

**Directorate General of Shipping (DGS)**  
**Training Circular No. [XXX], [Date-XXX]**

**Subject: Escalation Matrix for Penalties on Non-Compliance by Maritime Training Institutes (MTIs)**

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### 1. Introduction

The Directorate General of Shipping (DGS) has observed that instances of non-compliance with DGS guidelines and regulations have been rising among Maritime Training Institutes (MTIs). To uphold the highest standards of maritime education and maintain integrity within the sector, this Training Circular introduces an escalation matrix for penalties based on the severity and frequency of non-compliance or unauthorized activities committed by MTIs. The matrix provides a structured penalty system intended to encourage immediate corrective action by MTIs.

### 2. Categories of Non-Compliance

The following types of non-compliance are subject to penalty under this circular:

- Minor Non-Compliance:** Includes administrative oversights such as delayed reporting, incorrect documentation, and minor deviations from curriculum guidelines.
- Moderate Non-Compliance:** Includes unauthorized changes to course structure, failure to update candidate records accurately, and unauthorized use of training resources.
- Major Non-Compliance:** Includes non-conformance to safety protocols, falsification of records, conduct of unapproved courses, and other actions leading to significant violations of DGS guidelines.

### 3. Escalation Matrix for Penalties

Penalties are categorized by the frequency and severity of non-compliance, with penalties escalating for repeated offenses.

| <b>Non-Compliance Level</b> | <b>First Offense</b>                | <b>Second Offense</b>          | <b>Third Offense</b>                                    |
|-----------------------------|-------------------------------------|--------------------------------|---|
| <b>Minor Non-Compliance</b> | Warning and guidance for corrective | Fine of INR 5,000 per incident | Temporary suspension of approval for one semester or as |

| <b>Non-Compliance Level</b>    | <b>First Offense</b>  | <b>Second Offense</b>   | <b>Third Offense</b>  |
|--------------------------------|---|---|---|
|                                | measures  |   | decided by STCW compliance Board.   |
| <b>Moderate Non-Compliance</b> | Fine of INR 10,000 per incident and corrective actions mandated   | Fine of INR 20,000 per incident or suspension as decided by STCW Compliance Board | Temporary withdrawal of approval until compliance verification                          |
| <b>Major Non-Compliance</b>    | Fine of INR 50,000 per incident and immediate correction required | Fine of INR 100,000 per incident and suspension of course batches                 | Permanent withdrawal of approval for the course and potential institute-wide withdrawal |

#### **4. Specific Penalties for Unauthorized Activities**

Additional penalties will apply for specific unauthorized actions, as follows:

##### **1. Incorrect Information Submission to DGS e-Governance System**

- **First Offense:** Fine of INR 3,000 per incorrect entry.
- **Second Offense:** Double penalty at INR 6,000 per incorrect entry.
- **Third Offense:** Permanent suspension from access to the e-Governance system.

##### **2. Unauthorized Collection of Fees/Fines from Candidates**

- **First Offense:** Fine of INR 50,000 and formal warning.
- **Subsequent Offenses:** Fine of INR 100,000 per incident and temporary suspension of institute approval.

#### **5. Process for Imposing Penalties**

1. **Show Cause Notice:** Upon detection of a non-compliance, the MTI will be issued a show-cause notice with a timeline to respond, outlining the specific penalties and corrective actions required.
2. **Opportunity for Response:** MTIs will have a defined period to respond to the notice, explaining the reasons for non-compliance or providing evidence of corrective action taken.

3. **Final Decision:** If the MTI fails to respond or comply, penalties as outlined in the escalation matrix will be enforced as per the decision of STCW Compliance Board.

## **6. Conclusion**

This structured penalty system aims to enhance accountability and compliance among MTIs, supporting high standards within maritime training and examination processes. MTIs are expected to familiarize themselves with these guidelines and ensure strict adherence to DGS requirements.

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**To:**

1. All Maritime Training Institutes
2. All Principal Officers, MMD
3. NT, Engineering Wing
4. IT & E-gov. Branch.