code).

11. Ships may be maintained in class during lay-up, and are then subject to periodical surveys according the requirements of the classification society. Several classification societies have guidelines providing technical assistance to the ship-owners with a focus on the maintenance of class, ship safety, operability and general maintenance. The owner should prepare a lay-up maintenance programme in accordance with the classification society requirements and implemented on board the vessel. If the owner fails to fulfil these obligations, class may be suspended and/or withdrawn.

12. The number of personnel required on board a ship in lay-up depends on the time and condition of the lay-up, e.g. a skeleton crew can be looking after several ships. Most likely the crew needed on a ship in lay up will be less than the Minimum Safe Manning of a ship in service. The number of personnel required for this period should be determined in consultation with the Administration, local authorities and the port state or coastal state (if applicable).

Reactivation requirements

13. The classification society guidelines advise that a lay-up intended for a certain period of (short) time should be followed by a re-activation audit. Several classification society guidelines consider the Safety Management Certificate (SMC) invalid when the lay-up exceeds an extended period of time and request an additional/interim audit upon re-commissioning. After comparing the existing classification society guidelines, we found there is no unified interpretation.

14. Shutting down a ship is a complex technical process; moreover, when putting it back into service, the essential technical systems need to be evaluated and inspected by the classification society. The Company should be aware of the increased risk of operational failure when the ship is put back in service, notify the Administration and classification society and make provisions for the ship to be submitted to an occasional survey.

15. The ISM Code has no provisions for a lay-up or how to interpret an 'audit' after lay-up. Several classification societies consider the SMC invalid when the lay-up exceeds an extended period of time, and request an additional/interim audit upon re-commissioning. In any case, the classification society recognized as the organizations acting on behalf of the Administration should seek formal approval of the Administrations when withdrawing statutory certificates (SMC) during lay-up.

16. There are many very good reasons for ensuring that well planned and thorough internal audits are carried out following lay-up. The Company should review the efficiency of the maintenance plan of equipment and technical systems (chapter 10.3 of the ISM Code), and

verify if any update or new codes and guidelines have been properly considered and implemented. The Administration should, based on the duration, and type of the lay-up, determine the scope and depth of the audit, which may vary from case to case. Classification society acting on behalf should ask the Administration about the scope of the ISM audit upon reactivation.

Action requested of the Committee

17. The Sub-Committee is invited to consider the issues highlighted and the proposal for Guidelines on the interruption of an operational Safety Management System as outlined in the Annex and to take action as appropriate.

DRAFT GUIDELINES FOR THE REACTIVATION OF THE SMC FOLLOWING AN OPERATIONAL INTERRUPTION OF THE SAFETY MANAGEMENT SYSTEM ON BOARD VESSELS DUE TO LAY-UP OVER A CERTAIN PERIOD.

1. INTRODUCTION

1.1. The ISM Code

This submission seeks to provide guidance to companies and administrations on the scope of the reactivation audit of the SMS of the ship following a lay-up. The co-sponsors consider that the criteria for the scope of a reactivation audit for those ships in lay-up which undergo a related interruption in the operation of their SMS are currently not sufficiently addressed. Whilst a lay-up provides flexibility for the Company, it requires a risk-based judgement to ensure that the SMS is operational once the ship is taken back into service.

The co-sponsors therefore consider it necessary to create a guideline in order to bring consistency to the approach to the lay-up periods and the associated ship's audits.

2. SCOPE AND APPLICATION

2.1. Definitions

The terms used in these Guidelines have the same meaning as those given in the ISM Code. Terms that are defined in the Code should preferably be used and not be exchanged by other abbreviations in reports, correspondence etc..

2.1.1 *Lay-up*: A ship is considered to be in lay-up mode when for commercial reasons or otherwise it has ceased trading for any period of time and the Company has notified the Administration accordingly.

2.1.2 *Hot lay-up:* the machinery and equipment is kept in operation for the sake of fast re-commissioning in 24 hours.

2.1.3 *Cold lay-up:* means the ship is deliberately shut down.

2.2. Scope and application

2.2.1 These Guidelines establish basic principles for long periods of idleness or where the ship is deliberately shut down.

.1 the conditions and requirements of a ship in lay-up; and

.2 the verification that the safety management system of the ship is reactivated and complies with the ISM Code.

2.2.2 These Guidelines do not reduce or replace the Company's responsibilities outlined in the ISM Code.

2.2.3 By way of exception, where a Company manages a ship, which only operates seasonally, the Company should establish specific procedures for the lay up period and reactivation, based on their commercial activities.

3. LAY-UP REQUIREMENTS

3.1.1 A Company seeking to lay up a ship should notify to the Administration and port state or coastal state (if applicable) of the start date, location, planned duration and lay-up mode.

3.1.2 The ship should comply with the minimum requirements for safety and prevention of pollution, to avoid any danger to the lay-up site, as required by the Administration and port state or coastal state. If during the lay-up period the ship is shifted to another location it should comply with the requirements of the new location (if applicable).

3.1.3 The Company should be aware of the increased risk of operational failure during the complete lay-up and when the ship is put back in service. The Company should consider the following when the ship is kept operational:

.1 Appropriate procedures concerning safety and environmental protection during lay-up (chapter 7 of the ISM Code)

.2 maintenance of critical equipment and technical systems (chapter 10.3 of the ISM Code);

.3 an adequate response to potential shipboard emergency situations (chapter 8 of the ISM Code);

.4 manning the ship in accordance with national and international requirements (chapter 6 of the ISM Code) and/or as required by the Administration and port state or coastal state (if applicable).

3.1.4 The Company should prepare a lay-up maintenance programme, to maintain the ship’s operability with a focus on the ship's safety and pollution prevention, and implement it on board the vessel. This plan should take account of the rules and recommendations of a recognised organisation, or equivalent rules used by an Administration. Companies should demonstrate proof of evaluating the emergency procedures recommended by the Administration, recognised organisation, and other organisations, relative to the lay-up period. Furthermore, the appropriate surveys should be carried out to ensure that the ship can anticipate the increased risk once back in operation.

3.1.5 In addition to the technical challenges, it is important to coordinate the lay-up process with local authorities and port state or coastal state (if applicable). Administrations may request evidence of compliance with local lay–up manning regulations, if any, and the owner’s manning proposal based on the risk assessment. Administrations may, on this basis, agree a statement of appropriate personnel for the intended lay-up period.

3.1.6 Certificates, manuals, records and other relevant documents, which have been provided in respect of a ship, should be kept on board as necessary for the lay-up and the subsequent reactivation of the vessel.

3.1.7 No external ISM audits should be performed during a lay-up.

4. REACTIVATION REQUIREMENTS

4.1.1 The Company should, after interruption of the SMS due to lay-up over an extended period, review and evaluate the effectiveness of the SMS in accordance with procedures established by the Company.

4.1.2 The Company should notify the Administration and port state or coastal state (if applicable) about the reactivation of the ship. This should include information about the time needed for reactivation of the vessel, any change of ownership or change of Company and the next intended destination after reactivation, e.g. normal trade, repair yard or scrap yard. Based on this information the Administration should confirm the type and scope of the audit.

4.1.3 Reactivation after the interruption of the operations due to lay-up should be considered as an operational situation beyond normal procedures, which may require a safety management audit to ensure that the Company has reinstated the SMS accordingly.

4.1.4 The Administration should, based on the duration, and type of the lay-up, determine the scope and depth of the audit, which may vary from case to case (see next table).

Lay-up mode	**Hot**			**Cold**	
	The ship is fully operational in 24 hours			The ship is deliberately shut down	
Lay-up Periods	< 3 months	3 < 12 months	> 12 months	< 3 months	> 3 months
SMC	As in operation	To be revalidated	Invalid	To be revalidated	Invalid
Audit	Not required	Additional – (scope–initial)	Interim	Additional – (scope-initial)	Interim

On satisfactory completion of the shipboard audit, the existing Safety Management Certificate should be endorsed or renewed in accordance with the above table.

However, if during the lay-up period (1 month < 6 month) the intermediate audit becomes overdue or the SMC expires, then the appropriate audit must be carried out and a new certificate must be issued.

If an Interim Certificate (SMC) expires during the period the ship is laid-up, the ship will be required to obtain a new Interim SMC upon re-commissioning. An Interim verification audit will be required accordingly.

4.1.5 The external auditor should receive a plan of the reactivation activities including, emergency preparedness, shipboard familiarization and maintenance. The audit should only start when the internal audit has been carried out, there are no outstanding non-conformities, and neither class nor statutory certificates have expired. All documents and certificates that are necessary for the operation of the ship should be considered during a reactivation audit and the Company should demonstrate proof that any update or new codes and guidelines have been properly considered and implemented.

4.1.6 The Administration should follow-up on the results of the audit and take appropriate measures, as necessary, to ensure that any non-conformities found have been addressed and corrective actions have been properly implemented.

APPENDIX 1

NOTIFICATION OF AN OPERATIONAL INTERRUPTION OF THE SAFETY MANAGEMENT SYSTEM ON BOARD VESSELS DUE TO LAY-UP OVER A CERTAIN PERIOD.

Company : **IMO number :**

Name of ship : **IMO number :**

Type of ship :

Flag of ship :

SMC expiry date :

Classification society:

LAY-UP INFORMATION

Lay-up mode: **Lay-up location:**

Lay-up start date: **Planned duration :**

The ship is prepared with a lay-up maintenance programme in accordance with the classification society requirements. The ship complies with the minimum requirements for safety and prevention of pollution, and manning regulations, to avoid any danger to the lay-up site, as required Administration and port state or coastal state (if applicable).

Signed: .....

Place: .....

Date: .....

INTERNATIONAL MARITIME ORGANIZATION

IMO

E

SUB-COMMITTEE ON STANDARDS OF TRAINING AND WATCHKEEPING
43rd session
Agenda item 10

STW 43/10/x6
xx December 2011
Original: ENGLISH

ROLE OF THE HUMAN ELEMENT

Update of Circular MSC.1/Circ.1371, List of codes, recommendations, guidelines and other safety- and security-related non-mandatory instruments.

Submitted by Austria, Belgium, Bulgaria, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, the Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden, the United Kingdom and the European Commission

SUMMARY	
Executive summary:	This document describes items for the Sub-Committee on Standards of Training and Watchkeeping for a regular update of the Circular MSC.1/Circ.1371, List of codes, recommendations, guidelines and other safety- and security-related non-mandatory instruments.
Strategic direction:	12.2 (and 12.4)
High-level action:	12.2.1
Planned output:	12.2.1.1 and 12.2.1.2
Action to be taken:	Paragraph 10
Related documents:	MSC/Circ.815, MSC/Circ.1150, FP/53/22

Introduction

47. This paper considers a means to ensure a reliable source of information on the mandatory requirements for verifying compliance with the ISM Code by using Circular MSC.1/Circ.1371, List of codes, recommendations, guidelines and other safety- and security-related non-mandatory instruments.

48. It arises in response to the concerns expressed by the co-sponsors that it has become difficult for interested parties to identify, from the various IMO instruments in force, which requirements and recommendations are applied at a given time to certain types of ships.

Background

49. Circular MSC.1/Circ.1371 constitutes a List of codes, recommendations, guidelines and other safety- and security-related non-mandatory instruments. While it has been recommended that the list should be updated and disseminated annually, the circular has been updated only once on 30 July 2010, updating MSC/Circ.815 of 13 November 1998, meanwhile the reference to “ship types to which the requirements are applicable” has been deleted in MSC.1/Circ.1371.

50. Within this context, the Secretariat decided during FP/53/22 to develop a module of the IMO Global Integrated Shipping Information System (GISIS) on safety- and security-related requirements and recommendations applicable to all ships and certain types of ships, on the basis of an ACCESS database containing the information in MSC.1/Circ.1371. Once completed, the module could also contain information on the status of implementation of non-mandatory instruments to be kept updated by the Member States themselves using direct recording facilities. The module could also record, for each instrument, the national legislation adopted for its implementation, on a voluntary basis – including the ability to upload its full text – the application criteria and the status of the instrument with regard to its amendments.

51. Most classification societies have listed or issued a guideline on which rules and regulations certain ships have to comply with (e.g. IACS – Rec. 41, Germanische Lloyd - IMO pilot, Lloyd's Register - Rulefinder). Those lists or guidelines normally include standards recommended by the organisation, administrations, classification societies and maritime industry organisations. Generally, they do not guarantee and/or assume any kind of liability regarding the up-to-date nature, accuracy, completeness of the data provided.

Issues

52. Given continuing developments in existing guidelines from IMO, it has become very difficult for Companies and Administrations to easily ascertain which mandatory rules and regulations apply to which ship type (paragraph 1.2.3 of the ISM code). A large number of Companies rely on the information of IMO safety-related requirements and recommendations coming from Recognized Organisations (ROs). Although ROs certainly intend to provide timely advice for ships and Companies on upcoming regulations, they cannot guarantee the completeness of these lists or guidelines.

53. In terms of the verification of compliance with the ISM Code, it is important that Companies can have direct access to an up-to-date and accurate list of all safety-related requirements, (e.g. for education, training and general working procedures on board). It is also important that the auditor can verify with a comparable list, to which IMO safety-related requirements and recommendations the particular ship type has to comply.

54. In order to ensure that a particular ship is in compliance with the mandatory rules and regulations, codes and guidelines, there should be at least one source with reliable and comprehensive information of the mandatory instruments in force, and which could be accessible at all times and free of charge. To reflect this, it is proposed that while the GISIS

module is under development, the IMO could provide regular updates of the List of codes, recommendations, guidelines and other safety- and security-related non-mandatory instruments, until the database is operational.

Scope and application

55. Whilst the purpose of the Circular MSC.1/Circ.1371 is to provide a complete list of safety-related requirements, it is proposed to further improve the structure of the circular by including the following headings;

- Upcoming rules and regulations; and
- Categorization according to ship types (DOC)

Action requested of the Committee

10. The Sub-Committee is invited to consider the information contained in this document and the proposed actions in paragraph 9 and to take action as appropriate.