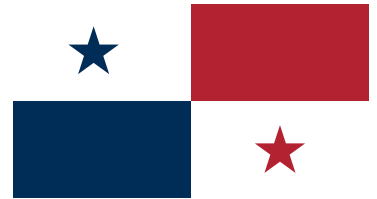




UPDATE



Panama's Ship Registry cleans up its fleet for international compliance

The Panama Maritime Authority considers the international compliance of the Panama-flagged fleet of utmost importance and to enforce it, the Authority looks at the age of vessels, detention, and safety inspection history, together with statutory and classification inspection and certification history. The Panamanian fleet is inspected on average 14,000 times per year, which represents a challenge to maintain compliance in the different regions.

The Panama Ship Registry is working on an integrated review for the verification and control of the more than 8,500 vessels that make up the Panamanian fleet and the more than 318,000 active seafarers that remain on board these ships. Being the world's largest registry demands control, surveillance, and compliance, but also efforts, sacrifices and real standards that help maintain the compliance expected by the industry.

Purging the fleet, a process that began in 2021, will continue. The vessels with a compromised history and detentions reported by the different Memoranda of Understanding (MoU), fishing vessels involved in unreported and unregulated fishing situations and vessels that maintain low international compliance will be subject to a process of sanction and cancellation of their registration.

The vessels of advanced age and whose operating companies do not maintain best practices represent a potential risk, as they may suffer accidents and detentions in Port State inspections, causing damage to the rest of the fleet, as well as to the prestige of the Panamanian flag.

The Panamanian fleet's tidying up is a key issue for the Panama Maritime Authority's administration, which, though it had been postponed in the past, addressed it now despite the sacrifices it requires and in the interest of improving international compliance.

Recently, the Panama Ship Registry entered for the first time the "Qualship 21 Program" of the United States Coast Guard, which has been in existence for more than twenty years. It is an important milestone for the Panamanian Registry as it shows the efforts of the institution and its human resources in changing the working methods and the monitoring of the fleet.

To qualify for this program, vessels must comply with the established requirements, that encourage vessels in good compliance and environmental management, and Panama had put in place a series of measures ensuring the reduction of possible detentions upon arrival of Panama-flagged vessels in ports of the United States (U.S.A.).

Article 49 of Law 57 "of Merchant Marine" establishes the following as grounds for ex officio cancellation:

- The execution of acts affecting national interests.
- Serious non-compliance with legal regulations in force in Panama or with maritime safety, pollution prevention, maritime

security or international conventions ratified by the Republic of Panama.

- The expiration of the provisional navigation patent or the regulatory patent without being renewed within a period of five years from the expiry date.
- The use of the vessel for smuggling, illicit or clandestine trade, piracy or for the commission of other crimes.
- The presentation of forged or falsified documents.
- Abandonment of the vessel.
- The registration of the vessel in another register, except in the special charter registers in accordance with the formalities provided for in this Act.
- The total loss of the ship.
- The high incidence of detentions due to serious or recurrent deficiencies detrimental to maritime safety.
- Other cases established by law and international law.

In addition, during the revision of this General Merchant Marine Law, it was proposed to add the following reasons for ex officio cancellations in relation to the issue of illegal fishing:

- Information or indications that the vessel is being used in activities related to illegal, unreported, and unregulated fishing.

And to collaborate as a flag State with the eradication of Illegal, Unreported and Unregulated Fishing, the Panamanian Registry has, to date, cancelled ex officio 182 vessels representing 475,390.46 Gross Registered Tons (GRTs), for not having a valid Fishing License or for having an expired Navigation Patent, which in both cases could represent Illegal Fishing. Another 97 vessels, totaling 59,334.83 GRTs, are currently in the process of cancellation for similar reasons.

The Panama Ship Registry can sanction the owners, shipowners, and the ship captain with the expulsion of the vessel when the image and good name of the Panamanian Register is affected.

This Administration, according to the database of the Panama Maritime Authority has cancelled ex officio, from July 2021 to date, more than 6.5M GRTs, for issues related to Iran, North Korea or vessels included in the list of international sanctions.

This elimination program responds to the current administration's commitment to comply with cleaning up the fleet, which had previously been postponed.

Even though, from July 2019 to end of May 2023, the Panama Ship Registry has added more than 29.6M GRTs to its fleet, according to Clarksons Research data.

Press release

Despite the inclusion of the Panama Ship Registry in the Paris Memorandum of Understanding (MoU) grey list, the Panama Maritime Administration remains committed to the compliance of its fleet by taking measures to reduce Port State's detentions of Panama-flagged vessels.

The Paris Memorandum of Understanding (Paris MoU) is made up of 27 European countries and Canada and aims at eliminating vessels that are below maritime safety standards and prevent pollution of the marine environment. This measurement is made with a statistical system of inspections indicating ship registries that comply with the highest qualifications in maritime safety standards, by considering the total number of inspections and detentions during the period of the last 3 years. The registers are classified into three groups:

- Administrations placed on the White List: These are administrations whose fleet maintains a high level of compliance.
- The Grey List: Administrations whose fleet maintains an acceptable level of compliance with a low level of detentions.
- Administrations placed on the Black List, are the administrations whose fleet maintains a high level of detentions. Administrations in this segment are considered as high risk.

The Panama Ship Registry has around 8,500 ships and has been inspected at least 45,000 times, which gives an overall fleet compliance level of 96.17%, and a detention rate of 3.83% downwards.

The Panama Maritime Authority has been committed to the attraction of newly built ships, due diligence and the acceptance of ships coming from companies with high standards, to position Panama in the corresponding position. Panama has been able to attract 1,548 new buildings and 50 million tons in the last 4 years, which is a very important figure for the sustainability of the Registry.

Some of the main reasons for the inclusion of Panama in the Paris MoU grey list which could have generated situations of non-compliance are:

- Age of the legacy fleet operating in this area: of the 374 detentions reported (in the last three years), 104 vessels were over 30 years old, 35 vessels over 40 years old, a

situation that puts the fleet at risk given the stringency of the inspections in this MoU. These vessels are being subjected to a special inspection regime, and if they do not improve, they will be removed from the register.

- A trend was detected of ships certified by Recognized Organizations with a high number of detentions or reported deficiencies and having valid technical certification on board, without prior notification to the Directorate General of Merchant Marine (Ship Registry). These companies have been audited, some suspended and revocation of their delegation of authority is not ruled out.

- The economic situation generated by the pandemic caused some companies to declare bankruptcy and abandon their vessels and crews.

- Panama detected that the Flag State inspections carried out by the approved inspectors were not yielding the expected results, even cases were detected where the inspectors did not attend on board the vessels and have carried out remote inspections acting independently and without the authorization of the AMP's Directorate General of Merchant Marine.

The Panama Ship Registry has implemented a series of actions to maintain its compliance standards, such as:

- Due diligence is strengthened and ships older than 30 years are rejected, and due diligence is extended to companies. During the year 2023 alone, 20 ships have been rejected due to their history of detentions in the pre-flagging process.

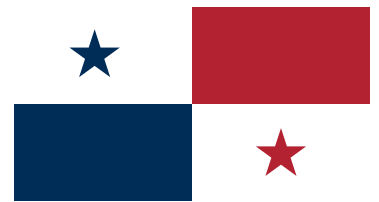
- Non-compliant vessels are sanctioned and cancelled. During 2023, 1 vessel was sanctioned for multiple detentions and 18 vessels are in a cancellation process due to their detention history.

- Flag State inspectors (ASI) with poor performance are sanctioned and cancelled. To date there are 3 inspectors who have been suspended for poor performance, 14 are in the process of suspension and 9 have been cancelled from the list of Flag State inspectors approved by the AMP's Directorate General of Merchant Marine.

- The purging of the Register continues. Since 2021, 216 ships have been removed from the register which is in the process of purging the fleet.



UPDATE



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Panama Ship Registry QUALSHIP 21

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Sister cities Imabari and Panama strengthen ties



Last May, a delegation of the Panama's Government, headed by Vladimir Franco, deputy Minister of Foreign Affairs, visited the city of Imabari, Japan, to strengthen cultural and commercial ties. The delegation was formed by Jorge Almengor, deputy Minister of Finance, Carlos Perú, Ambassador of Panama to Japan, Victor Almengor, Consul of Panama in Kobe and from the Panama Maritime Authority, Rafael Cigarruista, Director General of Merchant Marine and Capt. Juan Maltez, Director General of Seafarers.

More than 46% of the Japanese fleet fly the Panamanian flag, the favorite in the Japanese country and this trip represented an opportunity for the Panama Ship Registry to bolster relations with shipowners, operators, and banks in the region.

"Panama is a distant country from Japan, but Panama and Imabari are sister cities and have a close heart. We are a small city, but with world-class industries and I would like to continue our friendly relationship with Panama," said the Mayor of Imabari, Shigeki Tokunaga who was accompanied by the Manager of Integral Policy, Seiji Mori, during the meeting. They also discussed commercial and cultural ties between the two nations.

The delegation also participated in the inauguration of the BariShip 2023 fair, where the Vice Minister of

Foreign Affairs, Vladimir Franco, was honored with cutting the ribbon of the event. And the Panamanian delegation accompanied by Mayor Shigeki Tokunaga and Christopher Eve of Informa Markets inaugurated the Panama Pavilion.

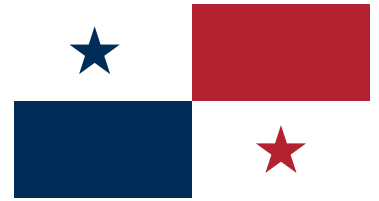
The Panama Ship Registry technical office's staff attended the members of the maritime industry in the region, giving information on flagging, certifications, and incentives to shipowners for the use of new technologies helping reduce ship pollution.

During the Seminar organised by Bariship 2023, Rafael Cigarruista, Director General of the Merchant Marine presented "Together we save our Ocean through a greener Industry" to the main companies of West Japan, classification companies and Tokyo operators, explaining Panama's actions in support of the industry.

Rafael Cigarruista and Capt. Juan Maltez, head of Seafarers met with the staff of the Imabari Technical Office, to revise working processes, customers' needs and how to maintain good relations with the local industry since the excellent relation between the Panamanian Registry and the Japanese shipowners is essential for Panama to continue being the preferred flag in this Asian country.



UPDATE



Panama will host the Viña del Mar's XXVIII Meeting of the Agreement Committee

Panama, a member state of the Viña del Mar Agreement, will host for the first time on September 5 to 8, the "XXVIII Meeting of the Agreement Committee, and Information Centers and Technical Working Groups Administrators".

Panama Maritime Authority, the state agency responsible for compliance as Port State, is always working for the compliance of ships trading internationally.

The Latin American Agreement on Ships' Port State Control was created November 5, 1992, during the sixth meeting of the Operational Network for Regional Cooperation of Maritime Authorities of South America, Cuba, Mexico, and Panama (ROCRAM). It was approved by Resolution N° 5, and was initially signed by Argentina, Brazil, Colombia, Chile, Ecuador, Mexico, Panama, Peru, Uruguay, and Venezuela, constituting the first emerging region to reach this type of framework agreement of operational nature.

This agreement on Port State Control is formed by 16 Member States from Central and South America. They meet to reach a consensus and standardize administrative

and operational processes for the inspection of ships calling at these jurisdictions, aiming at discouraging the operation of substandard ships in the region and to avoid potential risks by ensuring compliance with the rules contained in the applicable international conventions.

Panama's next meeting will be attended by the 16 delegations (Argentina, Bolivia, Brazil, Chile, Colombia, Cuba, Ecuador, El Salvador, Guatemala, Honduras, Mexico, Peru, Dominican Republic, Uruguay, Venezuela, and Panama) and representatives of the Viña del Mar Agreement Secretariat.

In addition to the plenary session, the meeting will include a technical tour for the delegates of the member countries, of Panama's multifaceted maritime industry.

The Panama Maritime Authority works as a guarantor of the good functioning of the Port State, to ensure that foreign ships arriving in national ports, comply with international rules and regulations adopted by the Republic of Panama.

AMP establishes training guidelines for tugboats in international waters

The Panama Maritime Authority (AMP) presented the "Guidelines for the development of maritime training programs for tugboats", which comprise two programs, namely: International Waters Tugboat Captain; International Waters Tugboat Chief Engineer, both are part of the Resolution ADM-568-2022, which approves the Guidelines for training programs and forms for competency records.

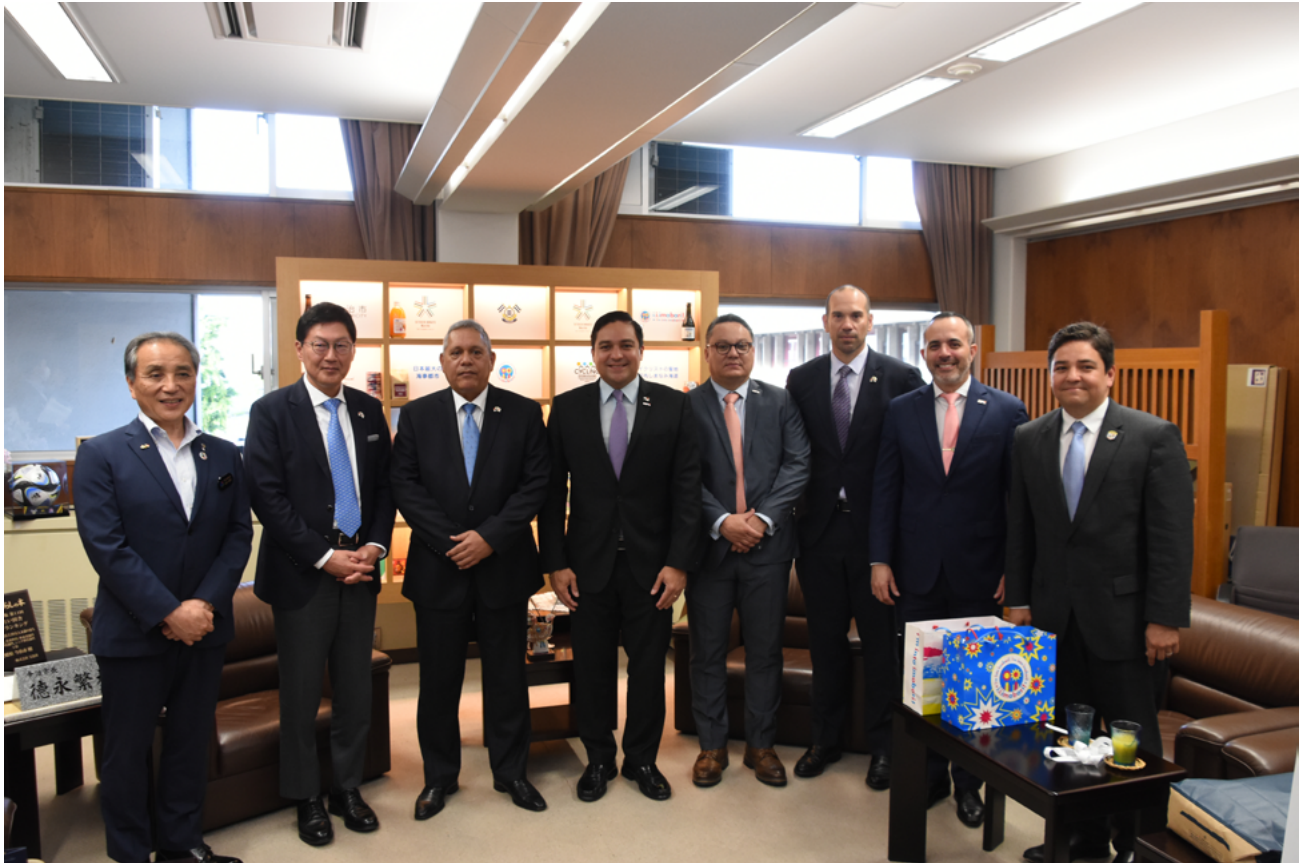
The Guides have been developed jointly by maritime training personnel and specialists in each of the areas, with the assistance of personnel from the Panama Canal Authority (ACP) and SAAM Towage Panama, Inc., and have been complemented with a series of support elements, such as simulator hours and time on board the tugboats, that will contribute to the development of skills and abilities for the various activities to be carried out.

Panama Maritime Authority's Director General of Seafarers (DGGM), Captain Juan Maltez said that it was "part of our responsibility to develop this type of technical training

programs to support the various certifications awarded by the Department of Qualification of our directorate. Once again, we confirm our commitment to the development of competencies through maritime training courses and/or programs".

The presentation took place in the auditorium of the International Maritime University (UMIP) and was attended by UMIP's Rector, Victor Luna, SAAM Towage Company Manager, Matias de Luiggi, SIDMAR-ACP Manager, Captain Guillermo Manfredo, ACP Tugboat Manager, Capt Max Newman, AMP Secretary General, Raúl Gutiérrez, as well as the ACP's Secretary General, Raúl Gutiérrez, as well as different delegations from Panama Chamber of Shipping (CMP), ACP, the Logistics Business Council (COEL), Panamanian Association of Marine Officers (APOM), the National College of Seafarers (CONAGEMAR), the Association of Panamanian Shipowners (ARPA), the Catholic University Santa María La Antigua (USMA), Columbus University, among others.

Panamanian delegation promotes the Ship Registry in Western Japan



A Panamanian delegation to Japan, formed by representatives of the Ministry of Foreign Affairs, the Ministry of Economy and Finance, the Panama Embassy in Japan, the Consulate of Panama in Kobe, the Panama Maritime Authority's Directorates of Merchant Marine and Seafarers and Imabari's Technical Office, held a series of meetings with the Ship Registry's clients to thank them for their trust in the Panamanian register.

The Panamanian flag offers important benefits to newly built ships with environmentally friendly technologies. It is committed to be a strategic ally for Japanese shipowners, providing them with global coverage.

These meetings aimed at informing, proposing, and listening to ship owners' needs and continuing strengthening the relationship Flag - Customer.

The Panamanian delegation visited companies such as Toda Kisen KK (Toda Ship Co Ltd), Doun Kisen Co Ltd (Doun Kisen KK), Shoei Kisen, the largest shipyard in Ehime, Imabari Ship Building, and financial institutions.

The most Important topics for the region were:

- New building market and incentives for mutual benefit Flag-Customer.
- Eco Ship incentives, as Panama promotes the energy transition of the fleet.

- Hiring of Panamanian crew and the benefits represented for the companies.

- Assistance and support from the Administration for the operation of Japanese vessels.

- Job openings for Panamanians on board, including embarkation for cadets.

- Business perspectives and maritime issues in the industry in general.

- Flagging, specialized technical attention, strengthening of compliance, implementation of constant improvements and attractive proposals for mutual benefit between the client and the Panamanian Ship Registry.

The delegation visited the Iyo Bank and Ehime Bank, where it was briefed on the relevance of the registration of ship mortgages in the country. The delegation also presented economic information about Panama and its perspective as a country.

The direct contact with the industry shows the Panama Ship Registry's strategy of commercial adequacy, credibility, efficiency, and quality for the benefit of its customers.

Panama's International Technical Offices support shipowners using the Panamanian flag



Dubai's Technical Office of the Panama Ship Registry (SEGUMAR) held a meeting with the Class Society Det Norske Veritas (DNV) member of the International Association of Classification Societies (IACS), to explain the provisions of the MMC-380 "Measurements to Reduce PSC Detentions and improve the performance on Panama-flagged Vessels".

Dubai's technical office staff and representatives of the classification society DNV, have joined efforts to reduce detentions of Panama-flagged vessels and maintain a high performance in the percentage of Port State Control compliance. The meeting addressed those specific issues:

- Authorizations
- Malfunctions
- Conditionales
- Exemptions and Interim Exemptions
- PSC detentions
- Ships less than 500 tons and less than 300 tons
- BWM dispensation and exemption.

Panama Ship Registry's International Technical Offices are there to give support to the companies flagging in Panama and work together for the maritime industry's sustainability. Similar meetings are held in South Korea, Greece, and Singapore with operating companies, shipowners, and managers for the compliance of the fleet.



MACN
MARITIME ANTI-CORRUPTION NETWORK
2023 Certificate of Membership
Panama Maritime Authority

Panama Maritime Authority has been a valuable member of MACN since 2020 and, by its membership, commits to The Network's vision of a maritime industry free of corruption.

Merchant Marine Circulars - May 2023

Title	Number	Update
International Ship and Port Facility Security Code (ISPS Code)	MMC-123	May 2023
Regulations of Maritime Labour Inspection and other provisions regarding life, work accommodation, food, certification and manning conditions of seafarers on board ships of Panamanian flag	MMC-130	May 2023
Optional and Voluntary System for Electronic Books on board of Panamanian Flagged Vessels	MMC-193	May 2023
Long-Range Identification and Tracking of Ships (LRIT)	MMC-195	May 2023
Correction of Deficiencies found in ASI Inspections	MMC-201	May 2023
List of Approved P&I Clubs/Insurers	MMC-202	May 2023
Armed Security Personnel on board Panama flagged vessels transiting High Risk Areas	MMC-245	May 2023
Authorized service providers for maintenance, thorough examination, operational testing, overhaul and repair of lifeboats and rescue boats, launching appliances and release gear	MMC-258	May 2023
Regulations that regulates the Maritime Training Centers with head offices in the Republic of Panama or abroad, headquarters and/or branches, to whom the Panama Maritime Authority delegates the training of seafarers	MMC-311	May 2023
New stamp in the Seaman's Book that ratifies that the Republic of Panama accomplishes with the Convention 108 of the ILO and the article VI of the 1978 STCW Convention, amended	MMC-351	May 2023

Merchant Marine Notice - May 2023

Title	Number	Update
Persian Gulf - Strait of Hormuz - Gulf of Oman	MMN-01/2023	May 2023
Qualship 21 Program - United States Coast Guard (USCG)	MMN-03/2023	May 2023



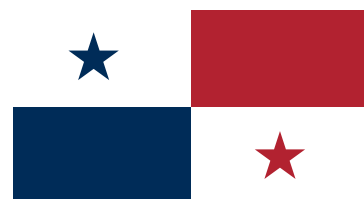
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Specialized technical assistance

The banner features a hand pointing at a folder icon, with a magnifying glass and a globe in the background, all set against a hexagonal pattern.



UPDATE



Our 53 consular offices and 22 International Technical offices are 100% operational

24/7



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