

**[ MIA MEMORANDUM CIRCULAR NO. 27-C, April  
23, 1985 ]**

**AMENDED GUIDELINES FOR THE ISSUANCE OF TEMPORARY  
PHILIPPINE REGISTRY UNDER P.D. 866/1711**

Henceforth, the following guidelines shall govern the issuance of Temporary Certificate of Philippine Registry (TCPR) for overseas vessels pursuant to P.D. 866/1711, to wit:

**I**

**Applicant Qualifications**

1. Only Philippine nationals authorized to principally engage in overseas shipping and duly accredited by MARINA may charter and register any foreign-owned vessel under P.D. 866/1711.
2. Applicant's principal officers, e.g., President, Vice-President for Operations, General Manager, Freight/Chartering Managers or their equivalents [shall] have at least three (3) years experience in both ship and shipping management.

**II**

**Pre-Approval Conditions**

1. The applicant shall have an owner's equity or paid-up capital of at least P1.5M for the first three (3) chartered vessels and shall increase the same to P2.5M for the charter of additional vessels in excess of three.
2. The corporate name of the company must be indicative of the principal purpose of the company as engaged in the business of chartering or overseas shipping, and any word or term included in such name as would create an impression that the company is merely an agent or auxiliary should be eliminated/amended.
3. The applicant may bareboat charter vessels up to at most seven (7) vessels for every owned vessel of at least 5,000 DWT registered permanently under the Philippine flag.
4. In cases where the applicant does not own any vessel it may initially bareboat charter five (5) vessels for a maximum of four (4) years per vessel. The bareboat contracts shall not be extended beyond four (4) years maximum period unless the applicant acquires at least one (1) of at least 5,000 DWT vessels through direct purchase or through the conversion of the bareboat charter into a lease-irrevocable purchase financing scheme in which a downpayment of at least ten percent (10%) is required and no "balloon" payments shall be allowed beyond the first half of the charter period. Thenceforth, the company may bareboat

charter up to seven (7) vessels provided it has at least one (1) vessel of at least 5,000 DWT under permanent Philippine registry, that is, the ratio of bareboat chartered tonnage to owned tonnage shall be maintained at maximum 7:1 in terms of number of vessels.

5. In cases where the applicant owns the vessel to be bareboat chartered and where the vessels are registered under a foreign flag it may bareboat charter such vessels without limitations provided that evidence of ownership shall be submitted to MARINA .

6. The vessel shall be classed by a recognized international classification society and shall have a valid Continuous Machinery Survey (CMS) and Continuous Hull Survey (CHS) at the time of application issued by an international accredited classification society.

7. The vessel to be chartered shall not be more than 15 years old; however, in meritorious cases, it may be more than fifteen (15) but in no case more than twenty-five (25) years old.

8. The technical, management, financial, and economic evaluation of the project shall be favorable. The applicant shall pay a filing fee of P4 ,000 per vessel. For an application involving vessels sixteen (16) years old and above, the applicant shall pay a filing fee of P5 ,000 per vessel. The age of the vessel shall reckoned from the date of the launching.

9. Pro-forma bareboat (and time charter) contracts shall be in accordance with international chartering practices.

10. Proof of payment of the withholding tax of 4.5% corresponding to previously chartered vessels of the company shall be or shall have been submitted.

### **III Post-Approval Condition**

1. A certification by an internationally accredited classification society that the vessel's class is maintained shall be submitted to MARINA not later than thirty (30) days from approval of the charter.

2. Copies of all duly executed and authenticated bareboat and time charter party shall be submitted to the MARINA not later than thirty (30) days from execution of the document and in no case later than six (6) months from approval of the charter.

3. Copies of the duly executed lease-financing agreements shall be submitted not later than thirty (30) days after the MARINA approval of the request.

4. That any and all documents and certificates issued to the vessel by the original flag of registry which are on board the vessel shall be removed from the vessel and taken possession of by the charterer within thirty (30) days after accepting delivery of the vessel.

5. That the vessel after registration and acceptance of delivery shall immediately and at all times during the charter period utilize the