

**[ MIA, May 29, 1986 ]**

**MIA RULES AND REGULATIONS TO IMPLEMENT PRESIDENTIAL  
DECREE NO. 760/886/1711**

Pursuant to Section 3 of Presidential Decree No. 760, as Amended by Presidential Decrees Nos. 866 and 1711, the following Rules and Regulations, Procedures and Guidelines are hereby Promulgated for the Bareboat Charter of Overseas Vessels for Temporary Philippine Registry

**RULE I  
Definition of Terms**

*SECTION 1.* For purposes of these Rules and Regulations

**MARINA** refers to the Maritime Industry Authority.

**Philippine national** shall mean a citizen of the Philippines or a partnership or association wholly owned by and composed of citizens of the Philippines or of which at least sixty percent (60%) of the capital stock outstanding and entitled to vote is owned and held by Philippine citizens or a trustee of funds for pensions or other employee retirement or separation benefits, where the trustee is a Philippine national and at least sixty percent (60%) of the funds will accrue to the benefit of the Philippine national: Provided, That where a corporation and its non-Filipino stockholders own stock in an enterprise, at least sixty percent (60%) of the members of the governing board of both corporations must be Philippine nationals.

(c) **Bareboat charter** means a contract for the lease of a ship for a stipulated period of time, by virtue of which the lessee has complete possession and control of the ship, including the right to appoint the master and crew of the ship, for the duration of the lease.

(d) **Lease-irrevocable-purchase** refers to a ship financing scheme as approved by the Central Bank.

(e) **Temporary Certificate of Philippine Registry** shall mean the certificate issued to a foreign vessel under charter or lease to a Philippine national entitling the vessel so registered to all rights and privileges of a vessel of Philippine registry as well as the protection of Philippine law for so long as the same is valid and subsisting.

(f) **Operation of the vessel** shall mean those activities relating to the control, management and actual operation of the vessel as distinguished from the exercise by the foreign owner of his rights or ownership over the same.

(g) **Crew** shall mean the officers and crew members of the vessel.

(h) **Supernumerary** shall mean a person who is not a crew member whose presence on Board the vessel is merely tolerated and who has no power to interfere with the operation and management of the vessel.

(i) **Owned-vessel** refers to a Philippine-registered vessel acquired by Philippine nationals either through direct purchase or through a lease-irrevocable-purchase scheme wherein at least 50% of the price has been paid.

## **RULE II**

### **General Provisions**

*SECTION 1. MARINA Approval off Charter Lease.* — Any provision of law, decree, executive order, or rules and regulations to the contrary notwithstanding, any foreign-owned vessel under bareboat charter or lease to a Philippine national may be issued a Temporary Certificate of Philippine Registry upon prior approval by MARINA.

## **RULE III**

### **Application for Authority to Charter**

*SECTION 1. Who may Apply.* — Only Philippine nationals duly accredited by MARINA in accordance with Memorandum Circular No. \_\_\_\_ dated \_\_\_\_ may apply for authority to charter with MARINA.

*SECTION 2. Supporting Documents .* — The following documents shall be submitted to MARINA in support of the application:

- (a) Particulars of the vessel/s
- (b) Owner of the vessel/s and nationality
- (c) Registry of the vessel/s
- (d) Bareboat charter or lease-purchase agreement (pro-forma)
- (e) Bareboat hire
- (f) Nature of employment
  - f.1. Type of charter arrangement —
    - a. Voyage/trip charter (copy)

- b. Time charter (copy)
- c. Others (copy)
- (g) Time charter ( pro-forma), if any
- (h) Time/charter hire
- ( i) Time charterer's profile/background
- (j) Audited financial statement of proponent-company for the last three (3) years (certified true copy)
- (k) Financial viability
  - k.1 Projected profit and loss statement
  - k.2. Cashflow statement
  - k.3. Basic assumptions used in k.1 and k.2.
- (l) BIR receipts as proof of payment of the 4½% withholding tax broken down by vessel presently chartered by the company. Original receipt/s shall be verified against the xerox copies by MARINA.
- (m) General Arrangement and Capacity Plan of the vessel/s
- (n) Survey reports, Classification/SOLAS Certificates issued by a recognized classification society
- (o) Authenticated copies of permanent residence and/or working visa of the expatriate personnel/officials of the company (Duplicate original/Certificate true copy)
- (p) Duly authenticated resolutions of the company Board of Directors authorizing the company, through its duly designated responsible officer, to file the request or application with MARINA, and to bareboat charter specific vessel/s
- (q) Oath of undertaking that the charterer shall be liable to pay MARINA, as penalty, the amount equivalent to the balance of the withholding taxes due for the whole year if the charter party is terminated within one (1) year from date of delivery of the vessel.
- (r) Other documents as maybe deemed relevant by MARINA.

**SECTION 3. Filing Fee .** — The applicant shall pay a filing fee of P10 ,000 per vessel for the first three (3) years and an additional P2,000 for every year in excess thereof.

## **RULE IV**

### **Limitations/Restrictions on Charter or Lease**