

The Republic of Palau
Palau International Ship Registry
“The Sea Lane to Prosperity”

**MARINE CIRCULAR 12-003 Interim Guidance to Palau Flagged Vessels on the
Use of Armed Guards to Defend Against the Threat of Piracy**

To: ALL SHIPOWNERS, MANAGERS, OPERATORS AND MASTERS

Subject: Guidelines to Shipowners, Managers, Operators and Masters on the Use of Armed
Guards to Defend Against the Threat of Piracy

1. Background

- 1.1 The Somalia Piracy continues to be a threat to vessels and crew trading within the Gulf of Aden, the Indian Ocean and other affected areas. The Republic of Palau therefore acknowledges that the industry developed “Best Management Practices” BMP while playing an essential in the ship’s defense against piracy, including methods to avoid piracy attacks, sometimes is not enough and additional measures should and can be used by Shipowners in order to avoid and defense itself from piracy attacks, including the use of *Private maritime security companies (PMSC)*.

2. Objective

- 2.1 The Republic of Palau taking into consideration the actual situation in the High Risk Areas¹ provides the shipowner with guidelines to follow for the contracting of Private Maritime Security Companies by closely adhering to the guidelines provided by the IMO in MSC.1/Circ.1405, MSC.1/Circ.1406, MSC.1/Circ.1408, MSC.1/Circ.1443 and MSC.1/Circ.1444.
- 2.2 This Circular provides shipowners with the requirements, conditions and procedures for the contracting of PMSC and informs at the same time of the Republic of Palau policy regarding Armed Guards on board Palau flagged vessels for the defense against Piracy.

3. Definitions

“Private maritime security companies” - Private Security Companies contracted to provide security personnel, both armed and unarmed, on board for protection against piracy.

“High Risk Areas (HRA)”: areas of the ocean where acts of terrorism, piracy or armed robbery have taken place. An area defined as High Risk may change periodically or over time due to changes in weather, tactics and areas of operation of the perpetrators. Therefore, it is imperative that owners, operators and Masters assess areas of risk based on the latest available information from the Maritime Security Centre Horn of Africa (MSCHOA), the NATO Shipping Centre (NSC) and the International Maritime Bureau (IMB). Vessels also must be prepared to alter course at short notice to avoid pirate activity when information is provided by NAV Warnings and/or naval/military forces.

4. Applicability

- 4.1 This Circular only applies to vessels trading in High Risk Areas

5. The Republic of Palau Policy on the use of PMSC

- 5.1 The Republic of Palau recognizes that the engagement of armed guards is an option to protect human life onboard Palau Registered vessels from the threat of piracy, but only in exceptional circumstances and where it is lawful to do so. The exceptional circumstances for which this policy applies are defined below.
 - 5.1.1 when the ship is transiting the high seas throughout the High Risk Area (HRA) where piracy attacks are common and frequent,
 - 5.1.2 the latest BMP is being followed fully but, on its own, is not deemed by the shipping company and the ship's master as sufficient to protect against acts of piracy; and
 - 5.1.3 the use of armed guards is assessed to reduce the risk to the lives and well being of those onboard the ship.
 - 5.1.4 Each individual carrying fire arms onboard Palau registered vessel shall submit application and supporting documentation in order to obtain Authorization to Carry Fire Arms onboard Palau registered vessels. Individuals without such authorization will not be allowed to carry firearms on board Palau vessel.
 - 5.1.5 Individuals applying for Authorization to Carry Fire Arms onboard Palau registered vessel shall demonstrate evidence of employment contract with a Private Maritime Security Company previously pre approved by the Republic of Palau.

6. Risk Assessment

- 6.1 Before planning any voyage into the HRA, it is essential for the shipping company to have undertaken a formal risk assessment to determine the risk factors involved in the voyage and therefore make decisions regarding hiring PMSC as a true necessity.

- 6.2 Among the factors to be assessed are:
 - 6.2.1 Route of the voyage and the history of piracy attack within this route.
 - 6.2.2 Type of vessel, speed, maneuverability, freeboard, size and the cargo onboard the vessel.
 - 6.2.3 Review of BMP and complying with it as far as practicable.
- 6.3 Upon completion of the Risk Assessment the Shipping Company will have a better understanding of the risk against a piracy attack and will be able to make a decision whether the hiring of PMSC is an absolute necessity.

7. Armed Guard Risk Assessment

- 7.1 Once the decision of hiring PMSC has been made, a risk analysis regarding the placement of PMSC onboard the vessel should be conducted, the armed guard risk assessment should include:
 - 7.1.1 The life saving capabilities of the ship and the ship's safety certificate;
 - 7.1.2 Facilities for the safe storage of firearms onboard the ship;
 - 7.1.3 The potential for, and measures to mitigate, the misuse of firearms resulting in bodily injury or death;
 - 7.1.4 The potential for, and measures to mitigate, unforeseen accidents;
 - 7.1.5 Liability issues;
 - 7.1.6 Measures to ensure compliance with international and national laws.
 - 7.1.7 The required number of armed security guards required for the safety of the voyage.
- 7.2 If the risk assessment identifies armed guards as an appropriate extra layer of self protection (in addition to BMP), this must be set out in a counter-piracy plan. A current copy of this plan should be submitted to Palau International Ship Registry.

8. Contracting Private Security Companies

- 8.1 The Republic of Palau does not currently have a list of approved PMSC, however, it is required for PMSC company to apply to Palau International Ship Registry for the Certification as an Approved PMSC. PMSC is to proceed with the application of certification following Circular 12-007.
- 8.2 It is also required that Shipowners follow the MSC.1/Circ.1405 when choosing a PMSC. The Republic of Palau will need confirmation that the shipowners has followed the MSC.1/Circ.1405 when selecting a PMSC.

8.3 PMSC that render their services to Palau Flagged vessels shall follow the MSC.1/Circ.1443 and provide the shipowner with all necessary evidence to confirm such guidance has been followed.

8.4 Any PMSC that wants to be approved by the Republic of Palau should contact the Technical Department at technical@palaushipregistry.com in order to learn, procedures and requirements for obtaining such approval.

9. General Requirements when Contracting Private Security Companies

9.1 The Republic of Palau in order to help the shipping company select a Contracting Private Security Company, provides the following guidance:

9.2 General Information that should be requested to the Contracting Private Security Companies:

- 9.2.1 Company structure and place of registration;
- 9.2.2 Company ownership;
- 9.2.3 Financial position (e.g. annual accounts/bank references);
- 9.2.4 Extent of insurance cover (in particular covering third-party risks);
- 9.2.5 Senior management experience; and
- 9.2.6 Quality management indicators – e.g. ISO accreditation.

9.3 Specific Information that should be requested to the Contracting Private Security Company:

- 9.3.1 Relevant and recent maritime (as opposed to land-based) experience;
- 9.3.2 Testimonials/references from previous clients in the maritime industry;
- 9.3.3 Written procedures on management including team-leading skills, chain of authority, change in command (in the event, for example, of incapacity of the team leader);
- 9.3.4 A system in place to ensure continued suitability of their personnel for employment as armed guards
- 9.3.5 Appropriate insurance cover
- 9.3.6 An understanding of port State and coastal State laws and requirements with respect to the possession, carriage, and movement of firearms, ammunition and other security related equipment (such as body armour, night vision/thermal imaging equipment etc);
- 9.3.7 An understanding of post incident procedures as provided by Palau International Ship Registry in Marine Notice 12-025.

- 9.3.8 Companies should be pre approved by Palau International Ship Registry in order to be able to provided security personnel onboard Palau registered vessels. Procedures for obtaining Pre approval can be requested to Palau International Ship Registry.

10. Individual Armed Guard

- 10.1 As set out in section 9, the shipping company should be able to satisfy itself that the Private Maritime Security Company they select has a system in place to ensure continued suitability of their personnel for employment as armed guards. In particular, the shipping company should be satisfied that the Private Security Company armed guards undergo:
 - 10.1.1 police background checks;
 - 10.1.2 relevant and up-to-date training
 - 10.1.3 additional medical and mental fitness checks to prove their suitability to work as armed guards (including confirmation that they have not been discharged from the armed forces, the police force, or any previous Private Security Company on medical or psychological grounds);
- 10.2 To satisfy themselves of these checks, the shipping company may request evidence for each of the armed guards that are to make up the security team.
- 10.3 Before the security team embarks, the shipping company may also request personal details of each of the armed guards (for example, copies of passports etc), and information regarding any prescribed medication which any of the armed guards may take and which may inhibit their ability to undertake particular duties safely and effectively, and/or prescribed medication on which they are dependent.
- 10.4 All individuals that will be place on board as part of a contracted Private Maritime Security Maritime shall apply individually in order to obtain authorization by the Government of Palau.

11. Contractual Agreement between Shipping Company and Private Security Company

- 11.1 In addition to the usual features of a contractual agreement, the contract between the shipping company and Private Security Company should include:
 - 11.1.1 A clearly defined command and control structure which confirms the Master's authority over the operation of the ship and the safety and security of its passengers, cargoes and crew.
 - 11.1.2 An agreed process for a transparent, timely and cooperative information flow between the ships master and the security team leader on board.
 - 11.1.3 A requirement that armed security personnel become fully aware of the physical layout of the vessel that is to travel through the High Risk Area;

- 11.1.4 A requirement on the Private Security Company to the release of all firearm identification serial numbers and details of ammunition so that it can be recorded in the firearms log;
 - 11.1.5 A requirement that, for the duration of the voyage, armed guards will not drink alcohol, take drugs, or participate in any other activity which is likely to impact negatively on their ability to carry out their role safely and effectively.
- 11.2 This list is not exclusive and the contract agreement may include other clauses with the principle of understanding the position of private security personnel onboard the vessel while keeping a clear understanding of the rules, procedures and requirements onboard the vessel.
- 12. Additional Information pertaining the contracting of Private Security Companies onboard Palau flagged vessels:
 - 12.1 In addition to the measurements and guidelines provided above, the shipping company and the private security company should have a clear understanding and confirmation regarding:
 - 12.2 Insurance coverage for both the Shipping Company and Private Security Company
 - 12.3 Security team size and equipment.
 - 12.4 Storage and movement of fire arms
- 13. Additional Information
 - 13.1 For additional information of the Republic of Palau measurements, procedures, and requirements for the contracting of Private Security Personnel, the Technical Department at Palau International Ship Registry should be contacted

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