



PRINCIPLES OF CERTIFICATION OF SAFETY MANAGEMENT SYSTEMS

INFORMATION FOR SHIPOPERS

In addition to other functions performed for the benefit of numerous Flag State Administrations, Polski Rejestr Statków S.A. (further referred to as PRS S.A.) offers to domestic and foreign shipping Companies the Safety Management System (SMS) certification in accordance with *the International Management Code for the Safe Operation of Ships and for Pollution Prevention (ISM Code)*.

PRS S.A. operates certification system based on IMO Resolution A.913(22) – "Revised Guidelines on Implementation of the International Safety Management (ISM) Code by Administrations" by qualified, competent personnel responsible for impartial conducting certification process of a navigation Company and ensuring confidentiality of each information and documentation transferred during audit.

CERTIFICATION PROCESS

Definitions used

International Safety Management Code (ISM Code) – *the International Management Code for the Safe Operation of Ships and for Pollution Prevention*, as adopted by the 18th Assembly of the International Maritime Organization (IMO), as may be amended by the Organization.

Company – owner of the ship or any other organization or person such as the manager, or the bare boat charterer, who has assumed the responsibility for operation of the ship from the owner and who on assuming such responsibility has agreed to take over all the duties and responsibility imposed by *the ISM Code*.

Administration – the Government of the State whose flag the ship is entitled to fly.

Recognised Organization (RO) – an organization recognised by the Administration to issue *Documents of Compliance (DOC)* and *Safety Management Certificates (SMC)* on the basis of the IMO Resolution A.739(18) – "Guidelines for the Authorisation of Recognised Organizations acting on behalf of Administration"

Safety Management System (SMS) – organizational structure, responsibilities and authorities, procedures and resources enabling safety management.

Safety Management Manual – the documentation used to define safety policy and to describe the Company's Safety Management System by the owner.

Initial Audit – a complete assessment of the Company's and/or ships' Safety Management System in order to establish whether the relevant requirements of *the ISM Code* are met. The audit is aimed at issue of relevant certificate.

Periodical/ Intermediate Audit – a periodical assessment aimed at ascertaining that the effective functioning of the Safety Management System is maintained and the modifications introduced are effective. The aim of the audit is to confirm validity of possessed certificate.

Renewal Audit – a repeated complete assessment of the Safety Management System which leads to the issue of a new certificate.



Additional Audit – the assessment of the effectiveness of the corrective actions carried out by the Company with respect to major nonconformities, nonconformities or changes introduced in the Safety Management System. The audit may also be aimed at more thorough reviewing selected fragments or the entire Safety Management System operation and establishing corrective actions.

Major Nonconformity – an identifiable deviation, which may pose a serious threat to personnel or ship safety or a serious risk to the environment and requires immediate corrective action; in addition, the lack of effective and systematic implementation of a requirement of *the ISM Code* is also considered as a major nonconformity.

Nonconformity – a deviation where objective evidence indicates the non-fulfilment of a specified requirement of *the ISM Code*.

Observation – a statement of fact made during a Safety Management Audit and substantiated by objective evidence. It may also be a statement made by the Auditor referring to the SMS elements which, if not corrected, may lead to a nonconformity in the future.

Objective Evidence – qualitative or quantitative information, records or statements of fact pertaining to the existence and implementation of a SMS element, which is based on observation, measurement or test and which can be verified.

Technical Deficiency – a deficiency or a deviation in the operation of a part of ship structure, machinery, equipment or fittings.

Anniversary Date – the day and month of each year that corresponds to an expiry date of a relevant document or certificate.

Application for Certification

A documented (prepared in a written form) and implemented Safety Management System, complying with the requirements of *the ISM Code*, in operation at Company's shore offices and onboard ships, can be presented for certification.

An implemented SMS means that:

- there is sufficient objective evidence documenting the functioning of the system,
- internal audits have been carried out,
- management review of the System has been conducted.

A Company interested in certification should submit an application for carrying out certification of Safety Management System on the application form available in Internet or provided by PRS S.A. Head / Branch Office.

For the Systems not completely implemented, the same application principles apply, however audits are performed according to the provisions given in paragraph: Issue of Interim Documents.

After application review, PRS S.A. prepares certification offer and sends it to the Company.

Fees for certification process are charged according to worktime consumed (number of mandays needed for audit performance) and depend on Company size (number of employees directly associated with the SMS) and types and number of operated ships.

Fees for certification of Safety Management System are charged on the basis of *PRS S.A. Tariff of Fees*. Discounts pertaining to relevant Company and country of service performance, may be applied to the tariff fees.



The fee covers:

- documentation review and evaluation,
- audit performance at Company's office / onboard ship,
- issue of appropriate certificate.

The Company confirms acceptance of the offer by sending back signed „Order Confirmation”. In the case the Company applies for certification of its office together with a greater number of vessels, „Contract for Certification and Surveillance of Safety Management System” is prepared.

For audits carried out at Company's request on Saturdays, Sundays, holidays and in overtime, PRS S.A. may charge 50% surplus to the specified base fee. VAT tax and auditors' travel and accommodation costs, which are not covered by the submitted offer, are added to the fees specified in the *Tariff*.

Preparation for the Audit

The Company submits to PRS S.A. the Safety Management Manual which is assessed for completeness and compliance with the requirements of the ISM Code.

PRS S.A. appoints the members of audit team to perform audit and appoints the lead auditor. Appointed auditors should have appropriate qualifications and experience and be included in the ISM Auditors List. Where it is necessary, the team may comprise experts and training auditors. The auditors, appointed to perform audit, are not to be engaged in the consulting to audited Company.

Appointed lead auditor assesses the Safety Management System documentation as regards its completeness and compliance with the requirements of *the ISM Code*. Initial assessment of the documentation may also be performed in the PRS HO ISM Bureau. In the case the submitted documents are incomplete or do not comply fully with the requirements of *the ISM Code*, the Company is to complete the documentation and send it for re-assessment.

In order to clear any doubts concerning the assessed documentation, a visit by the Company may be necessary.

Certification process is continued upon positive assessment of the Safety Management System documents. The lead auditor, in agreement with the Company, prepares audit plan and settles audit date.

AUDIT PERFORMANCE, CERTIFICATES ISSUE

Initial Audit at Company's Office

At the agreed date, the audit team carries out audit of the Company's Safety Management System taking into account types of operated ships and the Flag State Administration requirements.

If the Company manages Branch Offices conducting different activities under the same the SMS, PRS S.A. reserves itself the right to decide on Branch Offices auditing frequency. As a rule, during a period of *Document of Compliance (DOC)* validity, each Branch Office is to be audited at least once.

The audit starts with an opening meeting, when the lead auditor presents the audit team members to Company's management and informs about audit performance principles as well as settles necessary details.

The initial audit consists in verification of the effective functioning of the SMS and in collecting the objective evidence that the Company's operation has been in operation for at least three months in the Company's offices and onboard of at least one ship of each type operated by the Company.

During the audit samples of documentation are taken. Even if nonconformities have not been disclosed, it does not mean that they do not exist and it does not dispense the Company's management from verification that the requirements of *the ISM Code* and national and international law regulations related to safety and environment protection are complied with.



The objective evidence should, inter alia, include records from the internal audits performed by the Company, ashore and onboard ships, as well as records on examining and verifying the correctness of the statutory and classification documents presented for at least one ship of each type to which *the DOC* applies.

The nonconformities/observations disclosed during audit are documented, and Company's representative confirms with his/her signature that the nonconformities/observations are understood and accepted.

During the closing meeting with the participation of Company's management, the lead auditor informs whether the System complies with *the ISM Code* requirements and discusses the found nonconformities/observations. He/she also informs on the own recommendation or non-recommendation concerning the certificate issue.

The audit report, together with Nonconformity Records, are transferred to the Company immediately after audit completion or within 14 days after submitting proposal of corrective actions.

Issue of Document of Compliance (DOC)

Document of Compliance (DOC) is issued upon verification of the SMS compliance with the requirements of the ISM Code.

DOC shall not be issued, confirmed or renewed unless any major nonconformity is cleared and repeated verification is carried out in scope of initial audit.

DOC may be issued, confirmed or renewed before nonconformities are closed out, provided that corrective actions are agreed and accepted and their schedule is agreed between the Company and auditor.

DOC is valid for a period of five years from the day of initial audit completion and its validity is to be obligatorily confirmed during annual periodical audit.

The Company is obliged to send copies of *DOC* to every Branch Office and every ship it operates.

Initial Vessel Audit

Initial audit onboard a ship is carried out in order to give evidence that the Company and ship management proceed according to the approved Safety Management System.

The audit covers:

- checking that the *DOC* is valid and relevant for the given type of the ship;
- checking that appropriate documents: *Safety Management Manual*, statutory and classification certificates and other mandatory documents, are kept onboard;
- verification of the effective functioning of the SMS, including objective evidence that the System has been in operation for at least three months. Records from internal audits carried out by the Company should also include such objective evidence.

If the Company already holds a valid *DOC* issued by Flag State Administration or Recognised Organization, this Document shall be accepted as evidence of compliance with the requirements of *the ISM Code* unless there is evidence indicating otherwise.

As a rule, audits onboard the ship are to be carried out in port. In exceptional cases, in agreement with the Company, PRS S.A. shall carry out audit at anchorage or during a short voyage. The audit cannot be conducted on a laid-up or a docked ship, or when the ship is not fully manned.

In the case the audited ship does not hold PRS class, the audit scope will be extended by occasional survey items.



Issue of Safety Management Certificate (SMC)

Safety Management Certificate (SMC) is issued upon verification of SMS compliance with the requirements of *the ISM Code*.

SMC may be issued, provided that:

- valid full-term (not interim) *DOC* is granted for the given type of ship,
- conformity with the requirements of classification society is maintained,
- the requirements of Flag State Administration are complied with.

SMC shall not be issued, confirmed or renewed unless any major nonconformity is cleared and repeated verification within the scope of initial audit is carried out.

SMC may be issued, confirmed or renewed before nonconformities have been closed out, provided that corrective actions have been agreed and accepted and their schedule has been agreed between the Company and auditor.

SMC is valid for a period of five years from the day of initial audit completion and its validity is subject to at least one confirmation during intermediate audit.

A copy of the certificate should be available at the Company's Head Office.

Post-audit Corrective Actions

The Company is responsible for defining and initiating corrective actions necessary for closing nonconformities or their reasons. The Company is obliged to conduct corrective actions not later than within three months, except the cases when other due dates have been agreed.

The Company is obliged to inform PRS S.A. on dealing with corrective actions in due term. The assessment and acceptance of carried out corrective actions is made by the lead auditor during subsequent audit.

Where necessary, the Company should submit application for possible carrying out additional audit, verifying performance of corrective actions.

Issue of Interim Documents

An Interim Document of Compliance (Interim DOC) may be issued to facilitate initial implementation of *the ISM Code*:

- to a new established Company; or
- when the Company added new types of ships to the existing *DOC*.

Interim DOC is valid for a period not exceeding twelve months and may be issued to a Company which can demonstrate the achievement of objectives, stated in para. 1.2.3 of *the ISM Code* and present a plan for implementation of the System meeting fully *the ISM Code* requirements within the *Interim DOC* validity.

An Interim Safety Management Certificate (Interim SMC) may be issued:

- to a newly purchased ship,
- when a Company takes under management a ship which is new to the Company, or
- when the ship changes its flag.

The audit for the issue of *Interim SMC* may be carried out in non-standard conditions, provided that the ship is fully manned in accordance with *Safe Manning Certificate*.



Before issuing *Interim SMC*, it should be verified by an onboard audit that:

- the *DOC* or *Interim DOC* is relevant to that ship,
- the *SMS* provided by the Company for the ship includes key elements of the *ISM Code* and has been assessed during the audit for issuance of the *DOC* or *Interim DOC*,
- the Master and Officers are familiar with the *SMS* and the planned arrangements for its implementation,
- instructions which have been identified as essential have been provided prior to sailing,
- there exists plans for conducting the Company’s audit of the ship within three months,
- the relevant information on the *SMS* is given in a working language or languages understood by the ship’s personnel.

Interim SMC is issued for a period not exceeding 6 months. In special cases, at Company’s request, the Flag State Administration may prolong certificate validity period for further 6 months.

Issue of Short-term Certificates

Upon completion of audit at Company’s office / onboard ship, the lead auditor may issue a short-term certificate, valid until issuance of a full-term *DOC/SMC* by PRS S.A. Head Office.

Issuance of short-term certificate is conditioned upon completion of audit with positive result, lack of major nonconformities and issuance of recommendation to issue a full-term *DOC/SMC* by PRS S.A. Head Office.

Validity of short-term *DOC/SMC* may not exceed 5 months counting from the audit date.

SUPERVISION OF SAFETY MANAGEMENT SYSTEM

PRS S.A. supervises and assesses periodically the Safety Management System in order to verify that the Company whose *SMS* has been certified continues to comply with certification requirements. In the case of any doubts as to Company’s compliance with certification requirements, PRS S.A. may carry out an additional audit.

Annual Periodical Audit at Company’s Office, Intermediate Ship Audit

The audit is conducted according to general principles and audit scope is set by the lead auditor on the basis of results of previous audits.

The annual periodical audit at Company’s Office aimed at confirmation of *DOC* validity is carried out once a year within 3 months before or after the *DOC* anniversary date.

The intermediate audit onboard ship aimed at confirmation of *SMC* validity is carried out between the second and the third *SMC* anniversary date if only one intermediate audit is conducted and the certificate validity is 5 years.

Renewal Audit

The renewal audit, conducted with the purpose of verifying the effectiveness of *SMS* operation and its compliance with *the ISM Code*, is to be carried out before *DOC* or *SMC* expiry date. It is to be commenced not earlier than half a year before the certificate expiry date and not later than the certificate expiry date.



Additional Audit

The additional audit may be carried out for the purpose of confirming *DOC* or *SMC* validity if major nonconformities have been disclosed, significant changes have been introduced to Company's SMS or when the lead auditor finds that the number of nonconformities disclosed in the Company's/ship system during the last audit proves that such audit is necessary.

Additional audit is also conducted in the case the Flag State surveyor, the PSC officer or PRS/ other Classification Society surveyor finds during an inspection/ a survey that technical deficiencies and/or nonconformities discovered onboard the ship prove that such audit is necessary.

Company Responsibilities

The Company maintains its Safety Management System in conformity with *the ISM Code* requirements, as well as adheres to the requirements of PRS S.A. certification system.

In case of any changes introduced to the Safety Management System, the Company notifies immediately PRS S.A. thereof, in order these changes to be assessed.

The Company registers and maintains records associated with any claims related to its own Safety Management System.

The Company carries out corrective actions to remove any nonconformities and their causes and notifies PRS S.A. thereof.

The Company is obliged to render available means necessary for efficient performance of the audit.

Certificates Withdrawal

The Document of Compliance and/or *the Safety Management Certificate* may be withdrawn in the following cases:

- corrective actions were not carried out at the agreed date,
- due annual periodical audit at Company's office or intermediate ship audit has not been carried out,
- amendments to *the ISM Code* have not been taken into consideration in developing the Safety Management System,
- major nonconformities occurred, affecting people, ship or marine environment safety, which are considered by PRS S.A. a basis for certificate invalidation.

Additionally, the Safety Management Certificate may be withdrawn when:

- no valid *Document of Compliance* is available onboard ship,
- the ship's class has not been renewed by PRS S.A. or other classification society acting in compliance with the requirements of IMO Resolution A.739(18), Annex 1, Article 3,
- no valid statutory certificates are available onboard ship.

PRS S.A. requests withdrawal of relevant certificate to the Administration, on behalf of which the certificate has been issued.

In consequence of the *Document of Compliance* invalidation, all *Safety Management Certificates*, associated with *DOC* in question, are withdrawn.

The *Document of Compliance* or the *Safety Management Certificate*, the validity of which has expired or which has been withdrawn may be recovered only after reassessment of the Safety Management System carried out in accordance with the initial audit principles.

PRS S.A. reserves for itself the right to suspend the issue of the certificate in the case the Company's payment is delayed.

USE OF THE PRS S.A. ISM CODE CERTIFICATION MARK

The presented below Polski Rejestr Statków "ISM Code Certification Mark" denotes that Company's Safety Management System certification for compliance with *the ISM Code* has been performed by PRS S.A.

Polski Rejestr Statków S.A. allows the Company to use the Certification Mark under the following conditions:

- the Company may use the mark on receipt of the *Document of Compliance (DOC)*,
- the Company may use the mark in its business, promotion and advertising documents, exclusively in relation to such field of activity which is defined by the scope of the PRS S.A. certification (e.g. type of vessels certified),
- the Company may not alter the original form of the mark, the pattern of which is furnished by PRS S.A.
- the mark must be used in original colour or in black on the white background.

The pattern in original, blue colour may be delivered in a form of a computer file.

