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HONG KONG MERCHANT SHIPPING INFORMATION NOTE

Quality Assurance for Hong Kong Registered Ships

To: Shipowners, Ship Managers, Ship Operators, Masters and Classification Societies

Summary

The purpose of this Note is to inform parties concerned about the adoption of new arrangement for quality assurance by Marine Department to uphold the quality of the ships in the Hong Kong Shipping Register, with effect from 9 March 2020 (Effective Date). The new arrangement will allow MD to focus on ship's maintenance management issues rather than technical surveying and identifying deficiencies which are the tasks delegated to the Recognized Organizations (ROs). This Note supersedes Hong Kong Merchant Shipping Information Note No. 59/2013 issued on 28 November 2013.

Key words: *FSQC System, FSQC Audit, Extended Inspection, PRQC System, PRQC Assessment*

The New Arrangement of Quality Assurance

1. It is the responsibility of a flag State to ensure the ships under its register are in compliance with the applicable international Conventions and national regulations. To this end, the Marine Department (MD) introduced in 1999 quality assurance arrangement aiming to uphold the quality of Hong Kong registered ships: PRQC system and FSQC system.

2. Despite the enormous fleet size, the Hong Kong registered fleet, as a whole, has continuously sustained outstanding port state control (PSC) performance which is much better than the world-wide average. However, there are still ships that were detained or had been identified with serious deficiencies in multiple PSC inspections. It is clear that although the majority of our ship managers are managing their ships well, a small number of ships do lag behind in quality. Noting the nature of the deficiencies recorded, they are considered largely caused by lack of systematic maintenance where the root causes vary from manager to manager.

3. Under the new quality assurance arrangement, MD will take a preventive approach to encourage ship management companies to identify the root causes of quality deterioration of their ships so that they can formulate and implement appropriate solutions to improve the ship's quality. MD will then assume an auditing role whereas the detail inspection of ships will be delegated to Recognized Organizations ("ROs"). The new arrangement can enhance effectiveness, reduce the administrative costs incurred, and provide greater flexibility to both MD and ship managers without sacrificing safety or quality. Details of the proposed new regulatory framework are set out in the ensuing paragraphs.

The New FSQC System

FSQC Audits of Hong Kong -registered Ships selected by MD

4. With effect from the Effective Date, a new FSQC system will be in force. A number of ships will be identified for FSQC Audits based on MD's assessment on each individual ship with focus on risk of failure in their maintenance management system, and a small number of them will be selected on a random basis. The analysis will be made with reference to, among others, the ship's PSC performance in the recent past three years and previous year records of ports of call. In addition, ship's frequency or likelihood of entering ports with stringent PSC enforcement will also be taken into account.

5. The onboard FSQC Audit will focus on assessing the implementation of the maintenance management system. In other words, treating deficiencies with rectification not in accordance with ISM principles will be assessed as an indication of breakdown in systematic maintenance. The FSQC Audit will also review the ship manager's root cause analysis in order to assess whether appropriate preventive actions are properly formulated accordingly. In addition, if the condition of the ship is found warrant an Extended Inspection (see paragraph 10), MD will request such inspection be carried out by RO. For certain ships frequent ports with known stringent requirements and if it is agreed by their ship manager, a mock PSC inspection can be performed to better prepare the ship and the crew for the forthcoming PSC inspections.

6. The duration required for a FSQC Audit, of which the primary purpose is not to exhaustively identify deficiencies, shall be shorter than that of a detailed inspection. We expect such audit will take less than 8 hours on board. More time and effort will be spent with the ship managers once on-board indications show that the maintenance management system needs to be improved.

7. If MD's request for an FSQC Audit is unnecessarily delayed or refused without valid reason, the full term ship's SMC and the ship manager's DOC may be withdrawn and replaced with short term equivalent certificate.

FSQC Audit of Ships detained by PSC

8. Owner shall appoint the ship's RO to clear deficiencies for releasing the ship from detention. An Extended Inspection if it is so requested by MD shall be carried out before departure. If there is not sufficient time in port, an application to postpone it to a convenient port but not later than one month from the date of detention with a written support of the RO shall be submitted by the ship manager for MD's approval. Thereafter and within 6 months from the completion of the Extended Inspection, MD will carry out an on-board FSQC Audit as detailed in paragraph 4 to 7 above.

9. A process map of the new FSQC system is presented in **Annex 1**.

Extended Inspection

10. Extended Inspection is the corresponding statutory annual surveys / additional audit in areas where deficiencies were found in a previously held PSC Inspection or FSQC Audit. For instance, leaking hatch covers will lead to an annual Load Line survey, and overdue unpaid crew wages will lead to an additional MLC audit.

11. Additional scope may be specified by MD, such as applicable CIC (Concentrated Inspection Campaign) items under Tokyo MOU and Paris MOU.

The New Pre-registration Quality Control (PRQC) system

12. To ensure ships joining the Register meet all the safety and pollution prevention standards promulgated by IMO and Hong Kong at the time of entry, a Pre-registration Quality Control (PRQC) system has been in place since mid-2004. Under the PRQC system, MD will, on receiving a ship registration application, carry out a desk top evaluation of the quality level of the ship taking into account various quality factors including but not limited to the ship age, ship type, number of PSC detention, number of PSC deficiencies, existing flag, existing classification society, the ship's survey records and accident records to consider if the ship warrants an onboard **PRQC Assessment**.

13. With effect from the Effective Date, the PRQC Assessment, if so requested, will not be carried out by MD. Ship manager shall appoint one of the MD accepted Classification Societies (Class) to conduct the PRQC Assessment with the inspection scope specified by MD. The assessment results will be evaluated by MD for the decision on accepting the ship into the Register.

The PRQC Assessment

14. The scope of PRQC Assessment will be equivalent to a Change of Flag Survey as specified by IACS (International Association of Classification Societies) and applicable CIC items of Tokyo MOU and Paris MOU. MD may request additional survey items which will be specified and made known to the owner/ship manager prior to the execution of PRQC Assessment.

15. It is worth noting that the PRQC Assessment is conducted before registration while the Change of Flag survey is a requirement for the completion of registration. Since the majority part of the scope of both surveys are the same, the survey report of the Change of Flag survey can adopt the results of the PRQC Assessment under the following conditions:

- (i) The Class appointed for the PRQC Assessment and the Class who carries out the Change of Flag survey are the same entity; and
- (ii) The time between both surveys is less than 3 months.

16. To initiate the process, the owner shall authorize the ship's RO to release to HKMD the survey records of the ship. The authorization shall be submitted together with the registration application form.

17. A timeline of the PRQC Assessment System is presented in **Annex 2**.

Fees

18. The on-board FSQC audit and the desk top PRQC quality evaluation performed by MD are free of charge. For any involvement by RO/Class, the fee charged shall be settled directly between the ship manager/owner and the RO/Class.

Inquiries

19. Any general inquiries relating to this Merchant Shipping Information Note should be directed to:

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20. This Note supersedes Hong Kong Merchant Shipping Information Note No. 59/2013 issued on 28 November 2013.

Marine Department

Shipping Division

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