0. Content.

TECHNICAL INSTRUCTIVE
Statutory Certification for
ISM Code-Ship
Safety Management Certificate (SMC)

Code: PO02-TI07
Version: 02
Page: 2 of 23
Date: 11-2020

1. **Objectives.**
   .1 The purpose of this Instructive is to provide procedures and criteria to carry out the Statutory Certification of the ship in compliance with the requirements of the ISM Code, including the issuance of the corresponding Safety Management Certificate (**SMC**). This Instructive also establishes basic procedures to be followed when potential failures of the shipboard SMS are identified by Port State Control Officers.

2. **Application.**
   .1 The ISM Code is applied to the following types of ships falling under the provisions of SOLAS Convention, Chapter IX, regardless of the date of construction:
      .1 Passenger ships including passenger high-speed craft;
      .2 Oil tankers, chemical tankers, gas carriers, bulk carriers and cargo high-speed craft of 500 gross tonnage and upwards; and
      .3 Other cargo ships and mobile offshore drilling units of 500 gross tonnage and upwards. For other cargo ship refer to definition 5.3 below.
   .2 The ISM Code may be applied to all ships as required by the flag State Administration, in accordance to ISM Code, Part A, Section 1, Regulation 1.3.
   .3 This Instructive will enter into force on **01 January 2021.**

3. **Scope.**
   .1 This Instructive must be used by the Marine Division and designated Auditors to carry out the Statutory Certification of the ship, which comprises:
      .1 Performing of the certification services and verification activities (audits);
      .2 Issuance of the corresponding SMC, including Interim and Short-Term SMC;
      .3 Withdrawal of Certification.
   .2 This Instructive must be used by the Marine Division, as responsible of the ISM Code certification, to ensure that the certification process is performed in accordance with the provisions of the ISM Code and relevant flag State requirements.

4. **Relevant documentation.**
   .1 The following documentation is relevant for the control of this Instructive:
      .1 IMO Resolution A.741(18)-International Safety Management (ISM) Code, as amended.
      .2 IMO Resolution A.1118(30)-Revised guidelines on the implementation of the International Safety Management (ISM) Code by Administration, as amended.
      .3 IMO Resolutions MSC.349(92) and MEPC.237(65)-Code for Recognized Organizations (RO Code).
      .4 IACS N°.9-Procedural Requirements for ISM Code Certification.
      .5 IACS N°.10-Procedure for the selection, training, qualification and authorization of Marine Management System Auditors.
      .6 ISO 19011-Guidelines for auditing management system.
      .7 National Legislation of the flag States, as required.
   .2 Under permission granted by IACS Procedure, Volume 1: General Procedures, D3.6, Term and Conditions for use the IACS Resolutions, URs, CSR and Technical Information by the Classification Societies which are not members of IACS, the PR 09 and PR10 have been used in this Instructive as reference for providing technical requirements.

5. **Definitions.**
   .1 **Safety Management System:** means a structured and documented system enabling Company personnel to implement effectively the Company safety and environmental protection policy.
   .2 **Company:** means the Owner of 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 Shipowner and who on assuming such responsibility has agreed to take over all the duties and responsibility imposed by the ISM Code.
   .3 **Other Cargo Ships:** It is not a type of ships. It is a definition that is used in the context of the ISM Code with the following meaning: Set of types of ships that are not passenger, passenger high-speed craft, cargo high-speed craft, bulk carrier, oil tanker, chemical tanker, gas carrier and mobile offshore drilling unit.
   .4 **Gross Tonnage:** means the gross tonnage of the ship as determined under the provisions of the International Convention on the Tonnage Measurement of Ships, 1969 and shown on the International Tonnage Certificate (1969) of the ship.
   .5 **Document of Compliance (DOC):** means a document issued to a Company which complies with the requirements of the ISM Code.
   .6 **Safety Management Certificate (SMC):** means a document issued to a ship which signifies that the Company and its shipboard management operate in accordance with the approved Safety Management System.
   .7 **Anniversary date:** means the day and month of each year that corresponds to the date of expiry of the relevant document or certificate.
   .8 **Audit:** means a process of systematic and independent verification, through the collection of objective evidence, to determine whether the SMS complies with the requirements of the ISM Code and whether the Safety Management System (SMS) is implemented effectively to achieve the Code's objectives.
   .9 **Auditor:** means a person who is qualified and authorized to carry out ISM audits.
   .10 **Lead Auditor:** means an Auditor who is authorized to lead a team of two or more Auditors.
   .11 **Safety Management Manual:** is the documentation used to describe and implement the SMS.
   .12 **Observation:** means a statement of fact made during a safety management audit and substantiated by objective evidence. It may also be a statement made by the Auditor referring to a weakness or potential deficiency in the SMS which, if not corrected, may lead to a nonconformity in the future.
   .13 **Non-conformity:** means an observed situation where objective evidence indicates the non-fulfilment of a specified requirement.
   .14 **Major non-conformity:** means an identifiable deviation that poses a serious threat to the safety of personnel or the ship or a serious risk to the environment that requires immediate corrective action or the lack of effective and systematic implementation of a requirement of the ISM Code.

6. **General provisions for the ship certification.**
   .1 The management of the ship certification services shall:
      .1 Be carried out by those who have practical knowledge of ISM Code certification procedures and practices;
      .2 Ensure that the designated Auditors comply with the requirements relating to education, training, work experience and audit experience specified;
      .3 Ensure that the qualification and experience of the Auditors are adequate and appropriate for the size and type of the ship to be audited.
   .2 The ship certification shall be carried out through the following verification activities (audits):
      .1 Interim Verification.
      .2 Initial Verification.
      .3 Intermediate Verification.
      .4 Renewal Verification.
      .5 Additional Verification, when required by the Administration.
   .3 The ship certification shall be carried out by issuing of the following Statutory Certificates:
      .1 Interim SMC: It shall be issued by the Auditor upon satisfactory completion of the Interim Verification. The Interim SMC shall be issued valid for six (6) months counted from the completion date of the Interim Verification.
      .2 Short-Term SMC: It shall be issued by the Auditor upon satisfactory completion of the Initial or Renewal Verification in order to permit the operation of the ship while the Full-Term SMC is prepared. The Short-Term SMC shall be issued valid for five (5) months counted from the completion date of the Initial or Renewal Verification.
      .3 Full-Term SMC: It shall be issued by the Marine Division upon satisfactory verification of the Initial or Renewal Verification carried out by the Auditor. The Full-Term SMC shall be issued for a period not exceeding five (5) years counted from the completion date of the Initial or Renewal Verification. A certificate of shorter validity may be issued in accordance with flag State requirements. The validity of the Full-Term SMC shall be subject to Intermediate Verification, which shall be carried out between the second and third anniversary date of the issue of the Full-Term SMC.
   .4 SMCs shall comply with the format required by the Administration.
   .5 A copy of the Full-Term SMC shall be available at the Company's Head Office.
   .6 The issue of a Full-Term SMC is conditional upon:
      .1 The existence of a DOC (Short-Term or Full-Term, not Interim), valid for that type of ship.
      .2 The maintenance of compliance with the requirements of a Recognized Organization which meets the requirements of RO Code, as may be amended, or with the national regulatory requirements of a flag State which provide an equivalent level of safety; and
      .3 The maintenance of valid Statutory Certificates, as applicable.
   .7 The reasons for which a Full-Term SMC shall become invalid include:
      .1 Any of the conditions listed in paragraph 6.6 above is not met;
      .2 Corrective actions are not completed within the agreed time schedule;
      .3 Amendments to the ISM Code are not taken into account;

.4   There is evidence of an unresolved major non-conformity; and

.5   The Company does not request the Intermediate Verification for the Full-Term SMC of the ship.

.8   When the Full-Term SMC become invalid, the Marine Division shall immediately notify to the relevant Administration. When possible, the SMC shall be withdrawn from the ship.

.9   Where a Full-Term SMC has been withdrawn, the Section 16 below shall be fulfilled.

7.   The ability of the SMS to meet safety management objectives.

.1   The purpose of an audit is to verify that:

.1   The SMS complies with the requirements of the ISM Code.

.2   The SMS is being implemented effectively and in such a way as to ensure that the objectives of the ISM Code are met.

.2   All records having the potential to facilitate verification of compliance with the ISM Code shall be open to scrutiny during an audit. For this purpose, the ship shall provide Auditors with statutory and classification records relevant to actions taken by the Company to ensure that compliance with mandatory Rules and Regulations is maintained. In this regard, records may be examined to substantiate their authenticity and veracity. The ship shall ensure that the Auditor has access to statutory and classification records during audits, also when these records are issued by another Classification Society, other RO or the Administration itself.

.3   The verification of compliance with mandatory Rules and Regulations neither duplicates nor substitutes surveys for other class and statutory certificates. The verification of compliance with the ISM Code does not relieve the Company, the Master or any other entity or person involved in the management or operation of the ship of their responsibilities.

.4   The audit is based upon a sampling process. Where no non-conformities have been reported, it should not be assumed that none exists.

8.   Certification services and verification activities (audits).

8.1 Interim Verification.

.1   The Interim Verification shall only be carried under the following scenarios:

a)   to new ships on delivery;

b)   when a Company takes on responsibility for the operation of a ship which is new to the Company; or

c)   when a ship changes flag.

.2   Upon satisfactory completion of the Interim Verification, an Interim SMC shall be issued to the ship valid for six (6) months counted from the completion date of the Interim Verification. The Administration may, in special case, extend the validity of an Interim SMC for a further period which should not exceed 6 months from the date of expiry.

.3   An Interim SMC may be issued following verification that:

a)   the DOC (Interim, Short-Term or Full-Term) is relevant to the ship concerned;

TECHNICAL INSTRUCTIVE
Statutory Certification for
ISM Code-Ship
Safety Management Certificate (SMC)

Code: PO02-TI07
Version: 02
Page: 6 of 23
Date: 11-2020

b) the safety management system provided by the Company for the ship concerned includes key elements of the ISM Code and has been assessed during the audit for issuance of the Full-Term DOC or demonstrated for issuance of the Interim DOC;

c) the Company has planned the internal audit of the ship within three months;

d) the Master and Officers are familiar with the safety management system and the planned arrangements for its implementation;

e) instructions, which have been identified as being essential, are provided prior to sailing; and

f) relevant information on the safety management system has been given in a working language or languages understood by the ship's personnel.

.4 An Interim SMC may be issued with the same validity as the existing Interim SMC when during the validity of the existing Certificate the ship changes any of the following information:

a) Name of the ship.
b) Call sign.
c) Gross Tonnage.
d) Address of the Company.
e) Name of the Company.

8.2 Initial Verification.

.1 The Initial Verification consists of the following steps:

a) Verification that the Company holds a valid DOC (Short-Term or Full-Term, not Interim) applicable to the ship type and that the other provisions of Section 6/6.6 above, are complied with. Only after onboard confirmation of the existence of a valid DOC can the verification proceed;

b) Verification of the effective functioning of the SMS, including objective evidence that the SMS has been in operation for at least three (3) months on board the ship. The objective evidence should also include records of the internal audits performed by the Company.

.2 Upon satisfactory completion of the Initial Verification, a Short-Term SMC shall be issued in order to permit the operation of the ship while the Full-Term SMC is prepared. The Short-Term SMC shall be issued valid for five (5) months counted from the completion date of the Initial Verification.

.3 The Short-Term SMC shall be issued provided no major non-conformities remain and the Auditor formally recommends the ship certification. To response to a major non-conformity raised on a ship, refer to Section 15 below.

8.3 Intermediate Verification.

.1 The Intermediate Verification shall be carried out to maintain the validity of the Full-Term SMC.

.2 The purpose of the Intermediate Verification is, inter alia, to verify:

a) the effective functioning of the SMS;

b) that any modifications made to the SMS comply with the requirements of the ISM Code;

     c)   that corrective action has been implemented;

     d)   that statutory and classification certificates are valid and that no surveys are overdue.

.3   The Intermediate Verification shall be carried out between the second and third anniversary date of the issue of the Full-Term SMC. In certain cases, particularly during the initial period of operation under the safety management system, the Administration may find it necessary to increase the frequency of the Intermediate Verification. Additionally, the nature of non-conformities may also provide a basis for increasing the frequency of Intermediate Verifications.

.4   Upon satisfactory completion of the Intermediate Verification, the Full-Term SMC shall be endorsed at the Intermediate Verification to certify that the SMS was found to comply with the requirements of the ISM Code. The Full-Term SMC shall be endorsed provided no major non-conformities remain and the Auditor formally recommends to maintain the validity of such Certificate. To response to a major non-conformity raised on a ship, refer to Section 15 below.

8.4 Renewal Verification.

.1   The purpose of the Renewal Verification is, inter alia, to verify:

     a)   the effective functioning of the SMS;

     b)   that any modifications made to the SMS comply with the requirements of the ISM Code;

     c)   that corrective action has been implemented;

     d)   that statutory and classification certificates are valid and that no surveys are overdue.

.2   The Renewal Verification shall be carried out before the expire date of the Full-Term SMC.

.3   The Renewal Verification may be carried out within three months before the date of expiry of the Full-Term SMC, and should be completed before this date.

.4   Upon satisfactory completion of the Renewal Verification, a Short-Term SMC shall be issued in order to permit the operation of the ship while the Full-Term SMC is prepared. The Short-Term SMC shall be issued valid for five (5) months counted from the completion date of the Renewal Verification.

.5   The Short-Term SMC shall be issued provided no major non-conformities remain and the Auditor formally recommends the ship certification. To response to a major non-conformity raised on a ship, refer to Section 15 below.

.6   If a Renewal Verification has been completed and a new Full-Term SMC cannot be issued or placed on board the ship before the expiry date of the existing SMC, the Auditor, after the authorization granted by the Marine Division, may endorse the existing Certificate and such Certificate should be accepted as valid for a further period which should not exceed five months from the expiry date (ISM Code, Part B/13.13).

.7   If a ship at the time when a Full-Term SMC expires is not in a port in which it is to be verified, the Auditor, after the authorization granted by the Administration, may extend the period of validity of the SMC but this extension should be granted only for the purpose of allowing the ship to complete its voyage to the port in which it is to be verified, and then only in cases where it appears proper and reasonable to do so. No SMC should be extended for a period of longer than three months, and

the ship to which an extension is granted should not, on its arrival in the port in which it is to be verified, be entitled by virtue of such extension to leave that port without having a new SMC. When the Renewal Verification is completed, the new Full-Term SMC should be valid to a date not exceeding five years from the expiry date of the existing SMC before the extension was granted (ISM Code, Part B/13.12 and 13.14).

8.5 Additional Verification.

.1 The Administration may, where there are clear grounds, require an Additional Verification to check if the Safety Management System still functions effectively. Additional Verifications may be carried out following situations beyond normal procedures such as port State Control detentions, or in the case of reactivation after the interruption of operations due to a period out of service, or in order to verify that effective corrective actions have been taken and/or are being properly implemented. The Additional Verifications may affect the shore-based organization and/or the shipboard management system. The Administration should determine the scope and depth of the verification, which may vary from case to case. The Additional Verifications should be completed within the time period agreed, taking into account the guidelines developed by IMO. The Administration should follow up on the results of the verification and take appropriate measures, as necessary.

.2 To carry out an Additional Verification related to any of the following scenarios, the authorization of the Administration is required:
   a) PSC detention (Report of Inspection shall be submitted to the Administration).
   b) Flag State detention.
   c) To verify effective corrective actions were taken regarding any major non-conformity.
   d) When substantial modifications have been made to the SMS.
   e) When the Administration considers it necessary to request an Additional Verification in view of the nature of any non-conformity regarding of the SMS.
   f) Any other scenario not specified in paragraph 8.5.4 below.

.3 Upon satisfactory completion of the Additional Verification specified in paragraph 8.5.2 above, the existing Full-Term SMC shall be endorsed

.4 To carry out an Additional Verification related to any of the following scenarios, which arise during the validity of the existing Full-Term SMC, the authorization of the Administration is not required:
   a) Change of name of the ship.
   b) Change of call sign.
   c) Change of gross tonnage.
   d) Change of address of the Company.
   e) Change of name of the Company.

.5 Upon satisfactory completion of the Additional Verification specified in paragraph 8.5.4 above, a Short-Term SMC shall be issued in order to permit the operation of the ship while the Full-Term SMC is prepared. The Short-Term SMC shall be issued valid for five (5) months counted from the completion date of the Additional Verification. Afterward, the Marine Division will issue a new Full-Term SMC with the same validity as the existing Certificate. The new Certificate issued shall be endorsed at Additional Verification.

8.6 Issuance of Full-Term SMC.

.1 After verification of the documentation supporting the ship certification in compliance with the Section 17 below, and upon confirmation that the Initial or Renewal Verification has been fulfilled completely and are satisfactory in accordance with the provisions prescribed in ISM Code and this Instructive, the Marine Division will proceed to issue the corresponding Full-Term SMC.

.2 The Full-Term SMC shall be issued for a period not exceeding five (5) years counted from the completion date of the Initial or Renewal Verification.

.3 After completion of the Renewal Verification, the issuance of the Full-Term SMC shall be made in compliance with the following requirements, as appropriate:

   .1 When the Renewal Verification is completed within three months before the expiry date of the existing Full-Term SMC, the new Full-Term SMC should be valid from the date of completion of the Renewal Verification for a period not exceeding five years from the date of expiry of the existing SMC.

   .2 When the Renewal Verification is completed after the expiry date of the existing Full-Term SMC, the new Full-Term SMC should be valid from the date of completion of the Renewal Verification to a date not exceeding five years from the date of expiry of the existing SMC.

   .3 When the Renewal Verification is completed more than three months before the expiry date of the existing Full-Term SMC, the new Full-Term SMC should be valid from the date of completion of the Renewal Verification for a period not exceeding five years from the date of completion of the Renewal Verification.

8.7 Authorization to postpone the ISM verifications.

.1 If for special circumstances and justified reasons, the Initial, Intermediate or Renewal Verification cannot be carried out within the period specified in ISM Code, Part B/13, the shipowner, Company, RO or legal representatives should request an authorization to the Administration to postpone the required verification audit. The request shall be performed prior to the expiration of the Interim SMC (for Initial Verification) or prior to the expiration of the range date (window) for the Intermediate or Renewal Verification.

.2 The Letter from the shipowner or Company requesting authorization to postpone the ISM verification, shall be addressed to the Administration stating the following information:

   .1 The reasons that prevent to carry out the required verification within the period specified in ISM Code, Part B/13.

   .2 The temporary measures that will be followed on board in order to keep the SMS of the ship in good operating condition during the validity period of the postponement granted.

   .3 The projected date and place where the verification will take place.

.3 To request the authorization mentioned-above, the following documentation shall be submitted to the Administration:

   .1 Letter from the shipowner/Company as specified in paragraph 8.7.2 above.

   .2 Letter or email from the ICS Class indicating the reason for not performing the verification and stating the exact date and place where the verification will take place.

> .3 Interim SMC, if the postponement requested is for the Initial Verification.
>
> .4 Full-Term SMC and the Initial Verification Report, if the postponement requested is for the Intermediate Verification.
>
> .5 Full-Term SMC duly endorsed and the Intermediate Verification Report, if the postponement requested is for the Renewal Verification.

.4 The ISM Verifications shall be postponed in accordance with the authorization and instructions given by the Administration.

9. Preparing the audit.

.1 The Auditor(s) in co-operation with the shipboard management shall produce an audit plan.

.2 The audit plan is to be designed to be flexible in order to permit changes in emphasis based on information gathered during the audit, and to permit the effective use of resources. This plan is to be communicated to the Company and those involved in the audit.

.3 The audit plan shall include:
a) identification of the individuals or organizational units having significant direct responsibilities regarding the SMS;
b) identification of the Auditor(s);
c) the language of the audit;
d) the date and place where the audit will be conducted;
e) the schedule of meetings to be held with the shipboard management.

.4 The Initial, Intermediate and Renewal Verification audits shall be performed only under normal operating conditions of the ship, e.g. when the ship is not in dry dock or laid up. Interim audits may be conducted in circumstances other than normal operating conditions, provided that the ship is fully manned in accordance with its Safe Manning Certificate.

10. Executing the audit.

.1 All scheduled, routine SMC audits (Initial, Intermediate and Renewal) shall be fully scoped audits covering all elements of the ISM Code and all aspects of the management of shipboard safety and pollution prevention.

.2 The audit is to start with an opening meeting, the purpose of which is to:
a) introduce the Auditor to the shipboard management;
b) explain the scope and objective of the audit;
c) provide a short summary of the methods and procedures to be used to conduct the audit;
d) establish the official communication links between the Auditor and the shipboard personnel.
e) confirm that resources, documentation and facilities needed to perform the audit are available;
f) confirm the time and date of the closing meeting and any possible interim meetings.

.3 Working documents may be used to facilitate the audit and to document the results, which may include:

TECHNICAL INSTRUCTIVE
Statutory Certification for
ISM Code-Ship
Safety Management Certificate (SMC)

Code: PO02-TI07
Version: 02
Page: 11 of 23
Date: 11-2020

a) checklists used for evaluating SMS elements, and
b) forms for reporting observations and documenting supporting evidence.
Working documents should not restrict additional activities or investigations that may become necessary as a result of information gathered during the audit.

.4 Consideration should be given to the limitations that may be placed on the Auditor's ability to gather information and collect objective evidence when audits are carried out during the hours of darkness or other similarly restrictive operational conditions. Further visits may be necessary to complete the audit.

.5 The Auditor should take into account any changes made to the SMS since the last external audit carried out.

.6 The Auditor shall assess the SMS on the basis of the documentation presented by the Company and objective evidence of its effective implementation. Such evidence shall be collected through interviews, review of documentation and records, and observation of activities and examination of the condition and operation of the ship and its equipment and technical systems.

.7 When auditing a ship, as a part of the audit process the Auditor shall review the statutory and classification survey records (refer to Section 7/7.2 above).

.8 The Auditor is entitled to acquire the information he needs from the other Societies or, if relevant the Administration, in order to check the veracity of the information presented to him by the Company (refer to Section 7/7.2 above).

.9 Audit findings are to be documented in a clear, concise manner and supported by objective evidence. These shall be reviewed by the Auditor in order to determine which are to be reported as major non-conformities, non-conformities, or observations.

.10 At the end of the audit, prior to preparing the audit report, the Auditor(s) is to hold a meeting with the senior management of the ship and those responsible for the functions concerned. The purpose is to present major non-conformities, non-conformities and observations to the shipboard management in such a manner so as to ensure that they clearly understand the results of the audit.

11. Audit Report.

.1 The audit report shall be prepared by the Lead Auditor, based on information gathered by and discussed with the audit team members. It must be accurate and complete, reflect the content of the audit and should include the following items:
a) the date of completion of the audit;
b) the scope and objectives of the audit;
c) Auditor(s), Company's representatives;
d) all major non-conformities, non-conformities, and observations.
e) effectiveness of the SMS in meeting the specified objectives as final conclusions of the Audit.

.2 The audit report shall be made available to the ship.

.3 The Company is to maintain audit report records of all audits performed both ashore and on board its ships (refer to Section 7/7.2 above).

12. Corrective Action Follow-up.

.1 The non-conformity report (NCR) should state clearly the act or situation identified as non-compliant with the Company's SMC or the ISM Code.

.2 The content of the NCR shall be complete and concise and written in such a manner as to be easily understood. Clarity should not be sacrificed for the sake of brevity.

.3 When writing NCRs Auditor should, whenever possible, include a reference to the applicable requirement of the Company's SMS, and when necessary for the sake of clarity, restate the requirement.

.4 NCRs shall include a reference to the relevant clause or sub-clause of the ISM Code.

.5 A SMC may be issued, endorsed or renewed before all identified nonconformities have been closed out provided that a schedule has been agreed between the Company and the Auditor for the implementation of the necessary corrective actions.

.6 Additional Verifications (audits) may be necessary to confirm the validity of the SMC depending on the nature of any non-conformities identified. The Company is responsible for applying for any follow-up audit required by the Auditor.

.7 The Company is responsible for formulating and implementing corrective actions for the non-conformities identified by the Auditor. A corrective action plan shall be submitted to the Auditor within an agreed time period. The proposals will be accepted if, as written, they appear to be an appropriate response to the non-conformities identified. A schedule not exceeding three (3) months from the date of completion of the audit shall be agreed for the implementation of the corrective actions. The effectiveness of the corrective actions shall be verified not later than the next scheduled audit (Intermediate or Renewal).

.8 The review of the Company's responses to non-conformities described in paragraph 12.7 above, is applicable only to non-conformities that are not considered to be major.

.9 Failure to implement the agreed Corrective Action may be treated as grounds for invalidation of the SMC.

13. Company responsibilities pertaining to safety management audits.

.1 The verification of compliance with the requirements of the ISM Code does not relieve the Company, management, officers or seafarers of their obligation to comply with national and international legislation related to safety and protection of the environment.

.2 The Company is responsible for:
a) informing relevant employees or organizational units about the objectives and a scope of the audit;
b) appointing responsible members of staff to accompany Auditor(s);
c) providing the resources needed by the Auditor(s) to ensure an effective and efficient verification process;
d) providing access and objective evidence as requested by Auditor(s);
e) co-operating with Auditor(s) to ensure that the audit objectives being achieved;
f) informing ICS Class about significant changes to the SMS, which may need an Additional Verification (audit) by ICS Class. These include major restructuring of the system (for example, the establishment of Branch Offices) and changes in the operations that introduce new hazards.
g) requesting Additional Verification, when required.

14. Responsibilities of the audit team.

.1 The Auditor is responsible for:
a) planning and carrying out assigned responsibilities effectively and efficiently;
b) complying with the applicable requirements and other appropriate directives;

TECHNICAL INSTRUCTIVE
Statutory Certification for
ISM Code-Ship
Safety Management Certificate (SMC)

Code: PO02-TI07
Version: 02
Page: 13 of 23
Date: 11-2020

    c) reporting any major obstacles encountered in performing the audit;

    d) organizing specialist technical assistance required to fulfill the competence requirements of the audit as and when necessary;

    e) clearly communicating non-conformities and observations to the Company or shipboard management immediately;

    f) reporting the full audit results clearly, conclusively and without undue delay;

    g) making the audit report available to the Company or shipboard management;

    h) verifying the effectiveness of corrective actions taken by the Company.

.2 Documents and information pertaining to the certification shall be treated in confidence.

.3 An Auditor identifying a technical deficiency deemed to present a serious threat to safety or the environment or that requires attention by the responsible RO or the Administration shall:

    a) establish if the Company has taken appropriate action to correct the technical deficiency. In every case the Auditor shall establish that such technical deficiencies have been reported to the responsible RO or Administration.

    b) establish whether the technical deficiency constitutes or is symptomatic of a major non-conformity and, if so, follow the requirements of Section 15 below.

15. Response to Major non-conformities.

.1 A major non-conformity raised on a ship must be downgraded before the ship can sail. Downgrading may take place only after verifiable action has been taken to remove any serious threats to personnel, the ship or the environment. An acceptable plan for implementation not exceeding three (3) months should be agreed for completion of the necessary corrective actions.

.2 Following the downgrading of a major non-conformity, at least one Additional Verification should be carried out on board the ship within the time frame indicated in the agreed corrective action plan to verify that effective actions have been taken (refer to IMO Circular MSC/Circ.1059). In addition to the Additional shipboard audit, an Additional Verification of the Company's shore-based operations may also be carried out if the auditor deems it necessary.

.3 If an audit is carried out later than the specified time window a major non-conformity shall be raised.

.4 Where a major non-conformity has been raised because a DOC audit has not taken place within the specified time, the associated SMCs continue to remain in place without any Additional Verification provided that no other major non-conformity remains unresolved.

.5 Major non-conformities identified during shipboard verifications, including those that are downgraded before the completion of the audit, shall be reported to the Administration of the ship.

.6 Where the corresponding DOC has been issued by other RO, major non-conformities identified during shipboard audits carry out by ICS Class shall be reported to that RO.

.7 A SMC cannot be issued, endorsed or renewed if a major non-conformity exists.

TECHNICAL INSTRUCTIVE
Statutory Certification for
ISM Code-Ship
Safety Management Certificate (SMC)

Code: PO02-TI07
Version: 02
Page: 14 of 23
Date: 11-2020

16. Withdrawal of Certification.

.1   The Company shall be required to notify the affected ships immediately its DOC is withdrawn.

.2   Where the associated SMCs are withdrawn as a result of the withdrawal of DOC caused by a major non-conformity, new SMC should not be issued unless the DOC has been reinstated and a verification to the scope of an Initial Verification has been carried out on board a representative sample of the ships. At least one ship of each type operated by the Company should be verified.

.3   An Interim SMC shall not be issued to a ship from which the Full-Term SMC has been withdrawn as a result of a major non-conformity (refer to Section 6/6.7 above). Furthermore, a new Full-Term SMC should not be issued unless an Initial Verification has been carried out on board the ship. In addition, depending on the nature of the major non-conformity raised against the SMS implemented on board the ship, the validity of the Full-Term DOC may also need to be verified by an audit, equivalent in scope to an Annual Verification, prior to the issue of the new Full-Term SMC. The new Full-Term SMC should have the same expiry date as the withdrawn Certificate.

17. Record of Information (supporting documentation).

.1   After completing the certification services (verifications/audits), the Lead Auditor must provide to ICS Class-Head Office (Operation Department) with the following supporting documentation properly fulfilled:

.1   For Interim Verification:
   a)   ISM Code/Audit Plan.
   b)   ISM Code/Checklist for Interim Certification.
   c)   ISM Code/Ship Verification Report.
   d)   ISM Code/Non-Conformity Report (if any).
   e)   Copy of the Interim SMC issued.
   f)   Copy of the DOC valid (Interim, Short-Term or Full-Term).

.2   For Initial and Renewal Verification:
   a)   ISM Code/Audit Plan.
   b)   ISM Code/Checklist for Initial/Renewal/Additional Verification.
   c)   ISM Code/Ship Verification Report.
   d)   ISM Code/Non-Conformity Report (if any).
   e)   Copy of the Short-Term SMC issued.
   f)   Reporting of Owners/Operators.
   g)   Reporting of Designated Person(s).
   h)   Copy of the DOC valid (Short-Term or Full-Term).

.3   For Intermediate Verification:
   a)   ISM Code/Audit Plan.
   b)   ISM Code/Checklist for Intermediate Verification.
   c)   ISM Code/Ship Verification Report.
   d)   ISM Code/Non-Conformity Report (if any).
   e)   Copy of the DOC valid (Short-Term or Full-Term).

.2   In addition to the supporting documentation listed above, and where required, the following information shall also be provided by the Auditor:

    .1   Changes made in the SMS.

    .2   Evidences that, at the opinion of the Lead Auditor, demonstrate the effectiveness of the SMS in the ship, collected through interviews, review of documentation and records, and observation of activities of the ship's operation.

18. Applicable Forms for ship certification.
    .1   ISM Code/Audit Plan (2010/01).
    .2   ISM Code/SMC-Checklist for Interim Certification (2011/09).
    .3   ISM Code/SMC-Checklist for Initial/Renewal/Additional Verification (2015/01).
    .4   ISM Code/SMC-Checklist for Intermediate Verification (2015/01).
    .5   ISM Code/Ship Verification Report (2010/01).
    .6   ISM Code/Non-Conformity Report (2010/01).
    .7   SMC Interim (2010/01).
    .8   SMC Short-Term (2010/01).
    .9   SMC Full-Term (2010/01).

19. Documented Information revoked and modifications.
    .1   Technical Instructive PO02-TI07-Statutory Certification for ISM Code-Ship (SMC), version 01 (05-2020) has been revoked.
    .2   Section 0 "Content" has been included.

20. Annexes.
    .1   Annex 1: Communications with Flag States and between ROs.
    .2   Annex 2: Port State Control.
    .3   Annex 3: Ship types on DOCs and SMCs.
    .4   Annex 4: Ship Certification Scenarios.
    .5   Annex 5: Verification of Compliance with Flag State requirements.
    .6   Annex 6: Requirements for ISM Code Auditor.

Jose A. Pérez Samper.
Principal Surveyor / samper@intermaritime.org
Tel. +507 322-0013 / Fax +507 226-5386
www.InterMaritime.org

Annex 1

COMMUNICATIONS WITH FLAG STATES AND BETWEEN ROs

1. To ensure that the requirements of SOLAS Chapter I Regulation 6(d), SOLAS Chapter IX, IMO Resolution A.1118(30) and Resolution A.741(18) as amended are fulfilled, the following communication procedures must be followed when a Full-Term SMC become invalid according to Section 6/6.7 above.

2. When a Certificate is invalidated, the ICS Class shall inform the relevant flag State and other ROs by issuing of a Statement Letter addressed to the ship's Company stating the following information:

   .1 Ship's name.
   .2 IMO N^o.
   .3 Company name and address.
   .4 Full-Term SMC N^o.
   .5 Type and date of audit conducted.
   .5 Reason for invalidation of certification (specify).
   .6 Name, Position, Society and Date.
   .7 Distribution:
       a) To Company.
       b) Copy to Administration.
       c) Copy to Port State Authority (if appropriate).
       d) Copies to ROs responsible for issue of DOC, if applicable.
       e) Copy to Classification Society, if applicable.

3. The communication shall be limited to the identity of the ship, the Company, the substance of the major non-conformity and the date of audit.

Annex 2

PORT STATE CONTROL

1. When attending a ship as a result of a Port State Control action, ICS Class shall consider the objective evidence presented by the PSCO.
2. Where the Auditor considers that the evidence indicates the presence of a major nonconformity, the major non-conformity shall be documented in the usual way, the Company shall be notified immediately and the Auditor shall proceed as indicated in Section 15 above.
3. In the absence of any specific instructions to the contrary, the scope of any Additional audit carried out following the detention of a ship that holds an Interim SMC shall include, as a minimum, the deficiencies identified by PSCO. Implementation will be verified to the extent that the available evidence permits.
4. In cases where the PSCO alleges that there is evidence of a major non-conformity, and the Auditor considers that there is not, the PSCO, under the authority vested in the officer by the authorities of the port, will decide what further action is to be taken.
5. If the Auditor disagrees with the actions taken by the PSCO, the auditor is to provide the PSCO with a written explanation of the disagreement and inform the flag State.
6. Notwithstanding the provisions of all paragraphs above, the Procedure PO02-P05 for Port State Control and Flag State Inspection shall also be applied as appropriate.

Annex 3

SHIP TYPES ON DOCs AND SMCs

1. **Determination of ship types to be listed on SMCs.**
   .1 The ship types listed on DOCs and SMCs shall be consistent with the specific ship types defined in SOLAS Convention, Chapter IX, Regulation 1 and on pertinent SOLAS documentation aboard ship.
   .2 The ship types listed on DOCs and SMCs shall be consistent with the service in which the ship operates. Some ships are designed for use in multiple services (for example OBOs). The ship types listed on the DOC and SMC must reflect the service(s) in which the ship is actually trading and fit to serve.
   .3 In the event that a multipurpose ship is voluntarily operated in only one of the services for which it is designed, then the DOC and SMC should list only the ship type corresponding to that service. When a ship is transferred to another service for which it is designed, an Interim DOC and SMC identifying the ship type appropriate to the new service may be issued. Subsequent to satisfactory verification of the ship's operation under a fully functional SMS for the additional ship type, the DOC and SMC may be reissued listing the pertinent ship types.

Annex 4

SHIP CERTIFICATION SCENARIOS

Nº.	Scenario	Condition	Action required	Scope of audit and certification
1.	Change of ship's name	Conducted by an Auditor	Additional audit on board	1.Additional Verification as required by Section 8/8.5 and 8.6 above. 2.Verify correct ship's name on all Certificates and documents. 3.Issue Short-Term SMC with new ship name. Note: Replacement Full-Term SMC with new ship name shall have the same expiry date as the current SMC.
2.	Change of flag	Conducted by an Auditor.	Interim audit on board	1.Interim audit as required by ISM Code, 14.4. 2.Issue Interim SMC.
3.	Change in IMO ship type	Conducted by an Auditor.	Interim audit on board.	1.Interim audit as required by ISM Code, 14.4. 2.Issue Interim SMC with new ship type.
4.	Adding IMO ship type (e.g. from bulk carrier to OBO)	Conducted by an Auditor.	Interim audit on board.	1.Interim audit as required by ISM Code, 14.4. 2.Issue Interim SMC with both ship types.
5.	Change of ship type, dual to single (e.g. OBO to oil tanker)	Conducted by an Auditor.	Additional audit on board	1.Additional Verification as required by Section 8/8.5 and 8.6 above. 2.Evidence of surrender of SOLAS or MARPOL related certificates for the original ship type. (e.g. surrender of IOPP Supp. B when going from OBO to bulk on permanent basis). 3.Issue Short-Term SMC with the appropriate ship type. Note: Replacement Full-Term SMC with the appropriate ship type shall have the same expiry date as the current SMC.
6.	Ship out of service between 3 and 6 months[1]	Conducted by an Auditor.	Additional audit if required by the flag State.	1.Endorse SMC as appropriate.
7.	Ship out of service more than 6 months[1]	Conducted by an Auditor.	Interim audit on board.	1.Interim Verification. 2.Issue Interim SMC.

Annex 4 (Continued)

SHIP CERTIFICATION SCENARIOS

8.	Intermediate audits requested after the end of the audit time window	Conducted by an Auditor.	Intermediate audit on board	1.Intermediate Verification with scope as Initial. 2.Major NC raised that may be downgraded based on completion of audit. 2.Additional audit within 3 months required. 3.If reinstated, SMC to be endorsed with a statement (e.g. Validity reinstated with scope as Initial). If re-issued, SMC to have same expiry date as previous certificate.
9.	Change Company's name and/or address	Conducted by an Auditor	Additional audit on board	1.Additional Verification as required by Section 8/8.5 and 8.6 above. 2.Verify DOC has been reissued with new Company name and address. 3.Verify correct Company name and address on all Certificates and documents, as appropriate. 4.Issue Short-Term SMC with new Company name and address. Note: Replacement Full-Term SMC with new Company name and address shall have the same expiry date as the current SMC.
10.	Change of Owner	-	Not action required	Evidence of Owners information to Flag Administration to be verified at next visit.
11.	Change of RO	Conducted by an Auditor	Additional audit on board (or next Intermediate audit)	1.Review of previous lost RO's shipboard Audit Reports. All previous NCN`s is to be closed out. 2.Issue Short-Term SMC. Note: Replacement Full-Term SMC have the same expiry date as the current SMC.

(1) These instructions do not apply to ships for which seasonal lay-ups are a normal part of their operational routine – refer to MSC-MEPC.7/Circ.9.

Note:
1. **Above scenarios may be subject to flag State requirements and should only be applied in the absence of any instructions from the Administration.**
2. **To apply any of above scenarios on Panamanian flagged ships, a prior authorization from PMA (ISM Section) is required.**

Annex 5

VERIFICATION OF COMPLIANCE WITH FLAG STATE REQUIREMENTS

1. Unless otherwise instructed by the Administration, Auditor will verify compliance with particular flag State requirements by sampling in the same way that compliance with other mandatory requirements is verified.
2. The same approach will be adopted when a ship changes flag. Compliance with any special requirements that are imposed by the new flag State will be verified by sample at the next scheduled audit. An audit for the issue of an Interim Certificate in relation to any additional flag State requirements, followed by verification of full implementation, will be carried out only when specifically requested by the Administration concerned.
3. Where Administrations require routine verification of compliance with specific flag State requirements at every scheduled audit, ICS Class will make an estimation of, and reach agreement on, the additional time that will need to be added to the usual audit duration. The Administration will then be informed of the outcome and the fact that the audit duration will be increased accordingly.

Annex 6

REQUIREMENTS FOR ISM CODE AUDITOR

1. The Auditor must be able to demonstrate knowledge and understanding of:
   .1 The principles and practice of management systems auditing (Standard ISO 19011 or equivalent).
   .2 The requirements of the ISM Code and its interpretation and application.
   .3 Mandatory rules and regulations and applicable codes, guidelines and standards recommended by the IMO, Administrations, Classification Societies and maritime industry organizations.
   .4 Basic shipboard operations including emergency preparedness and response
2. In addition, the Auditor must demonstrate that he has the ability to apply such knowledge and understanding and that he is capable of carrying out effective verification audits of the shore-based and shipboard aspects of marine management systems against the ISM Code as applicable.
3. The Auditor must possess the competence to:
   .1 Determine whether the management system elements conform or do not conform with the requirements of the ISM Code;
   .2 Determine the effectiveness of the Company's safety management system, or that of the ship, in order to ensure compliance with rules and regulations as evidenced by the statutory and classification survey records;
   .3 Assess the effectiveness of the safety management system to ensure compliance with other rules and regulations which are not covered by statutory and classification surveys and to enable verification of compliance with these rules and regulations; and
   .4 assess whether the safe practices recommended by the IMO, Administrations, Classification Societies and maritime industry organizations have been taken into account.
4. The competences described above may be acquired as a result of any combination of the following:
   .1 Previous relevant qualifications and experience.
   .2 Theoretical training.
   .3 Practical training.
5. The Auditor must have at least five (5) years of experience in areas relevant to the technical or operational aspects of shipboard operational management (selection criteria to be accepted for training). Such experience may be gained in the following ways:
   .1 Ship classification or statutory surveys; or
   .2 Sea-going service as a certificated watch-keeping officer; or
   .3 Employment in a technical role (for example: technical manager, superintendent, operations manager) in a ship management company; or
   .4 Any combination of these three.
6. The Auditor authorized to carry out ISM verifications (audits) must have completed at least four (4) training audits under supervision and in accordance with the following criteria:
   .1 At least one (1) must be a Company audit.
   .2 At least one (1) must be a shipboard audit.
   .3 The training audits may be Initial, Renewal, Annual or Intermediate. Additional audit may be used only when audit covering all elements of the ISM Code and SMS.

7. All training audits must be carried out under the supervision of suitably qualified and experienced Auditors.

8. A record shall be maintained, indicating authorization granted to the Auditor who has passed the theoretical training and who have successfully completed the practical training (see paragraph 6 above).

9. A qualified Auditor who has not performed at least two (2) audits in any two (2) calendar year period shall be required to undergo two (2) revalidation audits under the supervision of a suitably qualified and experienced Auditor. These audits may be on ship or Company.

10. A qualified Auditor who has not performed any audits in any five-year period shall be required to undergo revalidation training to include a one-day refresher course and two audits under the supervision of a suitably qualified and experienced Auditor. The one-day refresher course should include familiarization with the latest version of the audit and certification procedures, changes in regulatory requirements, new or updated reporting systems, the most recent guidance on the interpretation and application of the ISM Code, etc. This course may be delivered by alternative learning methods (distance learning, video conference, webinars, etc.).

11. For the update training, ICS Class must ensure that its Auditors are kept informed of all regulatory and procedural developments related to the ISM Code and that they receive guidance on matters of regulatory and procedural interpretation as these evolve.

12. Records shall be created and retained for each Auditor indicating:
    .1 Qualifications and experience gained prior to training as ISM Code Auditor.
    .2 Theoretical training received.
    .3 Examination results.
    .4 Practical training received.
    .5 Authorization granted.
    .6 Update training received.
    .7 Re-authorization in the event of lapsed authorizations.

13. The performance of the Auditor shall be evaluated at least once every two (2) years.

14. The Procedure PE02-P01 for Training and Qualification of Technical Staff establishes the relevant objectives, requirements and activities for theoretical and practical training of the ISM Code Auditors.