

RESOLUTION J.D. No. 002-202

THE BOARD OF DIRECTORS OF THE PANAMA MARITIME AUTHORITY, in use of its legal powers and,

CONSIDERING:

That it is the purpose of the Panama Maritime Authority, to recommend policies and actions, to exercise acts of administration and to enforce legal and regulatory standards concerning the Maritime Sector.

That within the organizational structure of the Panama Maritime Authority, there is the General Directorate of Merchant Marine, agency for administrative services and program execution, whose operation and internal organization is in accordance with the specified Decree Law No. 7 of February 1, 1998 and in the regulations that are ordered for the development of the same.

That it is also a responsibility for the General Directorate of Merchant Marine, to enforce on all Panama registered ships, the national legal regulations and those that are part of international agreements ratified by the Republic of Panama, concerning navigational and maritime safety also the prevention and pollution control at sea.

That the Republic of Panamá approved the International Convention for the Prevention of Pollution from Ships, 1973, through Law No. 17 of November 9, 1981 and its Protocol of 1978 through Law No. 1 of October 25, 1983 (MARPOL 73/78).

That the International Maritime Organization (IMO) is the United Nations regulatory agency for the international maritime shipping, which has marked a milestone with the adoption of new mandatory requirements to control greenhouse gas emissions from ships.

That, in 2011, the International Maritime Organization (IMO), became the first international organization to adopt mandatory energy efficiency measures for the entire sector with a series of technical and operational requirements for new and existing ships that entered into effect in 2013. By 2025 all new ships will be about 30% more energy efficient than those built in 2004.

That under the new requirements, ships of five thousand (5,000) gross tonnage and above will be required to collect consumption data for each type of fuel oil they use on board, as well as other more specific data, such as the equivalents of shipping performance. These ships produce approximately 85% of CO₂ emissions from shipping. The data collected will build a firm foundation on which to make future decisions on additional measures, beyond those already taken by the IMO.

That the new mandatory data collection system is the first step in a three-stage approach in which the analysis of the data collected will provide the basis for an inclusive, objective and transparent debate on policies at future sessions. Specifically, on whether additional mandatory measures need to be taken to improve energy efficiency and to face greenhouse gas emissions from international shipping. If yes, the proposed policy options will be examined.

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That the Marine Environment Protection Committee of the International Maritime Organization (MEPC) at its 70th session, having examined the proposed amendments to Annex VI of MARPOL 73/78, regarding to the data collection system on the consumption of fuel oil, adopted in accordance with the provisions of paragraph D of number 2 of Article 16 of the MARPOL 73/78 Convention, the amendments to Annex VI and decided, in accordance with the provisions of item 3 of paragraph F of number 2 of Article 16 of the Convention, that the amendments will be considered accepted by September 1, 2017, unless, prior to that date, at least a third of the Parties, or those Parties whose combined merchant fleets represent at least fifty percent (50%) of the gross tonnage of the worlds merchant fleet, have notified the International Maritime Organization rejecting such amendments.

In the same manner, the Parties were invited to take note that in accordance with the provisions of item 2 of paragraph G of number 2 of Article 16 of the MARPOL Convention 73/78, such amendments will enter into force by March 1, 2018, once accepted in accordance with the provisions of the preceding paragraph.

That, in this sense, Rule 22A of Annex VI of the MARPOL 73/78 Convention, indicates that as of 2019, every ship of gross tonnage equal to or greater than five thousand (5,000.00) gross tons will collect the data specified in appendix IX of Annex VI of the MARPOL 73/78 Convention, among which are the consumption of **fuel oil** or other type in metric tons and the methods used to collect data on **fuel oil** consumption.

That currently, there are companies that can provide the service of collecting and verifying data on the **fuel oil** consumption of ships, in order to comply with the aforementioned regulations.

That the General Directorate of Merchant Marine, through Resolution No. 106-14-DGMM of March 18, 2008, created the Technical Evaluation Committee, which has, among other functions, to resolve technical requests from such General Directorate, recommend standards, Internal and external technical requirements and procedures for the different requests, in addition of recommending the General Directorate of Merchant Marine for the approval or rejection of companies that request to provide a specific service on board Panama flag ships or any other ship that is in the national territory.

That through Resolution No. 106-26-DGMM of April 17, 2018, the General Directorate of Merchant Marine, delegated the following functions to the Recognized Organizations that already have functions given by this Administration under Annex VI, Chapter 4 of the MARPOL Convention:

- a. Confirm that every Panama flag vessel of 5000 GRT and above maintains a Ships Energy Efficiency Management Plan on board as established by Rule 22A of Annex VI of the MARPOL Convention.
- b. Issue a " Confirmation of Compliance " indicating that the ship complies with the previous item.
- c. Verify and determine if the data reported by the Panama flag vessels of 5000 GRT and above complies with the provisions of Rule 22A of Annex VI of the MARPOL Convention.
- d. Issue a recommendation to the Administration indicating whether the ship can be issued with a Statement of Compliance by the Panama Maritime Authority.
- e. Submit to the Administration a consolidated report of the collected data on fuel oil consumption of Panama flag vessels of 5000 GRT and above.

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Likewise, on Article Two of Resolution No. 106-26-DGMM of April 17, 2018, states that the General Directorate of Merchant Marine, after having received the information from the Recognized Organization, will proceed to issue, in accordance with the recommendation provided, the Statement of Compliance for the fuel oil Consumption to the ship, valid according to the criteria established in Rule 9 of Annex VI of the MARPOL Convention, adopted by the MEPC Resolution. 278(70) of October 28, 2016, regarding the term length and validity of the certificates and declarations of compliance on the notice of fuel oil consumption of ships.

Equally, through Resolution No. 106-27-DGMM of April 17, 2018, the General Directorate of Merchant Marine, approved the policy framework for the authorization of companies that are dedicated on providing Panama flag ships of 5,000 GRT and above, the following services:

- a. Confirm that every Panama flag vessel of 5,000 GRT and above holds an Energy Efficiency Management Plan on board as established by Rule 22A of Annex VI of the MARPOL Convention.
- b. Notify the General Directorate of Merchant Marine of the compliance for the previous item by the ship, so that this Administration can issue a " Confirmation of Compliance " indicating that the ship abides by the same.
- c. Verify and determine, if the data reported by Panama flag ships of 5000 GRT and above are in compliance with the provisions of Rule 22A of Annex VI of the MARPOL Convention.
- d. Issue a recommendation to the Administration indicating whether the ship can be issued with a Statement of Compliance.
- e. Submit to the Administration a consolidated report of the collected data on fuel oil consumption from Panama flag vessels of 5,000 GRT and above.

That in view of the issuance of the aforementioned Resolutions, this Maritime Administration, through the General Directorate of Merchant Marine, is responsible for issuing the following:

- "Confirmation of Compliance" for the Energy Efficiency Management Plan as established by Rule 22A of Annex VI of the MARPOL Convention, at the request of the companies that are dedicated on providing the aforementioned services to Panama flag ships.
- Regarding the "Confirmation of Compliance" (COC) of the Energy Efficiency Management Plan, Recognized Organizations appointed for these services, are authorized to issue this document, so that this Administration will not issue it.
- "Statement of Compliance" (SOC) confirms that the ship has submitted to this Administration, the data required by Regulation 22A of Annex VI of the MARPOL Convention and that the collected data was reported in accordance with the procedures established on the Energy Efficiency Management Plan, at the request of the companies that are dedicated on providing the aforementioned services to the Panama flag ships and the Recognized Organizations appointed for this purpose.

That due to the issuance of the aforementioned documents, the General Directorate of Merchant Marine will have a significant administrative burden, so the necessary fees must be set to cover such administrative expense.

On the other hand, due to the processing and approval of the companies that are dedicated on providing the aforementioned services to Panamanian flag ships, the Board of Directors of the Panama Maritime Authority considers it appropriate to establish the costs, fees and rights for such services.

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As established on Article 18 of Decree Law No. 7 of February 1, 1998, amended by Law No. 27 of October 28, 2014, it is up to the Board of Directors of the Panama Maritime Authority to structure, regulate, determine, fix, alter and impose fees and rights of the services provided by the Authority, for which,

RESOLVES:

FIRST: Approve the cost of authorizations and annuities for those companies that are dedicated on providing the service of data collection and verification on fuel oil consumption, to Panamanian flag ships with gross tonnage equal to or greater than 5,000 GRT, as stipulated in the MEPC Resolution. 278 (70) adopted on October 28, 2016, regarding the amendments to Annex VI of the MARPOL Convention 73/78.

- 1. Processing Fee..... \$ 1,000.00

Paragraph: This payment must be made by certified check to the Panama Maritime Authority, non-refundable, presented at the time of request.

- 2. Annual Fee.....\$3,000.00

Paragraph 1: Payment for the Annual Fee must be made no later than one (1) month later from the date on which the resolution grants such authorization, so that the authorization granted is not revoked, in accordance with the Procedure. For Sanctions, mentioned on Section 4 of Law No. 57 of August 6, 2008. Once these companies are authorized, the following payments corresponding to the annual fee, must be made the following calendar year, starting from the date the resolution granting your authorization was executed. Failure to comply with these payments will ground the authorization of the company to be revoked, in accordance with the Procedure for Sanctions, mentioned on Section 4 of Law No. 57 of August 6, 2008.

Paragraph 2: The companies that are authorized at the time of entry into force of this Resolution, must pay the annual fee by January 31 of each year at the latest, so that the authorization granted is not revoked, following the procedure expressed in paragraph 1.

Paragraph 3: Payments for these fees contemplated in this Article may be made at the Panama Maritime Authority Offices and at the Merchant Marine General Consulates.

Paragraph 4: The fees established above cannot be transferred to the customer nor user of the service.

SECOND: SET at One Hundred and Fifty Dollars with 00/100 (\$ 150.00), the issuance, re-issuance and / or amendment, of the "Statement of Compliance" (SOC) at the request of the companies that are dedicated on providing the aforementioned services to Panama flag ships and to the Recognized Organizations appointed for such purpose.

Paragraph 1: The payment of the Fee indicated in this Article, will be paid by the natural person or legal entity that applies for such certificate at the Segumar Office.

THIRD: SET at Seventy-Five Dollars with 00/100 (\$ 75.00), the issuance, re-issuance and / or amendment, of the "Confirmation of Compliance" (COC) for the Energy Efficiency Management

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Plan, at the request of the companies that provide services of gathering and verifying data on **fuel oil** consumption on Panama flag ships.

FOURTH: The Recognized Organizations appointed by this Administration for these services, must pay Seventy-Five Dollars with 00/100 (\$ 75.00), for issuance, re-issuance and / or amendment of the "Confirmation of Compliance" (COC) for the Energy Efficiency Management Plan.

FIFTH: This resolution will be in effect from its publication in the Official Gazette.

FOUNDATION OF LAW: Decree Law No. 7 of February 1, 1998 and its modifications
Law No. 57 of August 6, 2008
Resolution No. 106-14-DGMM of March 18, 2008.

Given in Panama City, on the twelve (12) days of the month of February of the year two thousand twenty (2020).

COMMUNICATE AND ACCOMPLISH

PRESIDENT

SECRETARY

(illegible signatura)

JUAN CARLOS MUÑOZ

VICE MINISTER OF THE PRESIDENCY

(illegible signatura)

NORIEL ARAUZ V.

PANAMA MARITIME AUTHORITY
ADMINISTRATOR