Merchant Marine Circular

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

MERCHANT MARINE CIRCULAR MMC-150

To: Ship-owners/Operators and Resident Agents of Panamanian flagged Mobile Offshore Units and Recognized Organizations (RO's).

Subject: MOU Annual Safety Inspection Program.

Reference: Law No. 57 dated 6 August 2008 General Merchant Marine.
Law No. 39 dated 8 July 8 1976.
Law No. 45 dated 9 October 1979.
Law No. 30 dated 17 September 1980.
Executive Decree No. 56 dated 8 October 1976.
Resolution No. 106-124-DGMM dated 27 November 2017.
Merchant Marine Circular No. MMC-171.

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1. PURPOSE

1.1 This merchant marine circular establishes an Alternative Program to carry out flag State Inspections (FSIs) on board any type of Mobile Offshore Units (MOU) under the flag of Panama, regardless of its on-location for drilling, accommodation, production and/or storage or any other operation of the offshore industry.

1.2 To provide instructions in order to each Mobile Offshore Unit (MOU) registered with the Merchant Marine of the Republic of Panama can be subject a flag State Inspection (FSI) and can be verified its compliance with international and national laws currently in force.

2. SCOPE

2.1 Any MOU, engaged to drilling or non-drilling operations, under the flag of Panama.

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3. DEFINITIONS

3.1 ASI Global Platform: Maritime Safety and Inspection System whereby General Directorate of the Merchant Marine (DGMM) arranges, controls and manages the requests, authorizations and FSIs reports of MOUs under the flag of Panama.

3.2 Flag State Inspection (FSI): Special or Panama Annual Safety Inspection (ASI) conducted on board a Mobile Offshore Unit (MOU) in order to determine whether it complies with international and national laws currently in force. It may also be a re-inspection as deemed appropriate by the DGMM.

3.3 Flag State Inspector: Person duly authorized by the General Directorate of the Merchant Marine (DGMM) to carry out FSIs on board Mobile Offshore Units (MOUs) on behalf of Panama Maritime Authority (PMA).

3.4 MOU: For purpose of this MMC, a MOU is any self-propelled or non-self-propelled unit with hull configuration as either Self-elevating or Column Stabilized. It also includes any Surface Unit (ship or barge type) certified under the provisions of MODU Code and any Fixed Platform or any structure whose foundation is adhered semi-permanent or permanently to the seabed.

3.5 Remote ASI: Inspection technique whereby an outcome as equivalent as possible to that obtained from a FSI conducted on board a MOU can be accomplished. This technique must apply technological systems through an efficient method.

Note: This methodology has not been approved by this Administration; therefore, it may be allowed on case-by-case basis only to flag State inspectors placed in either Panama Maritime Authority (PMA Head Office) or PMA International Office, through a previous authorization granted by the General Director of Merchant Marine. It will not be an option to consider into the Alternative Program indicated in the paragraph **7.2.1** of this MMC-150.

4. BACKGROUND

Over the years, certain types of MOUs face difficulties to comply with a FSI on board, most of the time because the MOU is in remote, hard to reach area or access restrictions by a particular coastal State. In addition, when there is not an onshore Flag State Inspector with due training required by a coastal State and near of jurisdictional waters where the MOU is operating, causing that the annual basis established by this Administration for the FSI is exceeded or cannot be carried out.

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5. EXCEPTIONS

All MOUs should be subject to a FSI to be conducted by a flag State inspector duly authorized. However, the General Directorate of the Merchant Marine (DGMM), based on the Law No. 57 Article 117 may grant exceptions to Fixed Platforms and structures whose foundation are adhered permanently to the seabed, or in case-by-case, to any other MOU.

6. EXTENSIONS

The General Directorate of the Merchant Marine (DGMM), based on the Law No. 57 articles 114 and 123 (related to execute, implement any measure and control deemed necessary, and issue any regulations required), could authorize and grant FSI due date extensions so that MOU companies can coordinate with this Administration the MOU's FSI, wherever that it is berthed or on-location. It with the purpose of organizing, scheduling and carrying out satisfactory / effectively the FSI referred in this MMC-150.

7. MOU ANNUAL SAFETY INSPECTION PROGRAM

7.1 Each MOU under the flag of Panama in port (not in Lay-up status) or on-location (afloat or bottom bearing) operating within jurisdictional waters of a coastal State (until its Continental Shelf) should be subject to a FSI to be conducted, in normal condition of availability & accessibility to go offshore, **on board** by an authorized flag State inspector.

7.2 When a MOU is: (a) in remote or hard to reach area or (b) within jurisdictional waters restricted by a coastal State, or when a flag State inspector is not: (c) available near of local area where the MOU is operating or (d) holding minimum safety training required by a particular coastal State to go offshore, an Alternative Program may be considered which will consist in one of the following two options:

7.2.1 FSI by MOU´s Class Society: The DGMM, based on the Law 57 Article 119 (related to hire the services of ship inspectors or any other qualified technical personnel, in or outside Panama, who may be nationals of any country) could authorize that the FSI is carried out by a Class surveyor

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7.2.1.1 The MOUs that are under this program will be subject to the issuance of the MODU / MOU Safety Certificate by IACS members only, and the Recognized Organization (RO) issued said certificate will not be the same as RO attending surveyor assigned to carry out the FSI on board that MOU.

7.2.1.2 The RO surveyor should comply with specific instructions to be detailed by the Maritime Safety and Navigation Department related to items to be verified and inspection report to be submitted.

7.2.2 Remote FSI: The General Directorate of the Merchant Marine (DGMM), based on the Law 57 Article 123, could authorize the FSI can be carried out through a efficient technique that upon applying technological systems the FSI outcome can be as equivalent as a FSI conducted on board. Not approved by this Administration yet.

8. COORDINATION AND COOPERATION

8.1 In all cases of section 7 of this MMC-150, owners, Masters / OIMs will have the following responsibility with the DGMM in order to determine the Inspection Program to be conducted and the inspector to be assigned:

- To inform for timely inspection when a required ASI is due;
- To advise the unit's next available location or port and ETB;
- To advise the shipping agency contact;
- To provide coordination to schedule the attendance;
- To assume helicopter expenses; and
- To admit duly the authorized ASI flag State Inspector.

8.2 The DGMM will assume all travel allowance and travel expenses during the entire journey of the FSI inspector for taking particular training courses required by a coastal State to go offshore (applicable only to Panamanian inspectors in Panama Maritime Authority).

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8.3 Shipowners/Managers/Operator will assume all logistic and travel expenses, including any travel allowance incurred (before / after conducting the FSI), of the PMA flag inspector designated to attend to their MOUs.

8.4 In case of a casualty / incident occurred, the Board of Directors of the Panama Maritime Authority, based on the Law 57 Article 121, shall prescribe the remuneration of any person required to conduct investigations for said casualty / incident. Once investigation have been completed, the DGMM could also, based on the Res. 106-135-DGMM Article 23, dated on September 9th, 2913, authorize the payment for fees and all expenses incurred by the investigator.

8.5 Based on the Law 57 Article 120, the owners of MODUs / MOUs registered in the Merchant Marine, their masters / OIMs and operators, shall be obliged to allow and shall cooperate with, the safety inspection of their units. The owner, master / OIM or operator of a unit who refuses to allow a FSI referred, shall be penalized by the DGMM according to the Law No. 39 of July 8, 1976 and such as is also indicated in the MMC-171 paragraph 6 named “Warning”.

9. FLAG STATE INSPECTORS AUTHORIZED BY THE DGMM

The flag State inspectors that have met the requirements established in the Res. No. 106-38-DGMM (dated on May 8th, 2017) and as consequently have been authorized by the General Directorate of the Merchant Marine (DGMM) are listed on a document which can be found through the following path:

1. Go to the link: https://panamashipregistry.com/
2. Click on the blue bottom: Segumar; and
3. Click on the flashing bottom: **ASI SURVEYOR LIST**

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November, 2026 *– Cancelled.*
March, 2024 *– General review.*
December, 2023 *- Changes in subject, reference updated; scope, purpose added and general review.*
July, 2007*.*

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

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