



***GENERAL DIRECTORATE OF MERCHANT MARINE
RESOLUTIONS AND INQUIRIES***

RESOLUTION No. 106-048-GDMM

Panama, 19th of August of 2019.

**THE SUBSCRIBED GENERAL DIRECTOR IN CHARGE OF THE
GENERAL DIRECTORATE OF MERCHANT MARINE
IN USE OF THE POWERS CONFERENCED BY LAW**

CONSIDERING:

That through Decree Law No. 7 of February 10th, 1998, the Panama Maritime Authority was created and the different maritime competencies of the Public Administration were unified.

That Decree Law No. 7 of February 10th, 1998, in its Article 4, numeral 6 establishes as a function of the Panama Maritime Authority to ensure strict compliance with the provisions of the United Nations Convention on the Law of the Sea, 1982 and other international treaties, conventions and instruments ratified by Panama in relation to the Maritime Sector.

That according to Article 36 of Decree Law No. 7 of February 10th, 1998, the General Directorate of Consular and Vessels of the Ministry of Finance and Treasury ceased its functions and became part of the Panama Maritime Authority; and the functions assigned in part were assigned to the General Directorate of Merchant Marine of the Panama Maritime Authority.

That in accordance with Article 30 of Decree Law No. 7 of February 10th, 1998, modified by Article 187 of Law No. 57 of August 6th, 2008, corresponds to the General Directorate of Merchant Marine, among other functions, ensure strict compliance and effective application of the legal standards currently in the Republic of Panama, international conventions, codes or guidelines on maritime safety, pollution prevention, maritime protection of their vessels, as well as, punish those who infringe the legal or regulatory standards regarding the National Merchant Marine.

That during the celebration of the International Diplomatic Conference on Maritime Protection in 2002, measures were taken for the accelerated implementation of the Automatic Identification System (AIS).

That the Automatic Identification System (AIS) is based on radio transmission systems, so the scope of the AIS is limited to coastal areas and as of December 31st, 2004, all vessels are forced to transmit their identity permanently and automatically through the AIS.

That in view of a global demand for an identification system that would allow the identification and monitoring of long-distance vessels anywhere in the world, the International Maritime Organization (IMO) undertook the development of a satellite-based telecommunications system, which was renamed the Long Range Identification and Tracking Equipment (LRIT).

That the Republic of Panama adopted the International Convention for the Safety of Human Life at Sea (SOLAS), 1974, through Law No. 7 of October 27th, 1977 and its Protocol of 1978, through Law No. 12 of November 9th, 1981; likewise, the 1988 Protocol on the International Convention for the Safety of Life at Sea, 1974, made in London on November 11th, 1988, under Law No. 31 of July 11th, 2007.

That the International Maritime Organization (IMO) incorporated Rule 19-1 to Chapter V of the International Convention for the Safety of Human Life at Sea (SOLAS), 1974, as amended, by Resolution MSC.202 (81) of May 19th 2006, where the Long Range Identification and Tracking Equipment (LRIT) is established, which is a mandatory requirement for vessels making international passenger voyages, including high-speed passenger vessels with loads of 300 tons of gross tonnage or higher and all Mobile Offshore Drilling Units (MODU).

That through Resolution No. 106-IMO-06-GDMM of November 26th, 2007, the General Directorate of Merchant Marine adopted Resolution MSC.202 (81) of May 19th, 2006, from the International Maritime Organization (IMO), which establishes in its paragraph 5 the automatically mandatory transmit of the information and long-range monitoring of the vessel's identity; the situation of the vessel (latitude and longitude), and date and time of the situation provided.

That the LRIT Equipment entered into force on January 1st, 2008 and that vessels are required to transmit the information as of December 31st, 2008.

That the LRIT Equipment is comprised of the on-board equipment for the transmission of LRIT information, communication service providers, application service providers, LRIT data centers, which include any surveillance system of linked vessels, the Plan of LRIT data distribution and the International LRIT data exchange.

That it is a function of the Department of Navigation and Maritime Safety of this General Directorate, to ensure that the vessels of the Panamanian Registry comply with the safety and pollution prevention standards and other rules established by the International Conventions and national laws of the Republic of Panama .

That through Resolution No. 106-129-GDMM of December 14th, 2017, it was resolved to sanction all those vessels being detained in jurisdictional waters of the Republic of Panama, make any sort of movements without prior authorization of the General Directorate of Merchant Marine and / or deactivate the LRIT or the AIS.

That the Navigation and Maritime Safety Department has detected the malpractice or evasion techniques that are being taken place by some Panamanian flag vessels that are sailing in international waters, which deactivate the LRIT or the AIS without just cause. .

That in turn it has been detected that some of these vessels deactivate the LRIT or the AIS with the purpose of making navigational movements in restricted access areas or making transfers between suspicious vessels (Ship to Ship), that may lead to non-compliance with resolutions and regulations that are mandatory for vessels belonging to the Panamanian Registry and positions clearly issued that represent a violation of the sanctions of the United Nations Security Council.

That the deactivation of these equipments on board Panamanian flag vessels constitutes a clear violation of national and international standards adopted, not being able to have the exact positioning of the vessels of our registry in time and accuracy wherever they may be.

That the deactivation of the LRIT or the AIS on board the Panamanian flag vessels must be previously authorized by this General Directorate of Merchant Marine, in order to ease the malpractice that is being carried out and that according to the Panel of United Nations Experts, continues to be a main feature for suspicious transfers.

That this General Directorate considers it appropriate to extend the legal setting applied for those vessels that, while being detained in jurisdictional waters, make any movement and/or deactivate the LRIT or the AIS, as well as for those service vessels that make international voyages and deactivate the mentioned equipments.

That this General Directorate, based on all the above and with the purpose of ensuring strict compliance with the responsibilities of the Panamanian State within the framework of the International Agreements, and other laws and regulations in force and aware of the important work performed by the Navigation and Maritime Safety Department, in use of its functions,

RESOLVES:

FIRST: SANCTION to all those vessels of Panamanian Registry that deliberately deactivate the Long Range Identification and Tracking Equipment (LRIT) or the Automatic Identification System (AIS).

This sanction will apply in the same manner to all those vessels that has being detained in jurisdictional waters of the Republic of Panama, make any movements without prior authorization from the General Directorate of Merchant Marine and / or deactivate the LRIT System or the AIS Equipment.

SECOND: SANCTION to all those vessels that have prior authorization from this General Directorate to deactivate their Long Range Identification and Tracking Equipment (LRIT) or the Automatic Identification System (AIS), and are caught making suspicious transfers between vessels (Ship to ship or STS) or navigating in restricted access areas according to UN Security Council sanctions, but not limited to these, such as those activities that contravene the national interests of the Panamanian State.

THIRD: WARN that it is mandatory that the Long Range Identification and Tracking Equipment (LRIT) or the Automatic Identification System (AIS) be kept functioning permanently and adequately, avoiding by all possible means that they stop transmitting the information of the vessel's identity, situation, date and time of the situation provided. Otherwise this General Directorate may intervene with the corresponding sanctions.

FOURTH: TO POINT OUT to the captains, ship-owners, designated person aboard (DPA), operators, resident agents and / or owners of the Panamanian Registry vessels, whom are obliged to immediately notify clearly and on a report of malfunctioning of the equipment and / or a report of repairs of the equipment, to the Technical Office of Segumar or to the Department or section that the General Directorate of Merchant Marine designates in the future for this matter, or any circumstance that conditions the operation of the Long Range Identification and Tracking Equipment (LRIT) or Automatic Identification System (AIS), in order to prevent for this General Directorate from applying any of the sanctions provided previously in this Resolution.

FIFTH: WARN the captains, ship-owners, designated person aboard (DPA), operators, resident agents and / or owners of the Panamanian Registry vessels, that the deactivation of the Long Range Identification and Tracking Equipment (LRIT) or the Automatic Identification System (AIS) will send an automatic notice to the Navigation and Maritime Safety Department, which at the same time will initiate an investigation of such findings, and if there is no technical support that justifies the deactivation, it may culminate with the sanctions that will be deemed appropriate.

SIXTH: WARNING to those vessels registered in the National Merchant Marine, which deactivate the Long Range Reach and Identification Equipment (LRIT) or the Automatic Identification System (AIS), and perform any activities without giving any response to the communications that may be initiated by any different Department of the General Directorate of Merchant Marine, a legal cancellation process may be initiated according to the procedures established in Law No. 57 of August 6th, 2008, "General of Merchant Marine".

SEVENTH: INDICATE that the vessels that incur in acts that are mentioned in this Resolution will have a pecuniary penalty, up to the sum of Ten Thousand dollars with 00/100 (\$10,000.00), and may lead to the seriousness of the facts, with the vessel's cancellation from the Panamanian Registry.

EIGHTH: PROHIBIT placing items or performing procedures that may interfere with the operation of the equipment indicated above; make repairs or modifications to the installation of the equipment by untrained personnel or voluntarily cause damage or practices that may cause the malfunction or incorrect transmissions of the positioning data.

This General Directorate may validate such prohibited acts mentioned in the previous paragraph by any means, without ruling out the possibility of performing physical inspection of the vessel, request for documentary evidence, as well as the verification of the technical certificates of the personnel on board that handles the equipment. LRIT or the AIS System. In case of verified faults to the prohibitions indicated in this Resolution, sanctions will be deemed appropriate to the vessel and the crew that modifies the equipment indicated above.

NINTH: COMMUNICATE to the captains, ship-owners, resident agents, owners, and other users of the National Merchant Marine; as well as the Departments that make up this General Directorate, the content of this Resolution.

TENTH: INDICATE that this General Directorate will communicate the procedures and / or guidelines that must be executed, by means of a Merchant Marine Circular, in order to ensure faithful compliance with this Resolution.

ELEVENTH: This Resolution revokes Resolution No. 106-129-GDMM of December 14th, 2017.

TWELFTH: This Resolution will take effect upon its signature.

FUNDAMENTAL OF LAW:

Law No. 39 July 8th of 1976.
Decree Law No. 7 February 10th of 1998.
Law No. 57 of August 6th of 2008.
Law No. 7 of October 27th of 1977.
Law No. 12 of November 9th of 1981.
Law No. 31 of July 11th of 2007.
Resolution No. 106-IMO-06-GDMM of November 26th of 2007.
Resolution No. 106-129-GDMM of December 14th of 2017.

NOTIFY AND EXECUTE,

JOSÉ LUIS ORTEGA
General Director, in-charge