



PANAMA MARITIME AUTHORITY

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MERCHANT MARINE CIRCULAR MMC-233

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

Subject: Ship Registration

Reference: Law 57 of August 6, 2008.

This Circular supersedes MMC-5, MMC-6, MMC-7, MMC-13, MMC-14.

Recently Panama enacted Law 57 of August 6, 2008 which updates ship registration requirements as well as organizational aspects of the General Directorate of Merchant Marine. Law 57 of August 6, 2008 maintains the basic principles long applied in the management and operation of the Panamanian international registry of ships. This law came into force on February 6, 2009.

Although practitioners are encouraged to become acquainted with the details of the new law, for easy reference key aspects and requirements for foreign going ship registration are summarized below.

I. DOCUMENTARY REQUIREMENTS FOR PROVISIONAL SHIP REGISTRATION

Requests for provisional ship registration may be submitted directly to the Directorate General of Merchant Marine in Panama City, Panama, or to any of the designated Merchant Marine Consulates of Panama abroad, through the Public Key Infrastructure system with the following documentation attached:

1. Original Power of Attorney granted by owners in order to register the vessel if the application is presented to the Directorate General of Merchant Marine in Panama City. When issued abroad, the Power of Attorney must be duly notarized or apostilled or authenticated by a Panamanian Consulate;

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2. *Prima Facie* evidence ownership or of the intention to acquire ownership of the vessel;¹ and
3. Evidence of payment of applicable taxes and fees.
4. Any other additional requirement requested by the Directorate General of Merchant Marine.

Upon successful completion with these requirements, a Provisional Statutory Certificate of Registry and Provisional Radio Station Statutory License should be issued with a validity of six (6) months. The vessels will have this period to fulfill the requirements for obtaining both the permanent Statutory Certificate of Registry and the permanent Radio Station Statutory License. Shipowners are under the obligation to report to the Directorate General of Merchant Marine any changes to the information submitted at the moment of requesting the provisional ship registration or the provisional radio license.

The Directorate General of Merchant Marine can issue extensions to the validity of provisional documents; however, charges and fines may be applied.

II. DOCUMENTARY REQUIREMENTS FOR PERMANENT SHIP REGISTRATION

The General Directorate of Merchant Marine will determine the documentary requirements needed to register a foreign going ship in Panama. This office may also waive ship registration requirements provided that reasons merit such exemption.

Formal petition must be submitted to the Directorate General of Merchant Marine through the Public Key Infrastructure system with the following documentation attached:

A. General Requirements

1. Original Power of Attorney from owners to register the vessel if the application is presented to the Directorate General of Merchant Marine in Panama City. Whenever this power of attorney is issued abroad, the Power of Attorney must be duly notarized or apostilled or authenticated by a Consulate of Panama;
2. Evidence of ownership of the vessel in the form of the original Bill of Sale or Court-ordered Public Auction. In the case of a new construction, the original Builder's Certificate must be presented. If these documents are issued abroad, they must be duly notarized or apostilled or authenticated by a Panamanian Consulate;

¹ Original Bill of Sale. This document must be signed by seller and buyer. In the cases of new buildings, a Construction Certificate with the detailed particulars of the vessel and issued by the shipbuilder, will be required.

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3. Property Deed as evidence of ownership of the vessel registered at the Public Registry of Panama.
4. Certificate of incorporation of the Panamanian company under which the vessels will be registered, if applicable. This certificate must be issued by the Public Registry of Panama;
5. Deletion certificate proving that the vessel has cancelled its former registry and has the consent of the country of former registration to transfer registry to Panama;
6. Annual Safety Inspection (ASI) performed by the Navigation and Security Maritime Department.
7. Receipt of payment of applicable taxes and fees.
8. Any other additional requirement requested by the Directorate General of Merchant Marine.

B. Technical Requirements

B.1. For all Cargo Ships

1. Copy of the International Tonnage Certificate (ITC);
2. Continued Synopsis Record Certificate (CSR);
3. Copy of Safety Management Certificate (SMC);
4. Copy of Document of Compliance with ISM Code (DOC) by the managing company; and
5. Copy of the International Ship Security Certificate (ISSC).

B.2. Additional Requirements for Oil Tankers

1. Copy of International Oil Pollution Prevention Certificate, with its proper form.

B.3. Additional Requirements for Fishing Vessels

1. Fishing License issued by the Aquatic Resources Authority of Panama (ARAP)

Upon successful fulfilment of requirements and provisions, the Directorate General of Merchant Marine will issue the permanent Statutory Certificate of Registry and permanent Radio Station Statutory License with a validity not exceeding five (5) years.

If any of the particulars of the ship or the owners change, the Statutory Certificate of Registry and/or radio station statutory license should be re-issued accordingly.

For the provisions regarding special ship registrations, temporary registration, registration of a bareboat chartered vessel, and registration of pleasure crafts, please refer to Chapter IV of Law 57 of August 6th, 2008.

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III. REQUIREMENTS FOR DELETION FROM THE SHIP REGISTRY

Formal petition must be submitted to the Directorate General of Merchant Marine through Public Key Infrastructure system.

As a result of the deletion of a ship in the Panamanian ship registry, an official deletion certificate will be issued.

Ship cancellation should be requested by, or on behalf of, the rightful owners and will be carried out if, among others, the vessel:

1. Has paid all taxes and fees to the Panamanian government, including the ship cancellation fees;
2. Is free of encumbrances; and
3. Where applicable, the deletion certificates previous registries or a builder's certificate.

The application for cancellation from the ship registry should clearly specify, among others, the name of the new owner (if there is a change of ownership), the flag under which the ship is intended to be registered, and the reasons for cancellation.

In addition to the above and at the request of the parties, the Directorate General of Merchant Marine may issue a pre-cancellation notice with a validity of 30 days, provided that the vessels settled all taxes and fees due, is free of encumbrances and has paid the cancellation fee.

IV. CANCELLATION EX-OFFICIO

According to the maritime legislation of Panama, the Panama Maritime Authority could execute provisions for cancellation ex-officio when², among others:

1. The vessel is engaged in acts that affect the national interests of Panama.
2. The vessel is in serious default of Panama's legal provisions or the international standards pertaining to maritime safety, pollution prevention, maritime security or international conventions ratified by Panama.

² Users are encouraged to consult the law 57 of August 6, 2008 for further details and remedies.

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3. The expiration of either the provisional or permanent Statutory Certificate of Registry that has not been renewed in five (5) years; starting on the expiration date, unless the reasons for not presenting a timely renewal are accordingly supported.
4. The use of the vessel in smuggling, illegal or clandestine trading, piracy or otherwise unlawful acts.
5. False or altered documents that have been presented to the authorities.
6. The vessel has been abandoned.
7. The vessel is registered with another flag administration, with the exception of those special cases of charter registries permitted by Panama national legislation.
8. Total loss of the vessel.
9. The vessel with high detention rate due to serious and recurrent deficiencies to the detriment of maritime safety.
10. Other provisions established by National or International Law.

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