

Merchant Marine Circular

Panama Maritime Authority
General Directorate of Merchant Marine
Control and Compliance Department

MERCHANT MARINE CIRCULAR MMC-386

To: Recognized Organizations, Shipyards, Shipowners, Ship Operators and Managers, Ship Masters and all other Stakeholders and Clients.

Subject: Inventory of Hazardous Materials (IHM) for ships calling at EU ports.

Reference: Hong Kong International Convention for the Safe and Environmentally Sound Recycling of Ships, 2009 –Law No. 28 dated July 1, 2016.
Resolution No.107- OMI-236-DGMM dated June 19, 2020, “Early implementation of Hong Kong Convention regulation 5 – Inventory of Hazardous Materials, and adoption of Resolution MEPC.269(68) – 2015 Guidelines for the Development of the inventory of hazardous materials, ”Resolution J.D. No. 050-2020 dated July 2, 2020, Statement of Compliance on Inventory of Hazardous Materials, Regulation (EU) No 1257-2013 (November 20, 2013) on ship recycling. **(Only as Recommendation)**.
Guidelines on the enforcement of obligations under the EU Ship Recycling Regulation relating to the Inventory of Hazardous Materials of vessels operating in European waters (2020/C 349/01).**(Only as Recommendation)**.

1. **Purpose**

1.1. The purpose of this circular is to inform on the implementation in advance of the Hong Kong International Convention for the Safe and Environmentally Sound Recycling of Ships, 2009 (hereinafter referred to as the HKC, 2009), mainly, its regulation 5 - Inventory of Hazardous Materials (IHM), to ships calling at a port or anchorage of any country of the European Union (EU), on or after **January 1, 2021**, as well as the issuance of the Statement of Compliance on Inventory of Hazardous Materials and Part I of the Inventory of Hazardous Materials.

2. **Preamble**

2.1. The Hong Kong International Convention for the Safe and Environmentally Sound Recycling of Ships was adopted in Hong Kong, China, in May 2009, through Diplomatic Conference. Taking the inputs from IMO Member States, non- governmental organizations, the co-operation with the International Labour Organization, and the Parties to the Basel Convention on the Control of



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Transboundary Movements of Hazardous Wastes and their Disposal, it was agreed to address the industry concerns on ship recycling. The annex in the HKC, 2009 cover mainly, a Chapter 2, on the Requirements for Ships, a Chapter 3, on Requirements for ship recycling facilities, and a Chapter 4, on the Reporting requirements.

- 2.2. Environmentally hazardous substances affecting the health and safety of the seafarers and of workers involved in ship recycling that may be found on board are: asbestos, heavy metals, hydrocarbons, ozone depleting substances and others.
- 2.3. The Republic of Panama ratified the HKC, 2009 through Law No. 28 dated July 1, 2016; however, the Convention is not yet in force internationally. As a consequence of the implementation of the Regulation (EU) No. 1257/2013 on ship recycling (Ship Recycling Regulation "SRR") which is aiming to facilitate the ratification of the HKC, 2009 by the members of the European Union; Panamanian registered ships when calling at a port or anchorage of EU will require to hold a SoC to demonstrate compliance with an inventory of hazardous materials, in line with regulation 5 of HKC, 2009 "Inventory of Hazardous Materials (IHM)."

3. Definitions

3.1. The following relevant definitions from the HKC, 2009 should be noted:

3.1.1. "Ship" means a vessel of any type whatsoever operating or having operated in the marine environment and includes submersibles, floating craft, floating platforms, self-elevating platforms, Floating Storage Units (FSUs), and Floating Production Storage and Offloading Units (FPSOs), including a vessel stripped of equipment or being towed.

3.1.2. "Shipowner" means the person or persons or company registered as the owner of the ship or, in the absence of registration, the person or persons or company owning 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 owner of the ship. However, in the case of a ship owned by a State and operated by a company which in that State is registered as the ship's operator, "owner" shall mean such company. This term also includes those who have ownership of the ship for a limited period pending its sale or handing over to a Ship Recycling Facility. In case of Panama ship, there is a registered owner of the ship, therefore the shipowner is the one indicated on the registry certificate.

3.1.3. "Hazardous Material" means any material or substance which is liable to

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create hazards to human health and/or the environment.

- 3.1.4. “Ship Recycling” means the activity of complete or partial dismantling of a ship at a Ship Recycling Facility in order to recover components and materials for reprocessing and re-use, whilst taking care of hazardous and other materials, and includes associated operations such as storage and treatment of components and materials on site, but not their further processing or disposal in separate facilities.
- 3.1.5. “Statement of Compliance” means a document issued by the Republic of Panama, and supplemented by an inventory of hazardous materials as evidence of compliance with the inventory of hazardous materials.
- 3.1.6. “Initial Survey” means the survey completed before the ship is put in service, or before the Statement of Compliance on Inventory of Hazardous Materials is issued. This survey shall verify that Part I of the Inventory required by regulation 5 is in accordance with the requirements of the HKC, 2009.
- 3.1.7. “Renewal Survey” means the survey carried out before the expiry date of the full-term Statement of Compliance, but not exceeding five years. This survey shall verify that Part I of the Inventory of hazardous Materials required by regulation 5 complies with the requirements of the HKC, 2009.
- 3.1.8. “Additional Survey” means a general or partial survey, according to the circumstances, may be made at the request of the shipowner after a change, replacement, or significant repair of the structure, equipment, systems, fittings, arrangements and material. The survey shall be such as to ensure that any such change, replacement, or significant repair has been made in the way that the ship continues to comply with the requirements of the Convention, and that Part I of the Inventory is amended as necessary.

4. **IHM Verification & Certification**

- 4.1. Each ship calling at a port or anchorage of an EU member State shall have on board a Statement of Compliance on inventory of hazardous materials supplemented by Part I of the Inventory of Hazardous Materials (IHM).
- 4.2. The Inventory shall be verified by the recognized organizations duly authorized by this Administration taking into account the *2015 Guidelines for the Development of the Inventory of Hazardous Materials (IHM)* developed by the IMO through resolution MEPC.269(68).
- 4.3. Ships not calling at ports of the European Union, are not required to comply with regulation 5 – Inventory of Hazardous Materials (IHM), as well as the



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Statement of Compliance required in accordance with regulation 10 of the HKC, 2009.

5. Instruction to Recognized Organizations

- 5.1. Recognized Organizations which must verify and certify that the ship subject to compliance with the requirement to carry on board the Part I of the Inventory of Hazardous Materials (IHM) required by regulation 5 of the HKC, 2009 and that said IHM complies with the requirements of IMO resolution MEPC.269(68).
- 5.2. The Inventory of Hazardous Materials (IHM) must be prepared in accordance with the guidelines adopted by Resolution MEPC.269(68) and subsequently verified by a Recognized Organization before the issuance of an Interim Statement of Compliance (SoC) on behalf of the Government of the Republic of Panama.
- 5.3. Interim SoC will comply with the form established in Appendix 3 of the HKC, 2009, excluding the endorsements applicable to regulations 11.6, 11.7, 11.8, 11.9, as well as for the endorsement of the additional inspection, said information shall be excluded from the Interim SoC that will be issued by a Recognized Organizations authorized by Panama.
- 5.4. Recognized Organizations authorized shall issue an Interim SoC valid for five (5) months from the date on which the inspection of the ship was completed in accordance with regulation 10 of the HCK, 2009. The SoC shall include the following Remark:

The ship was satisfactorily inspected according to the requirements of Article 12 of the Regulation (EU) 1257/2013 on ship recycling.
- 5.5. Interim SoC shall be supplemented by the Part I of the Inventory of Hazardous Materials.
- 5.6. Recognized Organizations interested in verifying and issuing Interim SoC in accordance with this Circular, should apply directly to the Merchant Marine General Directorate through the RO Section (ro-panama@sequmar.com), submitting the following documents:
 - 5.6.1. Form of the Interim Statement of Compliance on Inventory of Hazardous Materials,
 - 5.6.2. Form of the Part I of the Inventory of Hazardous Materials,
 - 5.6.3. Form of Survey Report,
 - 5.6.4. Instruction or procedure to perform the correspondent surveys and certification.
- 5.7. The applications along with the document listed below must be submitted until October 15th., 2020, in order to evaluate and authorized under an expedite



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process the recognized organization interested in verifying and issuing Interim Statement of Compliance (SoC) on behalf of the Government of the Republic of Panama. Those recognized organization that apply after the deadline will be evaluated and authorized following the normal process establish through Resolution J.D. N^o-019-2005 dated November 25th, 2020.

5.8. The issuance of Provisional certificates by the Recognized Organizations does not require the payment of additional fees.

6. Issuance of the Full-term Statement of Compliance

6.1. Ships of 500 gross tonnage subject to the surveys required by the HKC, 2009 shall be issued after satisfactory completion, with the corresponding initial or renewal survey.

6.2. Recognized Organizations authorized to perform such surveys shall issue an Interim SoC valid for a period of maximum five (5) months, after satisfactory completion of the correspondent initial or renewal survey.

6.3. Application for full-term SoC should be made through the following link: [E-Segumar](#), from September 1, 2020.

6.4. The full-term SoC will be issued as an electronic certificate that can be printed by the user when needed. Refer to MMC-355 – Use of Electronic Certificates Onboard paragraph 3.1.

6.5. The full-term Statement of Compliance on Inventory of Hazardous Materials, will be issued by Segumar Offices (including branch offices) after receiving through the electronic system, a copy of the following documents:

6.5.1. Interim SoC issued by the Recognized Organization,

6.5.2. Part I of the Inventory of Hazardous Materials,

6.5.3. Survey Report,

6.5.4. Cargo Ship Safety Construction Certificate (full-term) or International Oil Pollution Prevention Certificate (full-term)

6.5.5. Safety Management Certificate (SMC). If the Safety Management Certificate does not apply a Statement of the owner/operator should be uploaded.

6.5.6. Payment receipt

**Note: in case the Cargo Ship Safety Construction Certificate does not apply, a copy of the Load Line Certificate (full-term) and a copy of the International Oil Pollution Prevention Certificate (full-term) must be submitted.*

6.6. The full-term Statement of Compliance on Inventory of Hazardous Materials will



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be issued considering the ship's delivery date, since the Hong Kong International Convention has not yet entered into force.

6.7. The fee for the issuance of the full-term Statement of Compliance on Inventory of Hazardous Materials is USD 300.00 .00. (No handling fees should apply in case of payments made through the Merchant Marine Qualified Consulates, as per Resolution JD No.050-2020 dated July 2, 2020).

6.8. (*) Payment details are as follows:

BANK NAME: BANK OF AMERICA
BANK ADDRESS: 730 15TH. ST., NW 7TH.FL. WASHINGTON DC. 20005
BANK ABA & SWIFT CODE: 026009593/BOFAUS3N
ACCOUNT NAME: PANAMA MARITIME AUTHORITY
ACCOUNT NUMBER: 226005679320

6.9. In addition to the regular cost of the application, we are asking to our customers to cover the amount of USD 50.00 as fee for international wire transfer in order to avoid receiving incomplete payments.

6.10. Payments may also be made through Merchant Marine Qualified Consulates or through ACH to Panama Maritime Authority Central Office.

6.11. The fee for any modification or SoC re-issued is USD 300.00. New application should be placed through the following link: [E-Segumar](#).

The full-term Statement of Compliance on Inventory of Hazardous Materials will be valid until the expiry date of the Cargo Ship Safety Construction Certificate (full-term), to facilitate the future alignment with the remaining statutory certificates. In each case the full-term SoC shall not exceed the five (5) years period of validity.

7. Issuance of Conditional SoC valid for three (3) months

7.1. In case of a semi-completed IHM (the IHM was prepared remotely without any onboard sampling), this Administration shall authorize the issuance of a Conditional SoC valid for 3 months due to Covid-19 related scenarios or force majeure, subject to complete the IHM sampling onboard at a later date (onboard visual and sampling check by qualified samplers).

7.2. However, under no circumstances such Conditional SoC shall exceed the following date: **June 30th, 2021**.

7.3. For the purpose of the issuance of Conditional Certificates please refer to the Merchant Marine Circulars **MMC-156** and **MMC-159**.



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November, 2020 – New paragraph 7 was added.

September, 2020 – Paragraphs 5.6, 5.7 amended, the word short term, deleted. New paragraph 5.8 included. Paragraph 6.4 corrected, numeral 3.1.a changed to 3.1. Paragraph 6.5.4 and 6.5.5 amended and new noted added. New Paragraph 6.6 included. Paragraph 6.8 amended, USD 25.00 fee for international wire transfer changed to USD 50.00.

August, 2020.

Inquiries concerning the subject of this Merchant Marine Circular or any other request should be forward to:

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Panama Maritime Authority

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Website: <https://panamashipregistry.com/circulars/>