

Engineering Circular No. 44

NO: ENG/ISM/59(4)/97

Dated December 23, 2004

Sub: Instruction to the Recognised Organisation (R.O.)/Shipping Companies on Certification, Fees, dealing with Non conformities and DOC/SMC withdrawal/ Invalidation with respect of ISM Code.

PURPOSE:

This Directorate has received number of queries from Shipping Companies on the procedure for the ISM Code certification (DOC / SMC), associated fees for certification and its subsequent maintenance of certification. The following instructions are to be complied for the purpose of ISM Code certification.

REQUIREMENTS:

The compliance with the requirement of ISM Code is mandatory under Merchant Shipping (Management for the Safe operation of Ships) Rules, 2000 and as amended and SOLAS Chapter IX.

CERTIFICATION:

The Ship Owner / Ship Operator after their manual scrutiny may apply for the audit in accordance with MS Notice 28/2003 and 8/2004. The application of the company for certification must contain the relevant information and include at least the size of the fleet and total number of each ship type, number of branch offices covered by the SMS and any other information considered necessary by the Directorate must also be submitted. Ships carrying dry cargo in bulk but which do not meet the SOLAS Chapter IX definition for a Bulk Carrier are to be typed as Other Cargo Ships. Refer ISM 03 (ISM Audit request form) in MS Notice 8 of 2004.

FEES:

For DOC audit, the company is required to apply directly to the D.G. Shipping along with the applicable fees for the audit. For SMC audit the shipping companies are required to apply to the Recognised Organisation (R.O). On receipt of SMC audit request, the R.O is required to take approval from the Directorate through e-mail / FAX etc. If the Directorate decides to undertake the SMC audit with their own auditors, in such a case the Directorate

will notify the R.O and the company and on receipt of the notification, the company is required to submit the duly filled in audit request form and pay fees for the audit. Otherwise, the audit fees for the SMC audit is to be submitted to the R.O and not to the D.G. Shipping.

On completion of the audit and verification of recommendation of auditor to the Directorate for issuance of DOC / SMC the company is required to apply to the Directorate for issuance of certificate with the requisite fees for the certificate.

NONCONFORMITIES:

Minor non-conformity:

Nonconformities are those deviations from the requirements of the ISM Code, the Administration and/or the documented SMS of a Company that pose a low level of risk to the vessel's safety, protection of the environment or integrity of the SMS. Nonconformities shall include observed situations where objective evidence indicates a minor non-fulfillment of a specified requirement. The NC so determined must be seen that, it does not affect the ability of the management of the Company nor any of its vessels from achieving the objectives of the ISM Code.

Corrective action for nonconformities shall be completed within a time period agreed to between the Auditor of D.G. Shipping / R.O and the Company / Ship, which shall not exceed three months from the date of issuance of a nonconformity notice. Nevertheless, if the Directorate notifies the time period for taking necessary corrective action to the non-conformity, same to be treated as final. For SMC audit the RO shall confirm that the Vessel has determined and initiated appropriate corrective action to correct / resolve the nonconformities or to correct / resolve the root causes of the nonconformities.

The R.O shall advise the D.G. Shipping of corrective actions requiring more than three months and obtain approval for such extended time periods, as determined by the RO.

The R.O must close the non-conformities after verifying the documents as an evidence that the corrective action taken by the company are implemented effectively. Non-conformities are not to be closed on the proposal's of the company.

Major non-conformity

A major nonconformity shall mean an identifiable deviation, which poses a serious

threat to personnel or to safety of the vessel or serious risk to the environment and requiring immediate corrective action. The investigative philosophy is that the deficiencies identified should be analysed to see that whether the identified deficiencies were "reasonably practical preventive situations" in the part of the company / ship's Master. In such cases the noted deficiencies are considered major non-conformities if they pose serious risk to the environment that requiring immediate corrective action. Examples of specific major nonconformities are:

Operational shortcomings that would render the ship unsafe and / or potential threat for environmental pollution.

Ship hull/machinery damage, wastage or malfunction as a consequence of persistent non-conformities in the SMS that would warrant a recommendation to withdraw a statutory certificate or suspension of the ship from class;

Absence of adequate manning as required by safe manning documents of the Administration and the International Convention on Standards of Training, Certification and Watch keeping, unless the Master is in possession of a valid exemption from the D.G. Shipping;

Objective evidence of violations of the M.S.Act or with the requirement of circulars / notices as issued by the D.G. Shipping;

corrective actions is not completed within the stipulated time; periodical verification is not asked for; amendment to the ISM code are not complied;

The total absence of a required SMS element or a group of nonconformities within an element;

Any major nonconformities found by the RO in the course of an audit shall be reported in writing to the Company, the Master of the vessel involved and to the D.G. Shipping. The SMC will not be issued / endorsed until all major nonconformities are resolved.

DOC / SMC WITHDRAWAL / INVALIDATION:

Certificates can only be withdrawn by the D.G.

Shipping or, on authorization, by its allied offices or R.O.

If the major non-conformity noticed, reported, same should be verified and if not resolved, the recommendation for withdrawal of SMC should be made with all the objective evidences of major non-conformity.

When the R.O is authorized by the D.G. Shipping to withdraw the SMC, the R.O shall immediately notify the Company, give a letter to the Master of the ship stating that the SMC is withdrawn from the date of signature of the letter, and request that the SMC be surrendered. A copy of the letter shall be immediately sent by the most expedient means to the D.G. Shipping.

Issuance or reinstatement of a SMC, which have been withheld or withdrawn as the result of major nonconformities shall only occur after the R.O confirms that major non-conformities were dealt with satisfactorily and effectiveness was verified by an additional audit. The report in support of such additional audit must be forwarded to D.G. Shipping immediately.

This issues with the approval of the Chief Surveyor with the Govt. of India.

**Sd/-
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Engineer & Ship Surveyor cum Dy.DG(Tech)**

[Back to ENGG circulars main page](#)

